



CHINA E-INFORMATION TECHNOLOGY GROUP LIMITED
中國網絡信息科技集團有限公司

(Formerly known as China E-Learning Group Limited 前稱中國網絡教育集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號: 08055)

2018

Annual Report

年報



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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of China E-Information Technology Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」)GEM之特色

GEM的定位，乃為相比起其他在聯交所上市公司帶有較高投資風險的中小型公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於**GEM**上市公司普遍為中小型公司，在**GEM**買賣的證券可能會較於主板買賣的證券承受較大的市場波動風險，同時無法保證在**GEM**買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及香港聯合交易所有限公司對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不 就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告的資料乃遵照香港聯合交易所有限公司**GEM**證券上市規則而刊載，旨在提供有關中國網絡信息科技集團有限公司(「本公司」)的資料；本公司的董事(「董事」)願就本報告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所 信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

Contents

目錄

Corporate Information	公司資料	3
Management Discussion and Analysis	管理層論述及分析	5
Biographical Details of Directors and Senior Management	董事及高級管理人員履歷	15
Report of the Directors	董事會報告	21
Corporate Governance Report	企業管治報告	33
Environmental, Social and Governance Report	環境、社會及管治報告	52
Independent Auditor's Report	獨立核數師報告	73
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	84
Consolidated Statement of Financial Position	綜合財務狀況表	86
Consolidated Statement of Changes in Equity	綜合權益變動表	88
Consolidated Statement of Cash Flow	綜合現金流量表	89
Notes to the Consolidated Financial Statements	綜合財務報表附註	91

Corporate Information

公司資料

Board of Directors	Executive Director Mr. Yuan Wei Ms. Zhang Jianxin Mr. Zheng Zhijing Ms. Lin Yan Ms. Wong Hiu Pui	董事會	執行董事 袁偉先生 張建新女士 鄭植京先生 林艷女士 王曉貝女士
	Independent Non-Executive Directors Ms. Lu Xiaowei Mr. Wang Xinsheng (resigned on 17 April 2018) Mr. Li Qunsheng (resigned on 2 August 2018) Mr. Tang Jiuda (appointed on 17 April 2018) Ms. Yang Qingchun (appointed on 2 August 2018)		獨立非執行董事 蘆曉薇女士 王新生先生(於二零一八年 四月十七日辭任) 李群盛先生(於二零一八年 八月二日辭任) 湯究達先生(於二零一八年 四月十七日上任) 楊慶春女士(於二零一八年 八月二日上任)
Chief Executive Officer	Mr. Yuan Wei	行政總裁	袁偉先生
Deputy Chief Executive Officer	Ms. Wang Hui	副行政總裁	王慧女士
Company secretary	Ms. Chan Yim Kum	公司秘書	陳艷琴女士
Authorised representatives	Mr. Yuan Wei Ms. Chan Yim Kum	授權代表	袁偉先生 陳艷琴女士
Compliance officer	Mr. Yuan Wei	監督主任	袁偉先生
Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands	註冊辦事處	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business	Unit 2609-10, 26/F, Office Tower Convention Plaza 1 Harbour Road, Wanchai Hong Kong	總辦事處及 主要營業地點	香港 灣仔港灣道1號 會展廣場辦公大樓 26樓2609-10室

Corporate Information

公司資料

Principal bankers	Agricultural Bank of China Bank of China (Hong Kong) Limited Bank of Communications (Hong Kong) Limited China Construction Bank Industrial and Commercial Bank of China Limited	主要往來銀行	中國農業銀行 中國銀行(香港)有限公司 交通銀行(香港)有限公司 中國建設銀行 中國工商銀行股份有限公司
Principal share registrar and transfer office in the Cayman Island	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road PO Box 1586 Grand Cayman KY1-1110 Cayman Islands	開曼群島 股份登記及 過戶總處	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road PO Box 1586 Grand Cayman KY1-1110 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong	香港股份登記及 過戶分處	卓佳登捷時有限公司 香港 皇后大道東183號 合和中心22樓
Auditor	GI CPA Limited	核數師	智盈會計師事務所有限公司
Legal advisers	Conyers Dill & Pearman Keith Lam Lau & Chan	法律顧問	Conyers Dill & Pearman 劉林陳律師行
Stock Code	8055	股份代號	8055
Company website	www.irasia.com/listco/hk/chieinfotech/	本公司網站	www.irasia.com/listco/hk/chieinfotech/

Management Discussion and Analysis

管理層論述及分析

FINANCIAL REVIEW

For the year ended 31 December 2018, the Group recorded revenue of approximately HK\$57,856,000 (2017: HK\$52,757,000) representing tuition fee revenue and sales of educational products. Gross profit for the year under review was approximately HK\$28,964,000 (2017: HK\$22,603,000), representing a gross profit margin of 50.1% (2017: 42.8%) for the year under review.

During the year, cost of goods sold and services provided amounted to approximately HK\$28,892,000 (2017: HK\$30,154,000) representing the overheads incurred in the distance learning courses.

Other income for the year under review was approximately HK\$15,176,000 (2017: HK\$9,040,000) representing an interest income of approximately HK\$422,000 (2017: HK\$203,000), a sundry income of approximately HK\$20,000 (2017: HK\$200,000), net exchange gain of approximately HK\$nil (2017: HK\$5,470,000), reversal of impairment loss on other receivable of approximately HK\$nil (2017: HK\$2,975,000), net realised gain on financial assets at fair value through profit or loss of approximately HK\$nil (2017: HK\$192,000), net unrealised gain on financial assets at fair value through profit or loss of approximately HK\$49,000 (2017: HK\$nil), and fair value gain of contingent consideration receivable of approximately HK\$14,685,000 (2017: fair value loss of HK\$1,180,000).

Administrative expenses for the year under review were approximately HK\$61,519,000 (2017: HK\$65,335,000), of which staff related costs were approximately HK\$18,302,000 (2017: HK\$18,467,000). Legal and professional fees were approximately HK\$12,263,000 (2017: HK\$24,877,000) representing the costs of conducting due diligences and obtaining financial advices with ongoing projects.

財務回顧

截至二零一八年十二月三十一日止年度，本集團錄得收益約57,856,000港元(二零一七年：52,757,000港元)，乃指教學課程之收入以及教學產品之銷售額。回顧年度之毛利約為28,964,000港元(二零一七年：22,603,000港元)，而回顧年度之毛利率則為50.1%(二零一七年：42.8%)。

年內，銷售貨品及提供服務之成本約為28,892,000港元(二零一七年：30,154,000港元)，乃指遠程教育課程所產生之經常性開支。

回顧年度之其他收入約為15,176,000港元(二零一七年：9,040,000港元)，乃指利息收入約422,000港元(二零一七年：203,000港元)、雜項收入約20,000港元(二零一七年：200,000港元)、匯兌收益淨額約零港元(二零一七年：5,470,000港元)、其他應收款項之減值虧損撥回約零港元(二零一七年：2,975,000港元)、透過損益按公平值計量之金融資產之變現收益淨值約零港元(二零一七年：192,000港元)、透過損益按公平值計量之金融資產之未變現收益淨額約49,000港元(二零一七年：零港元)及應收或然代價之公平值收益約14,685,000港元(二零一七年：公平值虧損1,180,000港元)。

回顧年度之行政開支約為61,519,000港元(二零一七年：65,335,000港元)，當中僱員相關成本約為18,302,000港元(二零一七年：18,467,000港元)。法律及專業費用約為12,263,000港元(二零一七年：24,877,000港元)，乃指就持續進行之業務項目開展盡職調查及獲取財務意見之費用。

Management Discussion and Analysis

管理層論述及分析

Other losses for the year under review were approximately HK\$10,000 (2017: HK\$3,079,000), representing, a net unrealised losses on financial assets at fair value through profit or loss of approximately HK\$nil (2017: HK\$259,000), net exchange losses of approximately HK\$10,000 (2017: gains of approximately HK\$5,470,000), impairment loss on asset held for sale of approximately HK\$nil (2017: HK\$1,640,000) and fair value loss of contingent consideration receivable of approximately HK\$nil (2017: HK\$1,180,000).

The share of results of an associate of approximately HK\$3,628,000 (2017: HK\$5,649,000) is contributed by an associate, Beijing Youli Lianxu Technology Co., Ltd., (“Beijing Youli”) which was acquired in April 2017.

No equity settled share-based payment were recognised for the year under review as no share options were granted during 2018 (2017: approximately HK\$28,905,000). In 2017, the Company granted 330,000,000 Options to Grantees under the Company’s Share Option Scheme adopted on 23 May 2011.

During the year, the Group made a provision for impairment loss on investment in an associate, Beijing Youli, of approximately HK\$55,027,000 (2017: HK\$nil). The reason of recognising such impairment losses is due to decreasing consumer spending and general economic conditions. Recently, the threat of trade war severely affected consumer confidence and economic performance. Given that the success of the business of the associate is ultimately depends on consumer spending, the revenues and financial results are impacted to a significant extent by economic conditions in China and globally. The consumer spending is influenced by consumer perception of current and future economic conditions, as the growth of the Chinese economy has slowed recently, consumers are losing confidence and sacrifice online shopping. Looking forward, the trade war may further gloom the global economy.

Finance costs during the year were approximately HK\$10,225,000 (2017: HK\$6,370,000).

回顧年度之其他虧損約為10,000港元(二零一七年：3,079,000港元)，乃指透過損益按公平值計量之金融資產之未變現虧損淨值約零港元(二零一七年：259,000港元)、匯兌虧損淨額約10,000港元(二零一七年：收益約5,470,000港元)、持作出售資產之減值虧損約零港元(二零一七年：1,640,000港元)及應收或然代價之公平值虧損約零港元(二零一七年：1,180,000港元)。

應佔一間聯營公司業績約3,628,000港元(二零一七年：5,649,000港元)乃由於二零一七年四月收購之一間聯營公司北京優力聯旭科技有限公司(「北京優力」)貢獻。

回顧年度內概無確認以股權結算之以股支付款項，乃因為於二零一八年並無授出購股權(二零一七年：約28,905,000港元)。於二零一七年，本公司根據本公司於二零一一年五月二十三日採納之購股權計劃向承授人授出330,000,000份購股權。

年內，本集團已就於一間聯營公司北京優力之投資計提減值虧損撥備約55,027,000港元(二零一七年：零港元)。確認該減值虧損的主要原因乃因近期受貿易戰影響，中國及全球經濟增長放緩，消費者失去信心並不斷減少消費支出。鑒於聯營公司之收益及業績很大程度是取決於消費者之消費支出，而消費者對現時及未來經濟狀況有不確定因素，因此消費支出受到影響並減少網上購物。而受貿易戰影響，經濟增長放緩可能會持續一段時間。

年內融資成本約為10,225,000港元(二零一七年：6,370,000港元)。

Capital structure, liquidity and financial resources

The Group financed its business operations mainly by cash revenue generated internally from operating activities and additional funds from exercise of share options. As at 31 December 2018, the Group has current assets of approximately HK\$174,398,000 (2017: HK\$150,875,000), including bank balances and cash of approximately HK\$70,898,000 (2017: HK\$20,767,000). Total non-current assets of the Group amounted to approximately HK\$75,695,000 (2017: HK\$110,491,000), representing property, plant and equipment, financial assets at fair value through profit or loss, investment in an associate and contingent consideration receivable. Total assets of the Group amounted to approximately HK\$250,093,000 (2017: HK\$261,366,000) as at 31 December 2018.

As at 31 December 2018, the Group did not have any outstanding bank borrowing. Total current liabilities of the Group were approximately HK\$29,249,000 (2017: HK\$28,330,000), which mainly comprised trade and other payables. Total liabilities of the Group were approximately HK\$69,785,000 (2017: HK\$58,641,000). As at 31 December 2018, the Group had net assets of approximately HK\$180,308,000 (2017: HK\$202,725,000).

Gearing ratio

Gearing ratio of the Group, as expressed as the ratio of total liabilities to total assets, was approximately 0.28 as at 31 December 2018 (2017: 0.22).

Share Capital

As at 1 January 2018, the authorised share capital of the Company was HK\$5,000,000,000 divided into 50,000,000,000 shares of HK\$0.10 each and the issued share capital of the Company was approximately HK\$356,590,000 divided into 3,565,897,033 shares of HK\$0.10 each.

During the year, 185,400,000 shares were issued upon exercise of shares options and share placement.

As at 31 December 2018, the authorised share capital of the Company was HK\$5,000,000,000 divided into 50,000,000,000 shares of HK\$0.10 each and the issued share capital of the Company was approximately HK\$375,130,000 divided into 3,751,297,033 shares of HK\$0.10 each.

資本架構、流動資金及財務資源

本集團主要以內部營運活動產生之現金收入及行使購股權所籌得之額外資金為業務融資。於二零一八年十二月三十一日，本集團擁有流動資產約174,398,000港元(二零一七年：150,875,000港元)，包括銀行結餘及現金約70,898,000港元(二零一七年：20,767,000港元)。本集團之非流動資產總值約為75,695,000港元(二零一七年：110,491,000港元)，包括物業、廠房及設備、透過損益按公平值計量之金融資產、於聯營公司投資及應收或然代價。於二零一八年十二月三十一日，本集團之總資產約為250,093,000港元(二零一七年：261,366,000港元)。

於二零一八年十二月三十一日，本集團並無任何未償還之銀行借貸。本集團之流動負債總額約為29,249,000港元(二零一七年：28,330,000港元)，主要包括貿易及其他應付賬款。本集團之負債總額約為69,785,000港元(二零一七年：58,641,000港元)。於二零一八年十二月三十一日，本集團之資產淨額約為180,308,000港元(二零一七年：202,725,000港元)。

負債比率

於二零一八年十二月三十一日，本集團之負債比率(即總負債對總資產之比率)約為0.28(二零一七年：0.22)。

股本

於二零一八年一月一日，本公司之法定股本為5,000,000,000港元，分為50,000,000,000股每股面值0.10港元之股份，而本公司已發行股本約為356,590,000港元，分為3,565,897,033股每股面值0.10港元之股份。

年內，因購股權獲行使及股份配售已發行185,400,000股股份。

於二零一八年十二月三十一日，本公司之法定股本為5,000,000,000港元，分為50,000,000,000股每股面值0.10港元之股份，而本公司已發行股本約為375,130,000港元，分為3,751,297,033股每股面值0.10港元之股份。

Management Discussion and Analysis

管理層論述及分析

Convertible Notes 2011

The Group had reached several agreements with the holders of the Convertible Notes 2008 which became mature on 28 February 2011, and issued a promissory note for approximately HK\$50 million for a settlement. In order to be able to raise sufficient fund for the settlement, the Group issued two tranches of convertible notes (“Convertible Notes 2011 A”) on 9 May 2011 and (“Convertible Notes 2011 B”) on 11 May 2011.

The aggregate principal of Convertible Notes 2011 A amounted to HK\$89,999,934, bearing an interest of 1% per annum, maturing in 36 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments.

The aggregate principal of Convertible Notes 2011 B amounted to HK\$36,200,000, bearing an interest of 1% per annum, maturing in 6 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments. On 11 November 2011, the maturity date was successfully postponed for another 6 months to 11 May 2012. Upon maturity, the principal amount together with the interests due were fully settled by a promissory note.

On 9 May 2014, the Company and the Subscribers entered into the Subscription Agreements pursuant to which the Subscribers have agreed to subscribe for, and the Company has agreed to issue, the Convertible Notes (CN2016-1 to CN2016-5) in the aggregate principal amount of HK\$42,399,932, such that the subscription moneys payable in connection with the Subscription of such Convertible Notes would be set-off against the moneys payable by the Company for redeeming the CN2011A in accordance with the Payment Arrangement Deed and against the Indebtedness owing by the Company to the Existing P-note Holders at Completion.

The Convertible Notes 2011 A were fully set-off by the issuance of Convertible Notes (CN2016-3, CN2016-4 and CN2016-5) on 6 June 2014.

二零一一年可換股票據

本集團已與二零零八年可換股票據(於二零一一年二月二十八日到期)之持有人達成多項協議，及發行一項約50,000,000港元之本票以進行償付。為籌集足夠資金進行償付，本集團分別於二零一一年五月九日以及二零一一年五月十一日發行兩批可換股票據：「二零一一年可換股票據A」以及「二零一一年可換股票據B」。

二零一一年可換股票據A的本金總額為89,999,934港元，利率為每年1%，於發行日期起計36個月到期，並可按每股0.50港元(可予調整)之換股價轉換為普通股。

二零一一年可換股票據B的本金總額為36,200,000港元，利率為每年1%，於發行日期起計6個月到期，並可按每股0.50港元(可予調整)之換股價轉換為普通股。於二零一一年十一月十一日，到期日期順利延後六個月至二零一二年五月十一日。於到期後，本金額連同到期利息乃悉數以本票償付。

於二零一四年五月九日，本公司與認購人訂立認購協議，據此，認購人已同意認購及本公司已同意發行本金總額為42,399,932港元之可換股票據(2016-1可換股票據至2016-5可換股票據)。就認購該等可換股票據應付之認購金額將抵銷本公司根據付款安排契據就贖回二零一一年可換股票據A應付之金額及本公司於完成時結欠現有本票持有人的債務。

二零一一年可換股票據A已透過於二零一四年六月六日發行可換股票據(2016-3可換股票據、2016-4可換股票據及2016-5可換股票據)悉數抵銷。

On 12 June 2014, the conversion rights attaching to the CN2016-1, CN2016-2 and CN2016-3 have been exercised in full and hence 231,076,922 shares have been issued.

On 13 June 2014, the conversion rights attaching to the CN2016-4 and CN2016-5 have been exercised in full and hence 95,076,399 shares have been issued. Hence, Convertible Notes 2016 (CN2016-1, CN2016-2, CN2016-3, CN2016-4 and CN2016-5) were fully converted.

On 21 July 2011, the Group entered into a subscription agreement with a group of independent subscribers for the issuance of some convertible notes in the aggregate principal amount of HK\$42,000,000, bearing an interest rate of 3% per annum, maturing in 12 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments. Subsequently, the Group issued two tranches of convertible notes (“Convertible Notes 2011 C”) on 25 August 2011 for the principal amount of HK\$19,500,000 and (“Convertible Notes 2011 D”) on 14 September 2011 for the principal amount of HK\$22,500,000. Of which, tranche C was fully converted in 2011. On 10 September 2012, the maturity date of the tranche D was postponed for another 6 months to 7 March 2013. On 7 March 2013, the maturity date of the tranche D was further postponed for 12 months to 6 March 2014. As at 1 January 2014, the outstanding principal amount of the Convertible Notes 2011 D was HK\$12,800,000.

On 6 March 2014, the Company has redeemed one of the Convertible Notes 2011 D with the principal amount of HK\$10,000,000 in accordance with notice from the holder. The Company is contacting the holder of the Convertible Notes 2011 D with the principal amount of HK\$2,800,000 in order to settle the convertible notes. As at 31 December 2018, the Company has not received any reply or notice from the holder and the Company has the funds available for settlement.

於二零一四年六月十二日，2016-1可換股票據、2016-2可換股票據及2016-3可換股票據所附轉換權獲悉數行使，因此，231,076,922股股份已發行。

於二零一四年六月十三日，2016-4可換股票據及2016-5可換股票據所附轉換權獲悉數行使，因此，95,076,399股股份已發行。因此，二零一六年可換股票據(2016-1可換股票據、2016-2可換股票據、2016-3可換股票據、2016-4可換股票據及2016-5可換股票據)獲悉數轉換。

於二零一一年七月二十一日，本集團與一組獨立認購人訂立認購協議，以發行本金總額為42,000,000港元之部份可換股票據，可換股票據之利率為每年3%，於發行日期起計十二個月到期，並可按每股0.50港元(可予調整)之換股價轉換為普通股。隨後，本集團分別於二零一一年八月二十五日以及二零一一年九月十四日發行兩批可換股票據：本金額為19,500,000港元之(「二零一一年可換股票據C」)以及本金額為22,500,000港元之(「二零一一年可換股票據D」)。其中，第C批乃於二零一一年獲悉數轉換。於二零一二年九月十日，第D批之到期日期延後六個月至二零一三年三月七日。於二零一三年三月七日，第D批之到期日期進一步延後十二個月至二零一四年三月六日。於二零一四年一月一日，二零一一年可換股票據D之未償還本金額為12,800,000港元。

於二零一四年三月六日，本公司根據持有人通知，贖回本金額10,000,000港元之二零一一年可換股票據D。本公司正在聯絡本金額2,800,000港元之二零一一年可換股票據D之持有人，以償還可換股票據。於二零一八年十二月三十一日，本公司尚未獲接持有人的任何回覆或通知，而本公司已備好償付資金。

Management Discussion and Analysis

管理層論述及分析

Convertible Notes 2020

On 11 October 2016 and 24 October 2016, the Company entered into the Sale and Purchase Agreement and Supplemental Agreement with the Vendor in relation to the acquisition of 49% equity interest in Beijing Youli Lianxu Technology Company Limited.

Completion of the issue of the Convertible Notes 2020 (CN2020) in the aggregate principal amount of HK\$91,581,000 have been issued, of which HK\$54,215,952 are issued to the company nominated by Mr. Wang Peng and HK\$37,365,048 are issued to the company nominated by Mr. Ma Liejun took place on 25 April 2017.

As at 31 December 2018, the aggregate outstanding principal amount of CN2020 was HK\$54,948,600. The exercise in full of the vested conversion rights would result in the issue and allotment of 230,876,471 new shares of the Company.

Foreign exchange exposure

Most of the Group's assets, liabilities and transactions were denominated in Hong Kong dollars and Renminbi. Although the exchange rate between Hong Kong dollars and Renminbi has been moderately changing, it remains relatively stable. As the expenditure in PRC was covered by the sales in PRC, the management considers that the Group has no significant foreign exchange exposures. Foreign exchange risk arising from the normal course of operations is considered as minimal. As at 31 December 2018, the Group has no foreign currency borrowings and has not used any financial instrument for hedging the foreign exchange risk.

Significant investments and material acquisition

During the year ended 31 December 2018, no significant investments were made by the Group (2017: The acquisition of 49% shareholding interest in Beijing Youli Lianxu Technology Company Limited ("Beijing Youli")).

二零二零年可換股票據

於二零一六年十月十一日及二零一六年十月二十四日，本公司與賣方訂立買賣協議及補充協議，內容有關收購北京優力聯旭科技有限公司的49%股權。

完成已於二零一七年四月二十五日發生，本金總額為91,581,000港元的二零二零年可換股票據(二零二零年可換股票據)已發行，其中54,215,952港元發行予王鵬先生提名的公司及37,365,048港元發行予馬列軍先生提名的公司。

於二零一八年十二月三十一日，二零二零年可換股票據之未償還本金總額為54,948,600港元。倘所附轉換權獲悉數行使，將要發行及配發230,876,471股本公司新股份。

外匯風險

本集團大部份資產、負債及交易均以港元及人民幣計值。儘管港元兌人民幣之匯率正溫和變動，但仍保持相對平穩。於中國的支出由中國的銷售額支付，故管理層認為本集團並無重大外匯風險。並認為由正常運營過程所產生之外匯風險乃處於最低水平。於二零一八年十二月三十一日，本集團並無任何外幣借款且並未使用任何金融工具對沖外匯風險。

重大投資及重大收購

於截至二零一八年十二月三十一日止年度，本集團並無作出重大投資(二零一七年：收購北京優力聯旭科技有限公司(「北京優力」)49%股權)。

Contingent liabilities and charges on the Group's assets

There were no significant contingent liabilities or charges on the Group's assets as at 31 December 2018 (2017: Nil).

OPERATIONAL OVERVIEW

The Group is principally engaged in the provision of an internet platform for the facilitation of education program in Chinese medicine and other advisory and training programs.

On 1 July 2010, the Joint Construction of Network Education College of Beijing University of Chinese Medicine Agreement (共建北京中醫藥大學網路教育學院協議書) ("Joint Construction Agreement") entered into between Beijing University of Chinese Medicine (北京中醫藥大學) and Hunan IIN Medical Network Technology Development Co., Ltd. ("Hunan IIN Medical"), a subsidiary of IIN Medical (BVI), was successfully renewed. In accordance with the Joint Construction Agreement, Hunan IIN Medical's entitlement to share 60% of the profits of Distance Education College of Beijing University of Chinese Medicine (北京中醫藥大學遠程教育學院) ("Distance Education College") is reduced to 51% profit-sharing percentage during the year 2010 while all other terms and conditions thereunder are not less favourable than those under the Joint Construction Agreement.

On 14 April 2015, Hunan IIN Medical, a wholly-owned subsidiary of the Company, entered into a supplemental agreement (the "Agreement") with the Beijing University of Chinese Medicine (北京中醫藥大學) ("BUCM") for amending the agreement dated 29th June 2010 signed between them. Pursuant to the Agreement, Hunan IIN Medical will pass its daily business management and administrative management in respect of the Distance Education College of the Beijing University of Chinese Medicine (北京中醫藥大學遠程教育學院) (the "Distance Education College") to BUCM.

This arrangement is primarily made for the purpose of consolidating the daily business management and administrative management of the Distance Education College, so as to reduce operating costs and increase revenue, fully leverage the advantages of both parties in their respective areas, and lay a solid foundation for overall expansion in the future.

或然負債及本集團之資產抵押

於二零一八年十二月三十一日，本集團並無重大或然負債或資產抵押(二零一七年：無)。

營運回顧

本集團主要業務是為中醫藥教育項目及其他諮詢及培訓項目提供網絡輔助平台。

於二零一零年七月一日，北京中醫藥大學與湖南國訊醫藥網絡科技開發有限公司(「湖南國訊醫藥」，國訊醫藥(BVI)之附屬公司)訂立之「共建北京中醫藥大學網路教育學院協議書」(「共建協議」)已順利重續。於二零一零年，根據共建協議，湖南國訊醫藥有權分得北京中醫藥大學遠程教育學院(「遠程教育學院」) 60%溢利之分成比例降至51%，而其下任何其他條款及條件均不遜於共建協議之條款及條件。

於二零一五年四月十四日，本公司全資附屬公司湖南國訊醫藥已與北京中醫藥大學(「北京中醫藥大學」)簽訂補充協議(「該協議」)，以修訂彼等之間簽訂日期為二零一零年六月二十九日之協議。根據該協議，湖南國訊醫藥將其對北京中醫藥大學遠程教育學院(「遠程教育學院」)的日常業務管理及行政管理交給北京中醫藥大學。

是次安排主要為統一遠程教育學院的日常業務管理及行政管理，以降低經營成本及加強收益，充分發揮雙方在各自領域的優勢，為將來全面的拓展奠下基礎。

Management Discussion and Analysis

管理層論述及分析

On 26 January 2018, a Placing Agreement was entered into between the Company and the Placing Agent, pursuant to which the Company has appointed the Placing Agent to procure altogether not less than six Placees, on a best effort basis, for subscribing up to an aggregate of 330,000,000 Placing Shares at HK\$0.35 per Placing Share. On 9 February 2018, the Company and the Placing Agent entered into a supplemental agreement (the “Supplemental Agreement”) for amending the terms of the Placing Agreement, pursuant to which the deadline for fulfilment of the conditions to completion of the Placing (the “Long Stop Date”) has been postponed from 9 February 2018 to 23 February 2018. For detailed information regarding the Placing Agreement and Supplemental Agreement, please refer to the announcement of the Company dated 26 January 2018 and 9 February 2018.

On 27 February 2018, 130,000,000 Placing Shares have been successfully placed to not less than six Placees at the Placing Price of HK\$0.35 per Placing Share pursuant to the terms and conditions of the Placing Agreement (as amended by the Supplemental Agreement). For detailed information regarding the completion of the Placing, please refer to the announcement of the Company dated 27 February 2018.

On 23 March 2018, the Group entered into an agreement pursuant to which the seller Million Forever Limited agreed to sell the 45% shares of Business Harbour Limited to the original seller Happy Leisure Corp. which offered to repurchase the shares at a consideration of HK\$38 million satisfied by cash. The disposal was completed in March 2018 and the Group, as a result, incurred a loss of approximately HK\$1.6 million. For detailed information, please refer to the announcement of the Company dated 21 September 2018.

Given that there is tremendous growth potential of Chinese medicine market in Singapore, the Group has established a subsidiary “Sinzhongyi Consultancy PTE. Ltd.” in Singapore on 28 June 2018. In future, the Group intends to establish a Chinese medicine health center and training center in Singapore.

於二零一八年一月二十六日，本公司與配售代理訂立配售協議，據此，本公司已委任配售代理按盡力基準促成合共不少於六名承配人按每股配售股份0.35港元之價格認購最多合共330,000,000股配售股份。於二零一八年二月九日，本公司與配售代理訂立一份補充協議（「補充協議」），以修訂配售協議之條款，據此，完成配售事項之條件之達成期限（「最後截止日期」）已由二零一八年二月九日延遲至二零一八年二月二十三日。有關配售協議及補充協議之詳情，請參閱本公司日期為二零一八年一月二十六日及二零一八年二月九日之公告。

於二零一八年二月二十七日，根據配售協議（經補充協議修訂）之條款及條件，130,000,000股配售股份已按配售價每股配售股份0.35港元成功配售予不少於六名承配人。有關完成配售之詳情，請參閱本公司日期為二零一八年二月二十七日之公告。

於二零一八年三月二十三日，本集團訂立協議，據此，賣方Million Forever Limited同意向原賣方Happy Leisure Corp.出售Business Harbour Limited之45%股份，而Happy Leisure Corp.同意以代價38,000,000港元（以現金結算）購回股份。該出售已於二零一八年三月完成，及本集團因此產生虧損約1,600,000港元。有關詳情，請參閱本公司日期為二零一八年九月二十一日之公告。

鑒於中醫藥在新加坡的巨大增長潛力，本集團已於二零一八年六月二十八日於新加坡成立一間附屬公司「新中醫諮詢服務有限公司」。未來，本集團擬於新加坡成立一家中醫藥健康中心及培訓中心。

In December 2018, the Company, Ocean Investment Asset Management GP Limited and Ocean Investment New Energy Fund LP entered into the Exempted Limited Partnership Agreement in relation to the Limited Partnership for carrying out investments. The Limited Partnership will primarily invest in new energy (including coal-to-liquids), big data, new materials, energy conservation and environmental protection, internet, medical, consumption upgrade. The Company agreed to subscribe and make a total of HK\$15,000,000 capital contribution into the Limited Partnership. The termination date of the Limited Partnership and investment period shall be 4 years from the Initial Closing Date (i.e. 18 December 2018), subject to an extension for a 2-years period with the prior consent of the Investment Committee. The expected return of such investment is 6.5% per annum.

The e-learning business remained the core business of the Group in 2018. In future, the Company will continue to look for other attractive investments in the PRC and locally in an attempt to diversify into different business areas to reduce the reliance upon existing e-learning business and strengthen the positive cash flow and earnings for the Group in the long run.

On 21 January 2019, the special resolution was not passed at the Extraordinary General Meeting (“EGM”) in relation to adopt the Company’s new memorandum and articles of association in substitution for and to the exclusion of the existing memorandum and articles of association of the Company. For detailed information regarding the special resolution, please refer to the announcement of the Company dated 28 December 2018 and 21 January 2019.

On 25 March 2019, the special resolution was not passed at the EGM in relation to adopt the Company’s new memorandum and articles of association in substitution for and to the exclusion of the existing memorandum and articles of association of the Company. For detailed information regarding the special resolution, please refer to the announcement of the Company dated 20 February 2019 and 25 March 2019.

於二零一八年十二月，本公司、Ocean Investment Asset Management GP Limited及Ocean Investment New Energy Fund LP就有關合夥企業進行投資而訂立獲豁免有限合夥協議。有限合夥企業將主要投資新能源(包括煤液化)、大數據、新材料、節約能源及環境保護、互聯網、醫療、消費升級。本公司同意認購並向有限合夥企業注資總額15,000,000港元。有限合夥企業之終止日期及投資期間須為自初始交割日期(即二零一八年十二月十八日)起四年，並可延長兩年期間，惟須經投資委員會之事先同意。該投資之預期回報率為每年6.5%。

二零一八年，網絡教育業務仍為本集團核心業務。未來，本公司將繼續在中國及本地尋找其他具有吸引力的投資，嘗試擴展至其他業務領域以減少對現有的網絡教育業務的依賴以及提升本集團的長期正現金流量及盈利。

於二零一九年一月二十一日，就採納本公司之新組織章程大綱及細則以取代及摒除本公司現有組織章程大綱及細則的特別決議案於股東特別大會(「股東特別大會」)不獲通過。有關特別決議案之詳情，請參閱本公司日期為二零一八年十二月二十八日及二零一九年一月二十一日之公告。

於二零一九年三月二十五日，就採納本公司之新組織章程大綱及細則以取代及摒除本公司現有組織章程大綱及細則的特別決議案並未於股東特別大會通過。有關特別決議案之詳情資料，請參閱本公司日期為二零一九年二月二十日及二零一九年三月二十五日之公告。

Management Discussion and Analysis

管理層論述及分析

Employee Information

For the year under review, the total staff costs amounted to approximately HK\$18,302,000 (2017: HK\$45,745,000), representing an decrease of approximately HK\$27,443,000 over the previous year.

The salaries and benefits of the Group's employees were kept at a market level and employees were rewarded on a performance related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. Staff benefits include contribution to the mandatory provident fund and share options. No share options were granted to employees of the Group in the current year (2017: 330,000,000 options were granted by the Company to Grantees under the Company's Share Option Scheme adopted on 23 May 2011.)

PROSPECTS

The Group's existing e-learning business will remain the core business and main cash generator in the near future. This business is expected to grow in a rather stable manner.

Furthermore, the Group will implement certain cost-effective measures to streamline the operation so as to enhance the profitability and value of this e-learning business. The Company will continue to look for opportunities for our existing business, particularly in developing both vertically and horizontally within the Group's existing medical education platform, expanding further into our service network, increase the shareholders' value and reduce business risk.

In addition, the Company will continue to look for other attractive investments in the PRC and locally in an attempt to diversify into different business areas to reduce the reliance upon existing e-learning business and strengthen the positive cash flow and earnings for the Group in the long run.

僱員資料

於回顧年內，僱員總成本約為18,302,000港元(二零一七年：45,745,000港元)，較上一年減少約27,443,000港元。

本集團僱員之薪酬及福利維持於市場水平，僱員在本集團每年檢討之整體薪酬及花紅制度架構下，按其工作表現獲得報酬。僱員福利包括強制性公積金供款及購股權。於本年度，本集團並無向本集團僱員授出購股權(二零一七年：根據本公司於二零一一年五月二十三日採納之購股權計劃本公司向承授人授出330,000,000份購股權)。

前景

本集團現有的網絡教育業務於近期未來將繼續成為我們的核心業務及主要現金來源。本業務預期將較為穩定地增長。

此外，本集團將實施若干具成本經濟效益的措施，以精簡業務流程，提高網絡教育業務的盈利能力及價值。本公司將繼續為我們現有業務尋找新的機會，特別是同時對本集團的現有醫療教育平台進行橫縱向開發，進一步擴張我們的服務網絡，從而提升股東價值及降低業務風險。

此外，本公司將繼續在中國及本地尋找其他具有吸引力的投資，嘗試擴展至其他業務領域以減少對現有的網絡教育業務的依賴以及提升本集團的長期正現金流量及盈利。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷

EXECUTIVE DIRECTOR

Mr. Yuan Wei (“Mr. Yuan”), aged 47, was appointed as an executive director of the Company on 19 November 2013 and further appointed as the authorised representative and compliance officer of the Company on 14 February 2014. Mr. Yuan has also been appointed as the chief executive officer of the Company on 3 May 2018. Mr. Yuan holds an associate degree in Heilongjiang Academy of Finance and Management for Comrades (黑龍江省財貿幹部管理學院). He joined the Beijing Commercial Bank (北京市商業銀行) in 1993 and worked for 12 years. He left the position of manager at the credit department of the Beijing Commercial Bank in 2005. Mr. Yuan then engaged in the finance-related business and has gained over 20 years of experience in the financial and banking sector. Mr. Yuan is mainly responsible for the strategy formulation of the Company. Save as disclosed herein, Mr. Yuan did not hold any directorships in any listed public company in the last three years.

Ms. Zhang Jianxin (“Ms. Zhang”), aged 51, was appointed as an executive Director on 13 July 2016.

Ms. Zhang Jianxin, graduated from the Central Radio and Television University in accounting in 2003, and obtained the Senior International Finance Manager Qualification Certificate from International Financial Management Association and China Association of Chief Financial Officers in 2008. From July 2007 to August 2013, Ms. Zhang was the financial controller of Beijing Hua Tuo Education Technology Company Limited, a wholly own subsidiary of the Company. Since September 2013, Ms. Zhang has been the director of Hunan IIN Medical Network Technology Development Company Limited (湖南國訊醫藥網絡科技開發有限公司), a wholly own subsidiary of the Company. She is also the director of Distance Education College of Beijing University of Chinese Medicine (北京中醫藥大學遠程教育學院), a non-wholly owned subsidiary of the Company. Save as disclosed above, Ms. Zhang does not hold any position with the Company and its subsidiaries and she does not hold any directorship in other listed companies nor has any other major appointment or qualification in the last three years.

