



# Shanxi Changcheng Microlight Equipment Co. Ltd. \*

山西長城微光器材股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(於中華人民共和國註冊成立之股份有限公司)

(Stock Code 股份代號：8286)

# 2018

年報 Annual Report

\*For identification purpose only 僅供識別

# CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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## BOARD OF DIRECTORS

### Executive Directors

Mr. Zhao Zhi (*Chairman*)  
(appointed as director and Chairman on 26 March 2019)

Mr. Song Zhenglai (*Vice-Chairman*)  
Mr. Jiao Baoguo (appointed on 26 March 2019)

Ms. Wang Lingling  
Mr. Guo Xu Zhi (resigned as director and Chairman on  
26 March 2019)  
Mr. Shen Jian (resigned on 26 March 2019)

### Non-executive Directors

Mr. Yuan Guo Liang  
Mr. Wu Bo

### Independent Non-executive Directors

Mr. Xu Yongfeng (appointed on 26 March 2019)  
Mr. Wang Weizhong (appointed on 26 March 2019)  
Mr. Rong Fei (appointed on 26 March 2019)  
Ms. Long Yan (resigned on 26 March 2019)  
Ms. Ning Lingying (resigned on 26 March 2019)  
Ms. Qie Hui Fang (resigned on 26 March 2019)

### Audit Committee

Mr. Xu Yongfeng (*Chairman*)  
(appointed on 26 March 2019)  
Mr. Rong Fei (appointed on 26 March 2019)

Mr. Yuan Guo Liang  
Ms. Long Yan (resigned on 26 March 2019)  
Ms. Ning Lingying (resigned on 26 March 2019)

### Remuneration Committee

Mr. Rong Fei (*Chairman*)  
(appointed on 26 March 2019)  
Mr. Xu Yongfeng (appointed on 26 March 2019)

Mr. Yuan Guo Liang  
Ms. Long Yan (resigned on 26 March 2019)  
Ms. Qie Hui Fang (resigned on 26 March 2019)

## 董事會

### 執行董事

趙智先生 (主席)  
(二零一九年三月二十六日獲委任為  
董事及主席)  
宋政來先生 (副主席)  
焦保國先生 (二零一九年三月二十六日  
獲委任)  
王玲玲女士  
高旭志先生 (二零一九年三月二十六日  
辭任董事及主席)  
申健先生 (二零一九年三月二十六日  
辭任)

### 非執行董事

袁國良先生  
吳波先生

### 獨立非執行董事

許詠風先生 (二零一九年三月二十六日獲委任)  
王衛忠先生 (二零一九年三月二十六日獲委任)  
榮飛先生 (二零一九年三月二十六日獲委任)  
龍艷女士 (二零一九年三月二十六日辭任)  
寧玲穎女士 (二零一九年三月二十六日辭任)  
郜慧芳女士 (二零一九年三月二十六日辭任)

### 審核委員會

許詠風先生 (主席)  
(二零一九年三月二十六日獲委任)  
榮飛先生 (二零一九年三月二十六日  
獲委任)  
袁國良先生  
龍艷女士 (二零一九年三月二十六日辭任)  
寧玲穎女士 (二零一九年三月二十六日  
辭任)

### 薪酬委員會

榮飛先生 (主席)  
(二零一九年三月二十六日獲委任)  
許詠風先生 (二零一九年三月二十六日  
獲委任)  
袁國良先生  
龍艷女士 (二零一九年三月二十六日辭任)  
郜慧芳女士 (二零一九年三月二十六日  
辭任)

# Corporate Information

## 公司資料

### Nomination Committee

Mr. Zhao Zhi (*Chairman*)  
(appointed on 26 March 2019)  
Mr. Xu Yongfeng (appointed on 26 March 2019)  
  
Mr. Wang Weizhong (appointed on 26 March 2019)  
  
Mr. Guo Xu Zhi (resigned on 26 March 2019)  
Ms. Long Yan (resigned on 26 March 2019)  
  
Ms. Qie Hui Fang (resigned on 26 March 2019)

### Supervisors

Ms. Han Xiao Ou (*Chairman*)  
Mr. Dong Yonghong  
Mr. Yuan Shaopu  
Mr. Song Zhenbao

### Compliance Officer

Mr. Zhao Zhi (appointed on 26 March 2019)  
  
Mr. Guo Xu Zhi (resigned on 26 March 2019)

### Authorised Representatives

Mr. Zhao Zhi (appointed on 26 March 2019)  
  
Mr. Guo Xu Zhi (resigned on 26 March 2019)  
Mr. Tsang Kwok Wai

### Company Secretary

Mr. Tsang Kwok Wai

### Auditors

Zhonghui Anda CPA Limited  
*Certified Public Accountants*  
Unit 701, Citicorp Centre  
18 Whitfield Road  
Causeway Bay, Hong Kong

### 提名委員會

趙智先生 (主席)  
(二零一九年三月二十六日獲委任)  
許詠風先生 (二零一九年三月二十六日  
獲委任)  
王衛忠先生 (二零一九年三月二十六日  
獲委任)  
高旭志先生 (二零一九年三月二十六日辭任)  
龍艷女士 (二零一九年三月二十六日  
辭任)  
卻慧芳女士 (二零一九年三月二十六日  
辭任)

### 監事

韓曉歐女士 (主席)  
董用宏先生  
袁韶浦先生  
宋振寶先生

### 合規主任

趙智先生 (二零一九年三月二十六日  
獲委任)  
高旭志先生 (二零一九年三月二十六日辭任)

### 授權代表

趙智先生 (二零一九年三月二十六日  
獲委任)  
高旭志先生 (二零一九年三月二十六日辭任)  
曾國偉先生

### 公司秘書

曾國偉先生

### 核數師

中滙安達會計師事務所有限公司  
香港執業會計師  
香港·銅鑼灣  
威非路道18號  
萬國寶通中心701室

# Corporate Information

## 公司資料

### Hong Kong Share Registrar and Transfer Office

Tircor Standard Limited  
Level 22, Hopewell Centre  
183 Queen's Road East, Hong Kong

### Head Office and Registered Office

No. 7 Dianzi Street  
Taiyuan City  
Shanxi Province, the PRC

### Principal Place of Business in Hong Kong

Room 801, 8th Floor, Winfield Commercial Building  
6-8A Prat Avenue, Tsim Sha Tsui  
Kowloon, Hong Kong

### Principal Banker

Bank of China Limited  
Industrial and Commercial Bank of China Limited  
Huaxia Bank Limited

### Stock Code

8286

### 股份過戶登記香港分處

卓佳標準有限公司  
香港·皇后大道東183號  
合和中心22樓

### 總辦事處及註冊辦事處

中國·山西省  
太原市  
電子街7號

### 香港主要營業地點

香港·九龍  
尖沙咀·寶勒巷6-8A號  
盈豐商業大廈8樓801室

### 主要來往銀行

中國銀行股份有限公司  
中國工商銀行股份有限公司  
華夏銀行股份有限公司

### 股份代號

8286



# Chairman's Statement

## 主席報告書

I am honored to be the Chairman of the board of directors (the "Board") of the Company.

During the year under review, the Group continued to be principally engaged in design, research, development, manufacture, and sale of image transmission fibre optic products. In view of the unsatisfactory performance of the Group in the past and with an aim to further improve its operational and financial performance, the Group has conducted a comprehensive and in-depth review of its production processes in respect of the production technology of the internal standards of products in the fourth quarter of 2018 and considers that it is necessary to implement production technology upgrade and measures.

The Board and the management team will strive to comprehensively improve the Group's operations, production, research & development and market development capabilities to enhance corporate value and financial performance.

On behalf of the Board, I would like to express my sincere gratitude to our staff members for their contribution and extend my appreciation to the shareholders and investors for their support.

**Zhao Zhi**  
*Chairman*

Taiyuan City, Shanxi Province, the PRC,  
29 March 2019

本人感到榮幸出任本公司董事會（「董事會」）主席。

於回顧年度，本集團繼續以從事傳像光纖產品的設計、研究、開發、生產及銷售為其主要業務。鑑於本集團過往表現欠佳及旨在進一步改善其營運及財務表現，本集團已於二零一八年第四季度對其產品內部標準生產技術的生產流程進行全面及深入的檢討，並認為有必要實施生產技術升級和措施。

董事會及管理團隊將致力全面改善本集團的營運、生產、研發及市場開發各方面能力，達至提升企業價值及財務表現。

本人謹代表董事會對我們員工的貢獻表示衷心的感謝，並感謝股東和投資者的支持。

**趙智**  
主席

中國山西省太原市，  
二零一九年三月二十九日

# Management Discussion and Analysis

## 管理層討論及分析

### Business of the Group

Since the listing of the Company on the GEM of the Stock Exchange in 2004, the Company and its subsidiaries (collectively referred as the “**Group**”) has been engaged in design, research, development, manufacture, and sale of image transmission fibre optic products as its principal business. Image transmission fibre optics products manufactured by the Group are image transmission devices containing a rigidly bundle of optical fibres arranged in an ordered fashion so that images can be transmitted from one end of the optical fibre bundle and displayed on the other end of the bundle. A typical image transmission fibre optic product of the Group would consist of over 10 million optical fibres.

At present, the Group produces five main products, including fibre optic inverters, fibre optic straight plates, fibre optic face plates, fibre optic tapers and microchannel plates. Although fiber-optic imaging devices (fibre optic inverters, fibre optic face plates, fibre optic tapers and microchannel plates) have been increasingly used in medical imaging equipment, digital photography, physics, biochemistry and other civilian applications in recent years, they are currently mainly used in military low-light night vision devices and military low-light night vision video systems. Its customers are mainly located at China, Russia and other Asian countries.

### Business Review

#### Revenue

Revenue of the Group for the year ended 31 December 2018 was approximately RMB26,386,000, representing an increase of approximately 37.9% as compared to that of the last year. Details of the total sales to external customers by product and the percentage of total revenue by product for the years ended 31 December 2018 and 2017 are set out in the notes to the consolidated financial statements. With the enhancement of product quality control and the implementation of production technology upgrade measures, the Group's revenue has gradually increased since the fourth quarter of 2018. In particular, the revenue of fiber optic inverters and fiber optic straight plates has increased significantly in 2018.

### 本集團之業務

本公司自二零零四年於聯交所GEM上市以來，本公司及其附屬公司（統稱為「**本集團**」）一直以從事傳像光纖產品的設計、研究、開發、生產及銷售為其主要業務。本集團生產的傳像光纖產品屬圖像傳輸器件，帶有以有序方式排列的剛性光纖束以便能夠將圖像從光纖束一端傳輸到光纖束的另一端，然後顯示出來。本集團的標準傳像光纖產品一般由超過一千萬條光纖組成。

目前，本集團生產五類主要產品，包括光纖倒像器、光纖直板、光纖面板、光錐及微通道板。儘管近幾年光纖傳像器件（光纖倒像器、光纖面板、光錐及微通道板）在醫療影像設備、數碼攝影、物理、生化等民用領域的應用日益擴大，但其目前主要應用於軍用微光夜視儀與軍用微光夜視視像系統，其客戶主要分佈於中國、俄羅斯及亞洲其他國家。

### 業務回顧

#### 收益

截至二零一八年十二月三十一日止年度，本集團的收益約人民幣26,386,000元，較上一財政年度增加約37.9%。截至二零一七年及二零一八年十二月三十一日止年度，向外部客戶銷售總額（按產品計）及總收益百分比（按產品計）之詳情載於綜合財務報表附註。隨著加強產品品質之控制及推行生產技術之升級措施，本集團的收益自二零一八年第四季度開始逐漸提升。特別是，光纖倒像器及光纖直板的收益於二零一八年度均獲得顯著升幅。



# Management Discussion and Analysis

## 管理層討論及分析

### **Image Transmission Fiber Optic Production Technology Upgrade**

In view of the unsatisfactory performance of the Group in the past and with an aim to further improve its operational and financial performance, the Group has conducted a comprehensive and in-depth review of its production processes in respect of the production technology of the internal standards of products in the fourth quarter of 2018 and considers that it is necessary to implement production technology upgrade and measures. At the same time, the Group has gradually implemented measures to improve products production passing rate, enhance products gross profit margin and adjust production line structure. The results will be reflected in the year of 2019.

The Group received a subsidy from the industrial transformation and upgrading fund in the amount of RMB20,000,000 (the "ITU Fund") from the government of Taiyuan City, Shanxi Province on 26 December 2018, which specifically supports the industrial transformation and upgrading and technological transformation project of the Group. The Group will utilise the ITU Fund to implement image transmission fiber optic production technology upgrade.

The Group will strive to implement measures to enhance the efficiency of production lines, including adjustment of production structure, replacement of production equipment, enhancement of products production passing rate and products internal standard production technology.

### **Financial Review**

Turnover of the Group for the year ended 31 December 2018 was approximately RMB26,386,000 (2017: RMB19,121,000), representing an increase of approximately 37.9% as compared to that of the last year.

Cost of sales of the Group for the year ended 31 December 2018 was approximately RMB18,810,000 (2017: RMB15,457,000), representing an increase of approximately 21.7% as compared to that of the last year.

The gross profit margin of the Group for the year ended 31 December 2018 was 28.7% (2017: 19.2%). The improvement in the gross profit margin was mainly attributable by the implementation of measures to improve its production process.

### **傳像光纖生產技術升級改造**

鑑於本集團過往表現欠佳及旨在進一步改善其營運及財務表現，本集團已於二零一八年第四季度對其產品內部標準的生產技術流程進行全面及深入的檢討，並認為有必要實施生產技術升級和措施。同時，本集團已逐漸推行措施以改善產品生產合格率、提升產品毛利率及調整生產線結構，成效將於二零一九年反映。

於二零一八年十二月二十六日，本集團已收取山西省太原市政府工業轉型升級資金補助金額人民幣20,000,000元整（「**工業轉型升級資金**」），專項支持本集團工業轉型升級和技術改造項目。本集團將利用工業轉型升級資金實施傳像光纖生產技術升級。

本集團將致力推行措施以提升生產線的效益，其中包括調整生產線結構，更換生產設備，提升產品生產合格率及產品內部標準的生產技術。

### **財務回顧**

截至二零一八年十二月三十一日止年度，本集團的營業額約人民幣26,386,000元（二零一七年：人民幣19,121,000元），較上一財政年度增加約37.9%。

截至二零一八年十二月三十一日止年度，本集團的銷售成本約人民幣18,810,000元（二零一七年：人民幣15,457,000元），較上一財政年度增加約21.7%。

截至二零一八年十二月三十一日止年度，本集團的毛利率為28.7%（二零一七年：19.2%）。毛利率的改善主要是由於實施改善生產流程的措施。

# Management Discussion and Analysis

## 管理層討論及分析

Administrative expenses of the Group for the year ended 31 December 2018 was approximately RMB21,172,000 (2017: RMB21,601,000), representing a decrease of approximately RMB429,000 as compared to that of the last year. There has been no significant change in the administrative expenses for the year.

Other operating expenses of the Group for the year ended 31 December 2018 was approximately RMB10,582,000 (2017: RMB6,761,000), representing an increase of approximately RMB3,821,000 as compared to that of the last year. The Group assessed the value of inventories at the end each reporting period and determined that the impairment of inventories in the amount of approximately RMB7,736,000 (2017: RMB6,215,000) was recognised in the consolidated statement of profit or loss for the year ended 31 December 2018 as other operating expense. The impairment mainly includes those (i) finished goods with aging are over one-year and they are considered slow-moving items; (ii) finished goods returned by customers due to failed quality and they are no longer to be used for reproduction and (iii) work in progress with aging are over one-year and they are produced for specific type of products with no alternative usage.

The Group reported finance costs amounting to approximately RMB5,272,000 (2017: RMB3,173,000) for the year ended 31 December 2018, representing an increase of approximately RMB2,099,000 as compared to that of the last year. Details of the finance costs are set out in the notes to the consolidated financial statements. The increase in finance costs was mainly attributable by the increase in other borrowings.

The loss after tax for the year ended 31 December 2018 of the Group was approximately RMB29,241,000 (2017: RMB28,576,000).

### Going Concern

The Group incurred a loss attributable to owners of the Company of approximately RMB29,237,000 for the year ended 31 December 2018 and as at 31 December 2018 the Group had net current liabilities and net liabilities of approximately RMB110,133,000 and RMB38,893,000 respectively. In addition, the Group had outstanding bank and other borrowings amounting to approximately RMB58,515,000 which would be due for repayment within the next twelve months and amounts due to shareholders amounting to approximately RMB19,517,000 which are repayable on demand. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

截至二零一八年十二月三十一日止年度，本集團之行政開支約人民幣21,172,000元（二零一七年：人民幣21,601,000元），較上一財政年度減少約人民幣429,000元。本年度的行政開支並無大幅度變化。

截至二零一八年十二月三十一日止年度，本集團之其他經營開支約人民幣10,582,000元（二零一七年：人民幣6,761,000元），較上一財政年度增加約人民幣3,821,000元。本集團於每個報告期末評估存貨價值並釐定存貨減值約人民幣7,736,000元（二零一七年：人民幣6,215,000元）於截至二零一八年十二月三十一日止年度的綜合損益表確認為其他經營開支。減值主要包括那些(i)製成品賬齡超過一年，並且認為是緩慢移動的產品；(ii)因品質不合格而被客戶退回的製成品及其不再用於再生產及(iii)在製品賬齡超過一年，並且其是針對特定類型的產品而生產及沒有其他用途。

截至二零一八年十二月三十一日止年度，本集團的財務費用約人民幣5,272,000元（二零一七年：人民幣3,173,000元），較上一財政期間增加約人民幣2,099,000元。財務費之詳情載於綜合財務報表附註。財務費用增加主要是由於其他借款增加所致。

截至二零一八年十二月三十一日止年度，本集團之除稅後虧損約人民幣29,241,000元（二零一七年：人民幣28,576,000元）。

### 持續經營

截至二零一八年十二月三十一日止年度錄得本公司擁有人應佔虧損淨額約人民幣29,237,000元及於當日本集團的流動負債及負債淨額分別約人民幣110,133,000元及人民幣38,893,000元。此外，本集團擁有未償還銀行及其他借貸約人民幣58,515,000元（將須於未來十二個月內償還）及應付股東款項約人民幣19,517,000元（須按要求償還）。此等情況表明存在重大不確定性，或會令人對本集團能否按持續基準繼續經營業務產生重大質疑，因此，本集團可能無法在日常業務過程中變現其資產及償還其負債。

# Management Discussion and Analysis

## 管理層討論及分析

The auditors of the Company issued modified opinion with respect to the material uncertainty relating to the going concern basis in the independent auditors' report relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2018. To address the issue of going concern, the directors of the Company have taken/will take the following steps:

Measures to improve the financial position as below:

- Propose and implement share offering plan;
- Negotiate and implement debts restructuring plan with shareholders, borrowers and financial institutions;
- Negotiate and implement loan interest reduction plan with shareholders and borrowers;
- Seek financial support from shareholders and borrowers; and
- Strengthen the management of overdue trade receivables.

Measures to improve the business capabilities as below:

- Implement image transmission fiber optic production technology upgrade;
- Implement measures to improve products passing rate and gross profit margin;
- Adjust production line structure to achieve efficiency level; and
- Implement stringent cost control measures.

As disclosed in the announcement of the Company dated 31 January 2019, the management team has proposed a fund-raising plan, which will form part of the resumption proposal to the board of directors of the Company for their consideration.

本公司核數師就有關審核本集團截至二零一八年十二月三十一日止年度的綜合財務報表的獨立核數師報告內有關持續經營基準的重大不確定性發表修改意見。為處理持續經營的問題，本公司董事已採取／將採取以下步驟：

改善財務狀況的措施如下：

- 建議和推行增發股份方案；
- 與股東、借貸人及財務機構磋商和實施債務重組方案；
- 與股東及借貸人磋商和實施減免借貸利息方案；
- 尋求股東及借貸人的財務資助；及
- 加強逾期應收貿易賬款的管理。

改善經營能力的措施如下：

- 推行傳像光纖生產技術升級改造；
- 推行措施以改善產品生產合格率及毛利率；
- 調整生產線結構以達致效益水準；及
- 推行嚴謹的成本控制措施。

誠如本公司日期為二零一九年一月三十一日的公佈所披露，管理團隊已向本公司董事會提呈一份集資計劃建議以作考慮，而該計劃將成為復牌建議的一部分。

# Management Discussion and Analysis

## 管理層討論及分析

### Connected Transactions and Financial Assistance from Taiyuan Changcheng, Beijing Gensir, Connected Persons and Related Company

The Group obtained financial assistance from Taiyuan Changcheng Optics Electronics Industrial Co., Limited (“**Taiyuan Changcheng**”), a substantial shareholder of the Company. As at 31 December 2018, the amount due to Taiyuan Changcheng was amounting to approximately RMB18,871,000 (including aggregate interest portion approximately RMB3,171,000). The financial assistance of RMB1,300,000 provided by Taiyuan Changcheng to the Company are secured by certain plant and machinery and motor vehicles of the Company.

The Group obtained financial assistance from Beijing Gensir Venture Capital Management Limited (“**Beijing Gensir**”), a substantial shareholder of the Company. As at 31 December 2018, the amount due to Beijing Gensir was amounting to approximately RMB646,000 (including aggregate interest portion approximately RMB17,000).

The Group obtained financial assistance from two connected persons (the “**Connected Persons**”). As at 31 December 2018, the amount due to Connected Persons was amounting to approximately RMB759,000 (including aggregate interest portion approximately RMB41,000).

The Group obtained financial assistance from a related company (the “**Related Company**”). As at 31 December 2018, the amount due to a related company was amounting to approximately RMB29,887,000 (including aggregate interest portion approximately RMB1,019,000).

For the year ended 31 December 2018, total interest charged by Taiyuan Changcheng, Beijing Gensir, Connected Persons and Related Company was approximately RMB544,000, RMB14,000, RMB32,000 and RMB1,019,000 respectively. The directors of the Company consider that the interest charged by Taiyuan Changcheng, Beijing Gensir, Connected Persons and Related Company are based on normal commercial terms or better. The financial assistances and interest expenses are exempted from connected transaction requirements.

### 關連交易及自太原長城、北京中澤、關連人士及關連公司的財務資助

本集團自太原長城光電子有限責任公司（「**太原長城**」）（本公司的一名主要股東）獲得財務資助。於二零一八年十二月三十一日，應付太原長城款項約人民幣18,871,000元（包含累計利息約人民幣3,171,000元）。太原長城向本公司提供的財務資助人民幣1,300,000元由本公司若干廠房及機器及汽車作抵押。

本集團自北京中澤創業投資管理有限公司（「**北京中澤**」）（本公司的一名主要股東）獲得財務資助。於二零一八年十二月三十一日，應付北京中澤款項約人民幣646,000元（包含累計利息約人民幣17,000元）。

本集團自二名關連人士（「**關連人士**」）獲得財務資助。於二零一八年十二月三十一日，應付關連人士款項約人民幣759,000元（包含累計利息約人民幣41,000元）。

本集團自一家關連公司（「**關連公司**」）獲得財務資助。於二零一八年十二月三十一日，應付關連公司款項約人民幣29,887,000元（包含累計利息約人民幣1,019,000元）。

截至二零一八年十二月三十一日止年度，太原長城、北京中澤、關連人士及關連公司徵收的利息總額分別約人民幣544,000元、人民幣14,000元、人民幣32,000元及人民幣1,019,000元。本公司董事認為，太原長城、北京中澤、關連人士及關連公司徵收的利息符合一般商業條款或屬更好。財務資助及利息開支豁免遵守關連交易規定。

# Management Discussion and Analysis

## 管理層討論及分析

### Bank and Other Borrowings

As at 31 December 2018, the Group had an outstanding bank borrowing amounting to approximately RMB13,245,000 (2017: RMB13,479,000) which was expired in November 2016 and was not repaid. The bank borrowing is now repayable on demand. The bank borrowing is secured by the land located at No. 7, Dianzi Street, Taiyuan City, Shanxi Province, the PRC and certain plant and machinery of the Company. As at 31 December 2018, the Group had outstanding other borrowings amounting to approximately RMB45,270,000 (2017: RMB19,981,000). As at 31 December 2018, Beijing Gensir is the guarantor of the other borrowings in the amount of RMB6,000,000 (2017: RMB3,000,000).

### Financial Assistance to Related Parties

During the year, the amount due from a shareholder – Taiyuan Tanghai Automatic Control Company Limited was approximately RMB593,000 (2017: RMB593,000). As at 31 December 2018 and 2017, the amount of approximately RMB593,000 was fully impaired. As at 31 December 2018, the carrying amount of amount due from a shareholder was RMB Nil (2017: RMB Nil).

During the year, the amount due from a former related company – Shanxi Jindi Yucheng Medical Equipments Company Limited (formerly known as Taiyuan Huamei Medical Equipments Company Limited) was approximately RMB47,000 (2017: RMB47,000). As at 31 December 2018 and 2017, the amount of approximately RMB47,000 was fully impaired. As at 31 December 2018, the carrying amount of amount due from a former related company was RMB Nil (2017: RMB Nil).

### 銀行及其他借貸

於二零一八年十二月三十一日，本集團擁有尚未償還銀行借貸約人民幣13,245,000元（二零一七年：人民幣13,479,000元），其已於二零一六年十一月到期而並未償還。銀行借貸現時為須於要求時償還。銀行借貸以本公司位於中國山西省太原市電子街七號的土地及若干廠房及機器作抵押品。於二零一八年十二月三十一日，本集團擁有尚未償還其他借貸約人民幣45,270,000元（二零一七年：人民幣19,981,000元）。於二零一八年十二月三十一日，北京中澤為其他借貸人民幣6,000,000元（二零一七年：人民幣3,000,000元）的擔保人。

### 向關連人士提供的財務資助

本年度，應收一位股東太原唐海自動控制有限公司款項約人民幣593,000元（二零一七年：人民幣593,000元）。於二零一八年及二零一七年十二月三十一日，金額約人民幣593,000元已全數作出減值。於二零一八年十二月三十一日應收一位股東款項之賬面值為人民幣零元（二零一七年：人民幣零元）。

本年度，應收一家前關連公司山西錦地裕成醫療設備有限公司（前稱為太原華美醫療設備有限公司）款項約人民幣47,000元（二零一七年：人民幣47,000元）。於二零一八年及二零一七年十二月三十一日，金額約人民幣47,000元已全數作出減值。於二零一八年十二月三十一日應收一家前關連公司款項之賬面值為人民幣零元（二零一七年：人民幣零元）。



# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity and Financial Resources

As at 31 December 2018, the total assets of the Group increased by approximately RMB33,249,000 to approximately RMB148,317,000 as compared to approximately RMB115,068,000 as at the end of the previous financial year, representing an increase of approximately 29%.

As at 31 December 2018, the total liabilities of the Group increased by approximately RMB62,490,000 to approximately RMB187,210,000 as compared to approximately RMB124,720,000 as at the end of the previous financial year, representing an increase of approximately 50%.

As at 31 December 2018, the total equity of the Group decreased by approximately RMB29,241,000 to approximately RMB38,893,000 in negative as compared to approximately RMB9,652,000 in negative as at the end of the previous financial year.

### Gearing Ratio

As at 31 December 2018, the gearing ratio (defined as net debt divided by total share capital plus net debt) of the Group was approximately 143% (2017: 110%).

### Significant Investment Held

As at 31 December 2018, the Group held interests in associates with the carrying value of RMBNil (2017: RMB167,000).

### Acquisition and Disposal of Subsidiaries

The Group had no acquisition and disposal of subsidiaries during the year ended 31 December 2018.

### Pledge of Assets

As at 31 December 2018, the Group's land use right and plant and machinery with carrying value of approximately RMB10,534,000 and RMB284,000 respectively (2017: RMB10,827,000 and RMB537,000) were pledged to a bank as securities for the borrowing facilities of the Group.

As at 31 December 2018, the Group's plant and machinery and motor vehicles with carrying value of approximately RMB1,003,000 and RMBNil respectively (2017: RMB1,417,000 and RMBNil) were pledged to Taiyuan Changcheng as securities for the borrowing facilities of the Group.

