

金邦達 Goldpac

GOLDPAC GROUP LIMITED

金邦達寶嘉控股有限公司

incorporated in Hong Kong with limited liability

於香港註冊成立的有限公司

Stock Code 股份代號 : 03315

2018 ANNUAL REPORT 年報



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CORPORATE INFORMATION

企業資料

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)

STOCK CODE

3315

EXECUTIVE DIRECTORS

Mr. LU Run Ting (*Chairman*)

Mr. HOU Ping

Mr. LU Runyi

Mr. LU Xiaozhong

Mr. WU Siqiang

Mr. LING Wai Lim (re-designated from non-executive Director with effect from 15 March 2019)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. MAK Wing Sum Alvin

Mr. LIU John Jianhua

Ms. YE Lu

AUDIT COMMITTEE

Mr. MAK Wing Sum Alvin (*Chairman*)

Mr. LIU John Jianhua

Ms. YE Lu

REMUNERATION COMMITTEE

Mr. LIU John Jianhua (*Chairman*)

Mr. LU Run Ting

Mr. MAK Wing Sum Alvin

上市地點

香港聯合交易所有限公司(「聯交所」)

股份代號

3315

執行董事

盧閏霆先生(*主席*)

侯平先生

盧潤怡先生

盧小忠先生

吳思強先生

盧威廉先生(於2019年3月15日由非執行董事調任)

獨立非執行董事

麥永森先生

劉建華先生

葉淶女士

審核委員會

麥永森先生(*主席*)

劉建華先生

葉淶女士

薪酬委員會

劉建華先生(*主席*)

盧閏霆先生

麥永森先生

NOMINATION COMMITTEE

Mr. LU Run Ting (*Chairman*)
Mr. HOU Ping
Mr. MAK Wing Sum Alvin
Mr. LIU John Jianhua
Ms. YE Lu

LEGAL ADVISOR

Mayer Brown
16th–19th Floors, Prince's Building
10 Chater Road
Central
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

COMPANY SECRETARY

Ms. LI Yijin

AUTHORISED REPRESENTATIVES

Mr. LU Run Ting
Ms. LI Yijin

PRINCIPAL BANKERS

Deutsche Bank AG, Filiale Hong Kong
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Nanyang Commercial Bank Limited
Bank of China Limited
Industrial and Commercial Bank of China Limited

提名委員會

盧閏霆先生(主席)
侯平先生
麥永森先生
劉建華先生
葉淥女士

法律顧問

孖士打律師行
香港
中環
遮打道10號
太子大廈16–19樓

核數師

德勤•關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場一座35樓

公司秘書

李易進女士

授權代表

盧閏霆先生
李易進女士

主要銀行

德意志銀行香港分行
中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
南洋商業銀行有限公司
中國銀行股份有限公司
中國工商銀行股份有限公司

CORPORATE INFORMATION (CONTINUED) 企業資料(續)

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1301
13th Floor, Bank of East Asia
Harbour View Center
No. 56 Gloucester Road
Wanchai
Hong Kong

註冊辦事處、總部及在香港的 主要營業地點

香港
灣仔
告士打道56號
東亞銀行
港灣中心
13層1301室

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East, Hong Kong

香港股份過戶登記處及 股東名冊登記處

卓佳證券登記有限公司
香港皇后大道東183號
合和中心22樓

COMPANY WEBSITE

www.goldpac.com

公司網址

www.goldpac.com

INVESTOR RELATION

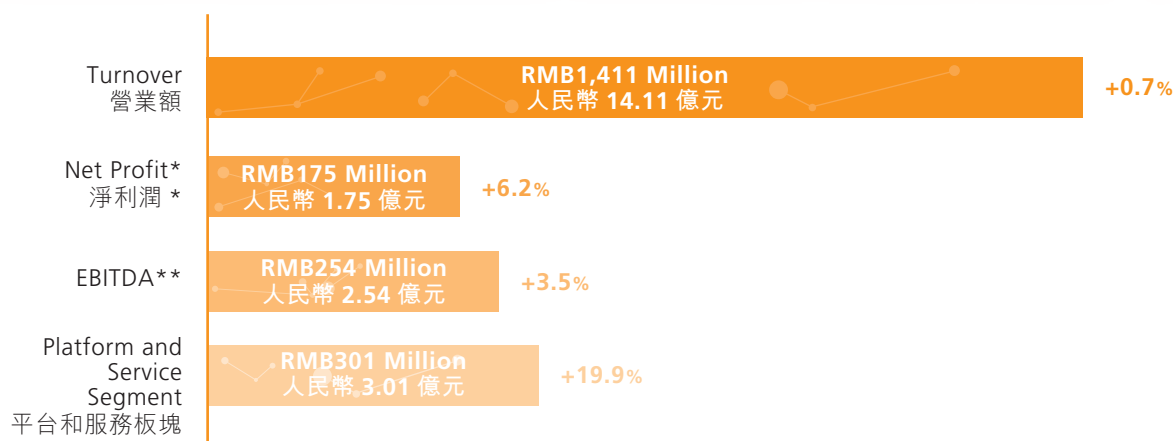
Email: goldpac@goldpac.com

投資者關係

電郵: goldpac@goldpac.com

FINANCIAL HIGHLIGHTS

財務摘要



CONSOLIDATED RESULTS 綜合業績

		For the year ended 31 December 截至12月31日止之年度		
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	Change 變化
Turnover	營業額	1,411,127	1,400,842	+0.7%
Profit for the year attributable to owners of the Company	本公司擁有人應佔年度利潤	175,187	164,477	+6.5%
Gross Profit Margin	毛利率	27.6%	29.8%	-2.2PPS 百分點
Net Profit Margin	淨利率	12.4%	11.7%	+0.7PPS 百分點

FINANCIAL POSITIONS 財務狀況

		At 31 December 於12月31日		
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	Change 變化
Total assets	總資產	2,628,452	2,706,875	-2.9%
Total liabilities	總負債	(648,369)	(776,992)	-16.6%
Net assets	淨資產	1,980,083	1,929,883	+2.6%

* Profit for the year

** EBITDA equals to profit before taxation plus interest expense, depreciation and amortisation of intangible assets.

* 年度利潤

** EBITDA等於稅前利潤加利息支出、折舊和無形資產攤銷。

INNOVATION DRIVEN BY TECHNOLOGIES 科技驅動創新發展

1



榮獲2018年金港股「最具價值中小市值股公司大獎」
Recognized as “Most Valuable small and Mid-Cap Company” at the
Golden Hong Kong Stock Awards 2018

2



ICMA 2018「最佳公眾喜愛獎」
Honored with the
2018 ICMA “People’s Choice Award”

3



全球首款基於中國芯片的EMV產品
World’s First EMV Product Based on China Chip

4



攜手紫光國微促進我國金融外包服務產業加快向全球價值鏈中高端邁進
Goldpac Cooperated with Guoxin Micro to Promote China’s Outsourcing
Industry in Financial Services and Accelerate to the High-end in the
Global Value Chain

5



攜手華大電子推動產業鏈深度融合，促進金融科技在更廣泛領域的應用
Goldpac Joined Hands with CEC Huada Electronic
to Promote the Deep Integration of the Industrial
Chain and the Application of Fintech in a Wider
Range of Fields



榮膺第十六屆中國國際軟件和信息服務交易會「最具影響力企業獎」和「最具競爭力產品獎」

Goldpac Honored with the “Most Influential Enterprise Award” and the “Most Competitive Product Award” at the 16th China International Software and Information Service Fair



珠海市金融科技中心成功授牌並順利動工
Construction Begins at the Newly Commissioned Zhuhai Fintech Center



2018中國服務外包百強企業
Top 100 of 2018 Service Outsourcing Enterprises in China



金邦達智能自助終端中標杭州、南通市民卡項目
助力「最多跑一次」改革
Goldpac Wins Tender for A.I. Self-service Kiosk of Hangzhou and Nantong Citizen Card issuance, the Win is a Further Step Towards “One-Stop Shop” Government Services



廣東省智能製造試點示範項目
2018 Intelligent Manufacturing Pilot Enterprise in Guangdong Province

CHAIRMAN'S STATEMENT

主席報告



「閱客千面 熟若知己」

Zhaoqing
肇慶

Jiangmen
江門



粵港澳大灣區

Guangdong - Hong Kong - Macao
Greater Bay Area

9+2

城市群

City Cluster

Guangzhou
廣州

Huizhou
惠州

Dongguan
東莞

Foshan
佛山

Shenzhen
深圳

Zhongshan
中山

Hong Kong
香港

Macao
澳門

Zhuhai
珠海



金邦達 Goldpac

珠海市金融科技中心 授牌暨动工仪式



珠海

年十月二十八日

珠海市金融科技中心
授牌暨动工仪式

Chairman & Executive Director: LUN Run Ting
董事會主席兼執行董事：盧閔霆

Dear Shareholders,

On behalf of the Board of Directors (the “**Directors**” and “**Board**” respectively) of Goldpac Group Limited (the “**Company**”), I am delighted to present the Annual Report of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2018.

尊敬的各位股東：

本人欣然代表董事會（以下分別簡稱「**董事**」及「**董事會**」）向閣下提呈金邦達寶嘉控股有限公司（以下簡稱「**本公司**」）及其附屬公司（以下合稱「**本集團**」）截至2018年12月31日止之年度報告。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

As one of the earliest financial technology (“**Fintech**”) companies in China, the Group is committed in empowering the business growth of the financial institutions such as banks with innovative technologies. Despite various challenges, the implementation of the Group’s well-defined corporate strategies provided the Group with stable and sound development. In 2018, the turnover was approximately RMB1,411 million and the net profit was approximately RMB175 million, representing an increase of approximately 0.7% and 6.2% as compared with last year respectively.

With a rapid growth in various credit card products and through the Group’s continued efforts to improve the product portfolio and to advance high value fashionable products, the pressure from market price decline was alleviated. The platform and service business segment made great strides and has become a new growth area with a turnover of approximately RMB301 million, representing an increase of approximately 19.9% as compared with last year, the ratio of this segment to the total turnover was uplifted by 3.4 percentage points year-on-year to 21.3%.

The Group has already paid an interim dividend of HK4.0 cents per ordinary share for 2018. The Board proposed to declare a final dividend of HK10.0 cents and a special dividend of HK6.0 cents per ordinary share for the year ended 31 December 2018. If this proposal is approved by the shareholders of the Company at the forthcoming annual general meeting, the total amount of dividend declared for the year of 2018 would be HK20.0 cents and the dividend payout ratio would be approximately 81.7%. The total amount of dividend declared since IPO in 2013 will be approximately HKD723 million (equivalent to approximately RMB605 million)

The Group’s financial position remains strong with an aggregate amount of bank balances and cash, fixed bank deposits and pledged bank deposits reaching approximately RMB1,337 million. The Group’s stable cash flows combined with a strong financial position provides the Group with a great flexibility in funding its innovation, overseas expansion and the construction of Zhuhai Fintech Center.

Looking forward into 2019, the Group remains cautious but fully confident. The Group will focus on technology-driven innovation and development, harness the historical opportunities presented by the cooperation in the Guangdong – Hong Kong – Macao Greater Bay Area, step up the structural adjustment and the shift of old and new growth drivers, so as to achieve the phased goal of innovative business development.