執行董事

袁偉先生(「袁先生」), 47歲, 於二零一三年十一月十九日獲委任為本公司執行董事以及於二零一四年二月十四日進一步獲委任為本公司授權代表及監察主任; 袁先生亦於二零一八年五月三日獲委任為本公司之行政總裁。袁先生持有黑龍江省財貿幹部管理學院大專文憑。彼於一九九三年加入北京市商業銀行, 並於該銀行任職12年。彼於二零零五年辭任北京市商業銀行信貸部經理。隨後, 袁先生從事金融相關業務, 並在金融及銀行業方面累積了逾20年經驗。袁先生主要負責制訂本公司之發展策略。除本節所披露者外, 袁先生於過往三年亦無於任何上市公眾公司擔任任何董事職務。

張建新女士(「張女士」), 51歲, 於二零一六年七月十三日獲委任為執行董事。

張女士於二零零三年本科畢業於中央廣播電視大學會計學, 並於二零零八年獲得國際財務管理協會及中國總會計師協會之高級國際財務管理師資格證書。自二零零七年七月到二零一三年八月, 張女士為本公司全資附屬公司北京華拓教育科技有限公司之財務總監。自二零一三年九月起, 張女士為本公司全資附屬公司湖南國訊醫藥網絡科技開發有限公司之董事。彼亦為本公司非全資附屬公司北京中醫藥大學遠程教育學院之董事。除上文披露者外, 張女士並無於本公司及其附屬公司擔當任何職位, 且於過去三年並無出任其他上市公司之任何董事職務或有其他主要委任或專業資格。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

Mr. Zheng Zhijing (“Mr. Zheng”), aged 56, was appointed as executive director of the Company on 16 May 2017.

Mr. Zheng obtained Economics Law degree from Beijing College Finance and Commerce (北京財貿學院). Mr. Zheng has extensive experience in the management field. Mr. Zheng does not hold any position with the Company and its subsidiaries and he does not hold any directorship in other listed companies nor has any other major appointment or qualification in the last three years.

Ms. Lin Yan (“Ms. Lin”), aged 36, was appointed as executive director of the Company on 16 May 2017.

Ms. Lin graduated from Finance and Accounting of Fujian Normal University (福建師範大學). Ms. Lin has extensive experience in the finance, accounting and management field. Ms. Lin does not hold any position with the Company and its subsidiaries and she does not hold any directorship in other listed companies nor has any other major appointment or qualification in the last three years.

Ms. Wong Hiu Pui (“Ms. Wong”), aged 30, was appointed as executive director of the Company on 31 August 2017.

Ms. Wong obtained a Master of Corporate Communication degree from The Chinese University of Hong Kong and a Bachelor of Advertising degree from Renmin University of China. Ms. Wong has been working in the Corporate Banking Division of China Construction Bank (Asia) Corporation Limited since September 2014. Prior to that, she worked in financial institutions, assisting in human resources duties and providing financial services and solutions to clients. Ms. Wong has not held directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

鄭植京先生(「鄭先生」), 56歲, 於二零一七年五月十六日獲委任為本公司執行董事。

鄭先生獲得北京財貿學院經濟法學位。鄭先生在管理領域具有豐富經驗。鄭先生並無於本公司及其附屬公司擔任任何職務, 且其過往三年並無於其他上市公司擔任任何董事職務或具有任何其他重大委任或資格。

林艷女士(「林女士」), 36歲, 於二零一七年五月十六日獲委任為本公司執行董事。

林女士畢業於福建師範大學財會系。林女士於財務、會計及管理領域具有豐富經驗。林女士並無於本公司及其附屬公司擔任任何職務, 且其過往三年並無於其他上市公司擔任任何董事職務或具有任何其他重大委任或資格。

王曉貝女士(「王女士」), 30歲, 於二零一七年八月三十一日獲委任為本公司執行董事。

王女士獲香港中文大學企業傳播碩士學位及中國人民大學廣告學士學位。王女士自二零一四年九月起於中國建設銀行(亞洲)股份有限公司公司客戶部工作。此前, 彼曾於多間金融機構工作, 協助人力資源職責並向客戶提供金融服務及解決方案。過往三年王女士並無於證券在香港或海外任何證券市場上市的公眾公司擔任董事職務。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lu Xiaowei (“Ms. Lu”), aged 49, was appointed as independent non-executive director of the Company on 11 December 2017.

Ms. Lu obtained a bachelor of medicine degree from Harbin Medical University, majoring in nursing. Ms. Lu has been the head of the teaching material department and the home care department of Beijing Baocare Yangyi Technology Co., Ltd. (北京寶康養頤科技有限公司) since April 2013. Prior to that, she has been engaged in clinical nursing for nearly 30 years since 1987 and has extensive experience in clinical medicine and clinical nursing. She had acted as a head nurse for 13 years and has strong management skills. She obtained the National Advanced Nutritionist qualification in September 2010. During the work at Beijing Baocare Yangyi Technology Co., Ltd., she, together with colleagues, compiled elderly care teaching materials and an ISO 9001 quality certification manual for the quality management of elderly care institutions, and developed and established a large professional elderly care platform with independent intellectual property rights – “BAOCARE Elderly Care System”. She was also involved in an elderly self-care ability rating assessment organised by the Ministry of Civil Affairs of the PRC. Ms. Lu has not held directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

獨立非執行董事

蘆曉薇女士(「蘆女士」)，49歲，於二零一七年十二月十一日獲委任為本公司獨立非執行董事。

蘆女士獲哈爾濱醫科大學護理專業醫學學士學位。蘆女士自二零一三年四月起於北京寶康養頤科技有限公司任職教材部及居家護理部部長。此前，從一九八七年開始，從事臨床護理工作已近三十年，具有豐富的臨床醫學和臨床護理工作經驗，擔任護士長十三年，具有較強的管理工作能力。二零一零年九月獲得國家高級營養保健師資格。在寶康養頤科技有限公司工作期間，和同事一起編寫養老護理教材和養老機構品質管制9001品質認證手冊，與軟體工程師一起開發建立具有自主智慧財產權的專業化大型養老護理平臺-“BAOCARE養老護理體系。還參與民政部組織的老人生活能力等級評估認定。過往三年蘆女士並無於香港或海外任何證券市場上市的公眾公司擔任董事職務。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

Mr. Tang Jiuda (“Mr. Tang”), aged 49, was appointed as an independent non-executive director, member of the audit committee and member of the remuneration committee of the Company on 17 April 2018.

Mr. Tang obtained a bachelor’s degree in economics from Renmin University of China in 1994 and a master’s degree in management from Central University of Finance and Economics in 2014. He is currently a senior accountant, Certified Public Accountant and Certified Public Valuer of the PRC. Mr. Tang has been engaged in research of state-owned assets and capital market management for 25 years and has accumulated extensive experience in finance management, investment management, capital operation, corporate legal person structure governance and shareholding reform and listing. From 1994 to 1996, Mr. Tang worked at Haidian District Finance Bureau of Beijing Municipality and Haidian District State-owned Assets Administration Bureau of Beijing Municipality, responsible for financial budgeting and reporting, basic state-owned assets administration and registration of ownership and verification of assets of enterprises not within the scope of budgets in Haidian District, Beijing. From 1996 to 1999, Mr. Tang worked at the finance department of the State-owned Assets Administration Bureau under the State Council of the PRC, serving successively as deputy principal staff member and principal staff member of the general section, the local section and the asset appraisal centre. From 1999 to 2001, Mr. Tang joined Beijing Zhaokun Assets Appraisal Firm Co., Ltd. (北京兆坤資產評估事務所有限公司) as deputy general manager and chief valuer. Mr. Tang has been a senior accountant at Beijing Zhongshui Xincheng Accounting Firm (北京中稅信誠會計師事務所) and Beijing Zhongkuai Xincheng Accounting Firm (北京中會信誠會計師事務所) since 2001, responsible for corporate development planning, strategic research and finance management. Mr. Tang has not held any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

湯究達先生(「湯先生」)，49歲，於二零一八年四月十七日獲委任為本公司之獨立非執行董事、審核委員會及薪酬委員會各自之成員。

湯先生於一九九四年於中國人民大學取得經濟學學士學位，並於二零一四年於中央財經大學取得管理學碩士學位，現為高級會計師、中國註冊會計師及註冊資產評估師。湯先生從事國資及資本市場管理研究工作二十五年，累積豐富的財務管理、投資管理、資本運營、公司法人結構治理及股份制改造和上市等方面經驗。於一九九四年至一九九六年，湯先生曾於北京市海澱區財政局及國有資產管理局工作，負責全區財政的預決算工作及國有資產基礎管理和預算外企業產權登記、清產核資工作。於一九九六年至一九九九年，湯先生於中國國務院國有資產管理局財務部工作，曾擔任綜合司、地方司、資產評估中心副主任科員及主任科員。於一九九九年至二零零一年，湯先生加入北京兆坤資產評估事務所有限公司，並擔任副總經理及首席評估師。湯先生自二零零一年起於北京中稅信誠會計師事務所及北京中會信誠會計師事務所任職高級會計師，負責公司發展規劃、戰略研究及財務管理。過往三年湯先生並無於香港或海外任何證券市場上市的公眾公司擔任董事職務。

Ms. Yang Qingchun (“Ms. Yang”), aged 49, was appointed as an independent non-executive director, the chairman of the audit committee, member of the nomination committee and member of the remuneration committee of the Company on 2 August 2018.

Ms. Yang obtained a college diploma in industrial enterprise management from Shaanxi Radio and Television University in July 1991, a bachelor's degree in economics from the Open College of the Central Communist Party School in December 1994, and an advanced professional qualification certificate in financial management from University of Cambridge in May 2013. Ms. Yang is currently a member of The Association of Chartered Certified Accountants and the Certified Practising Accountant Australia, a certified intermediate accountant in the PRC, a certified tax agent in the PRC and a certified tax planner in the PRC. Ms. Yang has been engaged in financial work for 28 years and has the ability to engage in financial management work, domestic and overseas tax planning and financial risk assessment and review for all kinds of companies. In addition, Ms. Yang has also accumulated extensive experience in investment, financing, mergers and acquisitions and listing. From 1991 to 1994, Ms. Yang worked at state-owned Qinling Electric Appliance Company under the Aerospace Ministry of the PRC (中國航空航天部國營秦嶺電器公司), where she was responsible for managing its financial matters. From 1994 to 2002, Ms. Yang worked at Shenzhen Tianji Technical Tracing Co., Ltd. (深圳市天極科貿有限公司) as financial manager. Ms. Yang established Shenzhen Saibao Financial Agency Co., Ltd. (深圳市賽寶財務代理有限公司) in 2002 and served as its authorised representative, responsible for its operation and providing financial and taxation services to clients. From 2004 to 2007, Ms. Yang worked at Shenzhen Bohai Registered Tax Agent Co., Ltd. (深圳市博海稅務師事務所有限公司) as partner, responsible for providing taxation, accounting and assessment services to clients. Ms. Yang has been a headquarters partner of Asia-Pacific PengSheng CTA Co., Ltd. (亞太鵬盛稅務師事務所股份有限公司) since 2007, responsible for its operation and providing tax related services to clients. Ms. Yang has not held directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

楊慶春女士(「楊女士」), 49歲, 於二零一八年八月二日獲委任為本公司獨立非執行董事、審核委員會主席及提名委員會與薪酬委員會成員。

楊女士於一九九一年七月於陝西省廣播電視大學獲得工業企業管理大專學歷, 並於一九九四年十二月於中共中央黨校函授學院獲得經濟專業學士學位, 亦於二零一三年五月獲得英國劍橋大學財務管理高級專業資格證書。楊女士現為英國註冊會計師、澳大利亞註冊會計師、中華人民共和國註冊中級會計師、中華人民共和國註冊稅務師及中華人民共和國註冊納稅策劃師。楊女士從事財務工作28年, 具有各類型公司的財務管理工作能力、境內外納稅策劃能力及財務風險評估及審核能力。此外, 楊女士亦累積豐富的投資、融資、併購及上市方面的經驗。於一九九一年至一九九四年, 楊女士於中國航空航天部國營秦嶺電器公司, 負責管理該公司財務。於一九九四年至二零零二年, 楊女士於深圳市天極科貿有限公司, 曾擔任財務經理。楊女士於二零零二年創立深圳市賽寶財務代理有限公司, 並任職其法定代表人, 負責該公司的營運及向客人提供財稅服務。於二零零四年至二零零七年, 楊女士於深圳市博海稅務師事務所有限公司, 曾擔任合夥人, 負責向客人提供稅務、會計和評估工作。楊女士自二零零七年起於亞太鵬盛稅務師事務所股份有限公司擔任總部合夥人, 負責該公司的營運及向客人提供涉稅服務。過往三年楊女士並無於香港或海外任何證券市場上市的公眾公司擔任董事職務。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

SENIOR MANAGEMENT

Ms. Wang Hui (“**Ms. Wang**”), aged 53, is the deputy chief executive officer of the Company. She was appointed as an executive director on 10 July 2008. With effect from 10 June 2010, Ms. Wang resigned as executive director and has been appointed as chief executive officer of the Company. On 3 May 2018, she was re-designated from the chief executive officer to the deputy chief executive officer of the Company.

Ms. Wang holds a Master's degree in Finance and Investment from Renmin University of China and a Bachelor's degree in Design of Machine Manufacturing Equipment from Anhui University of Technology and Science. Ms. Wang has previously worked in an investment management company, a technology company and an online education training company as a member of the senior management. She has extensive experience in strategic planning, investment management and online education operation. Ms. Wang is the director of Distance Education College of Beijing University of Chinese Medicine(北京中醫藥大學遠程教育學院), a non-wholly owned subsidiary of the Company.

Ms. Wang did not hold any directorships in any listed public company in the last three years.

高級管理層

王慧女士(「王女士」), 53歲, 為本公司副行政總裁。彼於二零零八年七月十日獲委任為執行董事。自二零一零年六月十日起, 王女士辭任執行董事並獲委任為本公司行政總裁。於二零一八年五月三日, 彼由行政總裁調任為本公司副行政總裁。

王女士持有中國人民大學財政金融學院在職碩士學位以及安徽工程科技學院之機械設計與制造專業學士學位。王女士以往曾任職於投資管理公司、科技公司及遠程教育培訓公司, 擔任為高層管理人員。彼於戰略部署、投資管理及遠程教育營運擁有豐富經驗。王女士為本公司非全資附屬公司北京中醫藥大學遠程教育學院之董事。

王女士於過往三年並無於任何上市公司擔任任何董事職務。

Report of the Directors

董事會報告

The board (the “Board”) of directors (the “Directors”) of China E-Information Technology Group Limited (the “Company”) presents herewith the annual report together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company’s subsidiaries are set out in note 38 to the consolidated financial statements.

RESULTS AND DIVIDEND

The Group’s results for the year ended 31 December 2018 and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 84 to 192.

The Directors do not recommend payment of any final dividend in respect of the reporting year (2017: Nil).

SUMMARY FINANCIAL INFORMATION

The following is a summary of the audited consolidated results of the Group for each of the five years ended 31 December 2018 prepared on the basis set out in the note below:

		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	來自持續經營業務之收入	57,856	52,757	46,277	45,701	47,474
Loss before tax	來自持續經營業務之 除稅前虧損	79,013	66,397	140,851	33,187	47,417
Loss after tax	除稅後虧損	79,013	66,397	140,851	33,187	47,417
Total assets	資產總值	250,093	261,366	195,531	227,191	366,888
Total liabilities	負債總額	69,785	58,641	41,956	49,483	54,001

中國網絡信息科技集團有限公司(「本公司」)董事(「董事」)會(「董事會」)謹此提呈本公司及其附屬公司(「本集團」)截至二零一八年十二月三十一日止年度之年度報告及經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股，本公司附屬公司之主要業務詳情載於綜合財務報表附註38。

業績及股息

本集團截至二零一八年十二月三十一日止年度之業績及本集團於該日之財務狀況載於第84至192頁之綜合財務報表。

董事不建議就報告年度派付任何末期股息(二零一七年：零)。

財務資料概要

以下為按下文附註所載基準編製之本集團截至二零一八年十二月三十一日止五個年度各年經審核綜合業績概要：

Report of the Directors

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment are set out in note 17 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 38 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and share options during the year are set out in notes 26 and 34 to the consolidated financial statements respectively.

CONVERTIBLE NOTES

Details of movements in the Company's convertible notes during the year are set out in note 28 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 88 and note 27 to the consolidated financial statement respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company did not have any reserve available for cash distribution (2017: Nil). In accordance with the laws of the Cayman Islands and the Company's Articles of Association, the Company's share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debt as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

物業、廠房及設備

物業、廠房及設備之變動載於綜合財務報表附註17。

附屬公司

本公司附屬公司之詳情載於綜合財務報表附註38。

股本及購股權

年內，本公司股本及購股權之詳情分別載於綜合財務報表附註26及34。

可換股票據

年內，本公司可換股票據之變動詳情載於綜合財務報表附註28。

儲備

年內，本集團及本公司儲備之變動詳情分別載於第88頁之綜合權益變動表及綜合財務報表附註27。

可供分派儲備

於二零一八年十二月三十一日，本公司並無任何可作現金分派之儲備(二零一七年：零)。根據開曼群島法例及本公司組織章程細則，倘於緊隨擬分派股息當日後，本公司有能力償還在日常業務中到期之債務，則本公司可向本公司股東分派股份溢價賬。股份溢價亦可以繳足紅股之方式分派。

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2018.

MANAGEMENT CONTRACT

The Group and the Company did not have any management services contract for the years ended 31 December 2018 and 2017.

CHARITABLE DONATIONS

During the year, the Group did not have any charitable donations (2017: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

優先認購權

本公司組織章程細則或開曼群島法例並無有關優先認購權之條文，規定本公司須按比例向現有股東發售新股份。

足夠公眾持股量

於截至二零一八年十二月三十一日止整個年度內，本公司一直維持足夠之公眾持股量。

管理合約

截至二零一八年及二零一七年十二月三十一日止年度，本集團及本公司概無簽訂任何管理服務合約。

慈善捐款

年內，本集團並沒有慈善捐款(二零一七年：無)。

主要客戶及供應商

本集團之主要客戶及供應商於年內所佔銷售及採購百分比如下：

		2018 二零一八年	2017 二零一七年
Revenue	收入		
– The largest customer	– 最大客戶	n/a 不適用	n/a 不適用
– Five largest customers	– 五大客戶	n/a 不適用	n/a 不適用
Cost of goods sold and services provided	銷售貨品 及提供服務之成本		
– The largest services provider	– 最大服務供應商	29%	25%
– Five largest services providers	– 五大服務供應商	76%	52%

Students are our major customers. It is therefore not applicable to provide the largest and the five largest customers' percentages on our revenue income.

學生為我們的主要客戶，因此不適用於提供最大及五大客戶於本集團收入所佔百分比。

Report of the Directors

董事會報告

None of the Directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in the major customers or service providers noted above.

DIRECTORS

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

Executive Director

Mr. Yuan Wei
Ms. Zhang Jianxin
Mr. Zheng Zhijing
Ms. Lin Yan
Ms. Wong Hiu Pui

Independent Non-Executive Directors

Ms. Lu Xiaowei
Mr. Wang Xinsheng (resigned on 17 April 2018)
Mr. Li Qunsheng (resigned on 2 August 2018)
Mr. Tang Jiuda (appointed on 17 April 2018)
Ms. Yang Qingchun (appointed on 2 August 2018)

The Company has received from each of the independent non-executive directors the annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers that all independent non-executive directors are independent to the Group in accordance with the terms of the guidelines as set out in Rule 5.09 of the GEM Listing Rules.

各董事、彼等之聯繫人士或股東(據董事所知持有本公司5%以上之股本)概無於上述主要客戶或服務供應商中擁有任何權益。

董事

本公司於財政年度內及直至本報告日期之董事如下：

執行董事

袁偉先生
張建新女士
鄭植京先生
林艷女士
王曉貝女士

獨立非執行董事

蘆曉薇女士
王新生先生(於二零一八年四月十七日辭任)
李群盛先生(於二零一八年八月二日辭任)
湯究達先生(於二零一八年四月十七日上任)
楊慶春女士(於二零一八年八月二日上任)

本公司已收到各獨立非執行董事按照GEM上市規則第5.09條就其獨立性而提交之年度確認函，並認為根據GEM上市規則第5.09條所載指引內之條款，全體獨立非執行董事均獨立於本集團。

In accordance with Article 87 of the Company's Articles of Association, Mr. Tang Jiuda, Ms. Yang Qingchun and Ms. Zhang Jianxin will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Mr. Yuan Wei, the executive director, has entered into service contract with the Company for a term of three years. This service contract may be terminated by either party giving not less than three months' notice to the other party.

Ms. Zhang Jianxin, the executive director, has entered into service contract with the Company for a term of three years. This service contract may be terminated by either parties giving not less than three months' notice to the other party.

Ms. Yang Qingchun, the independent non-executive director, has not been appointed for a fixed term of service.

Mr. Tang Jiuda, the independent non-executive director, has not been appointed for a fixed term of service.

Ms. Lu Xiaowei, the independent non-executive director, has not been appointed for a fixed term of service.

Mr. Zheng Zhijing, the executive director, has not been appointed for a fixed term of service.

Ms Lin Yan, the executive director, has not been appointed for a fixed term of service.

Ms. Wong Hiu Pui, the executive director, has not been appointed for a fixed term of service.

None of the Directors proposed for re-election at the forthcoming annual general meeting 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.

根據本公司組織章程細則第87條，湯究達先生、楊慶春女士及張建新女士將於本公司應屆股東週年大會上退任，並符合資格及願意膺選連任。

董事服務合約

執行董事袁偉先生已與本公司訂立服務合約，年期為三年。該服務合約可由其中一方向對方給予不少於三個月通知而終止。

執行董事張建新女士已與本公司訂立服務合約，年期為三年。該服務合約可由其中一方向對方給予不少於三個月通知而終止。

獨立非執行董事楊慶春女士之委任並無固定服務期限。

獨立非執行董事湯究達先生之委任並無固定服務期限。

獨立非執行董事蘆曉薇女士之委任並無固定服務期限。

執行董事鄭植京先生之委任並無固定服務期限。

執行董事林艷女士之委任並無固定服務期限。

執行董事王曉貝女士之委任並無固定服務期限。

在應屆股東週年大會上建議膺選連任之董事，概無與本公司訂立本公司於一年內不付賠償(法定賠償除外)則不得終止之服務合約。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the Directors and the five highest paid employees in the Group are set out in note 12 to the consolidated financial statements.

REMUNERATION POLICY

The Group remunerates its employees, including its Directors, based on their performance, experience and prevailing market rate. Other employee benefits include insurance and medical cover as well as share option scheme. Details of share option scheme are set out in note 34 to the consolidated financial statements.

The determination of remuneration of the Directors of the Company had taken into consideration of their expertise and job specifications.

董事之合約權益

本公司或其任何附屬公司概無訂立董事直接或間接於其中擁有重大權益，且於本年度完結時或年內任何時間有效之重大合約。

獲准許的彌償條文

本公司已就其董事及高級管理人員可能面對因企業活動產生之法律訴訟，為董事及行政人員之職責作適當之投保安排。基於董事利益的獲准許彌償條文根據公司條例(香港法例第622章)第470條的規定於董事編製之董事會報告根據公司條例(香港法例第622章)第391(1)(a)條獲通過時生效。

董事酬金及五名最高薪僱員

董事酬金及本集團五名最高薪僱員之詳情，載於綜合財務報表附註12。

薪酬政策

本集團根據僱員(包括其董事)之工作表現、經驗及現行市場水平向彼等提供報酬。其他僱員福利包括保險和醫療保障及購股權計劃。購股權計劃之詳情載於綜合財務報表附註34。

決定本公司董事之薪酬時，已考慮彼等之專業知識及詳細職務要求。

SHARE OPTIONS SCHEME

A new share option scheme was approved and adopted in the Annual General Meeting of the Company on 23 May 2011. No share options were granted during the year. On 17 May 2017, the Company granted 330,000,000 share options to individuals under the Company's share option scheme adopted on 23 May 2011. Details of share option scheme are set out in note 34 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHARE OPTIONS

As at 31 December 2018, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

購股權計劃

本公司於二零一一年五月二十三日舉行之股東週年大會上批准及採納一項新購股權計劃。年內並無授出購股權。於二零一七年五月十七日，本公司根據於二零一一年五月二十三日採納之本公司購股權計劃，向若干個別人士（「承授人」）授出330,000,000份購股權（「購股權」）。購股權計劃之詳情載於綜合財務報表附註34。

董事及主要行政人員於股份及購股權之權益

於二零一八年十二月三十一日，本公司董事或主要行政人員於本公司及其相關法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中持有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉；或(b)根據證券及期貨條例第352條規定須記錄於根據該條例所置存之登記冊之權益及淡倉；或(c)根據GEM上市規則第5.46條須知會本公司及聯交所之權益及淡倉如下：

Report of the Directors

董事會報告

Long positions

好倉

Number of shares or underlying shares held 所持股份或相關股份數目

Name of Directors and Chief Executive	Capacity	Ordinary share	Share options	Total	Percentage of issued share capital
董事及主要行政人員姓名	身份	普通股	購股權	總計	佔已發行股本百分比
Yuan Wei (Executive Director and Chief Executive Officer) 袁偉(執行董事及行政總裁)	Beneficial owner 實益擁有人	–	33,000,000	33,000,000	0.88%
Zhang Jianxin (Executive Director) 張建新(執行董事)	Beneficial owner 實益擁有人	–	10,000,000	10,000,000	0.27%
Wong Hiu Pui (Executive Director) 干曉貝(執行董事)	Beneficial owner 實益擁有人	120,000	–	120,000	0.003%
Zheng Zhijing (Executive Director) 鄭植京(執行董事)	Beneficial owner 實益擁有人	–	10,000,000	10,000,000	0.27%
Lin Yan (Executive Director) 林艷(執行董事)	Beneficial owner 實益擁有人	126,000,000	–	126,000,000	3.36%
Yang Qingchun (Independent Non-executive Director) 楊慶春(獨立非執行董事)	Beneficial owner 實益擁有人	536,000	–	536,000	0.01%
Lu Xiaowei (Independent Non-executive Director) 蘆曉薇(獨立非執行董事)	Beneficial owner 實益擁有人	1,000,000	–	1,000,000	0.03%

Save as disclosed above, as at 31 December 2018, none of the other Directors or chief executive of the Company had any interest or short position in shares, debentures or underlying shares of the Company and its associated corporations which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the headings “Directors’ and chief executive’s interests in shares and share options” above and “Share option scheme” in note 34, at no time during the year was the Group, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Group or any other body corporate.

INTERESTS DISCLOSABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 December 2018, so far as known to any Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

除上文所披露者外，於二零一八年十二月三十一日，概無本公司董事或主要行政人員於本公司及其相關法團之股份、債權證或相關股份中持有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉；或(b)根據證券及期貨條例第352條須記錄於根據該條例所置存之登記冊之權益或淡倉；或(c)根據GEM上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

購買股份或債券之安排

除上文「董事及主要行政人員於股份及購股權之權益」以及附註34「購股權計劃」所披露者外，本集團或其任何附屬公司於年內概無成為任何安排的一方，致使本公司董事可藉收購本集團或任何其他法人團體的股份而取得利益。

根據證券及期貨條例須予披露之權益及主要股東

於二零一八年十二月三十一日，據本公司董事或主要行政人員所知，以下人士(本公司董事及主要行政人員除外)持有根據證券及期貨條例第XV部第2及3分部須予披露及須記入根據證券及期貨條例第336條置存之登記冊之本公司股份及相關股份之權益或淡倉：

Report of the Directors

董事會報告

Long position in shares or underlying shares of the Company 於本公司股份或相關股份之好倉

Name of shareholder 股東名稱	Capacity 身份	Number of shares or underlying shares held 所持股份或 相關股份數目	Percentage of issued share capital 佔已發行 股本百分比
Atlantis Capital Holdings Limited (note 1) (附註1)	Investment manager 投資經理	286,256,000	7.63%
Liu Yang (note 2) 劉央(附註2)	Interest of a controlled corporation 於受控法團之權益	286,256,000	7.63%
Atlantis Investment Management (Hong Kong) Limited (note 1) (附註1)	Investment manager 投資經理	286,256,000	7.63%
Atlantis Investment Management (Ireland) Limited (note 1) (附註1)	Investment manager 投資經理	126,256,000	3.37%
Riverwood Asset Management (Cayman) Ltd. (note 2) (附註2)	Investment manager 投資經理	160,000,000	4.27%
China Shipbuilding Industry Corporation (note 3) 中國船舶重工集團公司(附註3)	Interest of a controlled corporation 於受控法團之權益	524,952,000	13.99%
China Shipbuilding Capital Limited (note 3) 中國船舶資本有限公司(附註3)	Beneficial owner and interest of a controlled corporation 實益擁有人及於受控法團之權益	524,952,000	13.99%
Summit Blue Limited (note 4) (附註4)	Beneficial owner 實益擁有人	384,794,117	10.26%
Wang Peng (note 4) 王鵬(附註4)	Interest of a controlled corporation 於受控法團之權益	384,794,117	10.26%

- Notes: 1. According to the disclosure of interests notices filed by each of Ms. Liu Yang and Atlantis Capital Holdings Limited, Atlantis Investment Management (Hong Kong) Limited (“Atlantis (Hong Kong)”) and Atlantis Investment Management (Ireland) Limited (“Atlantis (Ireland)”) were disclosed as having interest in 286,256,000 shares and 126,256,000 shares of the Company respectively. Atlantis (Hong Kong) and Atlantis (Ireland) are indirect wholly-owned and direct wholly-owned by Ms. Liu Yang and Atlantis Capital Holdings Limited respectively. Therefore, Ms. Liu Yang and Atlantis Capital Holdings Limited are deemed to be interested in the shares held by Atlantis (Hong Kong) and Atlantis (Ireland).
2. According to the disclosure of interests notices filed by Riverwood Asset Management (Cayman) Ltd, Riverwood Asset Management (Cayman) Ltd was disclosed as having interest in 160,000,000 shares of the Company and was wholly owned by Ms. Liu Yang. Therefore, Ms. Liu Yang is deemed to be interested in the shares held by Riverwood Asset Management (Cayman) Ltd.
3. China Shipbuilding Capital Limited was a wholly-owned subsidiary of China Shipbuilding Industry Corporation. China Shipbuilding Capital Limited was the beneficial owner of 493,088,000 shares of the Company and also held 60% shareholding in CSIC Investment One Limited, a company which was the beneficial owner of 31,864,000 shares of the Company.
4. According to the disclosure of interests notices filed by Summit Blue Limited and Mr. Wang Peng, Summit Blue Limited held 384,794,117 shares of the Company and Mr. Wang Peng held 70% shareholding in Summit Blue Limited. Therefore, Mr. Wang Peng is deemed to be interested in the shares held by Summit Blue Limited under the SFO.

Save as disclosed above, as at 31 December 2018, the Directors were not aware of any other persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO.

- 附註：1. 根據劉央女士及Atlantis Capital Holdings Limited、Atlantis Investment Management (Hong Kong) Limited(「Atlantis (Hong Kong)」)及Atlantis Investment Management (Ireland) Limited(「Atlantis (Ireland)」)各自所提交權益披露通知，分別披露於本公司286,256,000股及126,256,000股股份中擁有權益。Atlantis (Hong Kong)及Atlantis (Ireland)分別由劉央女士及Atlantis Capital Holdings Limited間接全資擁有及直接全資擁有。劉央女士及Atlantis Capital被視為於Atlantis (Hong Kong)及Atlantis (Ireland)所持股份中擁有權益。
2. 根據Riverwood Asset Management (Cayman) Ltd所提交權益披露通知，Riverwood Asset Management (Cayman) Ltd披露於本公司160,000,000股股份中擁有權益及為劉央女士全資擁有附屬公司。因此，劉央女士被視為於Riverwood Asset Management (Cayman) Ltd所持股份中擁有權益。
3. 中國船舶資本有限公司為中國船舶重工集團公司之全資附屬公司。中國船舶資本有限公司為本公司493,088,000股股份之實益擁有人，亦持有CSIC Investment One Limited(為本公司31,864,000股股份之實益擁有人)之60%股權。
4. 根據Summit Blue Limited及王鵬先生所提交的權益披露通知，Summit Blue Limited持有本公司384,794,117股股份及王鵬先生持有Summit Blue Limited之70%股權。因此，根據證券及期貨條例王鵬先生被視為於Summit Blue Limited所持的股份中擁有權益。

除上文所披露者外，於二零一八年十二月三十一日，董事並不知悉任何其他人士(本公司董事及主要行政人員除外)於本公司股份及相關股份中擁有任何根據證券及期貨條例第XV部第2及3分部條文須予披露及須記入根據證券及期貨條例第336條置存之登記冊之權益或淡倉。

Report of the Directors 董事會報告

INTEREST IN COMPETING BUSINESS

During the year under review, neither the Directors nor the substantial shareholders of the Company and their respective associates had any interest in business that competes, either directly or indirectly, with the business of the Group.

EVENTS AFTER THE REPORTING PERIOD

These are no significant events occurring after the reporting period.

AUDITORS

GI CPA Limited had been appointed as the auditor of the Company following the resignation of McMillan Woods SG CPA Limited with effect from 4 January 2019. McMillan Woods SG CPA Limited resigned as auditor of the Company due to the constraints of McMillan Woods SG CPA Limited's manpower and internal resources and GI CPA Limited were appointed to fill the casual vacancy.

GI CPA Limited retires and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On Behalf of the Board

Yuan Wei
Executive Director

Hong Kong
29 March 2019

競爭業務之權益

於回顧年度內，本公司董事或主要股東及彼等各自之聯繫人士概無擁有任何與本集團業務直接或間接競爭之業務權益。

報告期後事項

報告期後並無發生任何重大事項。

核數師

隨長青暉勝會計師事務所有限公司辭任後，智盈會計師事務所有限公司已獲委任為本公司核數師，自二零一九年一月四日起生效。長青暉勝會計師事務所有限公司因其人力及內部資源所限而辭任本集團之核數師及智盈會計師事務所有限公司獲委任以填補臨時空缺。

智盈會計師事務所有限公司任滿告退，本公司將於應屆股東週年大會上提呈決議案，續聘智盈會計師事務所有限公司為本公司核數師。

代表董事會

執行董事
袁偉

香港
二零一九年三月二十九日

Corporate Governance Report

企業管治報告

The Company is committed to maintaining a high standard of corporate governance and believes that good corporate governance can (i) enhance management effectiveness and efficiency; (ii) increase the transparency of the Company; (iii) enhance risk management and internal control of the Company and (iv) safeguard the interests of the shareholders and the Company as a whole.

CORPORATE GOVERNANCE CODE COMPLIANCE

Pursuant to the Corporate Governance Code (the “Code”) contained in Appendix 15 to the GEM Listing Rules of the Stock Exchange which sets out the principles of good corporate governance, the provisions of the Code (the “Code Provisions”) and the recommended best practices, the Company has applied the principles and complied with all the Code Provisions as set out in the Code during the year ended 31 December 2018, with the exception of deviation set out below.

Under Code Provision A.2.1, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Following the step down of Mr. Chen Hong from the office of chairman and an executive director of the Company on 14 February 2014, the Company has not appointed chairman, and the roles and functions of the chairman have been performed by all the executive directors collectively.

Under Code Provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election while all directors should be subject to retirement by rotation at least once every three years. During the year, all independent non-executive director is not appointed for a specific term of service. Since each of the independent non-executive directors is subject to rotation and re-election at the annual general meeting in accordance with the articles of association of the Company, as such, the Company considers that sufficient measures have been taken to serve the purpose of the Code Provision A.4.1 of the Code.

本公司致力維持高水準之企業管治，且相信優質企業管治能(i)提升管理效益及效率；(ii)提高本公司之透明度；(iii)改善本公司之風險管理及內部監控；及(iv)保障股東與本公司之整體利益。

遵守企業管治守則

根據聯交所GEM上市規則附錄15所載之企業管治守則(「守則」)所載之優質企業管治之原則、守則條文(「守則條文」)以及最佳建議常規，於截至二零一八年十二月三十一日止年度本公司應用原則及遵守守則所載之全部守則條文，惟下文所載的偏離情況除外。

根據守則條文第A.2.1條，主席與行政總裁應有所區分，並不應由一人同時兼任。於陳宏先生於二零一四年二月十四日辭任本公司主席兼執行董事職務後，本公司並未委任主席，而主席之角色及職能由全體執行董事共同履行。

根據守則之守則條文第A.4.1條，非執行董事須有特定任期及膺選連任，而所有董事至少須每三年輪值退任一次。年內，所有獨立非執行董事之委任並無固定服務期限。由於按照本公司的組織章程細則，各獨立非執行董事須於股東週年大會上輪值退任及膺選連任，因此，本公司認為已採取足夠措施達致守則之守則條文第A.4.1條之目標。

Corporate Governance Report

企業管治報告

Under Code Provision A.6.7, independent non-executive directors and non-executive director should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Li Qunsheng, Mr. Tang Jiuda and Ms. Lu Xiaowei, the independent non-executive directors of the Company were unable to attend an annual general meeting of the Company held on 29 June 2018 due to their respective commitments elsewhere.

DIRECTORS' SECURITIES TRANSACTIONS

During the year under review, the Group has adopted a code of conduct regarding securities transactions in securities of the Company by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, the Company was not aware of any non-compliance with the required standard as set out in the code of conduct regarding directors' securities transactions throughout the year ended 31 December 2018.

BOARD OF DIRECTORS AND MEETING

Board Composition

The Board of Directors currently comprises five executive directors, namely Mr. Yuan Wei, Ms. Zhang Jianxin, Mr. Zheng Zhijing, Ms. Lin Yan and Ms. Wong Hiu Pui and three independent non-executive directors, namely Ms. Yang Qingchun, Mr. Tang Jiuda and Ms. Lu Xiaowei. The Board is responsible for the overall management of the Group. It focuses on directing the corporate strategies and supervising the business, significant affairs and daily operation of the Group. Biographical details of the Directors are set out on pages 15 to 19 of this annual report.