### 流動資金及財務資源

於二零一八年十二月三十一日，本集團的資產總值增加約人民幣33,249,000元至約人民幣148,317,000元，較上一財政年度年結日約人民幣115,068,000元增加約29%。

於二零一八年十二月三十一日，本集團的負債總額增加約人民幣62,490,000元至約人民幣187,210,000元，較上一財政年度年結日約人民幣124,720,000元增加約50%。

於二零一八年十二月三十一日，本集團的權益總額減少約人民幣29,241,000元至負資產約人民幣38,893,000元，而上一財政年度年結日的負資產約人民幣9,652,000元。

### 資本負債比率

於二零一八年十二月三十一日，本集團的資本負債比率（以債務淨額除以股本總額加債務淨額釐訂）約為143%（二零一七年：110%）。

### 所持重大投資

於二零一八年十二月三十一日，本集團於聯營公司所持權益的賬面值為人民幣零元（二零一七年：人民幣167,000元）。

### 收購及出售附屬公司

截至二零一八年十二月三十一日止年度內，本集團並無收購及出售附屬公司。

### 資產抵押

於二零一八年十二月三十一日，本集團賬面值分別約人民幣10,534,000元及人民幣284,000元（二零一七年：人民幣10,827,000元及人民幣537,000元）的土地使用權及廠房及機器已質押給一家銀行作為本集團向其取得借貸融資的抵押品。

於二零一八年十二月三十一日，本集團賬面值分別約人民幣1,003,000元及人民幣零元（二零一七年：人民幣1,417,000元及人民幣零元）的廠房及機器及汽車已質押給太原長城作為本集團向其取得借貸融資的抵押品。



# Management Discussion and Analysis

## 管理層討論及分析

### Contingent Liabilities

As at 31 December 2018, the Group had no contingent liabilities.

### Exposure of Fluctuation in Exchange Rates

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets, and liabilities are principally denominated in the functional currency of the Group.

### Employee Information

As at 31 December 2018, the Group had approximately 510 (2017: 542) full-time employees. For the year ended 31 December 2018, the Group reported staff costs of approximately RMB21,160,000 (2017: RMB21,401,000). The Group remunerates its employees based on their experience, performance and value, which they contribute to the Group.

### 或然負債

於二零一八年十二月三十一日，本集團並無或然負債。

### 匯率波動風險

本集團面臨的外匯風險極微，因本集團之業務交易、資產及負債主要以本集團之功能貨幣列值。

### 僱員資料

於二零一八年十二月三十一日，本集團擁有約510名（二零一七年：542名）全職僱員。截至二零一八年十二月三十一日止年度，本集團錄得員工成本約人民幣21,160,000元（二零一七年：人民幣21,401,000元）。本集團按照僱員經驗、表現及對本集團貢獻的價值向其僱員支付薪酬。

# Biographical Details of Directors, Supervisors and Senior Management

## 董事、監事及高級管理人員之履歷

### Executive Directors

**Mr. Zhao Zhi (“Mr. Zhao”)**, aged 57, graduated from the Macau University of Science and Technology and holds a master’s degree in business administration. Mr. Zhao was appointed as the chairman of the board of directors, an executive director, the chairman and a member of the nomination committee, the compliance officer and authorized representative of the Company on 26 March 2019. Prior to joining the Company, Mr. Zhao was the director, general manager, deputy general manager and party committee member of Taiyuan Dongshan Coal Mine Co., Limited and the party secretary, chairman and director of Taiyuan Dongshan Coal and Electricity Group Co., Limited\*. Mr. Zhao is currently the party secretary and chairman of Taiyuan Changcheng Optics Electronics Industrial Co., Limited.

Mr. Zhao was awarded the Model Worker of Taiyuan City in 1999, the Model Worker of Taiyuan City in 2005, the Outstanding Entrepreneur of Taiyuan City in 2007, the Outstanding Entrepreneur and Business Entrepreneur of Shanxi Province in 2008, the Supermodel Worker and Meritorious Entrepreneur of Taiyuan City in 2010, and the Wu Yi Labor Medal of Shanxi Province in 2011. Mr. Zhao was elected as the representative of the 13th People’s Congress of Taiyuan City and the representative of the 11th Congress of Taiyuan City of the Communist Party of China.

**Mr. Song Zhenglai (“Mr. ZL Song”)**, aged 42, holds a college degree in accounting from the School of Economics and Management of Changchun University. Mr. ZL Song was appointed as an executive director and the vice-chairman of the board of directors of the Company on 30 November 2017. Mr. ZL Song is currently the financial controller of the Company.

Mr. ZL Song served as the chief financial officer of Changchun Changling Engine Company Limited from March 2002 to September 2004; the financial director of Shenzhen Zhonghang Night Vision Technology Limited from May 2006 to March 2009 and the general manager of Changchun Faw Automotive Chassis Limited Company from May 2010 to January 2014.

### 執行董事

趙智先生（「趙先生」），57歲，畢業於澳門科技大學，持有工商管理碩士學位。趙先生於二零一九年三月二十六日獲委任為本公司董事會主席，執行董事，提名委員會主席及成員，合規主任及授權代表。於加盟本公司前，趙先生曾為太原東山煤礦有限責任公司董事、總經理、副總經理及黨委委員及太原東山煤電集團有限公司黨委書記、董事長、董事。趙先生現任太原長城光電子有限責任公司黨委書記及董事長。

趙先生於一九九九年榮獲太原市勞動模範，二零零五年榮獲太原市勞動模範，二零零七年榮獲太原市傑出企業家，二零零八年榮獲山西省優秀企業家、山西省新晉商企業家，二零一零年榮獲太原市特級勞模、太原市功勳企業家及二零一一年榮獲山西省五一勞動獎章。趙先生當選太原市第十三屆人大代表及中國共產黨太原市第十一次代表大會代表。

宋政來先生（「宋政來先生」），42歲，持有長春大學經濟管理學院會計專業大專學歷。宋政來先生於二零一七年十一月三十日獲委任為本公司執行董事及董事會副主席。宋政來先生現為本公司財務總監。

宋政來先生曾於二零零二年三月至二零零四年九月期間擔任長春長鈴發動機有限公司的財務處長；於二零零六年五月至二零零九年三月期間擔任深圳市中航夜視技術有限公司財務總監及於二零一零年五月至二零一四年一月期間擔任長春解放汽車底盤有限公司總經理。

# Biographical Details of Directors, Supervisors and Senior Management

## 董事、監事及高級管理人員之履歷

**Mr. Jiao Baoguo (“Mr. Jiao”)**, aged 52, graduated from the Dalian University of Technology and holds a master’s degree in engineering. Mr. Jiao was appointed as an executive director of the Company on 26 March 2019. Mr. Jiao is currently the general manager of the Company. Prior to joining the Company, Mr. Jiao was the deputy general manager of Taiyuan Dongshan Coal Mine and Electricity Group Co., Limited and the chairman and general manager of Shanxi Zhihengcheng Technology Co., Limited. Mr. Jiao is currently the party deputy secretary and executive deputy general manager of Taiyuan Changcheng Optics Electronics Industrial Co., Limited.

Mr. Jiao has won the second prize of the Shanxi Provincial Science and Technology Award and the Shanxi Provincial Science and Technology “Golden Bull Award”. Mr. Jiao has led the team to obtain four utility model patents, two software copyrights, one appearance patent and one trademark right, and independently developed a miniature ECG recorder.

**Ms. Wang Lingling (“Ms. Wang”)**, aged 52, holds a bachelor’s degree in optoelectronic from the Department of Physics of Shanxi University and a doctoral degree in material physics and chemistry from Changchun University of Science and Technology. Ms. Wang was appointed as an executive director of the Company on 30 November 2017. Ms. Wang is currently the vice general manager of technical quality and the chief engineer of the Company.

Ms. Wang served as the craftsman in the optical fiber plant of Taiyuan Changcheng Optoelectronics Microlight Equipment Factory from July 1988 to December 1995; the chief of section of Taiyuan Changcheng Optoelectronics Microlight Equipment Factory from January 1996 to December 1998; the vice senior of workshop of the Company from January 1999 to December 2007; the manager of quality department of the Company from January 2008 to May 2009 and the vice general manager of technical quality of the Company from June 2009 to the present.

### Non-Executive Directors

**Mr. Yuan Guo Liang (“Mr. GL Yuan”)**, aged 57, graduated from Changchun University of Science and Technology. Mr. GL Yuan was appointed as a non-executive director of the Company on 27 May 2011. Mr. GL Yuan was appointed as a member of the audit committee and a member of the remuneration committee of the Company on 30 November 2017. Mr. GL Yuan served as the deputy director of the Strategic Policy Committee of the Company from May 2011 to November 2017.

焦保國先生（「焦先生」），52歲，畢業於大連理工大學，持有工程碩士學位，焦先生於二零一九年三月二十六日獲委任為本公司執行董事。焦先生現為本公司總經理。於加盟本公司前，焦先生曾為太原東山煤電集團有限公司副總經理及山西智恒成科技有限公司董事長及總經理。焦先生現為太原長城光電子有限責任公司黨委副書記、常務副總經理。

焦先生曾獲山西省科學技術獎二等獎、山西省科技「金牛獎」等稱號。焦先生曾帶領團隊獲得四項實用新型專利、二項軟體著作權、一項外觀專利和一項商標權，自主研發了微型心電記錄儀。

王玲玲女士（「王女士」），52歲，持有山西大學物理系學光電子專業學士學位及長春理工大學材料物理與化學專業博士學位。王女士於二零一七年十一月三十日獲委任為本公司執行董事。王女士現任本公司的技術質量副總經理及總工程師。

王女士曾於一九八八年七月至一九九五年十二月期間擔任太原長城光電子微光器材廠光纖分廠的工藝員；於一九九六年一月至一九九八年十二月期間擔任太原長城光電子微光器材廠工段長；於一九九九年一月至二零零七年十二月期間擔任本公司車間副主任；於二零零八年一月至二零零九年五月期間擔任本公司質量部經理及於二零零九年六月至今擔任本公司技術質量副總經理。

### 非執行董事

袁國良先生（「袁國良先生」），57歲，畢業於長春理工大學。袁國良先生二零一一年五月二十七日獲委任為本公司非執行董事。袁國良先生於二零一七年十一月三十日獲委任為本公司審核委員會成員及薪酬委員會成員。袁國良先生自二零一一年五月至二零一七年十一月期間任本公司戰略決策委員會副主席。

# Biographical Details of Directors, Supervisors and Senior Management

## 董事、監事及高級管理人員之履歷

Prior to joining the Company, Mr. GL Yuan worked with Shanxi Jinxi Machines Factory from August 1985 to April 1990 and worked with Taiyuan City Economic Committee from May 1990 to July 2006.

Based on the interests filing disclosure, as at the latest practicable date, Mr. GL Yuan holds 3,645,000 H shares and his spouse holds 250,000 H shares of the Company.

**Mr. Wu Bo (“Mr. Wu”)**, aged 52, holds a bachelor’s degree in economic management from Heilongjiang Institute of Commerce. Mr. Wu was appointed as a non-executive director of the Company on 30 November 2017. From February 2008 to the present, Mr. Wu has been the executive director and general manager of Shenzhen Ronger Optics & Electronic Technology Development Company Limited; the supervisor of Kunming Ronger Optic & Electronic Technology Development Company Limited and the chairman of the board of directors of Yunnan Zhongkewei Optical Instruments Company Limited. Mr. Wu served as the general manager of Russia Zhenhui Company from April 1997 to August 2007.

### Independent Non-Executive Directors

**Mr. Xu Yongfeng (“Mr. Xu”)** was appointed as an independent non-executive director, the chairman and a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Company on 26 March 2019.

Mr. Xu, aged 46, graduated from Zhongnan University of Economics and Law with a bachelor’s degree in accounting. Mr. Xu obtained the Chinese Certified Public Accountant’s Licensing Certificate, the Chinese Certified Tax Agent’s Licensing Certificate and the Chinese Legal Licensing Certificate. Prior to joining the Company, Mr. Xu worked in the accounting department of China Construction Bank; as the finance manager in Shenzhen Xinnan Industrial Development Co., Limited; as the finance manager in Shenzhen Rihao Shopping Plaza Co., Limited and as the senior audit manager in Zhonglian Certified Public Accountants Co., Limited.

**Mr. Wang Weizhong (“Mr. Wang”)** was appointed as an independent non-executive director and a member of the nomination committee of the Company on 26 March 2019.

於加盟本公司前，袁國良先生曾於一九八五年八月至一九九零年四月期間任職於山西晉西機器廠及於一九九零年五月至二零零六年七月期間任職於太原市經濟委員會。

根據提交的權益披露，於最後可行日期，袁國良先生持有本公司3,645,000股H股及其配偶持有本公司250,000股H股。

吳波先生（「吳先生」），52歲，持有黑龍江商業學院經濟管理專業學士學位。吳先生於二零一七年十一月三十日獲委任為本公司非執行董事。自二零零八年二月至現在，吳先生為深圳市榮者光電科技發展有限公司執行董事及總經理；昆明榮者光電科技發展有限公司監事及雲南中科偉視光學儀器有限公司董事長。吳先生曾於一九九七年四月至二零零七年八月期間擔任俄羅斯真匯公司總經理。

### 獨立非執行董事

**許詠風先生（「許先生」）**於二零一九年三月二十六日獲委任為本公司獨立非執行董事、審核委員會主席及成員、薪酬委員會成員及提名委員會成員。

許先生，46歲，畢業於中南財經政法大學會計專業，本科學位。許先生取得中國註冊會計師執業資格證書、中國註冊稅務師執業資格證書及中國法律執業資格證書。於加盟本公司前，許先生曾在中國建設銀行會計部工作；深圳信南實業發展有限公司擔任財務經理；深圳日豪購物廣場有限公司擔任財務經理及中聯會計師事務所有限公司擔任審計高級經理。

**王衛忠先生（「王先生」）**於二零一九年三月二十六日獲委任為本公司獨立非執行董事及提名委員會成員。

# Biographical Details of Directors, Supervisors and Senior Management

## 董事、監事及高級管理人員之履歷

Mr. Wang, aged 36, graduated from the Vocational and Technical College of Shanxi University with a major in computer networking and a college degree. Prior to joining the Company, Mr. Wang worked in the marketing department of Taiyuan Aode Software Engineering Co., Limited; as the manager in Jinzhong Sina Information Technology Co., Limited and as the manager in Zhangzhou Hexintong Technology Co., Limited.

**Mr. Rong Fei (“Mr. Rong”)** was appointed as an independent non-executive director, a member of the audit committee and the chairman and a member of the remuneration committee of the Company on 26 March 2019.

Mr. Rong, aged 32, graduated from Shanxi University of Finance and Economics with a bachelor’s degree in international economics and trade. Prior to joining the Company, Mr. Rong worked in the administrative affairs department of Huadian Shanxi Energy Co., Limited and as the officer of the general management department of Shanxi Hetai Real Estate Development Co., Limited.

### Supervisors

**Ms. Han Xiao Ou (“Ms. Han”)**, aged 40, graduated from Shanxi Normal University with a major in Chinese language and holds a postgraduate degree of political science. Ms. Han was appointed as a supervisor of the Company since 27 May 2011. Ms. Han is currently the chairman of the labor union and the secretary of the Communist Youth League Committee of Taiyuan Changcheng Optics Electronics Industrial Co., Limited. Ms. Han has been working in the Company since graduating from Shanxi Normal University in 1999 and is currently the chairman of the supervisor committee and the senior of the executive office of the Company.

**Mr. Dong Yonghong (“Mr. Dong”)**, aged 50, graduated from Shanxi University majoring in economic management. Mr. Dong was appointed as a supervisor of the Company on 30 November 2017. Mr. Dong has been the project manager of the research and development centre of the Company since February 2006.

王先生，36歲，畢業於山西大學職業技術學院電腦網路專業，大專學歷。於加盟本公司前，王先生曾在太原奧得軟體工程有限公司營銷部工作；晉中新浪資訊科技有限公司擔任經理及忻州和信通科技有限公司擔任經理。

榮飛先生（「榮先生」）於二零一九年三月二十六日獲委任為本公司獨立非執行董事、審核委員會成員及薪酬委員會主席及成員。

榮先生，32歲，畢業於山西財經大學國際經濟與貿易專業，本科學歷。於加盟本公司前，榮先生曾在華電山西能源有限公司行政事務部工作及山西和泰房地產開發有限公司綜合管理部擔任主任。

### 監事

**韓曉歐女士（「韓女士」）**，40歲，畢業於山西師範大學漢語言專業，持有政治學研究生學歷。韓女士於二零一一年五月二十七日獲委任為本公司監事。韓女士現任太原長城光電子有限責任公司工會主席、中共青年團委書記。韓女士自一九九九年山西師範大學畢業以後一直在本公司工作，現任本公司監事會主席及行政辦主任。

**董用宏先生（「董先生」）**，50歲，畢業於山西省大學經濟管理專業。董先生於二零一七年十一月三十日獲委任為本公司監事。董先生於二零零六年二月至今擔任本公司研發中心項目經理。



# Biographical Details of Directors, Supervisors and Senior Management

## 董事、監事及高級管理人員之履歷

**Mr. Yuan Shaopu (“Mr. SP Yuan”)**, aged 32, holds a postgraduate master's degree from Shanghai University. Mr. SP Yuan was appointed as a supervisor of the Company on 30 November 2017. Mr. SP Yuan is currently an attorney of China Commercial Law Firm. Mr. SP Yuan worked with the legal compliance department of Taikang Pension Share Company Limited from November 2013 to March 2015.

**Mr. Song Zhenbao (“Mr. ZB Song”)**, aged 48, holds a master degree from Jilin University. Mr. ZB Song was appointed as a supervisor of the Company on 30 November 2017. Mr. ZB Song is currently a business management consultant of Changchun Huaqingyuan Technology Company Limited. Mr. ZB Song was the vice president of Changchun Yongxin Pharmaceutical from 2006 to 2008 and the chief consultant of UFIDA Software Company Limited, Jilin Branch from 2009 to 2011.

### Senior Management

**Mr. Fan Ji Ming (“Mr. Fan”)**, aged 57, graduated from Shanxi Provincial Electronics School. Mr. Fan currently serves as the director of infrastructure and safety of the Company. Mr. Fan served as the production manager, the commander of technical reform department, the manager of purchasing & supply and the deputy general manager of the Company. Mr. Fan has been the deputy general manager of Taiyuan Changcheng Optics Electronics Industrial Co., Limited since 1999.

**Mr. Qian Yun (“Mr. Qian”)**, aged 55, graduated from the Mechanical Department of Taiyuan Polytechnic University. Mr. Qian is a senior engineer. Mr. Qian currently serves as the director of enterprise planning of the Company. Prior to joining the Company in 2005, Mr. Qian served as a deputy general manager of the Taiyuan Sanjin Aluminum Company Limited.

袁韶浦先生（「袁韶浦先生」），32歲，持有上海大學碩士研究生學歷。袁韶浦先生於二零一七年十一月三十日獲委任為本公司監事。袁韶浦先生現為廣東華商律師事務所專職律師。袁韶浦先生曾於二零一三年十一月至二零一五年三月期間任職於泰康養老保險股份有限公司合規法律部。

宋振寶先生（「宋振寶先生」），48歲，持有吉林大學研究生學歷。宋振寶先生於二零一七年十一月三十日獲委任為本公司監事。宋振寶先生現任長春華清園科技有限公司任企業管理諮詢顧問。宋振寶先生曾於二零零六年至二零零八年期間擔任長春永新醫藥集團副總裁及二零零九年至二零一一年期間擔任用友軟件股份有限公司吉林分公司首席顧問。

### 高級管理人員

范繼民先生（「范先生」），57歲，畢業於山西省電子工業學校無線電專業。范先生現任本公司安全及基建總監。范先生曾任本公司生產部經理、技術改造部總指揮、採供部經理及副總經理。范先生自一九九九年至今擔任太原長城光電子有限責任公司副總經理。

錢云先生（「錢先生」），55歲，畢業於太原理工大學機械系。錢先生為一名高級工程師。錢先生現任本公司企業策劃總監。錢先生於二零零五年加盟本公司之前，曾在太原三晉鋁業有限公司擔任副總經理。



# Report of the Directors

## 董事會報告書

The board of directors (the “**Board**”) of the Company submit the report of the directors together with the audited consolidated financial statements of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 December 2018.

### Principal Activities

The Company continued to be principally engaged in design, research, development, manufacture, and sale of image transmission fibre optic products. The principal activities of its subsidiaries are set out in the notes to the consolidated financial statements.

### Segment Information

Details of the Group’s segmental information for the year ended 31 December 2018 are set out in the notes to the consolidated financial statements.

### Results and Appropriations

The results of the Group for the year ended 31 December 2018 are set out in the accompanying consolidated financial statements. The board of directors of the Company does not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

### Five-Year Financial Summary

A summary of the audited results and of the assets and liabilities of the Group for the past five financial years is set out in the section headed “Five-year Financial Summary” of this annual report.

### Business Review and Financial Review

Details of business review and financial review of the Group for the year ended 31 December 2018 are set out in the section headed “Management Discussion and Analysis” of this annual report.

### Reserves

Movements in the reserves of the Group and the Company during the year ended 31 December 2018 are set out in the accompanying consolidated financial statements and notes to the consolidated financial statements. As at 31 December 2018, the Company had reserves RMBNil (2017: RMBNil) available for dividend distribution to shareholders.

本公司董事會（「**董事會**」）提呈本公司及其附屬公司（統稱「**本集團**」）截至二零一八年十二月三十一日止年度之董事會報告書連同經審核綜合財務報表。

### 主要業務

本公司繼續以從事傳像光纖產品的設計、研究、開發、生產及銷售為其主要業務。本公司附屬公司之主要業務載於綜合財務報表附註。

### 分類資料

本集團於截至二零一八年十二月三十一日止年度之分類資料詳情載於綜合財務報表附註。

### 業績及分派

本集團於截至二零一八年十二月三十一日止年度之業績載於隨附之綜合財務報表內。本公司董事會不建議派付截至二零一八年十二月三十一日止年度之末期股息（二零一七年：零元）。

### 五年財務摘要

本集團過去五個財政年度的經審核業績及資產與負債之摘要載於本年報「五年財務摘要」一節。

### 業務回顧及財務回顧

本集團截至二零一八年十二月三十一日止年度之業務回顧及財務回顧詳情載於本年報「管理層討論及分析」一節。

### 儲備

本集團及本公司於截至二零一八年十二月三十一日止年度之儲備變動載於隨附之綜合財務報表及綜合財務報表附註內。於二零一八年十二月三十一日，本公司可作股息分派予股東之儲備為人民幣零元（二零一七年：零元）。

# Report of the Directors

## 董事會報告書

### Share Capital

There were no movements in the Company's issued share capital during the year ended 31 December 2018.

### Purchase, Sale and Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities during the year ended 31 December 2018.

### Pre-emptive Rights

There is no provision for pre-emptive rights under the articles of association of the Company and there is no restriction against such rights under the Companies Law (Revised) in the PRC.

### Property, Plant and Equipment

Movements in the property, plant and equipment of the Group are set out in the notes to the consolidated financial statements.

### Staff Retirement Plans

All members of staff are entitled to participate in the public welfare fund, which was set up for the purpose of ensuring that the participating employees will have sufficient means to support their living after retirement. For the year ended 31 December 2018, the Group reported employer's pension scheme contributions of approximately RMB5,852,000 (2017: RMB5,722,000).

### Major Customers and Suppliers

During the year ended 31 December 2018, the Group's largest customer and the five largest customers accounted for approximately 36% (2017: 33%) and 89% (2017: 83%) respectively, of the Group's total turnover.

During the year ended 31 December 2018, the Group's largest supplier and the five largest suppliers accounted for approximately 48% (2017: 59%) and 69% (2017: 81%) respectively, of the Group's total purchases.

To the knowledge of the directors of the Company, none of the directors or supervisors of the Company or their respective associates or any of the shareholders of the Company who owns more than 5% of the Company's issued share capital had any interest in any of the Group's five largest customers and suppliers.

### 股本

於截至二零一八年十二月三十一日止年度，本公司之已發行股本並無任何變動。

### 購買、出售或贖回股份

截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回其任何上市證券。

### 優先購買權

本公司之組織章程細則並無關於優先購買權之規定，而中國公司法（經修訂）亦無有關權利之限制。

### 物業、廠房及設備

本集團物業、廠房及設備變動載於綜合財務報表附註內。

### 員工退休計劃

全體員工均有權參與公積金，設立公積金之目的乃為確保參與僱員於退休後有足夠收入可負擔其生活所需。截至二零一八年十二月三十一日止年度，本集團錄得僱主之退休金計劃供款約人民幣5,852,000元（二零一七年：人民幣5,722,000元）。

### 主要客戶及供應商

截至二零一八年十二月三十一日止年度，本集團最大客戶及五大客戶分別佔本集團總營業額約36%（二零一七年：33%）及89%（二零一七年：83%）。

截至二零一八年十二月三十一日止年度，本集團最大供應商及五大供應商分別佔本集團總購貨約48%（二零一七年：59%）及69%（二零一七年：81%）。

據本公司董事所知悉，概無本公司董事、監事、彼等各自之聯繫人或擁有本公司已發行股本5%以上之本公司任何股東於本集團之任何五大客戶及供應商中擁有任何權益。

# Report of the Directors

## 董事會報告書

### Connected Transactions

The Group obtained financial assistance from Taiyuan Changcheng Optics Electronics Industrial Co., Limited (“**Taiyuan Changcheng**”), a substantial shareholder of the Company, during the year ended 31 December 2018. As at 31 December 2018, the amount due to Taiyuan Changcheng was amounting to approximately RMB18,871,000 (including aggregate interest portion approximately RMB3,171,000). The financial assistance of RMB1,300,000 provided by Taiyuan Changcheng to the Company are secured by certain plant and machinery and motor vehicles of the Company. As at 31 December 2018, the carrying amounts of the pledged plant and machinery and motor vehicles was approximately RMB1,003,000 and RMBNil respectively.

The Group obtained financial assistance from Beijing Gensir Venture Capital Management Limited (“**Beijing Gensir**”), a substantial shareholder of the Company. As at 31 December 2018, the amount due to Beijing Gensir was amounting to approximately RMB646,000 (including aggregate interest portion approximately RMB17,000).

The Group obtained financial assistance from two connected persons (the “**Connected Persons**”). As at 31 December 2018, the amount due to Connected Persons was amounting to approximately RMB759,000 (including aggregate interest portion approximately RMB41,000).

The Group obtained financial assistance from a related company (the “**Related Company**”) during the year ended 31 December 2018. As at 31 December 2018, the amount due to a related company was amounting to approximately RMB29,887,000 (including aggregate interest portion approximately RMB1,019,000).

For the year ended 31 December 2018, total interest charged by Taiyuan Changcheng, Beijing Gensir, Connected Persons and a Related Company was approximately RMB544,000, RMB14,000, RMB32,000 and RMB1,019,000 respectively. The directors of the Company consider that the interest charged by Taiyuan Changcheng, Beijing Gensir, Connected Persons and Related Company are based on normal commercial terms or better. The financial assistances and interest expenses are exempted from connected transaction requirements.