作為中國最早期的金融科技(「**金融科技**」)企業之一，本集團致力於運用創新技術為銀行等金融機構賦能，助力金融機構業務成長。2018年，儘管面臨諸多挑戰，但本集團堅定執行既定戰略，全年錄得營業額約人民幣14.11億元，同比增長約0.7%，淨利潤約人民幣1.75億元，同比增長約6.2%，保持穩健發展。

2018年，本集團產品結構持續優化，大力推動高價值時尚產品，信用卡產品保持快速增長，較好地為本集團舒緩了市場價格下降的壓力。平台和服務板塊取得了長足的進步，並成長為新的增長亮點，錄得營業額約人民幣3.01億元，同比增長19.9%，在總營業額中佔比同比上升3.4個百分點至21.3%。

本集團已經派發2018年中期股息每股普通股港幣4.0仙。董事會建議就截止至2018年12月31日止之年度派發末期股息每股港幣10.0仙以及特別股息港幣6.0仙。若此建議在即將召開的股東大會獲得批准，本公司2018年度將合計宣派股息每股普通股港幣20.0仙，派息率將達到約81.7%。2013年上市至今，本集團派息總額將達到約港幣7.23億(折合約人民幣6.05億元)。

本集團財務狀況保持穩健，銀行存款及現金、銀行定期存款、已抵押銀行存款總共約人民幣13.37億元。穩定的現金流及強健的財務狀況，為本集團提供充分的流動性以支持創新發展、海外拓展以及珠海市金融科技中心建設的目標。

展望2019年，本集團謹慎但充滿信心，將努力把握粵港澳大灣區建設的歷史性機遇，以科技驅動創新發展為主導，進一步加速結構性調整和新舊增長動能交替、實現創新業務發展的階段性目標。

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CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

The rapid development of the Guangdong-Hong Kong-Macao Greater Bay Area will provide new opportunities and growth areas for the Group. The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area was released in February 2019, which is regarded as an important outline document guiding the current and future cooperation and development of the Greater Bay Area. The plan calls for the joint efforts to build a smart city cluster and advance smart public platform with unified standards and open interfaces so as to promote high-level interconnectivities of the Greater Bay Area.

Headquartered in the core region of the Greater Bay Area, the Group is committed to pursuing the integration and advancing the interconnectivities through technologies so that the transportation and social welfare systems could be seamlessly connected and integrated in the Greater Bay Area. The Group has been collaborating with parties in realization of constructing smart transportation system and promoting the application and integration of frontier technologies of Internet of Things (IoT), cloud computing and big data analyzing in the sector of transportation related areas. In the future, the Group will continue its efforts in a number of sectors such as social security, welfare, and business travelling.

The structural transformation of the Chinese economy has presented the future featuring intelligence and unmanned service for the sectors of governmental, public and financial services. The "One Stop Shop" reform advocated by the Chinese government to facilitate the government service has created huge demand for artificial intelligence (A.I.) self-service kiosks in the sectors of finance and social security. The demands for kiosks in the next five years are expected to be numerous.

The Group has a strong capability in software system development. The Group's proprietary A.I. self-service card-issuing and card-receipt kiosks provide powerful hardware and software supports for intelligent network construction and renovation of provincial/municipal social security authorities and commercial banks. The A.I. self-service kiosks independently developed by the Group have won bids for several citizen card projects, and were also well-received at a number of international fairs.

粵港澳大灣區建設的加速預計將為本集團帶來全新的成長空間。作為粵港澳大灣區合作發展的綱領性文件，《粵港澳大灣區發展規劃綱要》已經於2019年2月正式公佈，明確提出建設粵港澳智慧城市群，探索統一標準、開放端口的公共應用平台，實現大灣區內高水平的互聯互通。

本集團地處粵港澳大灣區的核心地域，一直致力於粵港澳大灣區的融合發展，積極倡導以科技手段推動大灣區互聯互通，實現交通、社保等領域的無縫對接和融合。目前本集團已經與有關方面展開了深入的溝通，探討加快智能交通系統建設，推進物聯網、雲計算、大數據等信息技術在交通運輸領域的創新集成應用。未來，本集團還將在大灣區社保、福利、商旅等多個領域的互聯互通做出積極的探索。

中國經濟發展的結構性轉型加速了政務、公共事務、金融服務的無人化、智能化發展。中國政府所大力提倡的「最多跑一次」便民改革直接催生了金融、社保領域對各類智能設備的巨大需求，未來五年智能設備領域市場成長空間巨大。

基於強大的軟件系統開發實力，本集團自主研發的智能終端設備，為各省市社保局、商業銀行的智能網點建設和改造，提供強有力的軟硬件支撐。目前本集團智能終端設備已中標多個市民卡項目，在國際展會上也受到客戶廣泛讚許。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

China, as the leader in the global smart secure payment sector, is fully capable of introducing its advanced standards, technologies, experiences, and products to other countries and regions. In 2019, the Group's overseas market expansion will be reaching out to more countries and regions around the world. The Group will build greater synergies with China UnionPay's global strategy and promote China's proven standards, services and technologies. The Group will adopt the strategy of "Product + Service" total solutions to penetrate into overseas governments, transportation, entertainment, insurance, education, property and other fields, in order to strive for breakthroughs in key indicators such as turnover growth and market share in 2019.

The Group firmly upholds the vision of technology-driven innovation and development. The research and development (R&D) expenses maintain a continuous growth since IPO in 2013. In 2018, it grew to approximately RMB114 million, representing an increase of approximately 4.4% as compared with last year.

In October 2018, Goldpac Fintech Innovation Hub was officially named "Zhuhai Fintech Center" by Zhuhai Municipal Government and the construction has been officially started with the aim of exploring new horizons and eco-system for Fintech innovation in the Guangdong-Hong Kong-Macao Greater Bay Area. It is expected to be completed in 2020 and intended to be the center of excellence in three major areas of science and technological innovation, data security and privacy protection with environmentally ergonomic design. The center is designed to be a catchment for innovative ideas, attract companies, capital, projects and talents within the Greater Bay Area to foster new growth drivers in the areas of A.I., smart payment, chips, IoT and cloud computing.

Last but not least, I would like to extend my sincere appreciation to all of our committed team members who firmly uphold the vision of technology-driven innovation and development and concentrate in creating value for the clients, so as to ensure the Group's sustainable growth.

LU Run Ting

Chairman & Executive Director

Hong Kong, 15 March 2019

中國智能安全支付行業發展處於全球領先位置，完全具備能力向更多的國家和地區傳導成熟的標準、技術、經驗和產品。2019年，本集團海外市場的拓展腳步將延伸至全球更多國家和地區。本集團將繼續跟隨中國銀聯「走出去」的戰略，採用產品+服務的整體解決方案策略，向海外政府、交通、娛樂、保險、教育、物業等領域滲透，力爭在營業額增長、市場份額等關鍵指標上取得突破。

本集團秉承科技驅動創新發展的理念。自2013年上市以來至今，研發費用保持持續增長，2018年度達到約人民幣1.14億元，同比上升約4.4%。

2018年10月，經由珠海市政府授牌，金邦達金融科技創新中心被正式命名為《珠海市金融科技中心》，並已正式動工，旨在打造粵港澳大灣區金融科技創新的高地和生態圈，預計將於2020年交付使用。《珠海市金融科技中心》強化科技創新、數據安全、隱私保護三大功能，兼顧綠色和諧的人文理念，輻射粵港澳大灣區，聚集金融科技創新理念、企業、資金、項目和人才，形成協同融合發展，將重點在人工智能、智能支付、智能芯片、物聯網、雲計算等領域實現突破性發展。

最後，謹此衷心感謝全體盡忠職守的團隊成員，堅持科技驅動創新發展的理念，專注於為客戶創造價值，助力金邦達的持續穩健發展。

盧閻霆

主席及執行董事

香港，2019年3月15日

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Executive Director & CEO: HOU Ping
執行董事兼首席執行官：侯平

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

As one of the earliest Fintech companies in China, the Group is committed to empowering the business growth of financial institutions, such as banks, with innovative technologies. The Group fully implemented its well-defined corporate strategy and maintained a stable and sound growth in 2018. Both turnover and net profit increased as compared with last year.

2018 Review – Stable and Sound Development

Despite various challenges, the implementation of the Group's well-defined corporate strategies provided the Group with a stable and sound development. In 2018, the turnover was recorded at approximately RMB1,411 million, representing an increase of approximately 0.7% as compared with last year.

The shift of growth drivers between the two business segments is gathering momentum. Adversely impacted by the decline of market price, the embedded software and secure payment products segment achieved a turnover of approximately RMB1,110 million, representing a decrease of approximately 3.4% as compared with last year. However, the Group was still ranked first in the Chinese financial cards market in terms of market share with rapid growth in the sales volume of credit card products. Through the Group's continued efforts to improve the product portfolio and to advance high value fashionable products, the pressure from market price decline was alleviated.

The platform and service business segment made great strides and has become a new growth area. With a turnover of approximately RMB301 million, representing an increase of approximately 19.9% as compared with last year, the ratio of this segment to the total turnover was uplifted by 3.4 percentage points year-on-year to 21.3%.

In 2018, the gross profit declined by approximately 6.5% as compared with last year to approximately RMB390 million. The gross margin decreased by 2 percentage points year-on-year to 27.6%. The gross margin for the embedded software and secure payment products segment was recorded at approximately 24.5% while that of the platform and service segment was recorded at approximately 39.4%.

作為中國最早的金融科技企業之一，本集團致力於運用創新技術為銀行等金融機構賦能，助力金融機構業務成長。2018年，本集團堅定執行既定戰略，保持穩健發展，營業額、淨利潤均較去年取得增長。

2018年度回顧—穩健發展

儘管面臨諸多挑戰，本集團堅持既定策略，保持穩健發展，2018年錄得全年營業額約人民幣14.11億元，同比增長約0.7%。

兩大業務板塊呈現增長動能交替局面。雖然受市場價格下降影響，嵌入式軟件和安全支付產品業務板塊錄得營業額約人民幣11.10億元，同比降低約3.4%，但本集團仍繼續強化中國金融卡市場份額第一的領先位置，信用卡產品銷量取得較快增長。通過產品結構的持續優化，大力推動高價值時尚產品，本集團部分舒緩了市場價格下降的壓力。

平台和服務業務板塊成長迅速，成為增長亮點，錄得營業額約人民幣3.01億元，同比增長約19.9%，在總營業額中佔比同比上升3.4個百分點至21.3%。

2018年，本集團錄得毛利約3.90億元，同比降低約6.5%。毛利率同比下降約2個百分點至27.6%，其中嵌入式軟件和安全支付產品業務板塊毛利率約為24.5%，平台和服務業務板塊毛利率約為39.4%。

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R&D expenses continued to grow to approximately RMB114 million in 2018, representing an increase of approximately 4.4% as compared with last year. R&D efforts were focused in the areas of secure chips, solutions, as well as software and hardware for A.I. self-service kiosks. Through effective cost control management, selling and distribution costs and administrative expenses were totalled to approximately RMB144 million and remained at the same level as compared with last year.

The net profit increased by approximately 6.2% to RMB175 million as compared with last year. This increase included an exchange gain caused by factors such as USD-RMB appreciation of approximately RMB23.1 million.

The Board proposed to declare a final dividend of HK10.0 cents (equivalent to approximately RMB8.6 cents) per ordinary share (HK10.0 cents in 2017) and a special dividend of HK6.0 cents (equivalent to approximately RMB5.1 cents) per ordinary share (HK6.0 cents in 2017) for the year ended 31 December 2018. If this proposal is approved by the shareholders of the Company at the forthcoming annual general meeting, the dividend payout ratio for the year of 2018 would be approximately 81.7%, and the total amount of dividend declared since IPO in 2013 would be approximately HKD723 million (equivalent to approximately RMB605 million).

Market Analysis and Outlook

In 2018, the Chinese economy advanced its transformation from high-speed to high-quality growth. Through great efforts to correct financial irregularities, regulatory reinforcement of the financial industry has become apparent in China. Banks are pursuing profit growth through quality improvement rather than quantity chasing. This has led to an enhancement in detail-oriented management and a reduction of extensive card issuance.

During this transition period, the banking card is getting closely intermingled with various sectors and its application scenarios have been continuously broadened. According to the Payment System Report for the first three quarters of 2018 issued by the People's Bank of China, the banking card transaction amount has surged to a new historical high of RMB651.6 trillion, representing an increase of 15.3% as compared with the corresponding period in 2017.