根據守則條文第A.6.7條，獨立非執行董事及非執行董事應出席股東大會，對股東的意見有公正的了解。本公司獨立非執行董事李群盛先生、湯究達先生及蘆曉薇女士因為彼等各自之事務而未能出席本公司於二零一八年六月二十九日舉行之股東週年大會。

董事之證券交易

於回顧年度，本集團已就董事就本公司證券進行證券交易採納一套操守守則，其條款不遜於GEM上市規則第5.48至5.67條所規定之買賣標準。經向所有董事作出特定查詢後，本公司並不知悉截至二零一八年十二月三十一日止年度內有任何不遵守董事進行證券交易之操守守則所規定標準之情況。

董事會及會議

董事會組成

董事會目前由五名執行董事袁偉先生、張建新女士、鄭植京先生、林艷女士及王曉貝女士以及三名獨立非執行董事楊慶春女士、湯究達先生及蘆曉薇女士組成。董事會負責本集團之整體管理，主要工作為訂出公司策略並且監督本集團之業務、重大事宜及日常營運。董事詳細履歷載於本年報第15頁至第19頁。

Following the step down of Mr. Chen Hong from the office of Chairman and an Executive Director of the Company on 14 February 2014, the Company has not appointed chairman, and the roles and functions of the chairman have been performed by all the executive directors collectively. The Board provide the Group with strategic direction and ensure its effectiveness in a timely manner. Whereas Mr. Yuan Wei, who was appointed as the chief executive officer of the Company on 3 May 2018, and Ms. Wang Hui, who was re-designated from the chief executive officer of the Company to the deputy chief executive officer of the Company on 3 May 2018, are responsible for the strategic planning of its various business units, and day-to-day management of its operation.

Currently three independent non-executive director is not appointed for a specific term of service. Since each of the independent non-executive directors is subject to rotation and re-election at the annual general meeting in accordance with the articles of association of the Company, as such, the Company considers that sufficient measures have been taken to serve the purpose of the Code Provision A.4.1 of the Code.

於陳宏先生於二零一四年二月十四日辭任本公司主席兼執行董事職務後，本公司並未委任主席，而主席之角色及職能由全體執行董事共同履行。董事會及時向本集團提供策略方向指引及確保其效率。而袁偉先生(於二零一八年五月三日獲委任為本公司行政總裁)及王慧女士(於二零一八年五月三日由本公司行政總裁調任本公司副行政總裁)則負責各業務單位之策略計劃及日常業務管理。

目前，三名獨立非執行董事之委任並無固定服務期限。由於按照本公司的組織章程細則，各獨立非執行董事須於股東週年大會上輪值退任及膺選連任，因此，本公司認為已採取足夠措施達致守則之守則條文第A.4.1條之目標。

Corporate Governance Report

企業管治報告

Board and General Meetings

The Board meets regularly. During the year ended 31 December 2018, there were 37 board meetings and 1 general meeting held to discuss the overall strategy, the operation and financial performance of the Group, and to approve important matters such as the annual results, quarterly results, interim results and dividends, the Group's businesses and investments, etc. The attendance of each director at the board meetings and general meeting are set out as follows:

董事會會議及股東大會

董事會定期舉行會議。於截至二零一八年十二月三十一日止年度，本公司曾舉行37次董事會會議，1次股東大會以討論整體策略、本集團之營運及財務表現並批准如年度業績、季度業績、中期業績及股息、本集團之業務及投資等重要事項。各董事出席董事會會議及股東大會之記錄載列如下：

		Attendance of Board Meeting 董事會會議出席記錄	Attendance of General Meeting 股東大會出席記錄
Executive Directors	執行董事		
Mr. Yuan Wei	袁偉先生	36/37	1/1
Ms. Zhang Jianxin	張建新女士	31/37	0/1
Mr. Zheng Zhijing	鄭值京先生	30/37	0/1
Ms. Lin Yan	林艷女士	21/37	0/1
Ms. Wong Hiu Pui	王曉貝女士	21/37	0/1
Independent Non-Executive Directors	獨立非執行董事		
Ms. Yang Qingchun (appointed on 2 August 2018)	楊慶春女士 (於二零一八年 八月二日上任)	13/20	0/0
Mr. Tang Jiuda (appointed on 17 April 2018)	湯究達先生 (於二零一八年 四月十七日上任)	23/30	0/1
Mr. Li Qunsheng (resigned on 2 August 2018)	李群盛先生 (於二零一八年 八月二日辭任)	11/17	0/1
Mr. Wang Xinsheng (resigned on 17 April 2018)	王新生先生 (於二零一八年 四月十七日辭任)	5/7	0/0
Ms. Lu Xiaowei	蘆曉薇女士	32/37	0/1

The company secretary is responsible to take and keep minutes of all board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

公司秘書負責記錄及保管所有董事會會議及轄下委員會會議之會議紀錄。會議紀錄之初稿通常在各會議後一段合理時間內發送董事傳閱，供董事表達意見，而最後定稿可供董事查閱。

The executive directors and senior management meet regularly to review company business matters and escalate the matters to the board meeting for further discussion if necessary. The Board and the Directors can seek independent professional advice whenever necessary at the Company's expenses. Furthermore, they can have access to the company secretary who is responsible for ensuring that the Board procedures are duly complied with and advising the Board on corporate governance and compliance matters.

In accordance to the Board's current practice and Code Provision A.1.7 of the Code, any material transaction involving a conflict of interests for a substantial shareholder or a Director will be considered and dealt with by the Board by a duly convened Board meeting. It also requires the directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

Independent Non-Executive Directors

In Compliance with Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules, the Company now has three independent non-executive directors with two of them having appropriate professional qualifications or accounting or related financial management expertise. Currently it has complied with the relevant Rules. All independent non-executive director is not appointed for a fixed term of service.

The Company has, through the nomination committee of the Board, reviewed the independence of, and received an appointment and annual confirmation of independence from, each of the independent non-executive directors, and considers all the independent non-executive directors independent in accordance with the guidelines set out in Rule 5.09 of the GEM Listing Rules.

執行董事及高級管理人員定期會面檢討本公司業務事宜以及在有需要時將有關事宜提呈至董事會會議作進一步討論。董事會及董事可於需要時尋求獨立專業建議，費用由本公司支付。此外，董事亦可與公司秘書接洽，而公司秘書乃負責確保充分遵循董事會的程序，並就企業管治及遵守規章事宜向董事會提供意見。

根據董事會目前慣例及守則之守則條文第A.1.7條，涉及主要股東或董事之利益衝突之任何重大交易將由董事會於正式召開之董事會會議上審議及處理。有關規定要求有關董事於批准彼等或其任何聯繫人士擁有重大權益之交易時放棄投票並不計入會議法定人數。

獨立非執行董事

為符合GEM上市規則第5.05(1)及(2)條以及第5.05A條的規定，本公司目前已委任三名獨立非執行董事，其中兩名具備適當的專業資格或具備會計或有關財務管理專長。本公司目前已遵守相關規則。所有獨立非執行董事之委任並無固定服務期限。

本公司已透過董事會提名委員會檢討各獨立非執行董事的獨立性，並收到各獨立非執行董事就其獨立性提供之約定及年度確認書，且根據GEM上市規則第5.09條所載的指引，認為所有獨立非執行董事均屬獨立人士。

Corporate Governance Report

企業管治報告

Delegation to Board Committee and Management

The Board has the overall responsibility for business development, leadership, management and control of the Group and is responsible for promoting the success of the Group by directing, supervising and monitoring the Group's affairs. It has established three committees, namely the audit committee, remuneration committee and nomination committee. All of the committees have written terms of reference in accordance with the Code. More details of these committees are set out in separate sections of this report.

The Board delegates necessary powers and authorities to the executive directors and chief executive officer ("CEO") to facilitate the efficient day to day management of the Group's business. In addition, the Board delegates to the remuneration committee authorities to determine remuneration for executive directors and members of senior management.

Continuous Professional Development

All Directors should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. Directors receive regular updates and presentations on changes and developments to the Group's business and to environments in which the Group operates, as well as their responsibilities under the relevant statutes, laws, rules and regulations to ensure compliance and enhance their awareness of good corporate governance practices. Directors are also encouraged to attend relevant training courses at the Company's expenses.

董事會的權力轉授予轄下委員會及管理層

董事會全權負責業務發展、領導、管理及控制本集團並負責通過指導、監督及監察本集團事務以促使本集團邁向成功。董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會。所有委員會均已根據守則訂有書面職權範圍。該等委員會的進一步詳情載於本報告個別有關章節。

董事會將必要的權力及職權轉授予執行董事及行政總裁（「行政總裁」），以便有效率地管理本集團的日常業務。此外，董事會授權薪酬委員會釐定執行董事及高級管理人員的薪酬。

持續專業發展

所有董事均須了解其擔任董事之集體職責及本集團之業務及活動。董事定期收到有關本集團業務及本集團營運環境的變動及發展最新情況及簡介、以及彼等於相關法規、法律、規則及規管項下之責任，以確保合規及增強董事對良好企業管治常規的意識。本公司亦鼓勵董事參加相關培訓課程，費用由本公司支付。

During the year ended 31 December 2018, the Directors participated in the continuous professional developments in relation to regulatory updates, the duties and responsibilities of the Directors and the business of the Group in the following manner:

截至二零一八年十二月三十一日止年度，董事透過以下方式參與有關監管事宜之最新訊息、董事之職務與職責及本集團業務之持續專業發展活動：

		Training received (Yes/No) 接受培訓(是/否)
Executive Directors		
Mr. Yuan Wei	執行董事 袁偉先生	Yes 是
Ms. Zhang Jianxin	張建新女士	Yes 是
Mr. Zheng Zhijing	鄭值京先生	Yes 是
Ms. Lin Yan	林艷女士	Yes 是
Ms. Wong Hiu Pui	王曉貝女士	Yes 是
Independent Non-Executive Directors		
Ms. Yang Qingchun (appointed on 2 August 2018)	獨立非執行董事 楊慶春女士 (於二零一八年八月二日上任)	Yes 是
Mr. Tang Jiuda (appointed on 17 April 2018)	湯究達先生 (於二零一八年四月十七日上任)	Yes 是
Mr. Li Qunsheng (resigned on 2 August 2018)	李群盛先生 (於二零一八年八月二日辭任)	Yes 是
Mr. Wang Xinsheng (resigned on 17 April 2018)	王新生先生 (於二零一八年四月十七日辭任)	Yes 是
Ms. Lu Xiaowei	蘆曉薇女士	Yes 是

Training received included:

接受培訓包括：

A attending internal/external briefing/seminar session in relation to corporate governance; or

A 參加有關企業管治的內部／外部簡報會／研討會；或

B reading materials in relation to regulatory update

B 閱讀有關規定更新的材料

BOARD COMMITTEES

董事委員會

Audit Committee

審核委員會

The Company has established an audit committee on 26 November 2001 with written terms of reference for the purpose of reviewing and supervising the Company's financial reporting and internal control procedures in compliance with the GEM Listing Rules. The committee currently comprises three independent non-executive directors, namely Ms. Yang Qingchun (the chairman of the committee), Mr. Tang Jiuda and Ms. Lu Xiaowei.

本公司已遵守GEM上市規則於二零零一年十一月二十六日成立審核委員會，並制訂書面職權範圍，負責檢討及監督本公司之財務申報及內部監控程序。委員會現由三名獨立非執行董事楊慶春女士(為委員會主席)、湯究達先生及蘆曉薇女士組成。

Corporate Governance Report

企業管治報告

The primary duties of the audit committee are to review and to provide supervision over the financial reporting process, risk management and internal control system of the Group, to review the audit plan, audit findings and independence of the auditors of the Company, to review the Group's financial information and financial statements, annual reports, interim reports and quarterly reports, and to provide advice and recommendation thereon to the Board.

The Board also delegated certain corporate governance functions to the audit committee, including the review and monitoring of (a) the Group's policies and practices on corporate governance and make recommendations to the Board; (b) the training and continuous professional development of Directors and senior management; (c) the Group's policies and practices on compliance with legal and regulatory requirements; (d) the code of conduct of the Group applicable to employees and Directors; and (e) the Group's compliance with the Code and disclosure in the Corporate Governance Report.

During the year ended 31 December 2018, the audit committee held 6 meetings to approve the nature and scope of the statutory audits, and review the annual, interim, quarterly consolidated financial statements of the Group, and details of the attendance of each member of the committee are set out as follows:

審核委員會之主要職責為檢討及監督本集團之財務申報程序、風險管理及內部監控系統、檢討核數計劃、核數發現事項及本公司核數師的獨立性、審閱本集團財務資料以及財務報表、年報、中期報告以及季度報告並就此向董事會提供意見及建議。

董事會亦將若干企業管治職能委派予審核委員會，包括檢討及監督(a)本集團之企業管治政策及慣例，並向董事會提供推薦意見；(b)董事及高級管理人員的培訓及持續專業發展；(c)本集團在遵守法律及監管規定方面的政策及常規；(d)本集團僱員及董事的操守準則；及(e)本集團遵守守則的情況及在企業管治報告內的披露。

截至二零一八年十二月三十一日止年度，審核委員會曾舉行6次會議，以批准法定審核之性質及範圍並審閱本集團之年度、中期、季度綜合財務報表，審核委員會各成員之出席記錄詳情載列如下：

Committee Members

審核委員會成員

Attendance

出席記錄

Ms. Yang Qingchun (appointed on 2 August 2018)	楊慶春女士(於二零一八年八月二日上任)	3/4
Mr. Tang Jiuda (appointed on 17 April 2018)	湯究達先生 (於二零一八年四月十七日上任)	5/5
Mr. Li Qunsheng (resigned on 2 August 2018)	李群盛先生(於二零一八年八月二日辭任)	2/2
Mr. Wang Xinsheng (resigned on 17 April 2018)	王新生先生(於二零一八年四月十七日辭任)	1/1
Ms. Lu Xiaowei	蘆曉薇女士	5/6

The minutes of the audit committee meetings are kept by the company secretary. The draft and final versions of the minutes are circulated to all committee members for their comments and records within a reasonable time after each meeting.

The Board has not taken any different view from that of the audit committee regarding the selection, appointment, resignation or dismissal of the external auditor.

The Company's annual audited results for the year ended 31 December 2018 have been reviewed by the audit committee.

REMUNERATION COMMITTEE

The remuneration committee was established on 23 March 2005 with major functions of (i) making recommendations to the Board on the Company's policies and structure for the remuneration of Directors and senior management of the Group; (ii) determining the remuneration packages of all Directors and senior management of the Group; and (iii) reviewing and approving the performance-based remuneration. The remuneration committee's terms of reference are generally aligned with the requirement of Code Provision B.1.2.

The remuneration committee of the Company is currently chaired by Mr. Yuan Wei. Other members include Ms. Yang Qingchun and Mr. Tang Jiuda. The majority of the members of the remuneration committee are independent non-executive directors.

During the year ended 31 December 2018, three meetings of the remuneration committee was held. All of the members of the remuneration committee, at the time being, attended the meeting. The Company's policy for the remuneration of Directors and senior management was discussed in the meeting and no changes on the policy were recommended by the remuneration committee.

審核委員會之會議記錄由公司秘書保管。會議紀錄之初稿及最後定稿應在會議後一段合理時間內發送予委員會全體成員，初稿供成員表達意見，最後定稿作其紀錄之用。

董事會並無就挑選、委任、辭退或解聘外聘核數師與審核委員會出現任何不一致意見。

審核委員會已審閱本公司截至二零一八年十二月三十一日止年度之年度審核業績。

薪酬委員會

薪酬委員會於二零零五年三月二十三日成立，其主要職能為(i)就本公司關於本集團董事及高級管理層之薪酬政策及架構向董事會提供建議；(ii)釐定本集團全體董事及高級管理層之薪酬待遇；及(iii)審議並批准績效獎金。薪酬委員會之職權範圍整體符合守則條文第B.1.2條之規定。

袁偉先生目前為本公司薪酬委員會主席。其他成員包括楊慶春女士及湯究達先生。薪酬委員會之大多數成員為獨立非執行董事。

截至二零一八年十二月三十一日止年度，薪酬委員會曾舉行三次會議，並得到當時全體薪酬委員會成員出席，會上曾討論本公司對董事及高級管理層薪酬之政策，而薪酬委員會並無建議更改相關政策。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE

The Company has established the nomination committee on 23 March 2012 with major functions of (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; and (iii) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the CEO.

The nomination committee of the Company is currently chaired by Mr. Yuan Wei. Other members include Ms. Yang Qingchun and Ms. Lu Xiaowei. The majority of the members of the nomination committee are independent non-executive directors.

During the year ended 31 December 2018, two meetings of the nomination committee was held. Majority of the members of the nomination committee, at the time being, attended the meeting to perform the aforesaid functions.

BOARD DIVERSITY POLICY

The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Company believes that greater diversity of directors is good for corporate governance and is committed:

- To attract and retain candidate(s) for Board with a combination of competencies from the widest possible pool of available talent.
- To maintain a Board with diversity perspectives at all levels, in particular, those are aligning with the Company's strategy and objectives.

提名委員會

本公司於二零一二年三月二十三日成立提名委員會，其主要職能為(i)至少每年一次檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；(ii)物色具備合適資格可擔任董事會成員的人士，並就提名出任董事的人士作出挑選或向董事會提供意見；及(iii)就董事委任或重新委任以及董事(尤其是董事會主席及行政總裁)繼任計劃向董事會提出建議。

袁偉先生目前為本公司提名委員會主席。其他成員包括楊慶春女士以及蘆曉薇女士。提名委員會之大多數成員為獨立非執行董事。

截至二零一八年十二月三十一日止年度，提名委員會曾舉行二次會議，並得到當時大部份提名委員會成員出席，以履行上述職能。

董事會多元化政策

本公司了解及認同具有多元化董事會的裨益，並視在董事會層面的多元化為維持本公司競爭優勢的重要元素。本公司相信更佳的董事多元化有利於企業管治並致力：

- 從盡可能多的人才池中為董事會吸引並留住具有綜合能力的候選人。
- 在所有層面維持董事會的多元化，特別是使之與本公司的策略及宗旨相符。

- To assess regularly the diversity profile of the Board and, where applicable, senior management prepared for Board positions under the succession planning of the Company and the progress on achieving diversity objectives, if any.
- To ensure that the selection and nomination of Board positions are appropriately structured so that a diverse range of candidates can be considered.
- To set up appropriate procedures for development of a broader and more diverse pool of skilled and experienced senior management that would be prepared for Board positions.
- To ensure that changes to the Board's composition can be managed without undue disruption.
- 定期評估董事會的多元化組合，以及(如適用)按本公司之繼任計劃及實現多元化目標之程序(如有)聘任將可出任董事會職務的高級管理層。
- 確保董事會職位之人選及提名具有合適之架構，從而可以考慮多元範圍的候選人。
- 制訂更合適的程序以發展更寬泛及更加多元化的具有技能及經驗豐富的高級管理人才池以爲出任董事會職務作籌備。
- 確保董事會人員構成之變動可以在並無過渡干擾的情況下進行管理。

The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy.

提名委員會將定期檢討董事會之架構、規模及人員組成，以及(如合適)向董事會提出有關變動之推薦意見以補充本公司之公司策略。

In reviewing and assessing the Board composition and the nomination of directors (as applicable), Board diversity has to be considered from a number of aspects, including but not limited to the following:

於檢討及評估董事會人員組成及董事提名(如適用)時，必須從多個方面考慮董事會多元化，包括但不限於下列方面：

- Gender
- Age
- Cultural and educational background
- Professional qualifications
- Skills, knowledge and industry and regional experience
- 性別
- 年齡
- 文化及教育背景
- 專業資格
- 技能、知識及行業以及地區經驗

The Nomination Committee will review the Policy as appropriate and recommend revisions, if any, to the Board for consideration and approval.

提名委員會將於適當時候審閱本政策並向董事會推薦修訂意見(如有)以供考慮及批准。

Corporate Governance Report

企業管治報告

DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of directors of the Company to the Nomination Committee of the Company. Without prejudice to the authority and duties of the Nomination Committee as set out in its terms of reference, the ultimate responsibility for selection and appointment of directors of the Company rests with the entire Board. In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent directors in accordance with the Hong Kong Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

董事提名政策

董事會將其甄選及提名本公司董事的責任及授權授予本公司提名委員會。在不影響提名委員會於其職權範圍內所列出的權限及職責前提下，甄選並提名本公司董事的最終責任由全體董事承擔。在評估及挑選候選人擔任董事時，應考慮下列準則：

- 品格與誠實。
- 資格，包括與本公司業務及公司策略相關的專業資格、技能、知識及經驗，以及董事會多元化政策項下所述的多元化因素。
- 為達致董事會多元化而採納的任何可計量目標。
- 根據香港上市規則董事會需包括獨立董事的規定，以及參考上市規則內所載列的獨立指引候選人是否將被視為獨立。
- 候選人於專業資格、技能、經驗、獨立性及性別多元化方面可為董事會帶來的任何潛在貢獻。
- 是否願意及是否能夠投放足夠時間履行身為董事會成員及／或本公司董事會轄下委員會之成員的職責。
- 其他適用於本公司業務及繼任計劃的其他各項因素，以及(如合適)董事會及／或提名委員會可不時採納及／或修訂董事提名及繼任計劃。

Nomination process

(a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

提名程序

(a) 委任新董事

- (i) 提名委員會及／或董事會應在收到委任新董事的建議及候選人的個人履歷資料（或相關詳情）後，依據上文所載準則評估該候選人，以釐定該候選人是否合資格擔任董事。
- (ii) 如過程涉及一名或多名合意的候選人，提名委員會及／或董事會應根據本公司的需要及每位候選人的證明審查（如適用）排列彼等之優先次序。
- (iii) 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出建議（如適用）。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上文所載準則評估該候選人，以釐定該候選人是否合資格擔任董事。

如合適，提名委員會及／或董事會應就於股東大會上擬選舉董事的議案向股東提出推薦建議。

Corporate Governance Report

企業管治報告

(b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and this Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

DIVIDEND POLICY

The board of directors (the "Board") of the Company adopt the policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The Company do not have any pre-determined dividend payout ratio.

(b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及釐定退任董事是否仍然符合上文所載之准則。
- (iii) 提名委員會及／或董事會應就於股東大會上重選退任董事的提案向股東提出建議。

倘董事會擬於股東大會上提呈決議案選舉或重選候選人為董事，有關股東大會通告所隨附的致股東函函及／或說明函件中，將會按上市規則及／或適用法律及規例要求披露候選人的有關資料。

提名委員會將定期檢討董事會之架構、規模及人員組成及本政策，以及(如合適)向董事會提出有關變動之推薦意見以補充本公司之公司策略及業務需要。

股息政策

本公司董事會(「董事會」)採納的政策為在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其資金需求、未來增長以及其股東價值。

本公司並無任何預先釐定的股息分派利率。

The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the Articles of the Association of the Company and all applicable laws and regulations and the factors set out below. The Board shall also take into account the following factors of the Company and its subsidiaries when considering the declaration and payment of dividends:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of shareholders;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period:

- interim dividend;
- final dividend;
- special dividend; and
- any distribution of net profits that the Board may deem appropriate.

Any final dividend for a financial year will be subject to shareholders' approval. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's Articles of Association.

The Board will review this Policy as appropriate from time to time.

在本公司組織章程細則及所有適用法律及法規以及下文所載之因素規限下，董事會有權酌情宣派及分發股息予本公司股東。在考慮宣派及支付股息時，董事會亦計及本公司及其附屬公司之下列因素：

- 財務業績；
- 現金流狀況；
- 業務狀況及策略；
- 未來營運及盈利；
- 資金需求及開支計劃；
- 股東的利益；
- 派付股息的任何限制；及
- 董事會可能視為相關的任何其他因素。

視乎本公司及本集團的財政狀況以及上文所載的條件及因素，董事會可在財政年度或期間建議及／或宣派下列股息：

- 中期股息；
- 末期股息；
- 特別股息；及
- 任何董事會認為合適的純利分派。

財政年度之任何末期股息均須由股東批准。本公司可以現金或代息股份或董事會認為合適的其他形式宣派及派付股息。任何未領取的股息應被沒收及應根據本公司組織章程細則復歸本公司。

董事會將在適當時候檢討本政策。

Corporate Governance Report

企業管治報告

AUDITOR'S REMUNERATION

The remuneration of the audit service provided by the auditor of the Group to the Group for the year ended 31 December 2018 was mutually agreed in view of the scope of services, amounting to HK\$800,000.

INTERNAL CONTROL

The Board has overall responsibilities for the establishment and maintenance of an adequate and effective internal control system to safeguard the Group' assets against unauthorized use or disposition, and to protect the interests of shareholders of the Company (collectively "internal controls").

During the year ended 31 December 2018, the Company has conducted a review, which covered the major control procedures in areas of financial and operations of the Company on the internal control system of the Group and was satisfied with the effectiveness of the Group's internal control procedures.

BUSINESS ETHICS AND PROFESSIONAL CODE OF CONDUCTS

The Group puts high standards on business ethics and professional conducts expected of all employees. Employees are briefed regularly on the code of ethics and on the conducts of keeping confidentiality of the information of business partners and the Group. Briefings on the code of ethics and on the conducts are held for new employees during orientation sessions.

The Group also adopts good employment standards of non-discrimination policy and fair compensation scheme.

FINANCIAL STATEMENTS

The responsibilities of the Directors for preparing the financial statements and the auditor's reporting responsibilities on the financial statements are set out in the auditor's report contained in this annual report.

核數師酬金

截至二零一八年十二月三十一日止年度，本集團核數師向本集團提供核數服務的薪酬乃基於服務範疇而相互協定，總額為800,000港元。

內部監控

董事會對建立及維持充分及有效的內部監控系統負全部責任，以確保本集團資產不會在未經授權下使用及耗損，並保護本公司股東的利益(統稱為「內部監控」)。

截至二零一八年十二月三十一日止年度，本公司已對本集團的內部監控系統進行檢討，包括本公司財務及營運方面之主要監控程序，並信納本集團之內部監控程序誠屬有效。

業務操守及專業行為守則

本集團注重其全體僱員的商業操守及專業行為。僱員定期獲得指導，遵守操守守則及對業務夥伴及本集團之資料保密。本集團於迎新階段定期為新聘任的僱員安排有關操守守則及行為守則的簡介會。

本集團亦採納不歧視政策及公平薪酬計劃之良好僱用標準。

財務報表

董事編製財務報表之職責及核數師就財務報表發表報告之責任，已載於本年報內之核數師報告。

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to Articles 58 of the Articles of Association, an extraordinary general meeting ("EGM") may be convened by the Board on a written requisition of any one or more shareholders of the Company holding not less than 10% of the paid up capital of the Company carrying the right of voting at general meeting of the Company. The EGM shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene the EGM, the requisitionist(s) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) of the Company.

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 for the attention of the company secretary.

Procedures for putting forward proposals at shareholders' meeting

There is no provision for shareholders to propose resolutions at a general meeting under the Cayman Islands Companies Law. However, shareholders can follow the above procedure and request to convene an EGM.

Procedures for nominating a new director

- (i) If a shareholder wish to propose a person (the "Candidate") for election as a director of the Company at a general meeting, he/she shall deposit a notice at the Company's head office at Unit 2609-10, 26th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong (Attention to the Board of Directors and the company secretary) or the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong;

股東權利

召開股東特別大會

根據組織章程細則第58條，可由董事會應持有賦有於本公司股東大會上投票權之本公司繳足股本不少於十分之一的任何一位或以上股東的書面要求召開股東特別大會（「股東特別大會」）。股東特別大會應於遞呈該要求後兩個月內舉行。倘遞呈後21日內董事會未有召開股東特別大會，則遞呈要求人士可自行以同樣方式召開股東特別大會，而遞呈要求人士因董事會未有召開股東特別大會而合理產生的所有開支應由本公司向遞呈要求人士作出償付。

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發送至本公司香港主要營業地點，收件人為公司秘書。

於股東大會上提出建議的程序

開曼群島公司法並無股東於股東大會上提呈決議案的條文。然而，股東可遵循以上程序及要求召開股東特別大會。

提名新董事的程序

- (i) 倘股東有意於股東大會提名某人士（「候選人」）參選本公司董事，該股東須向本公司總辦事處（地址為香港灣仔港灣道1號會展廣場辦公大樓26樓2609-10室，收件人為董事會及公司秘書）或本公司的香港股份過戶登記分處卓佳登捷時有限公司（地址為香港皇后大道東183號合和中心22樓）發出通告；

Corporate Governance Report

企業管治報告

- (ii) The notice must (i) include the personal information of the Candidate as required by Rule 17.50 (2) of the GEM Listing Rules; and (ii) be signed by the shareholder concerned and signed also by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information;
 - (iii) Where the notice is submitted after the despatch of the notice of the general meeting appointed for such election, the period for lodgment of the notice shall commence on the day after the despatch of the notice of the general meeting and no later than seven days prior to the date of such general meeting. In any case, the minimum length of the period during which any notice to be given shall be at least seven days;
 - (iv) In order to allow the shareholders sufficient time to receive and consider the proposal of election of the Candidate as a director of the Company, shareholders are encouraged to submit and lodge the notice as early as practicable.
- (ii) 通告必須(i)按GEM上市規則第17.50(2)條的規定附有候選人的個人資料；及(ii)必須由相關股東簽署，以及由候選人簽署，表明其參選意願及同意公開其個人資料；
 - (iii) 倘通告是於寄發有關該選舉的股東大會通告後才呈交，則呈交通告的期間由寄發股東大會通告翌日起計至不遲於該股東大會舉行日期前七日。於任何情況下，任何通告須於最少七日的期間發出；
 - (iv) 為讓股東有足夠時間收取及考慮候選人參選本公司董事的建議，本公司鼓勵股東儘早提交及呈交通知。

Articles of Association

There was no change to the Articles of Association to the Company during the year ended 31 December 2018.

On 21 January 2019, the special resolution was not passed at the EGM in relation to adopt the Company's new memorandum and articles of association in substitution for and to the exclusion of the existing memorandum and articles of association of the Company. For detailed information regarding the special resolution, please refer to the announcement of the Company dated 28 December 2018 and 21 January 2019.

On 25 March 2019, the special resolution was not passed at the EGM in relation to adopt the Company's new memorandum and articles of association in substitution for and to the exclusion of the existing memorandum and articles of association of the Company. For detailed information regarding special resolution, please refer to the announcement of the Company dated 20 February 2019 and 25 March 2019.

組織章程細則

截至二零一八年十二月三十一日止年度本公司組織章程細則並無變動。

於二零一九年一月二十一日，就採納本公司之新組織章程大綱及細則以取代及摒除本公司現有組織章程大綱及細則的特別決議案於股東特別大會上不獲通過。有關特別決議案之詳情，請參閱本公司日期為二零一八年十二月二十八日及二零一九年一月二十一日之公告。

於二零一九年三月二十五日，就採納本公司之新組織章程大綱及細則以取代及摒除本公司現有組織章程大綱及細則的特別決議案並未於股東特別大會通過。有關特別決議案之詳情資料，請參閱本公司日期為二零一九年二月二十日及二零一九年三月二十五日之公告。

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, the publish and posting of notices, announcements and circulars on the GEM website and the Company's website in a timely manner in order to maintain a high level of transparency, and to ensure there is no selective disclosure of inside information.

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，包括及時於GEM網站及本公司網站刊發季度、中期及年度報告、刊發及發佈通告、公告及通函，以維持高度透明，且確保概無選擇性披露內部資料。

Environmental, Social and Governance Report

環境、社會及管治報告

Environmental, Social and Governance Report

Overview

This Environmental, Social and Governance (ESG) Report (the “Report”) of China E-Information Technology Group Limited and its subsidiaries (“the Group”) for the year ended 31 December 2018 covers environmental and social subject areas in accordance with the requirements of Environmental, Social and Governance Reporting Guide stated in Appendix 20 to the GEM Listing Rules. Corporate governance is addressed separately in the Corporate Governance Report.

Scope of the Report

The Report endeavours to present a balanced representation of the Group’s environmental and social performance and covers the entire operations of all entities in the Group.

The content of the Report is defined through a process to determine ESG management approach, strategy, priorities and objectives relating to the Group’s operations, to describe our management, measurement and monitoring system employed to implement ESG strategy, and to disclose our key policies, compliance with relevant laws and regulations, our performance, and key performance indicators (“KPIs”).

Approved by the board of directors

The board has overall responsibility for the Group’s ESG strategy and reporting. The board is responsible for evaluating and determining the Group’s ESG-related risks, and ensuring that appropriate and effective ESG risk management is in place. The Report was approved by the board on 29 March 2019.

環境、社會及管治報告

概覽

中國網絡信息科技集團有限公司及其附屬公司(「本集團」)截至二零一八年十二月三十一日止年度之此份環境、社會及管治(環境、社會及管治)報告(「報告」)根據GEM上市規則附錄20所載《環境、社會及管治報告指引》之規定涵蓋主要環境及社會範疇。企業管治於企業管治報告內單獨處理。

本報告之範圍

本報告致力均衡陳述本集團在環境及社會方面之表現，且涵蓋本集團旗下所有實體之全部業務。

於界定本報告之內容時，本集團已釐定其有關營運之環境、社會及管治管理方針、策略、重要性及目標，並描述用以執行環境、社會及管治策略之管理、計量及監察系統，以及披露本集團之主要政策、相關法律及法規之合規情況、績效及關鍵績效指標(「關鍵績效指標」)。

經董事會批准

董事會對本集團之環境、社會及管治策略及匯報承擔全部責任。董事會負責評估及釐定本集團環境、社會及管治有關之風險，並確保設有合適及有效之環境、社會及管治風險管理。本報告於二零一九年三月二十九日獲董事會批准。

Environmental and Social Subject Areas of the Group

About the Group

The Group is principally engaged in the provision of an internet platform for the facilitation of education program in Chinese medicine and other advisory and training programs. The Group mainly operates in the PRC and Hong Kong. Particulars of the Group's principal entities are set out in note 38 to the consolidated financial statements for the year ended 31 December 2018.

Strategy

Although the Group does not operate in an environmentally sensitive business, we consider that our operations still have an impact on the environment and believe that addressing environmental issues is a collective responsibility shared by every member of the community.

The Group has been committed to become an environment-friendly enterprise to promote environmental protection. We have been actively strengthened the energy-saving in order to reduce emission.

We are committed to promoting equal opportunities for all of our employees in different areas, such as recruitment, compensation and benefits and staff promotion. We believe that each individual has his/her unique strengths and we therefore have comprehensive equal employment opportunities policies in place that protect potential and existing employees from being discriminated because of their backgrounds, gender, age, family status, sexual orientation, disability, race or religion.

Our Group considers our staffs as the most valuable asset. Without their continued contribution, we will not be able to operate. It is therefore our top priority to make sure that our employees work in a fair, safe and pleasant environment.

本集團之主要環境及社會範疇

關於本集團

本集團主要從事為中醫藥教育項目及其他諮詢及培訓項目提供網絡輔助平台。本集團主要於中國及香港營運。本集團旗下主要實體之詳情載於截至二零一八年十二月三十一日止年度之綜合財務報表附註38。

策略

儘管本集團並非營運對環境不利的業務，但我們認為我們的業務仍會對環境產生影響，並認為解決環境問題為社會每位成員共同承擔的責任。

本集團一直致力成為環保企業，以推動環保。我們一直積極加強節能，以減少排放。

我們致力為不同領域的全體僱員提供平等機會，如招聘、薪酬及福利以及員工晉升。我們相信每個人都有其獨特優勢，因此我們已制定全面平等就業機會政策，以保護潛在及現有僱員免受背景、性別、年齡、家庭狀況、性取向、殘疾、種族或宗教歧視。

本集團認為員工是最寶貴資產。沒有員工的不懈貢獻，我們將無法運營。因此，確保員工在公平、安全及愉快的環境中工作是我們的第一要務。

Environmental, Social and Governance Report

環境、社會及管治報告

We prohibit any form of corruption or malpractice such as bribery, money laundering, extortion and fraud. The Group adopts a zero-tolerance policy on bribery, extortion, fraud and money laundering, any matters of genuine concern are to be thoroughly investigated and actions will be taken accordingly.

The Group always keep in mind the social responsibility during the Group's operation. Hence, the Group always encourage the staffs to participate in various community charitable activities.

Our strategy is to fulfil the Group's environmental and social responsibilities through achieving environmental and social objectives during daily operations.

Objectives

We integrate environmental and social considerations into the Group's business objectives to achieve:

Environmental objectives:

- Achieve the balance between business growth and environmental protection by improving the operations and practices as well as encouraging the employees to adopt environmentally responsible behaviour in workplace; and
- Minimise use and maximise reuse of resources and energy

Social objectives:

- Attract and retain the best people by creating a supportive and quality workplace; and
- Care about employees' welfare and satisfaction by encouraging work-life balance and monitoring and improving employees' satisfaction

我們禁止任何形式之腐敗或不法行為，如賄賂、洗錢、勒索及欺詐。本集團對賄賂、勒索、欺詐及洗錢採取零容忍政策，且會徹底調查任何關注事項，並將採取相應行動。

本集團始終銘記本集團於營運期間的社會責任。因此，本集團經常鼓勵員工參與各種社區慈善活動。

我們的戰略為透過於日常營運中達致環境及社會目標履行本集團的環境及社會責任。

目標

本集團之業務目標結合環境及社會因素，從而達致：

環境目標：

- 通過改善營運及慣例以及鼓勵員工在工作場採取對環境負責的行為，達致業務增長與環保之間之平衡；及
- 減少使用並最大限度重複利用資源及能源

社會目標：

- 透過創建具支援性及優質之工作場所吸引及挽留優秀人才；及
- 通過鼓勵維持工作與生活的平衡，並監察及提高僱員滿意度，關心僱員之福利及滿意度

Approach

Monitored by the board of directors, the Group is executing its environmental and social strategy and achieving its related objectives through a series of actions and commitments:

- Comply with environmental and social laws and regulations; and
- Disclose KPIs as measurement of actual results

Environmental and social management system comprises:

- Compliance with environmental and social laws and regulations; and
- Reporting and disclosure of our performance and KPIs

Measures for the achievement of environmental and social objectives are:

- Data collection, calculation, and disclosure of KPIs

The implementation of environmental and social strategies, management of environmental activities, and measurement of achieving environmental and social objectives are monitored by dedicated managerial staff members and finally by the board for its overall ESG responsibility.