### 關連交易

本集團自太原長城光電子有限責任公司（「**太原長城**」）（本公司的一名主要股東）獲得財務資助。於二零一八年十二月三十一日，應付太原長城款項約人民幣18,871,000元（包含累計利息約人民幣3,171,000元）。太原長城向本公司提供的財務資助人民幣1,300,000元由本公司若干廠房及機器及汽車作抵押。於二零一八年十二月三十一日，質押之機器及設備及汽車的賬面值分別約人民幣1,003,000元及人民幣零元。

本集團自北京中澤創業投資管理有限公司（「**北京中澤**」）（本公司的一名主要股東）獲得財務資助。於二零一八年十二月三十一日，應付北京中澤款項約人民幣646,000元（包含累計利息約人民幣17,000元）。

本集團自二名關連人士（「**關連人士**」）獲得財務資助。於二零一八年十二月三十一日，應付關連人士款項約人民幣759,000元（包含累計利息約人民幣41,000元）。

本集團自一家關連公司（「**關連公司**」）獲得財務資助。於二零一八年十二月三十一日，應付關連公司款項約人民幣29,887,000元（包含累計利息約人民幣1,019,000元）。

截至二零一八年十二月三十一日止年度，太原長城、北京中澤、關連人士及關連公司徵收的利息總額分別約人民幣544,000元、人民幣14,000元、人民幣32,000元、及人民幣1,019,000元。本公司董事認為，太原長城、北京中澤、關連人士及關連公司徵收的利息符合一般商業條款或屬更好。財務資助及利息開支豁免遵守關連交易規定。

# Report of the Directors

## 董事會報告書

### Directors

The directors who held office during the year ended 31 December 2018 and up to the date of this annual report were:

#### Executive Directors

Mr. Zhao Zhi (*Chairman*)  
(appointed as director and Chairman on 26 March 2019)

Mr. Song Zhenglai (*Vice-Chairman*)  
Mr. Jiao Baoguo (appointed on 26 March 2019)

Ms. Wang Lingling  
Mr. Guo Xu Zhi  
(resigned as director and Chairman on 26 March 2019)

Mr. Shen Jian (resigned on 26 March 2019)

#### Non-executive Directors

Mr. Yuan Guo Liang  
Mr. Wu Bo

#### Independent Non-executive Directors

Mr. Xu Yongfeng (appointed on 26 March 2019)  
Mr. Wang Weizhong (appointed on 26 March 2019)  
Mr. Rong Fei (appointed on 26 March 2019)  
Ms. Long Yan (resigned on 26 March 2019)  
Ms. Ning Lingying (resigned on 26 March 2019)  
Ms. Qie Hui Fang (resigned on 26 March 2019)

The directors of the Company are appointed for a term of three years and are subject to re-election by shareholders at the general meeting by the end of each of three-year period.

### Supervisors

The supervisors who held office during the year ended 31 December 2018 and up to the date of this annual report were:

#### Supervisors

Ms. Han Xiao Ou (*Chairman*)  
Mr. Dong Yonghong  
Mr. Yuan Shaopu  
Mr. Song Zhenbao

### 董事

於截至二零一八年十二月三十一日止年度及截至本年報日期之在任董事如下：

#### 執行董事

趙智先生 (主席)  
(二零一九年三月二十六日獲委任為董事及主席)  
宋政來先生 (副主席)  
焦保國先生 (二零一九年三月二十六日獲委任)  
王玲玲女士  
高旭志先生  
(二零一九年三月二十六日辭任董事及主席)  
申健先生 (二零一九年三月二十六日辭任)

#### 非執行董事

袁國良先生  
吳波先生

#### 獨立非執行董事

許詠風先生 (二零一九年三月二十六日獲委任)  
王衛忠先生 (二零一九年三月二十六日獲委任)  
榮飛先生 (二零一九年三月二十六日獲委任)  
龍艷女士 (二零一九年三月二十六日辭任)  
寧玲穎女士 (二零一九年三月二十六日辭任)  
卻慧芳女士 (二零一九年三月二十六日辭任)

本公司董事獲委任之任期為三年，並須於每三年期間結束後於股東大會上經股東重選委任。

### 監事

截至二零一八年十二月三十一日止年度及截至本年報日期之在任監事如下：

#### 監事

韓曉歐女士 (主席)  
董用宏先生  
袁韶浦先生  
宋振寶先生

# Report of the Directors

## 董事會報告書

The supervisors of the Company are appointed for a term of three years and are subject to re-election by shareholders at the general meeting or the employee meeting of the Company by the end of each of three-year period.

### Biographical Details of Directors, Supervisors and Senior Management

Brief biographical details of directors, supervisors and senior management are set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" of this annual report.

### Emoluments of The Directors and Supervisors and The Five Highest Paid Individuals

Details of the directors' and supervisors' emoluments and the five highest paid individuals in the Group are set out in the notes to the consolidated financial statements.

### Directors' and Supervisors' Service Agreements

Save as disclosed, none of the directors and supervisors of the Company has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### Directors' and Supervisors' Interests or Short Positions in the Shares, Underlying Shares and Debenture of the Company

As at 31 December 2018, the directors or supervisors of the Company who had interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

本公司監事獲委任之任期為三年，並須於每三年期間結束後於股東大會上經股東或本公司職工大會重選委任。

### 董事、監事及高級管理人員之履歷詳情

董事、監事及高級管理人員之簡要履歷詳情載於本年報「董事、監事及高級管理人員之履歷詳情」一節。

### 董事及監事之酬金及五名最高薪人士

董事及監事之酬金及本集團五名最高薪人士之詳情載於綜合財務報表附註內。

### 董事及監事服務協議

除所披露者外，本公司董事及監事概無與本公司訂立本公司不得於一年內免付賠償（法定賠償除外）而終止之服務合約。

### 董事及監事於本公司股份、相關股份及債券之權益或淡倉

於二零一八年十二月三十一日，於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第352條須列入該條例所述登記冊之權益或淡倉或根據GEM上市規則第5.46條所述上市發行人董事進行交易所規定準則須知會本公司及聯交所之權益或淡倉之本公司董事或監事如下：

# Report of the Directors

## 董事會報告書

### Long positions in the shares and underlying shares of the Company

於本公司股份及相關股份之好倉

Name	Nature and capacity in the shareholding of the Company	Number and type of domestic shares/H shares	Approximate percentage of holding of the domestic shares of the Company*	Approximate percentage of holding of the H shares of the Company*	Approximate percentage of holding of the total share capital of the Company*
姓名	持有本公司股權之性質及身份	內資股/H股數目及種類	持有本公司內資股之概約百分比*	持有本公司H股之概約百分比*	持有本公司股本總數之概約百分比*
Yuan Guo Liang 袁國良	Personal Interest and Family Interest 個人權益及家族權益	3,895,000 H shares H股 (Note 1) (附註1)	-	3.54%	1.26%

\* Shareholding percentages have been rounded to the nearest two decimal places.

\* 持股百分比已調整至最接近之兩個小數位。

Note:

附註：

1. According to the interests filing disclosure, 3,645,000 H shares are registered in the name of Yuan Guo Liang and 250,000 H shares are registered in the name of his spouse.

1. 根據權益申報所披露，3,645,000股H股以袁國良名義登記及250,000股H股以其配偶名義登記。

Save as disclosed above, as at 31 December 2018, none of the directors or supervisors of the Company nor their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 of the GEM Listing Rules.

除上文披露外，於二零一八年十二月三十一日，本公司董事或監事或彼等各自之聯繫人概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有根據證券及期貨條例第352條須列入該條例所述登記冊之任何權益或淡倉，或根據GEM上市規則第5.46條所述上市發行人董事之交易必守標準須知會本公司及聯交所之任何權益或淡倉。



# Report of the Directors

## 董事會報告書

### Substantial Shareholders

As at 31 December 2018, so far as the directors of the Company are aware, persons other than the directors or supervisors of the Company who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, were as follows:

### 主要股東

於二零一八年十二月三十一日，據本公司董事所知，按照根據證券及期貨條例第336條所存置之登記冊所示，除本公司董事或監事外，於本公司股份或相關股份中擁有權益或淡倉的人士如下：

Name	Nature and capacity in the shareholding of the Company	Number and type of domestic shares/H shares	Approximate percentage of holding of the domestic shares of the Company* 持有本公司內資股之概約百分比*	Approximate percentage of holding of the H shares of the Company* 持有本公司H股之概約百分比*	Approximate percentage of holding of the total share capital of the Company* 持有本公司股本總數之概約百分比*
姓名	持有本公司股權之性質及身份	內資股/H股數目及種類			
<b>Domestic Shares:</b>					
<b>內資股：</b>					
Zhang Shao Hui 張少輝	Interest in a controlled corporation 受控制公司之權益	82,200,000 domestic shares 內資股 (Notes 1) (附註1)	41.34%	-	26.61%
Beijing Gensir Venture Capital Management Limited 北京中澤創業投資管理有限公司	Registered and beneficial owner of the domestic shares and interest in a controlled corporation 內資股之登記及實益擁有人及受控制公司之權益	82,200,000 domestic shares 內資股 (Notes 2) (附註2)	41.34%	-	26.61%
Taiyuan Changcheng Optics Electronics Industrial Co., Limited 太原長城光電子有限責任公司	Registered and beneficial owner of the domestic shares 內資股之登記及實益擁有人	80,160,000 domestic shares 內資股	40.31%	-	25.95%
Liaoning Shuguang Industrial Group Company Limited 遼寧曙光實業集團有限責任公司	Registered and beneficial owner of the domestic shares 內資股之登記及實益擁有人	34,000,000 domestic shares 內資股	17.10%	-	11.01%

# Report of the Directors

## 董事會報告書

Name	Nature and capacity in the shareholding of the Company	Number and type of domestic shares/H shares	Approximate percentage of holding of the domestic shares of the Company* 持有本公司內資股之概約百分比*	Approximate percentage of holding of the H shares of the Company* 持有本公司H股之概約百分比*	Approximate percentage of holding of the total share capital of the Company* 持有本公司股本總數之概約百分比*
姓名	持有本公司股權之性質及身份	內資股/H股數目及種類			
Li Jin Dian 李進巔	Interest in a controlled corporation 受控制公司之權益	34,000,000 domestic shares 內資股 (Notes 3) (附註3)	17.10%	-	11.01%
Liu Gui Ying 劉桂英	Family interest 家族權益	34,000,000 domestic shares 內資股 (Notes 3) (附註3)	17.10%	-	11.01%
Taiyuan Tanghai Automatic Control Company Limited 太原唐海自動控制有限公司	Registered and beneficial owner of the domestic shares 內資股之登記及實益擁有人	24,900,000 domestic shares 內資股	12.52%	-	8.06%
Liu Jiang 劉江	Interest in a controlled Corporation 受控制公司之權益	24,900,000 domestic shares 內資股 (Notes 4) (附註4)	12.52%	-	8.06%
Qiu Gui Qin 邱桂青	Family interest 家族權益	24,900,000 domestic shares 內資股 (Notes 4) (附註4)	12.52%	-	8.06%
<b>H Shares:</b>					
<b>H股:</b>					
Kwong Tat Finance Limited	Registered and beneficial owner of H shares H股之登記及實益擁有人	33,975,000 H shares H股 (Notes 5) (附註5)	-	30.89%	11.00%
Cai Zheng 蔡正	Interest in a controlled corporation 受控制公司之權益	33,975,000 H shares H股 (Notes 5) (附註5)	-	30.89%	11.00%

\* Shareholding percentages have been rounded to the nearest two decimal places.

\* 持股百分比已調整至最接近之兩個小數位。

# Report of the Directors

## 董事會報告書

### Notes:

1. According to the interests filing disclosure, part of these domestic shares (57,300,000 domestic shares) is registered in the name of Beijing Gensir Venture Capital Management Limited (“**Beijing Gensir**”), a company whose issued shares were reportedly registered as to 100% in the name of Zhang Shao Hui. As Zhang Shao Hui is entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Beijing Gensir, for the purpose of the SFO, Zhang Shao Hui is deemed to be interested in the entire 57,300,000 domestic shares held by Beijing Gensir.

According to the interests filing disclosure, the rest of these domestic shares (24,900,000 domestic shares) are registered in the name of Taiyuan Tanghai Automatic Control Company Limited (“**Taiyuan Tanghai**”), a company whose issued shares were reportedly registered as to approximately 36.37% in the name of Beijing Gensir. As Beijing Gensir is entitled to exercise or control the exercise of one-third or more of the voting power at the general meeting of Taiyuan Tanghai, for the purpose of the SFO, Zhang Shao Hui is deemed to be interested in the entire 24,900,000 domestic shares held by Taiyuan Tanghai.

2. According to the interests filing disclosure, part of these domestic shares (57,300,000 domestic shares) is registered in the name of Beijing Gensir, a company whose issued shares were reportedly registered as to 100% in the name of Zhang Shao Hui. The rest of these domestic shares (24,900,000 domestic shares) are registered in the name of Taiyuan Tanghai, a company whose issued shares were reportedly registered as to approximately 36.37% in the name of Beijing Gensir. As Beijing Gensir is entitled to exercise or control the exercise of one-third or more of the voting power at the general meeting of Taiyuan Tanghai, for the purpose of the SFO, Beijing Gensir is deemed to be interested in the entire 57,300,000 domestic shares held by Beijing Gensir and 24,900,000 domestic shares held by Taiyuan Tanghai.
3. According to the interests filing disclosure, these 34,000,000 domestic shares are registered in the name of Liaoning Shuguang Industrial Group Company Limited (“**Liaoning Shuguang**”), a company whose issued shares were reportedly registered as to approximately 48.11% in the name of Li Jin Dian. As Li Jin Dian is entitled to exercise or control the exercise of one-third or more of the voting power at the general meeting of Liaoning Shuguang, for the purpose of the SFO, Li Jin Dian is deemed to be interested in the entire 34,000,000 domestic shares held by Liaoning Shuguang. Liu Gui Ying, as the spouse of Li Jin Dian, is taken to be interested in the shares held by Li Jin Dian by virtue of Part XV of the SFO.

### 附註：

1. 根據權益申報所披露，部分此等內資股(57,300,000股內資股)以北京中澤創業投資管理有限公司(「**北京中澤**」)名義登記，其已發行之股份的100%權益申報為張少輝所擁有。由於張少輝在北京中澤股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，張少輝被視為於北京中澤持有之全部57,300,000股內資股中擁有權益。

根據權益申報所披露，餘下此等內資股(24,900,000股內資股)以太原唐海自動控制有限公司(「**太原唐海**」)名義登記，其已發行之股份約36.37%的權益申報為北京中澤所擁有。由於北京中澤在太原唐海股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，張少輝被視為於太原唐海持有之全部24,900,000股內資股中擁有權益。

2. 根據權益申報所披露，部分此等內資股(57,300,000股內資股)以北京中澤名義登記，其已發行之股份的100%權益申報為張少輝所擁有。餘下此等內資股(24,900,000股內資股)則以太原唐海名義登記，其已發行之股份約36.37%的權益申報為北京中澤所擁有。由於北京中澤在太原唐海股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，北京中澤被視為於北京中澤持有之全部57,300,000股內資股及太原唐海持有之全部24,900,000股內資股中擁有權益。
3. 根據權益申報所披露，此等34,000,000股內資股以遼寧曙光實業集團有限責任公司(「**遼寧曙光**」)之名義登記，其已發行之股份約48.11%的權益申報為李進巔所擁有。由於李進巔在遼寧曙光股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，李進巔被視為於遼寧曙光持有之全部34,000,000股內資股中擁有權益。根據證券及期貨條例第XV部，李進巔之配偶劉桂英被視為於李進巔所持股份中擁有權益。

# Report of the Directors

## 董事會報告書

4. According to the interests filing disclosure, these 24,900,000 domestic shares are registered in the name of Taiyuan Tanghai, a company whose issued shares were reportedly registered as to approximately 47.29% in the name of Liu Jiang. As Liu Jiang is entitled to exercise or control the exercise of one-third or more of the voting power at the general meeting of Taiyuan Tanghai, for the propose of the SFO, Liu Jiang is deemed to be interested in the entire 24,900,000 domestic shares held by Taiyuan Tanghai. Qiu Gui Qin, as the spouse of Liu Jiang, is taken to be interested in the shares held by Liu Jiang by virtue of Part XV of the SFO.
5. According to the interests filing disclosure, these 33,975,000 H shares are registered in the name of Kwong Tat Finance Limited (“**Kwong Tat**”), a company whose issued shares were reportedly registered as to 100% in the name of Cai Zheng. For the purpose of the SFO, Cai Zheng is deemed to be interested in the 33,975,000 H shares held by Kwong Tat.

Save as disclosed above, the directors of the Company are not aware of other person who, as at 31 December 2018, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

### Share Option Scheme

The Group do not have share option scheme.

### Directors’ and Supervisors’ Rights to Acquire H Shares

During the year ended 31 December 2018, none of the directors or supervisors of the Company was granted options to subscribe for H shares of the Company. As at 31 December 2018, none of the directors or supervisors of the Company nor their spouses or children under the age of 18 had any right to acquire H shares of the Company or had exercised any such right during the year.

### Contracts of Significance

Save as disclosed, no contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party, and in which a director or a supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the year ended 31 December 2018 or at any time during the year ended 31 December 2018.

4. 根據權益申報所披露，此等24,900,000股內資股以太原唐海之名義登記，其已發行之股份約47.29%的權益申報為劉江所擁有。由於劉江在太原唐海股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，劉江被視為於太原唐海持有之全部24,900,000股內資股中擁有權益。根據證券及期貨條例第XV部，劉江之配偶邱桂青被視為於劉江所持股份中擁有權益。
5. 根據權益申報所披露，此等33,975,000股H股以Kwong Tat Finance Limited (「**Kwong Tat**」)之名義登記，其已發行之股份的100%權益申報為蔡正所擁有。就證券及期貨條例而言，蔡正被視為於Kwong Tat持有之33,975,000股H股中擁有權益。

除上文所披露者外，於二零一八年十二月三十一日，按根據證券及期貨條例第336條須予存置之登記冊所示，本公司董事並不知悉有其他人士於本公司股份或相關股份中擁有權益或淡倉。

### 購股權計劃

本集團並無任何購股權計劃。

### 董事及監事購買H股之權利

於截至二零一八年十二月三十一日止年度，本公司董事或監事概無獲授可認購本公司H股之購股權。於二零一八年十二月三十一日，本公司董事或監事及彼等之配偶或未滿十八歲之子女於年內亦概無擁有或已行使任何可購買本公司H股之權利。

### 重大合約

除所披露者外，於截至二零一八年十二月三十一日止年度或截至二零一八年十二月三十一日止年度內之任何時間，概無存在本公司或其任何附屬公司所訂立而對本集團業務而言屬重大，且本公司董事或監事於當中直接或間接擁有重大權益之合約。

# Report of the Directors

## 董事會報告書

### Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

### Competing Interests

The directors of the Company believe that none of the directors, supervisors and management shareholders of the Company nor any of their respective associates had an interest in a business which competes or may compete with the business of the Group during the year ended 31 December 2018.

### Confirmation of Independence by Independent Non-Executive Directors

The Company confirms that it has received from each of the incumbent independent non-executive directors an annual confirmation of his independence pursuant to Rules 5.09 of the GEM Listing Rules and considers, based on the confirmations received, the independent non-executive directors to be independent.

### Sufficiency of Public Float

The shares of the Company held by the public shareholders represented approximately 24.16% of the total issued share capital of the Company as at the date of this report, which is below the minimum prescribed percentage of public shareholders of 25% required by Rule 11.23(7) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange. Details of which are disclosed in the announcement of the Company dated 25 March 2019.

### 管理合約

年內，本集團並無訂立或存有任何有關管理及監管全部或任何絕大部分業務之合約。

### 競爭權益

本公司董事相信截至二零一八年十二月三十一日止年度，本公司董事、監事及管理層股東或任何彼等各自之聯繫人概無於與本集團業務構成或可能構成競爭之業務中擁有權益。

### 獨立非執行董事之獨立性確認

本公司確認已收到現任各獨立非執行董事根據GEM上市規則第5.09條發出之年度獨立性確認函，且根據所收到之確認認為獨立非執行董事均具備獨立性。

### 充足公眾持股量

截至本報告日期之公眾股東持有的本公司股份約占本公司已發行股本總額的24.16%，該數字低於聯交所GEM證券上市規則第11.23(7)條規定的25%公眾股東的最低訂明百分比。有關詳情於本公司日期為二零一九年三月二十五日的公佈中披露。

# Report of the Directors

## 董事會報告書

### Audit Committee

In compliance with Rules 5.28 and 5.33 of the GEM Listing Rules, the Company has established an audit committee. The primary duties of the audit committee are to review and to provide supervision over the financial reporting system, risk management and internal control systems of the Group. The audit committee comprises two independent non-executive directors and one non-executive director, namely Mr. Xu Yongfeng, Mr. Rong Fei and Mr. Yuan Guo Liang respectively. Mr. Xu Yongfeng has been appointed as the chairman of the audit committee. The audit committee has reviewed the annual results of the Group for the year ended 31 December 2018.

### Auditors

The consolidated financial statements for the year ended 31 December 2018 were audited by Zhonghui Anda CPA Limited (“Zhonghui”) whose term of office will expire upon the forthcoming annual general meeting. The audit committee has recommended to the board of directors of the Company that Zhonghui be re-appointed as the auditors of the Company at the forthcoming annual general meeting.

### Corporate Governance

Details of the corporate governance of the Group are set out in the section headed “Corporate Governance Report” of this annual report.

On behalf of the board of directors

### Zhao Zhi

*Chairman*

Taiyuan City, Shanxi Province, the PRC,  
29 March 2019

### 審核委員會

根據GEM上市規則第5.28及5.33條之規定，本公司已設立審核委員會。審核委員會之主要職責為審閱及監督本集團之財務匯報系統、風險管理及內部監控系統。審核委員會分別由二名獨立非執行董事許詠風先生及榮飛先生及一名非執行董事袁國良先生組成。許詠風先生已獲委任為審核委員會主席。審核委員會已審閱本集團截至二零一八年十二月三十一日止年度之年度業績。

### 核數師

截至二零一八年十二月三十一日止年度之綜合財務報表由中匯安達會計師事務所有限公司（「中匯」）審核，中匯之任期將於應屆股東週年大會舉行時屆滿。審核委員會已向本公司董事會建議於應屆股東週年大會上重選中匯為本公司核數師。

### 企業管治

本集團之企業管治詳情載於本年報「企業管治報告」一節。

代表董事會

### 趙智

*主席*

中國山西省太原市，  
二零一九年三月二十九日



# Corporate Governance Report

## 企業管治報告書

### CORPORATE GOVERNANCE PRACTICES

The Board of the Company recognizes the importance of corporate governance practice of a listed company and is committed to adopting the standards of corporate governance. It is in the interest of the stakeholders and shareholders for a listed company to operate in a transparent manner with the adoptions of various self-regulatory policies, procedures and monitoring mechanisms with a clear definition of accountability of directors and management.

The Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules. In the opinion of the Board of the Company, the Company has complied with the code provisions except for (i) no arrangement of insurance cover in respect of legal action against the directors of the Company (code provisions A1.8) due to insufficient budget provided and (ii) two non-executive directors and three independent non-executive directors of the Company did not attend the annual general meeting of the Company dated 28 December 2018 (code provisions A6.7) due to other engagements.

### Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by directors of the Company on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.68 of the GEM Listing Rules throughout the year ended 31 December 2018. Having made specific enquiry of all the relevant directors of the Company, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors of the Company.

### BOARD OF DIRECTORS

The Board of the Company has the collective responsibility for leadership and control of, and for promoting the success of the Group by directing and supervising the Group's affairs. The Board of the Company sets strategies for the Group and monitors the performance of the management.

### 企業管治常規

本公司董事會深明上市公司企業管治常規的重要性，亦一直致力採納企業管治標準。上市公司之營運具透明度，採納各種自行規管政策與程序以及監控機制，並清楚界定董事與管理層權責，乃符合權益持有人及股東之利益。

本公司已遵守載於GEM上市規則附錄15內之企業管治常規守則及企業管治報告書（「企業管治守則」）所載之守則條文。本公司董事會認為，除(i)由於所提供的預算不足，本公司並無就本公司董事面臨的法律訴訟為彼等安排投購保險（守則條文第A1.8條）及(ii)由於有其他安排，本公司二名執行董事、二名非執行董事及三名獨立非執行董事並無出席本公司日期為二零一八年十二月二十八日之股東週年大會（守則條文第A6.7條）外，本公司已遵守守則條文。

### 董事進行證券交易

本公司於截至二零一八年十二月三十一日止年度整段期間內已就本公司董事進行證券交易採納一套標準守則，其條款不比GEM上市規則第5.48至5.68條所載之交易必守標準寬鬆。經向本公司有關董事作出特定查詢後，本公司並不知悉任何未有遵守交易必守標準及董事進行證券交易之操守準則之情況。

### 董事會

本公司董事會透過指引及監察本公司事務，共同負責領導及控制本集團，並推動本集團之成功。本公司董事會制定本集團之方針及監察管理層之表現。

# Corporate Governance Report

## 企業管治報告書

### BOARD COMPOSITION

The Board of the Company currently comprises nine directors, of which four are executive directors, namely Mr. Zhao Zhi, Mr. Song Zhenglai, Mr. Jiao Baoguo and Ms. Wang Lingling; two non-executive directors, namely Mr. Yuan Guo Liang and Mr. Wu Bo; and three independent non-executive directors, namely Mr. Xu Yongfeng, Mr. Wang Weizhong and Mr. Rong Fei.

The directors of the Company are appointed for a term of three years and are subject to re-election by shareholders at the general meeting by the end of each of three-year period.

The Company has received the annual confirmation of independence from all the incumbent independent non-executive directors of the Company pursuant to Rule 5.09 of the GEM Listing Rules and considered them to be independent.

To the knowledge of the directors of the Company, the members of the Board of the Company have no financial, business, family or other material/relevant relationships among themselves and between the chairman and the chief executive officer.

### BOARD MEETING

The Board of the Company met seven times during the year ended 31 December 2018 and the attendance of the members is as follows:

Name of director	董事姓名	Number of attendance 出席次數
Mr. Zhao Zhi*	趙智先生*	0/0
Mr. Song Zhenglai	宋政來先生	7/7
Mr. Jiao Baoguo*	焦保國先生*	0/0
Ms. Wang Lingling	王玲玲女士	7/7
Mr. Yuan Guo Liang	袁國良先生	7/7
Mr. Wu Bo	吳波先生	7/7
Mr. Xu Yongfeng*	許詠風先生*	0/0
Mr. Wang Weizhong*	王衛忠先生*	0/0
Mr. Rong Fei*	榮飛先生*	0/0
Mr. Guo Xu Zhi#	高旭志先生#	7/7
Mr. Shen Jian#	申健先生#	7/7
Ms. Long Yan#	龍艷女士#	7/7
Ms. Ning Lingying#	寧玲穎女士#	7/7
Ms. Qie Hui Fang#	卻慧芳女士#	7/7

\* appointed on 26 March 2019

# resigned on 26 March 2019

### 董事會架構

本公司董事會現時由九名董事組成，其中包括四名執行董事：趙智先生、宋政來先生、焦保國先生及王玲玲女士；二名非執行董事：袁國良先生及吳波先生；及三名獨立非執行董事：許詠風先生、王衛忠先生及榮飛先生。

本公司董事獲委任之任期為三年，並須於每三年期間結束後於股東大會上經股東重選委任。

本公司已收到本公司現任全體獨立非執行董事根據GEM上市規則第5.09條發出之年度獨立性確認，並認為彼等均具備獨立性。

就本公司董事所知，本公司董事會成員之間及與主席及行政總裁之間概無財政、業務、家族或其他重大／相關關係。

### 董事會會議

本公司董事會於截至二零一八年十二月三十一日止年度曾舉行七次會議，而各成員之出席記錄如下：

Name of director	董事姓名	Number of attendance 出席次數
Mr. Zhao Zhi*	趙智先生*	0/0
Mr. Song Zhenglai	宋政來先生	7/7
Mr. Jiao Baoguo*	焦保國先生*	0/0
Ms. Wang Lingling	王玲玲女士	7/7
Mr. Yuan Guo Liang	袁國良先生	7/7
Mr. Wu Bo	吳波先生	7/7
Mr. Xu Yongfeng*	許詠風先生*	0/0
Mr. Wang Weizhong*	王衛忠先生*	0/0
Mr. Rong Fei*	榮飛先生*	0/0
Mr. Guo Xu Zhi#	高旭志先生#	7/7
Mr. Shen Jian#	申健先生#	7/7
Ms. Long Yan#	龍艷女士#	7/7
Ms. Ning Lingying#	寧玲穎女士#	7/7
Ms. Qie Hui Fang#	卻慧芳女士#	7/7

\* 二零一九年三月二十六日獲委任

# 二零一九年三月二十六日辭任

# Corporate Governance Report

## 企業管治報告書

### DIRECTOR'S CONTINUOUS TRAINING AND DEVELOPMENT

The directors of the Company should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution into the Board of the Company remains informed and relevant. The individual training record of each director of the Company during the year ended 31 December 2018 is as follows:

### 董事持續培訓及發展

本公司董事須參與持續專業發展，以增進並更新其知識及技能，從而確保彼等在知情情況下為本公司董事會作出切合需要之貢獻。本公司各董事於截至二零一八年十二月三十一日止年度接受培訓之個別記錄如下：

Name of director	董事姓名	Updating on the business, operations and corporate governance matter 有關業務、經營及企業管治事宜之最新資訊
Mr. Zhao Zhi*	趙智先生*	N/A 不適用
Mr. Song Zhenglai	宋政來先生	✓
Mr. Jiao Baoguo*	焦保國先生*	N/A 不適用
Ms. Wang Lingling	王玲玲女士	✓
Mr. Yuan Guo Liang	袁國良先生	✓
Mr. Wu Bo	吳波先生	✓
Mr. Xu Yongfeng*	許詠風先生*	N/A 不適用
Mr. Wang Weizhong*	王衛忠先生*	N/A 不適用
Mr. Rong Fei*	榮飛先生*	N/A 不適用
Mr. Guo Xu Zhi#	高旭志先生#	✓
Mr. Shen Jian#	申健先生#	✓
Ms. Long Yan#	龍艷女士#	✓
Ms. Ning Lingying#	寧玲穎女士#	✓
Ms. Qie Hui Fang#	卻慧芳女士#	✓

\* appointed on 26 March 2019

# resigned on 26 March 2019

\* 二零一九年三月二十六日獲委任

# 二零一九年三月二十六日辭任

# Corporate Governance Report

## 企業管治報告書

### BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse the Board and sees increasing diversity at the Board's level as an essential element in maintaining the Company's competitive advantage. The Company has adopted the board diversity policy (the "Policy"). The nomination committee has reviewed the Policy during the year ended 31 December 2018 and where appropriate, recommends revision to the Board of the Company for consideration and approval.