研發費用繼續保持增長，2018年達到約人民幣1.14億元，同比上升約4.4%，主要投入於安全芯片、解決方案、智能設備的軟硬件研發等領域。通過有效的成本控制，銷售及分銷成本、行政開支合計約人民幣1.44億元，同比保持穩定。

全年錄得淨利潤約人民幣1.75億元，同比增長約6.2%。其中，受益於美元兌人民幣升值等因素產生的匯兌收益約人民幣23.1百萬元。

董事會建議就截至2018年12月31日止之年度派發末期股息每股普通股港幣10.0仙(折合約人民幣8.6分)(2017年度為港幣10仙)以及特別股息港幣6.0仙(折合約人民幣5.1分)(2017年度為港幣6.0仙)。若此建議在即將召開的股東大會獲得批准，本公司2018年度派息率將達到約81.7%。於2013年上市至今本集團已宣派股息總額將達到港幣7.23億(折合約人民幣6.05億元)。

市場分析與展望

2018年，中國經濟進一步由高速增長轉入高質量發展階段。通過對金融市場亂象的深入整治，金融行業強化監管的態勢基本形成。銀行業加速從追求規模到效益優先的轉變，精細化管理水平不斷提升，大批量、粗放式發卡逐漸少見。

伴隨著這個轉型過渡的關鍵時期，銀行卡與各領域的融合更為密切，銀行卡應用的廣度和深度均不斷擴展。中國人民銀行發佈的《支付體系運行總體情況》報告顯示，2018年前三季度，銀行卡交易額再創歷史新高，達到人民幣651.6萬億元，較去年同期增長15.3%。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

In particular, the credit card sector grew rapidly and gradually occupied a dominant position in personal consumption finance, that can hardly be challenged by emerging payment methods. The credit card number per capita in China has nearly doubled from 0.25 in 2012 to 0.47 in 2018.

The rapid development of the Guangdong-Hong Kong-Macao Greater Bay Area will provide new opportunities and growth areas for the Group. The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area was released in February 2019 and is regarded as an important outline document guiding the current and future cooperation and development of the Greater Bay Area. The plan calls for joint efforts to build a smart city cluster and advance smart public platform with unified standards and open interfaces so as to promote high-level interconnectivity within the Greater Bay Area.

Headquartered in the core region of the Greater Bay Area, the Group is committed to pursuing integration and advancing interconnectivity through technology so that the transportation and social welfare systems can be seamlessly connected and integrated in the Greater Bay Area. The Group has been collaborating with parties on the realization of construction for a smart transportation system and the promotion of application and integration of frontier technologies like the IoT, cloud computing and big data analysis in transportation related sectors. In the future, the Group will continue its efforts in a number of sectors such as social security, welfare and business travel. The Group will surely benefit from the numerous opportunities presented by the cross-border integration in the Greater Bay Area.

The structural transformation of the Chinese economy has presented a future featuring intelligent and unmanned services for the government affairs, public services and financial services sectors. The "One Stop Shop" reform designed to facilitate government services by the Chinese government has created a huge demand for A.I. self-service kiosks in the sectors of finance and social security. The demands for kiosks in the next five years are expected to be numerous.

China, as a leader in the global smart secure payment sector, is fully capable of introducing its advanced standards, technologies, experience and products to other countries and regions. The potential for overseas market is huge and pending to be explored.

信用卡成長尤其迅速，逐步在個人消費金融領域建立了新興支付方式難以撼動的優勢地位。中國人均持有信用卡數量從2012年的0.25張迅速增長至2018年的0.47張，增長接近一倍。

粵港澳大灣區建設的加速預計將為本集團帶來全新的成長空間。作為粵港澳大灣區合作發展的綱領性文件，《粵港澳大灣區發展規劃綱要》已於2019年2月正式公佈，明確提出建設粵港澳智慧城市群，探索建立統一標準、開放端口的公共應用平台，實現大灣區內高水平的互聯互通。

本集團地處粵港澳大灣區的核心地域，一直致力於粵港澳大灣區的融合發展，積極倡導以科技手段推動大灣區互聯互通，實現交通、社保等領域的無縫對接和融合。目前本集團已經與有關方面展開了深入的溝通，探討加快智能交通系統建設，推進物聯網、雲計算、大數據等信息技術在交通運輸領域的創新集成應用。未來，本集團還將在大灣區社保、福利、商旅等多個領域的互聯互通做出積極的探索。本集團必將受益於大灣區跨境融合中的無限商機。

中國經濟發展的結構性轉型加速了政務、公共事務、金融服務的無人化、智能化發展。中國政府所大力提倡的「最多跑一次」便民改革直接催生了金融、社保領域對各類智能設備的巨大需求，未來五年智能設備領域市場成長空間巨大。

中國智能安全支付行業發展處於全球領先位置，完全具備能力向更多的國家和地區傳導成熟的標準、技術、經驗和產品。海外市場具有較大的發展潛力，亟待更深入的挖掘。

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2019 – Technology-driven Innovation and Development

In 2019, the Group will uphold its vision of technology-driven innovation and development, and continue to implement its key strategies of strengthening core advantages, expanding overseas market coverage, and diversifying its business segments, so as to further speed up the structural adjustment and the alternation of old and new growth drivers, thereby achieving its phased goal of innovative business development.

Strengthening the Core Advantages – Following Trends in Banking Card Upgrades

The banking card in China is expected to be upgraded. On the one hand, the banking card product structure is being upgraded. Despite the gradually weakened demand for basic banking card products, fashionable products with innovative materials, trendy design and advanced functions specific for targeted market segments, are becoming more popular. These new types of products have strong market demand and can create greater value for banks. On the other hand, banking cards will also embrace the future of digitization, networking and interactivity on the back of the traditional business model and open up new prospects through the integration of big data analysis and the intelligent supply chain.

The Group will continue to step up its innovations in banking card products. Firstly, the Group will consistently pursue creative design and introduce more fashion elements to maintain its industry leadership position. Secondly, more innovative functions will be integrated in order to launch the AR (Augmented Reality) card, CVV (Card Verification Value) card, LED card, voice card and next generation fingerprint card among others. Furthermore, the Group will explore and search for innovative materials, including metals and new compounds, in order to deliver more environmentally friendly and fashionable products that are capable of versatile functions. The innovation in banking card products will also enable the Group to reinforce its core competitive advantages and maintain its reasonable profit margin.

2019年—科技驅動創新發展

2019年，本集團將以科技驅動創新發展為主導，繼續堅定執行強化核心優勢、擴張海外市場版圖、多元業務板塊擴展的核心戰略，進一步加速結構性調整和新舊增長動能交替，實現創新業務發展的階段性目標。

強化核心優勢—把握銀行卡升級發展趨勢

中國銀行卡市場呈現升級發展趨勢。一方面，銀行卡產品結構升級。儘管基礎款的銀行卡產品需求漸弱，但融合創新材料、潮流設計、先進功能的時尚產品，有目標性的針對細分市場，更受終端用戶的喜愛，也能夠為銀行創造更大的價值，市場需求旺盛。另一方面，銀行卡也會基於傳統業務向數據化、網絡化和交互化發展，結合大數據和智能供應鏈探索創新商業模式。

本集團將繼續加快銀行卡的產品創新。首先是在產品設計上持續創新，引入時尚元素，保持行業創新領跑者地位。其次是在附加功能上加大創新力度，如已經推出和即將推出的AR(增強現實技術)卡、CVV(信用卡驗證值)卡、LED卡、語音卡、第二代指紋卡等等。本集團正在探索和尋找創新性材料，包括金屬、創新的化合物等，以期帶來更為環保、時尚、支持更多創新功能的產品。銀行卡產品的創新也將有助於本集團強化核心競爭優勢和保持合理的利潤率。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The Group will also provide more value-added services for banks through the innovative smart card supply chain management system. Based on the well-established digital operation platform, the Group will continue to improve its automation processes, including intelligent warehousing, intelligent logistics and intelligent scheduling, so as to establish a flexible, safe and efficient mass customization operation system. At the same time, the Group will become increasingly interdependent and integrated with banks through its use of open interfaces.

Expanding Overseas Markets

In 2018, the Group further improved its human resources structure for the overseas market. With the joining of experienced managers with rich expertise in overseas market operations, the Group has stepped up exploration in several overseas markets, including Singapore, the Philippines, Australia and Vietnam, as well as the Middle East and Africa, to promote the Group's various smart secure payment products and solutions to banks and governments.

Through the efforts of the overseas marketing team, the Group's smart secure payment products and solutions are well-received. The Group will continue investing resources and consolidating its overseas businesses, in order to strive for breakthroughs in key indicators such as turnover growth and market share in 2019.

In 2019, the Group's overseas market expansion will be reaching out to more countries and regions around the world. The Group will continue to follow China UnionPay's global strategy and promote China's proven standards, services and technologies. The Group will adopt the strategy of "Product + Service" total solutions to penetrate into international sectors such as overseas governments, transportation, entertainment, insurance, education and property.

本集團也會通過創新性的銀行卡智能供應鏈管理系統，為銀行提供更多增值服務。基於已經建立的數字化運營平台，本集團將全力進一步完善自動化流程，如智能倉儲、智能物流、智能排程等，以建立柔性、安全、高效的大規模定制化運營體系。同時通過開放端口與銀行建立密不可分、相互依存的連接，實現本集團與銀行客戶在銀行卡後台運營體系的融合。

擴張海外市場版圖

2018年，本集團進一步優化了海外市場的人員架構。隨著擁有豐富海外市場經驗的管理人員加入，本集團已在部分海外市場，包括新加坡、菲律賓、澳大利亞和越南，以及中東和非洲等地強化部署，向各國銀行、政府推廣本集團的各種智能安全支付產品和解決方案。

經過海外市場團隊的努力，本集團的智能安全支付產品和解決方案獲得了令人鼓舞的迴響。本集團將會於2019年繼續投放資源、鞏固海外業務，力爭在營業額增長、市場份額等關鍵指標上取得突破。

2019年，本集團海外市場的拓展腳步將延伸至全球更多國家和地區。本集團將繼續跟隨中國銀聯「走出去」的戰略，推廣中國成熟的標準、服務和技術。本集團將採用產品+服務的整體解決方案策略，持續向海外政府、交通、娛樂、保險、教育、物業等領域滲透。

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管理層討論及分析(續)

Diversified Expansion

The Group will pursue its consistent vision of technology-driven innovation and development and focus on its diversified expansion in the following three areas:

1. A.I. self-service kiosks represent the future of technological innovation and development and are also in line with the Chinese government's "One Stop Shop" reform to facilitate government services. In a wide range of sectors such as finance, social security, medical care and public services, A.I. self-service kiosks are urgently demanded and have already been introduced in some regions and fields. The Group's proprietary A.I. self-service kiosks have won bids for several citizen card projects and were also well-received at a number of international fairs.

Leveraging its strong capability in software system development, the Group's A.I. self-service card-issuing and card-receipt kiosks, featuring ease-to-access, integrated and scenario-based, adopt technologies like biometrics, facial recognition, and natural language processing, so as to meet the needs of different industries, scenarios and customers. The kiosks provide powerful hardware and software support for intelligent network construction and renovation for provincial/municipal social security authorities and commercial banks.

2. The Group is endeavoring to open up the internet-based business model on the basis of the traditional banking card business, to embrace the future of digitization, networking and interactivity. In 2019, the Group will strive for progress in this area through new cooperation model and resource integration.
3. 2019 may be the first year of 5G commercialization. Capitalizing on its strengths in secure encryption authentication, the Group will prioritize its R&D in the area of IoT to seek for new business opportunities.

多元業務板塊擴展

本集團多元業務板塊擴展將堅持以科技驅動創新，並聚焦三個核心領域：

- 第一、智能終端設備。結合人工智能的終端設備是當今世界科技創新發展的主要方向，更契合中國政府「最多跑一次」便民改革的要求。在金融、社保、醫療、公共服務等廣泛領域，智能設備都具備巨大的應用空間，且在某些地域和領域已經開始全面引入。本集團自主研發的智能終端設備已中標數個市民卡項目，在國際展會上也受到客戶廣泛讚許。

本集團擁有強大的軟件系統開發實力，所開發的自助制卡／領卡智能終端，運用生物識別、人像識別、人機對話等技術，其輕量化、一體化、場景化等特點，能夠滿足不同行業、場景、客戶的需求，為各省市社保局、商業銀行的智能網點建設和改造，提供強有力的軟硬件支撐。

- 第二、互聯網平台。通過互聯網平台探索基於傳統銀行卡業務的數據化、網絡化和交互化，開創基於互聯網的商業模式，一直是本集團創新發展的方向。2019年，本集團將探索通過新的合作模式，整合市場資源共同發展。
- 第三、物聯網領域的探索。2019年或將是5G商業化元年。本集團將以安全加密認證作為切入點，強化在物聯網領域的研究和探索，以尋找新的發展機會。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

In October 2018, Goldpac Fintech Innovation Hub was officially named “Zhuhai Fintech Center” by Zhuhai Municipal Government and the construction has been officially commenced. With the aim of exploring new horizons for Fintech innovation in the Guangdong-Hong Kong-Macao Greater Bay Area, it is expected to be completed in 2020. As the center of excellence in technology innovation, data security and privacy protection and given an environmentally ergonomic design, it is expected to be a catchment area for innovative ideas, attract companies, capital, projects and talents within the Greater Bay Area to form an eco-system and foster new growth drivers in the areas of A.I., smart payment, chips, IoT and cloud computing.