Communication with stakeholders

The Company holds shareholders' meetings each year to provide a platform for the Board and Shareholders to exchange views. In addition, in order to maintain close relationship with customers, suppliers and other stakeholders, the Company maintains communication with the stakeholders from time to time through visits, conference calls, corporate e-mails and other channels to listen to their views and needs. The Company's overall performance is also reported each year to investors through the annual report.

方針

在董事會監督下，本集團現正通過一系列行動及承諾，執行其環境及社會策略，並實現其相關目標：

- 遵守環境及社會法律及規例；及
- 披露作為實際結果衡量指標的關鍵績效指標

環境及社會管理系統包括：

- 遵守環境及社會法律及規例之情況；及
- 報告及披露我們的績效及關鍵績效指標

實現環境及社會目標之措施如下：

- 收集並計算數據，及披露關鍵績效指標

環境及社會策略之執行、環境活動之管理及實現環境及社會目標之計量受指定管理人員監督，並最終由董事會承擔全部環境、社會及管治責任。

與利益相關者溝通

本公司每年召開股東大會，為董事會及股東提供交流意見的平台。此外，為與客戶、供應商戶其他利益相關者保持密切關係，本公司不時通過訪問、電話會議、公司電郵及其他渠道與利益相關者保持溝通，以傾聽彼等意見及需求。本公司亦會每年透過年報向投資者報告整體表現。

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholder engagement and materiality

Stakeholder engagement is a key success factor in formulating our environmental and social strategy, defining our objectives, assessing materiality, and establishing policies. Our key stakeholders include customers, suppliers, business allies, employees, management and shareholders. We have discussed or communicated with stakeholders to understand their views and respond to their needs and expectations, evaluated and prioritised their inputs to improve our performance, and finally strived to provide value to our stakeholders, community and the public as a whole.

Based on the stakeholder engagement, we identified issues with significant environmental and social impact and issues concerning stakeholders. The results of materiality assessment prioritised stakeholder inputs and made us focused on the material aspects for actions, performance, achievements and reporting. We present below the relevant and required disclosure.

General Disclosure and KPIs

A. Environmental

The Group recognises the importance of continuous improvement in protecting the natural environment. We are committed to minimising the adverse impact on the environment.

Aspect A1: Emissions

Emissions refer to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Emissions disclosed as KPIs are calculated based on the consumption data collected and applicable emission factors.

利益相關者參與及重要性

利益相關者參與是制定我們的環境及社會策略、界定目標、評估重要性及確立政策之關鍵成功因素。我們的主要利益相關者包括客戶、供應商、業務夥伴、僱員、管理層及股東。我們已與利益相關者討論或溝通，以了解其意見並回應其需求及期望，評估及按優先順序處理其反饋信息，以提升我們的績效，並最終致力為我們的利益相關者、社區及整體公眾人士創造價值。

基於利益相關者參與之情況，我們已確定具有重大環境及社會影響之事宜以及與利益相關者有關之事宜。重要性評估之結果優先處理利益相關者之反饋信息，並使我們專注於行動、績效、成就及匯報之重要方面。我們於下文呈列規定之有關披露。

一般披露及關鍵績效指標

A. 環境

本集團認可在保護自然環境方面不斷改進之重要性。我們致力盡量降低對環境之不利影響。

層面A1: 排放物

排放物指廢氣及溫室氣體排放、向水土排污、產生有害及無害廢棄物。以關鍵績效指標披露的排放乃基於收集之耗量數據及適用之排放因素計算。

• **Air and Greenhouse Gas Emissions**

Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

– Air and Greenhouse Gas Emissions from Vehicles

The Group encourages employees to consider environmental impact in their commuting decisions to reduce air and greenhouse gas emissions. Employees are reminded to take public transportation as often as possible and select fuel-efficient vehicles. When employees are driving, they are advised to use air-conditioning only when it is necessary.

KPI A1.1 Emissions from vehicles

2018
二零一八年

Types of emissions 排放物類別		(g) (克)
NO _x	氮氧化物	6,532
SO _x	硫氧化物	156
Particulate Matter (“PM”)	顆粒物(「PM」)	168,746
Hydrocarbons (“HC”)	碳氫化合物(「HC」)	375
Carbon Monoxide (“CO”)	一氧化碳(「CO」)	3,400

KPI A1.2 Greenhouse gas (“GHG”) emissions in total

GHG emissions in total are 166 tonnes for the year ended 31 December 2018, which includes scope 1, scope 2, and scope 3 emissions as disclosed below.

• **廢氣及溫室氣體排放**

廢氣排放物包括氮氧化物、硫氧化物及其他受國家法律及規例規管的污染物。溫室氣體包括二氧化碳、甲烷、氧化亞氮、氫氟碳化合物、全氟化碳及六氟化硫。

– 來自汽車之廢氣及溫室氣體排放

本集團鼓勵僱員於通勤決策時考慮環境影響，以減少空氣及溫室氣體排放。本集團提醒僱員盡可能經常搭乘公共交通工具，並選擇節油車輛。建議僱員在駕駛時僅於需要時使用空調。

關鍵績效指標A1.1汽車排放物

關鍵績效指標A1.2溫室氣體(「溫室氣體」)總排放量

截至二零一八年十二月三十一日止年度，溫室氣體總排放量為166噸，包括下文所披露之範圍一、範圍二及範圍三排放物。

Environmental, Social and Governance Report

環境、社會及管治報告

KPI A1.2 Scope 1 – Direct emissions from operations that are owned or controlled by the Group

關鍵績效指標A1.2範圍一 – 來自本集團擁有或控制之業務之直接排放物

2018
二零一八年

Main categories of Scope 1 emissions:

範圍一排放物之主要類別：

GHG emissions from mobile combustion sources

由流動燃料源產生之溫室氣體排放物

Types of emissions 排放物類別		(kg) (千克)
Carbon Dioxide ("CO ₂ ")	二氧化碳(「CO ₂ 」)	26,832
Methane ("CH ₄ ")	甲烷(「CH ₄ 」)	62
Nitrous Oxide ("N ₂ O")	氧化亞氮(「N ₂ O」)	3,684
Total GHG emissions	溫室氣體總排放量	30,578

– Indirect Greenhouse Gas Emissions from Electricity

Electricity consumption of the Group is a major part of its greenhouse gas emissions. Various electricity-saving policies have been established to reduce the electricity consumption by the Group. It is required for proper maintenance of electricity devices to avoid electricity leakage. Air-conditioning is required to be set no lower than 25°C in summer.

– 來自電力之間接溫室氣體排放

本集團之電力消耗是其溫室氣體排放的主要部分。本集團已制定多項節電政策，以減少用電。本集團須適當保養電力設備以防漏電。夏季須將空調設定在不低於25°C之溫度。

KPI A1.2 Scope 2 – Energy indirect emissions resulting from the generation of purchased or acquired electricity within the Group

關鍵績效指標A1.2範圍二 – 本集團內購買或獲得之電力產生之能源間接排放物

2018

二零一八年

Main sources of Scope 2 emissions: Electricity purchased from power companies

範圍二排放物之主要來源：從電力公司購買之電力

Types of emissions		(kg)
排放物類別		(千克)
CO ₂ equivalent emission	CO ₂ 當量排放	58,172
Total GHG emissions	溫室氣體總排放量	58,172

- Indirect Greenhouse Gas Emissions from Paper Waste Disposed at Landfills

Paper consumption is also an environmental concern in our daily operations. Internally, we have implemented a number of measures to reduce office paper use and promote the reuse of paper. For example, in order to address indirect emissions relating to paper waste deposited at landfills, we encourage staff to duplex printing; reuse of single-side used paper; avoid printing out of short e-mails; adjust the margins and font size of documents so as to optimise the use of paper and reduce paper printing by conducting e-filing, etc.

- 來自堆填區棄置廢紙之間接溫室氣體排放

紙張消耗亦是我們日常營運中的環境問題。我們已在內部採取多項措施，以減少辦公用紙及促進紙張的再利用。例如，為處理堆積在垃圾堆填區的廢紙造成的間接排放，我們鼓勵員工雙面打印；重複使用單面已用紙張；避免打印簡短電郵；調整文檔的頁邊距及字體大小，以優化紙張使用及透過使用電子文檔減少紙印。

Environmental, Social and Governance Report

環境、社會及管治報告

- Indirect Greenhouse Gas Emissions from Business Travel by Employees

The Group understands long-distance transportation in business trips increases energy consumption, which can cause the increase of carbon emissions. Therefore, the Group reduces travel or avoids meetings that require long-distance travel as much as possible through telephone conference, e-mail, courier and other means of communication.

KPI A1.2 Scope 3 – All other indirect emissions that occur outside the Group, including both upstream and downstream emissions

- 來自僱員商務旅行之間接溫室氣體排放

本集團了解商務長途旅行會增加能源消耗，從而導致碳排放量增加。因此，本集團將通過電話會議、電子郵件、快遞及其他通訊方式盡可能減少旅行或避免須長途旅行之會議。

關鍵績效指標A1.2範圍三 – 本集團以外產生之所有其他間接排放物，包括上游及下游排放物

2018

二零一八年

Activities from which indirect GHG emissions arise:

產生間接溫室氣體排放物之活動為：

- **Paper waste disposed at landfills**
- 於堆填區棄置之廢紙

Type of emissions 排放物類別		(kg) (千克)
CO ₂ equivalent emissions	CO ₂ 當量排放	972

- **Business air travel by employees**
- 僱員商務航空旅行

Type of emissions 排放物類別		(kg) (千克)
CO ₂ equivalent emissions	CO ₂ 當量排放	75,896

Total GHG emissions	溫室氣體總排放量	76,868
---------------------	----------	--------

- **Discharges into Water and Land**

The Group requires that discharges, if any, into water and land must comply with relevant laws and regulations.

- **Generation of Hazardous Waste and Non-hazardous Waste**

- Hazardous Waste

Hazardous wastes are those defined by national regulations. Hazardous wastes are required to be separated and recorded for collection. No significant hazardous waste was generated in view of the Group's business nature.

KPI A1.3 Total hazardous waste produced

There was no significant hazardous waste generated in view of the Group's business nature.

- Non-hazardous Waste

We adopt responsible waste management practices including avoidance of waste, source reduction, reuse, recycling and responsible disposal.

- **向水土排污**

本集團規定向水土排污(如有)必須遵守相關法律及規例。

- **產生有害廢棄物及無害廢棄物**

- 有害廢棄物

有害廢棄物指國家規例所界定者。有害廢棄物須予以分開及記錄，以供收集。鑒於本集團之業務性質，並無產生大量有害廢棄物。

關鍵績效指標A1.3產生有害廢棄物之總量

鑒於本集團之業務性質，並無產生大量有害廢棄物。

- 無害廢棄物

我們採取負責任之廢棄物管理常規，包括避免浪費、源頭削減、再利用、回收利用及負責任之處置。

Environmental, Social and Governance Report

環境、社會及管治報告

KPI A1.4 Total non-hazardous waste produced

關鍵績效指標A1.4所產生無害廢棄物之總量

2018
二零一八年

(Tonnes)
(噸)

Non-hazardous waste produced – Landfill
or Incineration

所產生無害廢棄物—堆填或焚化

1

KPI A1.5 Description of measures to mitigate emissions and results achieved.

關鍵績效指標A1.5描述減低排放量之措施及所得成果。

In accordance with policies stated above for the reduction of air and greenhouse gas emissions from production and vehicles, the Group adopts the following measures: control the numbers of vehicles owned by the Group; control the frequency of employees not to take public transportation for local business commuting; and control the volume of business travel by employees. We consider such measures had been achieved for the year ended 31 December 2018.

根據上述減低汽車廢氣及溫室氣體排放之政策，本集團採取以下措施：控制本集團擁有之車輛數目；控制員工不乘坐公共交通工具進行當地商務通勤之頻率；並控制員工之商務旅行量。我們認為截至二零一八年十二月三十一日止年度已達成該等措施。

KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.

關鍵績效指標A1.6描述處理有害及無害廢棄物之方法、減低產生量之措施及所得成果。

Non-hazardous wastes are sent for landfill or incineration. In accordance with policies stated above for the reduction of non-hazardous wastes, the Group adopts the following measures: control the commercial wastes generated by employees; control the waste of papers. We consider such measures had been achieved for the year ended 31 December 2018.

無害廢棄物會送往堆填區或焚化。根據上述減低無害廢棄物之政策，本集團採取以下措施：控制僱員產生之商業廢棄物；控制廢紙量。本集團認為該等措施於截至二零一八年十二月三十一日止年度取得成果。

- **Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group**

For the year ended 31 December 2018, there were no confirmed non-compliance in relation to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

- **遵守對本集團具有重大影響之相關法律及規例**

截至二零一八年十二月三十一日止年度，並無確認有關廢氣及溫室氣體排放、向水土排污以及產生有害廢棄物及無害廢棄物之不合規事件。

Aspect A2: Use of Resources

The Group recognises that efficient use of resources, including energy and water is one of the important aspects to protect the environment.

層面A2:資源使用

本集團認可有效使用資源(包括能源及水)乃保護環境之重要方面之一。

- **Efficient Use of Energy**

The Group established policies and procedures to reduce energy consumption in the office, it is suggested to switch off computers, printers, machines and other electronic devices after office hours or when leaving the workplace to reduce power consumption.

- **有效使用能源**

本集團已制定政策及程序減少辦公能耗，建議在辦公時間後或離開工作場所時關閉電腦、打印機及其他電子設備以降低功耗。

KPI A2.1 Direct and/or indirect energy consumption by type in total

關鍵績效指標A2.1按類別劃分之直接及／或間接能源總耗量

		2018 二零一八年	(kWh in '000s) (以千個千瓦時算)
Direct energy consumption by type			
<u>按類別劃分之直接能源總耗量</u>			
Non-renewable fuel consumed	所耗非再生燃料		128
Electricity power	電力		66
Total energy consumed		能源總耗量	194

Environmental, Social and Governance Report

環境、社會及管治報告

• Water Consumption

The Group requires employees to reduce water consumption. We conserve water by checking faucets and pipes for leaks and adopt water saving appliances.

KPI A2.2 Water consumption in total

2018
二零一八年

(Cubic meter)
(立方米)

Annual water consumed

年度耗水量

2,049

KPI A2.3 Description of energy use efficiency initiatives and results achieved

The Group's ability to use energy efficiently can be revealed by its intention and measures for the reductions in energy consumption. The Group's policies and measures specific to managing energy use have been stated above. We consider such policies had been adopted and measures had been achieved for the year ended 31 December 2018.

• 用水

本集團要求僱員減少用水。我們通過檢查水龍頭及管道洩漏節約用水，並採用節水設備。

關鍵績效指標A2.2總耗水量

關鍵績效指標A2.3描述能源使用效益計劃及所得成果

本集團減能之計劃及措施可反映其有效耗能之能力。本集團針對耗能管理而採用之政策及措施載於上文。我們認為已採取之政策及措施於截至二零一八年十二月三十一日止年度取得成果。

Aspect A3: The Environment and Natural Resources

Environmental education and advocacy among employees encourage the adoption of environmentally responsible behaviour which helps fulfil the Group's commitment to minimising its adverse impact on the environment. We encourage our employees to join external events that promote environmental protection on a regular basis.

層面A3:環境及天然資源

針對僱員之環境教育及宣傳鼓勵採取對環境負責之行為，有助於履行本集團盡量減少其對環境造成不利影響之承諾。我們鼓勵僱員定期參加可促進環保之外部活動。

KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them

We understand that our performance in respect of emissions, waste production and disposal, and use of resources impacts the environment, we endeavour to minimise such impacts, and communicate our environmental policies, measures, performance, and achievements to our stakeholders. No significant impacts on the environment and natural resources were caused in view of the Group's business nature. Policies and/or measures adopted in the year ended 31 December 2018 specific to managing potential impacts of activities on the environment and natural resources are mentioned above.

B. Social

The Group focus on building a harmonious relationship with our employees, customers, suppliers, business allies and the communities. We are committed to enhance transparent relationship with external parties including customers, suppliers, and business allies, and contribute to our community development.

Employment and Labour Practices

Aspect B1: Employment

The Group has developed a series of employment policies to ensure employees are treated in a fair and reasonable manner. We have established our internal policies in accordance with the relevant labour laws and regulations related to compensation and dismissal, recruitment and promotion, equal opportunity, diversity, anti-discrimination.

關鍵績效指標A3.1描述業務活動對環境及天然資源之重大影響及已採取管理有關影響之行動

我們了解我們在排放物、廢物產生及處置以及資源使用方面之表現會對環境造成影響，我們致力減少該等影響，並就我們的環境政策、措施、績效及成就與利益相關者溝通。鑒於本集團之業務性質，並無對環境及天然資源造成重大影響。截至二零一八年十二月三十一日止年度為管理業務活動對環境及天然資源之潛在影響而採取之政策及／或措施載於上文。

B. 社會

本集團專注與員工、客戶、供應商、業務夥伴及社區建立和諧關係。我們致力加強與外部人士(包括客戶、供應商及業務夥伴)之關係，並為我區發展作出貢獻。

僱傭及勞工常規

層面B1:僱傭

本集團已制定一系列僱傭政策，以確認僱員獲公平合理對待。我們已根據相關勞動法律法規制定有關賠償及解僱、招聘及晉升、平等機會、多樣性及反歧視之內部政策。

Environmental, Social and Governance Report

環境、社會及管治報告

• *Compensation and Dismissal*

The Group offers competitive remuneration to attract and retain talented staff. Remuneration packages are reviewed periodically to ensure consistency with employment market. Dismissal is required to comply with employment laws and regulations, and to follow the internal policies and procedures. The Group has established a labour contract in accordance with the law. Whether the employer or the employee terminates the contract during the period stipulated by the contract, unless the contract specifies otherwise, appropriate compensation should be made to the other party within the terms of the contract. Compensation amounts are determined according to the terms of the contract.

The Group has established a fair and reasonable remuneration policy with the principles of fairness, incentive and legality. Employees' remuneration packages include basic salaries and performance-based bonuses which shall be determined by their qualifications, experience and prevailing market rates. Apart from the basic remuneration package, our Group also offers a wide range of benefits including medical insurance coverage and paid leaves for sick and marriage in addition to statutory holidays.

• *Recruitment and Promotion*

The Group attracts talent through flexible, fair and transparent recruitment strategy. Recruitment process includes application for recruitment, description of position, collection of job applications, interview, selection, approval, and job offering. Promotion is based on performance and suitability.

• 賠償及解僱

本集團提供具競爭力之薪酬以吸引及挽留優秀員工，定期檢討薪酬待遇，確保與僱傭市場一致。解僱須遵守僱傭法律及法規，並遵循內部政策及程序。本集團根據法律制定勞動合約。無論僱主或僱員於合約規定期限內終止合約，除合約另行規定者外，均須根據合約之條款下個另一方作出適當賠償。賠償金額乃根據合約條款釐定。

本集團秉誠公平、獎勵及合法之原則，制定公平合理之薪酬政策。僱員之薪酬待遇包括基本薪金及績效花紅，此乃根據其資歷、經驗及現行市價釐定。除基本薪酬待遇外，本集團亦提供多項福利，包括醫療保險以及除法定假期外之病假及婚假。

• 招聘及晉升

本集團透過靈活、公平及透明之招聘政策吸引人才。招聘流程包括招聘申請、職位描述、收集工作申請、面試、選擇、批准及聘用。晉升取決於表現及適當性。

- *Equal Opportunity, Diversity and Anti-discrimination*

The Group always strives to provide a fair and impartial working environment where the employees are treated equally and paid due respect. All employees are assessed and remunerated based on their ability, job performance and contribution irrespective of their gender, race, employment type, age, and geographical region.

- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*

For the year ended 31 December 2018, there were no confirmed non-compliance in relation to compensation and dismissal, recruitment and promotion, equal opportunity, diversity and anti-discrimination.

Aspect B2: Health and Safety

The Group strives to provide a healthy and safe working environment for our employees. The Group promise that it providing an effective and safe working environment for our employees. We also take the approaches of training and safety inspection to ensure the interest of our employees.

- *Providing a Safe Working Environment*

The Group requires entities to establish and document policies and procedures on safety for employees to follow, set targets for the safety of employees, monitor the safety performance against the targets periodically, and report any safety incidents to management. The Group has equipped its office with suitable fire-fighting facilities like fire extinguishers. Designated staff would conduct inspection from time to time so as to ensure the exit passageway clear and unblocked.

- 平等機會、多元化及反歧視

本集團一直致力提供公平公正之工作環境，僱員均獲平等對待及獲得充分尊重。全體僱員之評估及薪酬均按彼等之能力、工作表現及貢獻而定，而不論性別、種族、僱傭類型、年齡及地理區域。

- 遵守對本集團具有重大影響之相關法律及規例

截至二零一八年十二月三十一日止年度，並無確認有關賠償及解僱、招聘及晉升、平等機會、多元化及反歧視之不合規事件。

層面B2:健康與安全

本集團努力為僱員提供健康安全之工作場所。本集團承諾其會為僱員提供有效安全之工作環境。我們亦進行培訓及安全檢查，確保僱員利益。

- 提供安全工作環境

本集團要求各實體制定及列明僱員應遵守之安全政策及程序，訂立僱員安全目標、定期對照安全表現與目標，並向管理層匯報安全事故。本集團已為其辦公室配備適當消防設施，如滅火器。指定工作人員將不時進行檢查，確保安全通道暢通無阻。

Environmental, Social and Governance Report

環境、社會及管治報告

- *Work-life Balance*

The Group focuses on the balance between life and work of employees, and organizes activities on a regular basis to ensure that employees are physically and mentally healthy.

- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*

For the year ended 31 December 2018, there were no confirmed non-compliance in relation to providing a safe working environment and protecting employees from occupational hazards.

- *工作與生活之平衡*

本集團專注維持僱員之生活與工作平衡，並定期組織各類活動，確保僱員身心健康。

- *遵守對本集團具有重大影響之相關法律及規例*

截至二零一八年十二月三十一日止年度，並無確認有關提供安全工作環境及保障僱員避免職業性危害之不合規事件。

Aspect B3: Development and Training

The Group is committed to providing adequate training for our employees to improve their knowledge and skills for discharging duties at work and for their career development.

- *Employee Development*

The Group requires employees to attend internal and external training courses in accordance with departmental or business unit training plan, including new employee orientation and employee continuing education to improve employees' knowledge and skills for their job positions. The costs of qualified training courses are borne by the Group.

- *Training Activities*

The Group strives to provide an environment where our employees can grow professionally and develop their career path that meets the long-term growth of our business simultaneously. Our Group provides continuous on-the-job training to our employees to enhance their knowledge and skill. We also encourage our staff to attend courses or trainings for individual professional development organized by external entities.

層面B3:發展及培訓

本集團致力為僱員提供充足之培訓，以提高彼等履行工作職責及有關其職業發展之知識及技能。

- *僱員發展*

本集團要求僱員根據部門或業務單位培訓計劃參加內部及外部培訓課程，包括新僱員入職及僱員繼續教育，以針對僱員職位提升其知識及技能。合資格培訓課程費用由本集團承擔。

- *培訓活動*

本集團致力提供一個令員工專業發展及有利於其職業發展且同時滿足我們業務長期增長之環境。本集團為僱員提供持續在職培訓，以提升其知識及技能。我們亦鼓勵員工參加由外部實體組織之個人專業發展課程或培訓。

The Group also provides its directors with regular reading materials to ensure that they keep abreast of the latest regulatory requirements, corporate governance practices, financial information and market trends.

Aspect B4: Labour Standards

The Group is committed to preventing child and forced labour in the workplace.

- *Preventing Child and Forced Labour*

Our Group has complied with all relevant laws and regulations that have a significant impact on us relating to the prevention of use of child and forced labour. We do not accept any form of forced labour service. We also prohibit employing child labour at any working place under any circumstances. Our Group will inspect applicant's documents and qualification strictly during the recruitment process to ensure that all relevant laws in respect thereof are complied with.

- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*

For the year ended 31 December 2018, there were no confirmed non-compliance in relation to child and forced labour.

Operating Practices

Aspect B5: Supply Chain Management

Supply chain management is one of the important areas of our operation, which includes managing environmental and social risks of the supply chain.

本集團亦向其董事提供定期閱讀材料，確保其了解最新監管規定、企業管治常規、財務資料及市場趨勢。

層面B4:勞工準則

本集團致力在工作場所防止童工及強制勞工。

- *防止童工及強迫勞工*

本集團已遵守所有對我們具有重大影響之有關預防使用童工及強迫勞工之相關法律法規。我們不接受任何形式之強迫勞務。我們亦禁止在任何情況下在任何工作場所僱傭童工。本集團將於招聘過程中嚴格檢查申請人之檔案及資格，確保遵守所有相關法律。

- *遵守對本集團具有重大影響之相關法律及規例*

截至二零一八年十二月三十一日止年度，並無確認有關童工及強迫勞動之不合規事件。

營運慣例

層面B5:供應鏈管理

供應鏈管理是我們營運的重要領域之一，其中包括管理供應鏈之環境及社會風險。

Environmental, Social and Governance Report

環境、社會及管治報告

Suppliers are chosen subjecting to screening and evaluation procedures among the suppliers, based on the quality, service, delivery, price, and applicable environmental and social considerations. Also, the Group established supply chain management policies and procedures, including assessment, selection, approval, procurement, and performance evaluation.

As customers are becoming more concerned about environmental issues, the Group will continue to communicate those environmental issues to our suppliers.

Aspect B6: Product Responsibility

Product responsibility refers to services quality and privacy matters relating to products and services provided.

- *Services quality*

The Group is fully responsible for our products and services. We believe that student satisfaction is the foundation of our survival. In order to ensure and maintain high quality services, the Group provides trainings for employees to familiarize them with the standard operational procedures.

- *Privacy Matters*

The Group is committed to protecting customer data and privacy information. Training to staff members in this regard and proper information system security are required.

待根據質量、服務、交付、價格及適用之環境及社會考慮因素進行供應商篩選及評估程序後，本集團方會選擇供應商。此外，本集團已制定供應鏈管理政策及程序，包括評估、選擇、批准、採購及績效評估。

由於客戶越來越關注環境問題，故本集團將繼續向供應商傳達該等環境問題。

層面B6:產品責任

產品責任指有關所提供產品及服務之服務質量及私隱事宜。

- *服務質量*

本集團對其產品及服務負全責。我們認為學生滿意度是我們生存的基礎。為確保及維持高質素服務，本集團為員工提供培訓，使彼等熟悉標準操作程序。

- *私隱事宜*

本集團致力保護客戶數據及私隱資料。本集團須就此及在適當信息系統安全方面對工作人員進行培訓。

- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*

For the year ended 31 December 2018, there were no confirmed non-compliance in relation to services quality and privacy matters relating to products and services provided.

Aspect B7: Anti-corruption

Our Group is committed to maintain ethics and integrity at the highest standard in business. We have zero tolerance to corruption and bribery. All directors and staff must strictly comply with our Group's Employee Handbook to prevent any action of bribery and corruption and they shall also follow relevant rules and guidelines when any conflict of interests arises. It is our Group's policy that no employee is allowed to solicit or accept any advantages from customer, potential customer, or company business partner. The types of advantages and interests include but not limited to money, gift, loan, fee, reward, employment, contract, service and favour. Our Group has a whistle-blowing policy and we encourage staff to report any suspected corruption case directly to our Group's top management.

- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*

For the year ended 31 December 2018, there were no confirmed non-compliance in relation to bribery, extortion, fraud and money laundering.

- **遵守對本集團具有重大影響之相關法律及規例**

截至二零一八年十二月三十一日止年度，並無確認涉及有關所提供產品及服務之服務質量及私隱事宜之不合規事件。

層面B7:反貪污

本集團致力於業務運作中維持最高道德及誠信標準。我們對貪污及賄賂零容忍。所有董事及員工必須嚴格遵守本集團僱員操守守則，以防止任何貪污受賄，且於出現任何利益衝突時，彼等必須遵守相關規則及指引。根據本集團政策，僱員不得向客戶、潛在客戶或與公司業務夥伴索取或接受彼等之任何好處。好處及利益類別包括但不限於金錢、禮物、貸款、酬金、報酬、僱傭、合約、服務及優惠。本集團制定舉報政策，且我們鼓勵員工直接向本集團最高管理層舉報任何涉嫌貪污事件。

- **遵守對本集團具有重大影響之相關法律及規例**

截至二零一八年十二月三十一日止年度，並無確認有關賄賂、勒索、欺詐及洗錢之不合規事件。

Environmental, Social and Governance Report

環境、社會及管治報告

Community

Aspect B8: Community Investment

The Group focuses on the surrounding communities and to ensure the Group's activities take into consideration of the communities' interest.

- *Community Activities*

The Group encourages and supports employees to volunteer their time to help those who are less fortunate and advantaged in the community.

- *Environmental Protection*

All employees of the Group are encouraged to participate in environmental protection activities and raise the environmental awareness of people in the communities.

社區

層面B8:社區投資

本集團專注周邊社區，並確保本集團之活動考慮到社區利益。

- *社區活動*

本集團鼓勵及支持僱員自願投入時間幫助社區中不幸人士及弱勢社群。

- *環保*

本集團鼓勵全體僱員參加環保活動，並提高社區居民之環保意識。

Independent Auditor's Report

獨立核數師報告

To the shareholders of
China E-Information Technology Group Limited
(Incorporated in the Cayman Islands with limited liability)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of China E-Information Technology Group Limited and its subsidiaries (collectively referred to as “the Group”) set out on pages 84 to 192, 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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致
中國網絡信息科技集團有限公司股東
(於開曼群島註冊成立的有限公司)

審計綜合財務報表報告

意見

本核數師已審計中國網絡信息科技集團有限公司及其附屬公司(統稱為「貴集團」)列載於第84至192頁的綜合財務報表，包括於二零一八年十二月三十一日的綜合財務狀況表，以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

本核數師認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則真實而中肯地反映 貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及其綜合現金流量，並已遵照香港公司條例之披露規定妥為擬備。

意見基準

本核數師已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。本核數師在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，本核數師獨立於 貴集團，並已履行守則中的其他專業道德責任。本核數師相信，本核數師所獲得的審計憑證能充足和適當地為本核數師的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

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

關鍵審計事項

關鍵審計事項是根據本核數師的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。該等事項是在本核數師審計整體綜合財務報表及出具意見時進行處理的。本核數師不會對該等事項提供單獨意見。

No. Key Audit Matter

How our audit addressed the Key Audit Matter

1 Impairment assessment of investment in an associate

Our procedures in relation to impairment assessment of investment in an associate included:

Refer to note 18 to the consolidated financial statement.

The Group acquired 49% equity interest in Beijing Youli Lianxu Technology Company Limited ("Youli") which are accounted under the equity method by issuance of convertible notes with the aggregate principal amount of HK\$91,581,000 in April 2017. Following a review of the business and the outlook for the industry, the Group has appointed an expert to perform an appraisal of the recoverable amount of the associate as at 31 December 2018 to determine whether any impairment provision should be made on the investment in an associate. The recoverable amount of the associate has been determined on the basis of value-in-use calculation. In carrying out the impairment assessments, significant judgements are required to estimate the future cash flows of the e-commerce platform and to determine the key assumptions, including the growth rate used in the cash flow projections, and the discount rates applied to bring the future cash flows back to their present values.

The Group has an investment in an associate of approximately HK\$101,743,000 as at 31st December 2017. Based on the results of the impairment assessment conducted by the expert, an impairment provision of approximately HK\$55,027,000 has been recorded to reflect the fair value of investment of the associate to their estimated recoverable values.

- Understanding the management's process for estimating the recoverable amounts of investment in an associate;
- Evaluating the independent external valuer's competence, capabilities and objectivity;
- Assessing of the reasonableness of the assumptions, judgements, valuation techniques and the key inputs adopted by the valuer by comparing these estimates and judgments, e.g. discount rate;
- Checking, on a sample basis, the accuracy and relevance of the input data provided by management to the external valuer.

Based on the audit procedures performed, we found the estimates and judgments used in the impairment assessment of investment in an associate to be supported by the available evidence.

關鍵審計事項(續)

編號 關鍵審計事項

本核數師的審計如何處理關鍵審計事項

1 於聯營公司投資之減值評估

參見綜合財務報表附註附註18。

於二零一七年四月，貴集團通過發行本金總額91,581,000港元的可換股票據收購北京優力聯旭科技有限公司(「北京優力」) 49%股權，乃使用權益法入賬。於審閱業務及行業前景後，貴集團已委聘一名專家評估該聯營公司於二零一八年十二月三十一日之可收回金額，以釐定是否須就於聯營公司投資計提減值撥備。聯營公司之可收回金額已按使用價值計算基準釐定。於進行減值評估時，需要作出重大判斷，以估計電子商務平台之未來現金流量及釐定主要假設，包括現金流量預測所用增長率及為使未來現金流折現至其現值而應用之貼現率。

於二零一七年十二月三十一日，貴集團於聯營公司之投資約為101,743,000港元。根據專家進行之減值評估之結果，已計入減值撥備約55,027,000港元，以將聯營公司投資之公平值反映至其估計可收回價值。

本核數師有關於聯營公司投資之減值虧損之程序包括：

- 了解管理層估計於聯營公司之投資之可收回金額之程序；
- 評估獨立外部估值師之資歷、能力及客觀性；
- 透過比較估計及判斷(如貼現率)評估估值師採納之假設、判斷、估值技術及主要輸入數據之合理性；
- 抽樣檢查管理層向外部估值師提供之輸入數據之準確性及相關性。

根據所進行之審核程序，本核數師發現聯營公司投資之減值評估所用估計及判斷將獲可得證據支持。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

No.	Key Audit Matter	How our audit addressed the Key Audit Matter
2	<p>Valuation of contingent consideration receivables</p> <p>Refer to note 20 to the consolidated financial statement.</p> <p>Pursuant to the sales and purchases agreement in relation to the acquisition of 49% equity interest in Youli, the consideration payable to the vendors shall be HK\$91,581,000 subject to adjustments of 2017 and 2018 Profit Targets.</p> <p>Since at the date of completion of the acquisition, the amounts of the reductions in consideration are contingent, the Group recognised a contingent consideration receivable at date of completion of the acquisition. The contingent consideration receivable was initially recognised at fair value and subsequently measured at fair value with changes recognised in profit or loss. In determining the fair value of the contingent consideration receivable, management considers the probability of meeting the 2017 and 2018 Profit Target based on the historical information and profit forecast. The fair value measurement requires management's estimation and significant judgment on post-acquisition performance of the acquired businesses and discount rates used. The Group has appointed an expert to perform an appraisal of the contingent consideration receivable arising from a profit guarantee clause in relation to the acquisition of Youli. For the year ended 31 December 2018, management reassessed the fair value of contingent consideration and determined it as HK\$14,619,000. Accordingly, a HK\$14,685,000 gain was recognised in the consolidated statement of profit or loss.</p>	<p>Our procedures in relation to valuation of contingent consideration receivables included:</p> <ul style="list-style-type: none">• Evaluating profit forecasts used in the contingent consideration receivable calculation and tested the mathematical accuracy of the underlying calculation of the consideration receivable;• Evaluating the independent external valuers' competence, capabilities and objectivity;• Assessing the reasonableness of the assumptions, judgements and the key inputs adopted by the valuer by comparing these estimates and judgments, e.g. discount rate;• Reviewing the sensitivity analyses on the key assumptions;• Checking, on a sample basis, the accuracy and relevance of the input data provided by management to the external valuer. <p>Based on the audit procedures performed, we found the estimates and judgments used in the valuation of the contingent consideration receivable as at 31 December 2018 to be supported by the available evidence.</p>

關鍵審計事項(續)

編號 關鍵審計事項

本核數師的審計如何處理關鍵審計事項

2 應收或然代價之評估

參見綜合財務報表附註附註20。

根據與收購優力49%股權相關之買賣協議，應付予賣方之代價將為91,581,000港元，且可視乎二零一七年及二零一八年溢利目標而予調整。

由於於完成收購日期，代價之扣減金額屬或然，本集團於完成交易日期確認應收或然代價。應收或然代價初步按公平值確認，其後按公平值計量及相關變動於損益內確認。於釐定應收或然代價之公平值時，管理層基於歷史資料及溢利預測考慮符合二零一七年及二零一八年溢利目標之可能性。公平值計量要求管理層對所收購業務之收購後業績及所使用之貼現率作出估計及重大判斷。貴集團已委任一名專家評估收購優力有關之溢利保證條款產生之應收或然代價。截至二零一八年十二月三十一日止年度，管理層重估或然代價之公平值並釐定其為14,619,000港元。因此，14,685,000港元已於綜合損益表內確認。

本核數師有關應收或然代價估值之程序包括：

- 評估計算應收或然代價所用之溢利預測及相關測試應收代價計算之算術準確性；
- 評估獨立外部估值師之資歷、能力及客觀性；
- 透過比較估計及判斷(如貼現率)評估估值師採納之假設、判斷及主要輸入數據之合理性；
- 審閱主要假設之敏感度分析；
- 抽樣檢查管理層向外部估值師提供之輸入數據之準確性及相關性。

根據所進行之審核程序，本核數師發現於二零一八年十二月三十一日之應收或然代價估值所用估計及判斷將獲得證據支持。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

No.	Key Audit Matter	How our audit addressed the Key Audit Matter
3	<p>Cash and cash equivalents</p> <p>Refer to note 23 to the consolidated financial statement.</p> <p>As at the date of 31st December 2018, the cash and cash equivalents in the consolidated statement of cash flow is approximately HK\$70,898,000. There has been the amount of approximately HK\$31,029,000 included in the Group's cash and cash equivalents at the balance sheet date maintained by Beijing University of Chinese Medicine (the "University").</p> <p>We acknowledged that such internal control policy exercised by the Distance Education College of Beijing University of Chinese Medicine ("the College") and the University has applied segregation of duties with tuition fee received from the learning centers being placed to the bank account of the University.</p>	<p>Our procedures in relation to the cash and cash equivalents place with Beijing University of Chinese Medicine included:</p> <ul style="list-style-type: none">• Evaluating the policy designed and implemented that the cash and cash equivalents has been actually transferred to the University from the College;• Vouching the majority amounts of fund transferred to the University;• Performing the walk-through test on such segregation of duties and custody of cash balance. <p>Based on the audit procedures performed, we found the cash and cash equivalents to be supported by the available evidence.</p>

關鍵審計事項(續)

編號 關鍵審計事項

本核數師的審計如何處理關鍵審計事項

3 現金及現金等值項目

參見綜合財務報表附註附註23。

於二零一八年十二月三十一日，綜合現金流量表內之現金及現金等值項目約為70,898,000港元。於資產負債表日期，計入 貴集團現金及現金等值項目之約31,029,000港元乃由北京中醫藥大學(「大學」)留置。

本核數師認為，北京中醫藥大學遠程教育學院(「學院」)及大學實施之有關內部監控政策已採用權責分離，已收教學中心之學費存置於大學之銀行賬戶。

本核數師有關存置於北京中醫藥大學之現金及現金等值項目之程序包括：

- 評估所設計及實施之現金及現金等值項目已實際由大學轉撥至學院之政策；
- 核對轉讓予大學之大部分資金；
- 對有關權責分離及現金結餘託管進行穿行測試。

根據所進行之審核程序，本核數師發現現金及現金等值項目將獲得證據支持。

Independent Auditor's Report

獨立核數師報告

Other Information

The directors of the Company are responsible for the other information. The other information comprises all the information in the Group's 2018 annual report (other than the consolidated financial statements and our auditor's report thereon) ("Other Information").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and that comply with 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事須對其他資料負責。其他資料包括 貴集團二零一八年年報內的所有資料(但不包括綜合財務報表及本核數師的核數師報告)(「其他資料」)。

本核數師對綜合財務報表的意見並不涵蓋其他資料，本核數師亦不對該等其他資料發表任何形式的鑒證結論。結合本核數師對綜合財務報表的審計，本核數師的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本核數師在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於本核數師已執行的工作，倘本核數師認為其他資料存在重大錯誤陳述，本核數師需要報告該事實。就此方面，本核數師並無任何報告。

董事及管理層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頒佈的香港財務報告準則及遵照香港公司條例的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

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

管理層須負責監督 貴集團的財務報告過程。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審計綜合財務報表承擔的責任

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

在根據香港審計準則進行審計的過程中，本核數師運用專業判斷，保持專業懷疑態度。本核數師亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足及適當的審計憑證，作為本核數師意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

核數師就審計綜合財務報表承擔的責任(續)

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘本核數師認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則本核數師應當發表非無保留意見。本核數師的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體呈報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。本核數師負責貴集團審計的方向、監督和執行。本核數師為審計意見承擔全部責任。

除其他事項外，本核數師與管理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括本核數師在審計中識別出內部監控的任何重大缺陷。

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Wong Wang Tai Ivan.