The factors listed below would be used as reference by the nomination committee in assessing the suitability of a proposed candidate: qualification and experience, character and integrity, accomplishment and reputation, relevant skills and experience to contribute to the Board, commitment in respect of available time and relevant interest, diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Following the resignation of Mr. Guo Xu Zhi as the chairman of the Board and an executive director of the Company on 26 March 2019, Mr. Zhao Zhi was elected as the chairman of the Board of the Company with effect from 26 March 2019.

During the year ended 31 December 2018, the Company did not appoint chief executive officer and his duties were shared by the executive directors of the Company. After the period, Mr. Jiao Baoguo was appointed as the general manager of the Company with effect from 25 January 2019.

The chairman of the Board of the Company provides leadership for the Board of the Company and ensures that the Board of the Company works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The chief executive officer is responsible for the management of the business of the Group, implementation of the policies and objectives set out by the Board of the Company and is accountable to the Board of the Company for the overall operation of the Group.

### 董事會多元化政策

本公司了解及認同具有多元化董事會成員的裨益，並認為董事會更多元化為維持本公司競爭優勢的重要元素。本公司已採用董事會多元化政策（該「政策」）。提名委員會於截至二零一八年十二月三十一日止年度已檢討該政策及適時向本公司董事會作出建議修訂以供考慮及批准。

提名委員會於評估擬任候選人之適當性時，將參考下列因素：資質及經驗、品格及誠信、成就及聲譽、為董事會作出貢獻之相關技能及經驗、承諾付出之時間及相關利益及各方面之多元性，包括但不限於性別、年齡（18歲或以上）、文化及教育背景、種族、專業經驗、技能、知識及年資。

### 主席及行政總裁

緊隨高旭志先生於二零一九年三月二十六日辭任本公司董事會主席及執行董事後，趙智先生獲選為本公司董事會主席，自二零一九年三月二十六日起生效。

於截至二零一八年十二月三十一日止年度，本公司並無聘任行政總裁，而其職務由本公司執行董事分擔。期後，焦保國先生獲委任為本公司總經理，自二零一九年一月二十五日起生效。

本公司董事會主席負責領導本公司董事會，亦負責確保本公司董事會有效運作及履行職責，同時及時討論所有重要及適當事宜。行政總裁負責管理本集團業務，實施本公司董事會所制定之政策及目標，並就本集團整體營運向本公司董事會負有責任。

# Corporate Governance Report

## 企業管治報告書

### BOARD COMMITTEES

The Company has set up three committees including audit committee, remuneration committee and nomination committee, each committee with its specific terms of reference as set out in the CG Code.

### AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in consistence with the CG Code. The audit committee comprises two independent non-executive directors and one non-executive director, namely Mr. Xu Yongfeng, respectively. Mr. Rong Fei and Mr. Yuan Guo Liang. Mr. Xu Yongfeng was appointed as the chairman of the audit committee.

The primary duties of the audit committee include (i) to consider the appointment of, external auditors and any questions of resignation or dismissal; (ii) to review financial information and (iii) to oversight of the financial reporting system, risk management and internal control systems. The audit committee discharged its duties by reviewing the financial matters, quarterly, interim and annual financial reports and financial statements during the year ended 31 December 2018. The audited financial statements for the year ended 31 December 2018 have been reviewed by the audit committee.

The audit committee met three times during the year ended 31 December 2018 and the attendance of the members is as follows:

Name of member	成員姓名	Number of attendance 出席次數
Mr. Xu Yongfeng*	許詠風先生*	0/0
Mr. Rong Fei*	榮飛先生*	0/0
Mr. Yuan Guo Liang	袁國良先生	3/3
Ms. Long Yan#	龍艷女士#	3/3
Ms. Ning Lingying#	寧玲穎女士#	3/3

\* appointed on 26 March 2019  
# resigned on 26 March 2019

### 董事會轄下之委員會

本公司已設立三個委員會，包括審核委員會、薪酬委員會及提名委員會，而各委員會均具備企業管治守則所規定之具體職權範圍。

### 審核委員會

本公司已設立審核委員會，其書面職權範圍符合企業管治守則。審核委員會分別由二名獨立非執行董事許詠風先生、榮飛先生及一名非執行董事袁國良先生組成。許詠風先生已獲委任為審核委員會主席。

審核委員會之主要職責包括：(i)考慮外聘核數師之委任及與辭職或辭退有關之任何問題；(ii)審閱財務資料及(iii)監管財務匯報系統、風險管理及內部監控系統。審核委員會於截至二零一八年十二月三十一日止年度已履行其職責，包括審閱財務事宜、季度、中期及年度財務報告及財務報表。審核委員會已審閱截至二零一八年十二月三十一日止年度之經審核財務報表。

審核委員會於截至二零一八年十二月三十一日止年度曾舉行三次會議，而各成員之出席記錄如下：

\* 二零一九年三月二十六日獲委任  
# 二零一九年三月二十六日辭任

# Corporate Governance Report

## 企業管治報告書

### REMUNERATION COMMITTEE

The Company has established a remuneration committee with written terms of reference in consistence with the CG Code. The remuneration committee comprises two independent non-executive directors and one non-executive director, namely Mr. Rong Fei, Mr. Xu Yongfeng and Mr. Yuan Guo Liang respectively. Mr. Rong Fei was appointed as the chairman of the remuneration committee.

The primary duties of the remuneration committee include (i) to make recommendation to the Board on the policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy and (ii) to review and approve the management's remuneration proposals. The remuneration reviewed the remuneration policy of all directors' and senior management during the year ended 31 December 2018.

The remuneration committee met one time during the year ended 31 December 2018 and the attendance of the members is as follows:

### 薪酬委員會

本公司已設立薪酬委員會，其書面職權範圍符合企業管治守則。薪酬委員會分別由二名獨立非執行董事榮飛先生及許詠風先生及一名非執行董事袁國良先生組成。榮飛先生已獲委任為薪酬委員會主席。

薪酬委員會之主要職責包括：(i)就全體董事及高級管理人員之薪酬政策及架構，以及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議及(ii)檢討及批准管理層的薪酬建議。薪酬委員會於截至二零一八年十二月三十一日止年度已檢討全體董事及高級管理人員的薪酬政策。

薪酬委員會於截至二零一八年十二月三十一日止年度曾舉行一次會議，而各成員之出席記錄如下：

Name of member	成員姓名	Number of attendance 出席次數
Mr. Rong Fei*	榮飛先生*	0/0
Mr. Xu Yongfeng*	許詠風先生*	0/0
Mr. Yuan Guo Liang	袁國良先生	1/1
Ms. Long Yan#	龍艷女士#	1/1
Ms. Qie Hui Fang#	卻慧芳女士#	1/1

\* appointed on 26 March 2019

# resigned on 26 March 2019

\* 二零一九年三月二十六日獲委任

# 二零一九年三月二十六日辭任



# Corporate Governance Report

## 企業管治報告書

Details of remuneration paid to members of senior management (including directors and supervisors) fell within the following bands:

向高級管理層人員（包括董事及監事）支付之薪酬介乎下列範圍的詳情：

		Number of Individuals 人數
RMB120,000 or below	人民幣120,000元或以下	14

### NOMINATION COMMITTEE

The Company has established a nomination committee with written terms of reference in consistence with the CG Code. The nomination committee comprises the chairman of the Board and two independent non-executive directors, namely Mr. Zhao Zhi, Mr. Xu Yongfeng and Mr. Wang Weizhong respectively. Mr. Zhao Zhi was appointed as the chairman of the nomination committee.

### 提名委員會

本公司已設立提名委員會，其書面職權範圍符合企業管治守則。提名委員會分別由董事會主席趙智先生及二名獨立非執行董事許詠風先生及王衛忠先生組成。趙智先生已獲委任為提名委員會主席。

The primary duties of the nomination committee include (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board; (ii) to identify individuals suitably qualified to become members of the Board and (iii) to make recommendations to the Board on the appointment or re-appointment of directors. The nomination reviewed the structure, size and composition of the Board of the Company and the board diversity policy during the year ended 31 December 2018.

提名委員會之主要職責包括：(i)檢討董事會的架構、人數及組成（包括技能、知識及經驗方面）；(ii)物色具備合適資格可擔任董事會成員之人士及(iii)就董事委任或重新委任向董事會提出建議。提名委員會於截至二零一八年十二月三十一日止年度已檢討本公司董事會的架構、人數及組成及董事會多元化政策。

The nomination committee met one time during the year ended 31 December 2018 and the attendance of the members is as follows:

提名委員會於截至二零一八年十二月三十一日止年度曾舉行一次會議，而各成員之出席記錄如下：

Name of member	成員姓名	Number of attendance 出席次數
Mr. Zhao Zhi*	趙智先生*	0/0
Mr. Xu Yongfeng*	許詠風先生*	0/0
Mr. Wang Weizhong*	王衛忠先生*	0/0
Mr. Guo Xu Zhi#	高旭志先生#	1/1
Ms. Long Yan#	龍艷女士#	1/1
Ms. Qie Hui Fang#	卻慧芳女士#	1/1

\* appointed on 26 March 2019

# resigned on 26 March 2019

\* 二零一九年三月二十六日獲委任

# 二零一九年三月二十六日辭任

# Corporate Governance Report

## 企業管治報告書

### ANNUAL GENERAL MEETING

The annual general meeting of the Company was held on 28 December 2018.

### ACCOUNTABILITY AND AUDIT

#### Financial reporting

The management is supposed to provide such explanation and information to the Board of the Company on monthly basis so as to enable the Board of the Company to make an informed assessment of the financial and other information put before the Board for approval.

The Board of the Company is responsible for presenting annual; interim; and quarterly reports, price-sensitive announcements and other disclosure requirements under the GEM Listing Rules and other regulatory requirements.

The audit committee reviewed the financial matters, quarterly, interim and annual financial reports and financial statements of the Group during the year ended 31 December 2018.

The respective responsibilities of the directors of the Company and the auditors for preparing financial statements of the Group for the year ended 31 December 2018 are set out in the section headed "Independent Auditors' Report" of this annual report.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board of the Company acknowledged its responsibility for the effectiveness of the Group's risk management and internal control systems. In light of the size and scale of the Group's businesses, the Board of the Company is delegated with the responsibility for overseeing the risk management and internal control systems of the Group on an ongoing basis and for reviewing its effectiveness. Therefore, the Group currently do not have an internal audit department. During the annual review of risk management and internal control systems of the Group, the Board of the Company identified that the Group has material uncertainty in going concern.

### 股東週年大會

本公司股東週年大會已於二零一八年十二月二十八日舉行。

### 問責及審核

#### 財務匯報

管理層應須每月向本公司董事會提供有關解釋及資料，以便本公司董事會就提呈董事會批准之財務及其他資料，作出知情評估。

本公司董事會負責呈列年度、中期及季度報告、股價敏感資料公佈及GEM上市規則及其他監管規定所要求之其他披露規定。

審核委員會於截至二零一八年十二月三十一日止年度已審閱本集團財務事宜、季度、中期及年度財務報告及財務報表。

本公司董事及核數師各自就編製本集團截至二零一八年十二月三十一日止年度之財務報表之責任載於本年報「獨立核數師報告」一節。

### 風險管理及內部監控

本公司董事會承認其對本集團風險管理及內部監控制度之效力之責任。鑑於本集團業務之大小及規模，本公司董事會獲授權負責持續監督本集團風險管理及內部監控制度之責任，並檢討其效力。因此，本集團現時並無內部審計部門。於對本集團風險管理及內部監控制度進行年度檢討過程中，本公司董事會確定本集團在持續經營方面存在重大不明朗因素。

# Corporate Governance Report

## 企業管治報告書

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Group incurred a loss attributable to owners of the Company of approximately RMB29,237,000 for the year ended 31 December 2018 and as at 31 December 2018 the Group had net current liabilities and net liabilities of approximately RMB110,133,000 and RMB38,893,000 respectively. In addition, the Group had outstanding bank and other borrowings amounting to approximately RMB58,515,000 which would be due for repayment within the next twelve months and amounts due to shareholders amounting to approximately RMB19,517,000 which are repayable on demand. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Provided that the relevant measures set out in the section headed "Management Discussion and Analysis" of this annual report can successfully improve the liquidity position of the Group, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

### AUDITORS' REMUNERATION

The external auditors provide services to the Group during the year ended 31 December 2018. The remuneration of the external auditors for the provision of audit service during the year under review is HK\$500,000 and the provision of non-audit services is HK\$32,000.

### AUDITORS

The consolidated financial statements for the year ended 31 December 2018 were audited by Zhonghui Anda CPA Limited ("Zhonghui") whose term of office will expire upon the forthcoming annual general meeting. The audit committee has recommended to the Board of the Company that Zhonghui be re-appointed as the auditors of the Company at the forthcoming annual general meeting.

### 有關持續經營之重大不明朗因素

截至二零一八年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損淨額約人民幣29,237,000元及於當日本集團的流動負債及負債淨額分別約人民幣110,133,000元及人民幣38,893,000元。此外，本集團擁有未償還銀行及其他借貸約人民幣58,515,000元（將須於未來十二個月內償還）及應付股東款項約人民幣19,517,000元（須按要求償還）。此等情況表明存在重大不確定性，或會令人對本集團能否繼續按持續經營基準經營業務產生重大質疑，因此，本集團可能無法在日常業務過程中變現其資產及償還其負債。

倘若載於本年報「管理層討論及分析」一節的相關措施能夠成功改善本集團的流動資金狀況，則本公司董事信納本集團將能夠於可見未來應付其到期的財務責任。因此，綜合財務報表已按持續經營基準編製。

### 核數師酬金

外聘核數師於截至二零一八年十二月三十一日止年度向本集團提供服務。外聘核數師於回顧年度就提供審核服務收取之酬金為港幣500,000元及就提供非審核服務收取港幣32,000元。

### 核數師

截至二零一八年十二月三十一日止年度之綜合財務報表由中匯安達會計師事務所有限公司（「中匯」）審核，中匯之任期將於應屆股東週年大會舉行時屆滿。審核委員會已向本公司董事會建議於應屆股東週年大會上重選中匯為本公司核數師。

### SHAREHOLDERS' RIGHTS

#### Convening an extraordinary general meeting and putting forward proposal at shareholders' meeting

Pursuant to article 53 of the articles of association of the Company, an extraordinary general meeting (“EGM”) be convened on the written requisition of shareholder holding more than 10% (including 10%) of the voting shares issued by the Company. When the Board receives the written requisition, the Board shall convene an EGM within two months.

Pursuant to article 73 of the articles of association of the Company, if shareholders request to convene an EGM or a class meeting of shareholders, the following procedures should be followed: an EGM may be convened on the written requisition of any two or more shareholders of the Company holding more than 10% of the paid up capital of the Company which carries the right of voting at general meetings of the Company (the “Requisitionists”). Such written requisition must specify the resolution(s) to be considered in the EGM and must be signed by the Requisitionists and deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such principal office, the registered office of the Company. Shareholders should follow the requirements and procedures as set out in such article for convening an EGM. If the Board of the Company does not convene the EGM within 30 days from the receipt of such requisition, the Requisitionists are entitled to convene the EGM themselves within four months after the Board the Company received their requisition at the Company's expense.

#### ENQUIRIES PUT TO THE BOARD

Shareholders may send written enquiries or requests in respect of their rights to the principal place of business of the Company in Hong Kong or by email to ccoegv@126.com, for the attention of the secretary of the Board of the Company.

#### INVESTOR RELATIONS

The Company establishes different communication channels with investors to update the latest business development and financial performance including the publication of quarterly, interim and annual reports, notices, announcements and circulars on the GEM website and the Company's website in order to maintain a high level of transparency, and to ensure there is no selective disclosure of inside information.

### 股東權利

#### 召開臨時股東大會及於股東大會上提出建議

根據本公司組織章程細則第53條，臨時股東大會（「臨時股東大會」）可由持有本公司發行在外的有表決權的股份百分之十以上（含百分之十）的股東以書面形式要求召開。當董事會收到書面要求時，董事會應當在兩個月內召開臨時股東大會。

根據本公司組織章程細則第73條，股東要求召集臨時股東大會或者類別股東會議，應當按照下列程式辦理：臨時股東大會可由本公司持有附帶權利並可於本公司股東大會上表決的本公司10%以上繳足股本的任何兩名或以上股東（「呈請人」）提出書面呈請而召開。有關書面呈請必須列明臨時股東大會上將予考慮的決議案，且必須由呈請人簽署並存置於本公司於香港的主要營業地點（倘本公司不再設置該主要辦事處，則為本公司註冊辦事處）。股東應遵守有關細則所載有關召開臨時股東大會的規定及程式。倘本公司董事會未能於收到該呈請日起計三十日內發出召開臨時股東大會的通知，則呈請人有權於本公司董事會收到彼等的呈請後四個月內自行召開臨時股東大會，費用由本公司承擔。

#### 向董事會提出查詢

股東可將有關彼等權利的書面查詢或要求寄發至本公司香港主要營業地點或透過電郵發送至ccoegv@126.com，收件人為本公司董事會秘書。

#### 投資者關係

本公司與投資者建立不同的通訊途徑，以更新最新業務發展及財務表現，包括於GEM網站及本公司網站刊發季度、中期及年度報告、通告、公佈及通函，以維持高度透明，且確保概無選擇性披露內幕消息。

# Environmental, Social and Governance Report

## 環境、社會及管治報告書

### SCOPE AND REPORTING PERIOD

This is the ESG report of Shanxi Changcheng Microlight Equipment Co. Ltd. (the “Group”), highlighting its Environmental, Social, and Governance (the “ESG”) performance, with disclosure reference made to the ESG Reporting Guide as set out in Appendix 20 of the GEM Listing Rules.

### STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant aspects for the Group to report on for this ESG report, key stakeholders including investors, shareholders and employees of the Group have been involved in regular engagement sessions to discuss and to review areas of attention which will help the business meets its potential growth and be prepared for future challenges.

### STAKEHOLDER’S FEEDBACK

The Group welcomes stakeholders’ feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at [ccoegv@126.com](mailto:ccoegv@126.com).

#### I. Environmental

To demonstrate the Group’s commitment to sustainable development and compliance with laws and regulations relating to environmental protection, the Group endeavors to minimise the environmental impact of the business activities.

The Group has established system to ensure environmental compliance. It seeks to optimise its production by adopting low energy consumption and environmental pollution techniques, implementing environmental-friendly waste disposal methods and enhancing the environmental awareness of the employees through regular trainings. The management team has the overall responsibility for environmental protection matters within the Group.

### 範圍及報告期間

此為山西長城微光器材股份有限公司（「本集團」）環境、社會及管治報告書，以強調本集團於環境、社會及管治（「環境、社會及管治」）方面之表現，乃參考GEM上市規則附錄二十所載「環境、社會及管治報告指引」所披露。

### 持分者的參與及重要性

為確定本集團於本環境、社會及管治報告中所匯報之最重要方向，主要持分者包括本集團的投資者、股東及僱員已定期參與討論及審閱有助本集團業務發揮潛在增長及裝備應付未來挑戰的注意事項。

### 持分者意見

本集團歡迎持分者就我們的環境、社會及管治方針及表現提供意見。敬請閣下透過電郵向我們提出建議或分享意見，電郵地址為[ccoegv@126.com](mailto:ccoegv@126.com)。

#### I. 環境

為表明本集團對於可持續發展以及遵守與環境保護有關的法例及法規的承諾，本集團致力於盡量降低業務活動的環境影響。

本集團已設立制度以確保環境合規。其尋求透過採取低耗能及低環境污染的技术、實施環保的廢物處置方法及以定期訓練提升僱員環保意識，以優化生產。管理層團隊對本集團內的環保事宜負整體責任。



# Environmental, Social and Governance Report

## 環境、社會及管治報告書

### **Emissions**

The manufacturing process of the Group produces certain amount of waste water, solid waste and to a lesser extent gas. In accordance with relevant environmental laws and regulations and our relevant environmental policies, the Group must ensure that national emissions standards are met. Regular assessments are conducted on the air and greenhouse gas emissions of the production facilities, as well as the generation and disposal of hazardous and non-hazardous waste. The Group does not generate significant air emissions or hazardous waste.

### **Use of Resources**

The resources used by the Group are principally attributed to electricity and water consumed at its production facilities and office. Under our relevant environmental policies, the Group proactively seeks opportunities for increasing operating efficiency to reduce the use of resources, such as energy savings on lights and air-conditioning systems. The Group also closely monitors the utilisation of resources and reports to senior management on this aspect of performance.

### **The Environment and Natural Resources**

Due to the nature of the business, in addition to the above-mentioned emissions and resource usage, the Group does not have any direct and significant impacts on the environment and natural resources in the course of its operation.

The Group has established system to ensure environmental compliance by adopting low energy consumption and environmental pollution techniques. The Group has also appointed dedicated staff to monitor the Group's compliance with relevant laws and regulations as well as review and update the internal environmental protection policies.

### **排放**

本集團的生產工序產生一定數量的廢水、固體廢料及程度較輕的廢氣。根據有關環境法例及法規以及本集團的有關環境政策，本集團須確保符合國家排放標準。生產設施的廢氣及溫室氣體排放以及有害及無害廢棄物的產生及處理會定期進行評估。本集團並無產生大量氣體排放或有害廢棄物。

### **資源使用**

本集團使用的資源主要為其生產設施及辦公室所耗用的水電。根據本集團的有關環境政策，本集團積極尋求提高經營效率的機會以降低資源使用（例如照明及空調系統的節能）。本集團亦密切監察資源的使用並就該方面表現向高級管理層報告。

### **環境及自然資源**

由於業務性質，除上述排放及資源使用外，本集團在經營過程中對環境及自然資源概無任何直接和嚴重影響。

本集團透過採取低耗能及低環境污染的技術，設立制度以確保環境合規。本集團亦已委任專責職員，監察本集團就相關法例及法規的合規，以及檢討並更新內部環保政策。



# Environmental, Social and Governance Report

## 環境、社會及管治報告書

### II. Social

The Group believes that one of the key aspects of its success is the good relationship it maintains with employees. The Group provides a friendly and harmonious working environment.

#### **Employment and Labor Practices**

##### *Employment*

The Group had a total number of approximately 510 employees as of 31 December 2018. The Group rewards and recognises performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

The Group strictly complies with relevant laws and regulations in the PRC, and the relevant administrative rules and measures are strictly enforced. These rules and regulations specify the requirements relating to employment, labor relations, employees' remuneration and welfare to protect the rights of employees.

##### *Health and Safety*

The Group has been committed to protect employees' health and safety. It maintains the occupational health and workplace safety management system and policies in conformity to the internationally applied occupational health and safety management systems requirements and in strict compliance with the relevant regulations in the PRC. During the Year, the Group did not encounter any major accidents during the operation.

##### *Development and Training*

Training is an important way to improve the overall quality and provide comprehensive development of the employees. The Group has continuously perfected and modified the employee training management system, established a multilevel training system, created various learning opportunities for the employees, in order to enhance their competence, job skills, knowledge and performance.

### II. 社會

本集團認為其成功的重要方面之一為與僱員保持良好關係。本集團亦提供友好和諧的工作環境。

#### **僱傭及勞工常規**

##### *僱傭*

於二零一八年十二月三十一日，本集團共約有510名僱員。本集團提供優厚的薪酬福利及推行全面表現評核計劃，以獎勵及表揚表現優秀的員工，並透過適當培訓及提供機會協助彼等在集團內發展事業及晉升。

本集團嚴格執行中國之相關法規條例，制訂並嚴格執行相關管理制度及辦法，對員工的聘用、勞動關係、待遇、福利等方面作出明確規定，致力保障員工的權益。

##### *健康及安全*

本集團一直致力於保障員工的健康及安全。本集團維持符合國際通用的職業健康及安全管理系統標準，並嚴格遵照中國的有關法規條例。於本年度，本集團於營運時並未發生重大的安全事故。

##### *發展及培訓*

培訓是提高員工整體素質及全面發展的重要途徑。本集團不斷完善和修訂員工培訓管理制度，建立多層次的培訓體系，為員工創造不同的學習機會，提升其能力、工作技能、知識及表現。

# Environmental, Social and Governance Report

## 環境、社會及管治報告書

In daily operations, the Group provides induction training for new employees. Experienced employees will act as mentors to guide the new comers on jobs. The Group arranges the trainings designated according to the roles and responsibilities of the employees, mainly includes human resources management, managerial skills, legal affairs, risk management, project running, financial and auditing, technical research and development, environmental protection, occupational health and safety etc. The Group also updates the latest information of the industry and laws and regulations which is essential to the Group's operation and their job responsibilities from time to time.

### *Labor Standards*

The Group provides its staff with a safe, health, comfortable working environment with labor protection, reasonable remuneration and various welfares. The Group enters employment contract with each of its employee in accordance with relevant laws and regulations in the PRC and also prohibits forced labor.

### **Operating Practices**

#### *Supply Chain Management*

To provide top quality services to customers, the Group carefully sourced its raw materials, packaging materials and equipment with standardised procurement procedure and policies. The Group's procurement policy and its comprehensive procurement management systems help screening out undesirable products in the aspects of raw materials, packaging materials and equipment selection, product formulation, product packaging, quality management system in factories, transportation, etc.

Suppliers for raw materials, packaging materials and equipment are selected based upon rational and clear criteria, such as reputation, technical skills and consistent production quality, compliance with industrial standards, so as to procure superior goods and services from the most competitive sources. The Group's research and development department set out product specification for the suppliers to follow, while the quality control department performs sample test to ensure that goods and materials received by the Group are in compliance with the quality and specifications before they are accepted and transferred to the warehouse.

在日常營運中，本集團為新員工安排入職培訓。資深的員工對初級員工進行工作指導。本集團會根據員工的角色和責任要求進行指定專業知識和技能培訓，主要包括人力資源管理、法律事務、風險管理、項目營運、財務審計、技術研發、環保、職業健康安全等。本集團會不時更新有關對本集團營運及員工工作息息相關的行業資訊及相關法例。

### *勞工準則*

本集團致力為員工營造安全、健康及舒適的工作環境，並提供勞動保護及向員工支付合理薪酬和提供各項福利。本集團按照中國之相關法規條例與每一位員工訂立僱用合約，並禁止一切強制勞動。

### **營運慣例**

#### *供應鏈管理*

為向客戶提供優質服務，本集團審慎購買符合標準採購程序及政策的原材料、包裝物料及設備。本集團之採購政策及全面之採購管理制度，有助篩選出在原材料、包裝物料及設備挑選、產品配方、產品包裝、工場之品質管理系統及運輸等方面之不良產品。

本集團根據合理清晰之準則挑選原材料、包裝物料及設備供應商，例如聲譽、工藝技術及穩定的生產品質、遵守行業標準，務求以最具競爭力之資源採購最優越的貨品及服務。本集團的研發部門陳述產品規範以便供應商遵守，而品質控制部門會在貨品及物料入庫前進行抽檢以確保本集團收到的貨品及物料符合品質及規範。

# Environmental, Social and Governance Report

## 環境、社會及管治報告書

### *Product Responsibility*

The Group aims to achieve the highest possible standard with all the products sold. The Group has established relevant policies which cover product quality guarantee and safety and set up a dedicated quality control department. They work in collaboration with the Group's research and development department, procurement department and production and warehousing department to ensure that the products are of high quality and safe and comply with all applicable laws and regulations.