Subsequent Events

Subsequent to 31 December 2018, no material events have occurred.

CLOSURE OF REGISTER OF MEMBERS

In order to be eligible for attendance and for voting at the forthcoming annual general meeting of the Company to be held on Wednesday, 22 May 2019, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on Thursday, 16 May 2019. The register of members of the Company will be closed from Friday, 17 May 2019 to Wednesday, 22 May 2019, both days inclusive, during which period, no transfer of shares will be registered.

In order to determine who are entitled to the proposed final dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on Thursday, 6 June 2019. The register of members of the Company will be closed from Monday, 10 June 2019 to Wednesday, 12 June 2019, both days inclusive, during which period no transfer of shares will be registered. Subject to shareholders' approval of the proposed dividends at the annual general meeting of the Company to be held on Wednesday, 22 May 2019, the dividends will be paid on Friday, 28 June 2019 to the shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 12 June 2019.

此外，2018年10月，經由珠海市政府授牌，金邦達金融科技創新中心被正式命名為〈珠海市金融科技中心〉，並已正式動工，旨在打造粵港澳大灣區金融科技創新的高地，預計將於2020年交付使用。〈珠海市金融科技中心〉強化科技創新、數據安全、隱私保護三大功能，兼顧綠色和諧的人文理念，輻射粵港澳大灣區，聚集金融科技的創新理念、企業、資金、項目和人才，形成產業生態圈，重點在人工智能、智能支付、智能芯片、物聯網、雲計算等領域取得突破性發展。

期後事項

自2018年12月31日至本報告發布之日概無重大事件發生。

暫停辦理股份過戶登記手續

為確定股東有權出席並於2019年5月22日(星期三)舉行之股東周年大會上投票，所有過戶表格連同有關股票須於2019年5月16日(星期四)下午四時三十分前，送達本公司之股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。本公司將於2019年5月17日(星期五)至2019年5月22日(星期三)，包括首尾兩天，暫停辦理股份過戶登記手續。

為確定股東有權獲派本次建議之末期股息及特別股息，所有過戶表格連同有關股票須於2019年6月6日(星期四)下午四時三十分前，送達本公司之股份登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。本公司將於2019年6月10日(星期一)至2019年6月12日(星期三)，包括首尾兩天，暫停辦理股份過戶登記手續。待於2019年5月22日(星期三)舉行之股東周年大會上取得批准後，上述股息將於2019年6月28日(星期五)派發予於2019年6月12日(星期三)營業時間結束時名列本公司股東名冊之股東。

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管理層討論及分析(續)

USE OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING

The Company's shares were listed on the Main Board of the Stock Exchange on 4 December 2013 with net proceeds from the global offering of approximately RMB975.0 million (after deducting underwriting commissions and related expenses). As at 31 December 2018, the Company utilized approximately RMB800.0 million for the purposes of production capacity expansion, innovative product and service research and development, investment in associates and acquisition, market expansion outside of China, working capital supplementation and other general corporate purposes. The balances of the net proceeds were deposited in banking account. The Company has utilized and will utilize the net proceeds pursuant to the purposes and the proportions as disclosed in the prospectus of the Company dated 22 November 2013.

初次公開發售所得款項用途

本公司股份於2013年12月4日在聯交所主板掛牌，該首次全球發售所得款項淨額約人民幣975.0百萬元(扣除包銷佣金及相關費用後)。截至2018年12月31日止，本公司已動用約人民幣800.0百萬元，用於擴充產能、新產品及服務研發、公司合營與收購、中國境外市場拓展、補充公司營運資金和其他一般公司用途。所得款項淨額的餘額存入銀行賬戶。本公司已經且將按公司2013年11月22日發佈的招股章程所披露的方式和比例使用所得款淨額。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

An analysis of the utilization of the net proceeds from the initial public offering and the unused amount as at 31 December 2018 is set out below:

於2018年12月31日，初次公開發售所得款項使用及所得款餘額之分析如下：

		% of net proceeds 募集 資金比例	Net proceeds 募集 資金 HKD'000 港幣千元	Utilized amount as at 31 December 2018 於2018年 12月31日 已使用金額 HKD'000 港幣千元	Unutilized amount as at 31 December 2018 於2018年 12月31日 未使用金額 HKD'000 港幣千元
R&D of new products and services	研發新產品及服務	35.0%	341,113	341,113	–
Expansion to production facilities, upgrades and other improvements to existing card production and data processing facilities	擴充生產設備、升級及改進卡片生產及數據處理設施	35.0%	341,113	232,144	108,969
Financing future strategic alliances with complementary companies	支付未來與互補公司進行策略聯盟所需資金	10.0%	97,461	32,120	65,341
Further strengthening presence in existing markets outside the People's Republic of China (the "PRC")	進一步加強在中華人民共和國(「中國」)境外現有市場的佔有率支出	10.0%	97,461	97,461	–
Working capital and other general corporate purposes	補充營運資金及其它一般公司用途	10.0%	97,461	97,461	–
Total	合計	100.0%	974,609	800,299	174,310

The balances of the net proceeds were deposited in banking account. The Company has utilized and will utilize the net proceeds pursuant to the purposes and the proportions as disclosed in the prospectus of the Company dated 22 November 2013.

所得款項淨額的餘額存入銀行賬戶。本公司已經且將按本公司於2013年11月22日發佈的招股章程所披露的方式和比例使用所得款項淨額。

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管理層討論及分析(續)

LIQUIDITY AND FINANCIAL RESOURCES

Based on the Group's steady cash inflow from operations, coupled with sufficient cash and bank balances, the Group has adequate liquidity and financial resources to meet the daily operations and working capital requirements as well as to fund its expansion plans. By assuming a conservative financial management attitude, the Group continued to maintain the healthy financial position.

As at 31 December 2018, the Group's aggregate amount of bank balances and cash, fixed bank deposits and pledged bank deposits reached approximately RMB1,337.4 million (2017: approximately RMB1,617.0 million), of which approximately RMB942.7 million (2017: approximately RMB781.7 million) was denominated in RMB, representing approximately 70.5%, and approximately RMB394.7 million (2017: approximately RMB835.3 million) was denominated in USD and HKD, etc., representing approximately 29.5%.

As at 31 December 2018, the Group's at financial assets at fair value through profit or loss (**FVTPL**) was RMB232.6 million, which was the structured deposits represented principal-guaranteed financial products issued by banks, among which approximately RMB61.0 million was in China Construction Bank, RMB60.0 million was in Ping An Bank, RMB51.5 million was in China CITIC Bank and RMB60.2 million was in Agricultural Bank of China (2017: Nil).

As at 31 December 2018 and 31 December 2017, the Group had no bank loans.

流動性及財務資源

由於本集團業務有穩定現金流入，加上充足現金及銀行結餘，本集團有充裕流動資金及財務資源，可滿足日常營運與營運資金需求及支持拓展計劃。本集團秉持審慎的財務管理政策，保持了穩健的財務狀況。

於2018年12月31日，本集團銀行存款及現金、銀行定期存款、已抵押銀行存款總共約人民幣1,337.4百萬元(2017：約人民幣1,617.0百萬元)，其中，約人民幣942.7百萬元(2017：約人民幣781.7百萬元)佔比約70.5%，美元及港幣等折合約人民幣394.7百萬元(2017：約人民幣835.3百萬元)，佔比約29.5%。

於2018年12月31日，本集團按公允價值計入損益(「公允價值計入損益」)之金融資產約人民幣232.6百萬元，為銀行保本結構性存款，其中，中國建設銀行約人民幣61.0百萬元，平安銀行約人民幣60.0百萬元，中信銀行約人民幣51.5百萬元及中國農業銀行約人民幣60.2百萬元。(2017年：無)

於2018年12月31日及2017年12月31日，本集團並無銀行借款。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

As at 31 December 2018, the Group's trade receivables was approximately RMB413.8 million (2017: approximately RMB417.7 million). It is the industry practice that settlement of trade receivables peaks around the end of year.

As at 31 December 2018, the Group's total current assets amounted to approximately RMB2,000.1 million (2017: approximately RMB2,196.9 million), representing a decrease of approximately 9.0% compared with that of the previous year.

As at 31 December 2018, the Group's current ratio was 3.2 (2017: approximately 2.9), representing a high liquidity.

As at 31 December 2018, the Group's gearing ratio (the gearing ratio is equivalent to total debt divided by total assets as at the end of the year) was approximately 24.7% (2017: approximately 28.7%).

CURRENCY EXPOSURE

In terms of currency exposure, the Group's sales were mainly denominated in RMB, USD and HKD while the operating expenses and purchases were mainly denominated in RMB with portions in USD and HKD. The Group manages its foreign currency risk by closely monitoring the fluctuation of foreign currency rates.

CAPITAL EXPENDITURE

For the year ended 31 December 2018, the Group's capital expenditure was approximately RMB43.1 million. (2017: approximately RMB213.0 million). The capital expenditure includes expenses in fixed assets.

CAPITAL COMMITMENT

The aggregate capital commitment of the Group as at 31 December 2018 was approximately RMB18.0 million (2017: approximately RMB14.8 million).

PLEDGED ASSETS

As at 31 December 2018, bank deposits of approximately RMB165.6 million (2017: approximately RMB111.3 million) were pledged to secure the bills payables.

於2018年12月31日，本集團應收貨款約人民幣413.8百萬元(2017：約人民幣417.7百萬元)。由於行業性質，本集團應收貨款的回款高峰集中在年末。

於2018年12月31日，本集團流動資產總額約人民幣2,000.1百萬元(2017：約人民幣2,196.9百萬元)，比2017年末減少約9.0%。

於2018年12月31日，本集團流動比率約3.2(2017：約2.9)，流動性良好。

於2018年12月31日，本集團資產負債率(資產負債率等於總負債除以總資產)約24.7%(2017年：約28.7%)。

外匯風險

本集團之銷售主要以人民幣、美元及港幣結算。營運開支及採購主要以人民幣結算，部分開支以美元和港幣結算。本集團透過密切監控外幣匯率的變動來管控其外幣風險。

資本開支

於截至2018年12月31日止之年度，本集團資本開支總額約人民幣43.1百萬元。(2017：約人民幣213.0百萬元)。資本開支包括於固定資產之開支。

資本承擔

於2018年12月31日，本集團的資本承擔總額約人民幣18.0百萬元(2017：約人民幣14.8百萬元)。

資產之抵押

於2018年12月31日，約人民幣165.6百萬元之銀行存款(2017：約人民幣111.3百萬元)已作為應付票據之抵押品。

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CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2018, the Group's purchasing volume from Gemalto N.V. ("Gemalto") amounted to approximately RMB93.6 million, representing a year-on-year decrease of approximately 59.1%. The Group is highly committed in self-driven R&D. The Group has launched proprietary embedded chip operating system to diversify its chip supplies and the purchasing volume of continuing connected transactions has decreased.

SIGNIFICANT INVESTMENTS

The Group had no significant investments for the year ended 31 December 2018.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group plans to utilize its own funds of approximately RMB167.9 million for the purpose of construction of Zhuhai Fintech Center during 2019.

CONTINGENT LIABILITIES

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

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended 31 December 2018.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the year ended 31 December 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares.

持續關聯交易

於截至2018年12月31日止之年度，本集團向Gemalto N.V. (「Gemalto」) 採購金額約人民幣93.6百萬元，同比下降約59.1%。本集團堅持自主研發的發展道路，全面推出自主知識產權的嵌入式芯片操作系統，形成了芯片供應的多元化格局，持續關聯交易採購金額同比下降。

重大投資

本集團於截至2018年12月31日止之年度內無重大投資。

重大投資或資本資產之未來計劃

於2019年內，本集團計劃將自有資金約人民幣167.9百萬元用於珠海金融科技中心項目建設。

或有負債

於2018年12月31日，本集團並無任何重大或有負債。

對附屬公司、聯營公司及合營企業的重大收購及處置

本集團於截至2018年12月31日止之年度內對附屬公司、聯營公司及合營企業無重大收購及處置。

購買、出售或贖回上市證券

於截至2018年12月31日止之年度，本公司及其附屬公司均無購買、出售或贖回任何公司股份。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

The Group is committed to maintaining high levels of environmental and social standards to ensure sustainable development of its business. During the year ended 31 December 2018, the Group's environmental, social and governance ("ESG") management team had managed, monitored, recommended and reported on environmental and social aspects. An ESG report is prepared with reference to Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (Environmental, Social and Governance Reporting Guide) and will be published on the Company's and the Stock Exchange's websites.