GI CPA Limited

Certified Public Accountants

Wong Wang Tai Ivan

Practising Certificate Number: P02900

Hong Kong
29 March 2019

核數師就審計綜合財務報表承擔的責任 *(續)*

本核數師亦向管理層提交聲明，說明本核數師已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響本核數師獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與管理層溝通的事項中，本核數師確定哪些事項對財務報表的審計最為重要，因而構成關鍵審計事項。本核數師在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在本核數師報告中溝通某事項造成的負面後果超過產生的公眾利益，本核數師決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目董事是黃宏泰。

智盈會計師事務所有限公司

執業會計師

黃宏泰

執業證書編號：P02900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

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	7	57,856	52,757
Cost of goods sold and services provided	銷售貨品及提供服務之成本		(28,892)	(30,154)
Gross profit	毛利		28,964	22,603
Other income	其他收益	8	15,176	9,040
Other losses	其他虧損	9	(10)	(3,079)
Administrative expenses	行政開支		(61,519)	(65,335)
Impairment losses on investment in an associate	投資聯營公司減值虧損	18	(55,027)	–
Equity-settled share-based payment	以股權結算之以股支付款項		–	(28,905)
Finance costs, net	融資成本淨額	10	(10,225)	(6,370)
Share of result of investments in associates	應佔於聯營公司的投資之業績		3,628	5,649
Loss before tax	除稅前虧損	11	(79,013)	(66,397)
Income tax	所得稅	13	–	–
Loss for the year	本年度虧損	11	(79,013)	(66,397)
Loss for the year attributable to:	以下人士應佔本年度虧損：			
Owners of the Company	本公司持有人		(90,842)	(76,543)
Non-controlling interests	非控股權益		11,829	10,146
			(79,013)	(66,397)
Loss per share	每股虧損	15		
– Basic	– 基本		(2.44 cents 仙)	(2.21 cents 仙)
– Diluted	– 攤薄		N/A 不適用	N/A 不適用

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Notes 附註		
Loss for the year	本年度虧損	(79,013)	(66,397)
Other comprehensive (expense) income	其他全面(開支)收益		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益的項目：</i>		
Exchange differences on translating foreign operations arising during the year	年內換算海外業務產生之匯兌差額	(5,432)	542
Other comprehensive (expense) income, net of income tax	其他全面(開支)收益(扣除所得稅)	(5,432)	542
Total comprehensive expense for the year	本年度全面開支總額	(84,445)	(65,855)
Total comprehensive (expense) income for the year attributable to:	以下人士應佔本年度全面(開支)收益總額：		
Owners of the Company	本公司持有人	(96,274)	(76,001)
Non-controlling interests	非控股權益	11,829	10,146
		(84,445)	(65,855)

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

			2018	2017
		Notes	二零一八年	二零一七年
		附註	HK\$'000	HK\$'000
			千港元	千港元
Assets and liabilities	資產及負債			
Non-current assets	非流動資產			
Goodwill	商譽	16	–	–
Contingent consideration receivable	應收或然代價	20	–	520
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	22	15,107	–
Property, plant and equipment	物業、廠房及設備	17	9,588	8,228
Investment in an associate	投資聯營公司	18	51,000	101,743
			75,695	110,491
Current assets	流動資產			
Investment held for sale	持作出售投資	19	–	38,000
Contingent consideration receivable	應收或然代價	20	14,619	–
Due from an associate	應收聯營公司款項	32	–	14,304
Other receivables	其他應收賬款	21	88,374	77,239
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	22	507	565
Cash and cash equivalents	現金及現金等值項目	23	70,898	20,767
			174,398	150,875
Total assets	資產總值		250,093	261,366
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	24	29,249	28,330
			29,249	28,330

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	28	34,645	24,420
Deferred tax liabilities	遞延稅項負債	25	5,891	5,891
			40,536	30,311
Total liabilities	負債總額		69,785	58,641
Net current assets	流動資產淨額		145,149	122,545
Total assets less current liabilities	資產總值減流動負債		220,844	233,036
Net assets	資產淨額		180,308	202,725
Capital and reserves	股本及儲備			
Share capital	股本	26	375,130	356,590
Reserves	儲備		(212,500)	(159,714)
Non-controlling interests	非控股權益		17,678	5,849
Total equity	總權益		180,308	202,725

The consolidated financial statement on pages 84 to 192 were approved and authorised for issue by the Board of Directors on 29 March 2019 and are signed on it behalf by:

第84頁至第192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及授權刊發，並由下列董事代表簽署：

Yuan Wei
袁偉
Director
董事

Zhang Jianxin
張建新
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

		Share capital	Share premium	Share-based payment reserve	Exchange fluctuation reserve	Convertible notes equity reserve	PRC staff award fund reserve	Accumulated losses	Total	Non controlling interests	Total equity
		股本	股份溢價	以股支付儲備	匯率波動儲備	可換股票據權益儲備	中國員工獎勵基金儲備	累計虧損	合計	非控股權益	權益合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	330,498	287,747	57,070	8,652	1,174	8,958	(546,820)	147,279	6,296	153,575
(Loss) profit for the year	本年度(虧損)溢利	-	-	-	-	-	-	(76,543)	(76,543)	10,146	(66,397)
Other comprehensive income for the year	本年度其他全面收益	-	-	-	542	-	-	-	542	-	542
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	542	-	-	(76,543)	(76,001)	10,146	(65,855)
Dividends paid to non-controlling interest	向非控股權益支付之股息	-	-	-	-	-	-	-	-	(10,593)	(10,593)
Issue of convertible notes	發行可換股票據	-	-	-	-	59,511	-	-	59,511	-	59,511
Deferred tax liability on recognition of equity component of convertible notes	確認可換股票據權益部分之遞延稅項負債	-	-	-	-	(9,819)	-	-	(9,819)	-	(9,819)
Issue of share option	發行購股權	-	-	28,905	-	-	-	-	28,905	-	28,905
Issue of shares by exercised of share option	因購股權獲行使而發行股份	10,700	23,207	(7,022)	-	-	-	-	26,885	-	26,885
Transfer to PRC staff award fund reserve	轉至中國員工獎勵基金儲備	-	-	-	-	-	2,772	-	2,772	-	2,772
Redemption of convertible notes	贖回可換股票據	-	-	-	-	(1,174)	-	1,174	-	-	-
Conversion of convertible notes	轉換可換股票據	15,392	21,829	-	-	(23,805)	-	-	13,416	-	13,416
Deferred tax liability released upon conversion of convertible note	轉換可換股票據時撥回遞延稅項負債	-	-	-	-	3,928	-	-	3,928	-	3,928
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	356,590	332,783	78,953	9,194	29,815	11,730	(622,189)	196,876	5,849	202,725
(Loss) profit for the year	本年度(虧損)溢利	-	-	-	-	-	-	(90,842)	(90,842)	11,829	(79,013)
Other comprehensive expense for the year	本年度其他全面開支	-	-	-	(5,432)	-	-	-	(5,432)	-	(5,432)
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	-	-	-	(5,432)	-	-	(90,842)	(96,274)	11,829	(84,445)
Transfer upon the lapse of share options	購股權失效時轉撥	-	-	(2,919)	-	-	-	2,919	-	-	-
Issue of shares by exercised of share option	因購股權獲行使而發行股份	5,540	17,204	(6,216)	-	-	-	-	16,528	-	16,528
Issue of share placing	股份配售發行	13,000	32,500	-	-	-	-	-	45,500	-	45,500
At 31 December 2018	於二零一八年十二月三十一日	375,130	382,487	69,818	3,762	29,815	11,730	(710,112)	162,630	17,678	180,308

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

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash flow from operating activities	經營業務產生之現金流量		
Loss before tax	除稅前虧損	(79,013)	(66,397)
Adjustments for:	以下各項之調整：		
Finance cost, net	融資成本淨額	10,225	6,370
Depreciation	折舊	2,611	2,031
Interest income	利息收入	(422)	(203)
Equity-settled share-based payments	以股權結算之以股支付款項	–	28,905
Net realised gains on financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之變現收益淨值	–	(192)
Net unrealised (gains) losses on financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產未變現(收益)虧損淨值	(49)	259
Net share of result of investments in associates	應佔於聯營公司的投資之業績淨額	(3,628)	(5,649)
Fair value change of contingent consideration receivable	應收或然代價公平值變動	(14,685)	1,180
Loss on investment held-for-sale	持作出售投資虧損	–	1,640
PRC staff award fund	中國員工獎勵基金	–	2,772
Impairment loss on investment in an associate	投資一間聯營公司減值虧損	55,027	–
Impairment loss on other receivables	其他應收賬款減值虧損	3,000	–
Reversal of impairment loss on other receivables	撥回其他應收賬款減值虧損	–	(2,975)
Exchange loss (gain)	匯兌虧損(收益)	10	(5,470)
Operating cash flows before movements in working capital	營運資金變動前經營業務之現金流量	(26,924)	(37,729)
Changes in other receivables	其他應收賬款變動	(14,031)	10,681
Changes in trade and other payables	貿易及其他應付賬款變動	919	5,770
Cash used in operations	經營業務所用現金	(40,036)	(21,278)
Overseas taxes paid	已付海外稅項	–	–
Net cash used in operating activities	經營業務所用現金淨額	(40,036)	(21,278)

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

	Notes	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	附註		
Cash flow from investing activities	投資活動產生之現金流量		
Payment of property, plant and equipment	就物業、廠房及設備支付之款項	(4,041)	(8,849)
Purchases of financial assets at fair value through profit or loss	購買透過損益按公平值計量之金融資產	(15,000)	–
Proceed from financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之所得款項	–	7,320
Interest received	已收利息	302	203
Dividends paid to non-controlling interest of a subsidiary	向一間附屬公司之非控股權益支付之股息	–	(10,593)
Loans to an associate	聯營公司貸款	–	(14,200)
Repayment of loans and interest from an associate	償還聯營公司貸款及利息	14,320	–
Capital injection to an associate	向一間聯營公司注資	(4,142)	–
Proceeds from disposal of investment held for sales	出售持作銷售投資之所得款項	38,000	–
Net cash from (used in) investing activities	投資活動所得(所用)現金淨額	29,439	(26,119)
Cash flow from financing activities	融資活動所得現金流量		
Redemption of Convertible notes	贖回可換股票據	–	(10,000)
Proceeds from issue of shares by placements	通過配售發行股份之所得款項	45,500	–
Exercised of share option	行使購股權	16,528	26,885
Net cash generated from financing activities	融資活動所得現金淨額	62,028	16,885
Net increase (decrease) in cash and cash equivalents	現金及現金等值項目之增加(減少)淨額	51,431	(30,512)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值項目	20,767	51,128
Effect of foreign exchange rate changes	匯率變動之影響	(1,300)	151
Cash and cash equivalents at the end of the year	年終之現金及現金等值項目	70,898	20,767
	23		

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

China E-Information Technology Group Limited (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands on 10 July 2001. The shares of the Company 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 section of “Corporate Information” in the annual report.

The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 38 to the consolidated financial statements.

1. 一般資料

中國網絡信息科技集團有限公司(「本公司」)為於二零零一年七月十日在開曼群島根據開曼群島公司法(經修訂)註冊成立之受豁免有限公司。本公司股份在香港聯合交易所有限公司(「聯交所」)GEM上市。

本公司註冊辦事處及主要營業地點之地址於年報「公司資料」一節披露。

綜合財務報表以港元列值。除另有指明者外，所有數值均四捨五入至最接近之千位數。

本公司為一間投資控股公司。本公司主要附屬公司的主要業務載於綜合財務報表附註38。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time in the current year.

- HKFRS 9 *Financial Instruments*
- HKFRS 15 *Revenue from Contracts with Customers*
- *Classification and Measurement of Share-based Payment Transactions – Amendments to HKFRS 2*
- *Annual Improvements 2014-2016 cycle*
- *Transfers to Investment Property – Amendments to HKAS 40*
- *Interpretation 22 Foreign Currency Transactions and Advance Consideration*

Except as describe in “Changes in accounting polices” stated in Note 4 in relation to the adoption of HKFRS 9 and HKFRS 15, the application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團首次應用以下由香港會計師公會頒佈之新訂及經修訂香港財務報告準則。

- 香港財務報告準則第9號金融工具
- 香港財務報告準則第15號來自客戶合約的收益
- 以股份為基礎付款交易之分類及計量－香港財務報告準則第2號之修訂本
- 二零一四年至二零一六年週期之年度改進
- 轉讓投資物業－香港會計準則第40號之修訂本
- 詮釋第22號外幣交易及預付代價

除附註4所述之有關採納香港財務報告準則第9號及香港財務報告準則第15號之「會計政策變動」所述者外，於本年度應用新訂及經修訂香港財務報告準則並無對本集團本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載披露造成重大影響。

3. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective:

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
HKFRS 16	<i>Leases</i> ¹
HKFRS 17	<i>Insurance Contracts</i> ²
Amendments to HKAS 28	<i>Investments in Associates and Joint Ventures</i> ¹
HK (IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date determined but available for early adoption

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

HKFRS 16 was issued by the HKICPA in May 2016, which provides a comprehensive model for the identification of lease arrangements and their accounting treatment in the financial statements of both lessors and lessees. The new standard maintains substantially the lessor accounting requirements in the current HKAS 17 *Leases*.

3. 已頒佈惟尚未生效之香港財務報告準則

本集團尚未應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號之修訂本	具有負補償的提前還款特性 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂本(二零一一年)	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第19號之修訂本	計劃修訂、縮減或清償 ¹
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ²
香港會計準則第28號之修訂本	於聯營公司及合營企業之投資 ¹
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理的不確定性 ¹
二零一五年至二零一七年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號 ¹

¹ 於二零一九年一月一日或之後開始的年度期間生效

² 於二零二一年一月一日或之後開始的年度期間生效

³ 並無釐定強制生效日期惟可予提早採納

預期適用於本集團之該等香港財務報告準則之進一步資料載列如下：

香港會計師公會於二零一六年五月頒佈之香港財務報告準則第16號為租賃安排之識別以及其於出租人及承租人財務報表之會計處理提供一個綜合模型。新準則大致維持目前香港會計準則第17號租賃中的出租人會計處理規定。

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. ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

A lessee is required to recognise a right-of-use asset and a lease liability at the commencement of lease arrangement. A right-of-use asset includes the amount of initial measurement of a lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. A lease liability represents the present value of the lease payments. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, unless it meets the definition of investment property in HKAS 40; or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability will be subsequently increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For lessors, there is little change to existing accounting in HKAS 17 *Leases*. The Group expects to adopt HKFRS 16 on 1 January 2019.

As disclosed in note 29 to the consolidated financial statements, the Group had total future minimum lease payments under non-cancellable operating lease as at 31 December 2018 amounting to approximately HK\$9,517,000. The directors do not expect the adoption of HKFRS 16 would result in a significant impact on the Group's financial performance but expect that certain portion of these lease commitments will be required to be recognised in the consolidated statements of financial position as right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new right-of-use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into or existing leases expired before the date of adoption.

3. 已頒佈惟尚未生效之香港財務報告準則(續)

承租人須於租賃安排開始時確認一項使用權資產及一項租賃負債。使用權資產包括租賃負債的初始計量金額、於租賃開始日期或之前向出租人支付的任何租賃款項、承租人拆卸或移除相關資產及復原處所須產生的估計成本以及任何其他由承租人產生的初始直接成本。租賃負債指租賃付款的現值。使用權資產其後按成本減累計折舊及任何減值開支(如有)計量,惟其符合香港會計準則第40號所載投資物業之定義或涉及應用重估模式之物業、廠房及設備類別則除外。租賃負債其後將按應計之利息(將於損益扣除)增加,並扣減租賃付款。該準則提供單一承租人會計處理模式,規定承租人就所有租賃確認資產及負債,除非租期為期12個月或以下或相關資產為低價值資產。就出租人而言,香港會計準則第17號租賃所載的現有會計處理並無變動。本集團預期於二零一九年一月一日採納香港財務報告準則第16號。

如綜合財務報表附註29所披露,於二零一八年十二月三十一日,本集團於不可撤銷經營租賃項下之未來最低租賃付款合共約為9,517,000港元。董事預期,採納香港會計準則第16號將不會對本集團之財務表現造成重大影響,但預期該等租賃承擔之若干部分將須於綜合財務狀況表內確認為使用權資產及租賃負債。然而,仍需作出進一步分析,以釐定須就新使用權資產及租賃負債確認之金額,包括(但不限於)低價值資產租賃及短期租賃相關之任何金額、所選用之其他切實可行權宜處理及安排,以及於採納日期前已訂立之新租賃或現有已屆滿租賃。

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the Hong Kong Companies Ordinance.

Changes in accounting policies

The following explain the impact of the adoption of HKFRS 9 Financial instruments (“HKFRS 9”) and HKFRS 15 Revenue from contracts with customers (“HKFRS 15”) on the Group’s consolidated financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

(a) Adoption of HKFRS 9

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

There was no significant impact on the Group’s financial position and financial results upon initial application at 1 January 2018.

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

4. 主要會計政策

合規聲明

綜合財務報表乃按照香港財務報告準則編製而成。此外，綜合財務報表包括聯交所GEM證券上市規則及香港公司條例規定之適用披露資料。

會計政策變動

下文闡釋採納香港財務報告準則第9號金融工具（「香港財務報告準則第9號」）及香港財務報告準則第15號來自客戶合約的收益（「香港財務報告準則第15號」）本集團綜合財務報表之影響，亦披露由二零一八年一月一日起應用之新會計政策，其與過往期間所應用者不同。

(a) 採納香港財務報告準則第9號

香港財務報告準則第9號金融工具自二零一八年一月一日起或之後開始之年度期間取代香港會計準則第39號金融工具：確認及計量，將金融工具會計之所有三個方面合併在一起：分類及計量、減值及對沖會計。

於二零一八年一月一日初步應用後對本集團之財務狀況及財務業績並無產生重大影響。

有關過往會計政策變動之性質及影響以及過渡方法之進一步詳情載列如下：

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in accounting policies (Continued)

Classification and measurement

HKFRS 9 classifies financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“FVOCI”) and at fair value through profit or loss (“FVTPL”). These supersede HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Under HKFRS 9, the classification for all of the Group’s financial assets and financial liabilities measured at amortised cost remain the same. The carrying amounts for all financial assets and financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group applied the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its receivables.

4. 主要會計政策(續)

會計政策變動(續)

分類及計量

香港財務報告準則第9號將金融資產分為三個主要類別：按攤餘成本、透過其他全面收益按公平值計量(「透過其他全面收益按公平值計量」)及透過損益按公平值計量(「透過損益按公平值計量」)。該等分類取代香港會計準則第39號之類別，即持有至到期投資、貸款及應收款項、可供出售金融資產及透過損益按公平值計量之金融資產。香港財務報告準則第9號項下金融資產之分類乃根據管理金融資產之業務模式以及其合約現金流量特徵釐定。

根據香港財務報告準則第9號，本集團所有按攤銷成本計量之金融資產及金融負債之分類保持不變。所有金融資產及金融負債於二零一八年一月一日的賬面值並無受到首次應用香港財務報告準則第9號之影響。

減值

香港財務報告準則第9號規定根據香港財務報告準則第9號不按公平值計入損益進行會計處理之按攤銷成本列賬或透過其他全面收益按公平值列賬之債務工具、應收租賃款項、貸款承擔及財務擔保之減值，應基於十二個月基準或全期基準按預期信貸虧損模式入賬。本集團運用簡化方法，根據其所有應收款項於餘下存續期內之所有現金缺額之現值，估計全期預期虧損並將之入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in accounting policies (Continued)

(b) Adoption of HKFRS 15

HKFRS 15 and its amendments replace HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 4 to the financial statements.

There was no significant impact on the Group's financial position and financial results upon initial application at 1 January 2018. Comparative information continues to be reported under HKAS 11 and HKAS 18.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value, as explained in the accounting policies set out below.

4. 主要會計政策(續)

會計政策變動(續)

(b) 採納香港財務報告準則第15號

香港財務報告準則第15號及其修訂本取代香港會計準則第11號建築合約、香港會計準則第18號收益及相關詮釋，適用於所有因客戶合約而產生之收益(少數例外情況除外)。香港財務報告準則第15號建立一個新五步模式，以對客戶合約產生之收益進行列賬。根據香港財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務作交換而有權獲得的代價金額確認。香港財務報告準則第15號之原則為計量及確認收益提供一個更加結構化之方法。該準則亦引入廣泛定性及定量披露規定，包括分拆總收益，關於履約責任、不同期間合約資產及負債賬目結餘之變動以及主要判斷和估計之資料。由於採納香港財務報告準則第15號，本集團已就財務報表附註4所載之收益確認變更會計政策。

於二零一八年一月一日初步應用後對本集團之財務狀況及財務業績並無重大影響。比較資料繼續根據香港會計準則第11號及香港會計準則第18號呈報。

編製基準

綜合財務報表乃按過往成本法編製，惟如下文所載之會計政策所述，若干金融資產乃按公平值計算。

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)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstance indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

4. 主要會計政策(續)

合併基準

綜合財務報表包括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的財務報表。附屬公司的財務報表乃於與本公司相同的報告期間並採納一致的會計政策編製。附屬公司的業績由收購日期(即本集團取得控制權當日)起合併計算，並會繼續合併，直至有關控制權終止。

本集團母公司擁有人及非控股權益應佔損益及其他全面收益各組成部分，即使由此引致非控股權益結餘為負數。本集團成員公司之間交易所產生的所有集團內部資產及負債、權益、收入、支出及現金流均在綜合賬目時全數對銷。

倘事實及情況顯示下文附屬公司會計政策所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資公司。附屬公司的所有權權益變動(並無失去控制權)，按權益交易入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual arrangements; and
- (c) The Group's voting rights and potential voting rights.

4. 主要會計政策(續)

合併基準(續)

(i)倘本集團失去對附屬公司的控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)計入權益的累計匯兌差額；並確認(i)已收代價的公平值；(ii)任何保留投資的公平值；及(iii)因此而計入損益的盈餘或虧蝕。先前已於其他全面收入確認的本集團應佔部分，乃在適當的情況下重新分類至損益或保留溢利，倘本集團已直接出售相關資產或負債則須以同一基準確認。

附屬公司

附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對涉及投資對象的浮動回報承擔風險或享有權利以及能透過對投資對象的權力(即賦予本集團現有能以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

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

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

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)

Subsidiaries (Continued)

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are stated at cost less any impairment losses.

Associates

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

- (a) Goodwill relating to an associate is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.
- (b) Any excess of the group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the group's share of the associate's profit or loss in the period in which the investment is acquired.

4. 主要會計政策(續)

附屬公司(續)

附屬公司業績以已收及應收股息為限計入本公司的損益表內。本公司於附屬公司的投資若根據香港財務報告準則第5號分類為持作出售之非流動資產及已終止業務並非分類為持作出售，即以成本減任何減值虧損列賬。

聯營公司

聯營公司指本集團對其有重大影響力而無控制權之實體，通常附帶有20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬。根據權益法，投資初始以成本確認，而賬面值則予以增加或減少，以確認投資者在收購日期後佔被投資方損益之比例。本集團於聯營公司之投資包括收購時已識別之商譽。於收購一項投資時，投資成本與本集團應佔被投資對象可識別資產及負債的淨公平值之間的任何差額乃按以下方式入賬：

- (a) 有關聯營公司的商譽計入投資的賬面值。有關商譽不得攤銷。
- (b) 於釐定本集團應佔該聯營公司於需要作出投資的期間之損益時，本集團應佔被投資對象可識別資產及負債的淨公平值超出投資成本之數額入賬列為收益。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Associates *(Continued)*

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

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to 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 legal or constructive obligations or made payments on behalf of the associate.

4. 主要會計政策 *(續)*

聯營公司 *(續)*

倘於聯營公司的所有權權益減少但仍保留重大影響力，先前於其他全面收益確認的金額僅按比例重新分類至損益(如適用)。

本集團收購後應佔的溢利或虧損於損益內確認，而收購後應佔其他全面收益變動於其他全面收益確認，並就投資賬面值作相應調整。倘本集團應佔聯營公司的虧損等於或超逾所持聯營公司的權益(包括任何其他無抵押應收款項)，除非本集團承擔法定或推定責任或已代聯營公司付款，否則不會確認進一步虧損。

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)

Associates (Continued)

When the most recently available financial statements of an associate is different from the Group's reporting date, the Group may take advantage of the provision contained in HKAS 28 whereby it is permitted to include the attributable share of associate's results based on the financial statements drawn up to a noncoterminous period end where the difference must be no greater than three months. Adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of the Group's consolidated financial statements.

Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in an associate, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associate is not individually tested for impairment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the profit or loss.

4. 主要會計政策(續)

聯營公司(續)

倘聯營公司最近期可得之財務報表與本集團之報告日期存在差異，本集團可利用香港會計準則第28號所載之條文，據此，其准許根據聯營公司不同截算日期(但差距不得超過三個月)之財務報表計入應佔聯營公司之業績。須就當日及本集團綜合財務報表日期之間發生之重大交易或事件之影響作出調整。

本集團與其聯營公司之間進行之交易產生之未變現收益及虧損須以本集團於聯營公司之投資為限予以對銷，惟倘若未變現虧損可證明獲轉讓資產有所減值時除外。收購聯營公司產生之商譽不予獨立進行減值測試。

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值之間的差額計算減值金額，並於損益內「應佔以權益法入賬之投資溢利」確認有關金額。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Associates *(Continued)*

Gain or losses on dilution of equity interest in associates are recognised in the profit or loss.

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

4. 主要會計政策 *(續)*

聯營公司 *(續)*

於聯營公司之股權攤薄收益或虧損於損益內確認。

業務合併及商譽

業務合併採用收購法入賬。收購一間附屬公司轉讓的代價包括：

- 所轉讓資產的公平值
- 被收購業務前擁有人所產生的負債
- 本集團已發行股權
- 或然代價安排產生的任何資產或負債公平值；及
- 附屬公司任何預先存在股權的公平值。

在業務合併中所收購的可識別資產以及所承擔的負債及或然負債初步按其於收購日期的公平值計量(少數例外情況除外)。

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

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combination and goodwill *(Continued)*

For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

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

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

4. 主要會計政策 *(續)*

業務合併及商譽 *(續)*

對於各項業務合併而言，收購方按公平值或應佔被收購方可識別資產淨值的比例計量被收購方的非控股權益。非控股權益的所有其他部分均按公平值計量。收購相關成本於產生時支銷。

當本集團收購業務時，須根據合約條款、收購日期的經濟環境及相關條件對涉及的金融資產及承擔的金融負債進行評估，以合理分類及指定，其中包括分離被收購方主合約中的嵌入式衍生工具。

若業務合併是分步驟進行，先前持有的股權按合併日的公平值重新計量，所產生的任何收益或損失於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combination and goodwill *(Continued)*

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKFRS 9 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKFRS 9, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquire over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

4. 主要會計政策 *(續)*

業務合併及商譽 *(續)*

收購方將予轉讓的任何或然代價於收購日期按公平值確認。倘或然代價被分類為一項屬於金融工具的資產或負債，且屬於香港財務報告準則第9號的範疇，則按公平值計量，公平值的變動於損益確認或確認為其他全面收益的變動。倘或然代價不屬於香港財務報告準則第9號的範疇，則按照適用的香港財務報告準則計量。倘將或然代價分類為權益，則毋須重新計量，後續結算於權益中入賬。

商譽初步按成本計量，即已轉讓代價、非控股權益之已確認金額及本集團之前持有的被收購方股權之任何公平值的總和，超出本集團購得的可識別資產淨值及所承擔負債的數額。倘此代價及其他項目之和低於購得的附屬公司的資產淨值的公平值，則其差額於重新評估後於損益確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽每年進行減值測試，而倘出現顯示賬面值可能減值的事件或情況變動，則會較頻密進行減值測試。本集團於十二月三十一日進行年度商譽減值測試。就減值測試而言，業務合併購入的商譽，由收購日期起分配到本集團各個預期會因合併的協同效應而得益的現金產生單位或現金產生單位組別，不論本集團的其他資產或負債有否分配至該等單位或單位組別。

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)

Business combination and goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place within the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

4. 主要會計政策(續)

業務合併及商譽(續)

減值乃透過評估與商譽有關的現金產生單位(或一組現金產生單位)的可收回金額釐定。倘現金產生單位(或一組現金產生單位)的可收回金額少於其賬面值，則確認減值虧損。已確認的商譽減值虧損不會於以後期間撥回。

當商譽已分配至一個現金產生單位(或一組現金產生單位)的一部分而該單位的某部分業務被出售時，於釐定出售該業務的收益或虧損時，與出售業務相關的商譽將包括在該業務的賬面值內。在此情況下出售的商譽將根據出售業務及現金產生單位的保留部分的相對價值計量。

公平值計量

公平值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公平值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或在沒有主要市場情況下，最具優勢資產或負債市場進行而作出。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公平值乃按市場參與者(假設其會以最佳經濟利益行事)於資產或負債定價時所用的假設計量。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

4. 主要會計政策(續)

公平值計量(續)

非金融資產的公平值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者，所產生的經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有於財務報表計量或披露公平值的資產及負債乃基於對公平值計量整體而言屬重大的最低級別輸入數據按以下公平值等級分類：

第一級	–	基於同類資產或負債於活躍市場中的報價(未經調整)
第二級	–	基於對公平值計量而言屬重大的可觀察(直接或間接)最低級別輸入數據的估值方法
第三級	–	基於對公平值計量而言屬重大的不可觀察最低級別輸入數據的估值方法

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)

Fair value measurement (Continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

4. 主要會計政策(續)

公平值計量(續)

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類（基於對公平值計量整體而言屬重大的最低級別輸入數據）確定是否發生不同等級轉移。

持作出售之非流動資產

倘非流動資產及出售組別之賬面金額將主要透過出售交易（而非透過持續使用）收回，則非流動資產及出售組別分類為持作出售。此條件僅於資產（或出售組別）可以其現況供即時出售，出售條款僅屬出售該資產（或出售組別）之一般慣常條款，且極有可能出售時，方告達成。管理層必須承諾進行出售，即應預期於分類日期起計一年內合資格確認為一項已完成出售。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Non-current assets held for sale *(Continued)*

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint control over the joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with HKFRS 9 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

4. 主要會計政策 *(續)*

持作出售之非流動資產 *(續)*

當本集團承諾進行涉及喪失一間附屬公司控制權之出售計劃，倘符合上述條件，該附屬公司之所有資產及負債均分類為持作出售，不論本集團會否於出售後保留其前附屬公司之非控股權益。

當本集團承諾進行涉及出售於聯營公司或合資企業之投資或部分投資之出售計劃，倘符合上述條件，將予出售之該項投資或部分投資分類為持作出售，而本集團將由投資(或其部分)分類為持作出售之時起，不再就該分類為持作出售之部分使用權益法。並無分類為持作出售之於聯營公司或合資企業投資之任何保留部分，繼續使用權益法入賬。當出售導致本集團喪失對聯營公司之重大影響力或對合資企業之共同控制權時，本集團於出售時不再使用權益法。

於出售後，本集團按照香港財務報告準則第9號將於聯營公司或合資企業之任何保留權益入賬，惟倘保留權益仍屬一間聯營公司或合資企業，則本集團將使用權益法(見上文於聯營公司或合資企業投資之會計政策)。

分類為持作出售之非流動資產(及出售組別)按其以往賬面金額與公平值減出售成本之較低者計量。

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)

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods and services, or for administrative purpose are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	The shorter of the lease terms or 20%
Furniture, fixtures and office equipment	20%
Motor vehicles	20%

4. 主要會計政策(續)

物業、廠房及設備

就生產或供應貨品及服務或就行政目的而持有之物業、廠房及設備按成本減其後之累計折舊及累計減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及使資產達至擬定用途的運作狀況及地點的任何直接應佔成本。

物業、廠房及設備項目投入運作後所產生之開支，如維修及保養等，一般均會於產生期間自損益扣除。於屬符合確認條件之情況下，大型檢修之開支於資產賬面值中資本化為一項重置。倘物業、廠房及設備之重要部分須分階段重置，則本集團將該等部分確認為具有特定使用年期及折舊之個別資產。

折舊乃就物業、廠房及設備各項目之估計可使用年期以直線法撇銷其成本至其剩餘價值計算。就此採用之主要折舊年率如下：

租賃物業裝修	租期或20% (以較短者為準)
傢俬、裝置辦公設備	20%
汽車	20%

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than trade and other receivables, inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

4. 主要會計政策 *(續)*

物業、廠房及設備 *(續)*

倘物業、廠房及設備項目不同部分之可使用年期不同，則該項目之成本按合理基準於不同部分間分配，而各部分會分開折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度末進行檢討及調整(如適用)。

物業、廠房及設備項目及初步確認之任何重大部分於出售時或預期使用或出售該項目將不會帶來未來經濟利益時取消確認。於資產取消確認之年度於益損內確認之出售或報廢之收益或虧損指相關資產銷售所得款項淨額與賬面值之差額。

非金融資產減值

倘存在減值跡象，或需要對資產(貿易及其他應收賬款、存貨及金融資產除外)進行年度減值測試時，則會估計資產的可收回金額。資產的可收回金額乃以資產或現金產生單位的使用價值與其公平值減出售成本兩者中的較高者為準，並就個別資產作出釐定，惟倘資產並不產生基本上獨立於其他資產或資產組別的現金流入則當別論，在此情況下，可收回金額按資產所屬現金產生單位釐定。

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)

Financial assets

Financial assets are initially recognised on the trade date, that is, the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Initial recognition and classification of financial assets

The classification of financial assets at initial recognition depends on their contractual cash flow characteristics and the business model for managing the instruments. Financial assets are classified as measured at amortised cost, fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”) (either with recycling to profit or loss for debt instruments or without recycling to profit or loss for equity investments). On initial recognition, the Group measures a financial asset (unless it is a trade receivable without a significant financial component that is initially measured at the transaction price) at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs of financial assets carried at FVTPL are recognised in profit or loss.