### *Anti-corruption*

The Group requires employees to strictly conform to code of business ethics and put any corruption bribe behavior to an end as stipulated in the employment contracts and the relevant policies of the Group. In the cases of conflict of interest, it must be reported to the Group's management.

### **Community**

#### *Community Investment*

The Group always seeks to be a positive force in the communities in which it operates and maintain close communications and interactions with the communities in order to contribute to local development.

The Group believes that the creation of a peaceful community relies on the cooperation of people, corporations and the government. By working together with various community partners, the Group believes can bring a tremendous impact on the sustainable development of the communities in which it operates.

The Group will also actively encourage staff to volunteer their time and skills to benefit local communities. It gives employees the opportunities to find out more about the issues of the society and environment and reinforce the Group's corporate values.

### *產品責任*

本集團致力向客戶提供最高標準的產品。本集團制定了相關管理政策，內容涵蓋產品品質保證及安全，以及成立專門的質量監控部門。該部門與本集團的研發部門、採購部門以及生產及倉儲部門合作，確保產品優質安全並符合所有適用法例及規例。

### *反貪污*

按照僱用合約及本集團的有關政策規定，本集團要求員工嚴格遵守商業道德準則，杜絕任何貪污及賄賂行為。如有利益衝突，需要及時向本集團管理層申報。

### **社區**

#### *社區投資*

本集團努力尋求成為營運所處社區的正面力量，並一直與社區維持密切溝通和互動，為社區發展作出貢獻。

本集團相信創造平和的社區需要市民、企業及政府共同的參與。透過與不同的社區夥伴通力合作，本集團相信可為營運所處社區的可持續發展帶來重大影響。

本集團亦將積極鼓勵員工無償付出時間和技能，以惠及本地社區，借此給予僱員機會了解更多社會及環境問題，及增強本集團企業價值。

# Independent Auditor's Report

## 獨立核數師報告



### TO THE SHAREHOLDERS OF SHANXI CHANGCHENG MICROLIGHT EQUIPMENT CO. LTD.

(Incorporated in the People's Republic of China with limited liability)

#### DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Shanxi Changcheng Microlight Equipment Co. Ltd. and its subsidiaries (collectively referred to as the "Group") set out on pages 51 to 121, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other 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.

We do not express an opinion on the consolidated financial statements of the Group and whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

#### BASIS FOR DISCLAIMER OF OPINION

##### 1. Amount due from a shareholder

No sufficient evidence has been received by us in respect of whether the impairment loss related to that shareholder of approximately RMB593,000 charged to profit or loss were properly accounted for in the consolidated financial statements for the year ended 31 December 2017. However, we are satisfied that the amount due from a shareholder is fairly stated as at 31 December 2018 and 2017.

致山西長城微光器材股份有限公司全體股東

(於中華人民共和國註冊成立之有限公司)

#### 不作出意見

我們已獲委聘審核列載於第51至121頁山西長城微光器材股份有限公司及其附屬公司(統稱為「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表，與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註並包括主要會計政策概要。

我們不會就 貴集團之綜合財務報表及綜合財務報表是否已遵照香港公司條例之披露規定妥善編製發表意見。因為本報告中下述不作出意見的基礎一節所述事宜之重要性，我們未能獲得充足及適當的審核憑證以作為對該等綜合財務報表提供審核意見的基礎。

#### 不作出意見的基礎

##### 1. 應收一位股東款項

我們無法獲得充分憑證以證明計入該股東有關之減值虧損約人民幣593,000元是否已於截至二零一七年十二月三十一日止年度之綜合財務報表內妥為入賬。然而，我們信納應收一位股東款項於二零一八年及二零一七年十二月三十一日已公平列報。

# Independent Auditor's Report

## 獨立核數師報告

### BASIS FOR DISCLAIMER OF OPINION (continued)

#### 2. Amount due from a former related company

No sufficient evidence has been received by us in respect of whether the impairment loss related to that former related company of approximately RMB47,000 charged to profit or loss were properly accounted for in the consolidated financial statements for the year ended 31 December 2017. However, we are satisfied that the amount due from a former related company is fairly stated as at 31 December 2018 and 2017.

Any adjustments to the figures as described above might have a significant consequential effect on the Group's financial performance for the year ended 31 December 2017 and the related disclosures thereof in the consolidated financial statements.

#### 3. Material uncertainty related to going concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss attributable to owners of the Company of approximately RMB29,237,000 for the year ended 31 December 2018 and as at 31 December 2018 the Group had net current liabilities and net liabilities of approximately RMB110,133,000 and RMB38,893,000 respectively. In addition, the Group had outstanding bank and other borrowings amounting to approximately RMB58,515,000 which would be due for repayment within the next twelve months and amounts due to shareholders amounting to approximately RMB19,517,000 which are repayable on demand. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

### 不作出意見的基礎 (續)

#### 2. 應收一家前關連公司款項

我們無法獲得充分憑證以證明計入該前關連公司有關之減值虧損約人民幣47,000元是否已於截至二零一七年十二月三十一日止年度之綜合財務報表內妥為入賬。然而，我們信納應收一家前關連公司款項於二零一八年及二零一七年十二月三十一日已公平列報。

上述數字之任何調整可能對 貴集團截至二零一七年十二月三十一日止年度之財務表現以及綜合財務報表內有關披露造成重大影響。

#### 3. 有關持續經營之重大不明朗因素

我們敬請垂注綜合財務報表附註2，當中提及 貴集團截至二零一八年十二月三十一日止年度錄得 貴公司擁有人應佔虧損約人民幣29,237,000元，而於二零一八年十二月三十一日， 貴集團之流動負債淨額及負債淨額分別約人民幣110,133,000元及人民幣38,893,000元。此外， 貴集團擁有須予未來十二個月內償還的未償還銀行及其他借貸約人民幣58,515,000元以及須按要求償還的應付股東款項約人民幣19,517,000元。此等情況表明存在重大不確定性，或會導致對 貴集團能否按持續基準繼續經營業務產生重大質疑，因此， 貴集團可能無法在日常業務過程中變現其資產及償還其負債。



# Independent Auditor's Report

## 獨立核數師報告

### BASIS FOR DISCLAIMER OF OPINION (continued)

#### 3. Material uncertainty related to going concern (continued)

The validity of the going concern assumption on which the consolidated financial statements are prepared is dependent on the favourable outcomes of the steps being taken by the Directors as described in note 2 to the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at other than the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets as current assets.

In the absence of sufficient evidence, we were unable to ascertain whether the assumptions made by the Directors in the preparation of the consolidated financial statements on a going concern basis were appropriate.

### RESPONSIBILITIES OF DIRECTORS 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (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.

### 不作出意見的基礎 (續)

#### 3. 有關持續經營之重大不明朗因素 (續)

編製綜合財務報表所依據之持續經營假設是否有效取決於綜合財務報表附註2所述董事所採取措施是否取得良好成果。倘持續經營假設屬不恰當，則可能須作出調整以反映可能須變現該等資產之情況，而非按其現時於綜合財務狀況表列賬之金額列值。此外，貴集團可能須為可能產生之進一步負債作出撥備，並將非流動資產重新分類為流動資產。

鑒於缺乏足夠憑據，我們無法確認董事按持續經營基準編製綜合財務報表所作之假設是否恰當。

### 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會（「香港會計師公會」）頒佈的《香港財務報告準則》及香港《公司條例》之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為就編製綜合財務報表所必要的內部控制，以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。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。



# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

**ZHONGHUI ANDA CPA Limited**  
Certified Public Accountants  
**Wan Ho Yuen**  
*Audit Engagement Director*  
Practising Certificate Number P04309

Hong Kong, 29 March 2019

### 核數師就審核綜合財務報表須承 擔的責任

我們的責任是根據香港會計師公會頒佈的《香港審計準則》對貴集團的綜合財務報表進行審計及出具核數師報告。然而，由於本報告中上述不作出意見的基礎一節所述各項事宜，我們未能獲取充分及適當憑證就該等綜合財務報表之審核意見提供基準。

根據香港會計師公會之專業會計師道德守則（「守則」），我們獨立於貴集團，並已遵循守則履行其他道德責任。

中匯安達會計師事務所有限公司  
執業會計師  
**溫浩源**  
審計項目董事  
執業證書編號：P04309

香港，二零一九年三月二十九日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in RMB) (以人民幣呈列)

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>REVENUE</b>	收益	8	<b>26,386</b>	19,121
Cost of sales	銷售成本		<b>(18,810)</b>	(15,457)
<b>Gross profit</b>	毛利		<b>7,576</b>	3,664
Other income, gains and losses	其他收入、收益及虧損	9	<b>1,306</b>	1,015
Selling and distribution costs	銷售及分銷費用		<b>(925)</b>	(957)
Administrative expenses	行政開支		<b>(21,172)</b>	(21,601)
Other operating expenses	其他經營開支		<b>(10,582)</b>	(6,761)
Impairment loss of due from a shareholder	應收一位股東款項減值虧損		-	(593)
Impairment loss of due from a former related company	應收一家前關連公司款項減值虧損		-	(47)
Share of loss of an associate	分佔一家聯營公司之虧損		<b>(172)</b>	(123)
Finance costs	財務費用	10	<b>(5,272)</b>	(3,173)
<b>LOSS BEFORE TAX</b>	除稅前虧損		<b>(29,241)</b>	(28,576)
Income tax expense	所得稅開支	13	-	-
<b>LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	年內虧損及年內全面虧損總額	11	<b>(29,241)</b>	(28,576)
<b>LOSS FOR THE YEAR ATTRIBUTABLE TO:</b>	以下應佔年內虧損：			
<b>Owners of the Company</b>	本公司擁有人		<b>(29,237)</b>	(28,535)
<b>Non-controlling interests</b>	非控股權益		<b>(4)</b>	(41)
			<b>(29,241)</b>	(28,576)
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:</b>	以下應佔年內全面虧損總額：			
<b>Owners of the Company</b>	本公司擁有人		<b>(29,237)</b>	(28,535)
<b>Non-controlling interests</b>	非控股權益		<b>(4)</b>	(41)
			<b>(29,241)</b>	(28,576)
<b>LOSS PER SHARE (RMB)</b>	每股虧損 (人民幣元)	14		
- Basic and diluted	- 基本及攤薄		<b>(0.095)</b>	(0.092)

# Consolidated Statement of Financial Position

## 綜合財務狀況表

AS AT 31 DECEMBER 2018 於二零一八年十二月三十一日  
(Expressed in RMB) (以人民幣呈列)

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註		
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	16	91,358	76,049
Land use right	土地使用權	17	10,534	10,827
Interests in associates	於聯營公司之權益	19	-	167
			<b>101,892</b>	<b>87,043</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	20	9,030	13,517
Trade receivables	應收貿易賬款	21	12,646	10,589
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	4,000	2,302
Cash and cash equivalents	現金及現金等值項目	23	20,749	1,617
			<b>46,425</b>	<b>28,025</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade payables	應付貿易賬款	24	9,796	11,473
Accruals and other payables	應計款項及其他應付款項	25	62,826	49,774
Contract liabilities	合約負債	26	5,904	5,800
Amounts due to shareholders	應付股東款項	27	19,517	13,780
Bank and other borrowings	銀行及其他借貸	28	58,515	33,460
			<b>156,558</b>	<b>114,287</b>
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨額</b>		<b>(110,133)</b>	<b>(86,262)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>(8,241)</b>	<b>781</b>
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Deferred government grants	遞延政府資助	29	30,652	10,433
			<b>30,652</b>	<b>10,433</b>
<b>NET LIABILITIES</b>	<b>負債淨額</b>		<b>(38,893)</b>	<b>(9,652)</b>

# Consolidated Statement of Financial Position

## 綜合財務狀況表

AS AT 31 DECEMBER 2018 於二零一八年十二月三十一日  
(Expressed in RMB) (以人民幣呈列)

			2018	2017
		Notes	二零一八年	二零一七年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital	股本	30	<b>30,886</b>	30,886
Reserves	儲備	31	<b>(69,750)</b>	(40,513)
			<b>(38,864)</b>	(9,627)
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>(29)</b>	(25)
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>(38,893)</b>	(9,652)

The consolidated financial statements on pages 51 to 121 were approved and authorised for issue by the board of directors on 29 March 2019 and are signed on its behalf by:

第51至121頁的綜合財務報表於二零一九年三月二十九日獲董事會批准並授權刊發，並由以下董事代表簽署：

Approved by:  
由下列董事批准：

**Zhao Zhi**  
趙智  
Director  
董事

**Song Zhenglai**  
宋政來  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2018 截至二零一八年十二月三十一日止年度  
(Expressed in RMB) (以人民幣呈列)

		Attributable to owners of the Company 本公司擁有人應佔				Non-controlling interests		Total equity
		Issued capital	Capital surplus*	Statutory surplus reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
		已發行股本	資本盈餘*	法定盈餘儲備*	累計虧損*	總計	非控股權益	權益總額
		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
At 1 January 2017	於二零一七年一月一日	30,886	18,561	11,853	(42,392)	18,908	16	18,924
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(28,535)	(28,535)	(41)	(28,576)
At 31 December 2017	於二零一七年十二月三十一日	30,886	18,561	11,853	(70,927)	(9,627)	(25)	(9,652)
At 1 January 2018	於二零一八年一月一日	30,886	18,561	11,853	(70,927)	(9,627)	(25)	(9,652)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(29,237)	(29,237)	(4)	(29,241)
At 31 December 2018	於二零一八年十二月三十一日	30,886	18,561	11,853	(100,164)	(38,864)	(29)	(38,893)

\* These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.

\* 此等儲備賬目包括綜合財務狀況表內之綜合儲備。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

(Expressed in RMB)

(以人民幣呈列)

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營業務之現金流量</b>		
Loss before tax	除稅前虧損	(29,241)	(28,576)
Adjustments for:	就以下各項作出調整：		
Interest expense	利息開支	5,272	3,173
Depreciation	折舊	4,807	5,339
Amortisation of land use right	土地使用權攤銷	293	293
Amortisation of deferred government grants	遞延政府資助攤銷	(1,140)	(950)
Interest income	利息收入	(4)	(3)
Impairment of inventories	存貨減值	7,736	6,215
Impairment of/(reversal of impairment of) trade receivables	應收貿易賬款減值／(撥回減值)	901	(29)
Impairment of investments in associates	於聯營公司之投資減值	167	148
Share of loss of an associate	分佔聯營公司虧損	172	123
Impairment of due from a shareholder	應收一位股東款項減值	-	593
Impairment of due from a former related company	應收一家前關連公司款項減值	-	47
<b>Operating cash flows before working capital changes</b>	<b>經營活動現金流量，未計營運資金變動</b>	<b>(11,307)</b>	<b>(13,627)</b>
Change in inventories	存貨變動	(3,249)	(2,508)
Change in trade receivables	應收貿易賬款變動	(2,958)	1,386
Change in prepayments, deposits and other receivables	預付款項、按金及其他應收款項變動	(1,698)	(1,877)
Change in trade payables	應付貿易賬款變動	(1,677)	(810)
Change in accruals and other payables	應計款項及其他應付款項變動	13,052	4,442
Change in contract liabilities	合約負債變動	104	210
<b>Cash used in operating activities</b>	<b>經營業務所用現金</b>	<b>(7,463)</b>	<b>(12,784)</b>
Government grants received	已收政府資助	21,359	190
<b>Net cash flows generated from/(used in) operating activities</b>	<b>經營業務所產生／(所用)現金流量淨額</b>	<b>13,896</b>	<b>(12,594)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動之現金流量</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	(20,116)	(3,866)
Interest received	已收利息	4	3
Advance to a former related company	墊款予一家前關聯公司	-	(764)
Advance to an associate	墊款予一家聯營公司	(172)	(192)
<b>Net cash flows used in investing activities</b>	<b>投資活動所用現金流量淨額</b>	<b>(20,284)</b>	<b>(4,819)</b>



# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in RMB) (以人民幣呈列)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動之現金流量</b>		
Advance from shareholders	來自股東的墊款	5,180	2,290
Proceeds from bank and other borrowings	銀行及其他借貸之所得款項	28,078	19,732
Repayment of bank and other borrowings	銀行及其他借貸之還款	(5,234)	(1,241)
Interest paid	已付利息	(2,504)	(2,124)
<b>Net cash flows generated from financing activities</b>	<b>融資活動所產生現金流量淨額</b>	<b>25,520</b>	<b>18,657</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值項目增加淨額</b>	<b>19,132</b>	<b>1,244</b>
Cash and cash equivalents at beginning of year	於年初之現金及現金等值項目	1,617	373
<b>Cash and cash equivalents at end of year</b>	<b>於年終之現金及現金等值項目</b>	<b>20,749</b>	<b>1,617</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值項目結餘分析</b>		
Cash and bank balances	現金及銀行結餘	20,749	1,617

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 1. GENERAL INFORMATION

Shanxi Changcheng Microlight Equipment Co. Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") on 10 November 2000 as a joint stock limited company. The Company's H shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of this annual report.

The principal activities of the Company and its subsidiaries (collectively the "Group") included design, research, development, manufacture and sale of image transmission fibre optic products. The principal activities of its subsidiaries are set out in note 18 to the consolidated financial statements.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

### 2. GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of approximately RMB29,237,000 for the year ended 31 December 2018 and as at 31 December 2018 the Group had net current liabilities and net liabilities of approximately RMB110,133,000 and RMB38,893,000 respectively. In addition, the Group had outstanding bank and other borrowings amounting to approximately RMB58,515,000 which would be due for repayment within the next twelve months and amounts due to shareholders amounting to approximately RMB19,517,000 which are repayable on demand. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group intends to maintain its strong business relationship with its banker to maintain its continuing support. The Directors are of the opinion that there are good track records or relationship with its banker which enhance the Group's ability to renew the current Bank borrowing upon expiry.

### 1. 一般資料

山西長城微光器材股份有限公司(「本公司」)於二零零零年十一月十日在中華人民共和國(「中國」)註冊成立為股份有限公司。本公司之H股於香港聯合交易所有限公司(「聯交所」)GEM上市。有關本公司註冊辦事處及主要營業地點之地址於本年報「公司資料」一節披露。

本公司及其附屬公司(統稱為「本集團」)之主要業務包括設計、研究、開發、生產及銷售傳像光纖產品。其附屬公司之主要業務載列於綜合財務報表附註18。

綜合財務報表以人民幣呈列，而除另有指明外，所有數值均四捨五入至最近的千位數。

### 2. 持續經營基準

本集團於截至二零一八年十二月三十一日止年度錄得本公司擁有人應佔虧損淨額約人民幣29,237,000元及於當日擁有流動負債及負債淨額分別約人民幣110,133,000元及人民幣38,893,000元。此外，本集團擁有未償還銀行及其他借貸約人民幣58,515,000元(將須於未來十二個月內償還)及應付股東款項約人民幣19,517,000元(須按要求償還)。此等情況表明存在重大不確定性，或會令人對貴集團能否按持續基準繼續經營業務產生重大質疑，因此，貴集團可能無法在日常業務過程中變現其資產及償還其負債。

本集團擬維持其與往來銀行之鞏固業務關係以繼續獲得其支持。董事認為，與其往來銀行的交易記錄或關係良好有助本集團於即期銀行借貸到期時能夠重續借貸。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. GOING CONCERN BASIS (continued)

In addition, the Directors have been taking active steps to improve the liquidity position of the Group. These steps include (i) proposing and implementing share offering plan; (ii) negotiating and implementing debts restructuring plan with shareholders, borrowers and financial institutions; (iii) negotiating and implementing loan interest reduction plan with shareholders and borrowers; (iv) seeking financial support from shareholders and borrowers; (v) strengthening the management of overdue trade receivables; (vi) implementing image transmission fiber optic production technology upgrade; (vii) implement measures to improve products passing rate and gross profit margin; (viii) adjusting production line structure to achieve efficiency level; and (ix) implementing stringent cost control measures.

Provided that these measures can successfully improve the liquidity position of the Group, the Directors are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below.

### 2. 持續經營基準 (續)

另外，董事一直採取積極的措施改善本集團的流動資金情況。該等措施包括：(i)建議和推行增發股份方案；(ii)與股東、借貸人及財務機構磋商和實施債務重組方案；(iii)與股東及借貸人磋商和實施減免借貸利息方案；(iv)尋求股東及借貸人的財務資助；(v)加強逾期應收貿易賬款的管理；(vi)推行傳像光纖生產技術升級改造；(vii)推行措施以改善產品生產合格率及毛利率；及(viii)調整生產線結構以達致效益水準及(ix)推行嚴謹的成本控制措施。

若該等措施能夠成功改善本集團的流動資金狀況，則董事信納本集團將能夠於可見未來應付其到期的財務責任。因此，綜合財務報表已按持續營運基準編製。倘本集團無法持續營運，則須作出調整以將資產的價值撇減至其可收回金額，以為可能產生之任何其他負債作出撥備及重新分類非流動資產及負債為流動資產及負債。該等調整的影響並未反映於綜合財務報表內。

### 3. 採納新訂及經修訂香港財務報告準則

於本年度，本集團已採納所有由香港會計師公會（「香港會計師公會」）頒佈及與其業務有關，且自二零一八年一月一日開始的會計年度生效之新訂及經修訂香港財務報告準則（「香港財務報告準則」）。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。除下文所述外，採納該等新訂及經修訂香港財務報告準則並未對本集團於本年度及過往年度之會計政策、本集團財務報表之呈列及所呈報數額造成重大變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### HKFRS 15 "Revenue from Contracts with Customers"

Revenue is recognised at a point in time when control of the products is transferred to the customers.

HKFRS 15 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the financial statements as follows:

### 3. 採納新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第15號「來自與客戶合同之收益」

收益於產品控制權轉移至客戶時予以確認。

本集團已追溯應用香港財務報告準則第15號，導致財務報表所呈列的綜合金額出現下列變動：

	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	1 January 2017 二零一七年 一月一日 RMB'000 人民幣千元
<b>At 31 December 2017</b>		
Increase in contract liabilities	5,800	5,591
Decrease in accruals and other payables	(5,800)	(5,591)

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

本集團並未應用已頒佈但尚未生效的新訂香港財務報告準則。該等新訂香港財務報告準則不會對其經營業績及財務狀況造成重大影響。

### 4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange and by the Hong Kong Companies Ordinance.

HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations.

### 4. 重要會計政策

此等綜合財務報表乃根據會計師公會發出的香港財務報告準則、香港普遍採納之會計原則以及聯交所GEM證券上市規則及香港公司條例之適用披露規定而編製。

香港財務報告準則包括香港財務報表準則(「香港財務報告表準則」)、香港會計準則(「香港會計準則」)及詮釋。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its Judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 5 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

#### (a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

### 4. 重要會計政策 (續)

該等綜合財務報表乃根據歷史成本法編制。

編製符合香港財務報告準則之綜合財務報表需使用若干假設及估計。亦需要董事於應用會計政策之過程中作出判斷。涉及重要判斷之範疇及對此等綜合財務報表而言屬重要的假設及估計之範疇於綜合財務報表附註5披露。

編製此等綜合財務報表時應用的重要會計政策載列如下。

#### (a) 綜合入賬

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司是指本集團對其擁有控制權的實體。當本集團承受或有權參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。當本集團之現有權利令本集團現時有能力指示相關活動（即嚴重影響實體回報之活動）時，本集團支配該實體。

於評估控制權時，本集團考慮其潛在表決權及由其他人士持有之潛在表決權，以釐定其是否擁有控制權。只要持有人切實有能力行使潛在表決權時，方會計及該潛在表決權。

附屬公司在控制權轉移至本集團之日起綜合入賬，並在控制權終止之日起停止綜合入賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Consolidation (continued)

The gain or loss on the disposal of a subsidiaries that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiaries and (ii) the Company's share of the net assets of that subsidiaries plus any remaining goodwill relating to that subsidiaries and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

### 4. 重要會計政策 (續)

#### (a) 綜合入賬 (續)

出售附屬公司而導致失去控制權之盈虧乃指(i)出售代價公允值加上於該附屬公司任何保留投資公允值與(ii)本公司應佔該附屬公司資產淨值連同與該附屬公司有關之任何餘下商譽以及任何相關累計外幣換算儲備兩者間之差額。

集團內公司間之交易、結餘及未變現溢利均予以對銷。未變現虧損亦會對銷，除非該交易有憑據顯示所轉讓資產已出現減值。倘有需要，附屬公司之會計政策會作出變更，以確保符合本集團採納之政策。

非控股權益指並非由本公司直接或間接佔有之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。於綜合損益及其他全面收益表內，非控股權益呈列為年度損益及全面收入總額在本公司非控股股東與擁有人之間的分配。

損益及各項其他全面收益項目歸屬於本公司擁有人及非控股股東，即使此舉導致非控股權益結餘出現虧絀。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### (a) Consolidation (continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

#### (b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

### 4. 重要會計政策 (續)

#### (a) 綜合入賬 (續)

倘本公司於附屬公司之擁有權益出現變動但並無導致失去控制權，則按權益交易入賬（即與擁有人（以彼等作為擁有人之身份）進行之交易）。控股與非控股權益之賬面值會作出調整，以反映其於附屬公司之相關權益之變動。非控股權益之調整款額與已付或已收代價之公允值兩者間之任何差額，均直接於權益中確認並歸屬於本公司擁有人。

#### (b) 聯營公司

聯營公司是指本集團對其有重大影響力的實體。重大影響力乃指參與某一實體之財務及經營政策決策但非控制或共同控制該等政策之權力。於評估本集團是否具有重大影響力時，會考慮現時可行使或可轉換之潛在表決權（包括其他實體持有之潛在表決權）之存在及影響。評估潛在表決權是否擁有重大影響力時，持有人的意向及是否有財政能力行使或轉換該權利均不予考慮。

於一間聯營公司之投資以權益法於綜合財務報表入賬，且初步按成本確認。於收購中，聯營公司之可識別資產及負債於收購日期按公允值計量。收購成本超出本集團應佔聯營公司可識別資產及負債之公允淨值差額列為商譽。商譽計入投資之賬面值，且倘有任何客觀憑據顯示投資已減值，則於各報告期末連同投資進行減值測試。本集團應佔可識別資產及負債公允淨值超出收購成本之任何差額於綜合損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Associates (continued)

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a Joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 4. 重要會計政策 (續)

#### (b) 聯營公司 (續)

本集團應佔聯營公司之收購後溢利或虧損於綜合損益確認，而其應佔之收購後儲備變動則於綜合儲備確認。累計收購後變動根據投資之賬面值作出調整。當本集團應佔聯營公司之虧損相等於或超逾。其於聯營公司之權益（包括任何其他無抵押應收款）時，本集團不會確認進一步虧損，惟其須代表該聯營公司承擔責任或付款則除外。倘聯營公司其後錄得溢利，則本集團僅於其應佔溢利與未確認之應佔虧損相等後，方會繼續確認其應佔溢利。

出售一間聯營公司導致失去重大影響力之收益或虧損指(i)出售代價之公允值加於該聯營公司保留任何投資之公允值與(ii)本集團應佔該聯營公司之淨資產加與該聯營公司有關之任何剩餘商譽及任何有關累計外幣換算儲備之間的差額。倘於聯營公司之投資成為合營公司之投資，則本集團將繼續應用權益法，且不會重新計量保留權益。

本集團與其聯營公司進行交易之未變現溢利按本集團於聯營公司之權益對銷。未變現虧損亦會對銷，除非該交易有憑據顯示所轉讓資產已出現減值。倘有需要，聯營公司之會計政策會作出變更，以確保符合本集團所採納之政策。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### (c) Foreign currency translation

##### (i) Functional and presentation currency

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

##### (ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

### 4. 重要會計政策 (續)

#### (c) 外幣換算

##### (i) 功能及呈列貨幣

本集團各實體之財務報表所列項目均以該實體營運所在主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表乃以本公司之呈列貨幣及功能貨幣人民幣呈列。