The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group encourages its employees, customers, suppliers and other stakeholders to participate in environmental and social activities.

The Group maintains strong relationships with its employees. The Group also enhances cooperation with its suppliers and provides high quality products and services to its customers so as to ensure continued and sustainable development.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 1,735 employees (as at 31 December 2017: 1,731), with an increase of 4 employees as compared with that as at 31 December 2017.

The human resources are one of the Group's most important assets. In addition to offering competitive remuneration and welfare packages, the Group is also committed to providing specialized and challenging career development and training programs. Generally, a salary review is conducted annually. The Group also adopted the Pre-IPO share option scheme, the share option scheme and the share award scheme to motivate prospective employees. Apart from basic remuneration, for employees in the Mainland China, the Group makes contributions towards employee mandatory social security, pensions, work-related injury insurance, maternity insurance and medical and unemployment insurance in accordance with the applicable laws and regulations of the Mainland China. The Group also provides full coverage of housing provident fund contributions as required by local regulations in the Mainland China. For overseas employees, the Group also make contributions towards relevant insurance scheme as required by the local regulations.

環境、社會及企業管治

本集團致力維持高要求之環境及社會標準，以確保其業務可持續發展。於截至2018年12月31日止之年度，本集團環境、社會及管治(「ESG」)管理團隊，在環保及社會層面進行管理、監控、建議及報告工作。環境、社會及管治報告乃經參考聯交所證券上市規則(「上市規則」)附錄二十七所載列之環境、社會及管治報告指引而編制，並將於本公司及聯交所網站刊發。

本集團已遵守所有與其業務有關的相關法例及法規，包括健康及安全、工作環境、就業及環境。本集團鼓勵員工、客戶、供應商及其他相關者參與環境保護及社會活動。

本集團與員工維持緊密關係。本集團亦加強與供應商之間的合作，並為客戶提供優質產品及服務，以確保可持續發展。

員工及薪酬政策

於2018年12月31日，本集團聘用1,735名(於2017年12月31日為1,731名)員工，較2017年年末增加4人。

人力資源是本集團最重要的資產之一。除了提供具有競爭力的薪酬福利方案外，本集團亦為員工提供專門並具有挑戰性的職業發展及培訓計劃。整體而言，本集團將每年進行一次薪酬檢討。本集團亦實施了首次公開發售前的購股權計劃、購股權計劃和股份獎勵計劃以激勵有潛力的員工。對本集團於中國內地工作員工，除薪金外，本集團根據中國內地的相關法律、法規為中國內地的全部員工提供退休、失業、工傷、生育和醫療等社會保險計劃。本集團亦按照中國當地規定為中國內地員工實施住房公積金計劃。對本集團於海外工作員工，亦按照當地法律要求購買保險等計劃。

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DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理層(續)

DIRECTORS

The Board is consisted of nine Directors, including six executive Directors and three independent non-executive Directors. The following table sets forth certain information relating to the Directors:

Name 姓名	Age 年齡	Position in the Group 集團職務
Executive Directors		
執行董事		
LU Run Ting 盧潤霆	64	Chairman & Executive Director 主席及執行董事
HOU Ping 侯平	58	Executive Director & Chief Executive Officer 執行董事及首席執行官
LU Runyi 盧潤怡	61	Executive Director & Senior Vice President 執行董事及高級副總裁
LU Xiaozhong 盧小忠	50	Executive Director & Senior Vice President 執行董事及高級副總裁
WU Siqiang 吳思強	46	Executive Director & Chief Operating Officer 執行董事及首席運營官
LING Wai Lim (Note) 盧威廉(附註)	32	Executive Director 執行董事
Independent Non-executive Directors		
獨立非執行董事		
MAK Wing Sum Alvin 麥永森	66	Independent Non-executive Director 獨立非執行董事
LIU John Jianhua 劉建華	68	Independent Non-executive Director 獨立非執行董事
YE Lu 葉淥	56	Independent Non-executive Director 獨立非執行董事

Note: Mr. LING Wai Lim was re-designated from non-executive Director to executive Director with effect from 15 March 2019.

董事

董事會由九名董事組成，包括六名執行董事，三名獨立非執行董事。以下表格為各董事情況：

附註：盧威廉先生於2019年3月15日由非執行董事調任為執行董事。

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DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

Executive Directors

Mr. LU Run Ting (盧閔霆) (“Chairman Lu”), aged 64, is the Chairman and an executive Director of the Company, and the founder of the Group. He was first appointed as Director on 10 December 2004 and was designated as an executive Director with effect from 15 November 2013. Chairman LU is primarily responsible for the overall strategic planning and overseeing the general management of the Group. He has over 25 years of experience in financial card industry and was honored as the finalist award of CNBC Asia Business Leaders Award in October 2015. Chairman LU has been the Chairman of the Company and the Company’s subsidiaries, Goldpac Datacard Solutions Company Limited and Goldpac Limited (formerly named as “Goldpac Secur-Card (Zhuhai) Limited”) since 2011 and also has been a director of Goldpac Fintech Private Limited (formerly named as “Goldpac Fintech Singapore Private Limited”), the Company’s subsidiary, from 2016 to July 2018, and has been the director of Goldpac Investment Limited, the Company’s subsidiary, since 2016, and has been the director of Goldpac Innovation Limited, the Company’s subsidiary, since 2018. He was the managing Director and a Director of the Group from 2004 to 2011 and also served as the vice Chairman and president of both Goldpac Datacard Solutions Company Limited and Goldpac Limited from 2000 to 2011 and 1995 to 2011 respectively.

Prior to the establishment of the Group in 1995, Chairman LU had interest in Goldpac International (Holding) Limited (“GIHL”), the Company’s controlling shareholder and Director since 1993. Chairman LU also served as various management positions at the subsidiaries of the Industrial and Commercial Bank of China prior to the establishment of GIHL in 1993. He currently also serves as the chairman of GIHL. Chairman LU received a Master of Business Administration degree from the Hong Kong Polytechnic University in November 2004. Chairman LU had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Chairman LU is currently holding 100% interest of GIHL. Chairman LU is the elder brother of Mr. LU Runyi, who is an executive Director of the Company, and is the father of Mr. LING Wai Lim, who is an executive Director of the Company.

執行董事

盧閔霆先生(「盧主席」)，64歲，本公司主席兼執行董事，亦是本集團創始人。他早於2004年12月10日獲委任為董事，後於2013年11月15日調任為執行董事，主要負責本集團的整體戰略規劃和監督本集團的整體管理。他於金融卡行業擁有超過25年的經驗，於2015年10月榮膺CNBC亞洲傑出商業領袖入圍獎。盧主席自2011年起擔任本公司、本公司之附屬公司金邦達數據有限公司和金邦達有限公司(原為「珠海市金邦達保密卡有限公司」)的主席，以及自2016年至2018年7月期間擔任本公司之附屬公司Goldpac Fintech Private Limited (原為「Goldpac Fintech Singapore Private Limited」)董事，自2016年起至今擔任本公司之附屬公司金邦達投資有限公司董事，亦自2018年起擔任本公司之附屬公司Goldpac Innovation Limited董事，於2004至2011年期間擔任本集團執行董事兼董事，於2000年至2011年，以及1995年至2011年，分別兼任金邦達數據有限公司和金邦達有限公司的副主席及總裁。

於1995年本集團成立之前，盧主席自1993年起持有本公司控股股東金邦達國際(集團)有限公司(以下簡稱「金邦達國際」)的權益並擔任其董事。在1993年建立金邦達國際之前，盧主席曾於中國工商銀行旗下附屬公司擔任多個管理職位。目前盧主席亦擔任金邦達國際的主席。盧主席於2004年11月獲得香港理工大學的工商管理碩士學位。盧主席於過往3年未曾擔任其他香港或海外上市公司的董事。

盧主席目前持有金邦達國際的100%權益，並為執行董事盧潤怡先生的胞兄，及執行董事盧威廉先生的父親。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理層(續)

Mr. HOU Ping (侯平), aged 58, is an executive Director and the chief executive officer of the Company, and joined the Group in 2011. He was first appointed as a Director on 30 August 2011, and was designated as an executive Director with effect from 15 November 2013. He is primarily responsible for the overall management of the Group. Mr. HOU has over 30 years of experience in the banking industry, including over 20 years of experience in the card industry. He has been a Director and the chief executive officer of the Company since 2011. He has also served as a director of Goldpac Datacard Solutions Company Limited and Goldpac Limited, since 2011. He has also served as directors of four subsidiaries of the Company, a director of Goldpac Fintech Private Limited since 2016, and a director of Goldpac Technology Service Limited (Hengqin), SecureTech Holdings Limited and Goldpac Fintech Hong Kong Limited, the Company's subsidiaries, since 2018.

Prior to joining the Group, Mr. HOU was the head of credit card centre at Deutsche Bank (China) Co., Ltd, and was seconded to Huaxia Bank as chief executive officer of the credit card centre from 2006 to 2011. Mr. HOU served various positions at Bank of China group and subsequently, BOC Credit Card (International) Limited since 1999, including as deputy general manager of BOC Credit Card (International) Limited in Hong Kong from 1999 to 2004. Mr. HOU served as an independent non-executive director of the Huijin Technology (Zhuhai) Co., Ltd (a company listed on Shenzhen Stock Exchange, Stock Code: 300561) from November 2016 to January 2019. Mr. HOU received a Master of Business Administration degree from the Hong Kong Baptist University in December 2003. Saved as disclosed herein, Mr. HOU had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. LU Runyi (盧潤怡), aged 61, is an executive Director and a senior vice president of the Company, and joined the Group in 1995. He was first appointed as a Director in December 2004, and was designated as an executive Director with effect from November 2013. He is primarily responsible for the management of the sales department of the Group. Mr. LU Runyi, has approximately 25 years of experience in the security payment industry. He has been a senior vice president of the Group since 2004 and has also been a director of Goldpac Datacard Solutions Company Limited and Goldpac Limited since 2011. He currently also serves as a director of GIHL, and has also served as a director of Goldpac Technology Service Limited (Hengqin) since 2018. Mr. LU Runyi had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

侯平先生，58歲，本公司執行董事兼首席執行官，於2011年加入本集團。他早於2011年8月30日獲委任為董事，於2013年11月15日調任為執行董事，主要負責本集團的整體管理。侯先生於銀行業擁有超過30年的經驗，其中於卡類行業擁有超過20年經驗。自2011年起，他擔任本公司的董事兼首席執行官，同樣自2011年起擔任本公司附屬公司金邦達數據有限公司董事和金邦達有限公司董事。其亦擔任本公司四家附屬公司的董事，自2016年起擔任Goldpac Fintech Private Limited的董事，亦自2018年起擔任本公司之附屬公司金邦達科技服務(橫琴)有限公司、SecureTech Holdings Limited和金邦達金融科技香港有限公司的董事。

於加入本集團前，侯先生曾於2006年至2011年擔任德意志銀行(中國)有限公司信用卡中心總經理，其後借調至華夏銀行擔任信用卡中心首席執行官。侯先生自1999年起先後在中國銀行集團及中銀信用卡(國際)有限公司擔任多個職位，包括於1999年至2004年期間擔任中銀信用卡(國際)有限公司於香港的副總經理。侯先生曾於2016年11月至2019年1月年期間擔任珠海匯金科技股份有限公司(一家於深圳證券交易所上市的公司，股份代號：300561)的獨立非執行董事。侯先生於2003年12月獲得香港浸會大學的工商管理碩士學位。除上述披露外，侯先生於過往3年未曾擔任其他香港或海外上市公司的董事。

盧潤怡先生，61歲，本公司執行董事兼高級副總裁，於1995年加入本集團。他早於2004年12月獲委任為董事，後於2013年11月調任為執行董事，主要負責管理本集團的銷售部門。盧潤怡先生於安全支付行業擁有約25年的經驗。他自2004年起擔任本集團的高級副總裁，並自2011年起擔任金邦達數據有限公司和金邦達有限公司董事。彼目前亦擔任金邦達國際董事，亦自2018年起擔任金邦達科技服務(橫琴)有限公司董事。盧潤怡先生於過往3年未曾擔任其他香港或海外上市公司的董事。

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DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

Mr. LU Runyi is the younger brother of Mr. LU Run Ting, who is the Chairman and an executive Director of the Company, and is the uncle of Mr. LING Wai Lim, who is an executive Director of the Company.