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

The measurement of financial assets depends on their classification as follows:

4. 主要會計政策(續)

金融資產

金融資產初步於交易日(即本集團承諾購買資產當日)確認。正規途徑買賣或銷售乃要求於市場法規或慣例所一般確定之期內交付資產之金融資產買賣或銷售。

金融資產的初始確認及分類

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及管理該等工具的業務模式。金融資產分類為按攤銷成本、按公平值計入損益(「按公平值計入損益」)及按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量(債務工具可轉回至損益，而權益工具則不可轉回至損益)。於初始確認時，本集團金融資產(首次按交易價計量的並無重大融資部份的貿易應收款項除外)按其公平值加上與收購金融資產直接應佔的交易成本計量(倘屬並非按公平值計入損益計量的金融資產)。按公平值計入損益計量的金融資產的交易成本於損益確認。

確定具有嵌入衍生工具的金融資產的現金流量是否僅為支付本金及利息時，應整體考慮該等金融資產。

金融資產取決於其分類的計量如下：

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial assets *(Continued)*

Financial assets at amortised cost

Financial assets are measured at amortised cost if they meet both of the following conditions and are not designated as at FVTPL:

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

Debt investments at FVOCI

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

- It is held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investment at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment by investment basis.

4. 主要會計政策 *(續)*

金融資產 *(續)*

按攤銷成本計量的金融資產

倘金融資產同時符合以下條件，且並無指定按公平值計入損益，則該金融資產按攤銷成本計量：

- 目的是持有金融資產以收取合約現金流量的於業務模式內持有的金融資產；及
- 金融資產的合同條款於特定日期產生的現金流量僅為支付本金和未償還本金的利息。

按公平值計入其他全面收益的債務投資

倘債務投資符合以下兩個條件並且未指定為按公平值計入損益，則債務投資按公平值計入其他全面收益計量：

- 目的是透過收取合約現金流量和出售金融資產實現的以業務模式持有的債務投資；及
- 債務投資的合同條款於特定日期產生的現金流量僅為支付本金和未償還本金的利息。

按公平值計入其他全面收益的股權投資

於初次確認並非持作買賣用途的股權投資時，本集團可不可撤回地選擇於其他全面收益中呈列投資公平值的後續變動。該選擇乃按投資逐項作出。

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)

Financial assets (Continued)

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This included all derivative financial assets and equity investments that are held for trading. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking.

Subsequent measurement

Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value. Except for derivatives designated as hedging instruments, changes in fair value are recognised as net gains or losses in profit or loss. Interest and dividend income are recognised as other income in profit or loss.

Financial assets at amortised cost

These financial assets (including loans and receivables) are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest rate ("EIR").

4. 主要會計政策(續)

金融資產(續)

按公平值計入損益計量的金融資產

未按上述分類為攤銷成本或按公平值計入其他全面收益計量的所有金融資產均按公平值計入損益計量。此包括所有衍生金融資產及持作買賣股權投資。於初始確認時，本集團可不可撤回地指定金融資產(於其他方面符合按攤銷成本計量或按公平值計入其他全面收益的規定)為按公平值計入損益，前提是有關指定可消除或大幅減少會計錯配發生。

金融資產在購買或發行時主要是為了通過交易活動進行短期盈利或者是作為共同管理的金融工具組合的一部份而持作買賣，有證據表明最近短期盈利模式。

後續計量

按公平值計入損益計量的金融資產

按公平值計入損益計量的金融資產隨後按公平值計量。除指定為對沖工具的衍生工具外，公平值變動在損益中確認為淨收益或損失。利息及股息收入在損益中確認為其他收入。

按攤銷成本計量的金融資產

該等金融資產(包括貸款和應收款項)隨後按攤銷成本計量。攤銷成本乃透過計及發行基金的任何折價或溢價，以及作為實際利率(「實際利率」)組成部分的成本計算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent measurement (Continued)

Debt investments at FVOCI

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as other income in profit or loss when the Group's right to receive payments is established unless the dividend clearly represent a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income and cannot be subsequently reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is held for trading, is a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value with net gains or losses, including interest expenses, recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4. 主要會計政策(續)

後續計量(續)

按公平值計入其他全面收益計量的債務投資

按公平值計入其他全面收益計量的債務投資隨後按公平值計量。使用實際利率法計算利息收入、外匯損益及於損益中確認的減值。其他淨收益及虧損於其他全面收益確認。於終止確認時，其他綜合收益中累計的收益和損失將重新分類至損益。

按公平值計入其他全面收益計量的股權投資

按公平值計入其他全面收益計量的股權投資隨後按公平值計量。股息於確立本集團收取付款權利時於損益中確認為其他收入(股息明確代表收回的部分投資成本)。其他淨收益和虧損於其他全面收益中確認，並不能隨後重新分類至損益。

金融負債

金融負債分類為按攤銷成本或按公平值計入損益計量。倘金融負債持作買賣、為衍生品或於初始確認時指定為衍生品，則分類為按公平值計入損益計量。按公平值計入損益計量的金融負債按淨收益或虧損的公平值計量(包括利息支出)，於損益中確認。

其他金融負債其後以實際利率法按攤銷成本計量。利息支出和外匯損益於損益中確認。終止確認的任何收益或虧損亦於損益中確認。

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)

Financial liabilities (Continued)

Convertible notes

Convertible notes that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible notes is measured at fair value based on the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. The equity component is initially recognised at the difference between the fair value of the convertible notes as a whole and the fair value of the liability component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the note is converted or redeemed.

If the note is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, the capital reserve is released directly to retained profits.

4. 主要會計政策(續)

金融負債(續)

可換股票據

可換股票據可按持有人的選擇轉換為股本，倘轉換後發行的股份數目及當時收取的代價價值並無變動，則可轉換票據作為兼具負債及權益成份的複合金融工具入帳。

於初始確認時，可換股票據的負債部分乃基於未來利息及本金付款的現值按公平值計量，並按初步確認時適用的市場利率折現至並無轉換權的類似負債。權益部分初步按可換股票據整體公平值與負債部分之公平值之間的差額確認。與發行複合金融工具有關的交易成本按所得款項分配比例分配至負債及權益部分。

負債部分其後按攤銷成本列賬。於損益中確認的負債部分的利息費用使用實際利率法計算。權益部分於資本儲備中確認，直至票據轉換或贖回。

倘轉換票據，則資本儲備連同轉換時負債部分的賬面值將轉撥至股本及股份溢價作為已發行股份之代價。倘票據被贖回，則資本儲備直接發放至保留溢利。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities during the year.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's combined statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

4. 主要會計政策 *(續)*

金融資產及負債之重新分類

除本集團收購、出售或終止業務線等例外情況外，本集團並無於初步確認後重新分類其金融資產。金融負債從不作重新分類。本集團於本年度內並無重新分類其任何金融資產或負債。

終止確認金融資產及負債

當符合下列條件時根本上終止確認(即自本集團之合併財務狀況表移除)金融資產(或(如適用)金融資產的一部分或一組同類金融資產的一部分):

- 自資產收取現金流量之權利已屆滿；或
- 本集團已轉讓其自資產收取現金流量之權利及(a)本集團已轉讓該資產的絕大部分風險及回報，或(b)本集團既無轉讓亦無保留該資產的絕大部分風險及回報，但已轉讓該資產之控制權。

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)

Derecognition of financial assets and liabilities (Continued)

When the Group has transferred its rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified and the cash flows of the modified liability are substantially different, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability. The difference between the respective carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4. 主要會計政策(續)

終止確認金融資產及負債(續)

當本集團已轉讓其自資產收取現金流量之權利，則其評估是否已保留該資產之風險及回報及保留到何種程度。倘本集團既無轉讓亦無保留資產的絕大部分風險及回報，及並無轉讓該資產之控制權，則本集團繼續確認所轉讓之資產，並以本集團之持續參與為限。於此情況下，本集團亦確認相關負債。已轉讓資產及相關負債基於可反映本集團保留之權利及義務計量。

當金融負債項下之責任已履行、被取消或屆滿時，終止確認該金融負債。

當現有金融負債被同一債權人以另一金融負債替代，而該項金融負債之條款與現有負債之條款存在顯著差異，或現有負債之條款大幅改動及經修改後負債之現金流量大不相同，則該交換或改動被視為終止確認原有負債及確認一項新負債。原金融負債之各賬面值與已付代價之差額於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets

HKFRS 9 requires the Group to record an allowance for expected credit loss (“ECL”) for financial assets measured at amortised cost.

The ECL allowance is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset’s original EIR.

The Group has applied HKFRS 9’s simplified approach and has calculated ECLs based on lifetime expected credit losses for receivables. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4. 主要會計政策 *(續)*

金融資產減值

香港財務報告準則第9號要求本集團須就其按攤銷成本計量之金融資產記錄預期信貸虧損（「預期信貸虧損」）撥備。

預期信貸虧損撥備以按合約到期的合約現金流及本集團預期收到的全部現金流之差額為基準。其後差額按與資產原實際利率的相若金額貼現。

本集團已應用香港財務報告準則第9號之簡化方法並基於應收款項之全期預期信貸虧損計算預期信貸虧損。本集團已建立一個撥備矩陣，其基於本集團之過往信貸虧損經驗，並就債務人特定之前瞻性因素及經濟環境作出調整。

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)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise cash on hand and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flow (where the effect is material).

4. 主要會計政策(續)

抵銷金融工具

金融資產及金融負債可抵銷及淨額於財務狀況表內呈報，前提是現時具有可執行權利可抵銷已確認金額並有意按淨額基準結算或同時變現資產及償付負債。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括手頭現金及短期高流動性投資(可隨時兌換為已知現金金額，價值變動風險不大，且期限短，一般為購入時起計三個月內)，減須按要求償還及構成本集團現金管理一部分的銀行透支。

就財務狀況表而言，現金及現金等值項目指手頭現金及銀行現金，包括並無使用限制之定期存款及類似現金性質的資產。

撥備

當本集團因過往事件而存有現行責任及本集團可能需要履行該責任，則確認撥備。撥備以作出於報告期末履行現行責任所需代價之最佳估計計量，並計及履行責任之風險及不明朗因素。倘撥備按履行現行責任估計所需之現金流量計量，則其賬面值為有關現金流量之現值(如影響重大)。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable based on the consideration specified in a contract with a customer for the services in the ordinary course of the Group's activities. Revenue is shown, net of discounts. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or services (that is an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset; and when specific criteria have been met for each of the Group's activities on the following bases:

- (i) Tuition revenue from educational programs is recognised over time with reference to the detailed terms of relevant education programs as stipulated in the contracts. The performance obligation is satisfied over time as services are rendered.
- (ii) Revenue from sales of educational materials and products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.
- (iii) Interest income is recognised as it accrues using the effective interest method.

4. 主要會計政策 *(續)*

收入確認

收入按已收或應收代價之公平值計量，乃基於於本集團日常業務過程中就有關服務與客戶之合約中所訂明之代價。收入於扣除折扣後列示。當本集團通過向客戶轉移所承諾之貨品或服務(即為一項資產)履行履約責任時即確認收入。當(或於)客戶取得資產之控制權時即表示資產已轉移；及按下列基準本集團各項業務活動符合具體標準時：

- (i) 教學課程之收入參考有關合約內規定之相關教學課程之詳盡條款隨時間確認。履約責任於提供服務時隨時間達成。
- (ii) 教學材料及產品之銷售收入於資產之控制權轉移客之時間點(通常為貨品交付時)確認。
- (iii) 利息收入於應計時使用實際利息法確認。

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)

Employee benefits

(i) **Short term employee benefits and contributions to defined contribution retirement plans**

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in the profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independent administered fund.

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

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

4. 主要會計政策(續)

僱員福利

(i) **短期僱員福利及定額供款退休計劃之供款**

定額供款退休計劃之供款責任於產生時在損益確認為開支。該計劃之資產與本集團之資產分開持有，存放於獨立管理之基金。

僱員應得之年假及長期服務金於應計予僱員時確認。本集團將就僱員於報告期末前提供服務所得之年假及長期服務金涉及之估計負債作出撥備。

僱員應得之病假及產假或陪產假於休假時確認。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Employee benefits *(Continued)*

(ii) Share-based payments

The Group operates equity-settled share-based compensation scheme (“Scheme”) to remunerate its employees.

For share options granted under the Scheme, the fair value of the employees’ services rendered in exchange for the grant of the options is recognised as an expense immediately and credited to the share-based payment reserve under equity. Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting periods. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the profit or loss, and a corresponding adjustment to the share-based payment reserve.

Upon exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price over the nominal value of the shares is recorded by the Company in the share premium account. The equity amount is recognised in the share-based payment reserve until the option is exercised when it is transferred to the share premium account. If the options lapse unexercised, the related share-based payment reserve is transferred directly to retained profits.

4. 主要會計政策 *(續)*

僱員福利 *(續)*

(ii) 以股支付款項

本集團設有以股權結算之以股支付薪酬計劃(「計劃」)，藉以向僱員提供獎賞。

就根據該計劃授出之購股權而言，僱員就獲授購股權而提供之服務之公平值乃即時確認作開支並撥入權益項下之以股支付儲備。如僱員須達到歸屬條件才可享有購股權，本集團將會於歸屬期內確認所授購股權之公平值。於各報告期末，本集團修訂其預期可獲行使之購股權數目之估計。其於損益確認修訂原先估計(如有)之影響，並在以股支付儲備中作出相應調整。

於購股權獲行使後，本公司將把因此發行之股份按股份之面值記錄為額外股本，而行使價超出股份面值之數額則記入本公司股份溢價賬。權益金額於以股支付儲備內確認，直至購股權被行使，在此情況下將轉撥至股份溢價賬內。倘購股權失效而未有行使，相關以股支付儲備則會直接轉撥入保留溢利。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased property or, if lower, the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

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

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

4. 主要會計政策(續)

租賃

凡將資產所有權之絕大部分回報及風險(法定所有權除外)轉移至本集團之租約,均視作融資租賃。融資租賃開始時,租賃資產之成本即按出租物業之公平值或最低租賃付款之現值(以較低者為準)予以資本化,並連同負債(不計利息部分)一併記錄,以反映購置及融資。根據已資本化之融資租賃持有之資產(包括融資租賃項下之預付土地租賃款項)會列入物業、廠房及設備,並按該等資產之租賃期限及估計可用年期兩者中之較短者進行折舊。該等租約之融資成本自損益中扣除,以得出一個於租約期間內之固定週期支銷率。

凡根據具備融資性質之租購合約購入之資產皆被列為融資租賃,惟須按彼等估計之可用年期予以折舊。

凡資產所有權之絕大部分回報及風險仍由出租人承擔之租約,均視為經營租賃。倘本集團為出租人,本集團根據經營租賃出租之資產列入非流動資產內,而經營租賃之應收租金乃按租賃期以直線法列入損益;倘本集團為承租人,經營租賃之應付租金於扣除自出租人收取的任何獎勵後在租賃期內乃按直線法計入損益。

經營租賃項下之預付土地租賃款項初步按成本列賬,其後乃在租賃期內按直線法確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

4. 主要會計政策(續)

借貸成本

直接歸屬於收購、建造或生產合資格資產的一般及特定借貸成本於完成及準備資產作預定用途或銷售所需的期間內撥充資本。合格資產是需要花費相當長時間才能為其預定用途或銷售做好準備的資產。其他借貸成本於產生期間支銷。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認之項目有關之所得稅於損益外，在其他全面收益或直接於權益確認。

本期間及過往期間之即期稅項資產及負債乃按預期自稅務機關退回或向稅務機關支付之金額根據於報告期末已頒佈或實際上已頒佈之稅率(及稅法)，並計及本集團經營所在國家當前之詮釋及慣例計量。

遞延稅項乃採用負債法，就於報告期末之資產及負債之計稅基準及該等項目就財務申報之賬面值之所有暫時差額作出撥備。

一切應課稅暫時差額均確認為遞延稅項負債，惟：

- 業務合併以外之交易中初步確認之商譽或資產或負債所產生，且於交易時並不應影響會計溢利或應課稅損益之遞延稅項負債除外；及

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)

Income tax (Continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

4. 主要會計政策(續)

所得稅(續)

- 就與於附屬公司、聯營公司及合資公司之投資有關之應課稅暫時差額而言，若撥回暫時差額之時間可以控制及暫時差額可能不會在可見之將來撥回除外。

所有可予扣減暫時差額、未動用稅項抵免結轉及未動用稅項虧損於可能獲得應課稅溢利作為抵銷該等可予扣減暫時差額、未動用稅項抵免結轉及未動用稅項虧損之情況下，均確認為遞延稅項資產，惟：

- 關乎業務合併以外之交易中初步確認之資產或負債所產生，且於交易時並不影響會計溢利或應課稅損益之可予扣減暫時差額之遞延稅項資產除外；及
- 就與於附屬公司、聯營公司及合資公司之投資有關之可予扣減暫時差額而言，僅於暫時差額可能會在可見之將來撥回及將有應課稅溢利抵銷暫時差額之情況下，才確認遞延稅項資產除外。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the profit or loss.

4. 主要會計政策 *(續)*

所得稅 *(續)*

遞延稅項資產之賬面值乃於各報告期末進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部分遞延稅項資產為止。未確認遞延稅項資產於各報告期末重新評估，並於可能存有足夠應課稅溢利可供收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃根據於報告期末前已頒佈或實質頒佈之稅率（及稅法），按變現資產或清償負債期間預期適用之稅率予以計量。

遞延稅項資產可與遞延稅項負債抵銷，惟必須存在容許將即期稅項資產抵銷即期稅項負債的可合法執行權利，且遞延稅項與同一應課稅實體及同一稅務當局有關，方可實行。

外幣

該等財務報表均以港元呈列，而港元乃本公司之功能及呈報貨幣。本集團旗下各實體自行決定功能貨幣，而各實體財務報表中包含之項目以其功能貨幣計量。本集團之實體記錄之外幣交易按交易日期適用之各自功能貨幣匯率初步入賬。以外幣為單位之貨幣資產及負債以報告期末適用之功能貨幣匯率換算，差額一律記入損益。

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)

Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

For the purpose of the consolidated statement of cash flow, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

4. 主要會計政策(續)

外幣(續)

以歷史成本計量之外幣列值非貨幣項目，按初步交易日期之匯率換算。以外幣公平值計量之非貨幣項目，則以公平值釐定日期之匯率換算。

若干海外附屬公司及聯營公司之功能貨幣乃港元以外貨幣。於報告期末，該等實體之資產及負債以報告期末適用之匯率換算為本公司之呈報貨幣，其損益則以全年加權平均匯率換算為港元。

所產生之匯率差額於其他全面收益內確認並於匯兌波動儲備內累計。出售海外業務時，與該特定海外業務有關之其他全面收入部分，在損益中予以確認。

就綜合現金流量表而言，海外附屬公司之現金流量均按現金流量日期之匯率換算為港元。海外附屬公司在年內經常出現之現金流量均按年內加權平均匯率換算為港元。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

4. 主要會計政策 *(續)*

關連方

在下列情況下，有關方將被視為與本集團有關連：

- (a) 有關方直接或間接透過一名或多名中介人(i)控制本集團、受本集團控制，或與本集團受到共同控制；(ii)於本集團擁有的權益足以令其對本集團造成重大影響；或(iii)擁有對本集團的共同控制權；
- (b) 有關方為聯營公司；
- (c) 有關方為共同控制實體；
- (d) 有關方為本集團或其母公司之主要管理層人員；
- (e) 有關方為(a)或(d)項所述任何個人之近親；
- (f) 有關方屬於被(d)或(e)項所述任何個人直接或間接控制、共同控制、或實施重大影響，或對該實體有重大投票權之實體；或
- (g) 有關方為就本集團或屬本集團關連方之任何實體的僱員的利益而設的離職後福利計劃。

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. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual value. The Company assesses annually the residual value and the useful lives of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will affect the depreciation charges in the year in which the estimates change.

Estimation uncertainty

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

5. 關鍵會計判斷及估計

編製本集團財務報表須由管理層於報告期末作出影響收入、開支、資產及負債之報告金額及或然負債之披露之判斷、估計及假設。然而，有關該等假設及估計之不明朗因素會導致可能須對日後受到影響之資產或負債賬面值進行重大調整之後果。

判斷

於應用本集團之會計政策過程中，除涉及估計者外，管理層作出以下對在財務報表中已確認之數額具有重大影響之判斷：

物業、廠房及設備之折舊

物業、廠房及設備於考慮估計剩餘價值後按直線法於彼等之估計使用期限內計提折舊。本公司每年評估物業、廠房及設備之剩餘價值及使用期限，倘預期偏離原先估計，則與原先估計之差異將影響估計改變年度之折舊費用。

估計不明朗因素

具有重大風險而可導致對下一財政年度資產及負債賬面值作出重大調整之有關未來之主要假設及於報告期末估計不明朗因素之其他主要來源，茲論述如下。

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

(Continued)

Estimation uncertainty (Continued)

Impairment loss on other receivables

Management regularly reviews the recoverability of the other receivables. Appropriate impairment for expected credit losses is recognised in the profit or loss.

The Group has applied HKFRS 9's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Valuation of share options granted

The fair value of share options granted was calculated using the Black-Scholes valuation model/Trinomial Option Pricing Model which requires the management's estimates and assumptions on significant calculation inputs, including the estimated life of share options granted, the volatility of share price and expected dividend yield. Change in the subjective input assumptions could materially affect the fair value estimate.

5. 關鍵會計判斷及估計(續)

估計不明朗因素(續)

貿易及其他應收賬款之減值虧損

管理層定期檢討其他應收賬款之可收回情況。預期信貸虧損的適當減值於損益確認。

本集團已應用香港財務報告準則第9號之簡化方法並基於全期預期信貸虧損計算預期信貸虧損。本集團已建立一個撥備矩陣，其基於本集團之過往信貸虧損經驗，並就債務人特定之前瞻性因素及經濟環境作出調整。

已授出購股權之估值

已授出購股權之公平值乃使用柏力克－舒爾斯期權定價模式／三項式期權定價模式計算，該模式要求管理層對重大計算參數作出估計及假設，當中包括已授出購股權之估計期限、股價波幅及預期股息率。倘主觀輸入參數假設有任何改變，可能對公平值估計造成重大影響。

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. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

(Continued)

Estimation uncertainty (Continued)

Impairment loss of goodwill

Determining whether goodwill needs impairment requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flow is less than expected, a material impairment loss may arise.

As at 31 December 2018, the carrying amount of goodwill is nil (2017: Nil).

Impairment loss of investment in an associate

The Group assesses if investment in associate has suffered any impairment in accordance with HKAS 36. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause the adjustments of their carrying amounts.

5. 關鍵會計判斷及估計(續)

估計不明朗因素(續)

商譽減值虧損

釐定商譽是否需要減值時須對獲分配商譽之現金產生單位之使用價值作出估計。計算使用價值時實體須估計預期未來來自現金產生單位之現金流量及適用折現率以計算現值。倘實際未來現金流量較預期少，則會產生重大減值虧損。

於二零一八年十二月三十一日，商譽之賬面值為零(二零一七年：零)。

投資一間聯營公司之減值虧損

本集團根據香港會計準則第36號評估於聯營公司之投資有否發生任何減值。有關方法之詳情載於各自之會計政策中。評估須估計未來現金流量(包括預期股息)，並選用合適之貼現率。該等實體之財務表現及狀況於未來之變動會影響到減值虧損估計，因而須調整其賬面值。

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

(Continued)

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The directors have determined the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the Group's contingent consideration receivable, financial assets at fair value through profit or loss and share options granted, the Group uses market-observable data to the extent it is available. The management of the Group will exercise its judgements based on its experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company.

5. 關鍵會計判斷及估計(續)

公平值計量及估值程序

本集團部分資產就財務報告用途按公平值計量。董事已就公平值計量釐定適當的估值技術及輸入數據。

在估計本集團應收或然代價、透過損益按公平值列賬之金融資產及已授出購股權的公平值時，本集團使用現有市場可觀察數據。本集團管理層將基於經驗作出判斷，以制定及釐定適當的估值技術及估值模型輸入數據。如資產的公平值有重大變動，波動原因將向本公司董事彙報。

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

6. OPERATING SEGMENT INFORMATION

Business segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group is currently having one continuing operating segment on a single business in a single geographical location, which is the provision of an internet platform for the facilitation of education program in Chinese medicine and other advisory and training programs in the PRC, and all the assets are substantially located in the PRC. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief operating decision maker.

Information about a major customer

No transactions with a single external customer amount to 10% or more of the Group's revenue during the years ended 31 December 2018 and 2017.

6. 經營分類資料

業務分類

經營分部以有關本集團的組成部分的內部報告作為基準進行辨識，報告乃定期由主要營運決策者審視，以便對有關分部進行資源分配及評估其表現。

因本集團目前於單一地區擁有一個持續經營業務分部，進行單一業務，即於中國從事提供互聯網平台以促進中醫教育項目及其他諮詢及培訓項目，以及所有資產基本上位於中國，故本集團只有單一報告分部，由主要營運決策者定期審視。

主要客戶之資料

於截至二零一八年及二零一七年十二月三十一日止年度，概無單一外部客戶之交易額佔本集團收入10%或以上。

7. REVENUE

An analysis of the Group's turnover for the years is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Tuition fee revenue	教學課程之收入	57,856	52,757
		57,856	52,757

7. 收入

本集團於年內之營業額分析如下：

8. OTHER INCOME

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income	利息收入	422	203
Sundry income	雜項收入	20	200
Reversal of impairment loss on other receivable	其他應收款項之減值虧損撥回	-	2,975
Net exchange gains	匯兌收益	-	5,470
Net realised gains on financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之變現收益淨值	-	192
Net unrealised gains on financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之未變現收益淨額	49	-
Fair value change of contingent consideration receivable	應收或然代價之公平值變動	14,685	-
		15,176	9,040

8. 其他收入

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

9. OTHER LOSSES

9. 其他虧損

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net unrealised losses on financial assets at fair value through profit or loss	-	259
Net exchange losses	10	-
Impairment loss on asset held for sale (net of gain on waiver of contingent consideration of HK10,000,000)	-	1,640
Fair value change of contingent consideration receivable	-	1,180
	10	3,079

10. FINANCE COSTS, NET

10. 融資成本淨額

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest expenses on financial liabilities measured at amortised cost	10,225	6,370
	10,225	6,370

11. LOSS FOR THE YEAR

11. 本年度虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax has been arrived at after charging:	除稅前虧損已扣除下列各項：		
Staff costs (including directors' emoluments)	僱員成本(包括董事酬金)		
– Basic salaries and allowances	– 基本薪金及津貼	16,829	16,184
– Contributions to defined contribution plans	– 定額供款計劃之供款	918	814
– Other	– 其他	555	1,469
– Equity-settled share-based payments	– 以股權結算之以股支付款項	–	27,278
Total staff costs	總僱員成本	18,302	45,745
Auditors remuneration:	核數師酬金：		
– Audit service	– 核數服務	800	800
Legal and professional fee	法律及專業費用	12,263	24,877
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,611	2,031
Payments under operating lease for land and buildings	土地及樓宇經營租約項下付款	5,550	3,215
Equity-settled share-based payments (including staff and directors)	以股權結算之以股支付款項 (包括僱員及董事)	–	28,905
Impairment losses on other receivables	其他應收賬款減值虧損	3,000	–

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 EMPLOYEES' EMOLUMENTS

12. 董事及僱員酬金

a. Directors' emoluments

a. 董事酬金

		Salaries, allowances and benefits	Fees in kind	Retirement scheme contributions	Equity- settled share-based payments	Performance related bonuses	Payments for termination of service of directors	Total
		薪金、津貼及 袍金	實物利益	退休計劃 供款	以股權結算之 以股支付款項	表現 相關花紅	終止董事 服務之付款	總計
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
For the year ended	截至二零一八年十二月							
31 December 2018	三十一日止年度							
Executive Directors	執行董事							
Mr. Yuan Wei	袁偉先生	1,500	112	18	-	-	-	1,630
Ms. Zhang Jianxin	張建新女士	600	-	-	-	-	-	600
Mr. Zheng Zhijing	鄭植京先生	600	-	-	-	-	-	600
Ms. Lin Yan	林艷女士	600	-	8	-	-	-	608
Ms. Wong Hiu Pui	王曉貝女士	600	-	-	-	-	-	600
Independent Non- Executive Directors	獨立非執行董事							
Ms. Yang Qingchun	楊慶春女士	42	-	2	-	-	-	44
Mr. Tang Jiuda	湯究達先生	70	-	-	-	-	-	70
Mr. Li Qunsheng	李群盛先生	59	-	-	-	-	-	59
Mr. Wang Xinsheng	王新生先生	29	-	-	-	-	-	29
Ms. Lu Xiaowei	蘆曉薇女士	100	-	-	-	-	-	100
		4,200	112	28	-	-	-	4,340

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

12. 董事及僱員酬金(續)

a. Directors' emoluments (Continued)

a. 董事酬金(續)

		Salaries, allowances and benefits	Fees in kind	Retirement scheme contributions	Equity-settled share-based payments	Performance related bonuses	Payments for termination of service of directors	Total
		薪金、津貼及袍金	實物利益	退休計劃供款	以股權結算之	表現相關花紅	終止董事服務之付款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
For the year ended	截至二零一七年十二月							
31 December 2017	三十一日止年度							
Executive Directors	執行董事							
Mr. Yuan Wei	袁偉先生	1,000	170	18	501	83	–	1,772
Ms. Zhang Jianxin	張建新女士	600	–	–	–	–	–	600
Mr. Wong Wai Wa	王為華先生	480	–	–	–	–	–	480
Mr. Zheng Zhijing	鄭植京先生	375	–	–	1,669	–	–	2,044
Ms. Lin Yan	林艷女士	375	–	–	–	–	–	375
Ms. Wong Hiu Pui	王曉貝女士	202	–	–	–	–	–	202
Independent Non-Executive Directors	獨立非執行董事							
Dr. Huang Chung Hsing	黃崇興博士	57	–	–	334	–	–	391
Ms. Li Ya Ru	李雅茹女士	92	–	–	501	–	–	593
Mr. Li Qunsheng	李群盛先生	100	–	–	501	–	–	601
Mr. Wang Xinsheng	王新生先生	8	–	–	–	–	–	8
Ms. Lu Xiaowei	蘆曉薇女士	6	–	–	–	–	–	6
		3,295	170	18	3,506	83	–	7,072

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 EMPLOYEES' EMOLUMENTS (Continued)

a. Directors' emoluments (Continued)

Notes:

- (i) Mr. Wang Xinsheng was resigned on 17 April 2018
- (ii) Mr. Tang Jiuda was appointed on 17 April 2018
- (iii) Mr. Li Qunsheng was resigned on 2 August 2018
- (iv) Ms. Yang Qingchun was appointed on 2 August 2018

The amounts of equity-settled share-based payments for the year ended 31 December 2017 were measured according to the Group's accounting policies for share-based payment transactions as set out in note 4 to the financial statements.

None of the directors of the Company waived or agreed to waive any emoluments paid by the Company and no incentive payment for joining the Company to any director of the Company during the two years ended 31 December 2018 and 2017.

12. 董事及僱員酬金(續)

a. 董事酬金(續)

附註：

- (i) 王新生先生於二零一八年四月十七日辭任
- (ii) 湯究達先生於二零一八年四月十七日上任
- (iii) 李群盛先生於二零一八年八月二日辭任
- (iv) 楊慶春女士於二零一八年八月二日上任

截至二零一七年十二月三十一日止年度之以股權結算之以股支付款項乃根據財務報表附註4所載本集團有關以股支付交易之會計政策計量。

截至二零一八年及二零一七年十二月三十一日止兩個年度，概無本公司董事放棄或同意放棄任何由本公司支付之酬金，亦無就加入本公司支付任何獎賞款項予本公司任何董事。

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

b. Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, one (2017: Nil) was director of the Company, whose remunerations are included in the disclosures above. The remunerations of the remaining four (2017: five) individuals were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries allowances and benefits in kind	薪金、津貼及實物利益	5,798	2,075
Retirement scheme contributions	退休計劃供款	18	-
Equity-settled share-based payments	以股權結算之以股支付款項	-	13,187
		5,816	15,262

Their remunerations were within the following band:

彼等之薪酬處於下列範圍內：

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$ Nil to HK\$1,000,000	零至1,000,000港元	1	0
HK\$1,000,001 to HK\$6,000,000	1,000,001港元至6,000,000港元	4	5

12. 董事及僱員酬金(續)

b. 五位最高薪人士

本集團五位最高薪人士包括本公司一名(二零一七年：零名)董事，彼等之薪酬於上文披露。支付予其餘四名(二零一七年：五名)人士之薪酬如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries allowances and benefits in kind	5,798	2,075
Retirement scheme contributions	18	-
Equity-settled share-based payments	-	13,187
	5,816	15,262

Their remunerations were within the following band:

彼等之薪酬處於下列範圍內：

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$ Nil to HK\$1,000,000	零至1,000,000港元	1	0
HK\$1,000,001 to HK\$6,000,000	1,000,001港元至6,000,000港元	4	5

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

During the year ended 31 December 2018, no Hong Kong profits tax has been provided for as the Group did not generate any taxable profits in Hong Kong (2017: Nil).

PRC subsidiaries are subject to PRC Enterprise Income tax at 25% (2017: 25%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

13. 所得稅

截至二零一八年十二月三十一日止年度，由於本集團並無於香港產生任何應課稅溢利，故並無作出香港利得稅撥備(二零一七年：無)。

中國附屬公司乃按25%(二零一七年：25%)的稅率繳納中國企業所得稅。其他司法權區產生之稅項按各個司法權區之現行稅率計算。

本年度的稅費與綜合損益及其他全面收益表之除稅前虧損對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(79,013)	(66,397)
Tax at respective applicable tax rates	按相關適用稅率計算之稅項	(15,230)	(9,432)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	30,619	22,628
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅務影響	(17,949)	(16,804)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	2,560	3,608
Income tax for the year	本年度的所得稅	-	-

14. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

15. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to the owners of the Company of approximately HK\$90,842,000 (2017: HK\$76,543,000), and based on the weighted average number of shares in issue during the year of approximately 3,725,476,210 ordinary shares, as adjusted to reflect the exercise of share options and placing of shares (2017: 3,460,231,376 ordinary shares, as adjusted to reflect the shares by exercise of share options and conversion of convertible notes) during the year.

16. GOODWILL

14. 股息

截至二零一八年十二月三十一日止年度並無派付或擬派付任何股息，於報告期末後亦無建議派付任何股息(二零一七年：無)。

15. 每股虧損

每股基本虧損乃根據本年度本公司持有人應佔虧損約90,842,000港元(二零一七年：76,543,000港元)，以及經調整以反映年內行使購股權及股份配售而發行股份之年內已發行股份加權平均數目約3,725,476,210股普通股(二零一七年：3,460,231,376股普通股，經調整以反映因行使購股權及轉換可換股票據)計算。

16. 商譽

		HK\$'000 千港元
Cost	成本	
At 1 January 2017, 31 December 2017 and 31 December 2018	於二零一七年一月一日、二零一七年 十二月三十一日及二零一八年十二月 三十一日	679,104
Accumulated impairment losses	累計減值虧損	
As at 1 January 2017, 31 December 2017 and 31 December 2018	於二零一七年一月一日、二零一七年 十二月三十一日及二零一八年十二月 三十一日	(679,104)
Carrying amounts	賬面值	
At 31 December 2018	於二零一八年十二月三十一日	-
At 31 December 2017	於二零一七年十二月三十一日	-

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. GOODWILL (Continued)

Notes:

- i. Goodwill arose on acquisition of subsidiaries New Beida Business Study Net Group Limited is HK\$647,598,000 on 27 February 2008.
- ii. Goodwill arose on acquisition of subsidiaries, IIN Medical (BVI) Group Limited (“IIN Medical (BVI)”) and its subsidiaries on 23 April 2009.
- iii. Goodwill arose on acquisition of non-controlling interests of Hunan IIN Medical Network Technology Development Company Limited, a subsidiary of IIN Medical (BVI), in May 2009.

Goodwill arose on acquisition of ii and iii is HK\$31,506,000.

Impairment testing of goodwill

i. Acquisition of New Beida Business Study Net Group Limited (“New Beida”)

As at the year ended 31 December 2009, the Group had performed an impairment testing of goodwill arose on acquisition of New Beida with reference to a valuation carried out by LCH (Asia – Pacific) Surveyors Limited (“LCH”), an independent qualified valuer. As New Beida sustained a negative cash flow for the year ended 31 December 2009 and such position was expected to continue in the foreseeable future, the directors of the Company were of the opinion that the income approach was inappropriate to reflect the value of New Beida as at 31 December 2009. The asset-based approach had been adopted for the valuation for the year ended 31 December 2009, as opposed to the valuation carried out by LCH for the year ended 31 December 2008 where the income approach was adopted. Based on the business valuation, the Group had recognised an impairment loss of HK\$326,115,000 in relation to goodwill arose on acquisition of New Beida for the year ended 31 December 2009 (2008: HK\$321,483,000). As a result, the goodwill arose on acquisition of New Beida was identified to be fully impaired.