##### (ii) 各實體財務報表中之交易及結餘

外幣交易按交易日期之現行匯率於初步確認時換算為功能貨幣。以外幣呈列之貨幣資產及負債按各報告期末之匯率換算。此換算政策所產生之收益及虧損均於損益確認。

按外幣之公允值計算的非貨幣項目乃按釐定公允值當日之匯率換算。

當非貨幣項目之盈虧於其他全面收益確認時，該盈虧之任何匯兌部份於其他全面收入確認。當非貨幣項目之盈虧於損益確認時，該盈虧之任何匯兌部份於損益內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Foreign currency translation (continued)

##### (iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

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

### 4. 重要會計政策 (續)

#### (c) 外幣換算 (續)

##### (iii) 綜合賬目換算

本集團所有實體之功能貨幣倘有別於本公司之呈列貨幣，則其業績及財務狀況須按以下方式換算為本公司之呈列貨幣：

- 各財務狀況表之資產及負債均按照該財務狀況表日期之收市匯率換算；
- 收入及開支均按平均匯率換算（除非此平均匯率未能合理反映交易日匯率所帶來之累計影響，在此情況下，收入及開支則按交易當日之匯率換算）；及
- 所有產生之匯兌差額均於外幣換算儲備中確認。

於綜合賬目時，因換算海外實體投資淨額及借貸產生之匯兌差額於外幣換算儲備確認。當出售海外業務時，該等匯兌差額於綜合損益確認為出售盈虧的一部分。

收購海外實體產生之商譽及公允價值調整均被視作該海外實體之資產及負債處理，並按收市匯率換算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### (d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

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. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The estimated useful lives are as follows:

Medium term leasehold buildings	50 years or over the lease terms, whichever is shorter
Leasehold improvements	10 years or over the lease terms, whichever is shorter
Plant and machinery	10 years
Furniture and fixtures	5 – 10 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### 4. 重要會計政策 (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任何減值虧損列賬。

僅在與項目相關之日後經濟效益有可能流入本集團及能可靠計算項目成本之情況下，其後成本方會計入資產賬面值或確認為獨立資產（視情況適用）。所有其他維修及保養成本於其產生期間在損益確認。

物業、廠房及設備以直線法按足以撇銷其成本減剩餘價值之比率，於估計可使用年期計算折舊。估計可使用年期如下：

中期租賃樓宇	50年或租期（以較短者為準）
租賃物業裝修	10年或租期（以較短者為準）
廠房及機器	10年
傢俬及裝置	5 – 10年
汽車	5年

剩餘價值、可使用年期和折舊方法均於各報告期末進行檢討和調整（如適用）。

在建工程指興建中的樓宇及待安裝的廠房及機器，並按成本減減值虧損列賬。相關資產於可供使用時開始折舊。

出售物業、廠房及設備之盈虧指銷售所得款項淨額與有關資產賬面值之間之差額，並於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### (e) Leases

##### *The Group as lessor*

##### (i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

#### (f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

### 4. 重要會計政策 (續)

#### (e) 租賃

##### 本集團作為出租人

##### (i) 經營租賃

並無實質上轉移給承租人的資產所有權之所有風險和報酬的租賃作為經營租賃入賬。經營租賃之租金收入在相關租賃期內按直線法確認。

#### (f) 存貨

存貨以成本及可變現淨值之較低者列賬。成本按加權平均法釐定。製成品及在製品之成本包括原材料、直接勞工及適當比例之全部生產間接費用以及(如適當)分包費用。可變現淨值指在日常業務過程中之估計售價，減估計完成成本及進行銷售所需的估計成本。

#### (g) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文之訂約方時，於財務狀況表確認。

當從資產收取現金流量之合約權利已屆滿；本集團已將資產擁有權之絕大部分風險及回報轉移；或本集團並無轉移及保留資產擁有權之絕大部分風險及回報但並未保留對資產之控制權，則金融資產將被終止確認。於終止確認金融資產時，資產賬面值與已收代價及已於其他全面收益確認之累計盈虧兩者總和之差額將於損益確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### (g) Recognition and derecognition of financial instruments (continued)

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

#### (h) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost

#### (i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

### 4. 重要會計政策 (續)

#### (g) 確認及終止確認金融工具 (續)

當於有關合約之特定責任獲解除、取消或屆滿，則金融負債將被終止確認。終止確認之金融負債賬面值與已付代價之間的差額乃於損益確認。

#### (h) 金融資產

倘根據合約條款規定須於有關市場所規定期限內購入或出售資產，則金融資產按交易日基準確認入賬及終止確認，並按公平值加上該等金融資產直接應佔交易成本作初步確認，惟按公平值計入損益的金融資產則除外。按公平值計入損益的金融資產之直接應佔交易成本應即時於損益確認。

本集團之金融資產乃按下列種類分類：

- 按攤銷成本計量之金融資產

#### (i) 按攤銷成本計量之金融資產

倘金融資產（包括應收賬款及其他應收款項）符合以下條件則歸入此分類：

- 目的為持有資產以收取合約現金流的業務模式；及
- 資產的合約條款於特定日期產生僅為收回本金及未償還本金利息的現金流量。

該等資產其後使用實際利息法按攤銷成本減預期信貸虧損之虧損撥備計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“lifetime expected credit losses”) for trade receivables, contract assets and lease receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables, contract assets and lease receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

### 4. 重要會計政策 (續)

#### (i) 預期信貸虧損之虧損撥備

本集團按攤銷成本確認金融資產之預期信貸虧損之虧損撥備。預期信貸虧損為加權平均信貸虧損，並以發生違約風險的金額作為加權數值。

於各報告期末，本集團就應收貿易賬款、合約資產及應收租賃款項按相等於所有可能發生違約事件的預期信貸虧損除以該金融工具的預計存續期（「存續期預期信貸虧損」）的金額，計量金融工具的虧損撥備（或倘金融工具的信貸風險自初步確認以來大幅增加）。

倘於報告期末某項金融工具（應收貿易賬款、合約資產及應收租賃款項除外）之信貸風險自初步確認以來並無大幅增加，則本集團會按相等於反映該金融工具可能於報告期間後12個月內發生的違約事件所引致預期信貸虧損的存續期預期信貸虧損部分的金額計量金融工具的虧損撥備。

預期信貸虧損金額或旨在將報告期末之虧損撥備調整至所需金額而撥回之金額於損益確認為減值收益或虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### (j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

#### (k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

#### (l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### (m) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

### 4. 重要會計政策 (續)

#### (j) 現金及現金等值項目

就現金流量表而言，現金及現金等值項目包括銀行及手頭現金、存於銀行及其他金融機構之活期存款，以及可隨時轉換為已知數額現金而價值變動風險不大之短期高流通量投資。須按要求償還並構成本集團現金管理之完整部分之銀行透支亦計入現金及現金等值項目之一部分。

#### (k) 金融負債及股本工具

金融負債及股本工具根據所訂立合約安排之內容及香港財務報告準則項下之金融負債及股本工具之定義進行分類。股本工具為證明本集團扣除其所有負債後之剩餘資產權益之任何合約。以下載列就特定金融負債及股本工具所採納之會計政策。

#### (l) 借貸

借貸初步按公允值（扣除所產生交易成本）確認，其後採用實際利率法按攤銷成本計量。

借貸歸類為流動負債，除非本集團享有無條件權利可將償還負債之期限推遲至報告期間後至少12個月。

#### (m) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項初步按公允值列賬，其後採用實際利率法按攤銷成本計量，除非折現影響並不重大，則按成本列賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's 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.

If a performance obligation is satisfied over time, revenue is recognised 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 product or service.

### 4. 重要會計政策 (續)

#### (n) 收益確認

收益乃根據與客戶訂立的合約所訂明的代價參考慣常業務慣例計量以及不包括代表第三方收取的金額。對於客戶付款與承諾產品或服務轉移期間超過一年的合約，乃就顯著融資成分的影響對代價進行調整。

本集團通過將產品或服務的控制權轉移給客戶而履行履約責任時確認收益。視乎合約條款和適用於該合約的法律，履約責任可以在一段時間內或在某個時間點履行。倘若符合以下情況，履約責任將在一段時間內履行：

- 客戶同時獲得及消費本集團履約所提供的利益；
- 隨本集團履約而創造或加強客戶控制的資產；或
- 本集團履約不會創造可由本集團另作他用的資產，且本集團對迄今完成的履約付款擁有可強制執行的權利。

倘若履約責任在一段時間內履行，收益乃參照已完成履約責任之進展確認。否則，收益於客戶取得產品或服務之控制權時確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### (o) Other revenue

- (i) Interest income is recognised on a time-proportion basis using the effective interest method.
- (ii) Rental income is recognised on a straight-line basis over the lease term.

#### (p) Employee benefits

##### (i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

##### (ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

##### (iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

### 4. 重要會計政策 (續)

#### (o) 其他收益

- (i) 利息收入採用實際利率法按時間比例基準確認。
- (ii) 租金收入在租賃期內按直線法確認。

#### (p) 僱員福利

##### (i) 僱員享有之休假

僱員年假及長期服務假於僱員享有休假時確認。本公司會就僱員直至報告期末之服務年期所享有年假及長期服務假期估計須承擔之負債作出撥備。

僱員病假及產假於實際休假時始予確認。

##### (ii) 退休金責任

本集團為所有僱員向定額供款退休計劃供款。本集團及僱員之計劃供款根據僱員基本薪金之百分比計算。自損益扣除退休福利計劃成本代表本集團須向基金支付之供款。

##### (iii) 終止僱用福利

終止僱用福利於本集團不能提供該等福利時及本集團確認重組成本並涉及支付終止僱用福利時(以較早日期為準)確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

#### (r) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 4. 重要會計政策 (續)

#### (q) 借貸成本

收購、建造或生產合資格資產(即必需花上一段長時間方能作其擬定用途或出售之資產)直接應佔之借貸成本均撥充資本,作為此等資產成本之一部分,直至此等資產大體上已可作其擬定用途或出售為止。指定用途借貸在用作合資格資產之開支前作短暫投資所賺取的投資收入自合資格資本化之借貸成本中扣除。

如借貸之一般目的及用途為獲取合資格資產,合資格資本化之借貸成本金額則採用資本化比率計算該項資產開支之方法釐定。資本化比率為適用於本集團於該期間未償還借貸之借貸成本加權平均值,但為獲得合資格資產之特別借貸除外。

所有其他借貸成本均於產生期間於損益中確認。

#### (r) 政府資助

政府資助乃當可合理保證本集團將符合其所附帶條件且資助將可獲取時予以確認。

與收入有關之政府資助乃作遞延處理,並在與其擬補償之相關成本相配之期間內於損益中確認。

提供本集團作為已產生開支或虧損的補償或給予即時財務援助而日後不再有相關成本之政府資助乃於可收取之期間在損益中確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (r) Government grants (continued)

Government grants relating to the purchase of assets are deducted from the carrying amount of the assets. The grant is recognised in profit or loss over the life of a depreciable asset by way of a reduced depreciation charge.

Repayment of a grant related to income is applied first against any unamortised deferred income set up in respect of the grant. To the extent that the repayment exceeds any such deferred income, or where no deferred income exists, the repayment is recognised immediately in profit or loss. Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant is recognised immediately in profit or loss.

#### (s) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### 4. 重要會計政策 (續)

#### (r) 政府資助 (續)

有關購買資產之政府資助自資產賬面值扣除。資助於可折舊資產的使用年期內透過扣減折舊費用之方式於損益確認。

與收入相關的補助之償還首先應用於就補助金設立之任何未攤銷遞延收入。如果還款超過任何該遞延收入，或者不存在遞延收入，則還款將即時於損益中確認。通過增加資產的賬面金額或將遞延收入減應償還金額來記錄與資產相關的補助之償還。在並無補助的情況下，本於損益中確認的累計額外折舊將即時於損益中確認。

#### (s) 稅項

所得稅指即期稅項及遞延稅項之總和。

應繳即期稅項按年內應課稅溢利計算。由於不包括其他年度應課稅或可扣稅收入或開支項目及從不課稅或不可扣稅項目，應課稅溢利與於損益中確認之溢利不同。本集團之即期稅項負債按報告期末已頒佈或實際上頒佈之稅率計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) Taxation (continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

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

Deferred tax is calculated at the tax rates that are 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 by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

### 4. 重要會計政策 (續)

#### (s) 稅項 (續)

遞延稅項就財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基兩者間之差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利，以致可扣稅暫時差額、未動用稅項虧損或未動用稅項抵免可予動用時確認。倘因商譽或因初步確認一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）中其他資產及負債引致之暫時差額，則不會確認該等資產及負債。

除非本集團可控制暫時差額撥回及暫時差額不大可能於可見將來撥回，否則會就與於附屬公司及聯營公司的投資所產生的應課稅暫時差額確認遞延稅項負債。

遞延稅項資產的賬面值乃於各報告期末進行檢討，如不再有足夠應課稅溢利可供收回全部或部分資產，則遞延稅項資產須相應減少。

遞延稅項乃按預期於基於報告期末實行或實質上實行的稅率結算負債或變現資產期間應用的稅率計算。遞延稅項在損益內確認，惟當遞延稅項與在其他全面收益或直接於權益內確認的項目有關則除外，而在此情況下，遞延稅項亦在其他全面收益或直接於權益內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### (s) Taxation (continued)

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### (t) Related parties

A related party is a person or entity that is related to the Group.

- (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 the key management personnel of the Company or of a parent of the Company.

### 4. 重要會計政策 (續)

#### (s) 稅項 (續)

遞延稅項資產及負債之計量反映隨本集團預期於報告期末收回或償還其資產及負債賬面值所產生之稅務後果。

倘在法律上可強制執行權利以即期稅項資產抵銷即期稅項負債，並於遞延稅項資產及負債與同一徵稅機關對應納稅實體或有意按淨額基準結算餘額的不同納稅實體徵收的所得稅有關時，乃將遞延稅項資產及負債抵銷。

#### (t) 關聯方

關聯方為與本集團有關的個人或實體。

- (a) 一名個人或其近親將被視為本集團的關聯方，倘該個人：
- (i) 能控制或共同控制本集團；
  - (ii) 能對本集團構成重大影響；或
  - (iii) 為本公司或本公司母公司的關鍵管理人員。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (t) Related parties (continued)

- (b) An entity is related to the Group (reporting entity) if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiaries and fellow subsidiaries 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 employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

### 4. 重要會計政策 (續)

#### (t) 關聯方 (續)

- (b) 一個實體將被視為本集團的關聯方(報告實體)，倘該實體符合以下任一情況：
- (i) 該實體及本公司為同一集團內的成員公司(即每個母公司、附屬公司及同系附屬公司均互相為關聯方)。
  - (ii) 一個實體為另一實體的聯營公司或合營公司(或為該集團成員公司的聯營公司或合營公司，且另一實體為該集團成員公司)。
  - (iii) 兩個實體均為同一第三方的合營公司。
  - (iv) 一個實體為第三方的合營公司，且另一實體為該第三方的聯營公司。
  - (v) 該實體是為本集團或為本集團關聯實體的僱員福利而設的離職後福利計劃。倘本集團本身為一項計劃，則贊助的僱主亦為本集團的關聯方。
  - (vi) 該實體由(a)中識別的個人控制或共同控制。
  - (vii) (a)(i)中識別的一名個人對該實體構成重大影響，或為該實體(或實體的母公司)的關鍵管理人員。
  - (viii) 該實體或實體所屬集團的任何成員公司向本公司或本公司的母公司提供主要管理人員服務。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### (u) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business in different geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

#### (v) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

### 4. 重要會計政策 (續)

#### (u) 分類呈報

經營分類及各分類項目於財務報表內呈報之金額，是根據定期提供予本集團最高行政管理層就分配資源及評估本集團於不同地理位置之各業務範疇表現之財務資料中識別出來。

就財務報告而言，除非分類具備相似之經濟特徵及在產品及服務性質、生產過程性質、客戶類型或類別、用於分銷產品或提供服務之方法以及監管環境之性質方面相似，否則各個重大經營分類不會進行合算。個別非重大之經營分類如符合上述大部分準則，則可進行合算。

#### (v) 資產減值

於各報告期末，本集團均會審閱其有形及無形資產（商譽、投資物業、遞延稅項資產、存貨及應收款項除外）之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。如有任何有關跡象，則會估計資產之可收回金額，以釐定減值虧損之程度。如不可能估計個別資產之可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。

可收回金額為公允值減去出售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前折現率折現至現值，以反映市場現時所評估之金錢時間值及該資產之特定風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (v) Impairment of assets (continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### (w) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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 is remote. Possible obligations, whose existence 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 is remote.

### 4. 重要會計政策 (續)

#### (v) 資產減值 (續)

倘資產或現金產生單位之可收回金額估計將少於其賬面值，則資產或現金產生單位之賬面值會減少至其可收回金額。減值虧損會即時於損益內確認，惟有關資產乃按重估數額列賬則除外，而在該情況下，減值虧損會被視為重估減幅。

倘減值虧損其後撥回，則資產或現金產生單位之賬面值會增加至所估算之經修訂可收回金額，惟按此所增加之賬面值不會高於假設以往年度並無就資產或現金產生單位確認減值虧損而原應已釐定之賬面值（扣除攤銷或折舊）。所撥回之減值虧損會即時於損益內確認，惟有關資產乃按重估數額列賬則除外，而在該情況下，所撥回之減值虧損會被視為重估增值。

#### (w) 撥備及或然負債

當本集團須就已發生的事件承擔現有法律或推定責任，因而有可能會導致經濟效益外流以解除該責任且在可以作出可靠的估計時，本集團便會就該時間或數額不定的負債計提撥備。倘貨幣時間值屬重大，則按預期解除該責任所需支出的現值計列撥備。

倘需要經濟效益外流的可能性較低，或無法對有關金額作出可靠的估計，則該責任作為或然負債披露，但經濟效益外流的可能性極低則除外。倘本集團的潛在責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，但經濟效益外流的可能性極低則除外。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### Critical judgments in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements apart from those involving estimations, which are dealt with below.

#### (a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the favourable outcomes of the steps being taken by the Directors as described in note 2 to the consolidated financial statements.

#### Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

### 5. 主要會計判斷及估計不明朗因素之主要來源

#### 應用會計政策的關鍵判斷

於應用會計政策的過程中，董事作出以下對於綜合財務報表內確認之金額具最重大影響的判斷，惟涉及估計的判斷除外，討論如下。

#### (a) 持續經營基準

該等綜合財務報表按持續經營基準編製，其是否有效取決於綜合財務報表附註2所述董事所採取措施是否取得良好成果。

#### 不確定估計之主要來源

下文為有關未來之主要假設及於報告期末之估計不明朗因素之其他主要來源，而該等假設及來源均存在導致下一財政年度之資產及負債賬面值須作出重大調整之重大風險（如下文所討論）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Key sources of estimation uncertainty (continued)

#### (a) Property, plant and equipment, depreciation and impairment

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Property, plant and equipment are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable. This process requires management's estimate of the fair value with reference to a valuation report of each asset or group of assets less cost of disposal. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the consolidated statement of profit or loss and comprehensive income.

### 5. 主要會計判斷及估計不明朗因素之主要來源 (續)

#### 不確定估計之主要來源 (續)

#### (a) 物業、廠房及設備、折舊及減值

本集團釐定其物業、廠房及設備之估計可使用年期、剩餘價值以及相關折舊開支。此估計乃根據性質及功能相近之物業、廠房及設備之實際可使用年期及剩餘價值之過往經驗而作出。當可使用年期及剩餘價值與原先估計者不同時，本集團會對折舊開支進行相應調整，或將已報廢或出售之技術過時或非策略資產撇銷或撇減。

物業、廠房及設備按特定資產基準或類似組別資產（視適用情況而定）評估可能出現之減值。管理層須於此過程中參考估值報告估計各資產或資產組別減出售成本的公允值。倘此評估過程顯示出現減值，則相關資產之賬面值會撇減至可收回金額，而撇減金額會自綜合損益及全面收益表內扣除。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Key sources of estimation uncertainty (continued)

#### (b) Impairment of trade receivables, deposits and prepayments

Impairment of trade receivables, deposits and prepayments is made based on an assessment of the recoverability of trade receivables, deposits and prepayments. The assessment of impairment of trade receivables, deposits and prepayments involves the use of estimates and judgments. An estimate for doubtful debts is made when collection of the full amount is no longer probable, as supported by objective evidence using available contemporary and historical information to evaluate the exposure. Bad debts are written off as incurred. Where the actual outcome or expectation in the future is different from the original estimates, such differences will affect the carrying amount of trade receivables, deposits and prepayments and thus the impairment loss in the period in which such estimate is changed.

#### (c) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions. The Group will reassess the estimates by the end of each reporting period.

### 5. 主要會計判斷及估計不明朗因素之主要來源 (續)

#### 不確定估計之主要來源 (續)

#### (b) 應收貿易賬款、按金及預付款項之減值

應收貿易賬款、按金及預付款項之減值乃根據應收貿易賬款、按金及預付款項之可收回性而評估。應收貿易賬款、按金及預付款項之減值評估包括運用估計與判斷。當根據當前及過往資料評估風險時，客觀憑據顯示不能收回全數款項，則進行呆賬估計。壞賬於產生時撇銷。若未來的實際情況或預期有別於原有估計，則有關差額將影響到改變有關估計的期間之應收貿易賬款、按金及預付款項的賬面值，並因而影響減值虧損。

#### (c) 存貨之可變現淨值

存貨之可變現淨值乃日常業務過程中之估計售價，減估計完成成本及出售開支。該等估計乃基於現時市況以及製造及銷售類似性質產品之過往經驗。由於客戶口味及競爭者行為之變化其可能大幅變動。由於客戶本集團會於各報告期末重新評估有關估計。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

During the reporting period, the capital structure of the Group consist of debt which includes interest-bearing loans and equity attributable to owners of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the associated risks, and take appropriate actions to adjust the Group's capital structure. The Group's overall strategy remains unchanged from prior periods.

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, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debts. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

Management regards total equity as capital, for capital management purpose. The amount of capital as at 31 December 2018 amounted to approximately RMB38,864,000 in negative (2017: RMB9,627,000 in negative), which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

### 6. 資本管理風險

本集團管理其資本，旨在透過在債務與權益間作出最佳平衡，確保本集團的實體可持續經營，亦為股東締造最大回報。

於報告期間，本集團之資本結構由債務（包括計息借貸）及本公司擁有人應佔權益（包括已發行股本及儲備）組成。董事定期檢討資本結構。作為該檢討之一環，董事考慮資本成本及相關風險，並採取適當行動以調整本集團之資本結構。本集團之整體策略與過往期間維持不變。

本集團資本管理之主要目的為保障本集團有能力持續經營以及維持穩健之資本比率，按風險程度為產品合理定價及按合理成本進行融資，使本集團能繼續向股東提供回報及向其他利益相關者提供利益。

本集團根據經濟狀況的變動及相關資產的風險特色管理資本結構並就此加以調整。為維持或調整資本結構，本集團或會調整派付予股東之股息金額、發行新股、退還資本予股東、籌集新債務融資或出售資產以減少債務。本集團不受任何外部施加的資本規定所限。截至二零一八年及二零一七年十二月三十一日止年度，資本管理之目的、政策或程序並無變動。

為管理資本，管理層將權益總額視為資本。於二零一八年十二月三十一日之資本額為負資產約人民幣38,864,000元（二零一七年：負資產人民幣9,627,000元），管理層經考慮預測資本支出及預測策略投資機會後認為，上述資本額水平最為理想。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. CAPITAL RISK MANAGEMENT (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes trade payables, accrued liabilities, deposits received and other payables, amount due to shareholders and bank and other borrowing less cash and cash equivalents. Total capital includes equity attributable to owners of the Company. The gearing ratios as at the end of the reporting period were as follows:

### 6. 資本管理風險 (續)

本集團通過以債務淨額除以資本總額加債務淨額計算得出的資本負債率來監控資本。債務淨額包括應付貿易賬款、應計負債、已收按金及其他應付款項、應付股東款項以及銀行及其他借貸，減去現金及現金等值項目。資本總額包括本公司擁有人應佔權益。於報告期末之資本負債率如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	應付貿易賬款	9,796	11,473
Accruals and other payables	應計款項及其他應付款項	62,826	49,774
Amount due to shareholders	應付股東款項	19,517	13,780
Bank and other borrowings	銀行及其他借貸	58,515	33,460
Less: Cash and cash equivalents	減：現金及現金等值項目	(20,749)	(1,617)
Net debt	債務淨額	129,905	106,870
Equity attributable to owners of the Company	本公司擁有人應佔權益	(38,864)	(9,627)
Capital and net debt	資本及債務淨額	91,041	97,243
Gearing ratio	資本負債率	143%	110%

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial instruments of the Group mainly include cash and cash equivalents, trade receivables, other receivables, trade payables, other payables, bank and other borrowings.

The Group's finance department identifies and evaluates financial risks in close co-operation with the Group's operating units. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The board regularly reviews these risks and they are summarised below.

### 7. 財務風險管理目的及政策

本集團金融工具包括現金及現金等值項目、應收貿易賬款、其他應收款項、應付貿易賬款、其他應付款項、銀行及其他借貸。

本集團之財務部門負責識別並評估與本集團經營部門密切相關的金融風險。本集團金融工具產生之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。本集團的財務風險管理政策尋求確保有充裕資源用以管理上述風險及為股東創造價值。董事會定期檢討該等風險，而該等風險乃概述如下。

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## 綜合財務報表附註

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### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

#### (b) Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group does not consider that it has any significant exposure to the risk of changes in market interest rates from its bank borrowing as a reasonably possible change of 100 basis points in the interest rates would have no material impact on the Group's consolidated profit or loss for the years ended 31 December 2018 and 2017.

#### (c) Credit risk

The carrying amount of the cash and bank balances and trade and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets. The credit risk on cash and cash equivalents is limited as the Group has deposited its cash principally with various banks in the PRC.

### 7. 財務風險管理目的及政策 (續)

#### (a) 外幣風險

由於大部分業務交易、資產及負債主要以本集團之功能貨幣列值，故本集團所承受之外匯風險減至最低。本集團目前並無就外幣交易、資產及負債設立外匯對沖政策。本集團將密切監察其外匯風險，並將於需要時考慮對沖重大外匯風險。

#### (b) 利率風險

公允值利率風險是指金融工具之價值因市場利率變化而波動的風險。現金流量利率風險是指金融工具之未來現金流量因市場利率變化而波動之風險。

本集團並不認為其面臨來自銀行借貸的任何重大的市場利率變動風險，原因是利率可能合理變動100個基點並不會對本集團截至二零一八年及二零一七年十二月三十一日止年度的綜合損益造成重大影響。

#### (c) 信貸風險

綜合財務狀況表中現金及銀行結餘以及應收貿易賬款及其他應收款項之賬面值表示本集團所面臨有關本集團金融資產之最高信貸風險。由於本集團主要將其現金存入中國多間銀行，故現金及現金等值項目之信貸風險有限。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (c) Credit risk (continued)

The Group has significant concentration of credit risk arising from its ordinary course of business due to its small customer bases and limited counterparties involved. This credit risk mainly arises from the Group's trade and other receivables. The Group reviews the recoverable amount of each individual debtor at the end of each reporting period to ensure that adequate provision for impairment are made for irrecoverable amounts. There is no requirement for collaterals by the Group.