Mr. LU Xiaozhong (盧小忠), aged 50, is an executive Director and a senior vice president of the Company, and joined the Group in 1995. He was first appointed as a Director on 21 May 2013, and was designated as an executive Director with effect from 15 November 2013. He is primarily responsible for the management of the corporate business, quality and security department of the Group. Mr. LU has approximately 25 years of experience in the security payment industry. He has been the senior vice president, general manager of the corporate business management department and chief officer of the information security of Goldpac Limited since 2012. Since 2011 to 2014, he acted as the director of Goldpac Limited and Goldpac Datacard Solutions Company Limited. He also served various management positions at Goldpac Limited from 1995 to 2012. Mr. LU had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. LU has been an external expert consultant of China UnionPay since 2010. He served as a member of the Economic Crime Consultancy expert team of the Zhuhai Police Bureau. Through these appointments, he has accumulated relevant experience in compliance, quality control and confidential information management and intellectual property right of customers. Mr. LU graduated from the Shanghai Jiao Tong University. (上海交通大學) with a Bachelor of Engineering degree in Polymer Materials in July 1990 and received a Master of Business Administration degree from the Hong Kong Polytechnic University in December 2006.

Mr. WU Siqiang (吳思強), aged 46, is an executive Director and the chief operating officer of the Company, and joined the Group in 2001. Mr. WU is primarily responsible for the overall operation of the Group. Mr. WU was designated as an executive Director with effect from 18 May 2017, he has approximately 20 years of experience in the security payment industry. Mr. WU was a manager of the production division, vice general manager of the operation division, general manager of the production management division of Goldpac Limited from 2001 to 2011 successively and has been the chief operating officer of Goldpac Limited since 2011. Mr. WU also served as a manager of the procurement division of Goldpac Limited since 2004, and has also served as a director of Goldpac Technology Service Limited (Hengqin) since 2018. Mr. WU had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

盧潤怡先生為本公司主席兼執行董事盧潤霆先生的胞弟，且為本公司執行董事盧威廉先生的叔叔。

盧小忠先生，50歲，本公司執行董事兼高級副總裁，於1995年加入本集團。他早於2013年5月21日獲委任為董事，於2013年11月15日調任為執行董事，主要負責本集團的企業項目及質量安全部的管理工作。盧先生在安全支付行業擁有約25年的經驗。自2012年起，他擔任金邦達有限公司高級副總裁、企業項目管理部總經理及首席信息安全官。自2011年至2014年，他擔任金邦達有限公司和金邦達數據有限公司的董事。他亦於1995年至2012年出任金邦達有限公司的多個管理職位。盧先生於過往三年未曾擔任其他香港或海外上市公司的董事。

此外，盧先生自2010年起擔任中國銀聯的外聘專家顧問。他一直為珠海市公安局經濟犯罪顧問專家小組成員。透過擔任該等職位，他在處理合規、質量控制及管理客戶的機密資料及知識產方面積累了相關經驗。盧先生在1990年7月畢業於上海交通大學，獲得高分子材料工程學士學位，並於2006年12月獲得香港理工大學的工商管理碩士學位。

吳思強先生，46歲，本公司執行董事兼首席運營官，於2001年加入本集團。吳先生主要負責本集團的整體運營。吳先生於安全支付行業擁有約20年的經驗，於2017年5月18日吳先生獲委任執行董事，其於2001年至2011年，先後擔任金邦達有限公司的生產部經理、運作部副總經理及生產管理部總經理，並自2011年起擔任金邦達有限公司的首席運營官。自2004年起，吳先生亦擔任金邦達有限公司的採購部經理，亦自2018年起擔任金邦達科技服務(橫琴)有限公司董事。吳先生於過往三年未曾擔任其他香港或海外上市公司的董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理層(續)

Mr. WU graduated from the Guangdong Mechanics University (廣東機械學院) (now part of Guangdong University of Technology (廣東工業大學)) with a Bachelor of Mechatronics degree in July 1993.

Mr. LING Wai Lim (盧威廉) (formerly known as Mr. Wai Lim (威廉) and Mr. LING Wai Lim (凌威廉)), aged 32, joined the Company as non-executive Director on 18 May 2017. He was designated as an executive Director with effect from 15 March 2019, and has served as a director of Goldpac Technology Service Limited (Hengqin) since 2018. Mr. LING has over 10 years of experience in biomedical research and research project management. Mr. LING served as a project analyst, a project manager and the senior scientific advisor, respectively, of China Regenerative Medicine International Limited (Stock Code: 8158), a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, from June 2015 to December 2018. Mr. LING served as a research assistant of The University of Hong Kong, Department of Paediatrics and Adolescent Medicine, from December 2010 to May 2012. Mr. LING had not been a Director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. LING received the Bachelor of Science (Biotechnology) from The University of Hong Kong in 2008, the Master of Philosophy in Microbiology from The University of Hong Kong in 2010, and also the Doctor of Philosophy in Immunology from The University of Hong Kong in 2015.

Mr. LING is the son of Mr. LU Run Ting, who is the Chairman of the Board, an executive Director and a controlling shareholder (as defined under the Listing Rules) of the Company. He is also the nephew of Mr. LU Runyi, who is an executive Director and senior vice president of the Company.

吳先生在1993年7月畢業於廣東機械學院(現為廣東工業大學的一部分)的機械電子工程學士學位。

盧威廉先生(前度姓名「威廉」及「凌威廉」)，32歲，於2017年5月18日加入本集團並獲委任為非執行董事。於2019年3月15日調任為執行董事，亦自2018年起擔任金邦達科技服務(橫琴)有限公司董事。盧先生在生物醫學研究和科研項目管理方面擁有超過10年的經驗。盧先生於2015年6月至2018年12月服務於中國再生醫學國際有限公司(一家於香港聯合交易所有限公司創業板上市的公司，股份代號：8158)，曾分別擔任項目分析師、項目經理和資深科學顧問。盧先生於2010年12月至2012年5月擔任香港大學兒科及青少年醫學系研究助理。盧先生於過往三年未曾擔任其他香港或海外上市公司的董事。

盧先生於2008年獲得香港大學科學系生物科技學士學位，於2010年獲得香港大學微生物學哲學碩士學位，並於2015年獲得香港大學免疫學博士學位。

盧先生乃本公司董事會主席、執行董事兼控股股東(定義見上市規則)盧潤霆先生之子，亦為本公司之執行董事兼高級副總裁盧潤怡先生之侄子。

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董事及高級管理層(續)

Independent Non-executive Directors

Mr. MAK Wing Sum Alvin (麥永森) (also known as Mr. MAK Wing Sum), aged 66, is an independent non-executive Director. He joined the Group on 15 November 2013, when he was appointed as an independent non-executive Director.

Mr. MAK is currently an independent non-executive director of Hong Kong Television Network Limited (a company listed on the Stock Exchange, Stock Code: 1137), I.T Limited (a company listed on the Stock Exchange, Stock Code: 999), Luk Fook Holdings (International) Limited (a company listed on the Stock Exchange, Stock Code: 590), Lai Fung Holdings Limited (a company listed on the Stock Exchange, Stock Code: 1125) and Crystal International Group Limited (a company listed on the Stock Exchange, Stock Code: 2232). At the same time, as a member of Hong Kong Housing Society, Mr. Mak has been selected as the Chairman of the Audit Committee, and also the member of the Supervisory Board, Remuneration Committee and Special Committee on Investment. Mr. MAK, after working in Citibank for over 26 years, went into his retirement in April 2012. Whilst at Citibank, he has held various senior positions, managing the regional global asset management business and financial control for North Asia, he last served as the Head of Markets and Banking for Citibank Hong Kong.

Mr. MAK graduated from the University of Toronto in Canada with a Bachelor of Commerce degree in June 1976. He has been a Chartered Accountant of the Canadian Institute of Chartered Accountants since September 1979, a Chartered Professional Accountant of the Canadian Institute of Chartered Accountants since November 2012 and currently also a member of the Hong Kong Institute of Certified Public Accountants. Save as disclosed herein, Mr. MAK had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

獨立非執行董事

麥永森先生，66歲，獨立非執行董事。他於2013年11月15日加入本集團並獲委任為獨立非執行董事。

麥先生目前擔任香港電視網絡有限公司（一家於聯交所上市的公司，股份代號：1137）、I.T Limited（一家於聯交所上市的公司，股份代號：999）、六福集團（國際）有限公司（一家於聯交所上市的公司，股份代號：590）、麗豐控股有限公司（一家於聯交所上市的公司，股份代號：1125）以及晶苑國際集團有限公司（一家於香港聯交所上市的公司，股份代號：2232）的獨立非執行董事。同時，作為香港房屋協會委員，麥先生被任命為該協會審核委員會主席，亦擔任該協會監事會，薪酬委員會及投資特別委員會委員。在花旗銀行工作超過26年之後，於2012年4月退休。彼於花旗銀行任職期間，曾出任多個高級職位，包括管理北亞地區的全球資產管理業務及財務控制，在香港花旗銀行最後擔任的職務為市場及銀行業務主管。

麥先生於1976年6月畢業於加拿大多倫多大學，獲得商業學士學位。他自1979年9月起為加拿大特許會計師公會會員，自2012年11月起為加拿大特許會計師公會特許專業會計師，目前亦是香港會計師公會會員。除前述所披露者外，麥先生於過往三年未曾擔任其他香港或海外上市公司的董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理層(續)

Mr. LIU John Jianhua (劉建華), aged 68, is an independent non-executive Director. He joined the Group on 15 November 2013, when he was appointed as an independent non-executive Director.

Mr. LIU has been the chairman of the Academy of International Transport of the City University of Hong Kong since 2012. Mr. LIU served as the director of the Center for Transport, Trade and Financial Studies and the visiting professor at the department of management science of the City University of Hong Kong since 2011 to December 2015 and 2016 respectively. Mr. LIU has been a visiting professor of Faculty of Business Administration of Beijing Institute of Technology, Zhuhai since 1 January 2017.

Mr. LIU received a Master in Engineering degree in March 1982 from Huazhong Engineering University (華中工學院) (now known as Huazhong University of Science & Technology (華中科技大學)). He received a Master of Science degree major in Engineering-Economic Systems from Stanford University in the United States in June 1983 and a Doctor of Philosophy degree in Industrial Engineering from Pennsylvania State University in August 1986 in the United States. Mr. LIU had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Ms. YE Lu (葉淥), aged 56, is an independent non-executive Director. She joined the Group on 18 May 2017 when she was appointed as an independent non-executive Director.

Ms. YE Lu has more than 30 years of experience in cross border commercial dispute resolution. Ms. YE joined King & Wood Mallesons in 2004, and is currently a partner of King & Wood Mallesons. Ms. YE is a member of the Council of the London Court of International Arbitration, and an arbitrator of American Arbitration Association, China International Economic and Trade Arbitration Commission and Hong Kong International Arbitration Center and Singapore International Arbitration Center. Prior to 2004, Ms. YE was a consultant and worked for an international law firm for 9 years, and was a lawyer and a partner in two other Beijing law firms for 6 years.