16. 商譽(續)

附註：

- i. 商譽乃於二零零八年二月二十七日收購附屬公司新北大商學網集團有限公司時產生，為647,598,000港元。
- ii. 商譽乃於二零零九年四月二十三日收購附屬公司國訊醫藥(BVI)集團有限公司(「國訊醫藥(BVI)」)及其附屬公司時產生。
- iii. 商譽乃於二零零九年五月收購國訊醫藥(BVI)之附屬公司－湖南國訊醫藥網絡科技開發有限公司之非控股權益時產生。

商譽乃於收購ii及iii時產生，為31,506,000港元。

商譽減值測試

i. 收購新北大商學網集團有限公司(「新北大」)

截至二零零九年十二月三十一日止年度，本集團參考獨立合資格估值師利駿行測量師有限公司(「利駿行」)所作之估值，進行因收購新北大所產生商譽的減值測試。由於新北大於截至二零零九年十二月三十一日止年度持續錄得負現金流量，而該狀況預期於可見未來仍然持續，本公司董事認為，收入法不適合反映新北大於二零零九年十二月三十一日之價值。資產基準法已採納作為截至二零零九年十二月三十一日止年度之估值方法，而利駿行則於截至二零零八年十二月三十一日止年度採納收入法進行估值。基於上述業務估值，本集團於截至二零零九年十二月三十一日止年度確認有關因收購新北大而產生商譽之減值虧損326,115,000港元(二零零八年：321,483,000港元)。因此，因收購新北大而產生之商譽已視為獲全數減值。

16. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

ii. Acquisition of IIN Medical (BVI)

As at the year ended 31 December 2010, the Group has performed an impairment testing of goodwill arose on acquisition of IIN Medical (BVI) with reference to a valuation carried out by Grant Sherman Appraisal Limited, based on cash flow forecasts derived from the most recent financial budgets for the next five years with a discount rate of 17.83%. The directors of the Company were of the opinion, based on the business valuation, that there the Group had recognised an impairment loss of HK\$31,506,000 in relation to goodwill arose from the acquisition of IIN Medical (BVI) as at 31 December 2010. As a result, the goodwill of HK\$31,506,000 on acquisition of IIN Medical (BVI) was identified to be fully impaired.

The recoverable amount of the goodwill has been determined on the basis of value-in-use calculation. The key factors for the value-in-use calculation are discount rates, growth rates and expected changes in revenue and direct costs. Capital Asset Pricing Model has been adopted to estimate the discount rate by using market data of other companies with business similar to IIN Medical (BVI). The growth rate is based on the historical Consumer Price Index of the PRC. Changes in revenue and direct costs are based on past performance of IIN Medical (BVI) and management's expectation of the market development.

16. 商譽(續)

商譽減值測試(續)

ii. 收購國訊醫藥(BVI)

截至二零一零年十二月三十一日止年度，本集團參照中證評估有限公司作出之估值，就因收購國訊醫藥(BVI)而產生之商譽進行減值測試。有關估值乃根據從最新未來五年財政預算(貼現率17.83%)而進行之現金流量預測進行。本公司董事認為，根據該業務估值，本集團已就於二零一零年十二月三十一日因收購國訊醫藥(BVI)而產生之商譽確認減值虧損31,506,000港元。因此，因收購國訊醫藥(BVI)而產生之商譽31,506,000港元已視為獲全數減值。

商譽之可收回金額已按使用價值計算基準釐定。使用價值計算之主要因素為收益及直接成本之貼現率、增長率及預期變動。資本資產定價模式已獲採納，以採用與國訊醫藥(BVI)從事類似業務之其他公司之市場數據估計貼現率。增長率乃基於中國之過往消費物價指數計算。收益及直接成本之變動乃根據國訊醫藥(BVI)之過往表現及管理層對市場發展之展望而作出。

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. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
		租賃物業裝修	傢俬、裝置及 辦公室設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost	成本				
At 1 January 2017	於二零一七年十二月三十一日	998	13,743	2,078	16,819
Additions	添置	1,700	149	7,000	8,849
Exchange realignment	匯兌調整	-	372	35	407
At 31 December 2017	於二零一七年十二月三十一日	2,698	14,264	9,113	26,075
Additions	添置	120	820	3,101	4,041
Exchange realignment	匯兌調整	-	(793)	(60)	(853)
At 31 December 2018	於二零一八年十二月三十一日	2,818	14,291	12,154	29,263

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

17. 物業、廠房及設備(續)

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Accumulated depreciation and impairment	累計折舊及減值				
At 1 January 2017	於二零一七年一月一日	998	13,399	1,021	15,418
Charge for the year	年內計提	250	123	1,658	2,031
Exchange realignment	匯兌調整	-	364	34	398
At 31 December 2017	於二零一七年十二月三十一日	1,248	13,886	2,713	17,847
Charge for the year	年內計提	600	148	1,863	2,611
Exchange realignment	匯兌調整	-	(719)	(64)	(783)
At 31 December 2018	於二零一八年十二月三十一日	1,848	13,315	4,512	19,675
Carrying amounts	賬面值				
At 31 December 2018	於二零一八年十二月三十一日	970	976	7,642	9,588
At 31 December 2017	於二零一七年十二月三十一日	1,450	378	6,400	8,228

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. INVESTMENT IN AN ASSOCIATE

18. 投資聯營公司

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	101,743	50,000
Reclassification to investment held for sale	重新分類至持作出售投資	-	(50,000)
Addition	增加	4,142	89,880
Share of profits	分攤溢利	3,628	6,009
Impairment loss	減值虧損	(55,027)	-
Exchange realignment	匯兌調整	(3,486)	5,854
At 31 December	於十二月三十一日	51,000	101,743

During the year, the Group made a provision for impairment loss on investment in an associate, Beijing Youli Lianxu Technology Co., Ltd ("Beijing Youli"), of approximately HK\$55,027,000 (2017: HK\$nil). The reason of recognising such impairment losses is due to decreasing consumer spending and general economic conditions. Recently, the threat of trade war severely affected consumer confidence and economic performance. Given that the success of the business of the associate is ultimately depends on consumer spending, the revenues and financial results are impacted to a significant extent by economic conditions in China and globally. The consumer spending is influenced by consumer perception of current and future economic conditions, as the growth of the Chinese economy has slowed recently, consumers are losing confidence and sacrifice online shopping. Looking forward, the trade war may further gloom the global economy.

The entire carrying amount of the investment in an associate is tested for impairment in accordance with HKAS 36 Impairment of Assets by comparing its recoverable amount with its carrying amount.

年內，本集團已就於一間聯營公司北京優力之投資計提減值虧損撥備約55,027,000港元(二零一七年：零港元)。確認該減值虧損的主要原因乃因近期受貿易戰影響，中國及全球經濟增長放緩，消費者失去信心並不斷減少消費支出。鑒於聯營公司之收益及業績很大程度是取決於消費者之消費支出，而消費者對現時及未來經濟狀況有不確定因素，因此消費支出受到影響並減少網上購物。而受貿易戰影響，經濟增長放緩可能會持續一段時間。

根據香港會計準則第36號資產減值，將其可收回金額與其賬面值進行比較，對聯營公司投資的全部賬面值進行減值測試。

18. INVESTMENT IN AN ASSOCIATE

(Continued)

The Group has appointed an independent professional valuer to perform an appraisal of the recoverable amount of the associate as at 31 December 2018. The recoverable amount of the associate has been determined on the basis of value in use calculation. The value in use calculation uses cash flow projections based on financial budgets from 2019 to 2023 by applying compound average growth rate of 26.4% and a discount rate of 14%. Cash inflows/outflows have been determined based on past performance and management's expectations for the market development.

The recoverable amount of the associate is less than its carrying amount. Accordingly, a provision for impairment of approximately HK\$55,027,000 was recognised during the year.

Details of the Group's associate are as follows:

Name of entity	Place of business/ country of incorporation	Principal activities	% of ownership interest	Measurement method
企業名稱	經營地點／註冊成立 地點	主營業務	權益百分比	計量方法

Shares held indirectly:

間接持有之股份：

			2018	2017	
Beijing Youli Lianxu Technology Co., Ltd.	PRC	e-commerce business	49%	49%	Equity
北京優力聯旭科技有限公司	中國	電子商務業務			權益法

Set out below are the summarised financial information of an associate which is accounted for using equity method.

18. 投資聯營公司(續)

於二零一八年十二月三十一日，本集團已委任一名獨立專業估值師對聯營公司的可收回金額進行評估。聯營公司的可收回金額乃根據使用價值計算法釐定。使用價值計算法透過應用複合平均增長率26.4%和貼現率14%，採用基於二零一九年至二零二三年之財務預算的現金流量預測。現金流入/流出已根據過往表現及管理層對市場發展的預期而釐定。

聯營公司的可收回金額低於其賬面值。因此，於本年度確認減值撥備約為55,027,000港元。

本集團之聯營公司詳列如下：

按權益法入賬之一間聯營公司之摘要財務資料如下。

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

18. INVESTMENT IN AN ASSOCIATE

(Continued)

Summarised financial information

18. 投資聯營公司(續)

財務資料概要

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current	流動		
Cash and cash equivalents	現金及現金等值項目	4,220	6,792
Current assets (excluding cash and cash equivalents)	流動資產(不包括現金及現金等值項目)	55,685	88,416
Total current assets	總流動資產	59,905	95,208
Current liabilities	流動負債	26,890	69,997
Non-current	非流動		
Assets	資產	698	836
Net assets	淨資產	33,713	26,047
Revenue	收益	96,237	65,757
Expenses	開支	(88,833)	(53,515)
Profit for the year	年度溢利	7,404	12,242
Loss attributable to non controlling interest of the associate's subsidiary	聯營公司之附屬公司非控股權益應佔虧損	-	20
Total profit for the year attributable to the associate	聯營公司應佔年度溢利總額	7,404	12,262

There were no contingent liabilities relating to the Group's interests in an associate as at 31 December 2018 and 2017.

於二零一八年及二零一七年十二月三十一日，本集團於一間聯營公司之權益並無或然負債。

19. INVESTMENT HELD FOR SALE

19. 持作出售投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Associate held for sale	持作出售投資	-	38,000
		-	38,000
As at 1 January	於一月一日	38,000	50,000
Disposal	出售	(38,000)	-
Impairment	減值	-	(12,000)
As at 31 December	於十二月三十一日	-	38,000

On 23 March 2018, the Group entered into an agreement pursuant to which the seller Million Forever Limited agreed to sell the 45% shares of Business Harbour Limited to the original seller Happy Leisure Corp. which offered to repurchase the shares at a consideration of HK\$38 million satisfied by cash. The disposal was completed in March 2018 and the Group, as a result, incurred a loss of approximately HK\$1,640,000. For detailed information, please refer to the announcement of the Company dated 21 September 2018.

於二零一八年三月二十三日，本集團訂立協議，據此，賣方Million Forever Limited同意向原賣方Happy Leisure Corp.出售Business Harbour Limited之45%股份，而Happy Leisure Corp.同意以代價38,000,000港元（以現金結算）購回股份。該出售已於二零一八年三月完成，及本集團因此產生虧損約1,640,000港元。有關詳情，請參閱本公司日期為二零一八年九月二十一日之公告。

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

19. INVESTMENT HELD FOR SALE

(Continued)

(i) Financial performance information

The financial performance information of Business Harbour for the period from 1 January 2018 to 31 March 2018 and for the year ended 31 December 2017 presented as below:

19.持作出售投資(續)

(i) 財務表現資料

Business Harbour於二零一八年一月一日至二零一八年三月三十一日期間及截至二零一七年十二月三十一日止年度之財務表現資料呈列如下：

		For the period from 1.1.2018 to 31.3.2018	2017
		於二零一八年 一月一日至 二零一八年 十二月三十一 期間	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入	-	-
Expenses	開支	-	(800)
Loss before income tax	除所得稅前虧損	-	(800)
Income tax expense	所得稅開支	-	-
Loss for the period/year	期/年內虧損	-	(800)

20. CONTINGENT CONSIDERATION RECEIVABLE

20. 應收或然代價

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current	非流動		
Contingent consideration receivable	應收或然代價	-	520
Current	流動		
Contingent consideration receivable	應收或然代價	14,619	-

References are made to the announcements dated 11 and 24 October 2017 issued by the Company in relation to the acquisition of 49% equity interest in Beijing Youli Lianxu Technology Company Limited ("Beijing Youli"). Pursuant to the sales and purchases agreement, the consideration payable to the vendors shall be HK\$91,581,000 subject to adjustments as follows:

If Beijing Youli fails to meet the 2017 Profit Target (being the net profit after tax of Beijing Youli for the period from 1 April 2017 to 31 March 2018 in the amount of HK\$12,600,000), the consideration will be reduced in accordance with the following formula:

Amount to be deducted from the consideration = (2017 Profit Target – 2017 Actual Profit) x 15 x 51% x 40%.

In respect of the aforesaid reduction in consideration, the maximum amount to be reduced shall not exceed 40% of the consideration in any event.

For the year ended 31 December 2018, Beijing Youli met the 2017 Profit Target.

茲提述本公司於二零一七年十月十一日及二十四日刊發之公告，內容有關收購北京優力聯旭科技有限公司(「北京優力」) 49%股權。根據買賣協議，應付賣方代價為91,581,000港元，可作如下調整：

如北京優力未能實現二零一七年溢利目標(即目標公司於二零一七年四月一日至二零一八年三月三十一日期間的除稅後純利12,600,000港元)，代價將按照以下公式減少：

從代價扣除的金額=(二零一七年溢利目標–二零一七年實際溢利)x 15 x 51% x 40%。

就上述代價減少而言，減少的最高金額在任何情況下不得超過代價的40%。

截至二零一八年十二月三十一日止年度，北京優力達致二零一七年溢利目標。

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

20. CONTINGENT CONSIDERATION RECEIVABLE (Continued)

If the Target Company fails to meet the 2018 Profit Target (being the net profit after tax of Beijing Youli for the period from 1 April 2018 to 31 March 2019 in the amount of HK\$15,120,000), the Consideration will be reduced in accordance with the following formula:

Amount to be deducted from the consideration = (2018 Profit Target – 2018 Actual Profit) x 15 x 51% x 20%.

In respect of the aforesaid reduction in Consideration, the maximum amount to be reduced shall not exceed 20% of the Consideration in any event.

As disclosed in the announcements dated 25 April 2017 issued by the Company, the Convertible Notes in the aggregate principal amount of HK\$91,581,000 have been issued to the vendors. Since at the date of completion of the acquisition, the amounts of the reductions in consideration are contingent, the Group recognised a contingent consideration receivable at date of completion of the acquisition. The contingent consideration receivables were initially recognised at fair value and subsequently measured at fair value with changes recognised in profit or loss. In determining the fair value of the contingent consideration receivable, management considers the probability of meeting the 2017 and 2018 Profit Target based on the historical information and profit forecast. As at 31 December 2017, management assessed the fair value of contingent consideration and determined it as HK\$ 520,000. As at 31 December 2018, management reassessed the fair value of contingent consideration and determined it as HK\$14,619,000. Accordingly, a HK\$14,685,000 gain was recognised in the consolidated statement of profit or loss.

As at 31 December 2018, management has performed a sensitivity analysis on the key variable, being the probability, a 10% change will lead to a change of HK\$154,000 on the fair value of the contingent consideration receivable. The discount rate used in the assessment is 15.6%.

20. 應收或然代價(續)

如目標公司未能實現二零一八年溢利目標(即目標公司於二零一八年四月一日至二零一九年三月三十一日期間的除稅後純利15,120,000港元),代價將按照以下公式減少:

從代價扣除的金額=(二零一八年溢利目標-二零一八年實際溢利)x 15 x 51% x 20%。

就上述代價減少而言,減去的最高金額在任何情況下不得超過代價的20%。

誠如本公司刊發之日期為二零一七年四月二十五日之公告所披露,本金總額91,581,000港元的可換股票據已發行予賣方。由於於完成收購日期,代價之扣減金額屬或然,本集團於完成交易日期確認應收或然代價。應收或然代價初步按公平值確認,其後按公平值計量及相關變動於損益內確認。於釐定應收或然代價之公平值時,管理層基於歷史資料及溢利預測考慮符合二零一七年及二零一八年溢利目標之可能性。於二零一七年十二月三十一日,管理層評估或然代價之公平值並釐定其為520,000港元。於二零一八年十二月三十一日,管理層重估或然代價之公平值並釐定其為14,619,000港元。因此,收益14,685,000港元已於綜合損益表內確認。

於二零一八年十二月三十一日,管理層對主要變數(即可能性)進行敏感度分析,10%之變動將導致應收或然代價公平值變動154,000港元。評估所使用的貼現率為15.6%。

21. OTHER RECEIVABLES

21. 其他應收賬款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deposits and other receivables	按金及其他應收款項	145,887	136,175
Deferred expenses	遞延開支	8,551	7,254
Prepayments	預付款項	2,774	2,708
Less: impairment losses	減：減值虧損	(68,838)	(68,898)
		88,374	77,239

At the end of each reporting period, the Group's other receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the expected credit losses. It considering the historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment..

As at 31 December 2018, approximately HK\$50,028,000 (2017: HK\$nil) of the other receivables are guaranteed by independent third parties.

於各報告期末，本集團之其他應收賬款乃個別釐定是否需要減值。個別減值之應收款項根據預期信貸虧損確認。當中考慮過往信貸虧損經驗，並就債務人之特定前瞻性因素以及經濟環境作出調整。

於二零一八年十二月三十一日，其他應收賬款50,028,000港元(二零一七年：零港元)由獨立第三方擔保。

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

21. OTHER RECEIVABLES (Continued)

The movement for provision of impairment of other receivables is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	68,898	71,341
Impaired	減值	3,000	-
Reversed	撥回	-	(2,975)
Exchange realignment	匯兌調整	(3,060)	532
At 31 December	於十二月三十一日	68,838	68,898

21. 其他應收賬款(續)

有關其他應收款項減值撥備之變動如下:

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2018 二零一八年	2017 二零一七年
Listed securities	上市證券		
- Equity securities listed in Hong Kong (i)	- 香港上市的股本證券(i)	507	565
Unlisted fund investments (ii)	非上市基金投資(ii)	15,107	-
		15,614	565

(i) The fair value of listed securities is based on quoted market prices in active markets at the end of the reporting period.

(ii) The fair value of the unlisted investment fund is determined with reference to the prices quoted by the respective General Partner at the end of the reporting period.

(i) 上市證券之公平值基於報告期末活躍市場之市場報價。

(ii) 非上市基金投資之公平值乃參考於報告期末各普通合夥人所報之價格釐定。

23. CASH AND CASH EQUIVALENTS

23. 現金及現金等值項目

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank balances	銀行結餘	70,877	20,741
Cash balances	現金結餘	21	26
Cash and cash equivalents in the consolidated statement of cash flow	綜合現金流量表的現金及現金等值項目	70,898	20,767

Cash and cash equivalents of approximately HK\$35,915,000 (2017: HK\$15,166,000) for the Group are denominated in Renminbi, which is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange control imposed by the PRC government.

本集團之現金及現金等值項目約35,915,000港元(二零一七年：15,166,000港元)乃以人民幣列值，而人民幣並非自由兌換貨幣，向中國國外匯款受到中國政府的外匯管制規限。

Deposits with banks are interest bearing at the prevailing market rates.

銀行存款按現行市場利率計息。

Included in the Group's cash and cash equivalents at the balance sheet date is amount of approximately HK\$31,029,000 (2017: HK\$ nil) placed with Beijing University of Chinese Medicine.

本集團於資產負債表日期之現金及現金等值項目包括存置於北京中醫藥大學之款項約31,029,000港元(二零一七年：無)。

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付賬款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	貿易應付賬款	-	145
Other payables	其他應付款項	5,629	5,166
Receipt in advance	預收款項	21,377	18,136
Accrued charges	應計費用	2,243	4,883
		29,249	28,330

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 AND OTHER PAYABLES

(Continued)

An aging analysis of the trade payables as at the end of reporting period is as follows:

Over 90 days	超過90日
--------------	-------

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

-	145
---	-----

-	145
---	-----

The average credit period on cost of goods sold and services provided is 1-3 months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

24. 貿易及其他應付賬款(續)

貿易應付賬款於報告期末之賬齡分析如下：

銷售貨品及提供服務之成本之平均信貸期為1至3個月。本集團已實施財務風險管理政策，以確保全部應付款項於信貸指定期間內清付。

25. DEFERRED TAXATION

At the end of the reporting date, the Group had estimated the unused tax losses of approximately HK\$39,722,000 (2017: HK\$41,719,000) available for offset against future profits. No deferred tax assets have been recognised in respect of such losses due to the unpredictability of future profit streams. The Group has tax losses arising in Hong Kong of approximately HK\$17,930,000 (2017: HK\$15,837,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has tax losses arising in the PRC of approximately HK\$21,792,000 (2017: HK\$25,882,000) that will expire in one to five years for offsetting against future taxable profits.

25. 遞延稅項

於報告日期完結時，本集團估計可用作對銷未來溢利之未動用稅項虧損約為39,722,000港元(二零一七年：41,719,000港元)。由於未能預測未來溢利來源，故並無就該等虧損確認遞延稅項資產。本集團於香港產生之稅項虧損約17,930,000港元(二零一七年：15,837,000港元)，可供無限期抵銷產生虧損之公司之未來應課稅溢利。

本集團於中國產生之稅項虧損約21,792,000港元(二零一七年：25,882,000港元)可於一至五年內用作抵銷未來應課稅溢利。

25. DEFERRED TAXATION (Continued)

Deferred taxation

The followings are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

25. 遞延稅項(續)

遞延稅項

以下為本年度以及過往年度確認之主要遞延稅項負債及其變動：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At the beginning of the year	年初	5,891	–
Recognition upon issue of convertible note	發行可換股票據時確認	–	9,819
Release upon conversion of convertible note	轉換可換股票據時撥回	–	(3,928)
At the end of the year	年末	5,891	5,891

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. SHARE CAPITAL

26. 股本

The Group and the Company

本集團及本公司

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
	Notes 附註		
Authorised:	法定：		
At 1 January 2017, 31 December 2017 and 31 December 2018	於二零一七年一月一日、二零 一七年十二月三十一日及二 零一八年十二月三十一日		
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股	50,000,000,000	5,000,000
Issued and fully paid:	發行及繳足：		
At 1 January 2017	於二零一七年一月一日		
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股	3,304,979,386	330,498
Issue of shares by exercised of share options	因行使購股權而發行股份	107,000,000	10,700
Issue of shares by conversion of convertible notes	因轉換可換股票據發行股份	153,917,647	15,392
At 31 December 2017	於二零一七年十二月三十一日		
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股	3,565,897,033	356,590
Issue of shares by exercised of share option	因行使購股權而發行股份	(a) 55,400,000	5,540
Issue of share placing	透過配售發行股份	(b) 130,000,000	13,000
At 31 December 2018	於二零一八年十二月三十一日		
ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股	3,751,297,033	375,130

26. SHARE CAPITAL (Continued)

Notes:

- (a) During the year ended 31 December 2018, 55,400,000 share options were exercised by holder to subscribe for 55,400,000 shares. Details of the share options during the year are set out in note 34.
- (b) On 26 January 2018, a Placing Agreement was entered into between the Company and the Placing Agent, pursuant to which the Company has appointed the Placing Agent to procure altogether not less than six Placees, on a best effort basis, for subscribing up to an aggregate of 330,000,000 Placing Shares at HK\$0.35 per Placing Share. On 9 February 2018, the Company and the Placing Agent entered into a supplemental agreement (the "Supplemental Agreement") for amending the terms of the Placing Agreement, pursuant to which the deadline for fulfilment of the conditions to completion of the Placing (the "Long Stop Date") has been postponed from 9 February 2018 to 23 February 2018. On 27 February 2018, 130,000,000 Placing Shares have been successfully placed to not less than six Placees at the Placing Price of HK\$0.35 per Placing Share pursuant to the terms and conditions of the Placing Agreement (as amended by the Supplemental Agreement).

The above newly issued shares rank pari passu in all respects with the existing shares.

27. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 88 of the annual report.

26. 股本(續)

附註：

- (a) 於截至二零一八年十二月三十一日止年度，持有人行使55,400,000份購股權認購55,400,000股股份。年內購股權詳情載於附註34。
- (b) 於二零一八年一月二十六日，本公司與配售代理訂立配售協議，據此，本公司已委任配售代理按盡力基準促成合共不少於六名承配人按每股配售股份0.35港元之價格認購最多合共330,000,000股配售股份。於二零一八年二月九日，本公司與配售代理訂立一份補充協議（「補充協議」），以修訂配售協議之條款，據此，完成配售事項之條件之達成期限（「最後截止日期」）已由二零一八年二月九日延遲至二零一八年二月二十三日。於二零一八年二月二十七日，根據配售協議（經補充協議修訂）之條款及條件，130,000,000股配售股份已按配售價每股配售股份0.35港元成功配售予不少於六名承配人。

上述新發行股份於所有方面與現有股份具有同等地位。

27. 儲備

(a) 本集團

本年度及以往年度本集團儲備之數額及其變動於年報第88頁之綜合權益變動表中呈列。

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

27. RESERVES (Continued)

(b) The Company

27. 儲備(續)

(b) 本公司

		Share premium	Share-based payment reserve	Convertible note equity reserve	Accumulated losses	Total
	Notes	股份溢價	以股支付儲備	可換股票據權益儲備	累計虧損	合計
	附註	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	287,747	57,070	1,174	(389,009)	(43,018)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	(147,683)	(147,683)
Redemption of convertible notes	贖回可換股票據	-	-	(1,174)	1,174	-
Issue of convertible notes	發行可換股票據	28	-	59,511	-	59,511
Deferred tax liability on recognition of equity component	確認權益部分時之遞延稅項負債	-	-	(9,819)	-	(9,819)
Issue of share option	發行購股權	34	28,905	-	-	28,905
Issue of shares by exercised of share option	因行使購股權而發行股份	34	23,207	(7,022)	-	16,185
Issue of new shares upon conversion of convertible notes	於轉換可換股票據時發行新股份		21,829	(23,805)	-	(1,976)
Deferred tax liability released upon conversion of convertible note	於轉換可換股票據時撥回遞延稅項負債	-	-	3,928	-	3,928
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	332,783	78,953	29,815	(535,518)	(93,967)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	(241,375)	(241,375)
Issue of shares by exercised of share option	因行使購股權而發行股份	34	17,204	(6,216)	-	10,988
Issue of share placing	透過配售發行新股份		32,500	-	-	32,500
Transfer upon the lapse of share option	於購股權失效時轉撥	-	(2,919)	-	2,919	-
At 31 December 2018	於二零一八年十二月三十一日	382,487	69,818	29,815	(773,974)	(291,854)

27. RESERVES (Continued)

(b) The Company (Continued)

The capital reserve of the Group represents the excess of the nominal value of the share capital and the share premium account of the subsidiaries acquired pursuant to the Group reorganisation over the nominal value of the share capital of the Company issued in exchange therefore.

Pursuant to the Companies Law of the Cayman Islands and the Company's Articles of Association, the share premium of the Company is distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay its debts as they fall due in the ordinary course of business. At 31 December 2018, in the opinion of the directors of the Company, the Company did not have any reserve available for distribution to shareholders (2017: Nil).

The share-based payment reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 34 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to accumulate losses should the related options expire or be forfeited.

27. 儲備(續)

(b) 本公司(續)

本集團資本儲備指根據集團重組而收購之附屬公司之股本面值及股份溢價賬超逾本公司就此發行之股本面值之差額。

根據開曼群島公司法及本公司組織章程細則，倘於緊隨擬派股息當日後，本公司有能力償還於日常業務中到期之債項，則本公司可向股東分派股份溢價。於二零一八年十二月三十一日，本公司董事認為本公司並無任何可向股東分派之儲備(二零一七年：無)。

以股支付儲備包括已授出但尚未行使之購股權之公平值，詳見財務報表附註34有關以股支付交易之會計政策。若相關購股權獲行使，相關數額將轉撥入股份溢價賬，若相關購股權屆滿或作廢，相關數額將轉撥入累計虧損。

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

28. CONVERTIBLE NOTES

The movement of the convertible notes for the year is set out below:

28. 可換股票據

可換股票據於年內的變動載於下文:

		Liability component	Equity component	Total
		負債部分	權益部分	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Carrying amount at 1 January 2017	於二零一七年 一月三十一日之賬面值	9,396	1,174	10,570
Redemption of notes	贖回票據	(10,000)	(1,174)	(11,174)
Issuance of new notes	發行新票據	32,070	59,511	91,581
Deferred tax liability upon recognition of equity component of convertible note	確認可換股票據權益部分時 之遞延稅項負債	–	(9,819)	(9,819)
Effective interest expense	實際利息開支	6,370	–	6,370
Conversion of convertible notes	轉換可換股票據	(13,416)	(23,805)	(37,221)
Deferred tax liability upon conversion of convertible note	轉換可換股票據時之遞延稅 項負債	–	3,928	3,928
Carrying amount at 31 December 2017	於二零一七年十二月三十一 日之賬面值	24,420	29,815	54,235
Effective interest expense	實際利息開支	10,225	–	10,225
Carrying amount at 31 December 2018	於二零一八年十二月三十一 日之賬面值	34,645	29,815	64,460

28. CONVERTIBLE NOTES (Continued)

2011 D Convertible notes

On 14 September 2011, the Company issued 3% coupon convertible notes (the "CN 2011 D"), the principal terms of the CN 2011 D are as follows:

Date of issue	14 September 2011
Aggregate principal amount	HK\$22,500,000
Interest rate	3%
Conversion price	HK\$0.50
Maturity date	12 months from the date of issue

On 6 March 2014, the Company has redeemed one of the Convertible Notes 2011 D with the principal amount of HK\$10,000,000 in accordance with notice from the holder. The Company is contacting the holder of the Convertible Notes 2011 D with the principal amount of HK\$2,800,000 in order to settle the convertible notes. As at 31 December 2018, the Company has not received any reply or notice from the holder and the Company has the funds available for redemption. Therefore the Company has accrued such amount of HK\$2,800,000 together with its interest accrued at the year ended 31 December 2018.

28. 可換股票據(續)

二零一一年可換股票據D

於二零一一年九月十四日，本公司發行票息為3%的可換股票據(「二零一一年可換股票據D」)，二零一一年可換股票據D的主要條款如下：

發行日期	二零一一年九月十四日
本金總額	22,500,000港元
息率	3%
換股價	0.50港元
到期日	自發行日期起12個月

於二零一四年三月六日，本公司根據持有人通知，贖回本金額10,000,000港元之二零一一年可換股票據D。本公司正在聯絡本金額2,800,000港元之二零一一年可換股票據D之持有人，以償還可換股票據。於二零一八年十二月三十一日，本公司尚未接獲持有人的任何回覆或通知，而本公司已備好贖回資金。因此，本公司於截至二零一八年十二月三十一日止年度已產生2,800,000港元連同應計利息。

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. CONVERTIBLE NOTES (Continued)

CN2018 Convertible notes

On 13 January 2016, the Company issued zero coupon convertible notes (the "CN2018"), the principal terms of the CN2018 are as follows:

Date of issue	13 January 2016
Aggregate principal amount	HK\$10,000,000
Interest rate	–
Conversion price	HK\$0.35
Maturity date	24 months from the date of issue

(a) Conversion period

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the note in an amount of not less than HK\$500,000 on each conversion (save that if at any time, the principal outstanding amount of the note is less than HK\$500,000, the whole (but not part only) of the principal outstanding amount of the notes may be converted) into shares in board lot or multiples thereof at any time from the issue date at the initial conversion price of HK\$0.35 per share up to (and excluding) the fifth business day immediately before the maturity date.

(b) Issuer early redemption option

The Company may at its sole and absolute discretion redeem the notes (or any part thereof) at its principal amount outstanding together with interest at any time and from time to time on or before the notes maturity date.

28. 可換股票據(續)

二零一八年可換股票據

於二零一六年一月十三日，本公司發行票息為零的可換股票據(「二零一八年可換股票據」)，二零一八年可換股票據的主要條款如下：

發行日期	二零一六年一月十三日
本金總額	10,000,000港元
息率	–
換股價	0.35港元
到期日	自發行日期起計24個月

(a) 兌換期間

票據持有人有權於自發行日期起至緊接到期日期前第五個營業日(不包括該日)任何時間按每股0.35港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於500,000港元，(惟倘於任何時間可換股票據的未償還本金額少於500,000港元，則可兌換可換股票據之全部(而非僅一部分)未償還本金額)。

(b) 發行人提早贖回選擇權

本公司可於票據到期日或之前任何時間及不時以其未償還本金連同利息全權酌情贖回票據(或任何部分票據)。

28. CONVERTIBLE NOTES (Continued)

CN2018 Convertible notes (Continued)

(c) Valuation of liability component

The fair value of CN2018 as at 13 January 2016 amounted to HK\$9,739,776. The fair value is calculated using binomial tree models at a rate based on the discount rate of 9.54%.

On 8 June 2017, the Company has fully redeemed the CN2018 with the principal amount of HK\$10,000,000 in accordance with notice from the holder.

CN2020 Convertible notes

On 25 April 2017, the Company issued zero coupon convertible notes (the "CN2020"), the principal terms of the CN2020 are as follows:

Date of issue	25 April 2017
Aggregate principal amount	HK\$91,581,000
Interest rate	–
Conversion price	HK\$0.238
Maturity date	36 months from the date of issue

(a) Conversion period

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the note in an amount of not less than HK\$500,000 on each conversion (save that if at time, the principal outstanding amount of the note is less than HK\$500,000, the whole (but not part only) of the principal outstanding amount of the notes may be converted) into shares in board lot or multiples thereof at any time from the issue date at the initial conversion price of HK\$0.238 per share up to (and excluding) the fifth business day immediately before the maturity date.

28. 可換股票據(續)

二零一八年可換股票據(續)

(c) 負債部分之估值

二零一八年可換股票據於二零一六年一月十三日的公平值為9,739,776港元。公平值乃使用二叉樹模型按9.54%的貼現率計算。

於二零一七年六月八日，本公司已根據持有人通知全部贖回本金額10,000,000港元之二零一八年可換股票據。

二零二零年可換股票據

於二零一七年四月二十五日，本公司發行票息為零的可換股票據(「二零二零年可換股票據」)，二零二零年可換股票據的主要條款如下：

發行日期	二零一七年四月二十五日
本金總額	91,581,000港元
息率	–
換股價	0.238港元
到期日	自發行日期起計36個月

(a) 兌換期間

票據持有人有權於自發行日期起至緊接到期日期前第五個營業日(不包括該日)任何時間按每股0.238港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於500,000港元，(惟倘於任何時間可換股票據的未償還本金額少於500,000港元，則可兌換可換股票據之全部(而非僅一部分)未償還本金額)。

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. CONVERTIBLE NOTES (Continued)

CN2020 Convertible notes (Continued)

(b) Issuer early redemption option

The Company may at its sole and absolute discretion redeem the notes (or any part thereof) at its principal amount outstanding together with interest at any time and from time to time on or before the notes maturity date.

(c) Valuation of liability component

The fair value of CN2020 as at 25 April 2017 amounted to HK\$91,581,000 of which the fair value of the debt component and call option together is HK\$32,070,000. The debt component and call option are included in the liability component of the convertible notes. The fair value is calculated using binomial tree models at a rate based on the discount rate of 9.46%.

The noteholders converted CN2020 in the principal amount of HK\$36,632,400 on 15 May 2017.

29. COMMITMENTS

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Commitment to provide funding for joint venture's capital 向合營公司提供資金之承擔

28. 可換股票據(續)

二零二零年可換股票據(續)

(b) 發行人提早贖回選擇權

本公司可於票據到期日或之前任何時間及不時以其未償還本金連同利息全權酌情贖回票據(或任何部分票據)。

(c) 負債部分之估值

二零二零年可換股票據於二零一七年四月二十五日的公平值為91,581,000港元，其中債務部分及認購期權之公平值合共為32,070,000港元。債務部分及認購期權計入可換股票據之負債部分。公平值乃使用二叉樹模型按9.46%的貼現率計算。

於二零一七年五月十五日，票據持有人兌換二零二零年可換股票據的本金額36,632,400港元。

29. 承擔

(a) 資本承擔

於報告期末已訂約但未確認為負債之重資本開支如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Commitment to provide funding for joint venture's capital 向合營公司提供資金之承擔	40,980	43,226

29. COMMITMENTS (Continued)

(b) Non-cancellable operating leases

At the end of the reporting date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and other asset, which fall due as follows:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	7,004	5,640
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	2,513	5,610
		9,517	11,250

Leases are negotiated and rentals are fixed for terms of 1 to 3 years (2017: 1 to 3 years).

29. 承擔(續)

(b) 不可撤銷經營租約

於報告日期完結時，本集團就辦公室物業及其他資產之不可撤銷經營租約承擔之未來最低租賃款項到期情況如下：

租約乃按一至三年(二零一七年：一至三年)之年期磋商及定租。

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. CONTINGENT LIABILITIES

The Group did not have materially contingent liabilities at the end of the reporting period (2017: Nil).

31. PLEDGED OF ASSETS

At the end of the reporting period, none of the Group's assets (2017: Nil) were pledged to secure the Group's banking facilities.

32. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Unless otherwise disclosed in these consolidated financial statements, the Group did not enter into any material related party transactions during the year and did not have any material balances with related parties at the end of the reporting period.

The remuneration of directors and other members of key management during the year are disclosed in the note 12 to the consolidated financial statements.

The group also identified other related party as below.