At 31 December 2018, the Group has a certain concentration of credit risk of approximately RMB1,947,000 (2017: RMB2,233,000) and RMB9,696,000 (2017: RMB7,610,000) out of total trade receivables of approximately RMB12,646,000 (2017: RMB10,589,000) as at 31 December 2018, which was arising from the Group's largest debtor and the three (2017: three) largest debtors respectively.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- actual or expected significant changes in the operating results of the borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

### 7. 財務風險管理目的及政策 (續)

#### (c) 信貸風險 (續)

由於本集團的客戶基礎相對較小及所涉及對手有限，故產生自日常業務過程之信貸風險極為集中。該信貸風險主要來自本集團之應收貿易賬款及其他應收款項。本集團於各報告期末檢討每名個別債務人之可收回款項以確保為不可收回之款項作出足夠減值撥備。本集團並無要求提供抵押品。

於二零一八年十二月三十一日之應收貿易賬款總額約人民幣12,646,000元(二零一七年:人民幣10,589,000元)中，本集團於二零一八年十二月三十一日有若干集中的信貸風險約人民幣1,947,000元(二零一七年:人民幣2,233,000元)及人民幣9,696,000元(二零一七年:人民幣7,610,000元)分別產生自本集團最大債務人及三名(二零一七年:三名)最大債務人。

本集團比較金融資產於報告日期之違約風險與於初始確認日期之違約風險，以評估金融資產之信貸風險有否於各報告期內按持續基準大幅增加。本集團亦考慮所得合理及有理據支持之前瞻性資料。尤其使用下列資料：

- 內部信貸評級；
- 借方經營業績之實際或預期重大變動；及
- 借方預期表現及行為之重大變動，包括借方之付款狀況變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (c) Credit risk (continued)

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 270 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

#### (d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity profile of the Company's financial liabilities as at the end of reporting period, based on the contracted undiscounted payments, was as follows:

2018	On demand	Less than 1 year	Over 1 year	Total		
				contractual undiscounted cash flow	Total carrying amount	
二零一八年	按要 求	少於 1年	1年 以上	合約未 貼現 現金 流量 總額	總賬 面值	
	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	
Trade payables	應付貿易賬款	7,479	2,317	-	9,796	9,796
Accruals and other payables	應計款項及其他應付款項	53,611	9,215	-	62,826	62,826
Amounts due to shareholders	應付股東款項	19,517	-	-	19,517	19,517
Bank and other borrowings	銀行及其他借貸	57,014	1,723	-	58,737	58,515
		137,621	13,255	-	150,876	150,654

### 7. 財務風險管理目的及政策 (續)

#### (c) 信貸風險 (續)

倘涉及合約付款之債務人逾期超過30日，則假定信貸風險大幅增加。當交易對方無法於合約付款到期時60日內支付款項，則金融資產出現違約。

金融資產於合理預期無法收回（例如債務人無法與本集團達成還款計劃）時撇銷。倘債務人於逾期後270日未能履行合約付款，本集團通常會撇銷有關貸款或應收款項。倘貸款或應收款項撇銷，則本集團（在實際可行及符合經濟效益之情況下）繼續採取強制行動試圖收回到期應收款項。

#### (d) 流動資金風險

本集團之政策為定期監管目前及預期的流動資金需求，確保本集團保持充裕的現金水平，以應付短期及較長期的流動資金需求。

根據訂約未折現付款，本公司於各報告期末之金融負債到期情況如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (d) Liquidity risk (continued)

2017		On demand	Less than 1 year	Over 1 year	Total contractual undiscounted cash flow 合約未貼現現金流量總額	Total carrying amount
二零一七年		按要求	少於1年	1年以上	現金流量總額	總賬面值
		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
Trade payables	應付貿易賬款	10,809	664	-	11,473	11,473
Accruals and other payables	應計款項及其他應付款項	44,994	4,780	-	49,774	49,774
Amounts due to shareholders	應付股東款項	13,780	-	-	13,780	13,780
Bank and other borrowings	銀行及其他借貸	25,556	8,554	-	34,110	33,460
		95,139	13,998	-	109,137	108,487

### 7. 財務風險管理目的及政策 (續)

#### (d) 流動資金風險 (續)

#### (e) Categories of financial instruments

#### (e) 金融工具之分類

		At 31 December 於十二月三十一日	
		2018 二零一八年	2017 二零一七年
		RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Financial assets:</b>	<b>金融資產：</b>		
<u>Financial assets at amortised cost</u> (including cash and cash equivalents)	<u>按攤銷成本計量之金融資產</u> (包括現金及現金等值項目)		
- Trade receivables	- 應收貿易賬款	12,646	10,589
- Financial assets included in prepayments, deposits and other receivables	- 計入預付款項、按金及其他應收款項之金融資產	3,035	1,430
- Amount due from an associate	- 應收一家聯營公司款項	-	167
- Cash and cash equivalents	- 現金及現金等值項目	20,749	1,617
		36,430	13,803
<b>Financial liabilities:</b>	<b>金融負債：</b>		
<u>Financial liabilities at amortised cost</u>	<u>按攤銷成本計量之金融負債</u>		
- Trade payables	- 應付貿易賬款	9,796	11,473
- Financial liabilities included in accruals and other payables	- 包括於應計款項及其他應付款項之金融負債	62,826	49,774
- Amounts due to shareholders	- 應付股東款項	19,517	13,780
- Bank and other borrowings	- 銀行及其他借貸	58,515	33,460
		150,654	108,487

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (f) Fair value

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

### 8. REVENUE AND OPERATING SEGMENT INFORMATION

The Group's revenue and contribution to loss were mainly derived from its sale of fiber optic inverters, fiber optic straight plates, fiber optic face plates, fiber optic tapers, fiber optic tapers billets and microchannel plates (collectively referred to as "Fiber Optic Products"), which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Directors, being the chief operating decision maker ("CODM"), for purposes of resource allocation and performance assessment. The measures of loss and of total assets and liabilities are consistent with the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position which are reported internally to the CODM. Accordingly, no segment analysis is presented other than entity-wide disclosures.

### 7. 財務風險管理目的及政策 (續)

#### (f) 公允值

綜合財務狀況表所反映的本集團金融資產及金融負債之賬面值與其各自的公允值相若。

### 8. 收益及經營分類資料

本集團之收益及虧損貢獻主要來自銷售光纖倒像器、光纖直板、光纖面板、光錐及微通道板(統稱為「光纖產品」)，被視為單一呈報分類，與向董事(即主要經營決策者(「主要經營決策者」))作內部呈報資料以供資源分配及表現評估之方式一致。虧損以及資產及負債總額之計量與向主要經營決策者作內部呈報之綜合損益及其他全面收益表及綜合財務狀況表一致。因此，除整體披露外，毋須呈列分類分析。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 8. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

#### Entity-wide disclosures

#### (a) Information about products

The following table sets forth the total sales to external customers by product and the percentage of total revenue by product during the year:

		2018 二零一八年		2017 二零一七年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Fiber optic inverters	光纖倒像器	9,251	35	2,421	13
Fiber optic straight plates	光纖直板	6,119	23	3,999	21
Fiber optic face plates	光纖面板	325	1	719	4
Fiber optic tapers	光錐	3,213	13	1,966	10
Microchannel plates	微通道板	7,366	28	7,916	41
Water purifier	淨水器	112	0	45	0
Others	其他	-	0	2,055	11
		<b>26,386</b>	<b>100</b>	<b>19,121</b>	<b>100</b>

#### (b) Geographical information

The Group principally operates in the PRC and the Group's non-current assets are all located in Shanxi, the PRC.

The following is an analysis of the Group's revenue from external customers by geographical location:

		Notes	2018 二零一八年	2017 二零一七年
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
The PRC	中國		15,127	8,974
Hong Kong	香港		3,742	7,892
Europe	歐洲		2,733	2,447
Russia	俄羅斯	(i)	4,779	(192)
Taiwan	台灣		5	-
			<b>26,386</b>	<b>19,121</b>

### 8. 收益及經營分類資料 (續)

#### 整體披露

#### (a) 有關產品之資料

年內向外部客戶銷售的總額(按產品計)及佔總收益之百分比(按產品計)載於下表:

#### (b) 地域資料

本集團主要於中國進行經營,而本集團之非流動資產全部位於中國山西。

本集團來自外部客戶之收益按地域位置分析如下:

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 8. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

#### Entity-wide disclosures (continued)

#### (b) Geographical information (continued)

Notes:

- (i) Sale return of fiber optic inverters from Russia customers during the year ended 31 December 2017 was amounting to approximately RMB192,000. As the sales of fiber optic inverters were smaller than its sale return during the year ended 31 December 2017, therefore the net sales was reported as a negative figure.

#### (c) Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the total revenue, is set out below:

### 8. 收益及經營分類資料 (續)

#### 整體披露 (續)

#### (b) 地域資料 (續)

附註：

- (i) 截至二零一七年十二月三十一日止年度來自俄羅斯客戶的光纖倒像器退貨約人民幣192,000元。由於光纖倒像器的銷量於截至二零一七年十二月三十一日止年度小於其退貨，故銷售淨額獲呈報為負數字。

#### (c) 有關主要客戶之資料

來自主要客戶（每名客戶佔總收益之10%或以上）之收益載於如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Customer A	客戶甲	9,485	6,444
Customer B	客戶乙	4,779	3,672
Customer C	客戶丙	3,484	2,000
Customer D	客戶丁	3,043	2,075



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 8. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

Entity-wide disclosures (continued)

#### (d) Disaggregation of revenue from contracts with customers

### 8. 收益及經營分類資料 (續)

整體披露 (續)

#### (d) 來自客戶合約之收益分拆

Segment 分部		Manufacturing and sales of Fiber Optic Products 光纖產品製造及銷售	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Geographical markets</b> 地區市場			
	The PRC	15,127	8,974
	Hong Kong	3,742	7,892
	Europe	2,733	2,447
	Russia	4,779	(192)
	Taiwan	5	-
		<b>26,386</b>	<b>19,121</b>
<b>Major products</b> 主要產品			
	Fiber optic inverters	9,251	2,421
	Fiber optic straight plates	6,119	3,999
	Fiber optic face plates	325	719
	Fiber optic tapers	3,213	1,966
	Microchannel plates	7,366	7,916
	Water purifier	112	45
	Others	-	2,055
		<b>26,386</b>	<b>19,121</b>
<b>Timing of revenue recognition</b> 確認收益時間			
	At a point in time	26,386	19,121
	Over time	-	-
		<b>26,386</b>	<b>19,121</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 8. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

#### Manufacturing and sales of Fiber Optic Products

The Group manufactures and sells of fiber optic products to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 90 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### 9. OTHER INCOME, GAINS AND LOSSES

### 8. 收益及經營分類資料 (續)

#### 光纖產品製造及銷售

本集團製造及向客戶銷售光纖產品。銷售於轉移產品的控制權時(即產品交付客戶)確認,並不存在可能影響客戶對產品的接受及客戶已獲得產品的合法所有權的未履行的義務。

銷售通常給予客戶90天的信用期限。對於新客戶,可要求收取押金或貨到付款。收到的押金會被確認為合約負債。

應收款項於交付產品時確認,此時收回對價的權利是無條件的,僅須等待客戶付款。

### 9. 其他收入、收益及虧損

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Amortisation of deferred government grants	遞延政府資助攤銷	1,140	950
Bank interest income	銀行利息收入	4	3
Gross rental income from transmitting station	發射台租金收入總額	93	30
Reversal of impairment of trade receivables	撥回應收貿易賬款減值	-	29
Foreign exchange loss	匯兌虧損	(42)	(34)
Others	其他	111	37
		<b>1,306</b>	<b>1,015</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 10. FINANCE COSTS

### 10. 財務費用

		2018 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest on bank borrowing	銀行借貸利息	1,326	1,479
Interest on other borrowings	其他借貸利息	3,389	1,154
Interest on amounts due to shareholders	應付股東款項之利息	557	540
		<b>5,272</b>	3,173

### 11. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/  
(crediting):

### 11. 年內虧損

本集團之年內虧損已扣除／(計入)  
以下項目：

		2018 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Auditors' remuneration	核數師酬金	442	460
Cost of inventories sold	銷售存貨成本	18,810	15,457
Staff costs (including directors' remuneration):	員工成本(包括董事酬金):		
Wages and salaries	工資及薪金	15,308	15,679
Pension scheme contributions	退休計劃供款	5,852	5,722
		<b>21,160</b>	21,401
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	4,807	5,339
Amortisation of land use right	土地使用權攤銷	293	293
Net foreign exchange loss	匯兌虧損淨額	42	34
Share of loss of an associate	分佔一家聯營公司之虧損	172	123
Research and development costs	研究及開發成本	402	313
Impairment of investments in associates	於聯營公司之投資減值	167	148
Impairment of inventories	存貨減值	7,736	6,215
Impairment loss of due from a shareholder	應收一位股東款項減值虧損	-	593
Impairment loss of due from a former related company	應收一家前關連公司款項減值虧損	-	47
Impairment of/(reversal of impairment of) trade receivables	應收貿易賬款減值／(撥回減值)	901	(29)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

#### (a) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of directors' and chief executive's remuneration for the year are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fees	袍金	372	315
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	170	282
Pension scheme contributions	退休計劃供款	9	47
		<b>551</b>	<b>644</b>

The emoluments of each director and the chief executive, on a named basis, are set out below:

### 12. 董事及五名最高薪人士之酬金

#### (a) 董事及主要行政人員之酬金

年內董事及主要行政人員之薪酬詳情如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fees	袍金	372	315
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	170	282
Pension scheme contributions	退休計劃供款	9	47
		<b>551</b>	<b>644</b>

各董事及主要行政人員之酬金按姓名載列如下：

For the year ended 31 December 2018  
截至二零一八年十二月三十一日止年度

		Notes 附註	Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and other benefits 薪金、津貼及 其他福利 RMB'000 人民幣千元	Pension scheme contributions 退休計劃供款 RMB'000 人民幣千元	Total emoluments 酬金總額 RMB'000 人民幣千元
Executive directors:	執行董事：					
Zhao Zhi	趙智	(i)	-	-	-	-
Jiao Baoguo	焦保國	(i)	-	-	-	-
Guo Xu Zhi	高旭志	(ii)	48	45	-	93
Song Zhenglai	宋政來	(iii)	48	60	-	108
Shen Jian	申健	(ii),(iii)	48	30	5	83
Wang Lingling	王玲玲	(iii)	48	35	4	87
Non-executive directors:	非執行董事：					
Xu Yongfeng <sup>#</sup>	許詠風 <sup>#</sup>	(i)	-	-	-	-
Wang Weizhong <sup>#</sup>	王衛忠 <sup>#</sup>	(i)	-	-	-	-
Rong Fei <sup>#</sup>	榮飛 <sup>#</sup>	(i)	-	-	-	-
Yuan Guo Liang	袁國良		36	-	-	36
Wu Bo	吳波	(iii)	36	-	-	36
Long Yan <sup>#</sup>	龍艷 <sup>#</sup>	(ii),(iii)	36	-	-	36
Ning Lingying <sup>#</sup>	寧玲穎 <sup>#</sup>	(ii),(iii)	36	-	-	36
Qie Hui Fang <sup>#</sup>	卻慧芳 <sup>#</sup>	(ii),(iii)	36	-	-	36
			<b>372</b>	<b>170</b>	<b>9</b>	<b>551</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

#### (a) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

### 12. 董事及五名最高薪人士之酬金 (續)

#### (a) 董事及主要行政人員之酬金 (續)

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

			Salaries, allowances and other benefits 薪金、津貼及 袍金	Pension scheme contributions 退休計劃供款	Total emoluments 酬金總額
	Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors:	執行董事:				
Guo Xu Zhi	(ii)	37	-	-	37
Song Zhenglai	(iii)	4	5	-	9
Shen Jian	(iii)	3	5	2	10
Wang Lingling	(iii)	3	6	2	11
Wang Wen Sheng	(iv)	44	128	43	215
Tian Qun Xu	(iv)	-	138	-	138
Non-executive directors:	非執行董事:				
Yuan Guo Liang		36	-	-	36
Wu Bo	(iii)	3	-	-	3
Long Yan <sup>#</sup>	(iii)	3	-	-	3
Ning Lingying <sup>#</sup>	(iii)	3	-	-	3
Qie Hui Fang <sup>#</sup>	(iii)	3	-	-	3
Zhang Shao Hui	(iv)	44	-	-	44
Ni Guo Qiang <sup>#</sup>	(iv)	33	-	-	33
Li Li Cai <sup>#</sup>	(iv)	33	-	-	33
Duan Zhong <sup>#</sup>	(iv)	33	-	-	33
Zhang Zhi Hong <sup>#</sup>	(iv)	33	-	-	33
		315	282	47	644

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

#### (a) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

# Independent non-executive directors

Notes:

- (i) These directors were appointed on 26 March 2019.
- (ii) These directors were resigned on 26 March 2019.
- (iii) These directors were appointed on 30 November 2017.
- (iv) These directors were resigned on 30 November 2017.

#### (b) SUPERVISORS' REMUNERATION

Details of supervisors' remuneration for the year are as follows:

### 12. 董事及五名最高薪人士之酬金 (續)

#### (a) 董事及主要行政人員之酬金 (續)

# 獨立非執行董事

附註:

- (i) 該等董事於二零一九年三月二十六日獲委任。
- (ii) 該等董事於二零一九年三月二十六日辭任。
- (iii) 該等董事於二零一七年十一月三十日獲委任。
- (iv) 該等董事於二零一七年十一月三十日辭任。

#### (b) 監事薪酬

年內監事之薪酬詳情如下:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fees	袍金	-	-
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	118	91
Pension scheme contributions	退休計劃供款	13	22
		<b>131</b>	<b>113</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

#### (b) SUPERVISORS' REMUNERATION (continued)

The emoluments of each supervisor, on a named basis, are set out below:

### 12. 董事及五名最高薪人士之酬金 (續)

#### (b) 監事薪酬 (續)

各監事之薪酬按姓名載列如下：

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度			
	Notes 附註	Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and other benefits 薪金、津貼及 其他福利 RMB'000 人民幣千元	Pension scheme contributions 退休計劃供款 RMB'000 人民幣千元	Total emoluments 酬金總額 RMB'000 人民幣千元
Han Xiao Ou	韓曉歐	-	52	8	60
Dong Yong Hong	董用宏 (i)	-	56	5	61
Song Zhen Bao	宋振寶 (i)	-	5	-	5
Yuan Shao Pu	袁韶浦 (i)	-	5	-	5
		-	118	13	131

		For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度			
	Notes 附註	Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and other benefits 薪金、津貼及 其他福利 RMB'000 人民幣千元	Pension scheme contributions 退休計劃供款 RMB'000 人民幣千元	Total emoluments 酬金總額 RMB'000 人民幣千元
Han Xiao Ou	韓曉歐	-	78	21	99
Lv Jun Li	呂晉莉 (ii)	-	-	-	-
Sun Wei	孫煒 (ii)	-	4	-	4
Xiang Hui	相輝 (ii)	-	4	-	4
Dong Yong Hong	董用宏 (i)	-	5	1	6
Song Zhen Bao	宋振寶 (i)	-	-	-	-
Yuan Shao Pu	袁韶浦 (i)	-	-	-	-
		-	91	22	113

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

#### (b) SUPERVISORS' REMUNERATION (continued)

Notes:

(i) These supervisors were appointed on 30 November 2017.

(ii) These supervisors were resigned on 30 November 2017.

There was no arrangement under which a director, the chief executive or a supervisor waived or agreed to waive any remuneration during the year.

During the year, no emoluments were paid by the Group to a director, the chief executive or a supervisor as an inducement to join, or upon joining the Group, or as compensation for loss of office.

#### (c) FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

One (2017: three) of the five highest paid individuals of the Group were the directors whose emolument is set out in the above. For the year ended 31 December 2018, four (2017: two) employees' emoluments of the Company were as follows:

### 12. 董事及五名最高薪人士之酬金 (續)

#### (b) 監事薪酬 (續)

附註：

(i) 該等監事於二零一七年十一月三十日獲委任。

(ii) 該等監事於二零一七年十一月三十日辭任。

年內並無任何董事、主要行政人員或監事作出放棄或同意放棄任何薪酬之安排。

年內，本集團並無向董事、主要行政人員或監事支付任何酬金，作為招攬加入或加盟本集團時之獎勵或離職補償。

#### (c) 五名最高薪人士之酬金

本公司五名最高薪人士包括一名(二零一七年：三名)董事，其酬金詳情載於上文。截至二零一八年十二月三十一日止年度，本公司四名(二零一七年：二名)僱員之酬金如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	815	479
Pension scheme contributions	4	-
	<b>819</b>	<b>479</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

#### (c) FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
Nil – HK\$1,000,000	零至港幣1,000,000元	4	2
		<b>4</b>	<b>2</b>

During the year, no emolument was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of office.

### 12. 董事及五名最高薪人士之酬金 (續)

#### (c) 五名最高薪人士之酬金 (續)

薪酬於下列範圍中的非董事及非主要行政人員之最高薪僱員人數如下：

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
		4	2
		<b>4</b>	<b>2</b>

年內，本集團並無向非董事及非主要行政人員之最高薪僱員支付任何酬金，作為招攬加入或加盟本集團時之獎勵或離職補償。

### 13. INCOME TAX EXPENSE

Current PRC Enterprise income tax	即期中國企業所得稅
– Charge for the year	– 一年內扣除
Deferred tax	遞延稅項
Total tax charge for the year	年內稅項扣除總額

No Hong Kong profits tax has been provided as the Group had no estimated assessable profits arising in or derived from Hong Kong for the year ended 31 December 2018 (2017:RMB Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the Jurisdiction in which the Group operates.

### 13. 所得稅開支

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	–	–
	–	–
	–	–

截至二零一八年十二月三十一日止年度，由於本集團並無在香港產生或來自香港之任何估計應課稅溢利，因此並無就香港利得稅作出撥備（二零一七年：人民幣零元）。其他地區之應課稅溢利乃按本集團經營業務所在司法權區當時之稅率課稅。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 13. INCOME TAX EXPENSE (continued)

According to the applicable Enterprise Income Tax Law of the PRC, the Company, which operates in the Taiyuan Economic and Technology Development Zone (太原經濟技術開發區), the PRC, and which is registered as a New and High Technical Enterprise (高新技術企業), is entitled to a concessionary Enterprise Income Tax rate of 15% over 3 years, beginning on 15 October 2015. For the year ended 31 December 2018, the Company was still entitled to a concessionary Enterprise Income Tax rate of 15% (2017: 15%).

The income tax expenses for the year can be reconciled to the loss for the year multiplied by applicable tax rate as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss before tax	除稅前虧損	<b>(29,241)</b>	(28,576)
Tax calculated at the domestic tax rate of 15% (2017: 15%)	按國內稅率15% (二零一七年: 15%) 計算之稅款	<b>(4,386)</b>	(4,286)
Tax effect of revenue not taxable for tax purposes	毋須課稅收益之稅務影響	<b>(9)</b>	(4)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	<b>1,392</b>	1,050
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>3,003</b>	3,240
Income tax expenses	所得稅開支	-	-

As at 31 December 2018, the Group has estimated unused tax losses of approximately RMB47,170,000 (2017: RMB27,157,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. The estimated unused tax losses of approximately RMB47,177,000 at 31 December 2018 (2017: RMB27,157,000) is due to expire within one to five years for offsetting against future taxable profits of the Group in which the losses arise.

### 13. 所得稅開支 (續)

本公司在中國太原經濟技術開發區營運並註冊為高新技術企業，根據中國適用企業所得稅法，可於二零一五年十月十五日起3年內享有15%之企業所得稅優惠稅率。截至二零一八年十二月三十一日止年度，本公司仍享有15% (二零一七年: 15%) 之企業所得稅優惠稅率。

年內所得稅開支可與年內虧損乘以適用稅率對賬如下：

於二零一八年十二月三十一日，本集團可用作抵銷未來溢利之估計未動用稅項虧損約人民幣47,170,000元 (二零一七年: 人民幣27,157,000元)。由於無法預測未來溢利來源，故並無就該等稅項虧損確認遞延稅項資產。於二零一八年十二月三十一日，估計未動用稅項虧損約人民幣47,177,000元 (二零一七年: 人民幣27,157,000元) 將於一至五年內屆滿，用以抵銷招致虧損之本集團之未來應課稅溢利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 14. LOSS PER SHARE

#### Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately RMB29,237,000 (2017: RMB28,535,000) and 308,860,000 (2017: 308,860,000) shares in issue during the year.

#### Diluted loss per share

There were no diluted potential ordinary shares in issue during the years ended 31 December 2018 and 2017.

### 15. DIVIDEND

The Directors do not recommend the payment of any dividend for each of the years ended 31 December 2018 and 2017.

### 16. PROPERTY, PLANT AND EQUIPMENT

		Medium term leasehold buildings 中期租賃樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>As at 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>							
<b>COST:</b>	<b>成本:</b>							
At 1 January 2018	於二零一八年一月一日	68,806	34	45,992	1,835	408	16,781	133,856
Additions	添置	44	-	618	9	-	19,445	20,116
Transferred from Construction in progress	轉撥自在建工程	1,398	-	-	-	-	(1,398)	-
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>70,248</b>	<b>34</b>	<b>46,610</b>	<b>1,844</b>	<b>408</b>	<b>34,828</b>	<b>153,972</b>
<b>ACCUMULATED DEPRECIATION:</b>	<b>累計折舊:</b>							
At 1 January 2018	於二零一八年一月一日	21,051	23	34,517	1,808	408	-	57,807
Provided during the year	年內撥備	1,334	3	3,463	7	-	-	4,807
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>22,385</b>	<b>26</b>	<b>37,980</b>	<b>1,815</b>	<b>408</b>	<b>-</b>	<b>62,614</b>
<b>CARRYING AMOUNT:</b>	<b>賬面值:</b>							
At 31 December 2018	於二零一八年十二月三十一日	47,863	8	8,630	29	-	34,828	91,358

### 14. 每股虧損

#### 每股基本虧損

每股基本虧損乃根據本公司擁有人應佔虧損分別約人民幣29,237,000元(二零一七年: 人民幣28,535,000元)與年內已發行股份308,860,000股(二零一七年: 308,860,000股)計算。

#### 每股攤薄虧損

截至二零一八年及二零一七年十二月三十一日止年度並無已發行潛在攤薄普通股。

### 15. 股息

董事不建議派付截至二零一八年及二零一七年十二月三十一日止年度各年之任何股息。

### 16. 物業、廠房及設備

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 16. PROPERTY, PLANT AND EQUIPMENT (continued)

### 16. 物業、廠房及設備 (續)

		Medium term leasehold buildings 中期租賃 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業 裝修 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2017	於二零一七年十二月三十一日							
COST:	成本:							
At 1 January 2017	於二零一七年一月一日	66,314	34	45,335	1,806	408	16,093	129,990
Additions	添置	2,492	-	657	29	-	688	3,866
At 31 December 2017	於二零一七年十二月三十一日	68,806	34	45,992	1,835	408	16,781	133,856
ACCUMULATED DEPRECIATION:	累計折舊:							
At 1 January 2017	於二零一七年一月一日	19,697	20	30,537	1,806	408	-	52,468
Provided during the year	年內撥備	1,354	3	3,980	2	-	-	5,339
At 31 December 2017	於二零一七年十二月三十一日	21,051	23	34,517	1,808	408	-	57,807
CARRYING AMOUNT:	賬面值:							
At 31 December 2017	於二零一七年十二月三十一日	47,755	11	11,475	27	-	16,781	76,049

As at 31 December 2018, certain plant and machinery at carrying amount of approximately RMB284,000 (2017: RMB537,000) has been pledged to secure a bank borrowing to the Group (note 28).

於二零一八年十二月三十一日，若干賬面值約人民幣284,000元（二零一七年：人民幣537,000元）之廠房及機器已質押以作為本集團銀行借貸之抵押（附註28）。

As at 31 December 2018, certain plant and machinery and motor vehicles at carrying amount of approximately RMB1,003,000 and RMB Nil (2017: RMB1,417,000 and RMB Nil) respectively has been pledged to secure the amount due to a shareholder (note 27).

於二零一八年十二月三十一日，若干賬面值分別約人民幣1,003,000元及人民幣零元（二零一七年：人民幣1,417,000元及人民幣零元）之廠房及機器及汽車已質押以作為應付一位股東款項之抵押（附註27）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 17. LAND USE RIGHT

The Group's interest in land use right represents prepaid operating lease payment and its net carrying amount is analysed as follows:

### 17. 土地使用權

本集團擁有的土地使用權權益指預付經營租賃付款，其賬面淨值分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>COST:</b>	<b>成本：</b>		
At 1 January and 31 December	於一月一日及十二月三十一日	<b>14,634</b>	14,634
<b>ACCUMULATED AMORTISATION:</b>	<b>累計攤銷：</b>		
At 1 January and 31 December	於一月一日及十二月三十一日	<b>3,807</b>	3,514
Amortisation for the year	年內攤銷	<b>293</b>	293
At 31 December	於十二月三十一日	<b>4,100</b>	3,807
<b>CARRYING AMOUNT:</b>	<b>賬面值：</b>		
At 31 December	於十二月三十一日	<b>10,534</b>	10,827

As at 31 December 2018 and 2017, the Group's land use right located at No. 7, Dianzi Street, Taiyuan City, Shanxi Province, the PRC has been pledged to a bank to secure a bank borrowing to the Group (note 28).