Ms. YE received the Bachelor of Laws from the Law School of Peking University in June 1983, and received the Master of Laws from the Law School of Chinese Academy of Social Sciences in June 1986, and also received the Master of Laws from the Harvard Law School in June 1994. Ms. YE was admitted as lawyer in the PRC and New York State in 1988 and 1999 respectively. Ms. YE had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

劉建華先生，68歲，獨立非執行董事。他於2013年11月15日加入本集團並獲委任為獨立非執行董事。

劉先生從2012年起擔任香港城市大學國際航貿服務學會主席。自2011年起至2015年12月和2016年劉先生分別擔任香港城市大學航貿金融研究中心主任以及管理科學系客座教授。自2017年1月1日起，劉先生擔任北京理工大學珠海學院商學院客座教授。

劉先生於1982年3月獲華中工學院(現稱華中科技大學)頒授工程學碩士學位，於1983年6月獲美國斯坦福大學頒授工程經濟系統管理學碩士學位，於1986年8月在美國獲賓夕法尼亞州立大學頒授工業工程博士學位。劉先生於過往三年未曾擔任其他香港或海外上市公司的董事。

葉淥女士，56歲，獨立非執行董事。她於2017年5月18日加入本集團並獲委任為獨立非執行董事。

葉淥女士在跨境商業糾紛解決領域有超過30年的經驗。葉女士於2004年加入金杜律師事務所，目前為金杜律師事務所的合夥人。葉女士目前亦為倫敦國際仲裁院理事會理事、美國仲裁協會國際爭議解決中心仲裁員、中國國際經濟貿易仲裁委員會仲裁員、香港國際仲裁中心仲裁員以及新加坡國際仲裁中心仲裁員。於2004年之前，葉女士曾任職一家國際性律師事務所的顧問律師，並工作9年。在此前還曾在其他兩家北京的律師事務所執業並擔任合夥人共6年。

葉女士於1983年6月獲得北京大學法學院法學學士學位，於1986年6月獲得中國社會科學院研究生院法學碩士學位，並於1994年6月獲得美國哈佛大學法學院法學碩士學位。葉女士於1988年取得中國執業律師資格，並於1999年取得美國紐約州執業律師資格。葉女士於過往三年未曾擔任其他香港或海外上市公司董事。

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DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

SENIOR MANAGEMENT

高級管理層

Name 姓名	Gender 性別	Age 年齡	Position 職務
LI Yijin 李易進	Female 女	48	Chief Financial Officer & Company Secretary 首席財務官及公司秘書
LI Jun 李軍	Male 男	57	Chief Technology Officer 首席技術官

Ms. LI Yijin (李易進), aged 48, is the chief financial officer of the Company, and joined the Group in 2001. She is primarily responsible for the management of the accounting and finance department of the Group. Ms. LI has approximately 25 years of experience in the accounting and financial reporting matters. She was the financial controller of the Group from 2004 to 2012 and has been the chief financial officer of the Group since 2012.

Ms. LI received an Executive Master of Business Administration degree from the Hong Kong University of Science & Technology in November 2012. Ms. LI has been a member of CPA (Certified Public Accountants) Australia since October 2004 and the Hong Kong Institute of Certified Public Accountants since May 2013. Ms. LI had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. LI Jun (李軍), aged 57, is the chief technology officer of the Company, and joined the Group in 2013. He is primarily responsible for the management of the technical solutions department and R&D department of the Group. Mr. LI has approximately 20 years of experience in the technology related industry. He has been the chief technology officer of the Company since January 2013. He has also been the chief technology officer of both Goldpac Limited and Goldpac Datacard Solutions Company Limited since January 2013.

李易進女士，48歲，本公司首席財務官，於2001年加入本集團。她主要負責管理本集團的會計及財務部門。李女士於會計及財務報告事宜方面擁有約25年的經驗。她於2004年至2012年擔任本公司的財務總監，並自2012年起擔任本公司的首席財務官。

李女士於2012年11月獲得香港科技大學的行政人員工商管理碩士學位。李女士自2004年10月起為澳洲會計師公會會員，自2013年5月起為香港會計師公會會員。李女士於過往三年未曾擔任其他香港或海外上市公司的董事。

李軍先生，57歲，本公司首席技術官，於2013年加入本集團。他主要負責管理本集團的技術解決方案部門和研發部門。李先生於技術相關行業擁有約20年的經驗。他自2013年1月起擔任本公司的首席技術官。自2013年1月起亦同時兼任金邦達有限公司和金邦達數據有限公司的首席技術官。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理層(續)

Prior to joining the Group, Mr. LI joined Giesecke & Devrient GmbH as engineer in 1997 and from 1999 to 2012 served as the Director for security equipment in Giesecke & Devrient (China) Information Technology Co., Ltd. Mr. LI graduated from the Beijing University of Posts and Telecommunications (北京郵電學院) with a degree in radio communication and received a master degree in engineering from Universität-Gesamthochschule Paderborn in Germany and a master certificate in project management from the George Washington University through its program in Beijing in July 1983, June 1997 and May 2005 respectively. Mr. LI had not been a director of any other listed companies in Hong Kong or overseas in the past three years.

COMPANY SECRETARY

Ms. LI Yijin (李易進), aged 48, is the company secretary of the Group, and joined the Group in 2001. She is responsible for the secretarial matters of the Group.

Please refer to the paragraph headed “Directors and Senior Management — Senior Management” above for the biography of Ms. LI.

CHANGE IN INFORMATION OF DIRECTOR

Save as disclosed in this Annual Report, there is no changes in information of Directors required to be disclosed for the year ended 31 December 2018 pursuant to Rule 13.51B(1) of the Rules Governing the Listing Rules.

於加入本集團前，李先生於1997年加入 Giesecke & Devrient GmbH 擔任工程師，並於1999年至2012年間擔任捷德(中國)資訊科技有限公司的安全設備總監。李先生於1983年7月、1997年6月和2005年5月分別獲得北京郵電學院無線電通信專業學位及德國帕德博恩大學(Universität-Gesamthochschule Paderborn)工程碩士學位，並透過喬治華盛頓大學於北京開辦的課程取得項目管理碩士證書。李先生於過往三年未曾擔任其他香港或海外上市公司的董事。

公司秘書

李易進女士，48歲，為本公司的公司秘書，於2001年加入本集團，負責本集團的公司秘書事宜。

有關李女士的履歷詳情請參閱上文「董事及高級管理層—高級管理層」一段。

董事資料變更

根據上市規則13.51B(1)要求，於截至2018年12月31日止之年度，除本年報已披露信息之外，本公司無董事資料變更信息披露。

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REPORT OF DIRECTORS 董事會報告

The Board hereby presents this Annual Report together with the Consolidated Financial Statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

Incorporated in Hong Kong on 8 October 2004, the Company was publicly listed on the Main Board of the Stock Exchange on 4 December 2013. Primarily operated through its subsidiaries in the Mainland China and Hong Kong, the Group is specialised in delivering embedded software, secure payment products and A.I. financial self-service kiosks for global customers and leveraging innovative Fintech to provide data processing, system platforms and other total solutions for customers in a wide business range including finance, government, healthcare, transportation and retails. The Group is the exclusive secure payment products supplier in the PRC, which is certified by all six of the world-leading credit card organisations of China UnionPay, VISA, MasterCard, American Express, JCB and Diners Club.

As a global leading secure payment total solution supplier, the Group is actively involved in drafting and formulating of industrial standards and criterion. To drive the innovation by customers' diversified demands and evolving front-line technologies, the Group watches the cutting-edge technologies trends with the closest interests, covering internet banking, mobile payment, IoT, to reinforce the Group's leading industrial position and boost the whole industry's evolution. Motivated by the strong R&D aptitudes and affluent practical experiences, the Group was actively involved in numerous significant industrial events and projects, including China's secure and reliable financial IC card chip promotion project, the first EMV (Europay, MasterCard and VISA) projects in Hong Kong and the Mainland China, the first provincial social security card project, the first financial social security card project, the first citizen card project and the first healthcare card project in the Mainland China. Adhering to the spirit of "Virtue, Innovative, Efficiency and Cooperation" and leveraging its leading technologies, preminent qualities and premium service, the Group is fully engaged in promoting a wider and in-depth Fintech application. At the same time, inspired by the Chinese government's "Belt and Road" initiative, the Group is now continuously expanding its international market and extending its superior solutions and services to a wider geographical area and delivering convenient, secure and easy payment experiences to people around the globe.

The principal activities of the Group for the year 2018 are set out in the Note 5 to Consolidated Financial Statements on page 202 to page 207 of this Annual Report.

董事會欣然提呈本集團截至2018年12月31日止之年度報告及綜合財務報表。

主要業務

本公司是於2004年10月8日在香港註冊成立的有限責任公司，於2013年12月4日在香港聯交所主板上市。本集團主要通過在內地和香港的附屬公司進行運作，主要業務是為全球客戶提供智能安全支付領域的嵌入式軟件、安全支付產品和智能金融自助設備，同時融合創新金融科技，為金融、政府、衛生、交通、零售等廣泛領域客戶提供數據處理、系統平台及其他整體解決方案，是中國唯一一家同時獲得中國銀聯、維薩、萬事達、美國運通、JCB和大萊六大信用卡組織認證的安全支付產品提供商。

作為全球領先的安全支付整體方案提供商，本集團在積極參與相關行業標準編製、起草的同時，堅持對互聯網金融、移動支付、智慧城市、物聯網等前瞻性技術領域持續研發投入，以客戶需求和前沿技術驅動創新，使本集團始終處於行業前沿，引領行業發展。憑藉雄厚的技術實力和豐富的項目實施經驗，本集團承擔中國安全可靠金融IC卡芯片推廣項目，並成功參與內地及香港首批EMV (Europay, 萬事達及維薩)項目、內地首批省級社保卡、金融社保卡、市民卡以及居民健康卡等項目的實施。持續秉承「厚德、創新、高效、合作」的企業精神，本集團始終以領先的技術、優秀的品質以及完善的服務，全力促進金融科技在更廣泛領域的應用。本集團也將依托中國政府「一帶一路」發展戰略，不斷擴展國際市場，將卓越的多元化產品與服務拓展到更為廣闊的地理網絡，為全球客戶帶來安全、便捷、極致的支付體驗。

本集團於2018年度主要業務分析詳見本年報第202頁至207頁中的綜合財務報表附註5。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 126 and 127 of this Annual Report.

A final dividend of HK10.0 cents (2017: HK10.0 cents) and a special dividend of HK6.0 cents (2017: HK6.0 cents) per ordinary share in respect of the year ended 31 December 2018 has been proposed by the Board of Directors.

PERFORMANCE

A discussion and analysis of the Group's performance during the year 2018, the material factors underlying its results and financial position and details of the Group's principal activities are provided in the section headed "Management Discussion and Analysis" on page 14 to page 27 of this Annual Report.

CLOSURE OF REGISTER OF MEMBERS

In order to be eligible for attendance and for voting at the forthcoming annual general meeting of the Company to be held on Wednesday, 22 May 2019, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on Thursday, 16 May 2019. The register of members of the Company will be closed from Friday, 17 May 2019 to Wednesday, 22 May 2019, both days inclusive, during which period, no transfer of shares will be registered.

In order to determine who are entitled to the proposed final dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on Thursday, 6 June 2019. The register of members of the Company will be closed from Monday, 10 June 2019 to Wednesday, 12 June 2019, both days inclusive, during which period no transfer of shares will be registered. Subject to shareholders' approval of the proposed dividends at the annual general meeting of the Company to be held on Wednesday, 22 May 2019, the dividends will be paid on Friday, 28 June 2019 to the shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 12 June 2019.

業績和股息分派

本集團於截至2018年12月31日止之年度業績載於本年報第126及127頁綜合損益及其他全面收入表中。

董事會建議就截至2018年12月31日之年度派發末期股息每股普通股港幣10.0仙(2017年度為港幣10.0仙)，以及特別股息港幣6.0仙(2017年度為港幣6.0仙)。

經營表現

關於本集團2018年度內的經營表現，業績的主要影響因素，財務狀況以及本集團的主要業務情況的討論與分析載於本年報第14頁至第27頁的「管理層討論及分析」中。

暫停辦理股份過戶登記手續

為確定股東有權出席並於2019年5月22日(星期三)舉行之股東周年大會上投票，所有過戶表格連同有關股票須於2019年5月16日(星期四)下午四時三十分前，送達本公司之股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。本公司將於2019年5月17日(星期五)至2019年5月22日(星期三)，包括首尾兩天，暫停辦理股份過戶登記手續。

為確定股東有權獲派本次建議之末期股息及特別股息，所有過戶表格連同有關股票須於2019年6月6日(星期四)下午四時三十分前，送達本公司之股份登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。本公司將於2019年6月10日(星期一)至2019年6月12日(星期三)，包括首尾兩天，暫停辦理股份過戶登記手續。待於2019年5月22日(星期三)舉行之股東周年大會上取得批准後，上述股息將於2019年6月28日(星期五)派發予於2019年6月12日(星期三)營業時間結束時名列本公司股東名冊之股東。

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, some of which are inherent to the payment solutions business and some are from external sources. Major risks are summarized below.