30. 或然負債

於報告期末，本集團概無擁有重大或然負債(二零一七年：無)。

31. 資產抵押

於報告期末，本集團概無資產(二零一七年：無)已抵押作為本集團銀行信貸之擔保。

32. 關連方交易

本公司與其附屬公司(其為本公司之關連方)間之結餘及交易於綜合時已對銷，並無於本附註披露。

除該等綜合財務報表所披露者外，本集團於年內並無訂立任何重大關連方交易，且於報告期末與關連方並無任何重大結餘。

年內，本集團董事及主要管理層之其他成員之酬金載於綜合財務報表附註12。

本集團亦識別其他關連方如下。

Name 名稱	Type 類型	Place of incorporation 註冊成立地點	Ownership interest 所有權權益	
			2018	2017
Beijing Youli Lianxu Technology Company Limited 北京優力聯旭科技有限公司	Associate 聯營公司	PRC 中國	49%	49%

32. RELATED PARTY TRANSACTIONS

(Continued)

Transactions with related parties are shown below:

Loans to an associate

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Beginning of the year	年初	14,304	–
Loans advanced	預付貸款	–	14,200
Loans repayment	償還貸款	(14,320)	–
Interest charged	收取利息	16	104
End of year	年末	–	14,304

32. 關連方交易(續)

與關連方進行之交易列示如下：

聯營公司貸款

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. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's major financial instruments include other receivables, cash and cash equivalents, trade and other payables, financial derivatives and convertible notes. Details of these financial instruments are disclosed in respective notes.

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 4 to the financial statements.

Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2018 in relation to each class of recognized financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its other receivables. In order to minimise credit risk, management has certain monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivables regularly at each reporting date to ensure that adequate impairment losses are adequately made for irrecoverable amounts. The credit risk on liquid funds is limited because the counterparties are commercial banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

33. 財務風險管理宗旨及政策

本集團之主要金融工具包括貿易及其他應收賬款、現金及現金等值項目、貿易及其他應付賬款、金融衍生工具、可換股票據及其他借款。該等金融工具之詳情於有關附註內披露。

本集團金融工具產生之主要風險為信貸風險、利率風險、外匯風險及流動資金風險。董事會檢討及同意此等各項風險之管理政策並於下文概述。本集團有關衍生工具之會計政策載於財務報表附註4。

信貸風險

倘若交易對手方無法履行彼等截至二零一八年十二月三十一日有關每類已確認金融資產之債項，本集團承受之最大信貸風險為綜合財務狀況表內所列示之該等資產之賬面值。本集團承受之信貸風險主要來自其他應收款項。為盡量降低信貸風險，管理層已設立若干監管程序，確保能採取跟進行動追收逾期債務。此外，於各報告日期，本集團定期檢討每宗個別應收貿易賬款之可收回金額，確保就無法收回金額作出足夠之減值虧損。由於交易對手方為獲國際信貸評級機構評為高信貸評級之商業銀行，故流動資金之信貸風險有限。本集團並無高度集中之信貸風險，風險分佈於數目眾多之交易對手方及客戶。

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Interest rate risk

The Group's interest rate risk arises primarily from the Group's bank deposits. All the deposits are on a floating rate basis.

The Group does not use financial derivatives to hedge against the interest rate risk. However, the interest rate profile of the Group's net deposits (being bank deposits less any interest-bearing financial liabilities) is closely monitored by management.

At 31 December 2018, it is estimated that a general increase/decrease of 50 basis points (2017: 50 basis points) in interest rates, with all other variables held constant, would decrease/increase the Group's loss before tax and accumulated losses by approximately HK\$354,000 (2017: HK\$104,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for the non-derivative financial liabilities in existence at that date. The 50 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2017.

Foreign currency risk

The Group has transactional currency exposures, primarily with respect to Renminbi ("RMB"), for the years 2018 and 2017. Such exposure arises from one of the Company's subsidiary's intergroup transactions with the Company and recognised liabilities denominated in HK\$ that is not the functional currency of the subsidiary whose functional currency is RMB.

33. 財務風險管理宗旨及政策(續)

利率風險

本集團之利率風險主要來自本集團之銀行存款。所有存款均以浮息利率計息。

本集團並無利用金融衍生工具來對沖利率風險。然而，本集團之存款淨額(即銀行存款減去任何計息金融負債)之利率情況由管理層密切監察。

於二零一八年十二月三十一日，估計利率普遍上升/下跌50個基點(二零一七年：50個基點)(所有其他變數保持不變)，將導致本集團除稅前虧損及累計虧損減少/增加約354,000港元(二零一七年：104,000港元)。

上述之敏感度分析乃經假設於報告日期利率出現變動而釐定，且已應用於當日存在之非衍生金融負債之利率風險。利率上升/下跌50個基點顯示出管理層對下年度報告日期期間內利率之合理可能變動作出之評估。二零一七年按相同基準進行有關分析。

外匯風險

於二零一八年及二零一七年年，本集團面對的交易性貨幣風險主要涉及人民幣(「人民幣」)。該等風險產生自本公司一間附屬公司與本公司進行之集團內公司交易，其已確認負債以港元計值，港元並非該附屬公司之功能貨幣，其功能貨幣為人民幣。

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. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Foreign currency risk (Continued)

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2018, it is estimated that a general increase/decrease of 10 basis points (2017: 10 basis points) in HK\$/RMB exchange rate, with all other variables held constant, would increase/decrease the Group's loss before tax and accumulated losses by approximately HK\$178,000 (2017: HK\$12,560,000).

Liquidity risk

For the management of the Group's liquidity risk, the Group monitors and maintains a sufficient level of cash and cash equivalents considered adequate by management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors its working capital requirements regularly.

The following table details the contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group can be required to pay:

		On demand or within one year 應要求 或一年內 HK\$'000 千港元	More than one year but less than two years 一年以上 但兩年以內 HK\$'000 千港元	More than two years but less than five years 兩年以上 但五年以內 HK\$'000 千港元	Total undiscounted cash flow 未折現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日					
Financial liabilities	金融負債					
Trade and other payables	貿易及其他應付賬款	29,249	-	-	29,249	29,249
Convertible notes	可換股票據	-	54,949	-	54,949	34,645
At 31 December 2017	於二零一七年十二月三十一日					
Financial liabilities	金融負債					
Trade and other payables	貿易及其他應付賬款	28,330	-	-	28,330	28,330
Convertible notes	可換股票據	-	-	54,949	54,949	24,420

33. 財務風險管理宗旨及政策(續)

外匯風險(續)

本集團目前並無外幣對沖政策。然而，管理層密切監察外匯風險，並會於需要時考慮對沖重大外幣風險。

於二零一八年十二月三十一日，估計港元兌人民幣匯率普遍上升／下跌10個基點(二零一七年：10個基點)所有其他變數保持不變，將導致本集團除稅前虧損及累計虧損增加／減少約178,000港元(二零一七年：12,560,000港元)。

流動資金風險

為管理本集團之流動資金風險，本集團監控及維持現金及現金等值項目於管理層認為足夠之水平，以為本集團業務提供充足資金及減輕現金流量波動之影響。管理層會定期檢討及監控其營運資金需求。

下表詳列本集團於報告期末的金融負債合約到期情況，金融負債根據已訂約未折現現金流量(包括以訂約利率計算之利息付款)與本集團或須支付款項之最早日期計算：

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Financial instruments

Categories of financial instruments

33. 財務風險管理宗旨及政策(續)

金融工具

金融工具之分類

		31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Financial assets	金融資產		
Fair value through profit or loss	透過損益按公平值計量		
– Fund investments	– 基金投資	15,107	–
– Held for trading equity securities	– 持作買賣股本投資	507	565
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	162,566	102,868
Financial liabilities	金融負債		
Amortised cost	攤銷成本	42,517	34,615

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. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Financial instruments (Continued)

Fair value hierarchy on a recurring basis

Financial assets	金融資產	Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	合計
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元
Held for trading-listed equity securities	持作買賣—上市股本證券	507	—	—	507
Unlisted fund investments	非上市基金投資	—	15,107	—	15,107
Contingents consideration receivables	應收或然代價	—	—	14,619	14,619

33. 財務風險管理宗旨及政策(續)

金融工具(續)

按經常性基準計量之公平值層級

Fair value hierarchy as at 31/12/2018					
於二零一八年十二月三十一日之公平值層級					
Level 1	Level 2	Level 3	Total		
第一級	第二級	第三級	合計		
HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000		
千港元	千港元	千港元	千港元		
Held for trading-listed equity securities	持作買賣—上市股本證券	507	—	—	507
Unlisted fund investments	非上市基金投資	—	15,107	—	15,107
Contingents consideration receivables	應收或然代價	—	—	14,619	14,619

Fair value hierarchy as at 31/12/2017					
於二零一七年十二月三十一日之公平值層級					
Level 1	Level 2	Level 3	Total		
第一級	第二級	第三級	合計		
HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000		
千港元	千港元	千港元	千港元		
Held for trading-listed equity securities	持作買賣—上市股本證券	565	—	—	565
Contingent consideration receivables	應收或然代價	—	—	520	520

The fair value of financial derivative is determined using binomial tree model and the inputs used in the fair value measurement are volatility and discount rate.

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

金融衍生工具的公平值乃使用二叉樹模型釐定，以及公平值計量所用的輸入數據具波動性及為貼現率。

年內，金融資產及金融負債之第一級及第二級之間均無轉移公平值計量，亦無轉入或轉出第三級(二零一七年：無)。

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Financial instruments (Continued)

Fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

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 stakeholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which mainly includes convertible notes, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

34. SHARE-BASED EMPLOYEE COMPENSATION

At annual general meeting of the Company held on 23 May 2011, the Company adopted a new share option scheme ("Share Option Scheme") and the share option scheme adopted on 24 November 2001 (the "Old Scheme") became terminated therefrom. The Share Option Scheme became effective on 23 May 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Upon termination of Old Scheme, no further Options under the Old Scheme can be granted but the Options which have been granted during the life of the Old Scheme shall continue to be exercisable in accordance with their terms of issue and the provisions of Chapter 23 of the GEM Listing Rules.

33. 財務風險管理宗旨及政策(續)

金融工具(續)

公平值

董事認為，於綜合財務報表確認的金融資產及金融負債的賬面值與其公平值相若。

資本風險管理

本集團管理其資本，確保本集團實體能夠持續經營，同時亦透過適度平衡負債與權益結餘而為利益相關者爭取最高回報。本集團整體策略自去年以來保持不變。

本集團的資本結構包括債項，當中主要包括可換股票據及本公司擁有人應佔權益，包括已發行股本及儲備。

本公司董事定期檢討資本結構。檢討過程中，董事考慮資本成本及各類別資本相關的風險。根據董事的建議，本集團將透過發行新股份及股份購回以及發行新債項或贖回現有債項，平衡整體資本結構。

34. 以股支付僱員薪酬

在本公司於二零一一年五月二十三日舉行之股東週年大會上，本公司採納新的購股權計劃(「購股權計劃」)，而於二零一一年十一月二十四日採納之購股權計劃(「舊計劃」)即時終止。購股權計劃由二零一一年五月二十三日起生效，除非獲註銷或修訂，否則將由該日起計十年內有效。待終止舊計劃後，概不得根據舊計劃進一步授出購股權，而於舊計劃有效期內已授出之購股權將繼續根據其發行條款及GEM上市規則第23章之條文可予行使。

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

34. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants and for such other purposes as the Board may approved from time to time.

Pursuant to Share Option Scheme, the Board may grant Options to any employee of the Group or any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group to subscribe for shares of the Company at a price determined by the Board and shall be no less than the highest of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer of the Option which must be a business day, (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of the Options; and (iii) the nominal value of a share on the date of offer of the Options.

An offer of Option shall remain open for acceptance by the participant to whom an offer is made for a period from the offer date to such date as the Board may determine and specify in the offer letter (both days inclusive), provided that no such offer shall be open for acceptance after the 10th anniversary from the adoption date of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions hereof, whichever is earlier. A nominal consideration of HK\$1 is payable on acceptance of the offer of an Option.

34. 以股支付僱員薪酬(續)

購股權計劃

購股權計劃之目的為使本公司可以有更靈活的方式給予參與人士激勵、獎勵、報酬、補償及／或福利及董事會不時批准之其他目的。

根據購股權計劃，董事會可向本集團任何僱員或董事會全權酌情認為曾經或將會對本集團作出貢獻之任何其他人士授出可認購本公司股份之購股權，價格由董事會釐訂，惟不得低於下列各項之最高者：(i)授出購股權當日(必須為營業日)股份於聯交所日報表上所報之收市價，(ii)緊接授出購股權當日前五個營業日股份於聯交所日報表上所報之平均收市價；及(iii)授出購股權當日股份之面值。

購股權要約將維持就自要約日期起至董事會可能釐定並於要約函件內列明之有關日期之期間(包括首尾兩日)可供作出要約之參與者接納，惟自購股權計劃採納日期起第10週年後或購股權計劃根據其條文予以終止後(以較早者為準)概無有關要約可供接納。名義代價1港元須於接納購股權要約時支付。

34. SHARE-BASED EMPLOYEE COMPENSATION *(Continued)*

Share Option Scheme *(Continued)*

The total number of shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of shares of the Company in issue at as the date of approval of the limit. The maximum number of shares issuable under the Option to each eligible participant in the Scheme Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time.

Any grant of Options to a participant who is a director, chief executive or substantial shareholder of the Company or their respective associates must be approved by the independent non-executive directors (excluding independent non-executive director who is grantee). In addition, any Options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

34. 以股支付僱員薪酬(續)

購股權計劃(續)

根據購股權計劃及本公司任何其他購股權計劃將授出之所有購股權獲行使時可予發行之股份總數，合共不得超過於任何時間已發行股份總數10%。於任何十二個月期間內，根據購股權可發行予各購股權計劃的合資格參與者的股份最高數目限於本公司任何時間已發行股份的1%。

向參與者(即本公司董事、最高行政人員或主要股東或彼等各自之聯繫人士)授出購股權，須獲獨立非執行董事(不包括身為承授人之獨立非執行董事)批准。此外，於任何十二個月期間內，向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授出任何超出本公司任何時間已發行股份0.1%及總值(按本公司股份於授出日期的價格計算)超過5,000,000港元的購股權須獲股東於股東大會上事先批准。

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

34. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

The movements in the Options during the year ended 31 December 2018 are shown in the following table:

Name of the participant	Date of grant	Exercise period and vesting period	Exercise price per share	At 1 January 2018 於二零一八年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed/Cancelled during the year 年內失效/註銷	At 31 December 2018 於二零一八年十二月三十一日
Directors								
董事								
Yuan Wei 袁偉	09/09/2015	09/09/2015 - 08/09/2025	0.28	20,000,000	-	-	-	20,000,000
	15/12/2016	15/12/2016 - 14/12/2026	0.311	10,000,000	-	-	-	10,000,000
	17/05/2017	17/05/2017 - 16/05/2027	0.285	3,000,000	-	-	-	3,000,000
Zhang Jianxin 張建新	09/09/2015	09/09/2015 - 08/09/2025	0.28	5,000,000	-	-	-	5,000,000
	15/12/2016	15/12/2016 - 14/12/2026	0.311	5,000,000	-	-	-	5,000,000
Zheng Zhijing 鄭植京	17/05/2017	17/05/2017 - 16/05/2027	0.285	10,000,000	-	-	-	10,000,000
Li Qunsheng (resigned on 02/08/2018) 李群盛(於二零一八年八月二日辭任)	17/05/2017	17/05/2017 - 16/05/2027	0.285	3,000,000	-	-	-	3,000,000
Subtotal 小計				56,000,000	-	-	-	56,000,000

34. 以股支付僱員薪酬(續)

購股權計劃(續)

截至二零一八年十二月三十一日止年度，本公司購股權之變動載於下表：

34. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

34. 以股支付僱員薪酬(續)

Share Option Scheme (Continued)

購股權計劃(續)

Name of the participant	Date of grant	Exercise period and vesting period	Exercise price per share	At 1 January 2018 於二零一八年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed/Cancelled during the year 年內失效/註銷	At 31 December 2018 於二零一八年十二月三十一日
Others								
其他								
In aggregate 合共	28/08/2008	28/08/2008 - 27/08/2018	1.281	9,230,311	-	-	(9,230,311)	-
In aggregate 合共	09/07/2009	09/07/2009 - 08/07/2019	0.652	14,936,322	-	-	-	14,936,322
In aggregate 合共	09/09/2015	09/09/2015 - 08/09/2025	0.28	99,600,000	-	(18,600,000)	-	81,000,000
In aggregate 合共	15/12/2016	15/12/2016 - 14/12/2026	0.311	315,000,000	-	(32,000,000)	-	283,000,000
In aggregate 合共	17/05/2017	17/05/2017 - 16/05/2027	0.285	257,000,000	-	(4,800,000)	-	252,200,000
				695,766,633	-	(55,400,000)	(9,230,311)	631,136,322
Exercisable at the end of the year 於年末可行使								687,136,322
Weighted average exercise price 加權平均行使價				HKD0.32港元	-	HKD0.30港元	HKD1.28港元	HKD0.30港元

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

34. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

The movements in the Options during the year ended 31 December 2017 are shown in the following table:

Name of the participant	Date of grant	Exercise period and vesting period	Exercise price per share	At 1 January 2017 於 二零一七年 一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed/Cancelled during the year 年內註銷	At 31 December 2017 於 二零一七年 十二月三十一日
參與者姓名	授出日期	行使期及歸屬期	每股行使價 HK\$ 港元					
Directors								
董事								
Yuan Wei 袁偉	09/09/2015 二零一五年九月九日	09/09/2015-08/09/2025 二零一五年九月九日至 二零二五年九月八日	0.28	20,000,000	-	-	-	20,000,000
	15/12/2016 二零一六年十二月十五日	15/12/2016-14/12/2026 二零一六年十二月十五日至 二零二六年十二月十四日	0.311	10,000,000	-	-	-	10,000,000
	17/05/2017 二零一七年五月十七日	17/05/2017-16/05/2027 二零一七年五月十七日至 二零二七年五月十六日	0.285	-	3,000,000	-	-	3,000,000
Zhang Jianxin 張建新	09/09/2015 二零一五年九月九日	09/09/2015-08/09/2025 二零一五年九月九日至 二零二五年九月八日	0.28	5,000,000	-	-	-	5,000,000
	15/12/2016 二零一六年十二月十五日	15/12/2016-14/12/2026 二零一六年十二月十五日至 二零二六年十二月十四日	0.311	5,000,000	-	-	-	5,000,000
Wong Wai Wa (resigned on 31/08/2017) 王為華(於二零一七年八月三十一日辭任)	15/12/2016 二零一六年十二月十五日	15/12/2016-14/12/2026 二零一六年十二月十五日至 二零二六年十二月十四日	0.311	33,000,000	-	-	-	33,000,000
Zheng Zhijing 鄭植京	17/05/2017 二零一七年五月十七日	17/05/2017-16/05/2027 二零一七年五月十七日至 二零二七年五月十六日	0.285	-	10,000,000	-	-	10,000,000
Huang Chung Hsing (resigned on 11/12/2017) 黃崇興(於二零一七年十二月十一日辭任)	17/05/2017 二零一七年五月十七日	17/05/2017-16/05/2027 二零一七年五月十七日至 二零二七年五月十六日	0.285	-	2,000,000	-	-	2,000,000
Li Qunsheng 李群盛	17/05/2017 二零一七年五月十七日	17/05/2017-16/05/2027 二零一七年五月十七日至 二零二七年五月十六日	0.285	-	3,000,000	-	-	3,000,000
Li Ya Ru (resigned on 04/12/2017) 李雅茹(二零一七年十二月四日辭任)	17/05/2017 二零一七年五月十七日	17/05/2017-16/05/2027 二零一七年五月十七日至 二零二七年五月十六日	0.285	-	3,000,000	-	-	3,000,000
Subtotal 小計				73,000,000	21,000,000	-	-	94,000,000

34. 以股支付僱員薪酬(續)

購股權計劃(續)

截至二零一七年十二月三十一日止年度，本公司購股權之變動載於下表：

34. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

34. 以股支付僱員薪酬(續)

Share Option Scheme (Continued)

購股權計劃(續)

Name of the participant	Date of grant	Exercise period and vesting period	Exercise price per share	At 1 January 2017 於 二零一七年 一月一日	Granted during the year	Exercised during the year	Cancelled during the year	At 31 December 2017 於 二零一七年 十二月三十一日
參與者姓名	授出日期	行使期及歸屬期	每股行使價 HK\$ 港元		年內授出	年內行使	年內註銷	
Others								
其他								
In aggregate 合共	28/08/2008 二零零八年八月二十八日	28/08/2008-27/08/2018 二零零八年八月二十八日至 二零一八年八月二十七日	1.281	9,230,311	-	-	-	9,230,311
In aggregate 合共	09/07/2009 二零零九年七月九日	09/07/2009-08/07/2019 二零零九年七月九日至 二零一九年七月八日	0.652	14,936,322	-	-	-	14,936,322
In aggregate 合共	10/07/2014 二零一四年七月十日	10/07/2014-09/07/2024 二零一四年七月十日至 二零二四年七月九日	0.168	30,000,000	-	(30,000,000)	-	-
In aggregate 合共	09/09/2015 二零一五年九月九日	09/09/2015-08/09/2025 二零一五年九月九日至 二零二五年九月八日	0.28	119,600,000	-	(20,000,000)	-	99,600,000
In aggregate 合共	15/12/2016 二零一六年十二月十五日	15/12/2016-14/12/2026 二零一六年十二月十五日至 二零二六年十二月十四日	0.311	282,000,000	-	-	-	282,000,000
In aggregate 合共	17/05/2017 二零一七年五月十七日	17/05/2017-16/05/2027 二零一七年五月十七日至 二零二七年五月十六日	0.285	-	309,000,000	(57,000,000)	-	252,000,000
				455,766,633	309,000,000	(107,000,000)	-	657,766,633
Exercisable at the end of the year 於年末可行使								751,766,633
Weighted average exercise price 加權平均行使價				HK\$0.32港元	HK\$0.29港元	HK\$0.25港元	-	HK\$0.32港元

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

34. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

(a) (Continued)

During the year ended 31 December 2018, no share options were granted by the Company.

On 17 May 2017, the Company granted 330,000,000 Options to Grantees under the Company's Share Option Scheme adopted on 23 May 2011.

During the year ended 31 December 2017, the number of Options granted was 330,000,000. Of which, 24,000,000 Options were granted to the directors of the Company (the "Directors") 20,000,000 Options were granted to the employees of the Company (the "Employees") and 286,000,000 Options were granted to the Company's external consultants (the "Consultants"). The fair value of Options granted under the Share Option Scheme, amounted to HK\$28,905,000 of average HK\$0.088 each. The fair values of the outstanding Options were derived from Trinomial Option Pricing Model by applying the following assumptions:

Date of grant (dd.mm.yy)	Grantee	Expected volatility	Expected length of employment and services ("Expected life") (in years) 預期僱用及服務期限 (「預期期限」)	Risk-free interest rate	Expected dividend yield
授出日期 (日-月-年)	承授人	預期波幅	(年)	無風險利率	預期股息率
17.5.2017 二零一七年五月十七日	Directors 董事	85.2%	10	1.42%	Nil 無
	Employees 僱員	85.2%	10	1.42%	Nil 無
	Consultants 顧問	85.2%	10	1.42%	Nil 無

34. 以股支付僱員薪酬(續)

購股權計劃(續)

(a) (續)

截至二零一八年十二月三十一日止年度，本公司概無授出購股權。

於二零一七年五月十七日，本公司根據於二零一一年五月二十三日採納之購股權計劃，向承授人授出330,000,000份購股權。

於截至二零一七年十二月三十一日止年度，授出的購股權數目為330,000,000份。其中，24,000,000份購股權授予本公司董事(「董事」)、20,000,000份購股權授予本公司僱員(「僱員」)以及286,000,000份購股權授予本公司外聘顧問(「顧問」)。根據購股權計劃所授出購股權的公平值為28,905,000港元，每份購股權平均為0.088港元。尚未行使購股權的公平值以三項式期權定價模式計算，所採用假設如下：

34. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

(a) (Continued)

During the year ended 31 December 2017, the Group recognised the total expenses of approximately HK\$28,905,000 in relation to share Options granted by the Company.

- (i) the expected volatilities for the Options granted to Directors were using the average 1 years volatility of the Company's share price over the year for the 24,000,000 Option granted to Directors as at 17 May 2017.
- (ii) the expected volatilities for the Options granted to Employees were using the average 1 years volatility of the Company's share price over the year for the 20,000,000 Options granted to Employees as at 17 May 2017.
- (iii) the expected volatilities for the Options granted to Consultants were using the average 0.5 years volatility of the Company's share price over the year for the 286,000,000 Options granted to Consultants as at 17 May 2017.
- (iv) the applicable risk free rates were generated from Bloomberg based on the Hong Kong Government 10 years Bond Yield matching the assumed life of the Options.
- (v) the expected dividend yields were estimated based on the historical dividend, which was zero.

34. 以股支付僱員薪酬(續)

購股權計劃(續)

(a) (續)

截至二零一七年十二月三十一日止年度，本集團確認有關本公司授出購股權之總開支約為28,905,000港元。

- (i) 授予董事的購股權的預期波幅乃以就於二零一七年五月十七日授予董事24,000,000份購股權之年度之本公司1年股價之平均波幅而釐定。
- (ii) 授予僱員的購股權的預期波幅乃以就於二零一七年五月十七日授予僱員20,000,000份購股權之年度之本公司1年股價之平均波幅而釐定。
- (iii) 授予顧問的購股權的預期波幅乃以就於二零一七年五月十七日授予顧問286,000,000份購股權之年度之本公司0.5年股價之平均波幅而釐定。
- (iv) 適用無風險利率乃自Bloomberg根據香港政府10年期債券孳息率所產生，與購股權之假設年期相配合。
- (v) 預期股息率乃按歷史股息(零)估計。

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

34. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

- (b) The values of the Options are subject to the limitations of the Trinomial Option Pricing Model and a number of assumptions which are subjective and difficult to ascertain. Changes in the subjective input assumptions could materially affect the fair value estimate.
- (c) The outstanding Options under the Share Option Scheme as at 31 December 2018 was 687,136,322 (2017: 751,766,633) representing about 18.32% (2017: 21.08%) of the shares of the Company at the year end date.
- (d) If Options are forfeited before expiration or lapsed, the related share-based payment will be transferred directly to retained earnings/accumulated losses.

35. EVENTS AFTER THE REPORTING PERIOD

There are no significant events occurring after the reporting period.

34. 以股支付僱員薪酬(續)

購股權計劃(續)

- (b) 購股權的價值受三項式期權定價模式之限制以及多項主觀及難以確定之假設所影響。主觀假設之變動可對公平值估計造成重大影響。
- (c) 於二零一八年十二月三十一日，購股權計劃項下之尚未行使的購股權為687,136,322份(二零一七年：751,766,633份)，佔本公司於年結日已發行股份的18.32%(二零一七年：21.08%)。
- (d) 倘若購股權於期滿或失效前被沒收，有關以股支付款項將直接轉撥至保留盈利／累計虧損。

35. 報告期後事項

報告期後並無發生任何重大事項。

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

36. 比較數據

若干比較數據經已重列，以符合本年度之呈列方式。

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

37. 本公司財務狀況表

本公司於報告期末之財務狀況表資料如下：

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Assets and liabilities	資產及負債		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	977	1,523
Financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產	15,107	–
Investments in subsidiaries	於附屬公司之投資	9,996	–
		26,080	1,523
Current assets	流動資產		
Other receivables	其他應收賬款	75,177	77,129
Amounts due from subsidiaries	應收附屬公司款項	4	216,968
Financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產	507	558
Cash and cash equivalents	現金及現金等值項目	27,980	3,991
		103,668	298,646
Total assets	資產總值	129,748	300,169
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付賬款	5,936	7,235
		5,936	7,235
Non-current liabilities	非流動負債		
Convertible notes	可換股票據	34,645	24,420
Deferred tax liabilities	遞延稅項負債	5,891	5,891
		40,536	30,311
Total liabilities	負債總額	46,472	37,546

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

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

37. 本公司財務狀況表(續)

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
Net current assets	流動資產淨額		97,732	291,411
Total assets less current liabilities	資產總值減流動負債		123,812	292,934
Net assets	資產淨額		83,276	262,623
Capital and reserves	股本及儲備			
Share capital	股本	26	375,130	356,590
Reserves	儲備	27	(291,854)	(93,967)
Total equity	總權益		83,276	262,623

Yuan Wei

袁偉

Director

董事

Zhang Jianxin

張建新

Director

董事

38. PARTICULARS OF SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2018 are as follows:

38. 附屬公司之詳情

主要附屬公司於二零一八年十二月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 註冊/經營地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Proportion interest held by the Company 本公司持有權益比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
China E-Learning (Hong Kong) Limited 中國網絡教育(香港) 有限公司	Hong Kong 香港	Ordinary shares HK\$1 1港元普通股	100%	100%	-	-	Provision of management services to group companies 向集團公司提供管理服務
New Beida Business StudyNet Group Limited 新北太商學網集團有限公司	BVI 英屬處女群島	Ordinary shares US\$10,000 10,000美元普通股	100%	100%	-	-	Investment holding 投資控股
Best Boom Enterprises Limited	BVI 英屬處女群島	Ordinary shares US\$10 10美元普通股	-	-	100%	100%	Investment holding 投資控股
Beijing Hua Tuo Education Technology Company Limited (note a) 北京華拓教育科技有限公司 (附註a)	PRC 中國	Registered capital HK\$40,000,000 40,000,000港元註冊資本	-	-	100%	100%	Provision of occupational education, industry certification course, skills training and education consultation 提供職業教育行業認證課程、 技能培訓及教育諮詢
Beijing Ke Xiong Education Company Limited (note a) 北京科雄教育有限公司 (附註a)	PRC 中國	Registered capital RMB5,000,000 人民幣5,000,000元 註冊資本	-	-	100%	100%	Provision of occupational education, industry certification course, skills training and education consultation 提供職業教育行業認證課程、 技能培訓及教育諮詢
IIN Medical (BVI) Group Limited 國訊醫藥(BVI)集團有限公司	BVI 英屬處女群島	Ordinary shares HK\$13,677,288 13,677,288港元普通股	-	-	100%	100%	Investment holding 投資控股
IIN Medical Group Limited 國訊醫藥實業有限公司	Hong Kong 香港	Ordinary shares HK\$3,000,000 3,000,000港元普通股	-	-	100%	100%	Investment holding 投資控股

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

38. PARTICULARS OF SUBSIDIARIES

(Continued)

38. 附屬公司之詳情(續)

Name of subsidiary	Place of incorporation/ registration/ operations 註冊成立/ 註冊/經營地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Proportion interest held by the Company				Principal activities
			Directly 直接		Indirectly 間接		
附屬公司名稱			2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Hunan IIN Medical Network Technology Development Company Limited (note a)	PRC	Registered capital RMB14,530,808	-	-	100%	100%	Investment holding
湖南國訊醫藥網絡科技開發 有限公司(附註a)	中國	人民幣14,530,808元 註冊資本					投資控股
Distance Education College of Beijing University of Chinese Medicine	PRC	Registered capital RMB900,000	-	-	51%	51%	Provision of distance learning program in Chinese medicine
北京中醫藥大學 遠程教育學院	中國	人民幣900,000元註冊資本					提供中醫藥遠程教育課程
Sinzhongyi Consultancy PTE. Ltd.	Singapore	Registered capital SGD1,746,725	100%	-	-	-	Chinese medicine health center and training center
新中醫諮詢服務有限公司	新加坡	1,746,725新元註冊資本					中醫健康中心及培訓中心

Note:

a. These are wholly-foreign owned enterprises established in the PRC.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

附註：

a. 為在中國成立之外商獨資企業。

於年終或年內任何時候，該等附屬公司並無任何債務證券。

38. PARTICULARS OF SUBSIDIARIES

(Continued)

Details of non-wholly owned subsidiary that have material non-controlling interests:

The table below shows details of non-wholly-owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of interests held by non-controlling interests		Profit allocated to non-controlling interests		Dividend paid to non-controlling interests		Accumulated non-controlling interests	
		31/12/18	31/12/17	31/12/18	31/12/17	31/12/18	31/12/17	31/12/18	31/12/17
Distance Education College of Beijing University of Chinese Medicine	PRC	49%	49%	11,829	10,146	-	10,593	17,678	5,849
北京中醫藥大學遠程教育學院	中國								

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

38. 附屬公司之詳情(續)

非全資附屬公司而有重大非控股權益之詳情：

下表顯示本集團非全資附屬公司而有重大非控股權益之詳情：

有關本集團附屬公司而有重大非控股權益之概述財務資料載列如下。下列概述財務資料為集團內部對沖前之金額。

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

38. PARTICULARS OF SUBSIDIARIES

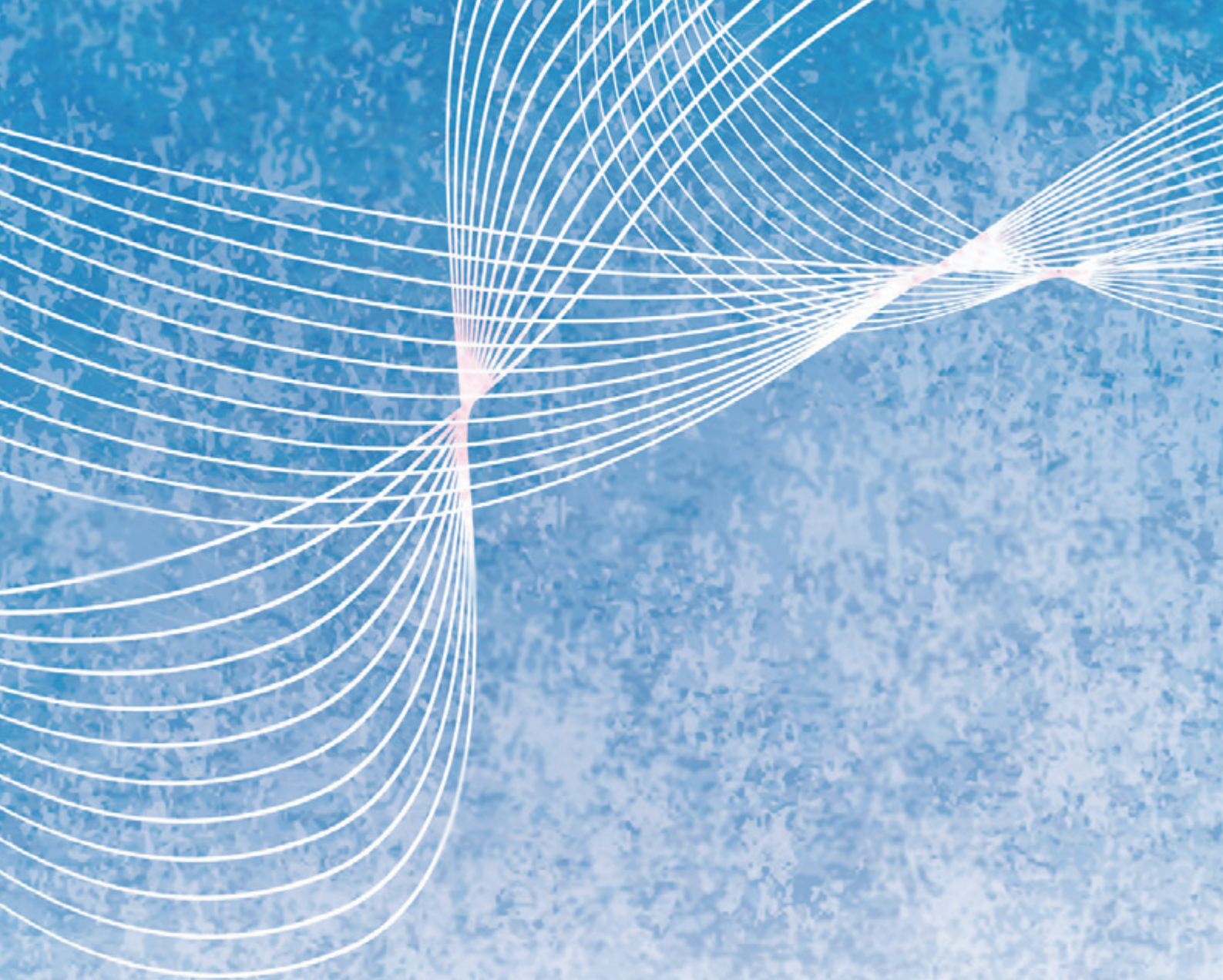
(Continued)

Distance Education College of Beijing University of Chinese
Medicine

38. 附屬公司之詳情 (續)

北京中醫藥大學遠程教育學院

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	39,591	13,339
Non-current assets	非流動資產	685	237
Current liabilities	流動負債	(22,631)	(19,459)
Non-current liabilities	非流動負債	-	-
Revenue	收益	57,856	52,757
Other income	其他收益	11	49
Total expenses	開支總額	(33,726)	(32,099)
Profit for the year	年內溢利	24,141	20,707
Total comprehensive income for the year	年內全面收益總額	24,141	20,707
Net cash flow generated from operating activities	經營活動所得之現金流量淨額	25,525	21,756
Net cash flow used in investing activities	投資活動所用之現金流量淨額	(569)	(108)
Net cash flow used in financial activities	融資活動所用之現金流量淨額	-	(21,620)
Net change in cash and equivalents	現金及現金等值項目變動淨額	24,956	28



CHINA E-INFORMATION TECHNOLOGY GROUP LIMITED
中國網絡信息科技集團有限公司