於二零一八年及二零一七年十二月三十一日，本集團位於中國山西省太原市電子街7號的土地使用權已質押予一間銀行，作為本集團獲授之一項銀行借貸（附註28）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 18. SUBSIDIARIES

Particulars of the subsidiaries at the end of the reporting period are as follows:

### 18. 附屬公司

於報告期末之附屬公司詳情如下：

Company name 公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Registered/ Paid up share capital 註冊股本/ 繳足資本	Percentage of equity interests attributable to the Company 本公司所佔的 股權百分比	Principal activities 主要業務
<u>Directly held:</u> <u>直接持有：</u>				
Shanxi Changcheng Huiqing Environmental Technology Company Limited* ("Changcheng Huiqing")	PRC	RMB1,000,000/ RMB110,000#	55%	Wholesale of household water purifiers
山西長城匯清環保科技有限公司 ("長城匯清")	中國	人民幣1,000,000元 /人民幣110,000元#	55%	家用淨水器批發
Taiyuan Changcheng Weiguang Weitong Electronics Company Limited* ("Changcheng Weitong")	PRC	RMB15,000,000/ RMB NIL^	100%	Design, research, development, manufacture and sales of optoelectronic and chemical glass products
太原長城微光微通電子科技有限公司 ("長城微通")	中國	人民幣15,000,000元 /人民幣零元^	100%	設計、研究、設計、研究、開發、製造及銷售光電及化學玻璃產品
Taiyuan Changcheng Feibo Optoelectronic Technology Company Limited* ("Changcheng Feibo")	PRC	RMB20,000,000/ RMB NIL^	100%	Design, research, development, manufacture and sales of fiber optics products and water purifiers
太原長城微光菲博光電科技有限公司 ("長城菲博")	中國	人民幣20,000,000元 /人民幣零元^	100%	設計、研究、開發、製造及銷售光纖產品及淨水器
Shanxi Shansite Optoelectronics Technology Co., Limited* ("Shansite")	PRC	RMB5,000,000/ RMB NIL®	100%	Sales of optoelectronic and fiber optics products
山西閃思特光電科技有限公司 ("閃思特")	中國	人民幣5,000,000元 /人民幣零元®	100%	銷售光電及光纖產品

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 18. SUBSIDIARIES (continued)

- \* The English names are for identification only
- # The registered capital of Changcheng Huiqing is RMB1,000,000 of which RMB110,000 has been paid by the Group as at 31 December 2018 and 2017.
- ^ Changcheng Weitong and Changcheng Feibo were established in the PRC with limited liability on 21 June 2016. The registered capital of Changcheng Weitong and Changcheng Feibo is RMB15,000,000 and RMB20,000,000 respectively of which none has been paid by the Group as at 31 December 2018 and 2017. Changcheng Weitong and Changcheng Feibo have not yet started operation for the year ended 31 December 2018 and 2017.
- ⊙ Shansite was established in the PRC with limited liability on 5 February 2018. The registered capital of Shansite is RMB5,000,000 of which none has been paid by the Group as at 31 December 2018.

The Group had no subsidiary which has material non-controlling interests for the year ended 31 December 2018 and 2017.

### 19. INTERESTS IN ASSOCIATES

Unlisted investments in PRC	於中國的非上市投資
Share of net assets	應佔資產淨值
Due from associates	應收聯營公司款項
Impairment of investments in associates	於聯營公司之投資減值

### 18. 附屬公司 (續)

- \* 英文名稱僅供識別
- # 長城匯清之註冊資本為人民幣1,000,000元，其中人民幣110,000元本集團已於二零一八年及二零一七年十二月三十一日繳付。
- ^ 長城微通及長城菲博於二零一七年六月二十一日在中國成立為有限公司。長城微通及長城菲博的註冊資本分別為人民幣15,000,000元及人民幣20,000,000元，本集團於二零一八年及二零一七年十二月三十一日並無支付註冊資本。長城微通及長城菲博於截至二零一八年及二零一七年十二月三十一日止年度尚無開始經營業務。
- ⊙ 閃思特於二零一八年二月五日在中國成立為有限公司。閃思特的註冊資本為人民幣5,000,000元，其中截至二零一八年十二月三十一日本集團並無支付註冊資本。

截至二零一八年及二零一七年十二月三十一日止年度，本集團並無具重大非控股權益之附屬公司。

### 19. 於聯營公司之權益

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Unlisted investments in PRC		
Share of net assets	2,513	2,685
Due from associates	939	767
Impairment of investments in associates	3,452 (3,452)	3,452 (3,285)
	-	167

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 19. INTERESTS IN ASSOCIATES (continued)

Particulars of the associates at the end of the reporting period are as follows:

### 19. 於聯營公司之權益 (續)

於報告期末之聯營公司詳情如下：

Company name 公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Registered/ Paid up share capital 註冊股本/ 繳足資本	Percentage of equity interests attributable to the Company 本公司所佔的 股權百分比	Principal activities 主要業務
Shanxi Huayuan Transport Optical Technology and Engineering Company Limited* ("Huayuan Transport")	PRC	RMB11,000,000/ RMB4,000,000	36.36%	Development of fibre optic intelligent transport system business in the PRC
山西華遠交通光電技術工程有限公司 ([華遠交通])	中國	人民幣11,000,000元 /人民幣4,000,000元	36.36%	於中國從事光纖智能運輸系統業務之開發
Taiyuan Changcheng Luojiuguang Optical Technology Company Limited* ("Changcheng Luojiuguang")	PRC	RMB2,000,000/ RMB420,000#	35.00%	Manufacturing, processing, research and development and sales of electronic components and optical subcomponents
太原長城籬箕光電科技有限公司 ([長城籬箕光])	中國	人民幣2,000,000元/ 人民幣420,000元#	35.00%	電子元件及光電元器件的生產、加工、研發及銷售
Taiyuan Weiguang Feifan Education Management Consultant Company Limited* ("Weiguang Feifan")	PRC	RMB100,000/ RMB NIL^	49.00%	Education information consultation, organizing cultural and artistic exchange activities, housing lease
太原維光非凡教育管理諮詢有限公司 ([維光非凡])	中國	人民幣100,000元/ 人民幣零元^	49.00%	教育資訊諮詢、組織文化及藝術交流活動、房屋租賃

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 19. INTERESTS IN ASSOCIATES (continued)

- \* The English names are for identification only
- # The registered capital of Changcheng Luojiguang is RMB2,000,000 of which RMB420,000 has been paid by the Group as at 31 December 2018 and 2017.
- ^ Weiguang Feifan was established in the PRC with limited liability on 8 November 2017. The registered capital of Weiguang Feifan is RMB100,000 of which none has been paid by the Group as at 31 December 2018 and 2017.

The amounts due from associates are unsecured, interest-free and not repayable within one year.

As at 31 December 2018, the Group recognised impairment losses of approximately RMB3,452,000 (2017: RMB3,285,000) in respect of the interest in the associates mainly due to uncertainties surrounding the industry in which the associate operates.

The associates are accounted for using the equity method in these consolidated financial statements and the associates are not considered to be individually material to the Group.

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

### 19. 於聯營公司之權益 (續)

- \* 英文名稱僅供識別
- # 長城籬箕光之註冊資本為人民幣2,000,000元，其中人民幣420,000元本集團已於二零一八年及二零一七年十二月三十一日繳付。
- ^ 維光非凡為於二零一七年十一月八日於中國成立之有限公司。維光非凡之註冊資本為人民幣100,000元，其中於二零一八年及二零一七年十二月三十一日本集團並無支付任何應繳資本。

應收聯營公司款項乃無抵押、免息及毋須於一年內償還。

於二零一八年十二月三十一日，本集團就聯營公司之權益確認減值虧損約人民幣3,452,000元（二零一七年：人民幣3,285,000元），主要由於該等聯營公司所從事之行業遭受的不明朗因素所致。

聯營公司使用權益法於此等綜合財務報表內入賬，且聯營公司不被視為個別對本集團而言屬重大。

下表列示本集團分佔所有個別而言並不重大的聯營公司的總額，而有關金額乃採用權益法入賬。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>At 31 December</b>	<b>於十二月三十一日</b>		
Carrying amounts of interests	權益賬面值	-	167
<b>Year ended 31 December</b>	<b>截至十二月三十一日止年度</b>		
Loss from continuing operations	持續經營虧損	172	123
Other comprehensive loss	其他全面虧損	-	-
Total comprehensive loss	全面虧損總額	172	123

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 19. INTERESTS IN ASSOCIATES (continued)

The Group has discontinued the recognition of its share of results of the associate Huayuan Transport because the share of losses of the associate exceeded the Group's interest in the associate. As at 31 December 2018, the cumulatively unrecognised share of losses of the associate is approximately RMB1,918,000 (2017: RMB1,816,000).

The Group has discontinued the recognition of its share of results of the associate Changcheng Luojiguang because the share of losses of the associate exceeded the Group's interest in the associate. As at 31 December 2018, the cumulatively unrecognised share of losses of the associate is approximately RMB116,725.

### 19. 於聯營公司之權益 (續)

由於分佔之聯營公司虧損超過本集團於聯營公司華遠交通之權益，因此本集團已終止確認分佔該聯營公司之業績。於二零一八年十二月三十一日，累計未確認的分佔聯營公司虧損約人民幣1,918,000元（二零一七年：人民幣1,816,000元）。

由於應佔聯營公司的虧損超出本集團於該聯營公司的權益，本集團已終止確認其應佔聯營公司長城籬箕光之業績。於二零一八年十二月三十一日，應佔該聯營公司的累計未確認虧損約人民幣116,725元。

### 20. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

### 20. 存貨

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元
1,740	1,865
4,791	9,845
2,499	1,807
<b>9,030</b>	<b>13,517</b>

### 21. TRADE RECEIVABLES

Trade receivables	應收貿易賬款
Less: impairment of trade receivables	減：應收貿易賬款減值

### 21. 應收貿易賬款

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元
16,000	13,042
(3,354)	(2,453)
<b>12,646</b>	<b>10,589</b>



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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 21. TRADE RECEIVABLES (continued)

An aging analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 90 days	90日內	8,771	7,835
91 days to 180 days	91日至180日	2,273	2,146
181 days to 1 year	181日至1年	1,602	608
		<b>12,646</b>	<b>10,589</b>

The trading terms with customers are largely on credit. The credit period is generally 90 days (2017: 90 days). The Group maintains strict control over its outstanding receivables and has credit control policy in place to minimise its credit risk. The Group has significant concentration of credit risk arising from its ordinary course of business due to its relatively small customer bases. Overdue balances are regularly reviewed by management. Trade receivables are non-interest-bearing.

The movements in impairment of trade receivables are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	2,453	2,482
Impairment losses recognised	已確認減值虧損	901	-
Reversal of impairment losses recognised	撥回已確認減值虧損	-	(29)
At 31 December	於十二月三十一日	<b>3,354</b>	<b>2,453</b>

### 21. 應收貿易賬款 (續)

於報告期末，應收貿易賬款根據發票日期及扣除撥備之賬齡分析如下：

給予客戶之貿易條款主要為賒賬方式。信貸期一般為90日（二零一七年：90日）。本集團嚴格控制未收回之應收賬項並採取賒賬控制政策，以盡量減低信貸風險。由於本集團之客戶基礎相對較小，因此其來自日常業務過程之信貸風險高度集中。逾期未付款項由管理層定期審閱。應收貿易賬款為不計息。

應收貿易賬款之減值變動如下：

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## 綜合財務報表附註

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### 21. TRADE RECEIVABLES (continued)

Included in the above impairment of trade receivables is a provision for individually impaired trade receivables of approximately RMB3,354,000 (2017: RMB2,453,000). The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

### 21. 應收貿易賬款 (續)

上述應收貿易賬款減值包括一項個別減值之應收貿易賬款撥備約人民幣3,354,000元(二零一七年:人民幣2,453,000元)。該項個別減值之應收貿易賬款與有財務困難之客戶有關,預期該等應收賬款僅可部份收回。本集團並無就該等結餘持有任何抵押品或採取其他提升信用的措施。

本集團應用香港財務報告準則第9號下的簡易方法就所有貿易應收款項使用預期虧損撥備期限計算預期信貸虧損。為計算預期信貸虧損,貿易應收款項已根據共享信貸風險特徵及逾期日數分類。預期信貸虧損亦包含前瞻性資料。

		Current	Over 3 months past due	Over 6 months past due	Over 9 months past due	Over 1 year past due	Total
		即期	逾期多於3個月	逾期多於6個月	逾期多於9個月	逾期多於1年	總計
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>						
Weighted average expected loss rate	加權平均預期虧損率	0.00%	0.00%	0.00%	0.00%	100.00%	20.96%
Receivable amount (RMB'000)	可收回金額(人民幣千元)	8,780	2,273	1,593	-	3,354	16,000
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	-	-	-	-	3,354	3,354
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>						
Weighted average expected loss rate	加權平均預期虧損率	0.00%	0.00%	0.00%	0.00%	100.00%	18.81%
Receivable amount (RMB'000)	可收回金額(人民幣千元)	7,835	2,146	608	-	2,453	13,042
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	-	-	-	-	2,453	2,453

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Details of the prepayments, deposits and other receivables are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Prepayments	預付款項	965	872
Deposits and other receivables	按金及其他應收款項	3,035	1,430
		<b>4,000</b>	<b>2,302</b>

### 23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents 現金及現金等值項目

At the end of the reporting period, the cash and cash equivalents of the Group are mainly denominated in RMB and placed with banks in the PRC and held in hand.

RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Cash at bank 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.

### 22. 預付款項、按金及其他應收款項

預付款項、按金及其他應收款項之詳情載列如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Prepayments	965	872
Deposits and other receivables	3,035	1,430
	<b>4,000</b>	<b>2,302</b>

### 23. 現金及現金等值項目

Cash and cash equivalents 現金及現金等值項目

於報告期末，本集團之現金及現金等值項目主要以人民幣為單位且存放於中國多家銀行及手頭持有。

人民幣並非可自由兌換為外幣的貨幣。根據中國的外匯管制條例，本集團獲准透過已獲授權進行外匯業務之銀行以人民幣兌換外幣。

於銀行之現金根據銀行每日銀行存款利率按浮動利率賺取利息。銀行結餘存放於信譽良好及最近並無違約記錄之銀行。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 24. TRADE PAYABLES

The aging analysis of trade payables, based on the invoice date, is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
0 to 90 days	0至90日	2,317	664
91 days to 180 days	91日至180日	230	-
181 days to 365 days	181日至365日	455	-
Over 365 days	超過365日	6,794	10,809
		<b>9,796</b>	<b>11,473</b>

### 24. 應付貿易賬款

應付貿易賬款根據發票日期之賬齡分析如下：

### 25. ACCRUALS AND OTHER PAYABLES

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Accrued salaries and other payables	應計薪酬及其他應付款項	53,611	44,994
Accrued expenses	應計開支	6,893	4,030
Others	其它	2,322	750
		<b>62,826</b>	<b>49,774</b>

### 25. 應計款項及其他應付款項

### 26. CONTRACT LIABILITIES

Disclosures of revenue-related items:	與收益相關的項目披露：	As at 31 December 2018 於 二零一八年 十二月三十一日 RMB'000 人民幣千元	As at 31 December 2017 於 二零一七年 十二月三十一日 RMB'000 人民幣千元	As at 1 January 2017 於 二零一七年 一月一日 RMB'000 人民幣千元
		Contract liabilities	合約負債	5,904

### 26. 合約負債

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 26. CONTRACT LIABILITIES (continued)

### 26. 合約負債 (續)

Year ended 31 December	截止十二月三十一日止年度	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue recognised in the year that was included in contract liabilities at beginning of year	年初計入合約負債並於年內確認的收益	717	1,123
<b>Significant changes in contract liabilities during the year:</b>	<b>於本年度合約負債的重大變動：</b>	<b>2018 二零一八年 RMB'000 人民幣千元</b>	<b>2017 二零一七年 RMB'000 人民幣千元</b>
Increase due to operations in the year	因年內營運而增加	144	277
Transfer of contract liabilities to revenue	轉撥合約負債至收益	(717)	(1,123)
Sales return	銷售退貨	677	1,055

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration from the customer.

合約負債是指本集團已收客戶對價而向客戶轉讓產品或服務的義務。

### 27. AMOUNTS DUE TO SHAREHOLDERS

The advances of RMB1,300,000 are pledged by certain plant and machinery and motor vehicles, interest-bearing and repayable on demand. The remaining balances are unsecured, interest-bearing and repayable on demand.

### 27. 應付股東款項

應付股東款項人民幣1,300,000元由若干廠房及機器以及汽車作抵押，計息且須按要求償還。餘額為無抵押、免息及須按要求償還。

### 28. BANK AND OTHER BORROWINGS

### 28. 銀行及其他借貸

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Bank borrowing	銀行借貸	13,245	13,479
Other borrowings	其他借貸	45,270	19,981
		<b>58,515</b>	<b>33,460</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 28. BANK AND OTHER BORROWINGS

(continued)

At 31 December 2018 and 2017, the bank and other borrowings was due for repayment as follows:

The bank and other borrowings that contain a repayable on demand clause:	含有須按要求償還條款之銀行及其他借貸：		
Current portion of term loan due for repayment within one year	到期須於一年內償還之定期借貸之即期部分	<b>58,515</b>	33,460

The guarantees and securities of the bank and other borrowings at the end of each reporting period are as follows:

Secured (Note)	抵押(附註)	<b>19,746</b>	16,479
Unsecured	沒有抵押	<b>38,769</b>	16,981

Note:

The amount is (1) secured by the Group's land use right located at No. 7, Dianzi Street, Taiyuan City, Shanxi Province, the PRC (note 17) and certain plant and machinery (note 16); and (2) guaranteed by a shareholder; (2017: land use right, plant and machinery, and personal guarantee provided by a shareholder).

### 28. 銀行及其他借貸(續)

於二零一八年及二零一七年十二月三十一日，到期應償還之銀行及其他借貸如下：

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

於各報告期末銀行及其他借貸之擔保及抵押如下：

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

附註：

該款項由(1)本集團位於中國山西省太原市電子街七號之土地使用權(附註17)及若干廠房及機器(附註16)作抵押；及(2)一名股東作擔保；(二零一七年：土地使用權、廠房及機器和股東提供的個人擔保)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 28. BANK AND OTHER BORROWINGS (continued)

The average effective interest rates at the end of each reporting period were as follows:

### 28. 銀行及其他借貸 (續)

於各報告期末之平均實際利率如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest bearing (Note)	含利息 (附註)	50,515	28,050
Interest-free	免利息	8,000	5,410
		<b>58,515</b>	<b>33,460</b>

Note:

The amount is interest bearing at a range from 4.35% to 36% p.a. (2017: 4.35% to 30% p.a.).

附註：

該款項按介乎4.35%至36% (二零一七年：年利率4.35%至30%)之年利率計息。

### 29. DEFERRED GOVERNMENT GRANTS

### 29. 遞延政府資助

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>COST:</b>	<b>成本：</b>		
At 1 January	於一月一日	25,223	25,033
Additions	添置	21,359	190
		<b>46,582</b>	<b>25,223</b>
At 31 December	於十二月三十一日	<b>46,582</b>	25,223
<b>ACCUMULATED AMORTISATION</b>	<b>累計攤銷</b>		
At 1 January	於一月一日	14,790	13,840
Amortisation for the year	年內攤銷	1,140	950
		<b>15,930</b>	<b>14,790</b>
At 31 December	於十二月三十一日	<b>15,930</b>	14,790
<b>CARRYING AMOUNT:</b>	<b>賬面值：</b>		
At 31 December	於十二月三十一日	<b>30,652</b>	10,433

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. SHARE CAPITAL

### 30. 股本

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Authorised, issued and fully paid:	法定、已發行及繳足股款：		
198,860,000 (2017: 198,860,000) domestic shares of RMB0.10 each	198,860,000股(二零一七年：198,860,000股)每股面值人民幣0.10元之內資股	19,886	19,886
110,000,000 (2017: 110,000,000) H shares of RMB0.10 each	110,000,000股(二零一七年：110,000,000股)每股面值人民幣0.10元之H股	11,000	11,000
		<b>30,886</b>	<b>30,886</b>

Except for the currency in which dividends are paid and the restrictions as to whether the shareholders can be the PRC investors or foreign investors, domestic shares and H shares rank pari passu with each other.

除支付股息所用之貨幣及有關股東應為中國投資者或境外投資者等限制外，內資股及H股各自享有同等權益。

### 31. RESERVES

#### Group

#### (i) Capital surplus

The capital surplus of the Group represents the excess of the issue price over the nominal value of the Company's shares issued at a premium.

#### (ii) Statutory surplus reserve

The Company's articles of association require the appropriation of 10% of the Company's profit after tax each year to the statutory surplus reserve until the balance reaches 50% of the Company's registered capital. According to the provisions of the Company's articles of association, in normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the Company's production and operations. For the capitalisation of the statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered capital.

### 31. 儲備

#### 本集團

#### (i) 資本盈餘

本集團資本盈餘指發行價超出以溢價發行的本公司股份之面值之差額。

#### (ii) 法定盈餘儲備

本公司組織章程細則規定，每年須提撥本公司除稅後溢利之10%至法定盈餘儲備，直至法定盈餘儲備結餘達到本公司註冊股本之50%。根據本公司組織章程細則規定，於正常情況下，法定盈餘儲備僅可用於彌補虧損、撥充股本及擴大本公司之生產及經營。將法定盈餘儲備資本化為股本時，有關儲備之餘額不得少於註冊股本之25%。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 31. RESERVES (continued)

#### Company

The amounts of the Company's reserves and the movements therein for the year ended 31 December 2018 are as follows:

### 31. 儲備 (續)

#### 本公司

本公司於截至二零一八年十二月三十一日止年度之儲備及其變動之金額如下：

		Capital surplus	Statutory surplus reserve	Accumulated losses	Total
		資本盈餘	法定盈餘儲備	累計虧損	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
At 1 January 2017	於二零一七年一月一日	18,561	11,853	(42,361)	(11,947)
Total comprehensive loss for the year	年內全面虧損總額	-	-	(28,499)	(28,499)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	18,561	11,853	(70,860)	(40,446)
Total comprehensive loss for the year	年內全面虧損總額	-	-	(29,333)	(29,333)
At 31 December 2018	於二零一八年十二月三十一日	18,561	11,853	(100,193)	(69,779)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

		Amounts due to shareholders	Bank and other borrowings	Total liabilities from financing activities
		應付股東款項	銀行及 其他借貸	融資活動之 負債總額
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	16,490	13,920	30,410
Change in cash flows	現金流變動	1,750	16,907	18,657
Non-cash changes	非現金變動			
– Interest charges	– 利息費用	540	2,633	3,173
– Set off (Note 32b)	– 抵銷(附註32b)	(5,000)	–	(5,000)
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	13,780	33,460	47,240
Change in cash flows	現金流變動	5,180	20,340	25,520
Non-cash changes	非現金變動			
– Interest charges	– 利息費用	557	4,715	5,272
At 31 December 2018	於二零一八年 十二月三十一日	19,517	58,515	78,032

#### (b) Major non-cash transaction

During 2017, the amount due from a former related company of RMB5,000,000 was agreed to offset the amount due to shareholders of RMB5,000,000.

### 32. 綜合現金流量表附註

#### (a) 融資活動產生之負債之變動

下表列示本年度內本集團融資活動產生之負債之變動：

#### (b) 主要非現金交易

於二零一七年，應收一家前關連公司款項人民幣5,000,000元已協定用於抵銷應付股東款項人民幣5,000,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 33. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

### 33. 資本承擔

本集團於報告期末之資本承擔如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contracted, but not provided for	已訂約但尚未撥備		
– Buildings	– 樓宇	5,129	6,611
Contracted contribution to subsidiaries (Note 18)	向附屬公司所作訂約貢獻 (附註18)	35,440	35,440
Contracted contribution to associates (Note 19)	向聯營公司所作訂約貢獻 (附註19)	329	329
		<b>40,898</b>	<b>42,380</b>

### 34. RELATED PARTY TRANSACTIONS

#### (a) Key management compensation

The compensation of key management personnel is disclosed in note 12 to the consolidated financial statements.

- (b) Sales to an associate of approximately RMBNil (2017: RMB2,075,000) were credited to the profit or loss for the year included under turnover.

### 34. 關連人士交易

#### (a) 主要管理人員之報酬

主要管理人員之報酬披露於綜合財務報表附註12。

- (b) 向一間聯營公司之銷售約人民幣零元(二零一七年:人民幣2,075,000元)計入營業額項下之本年度損益。

### 35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 31 DECEMBER

### 35. 於十二月三十一日本公司的財務狀況表

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	91,357	76,047
Land use right	土地使用權	10,534	10,827
Interests in associates	於聯營公司之權益	-	167
		<b>101,891</b>	<b>87,041</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 31 DECEMBER (continued)

### 35. 於十二月三十一日本公司的 財務狀況表 (續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Inventories	存貨	8,995	13,481
Trade receivables	應收貿易賬款	12,358	10,580
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	3,879	2,252
Amounts due from subsidiaries	應收附屬公司款項	20,282	382
Cash and cash equivalents	現金及現金等值項目	247	750
		<b>45,761</b>	<b>27,445</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Trade payables	應付貿易賬款	9,596	11,461
Accruals and other payables	應計款項及其他應付款項	62,787	49,617
Contract liabilities	合約負債	5,904	5,801
Amounts due to shareholders	應付股東款項	19,517	13,780
Bank and other borrowings	銀行及其他借貸	58,089	32,954
		<b>155,893</b>	<b>113,613</b>
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨額</b>	<b>(110,132)</b>	<b>(86,168)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>	<b>(8,241)</b>	<b>873</b>
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Deferred government grants	遞延政府資助	30,652	10,433
		<b>30,652</b>	<b>10,433</b>
<b>NET LIABILITIES</b>	<b>負債淨值</b>	<b>(38,893)</b>	<b>(9,560)</b>
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	30,886	30,886
Reserves	儲備	(69,779)	(40,446)
<b>TOTAL EQUITY</b>	<b>權益總額</b>	<b>(38,893)</b>	<b>(9,560)</b>

### 36. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the board of directors of the company on 29 March 2019.

### 36. 批准財務報表

此等綜合財務報表已於二零一九年三月二十九日獲本公司董事會批准及授權刊發。



# Five-Year Financial Summary

## 五年財務摘要

The following is a summary of the audited results and of the assets and liabilities of the Group for the five years ended 31 December 2018.

下表概述本集團截至二零一八年十二月三十一日止五個年度之經審核業績及資產與負債。

		Year ended 31 December 十二月三十一日止年度				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	<b>26,386</b>	19,121	18,731	43,282	51,466
Operating loss	經營虧損	<b>(23,969)</b>	(25,403)	(30,444)	(13,574)	(9,497)
Finance costs	財務費用	<b>(5,272)</b>	(3,173)	(3,158)	(1,323)	(1,835)
Loss before tax	除稅前虧損	<b>(29,241)</b>	(28,576)	(33,602)	(14,897)	(11,332)
Income tax credit	所得稅抵免	-	-	-	-	-
Loss for the year	年內虧損	<b>(29,241)</b>	(28,576)	(33,602)	(14,897)	(11,332)
Attributable to:	以下應佔：					
Owners of the Company	本公司擁有人	<b>(29,237)</b>	(28,535)	(33,596)	(14,855)	(11,306)
Non-controlling interests	非控股權益	<b>(4)</b>	(41)	(6)	(42)	(26)
		<b>(29,241)</b>	(28,576)	(33,602)	(14,897)	(11,332)
		At 31 December 於十二月三十一日				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
<b>ASSETS AND LIABILITIES</b>	<b>資產與負債</b>					
Total assets	資產總值	148,317	115,068	123,732	139,824	142,802
Total liabilities	負債總額	(187,210)	(124,720)	(104,808)	(87,298)	(75,379)
Non-controlling interests	非控股權益	29	25	(16)	(22)	(64)
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額	(38,864)	(9,627)	18,908	52,504	67,359



**Shanxi Changcheng**

**Microlight Equipment Co. Ltd. \***

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