(i) The financial performance of the Group depends on the future growth of the consumer financial services industry and trends

As the Group relies on financial institutions, government agencies (such as social security, public health and transportation agencies) and other organisations that issue financial cards as its customers or potential customers, the financial performance of the Group depends on the future growth of the consumer financial services industry and trends in that industry towards greater outsourcing of certain functions such as the production and data processing of financial cards. The consumer financial services industry is characterised by rapid launches of new products and services, continuous technological advancement, evolving industry standards and changing customer needs, all of which translate to shorter life cycles for new products and services. Organisations that issue financial cards, such as the Group's customers, may face difficulty in anticipating changes in consumer tastes, preferences and requirements and designing financial products to meet such changes, which could lead to a lower demand for financial cards and in turn decrease these organisations' demand for the products and services, which may adversely affect the financial results of the Group.

(ii) As a supplier to financial institutions and government agencies, the Group is subject to rigorous industry standards and/or government regulations

Many of the industry organisations, government regulatory agencies and other bodies to which the Group's customers belong or are subject to have issued their own sets of standards and criteria relating to the facilities and products of payment solutions providers, which the Group must satisfy in order to be eligible to supply products and services to these customers. For example, as required by the Group's financial institution customers, the Group has obtained

主要風險及不明朗因素

本集團的業績及業務營運受多個因素的影響，若干為支付解決方案行業所固有，若干則來源於外界。主要風險概述如下。

(i) 本集團的財務表現依賴消費者金融服務業的未來增長

由於本集團依賴金融機構、政府機關(如社保、公共健康及交通機關)及其他需發行金融卡的組織作為本集團的客戶或潛在客戶，故本集團的財務表現依賴消費者金融服務業的未來增長，以及業內對金融卡的生產及數據處理等若干工作的外包需求增加。消費者金融服務業的特點是新產品和服務更新換代時間短、技術持續升級、行業標準不斷轉變及客戶需要變化不定，以上種種因素使得新產品和服務只有較短的生命周期。發行金融卡的組織(如本集團的客戶)於預測消費者品味、喜好及要求上的轉變，以及設計能迎合有關轉變的金融產品方面可能遇到困難，因而可能令對彼等金融卡的需求有所下降，從而降低該等組織對本集團產品及服務的需求，可對本集團的財務業績帶來不利影響。

(ii) 作為金融機構和政府機關的供應商，本集團須遵守嚴格的行業標準及／或政府法規

本集團客戶所屬的許多行業組織或監管本集團客戶的政府監管機構和其他機構均已頒佈有關支付解決方案提供商的設施和產品的標準和規範。為向這些客戶供應產品和服務，本集團必須遵守相關標準和規範。例如，本集團已應金融機構客戶的要求，就本集團的卡片製造及數據處理服務取得全

certifications from all six of the leading worldwide payment card organisations (VISA, MasterCard, American Express, China UnionPay, JCB, and Diners Club) with respect to the Group's card manufacturing and personalisation services. To maintain such certifications, the Group is subject to rigorous periodic audits by these payment card organisations to review the Group's compliance with their standards and criteria. The Group makes significant investments in order to meet these standards and criteria, which vary depending on the organisation or body, including investments required to satisfy changes adopted from time to time by these organisations and bodies in their respective standards and criteria. Further investments to meet these standards and criteria may be costly, and if the Group is unable to continue to meet these standards and criteria, the Group may become ineligible to provide products and services that have constituted in the past an important part of the Group's revenue and profitability.

(iii) The Group faces significant competition in each of the markets in which it operates, which could affect its profitability

The Group's market position depends upon its ability to anticipate and proactively deal with changes in economic and market conditions and evolving industry trends, as well as the following factors: introduction of new or superior products and services or more advanced technologies, adoption of more flexible pricing strategies by the Group's competitors and changes in customers' needs and preferences. The Group cannot assure that its current or potential competitors will not produce the same or similar products or products of a better quality and/or provide similar or higher quality services at the same or lower prices than the prices at which the Group's products and services are provided.

球六大領先支付卡組織(維薩、萬事達、美國運通、中國銀聯、JCB及大萊)的認證。為保持有關認證，本集團須定期接受該等支付卡組織的嚴格審核，審閱本集團是否遵守彼等的標準及要求。這些標準和規範因組織或機構不同而各異，為加以遵守，本集團須作出重大投資，包括為配合相關組織和機構各自標準和規範的不時變動所需的投資。符合這些標準和規範的進一步投資可能花費巨大，倘本集團未能持續遵守這些標準和規範，本集團可能不合資格提供過去構成本集團收益和盈利重要組成部分的产品和服務。

(iii) 本集團在所經營的各個市場面對激烈競爭，可能會影響本集團的盈利能力

本集團的市場地位取決於本集團預測和積極應付經濟和市場狀況變化和不斷轉變的行業走勢的能力，同時亦取決於以下因素：出現全新或優質產品和服務或更先進技術、競爭對手採取更靈活的定價策略以及客戶需要和喜好的改變等。本集團不能保證現有或潛在的競爭對手不會提供類似或質量更佳的产品及／或服務，而價格與本集團提供的產品或服務相同或甚至更低。

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REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

The Group's competitors may also react more quickly to new or emerging technologies or changes in customer preferences. In addition, the Group may face greater than expected downward pricing pressure as a result of possible price competition by competitors seeking to stimulate demand in order to maintain or increase market share. Such competition could adversely affect the Group's results of operations and business prospects. Any adverse changes in the Group's competitive environment could cause a reduction in the sales quantity, its market share, or the sales price of its products, which would lower the Group's profitability. As a supplier to the major financial institutions in China, the Group's performance and profitability may be adversely affected if its customers, when faced with operational difficulties and decreasing profit margins, seek to demand more favourable trading terms from the Group in relation to price and credit period. The Group's performance and profitability will also be adversely affected if any of its customers faces cost control or cash flow problems due to such operational difficulties.

(iv) Fluctuations in consumer spending and financial services in the PRC may affect the Group's business and financial performance

During the past few years, the Group derived most of the Group's revenue from operations in the PRC. The Group's sales and growth are dependent on consumer spending and consumer banking, which in turn depend on continued improvement of macroeconomic conditions, in Asia generally but in the PRC in particular. There are many factors affecting the level of consumer spending and consumer banking, including but not limited to, interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment levels and general consumer confidence. In addition, the Group believes that the Group's historical growth rates were largely dependent on the general growth of the PRC economy. The Group can provide no assurance that the PRC economy will continue to grow at historical rates, or at all, and any slowdowns or declines in the PRC economy or consumer spending or consumer banking may adversely affect the Group's business, financial condition, results of operations and growth prospects.

本集團的競爭對手還可能對全新或前沿技術或客戶喜好改變作出更快的反應。此外，由於競爭對手為維持或增加市場份額而致力於刺激需求而導致價格競爭，本集團可能會面臨比預期更大的價格下調壓力。上述競爭可能對本集團的經營業績及業務前景造成不利影響。本集團的競爭環境出現上述任何不利變動均可導致本集團產品銷量、市場份額或售價下降，繼而降降低本集團的盈利能力。作為中國大型金融機構的供應商，如果本集團的客戶面臨經營困境和利潤率下降，並要求本集團就價格和信貸期給予更優惠的貿易條款，則本集團的業績和盈利能力會受不利影響。倘本集團任何客戶因經營困境而進行成本控制或面臨現金流量問題，本集團的業績和盈利能力也會受不利影響。

(iv) 中國消費者支出和金融服務的波動會對本集團的業務和財務表現造成重大影響

於過往幾年，本集團的大部分收益源自中國的營運。本集團的銷售和增長有賴消費支出和消費者銀行業務，而兩者均依賴整個亞洲(尤其是中國)宏觀經濟環境的持續發展。消費支出和消費者銀行業務受諸多因素的影響，包括但不限於利率、匯率、經濟衰退、通脹、通縮、政治的不確定性、稅務、股市表現、失業人數和整體消費者信心。此外，本集團認為，本集團的歷史增長率在很大程度上依賴中國經濟的整體增長。本集團無法保證中國經濟會按歷史增長率持續增長，或者中國經濟根本不會增長，而中國經濟或消費支出或消費者銀行業的任何放緩或下滑，均可能對本集團的業務、財務狀況、經營業績和增長前景產生不利影響。

(v) Adverse changes in China's economic, political and social conditions as well as laws and government policies, may adversely affect the Group's business, financial condition, results of operations and growth prospects

The economic, political and social conditions in China differ from those in more developed countries in many respects, including structure, government involvement, level of development, growth rate, control of foreign exchange, capital reinvestment, allocation of resources, rate of inflation and trade balance position. Before the adoption of its reform and opening up policies in 1978, the PRC was primarily a planned economy. In recent years, the PRC government has been reforming the PRC economic system and government structure. For example, the PRC government has implemented economic reform and measures emphasising the utilisation of market forces in the development of the PRC economy in the past three decades. These reforms have resulted in significant economic growth and social prospects. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country. The Group cannot predict whether the resulting changes will have any adverse effect on the Group's current or future business, financial condition or results of operations. Despite these economic reforms and measures, the PRC government continues to play a significant role in regulating industrial development, allocation of natural and other resources, production, pricing and management of currency, and there can be no assurance that the PRC government will continue to pursue a policy of economic reform or that the direction of reform will continue to be market friendly.

(v) 中國經濟、政治、社會狀況及法律和政府政策的不利變動均可能對本集團的業務、財務狀況、經營業績和增長前景造成不利影響

中國經濟、政治及社會狀況與較發達國家在許多方面均有所不同，包括架構、政府參與程度、發展水平、增長率、外匯管制、資本再投資、資源分配、通脹率及貿易平衡狀況。在一九七八年改革開放之前，中國主要屬計劃經濟。近年來，中國政府不斷改革中國的經濟體制和政府架構。例如，在過去三十多年內，中國政府已實施經濟改革和措施以強調在中國經濟的發展中運用市場力量。這些改革已使中國的經濟增長和社會發展取得長足進步。然而，經濟改革措施可能會因應不同的行業或國內不同的地區而調整、修訂或推行。本集團無法預測相關變動對本集團現時或未來的業務、財務狀況或經營業績會否造成不利影響。儘管實施該等經濟改革及措施，中國政府在監管產業發展、自然資源及其他資源分配、生產、定價及貨幣管理方面仍繼續扮演重要角色，而本集團無法保證中國政府會繼續推行經濟改革政策，亦不能保證改革方向將繼續對市場有利。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

The Group's ability to successfully expand its business operations in the PRC depends on a number of factors, including macro-economic and other market conditions, and credit availability from lending institutions. Stricter credit or lending policies in the PRC may affect the Group's customers' consumer credit or consumer banking business, and may also affect the Group's ability to obtain external financing, which may reduce its ability to implement its expansion strategies. The Group cannot assure that the PRC government will not implement any additional measures to tighten credit or lending standards, or that, if any such measure is implemented, it will not adversely affect the Group's future results of operations or profitability. Demand for the Group's goods and services and its business, financial condition and results of operations may be adversely affected by the following factors:

- political instability or changes in social conditions of the PRC;
- changes in laws, regulations, and administrative directives or the interpretation thereof;
- measures which may be introduced to control inflation or deflation; and
- changes in the rate or method of taxation.

These factors are affected by a number of variables which are beyond the Group's control.

本集團成功擴大中國業務營運的能力取決於多項因素，包括宏觀經濟及其他市場狀況，以及借貸機構可動用的信貸額。中國收緊借貸政策可能會影響本集團客戶的消費者信貸或消費者銀行業務，還可能影響本集團獲得外部融資的能力，以致削弱本集團實施擴展策略的能力。本集團不能保證中國政府不會實施任何其他收緊信貸標準的措施，又或倘實施任何此類措施，將不會對本集團日後的經營業績或盈利能力造成不利影響。下列因素亦可能對本集團產品和服務的需求及本集團的業務、財務狀況及經營業績構成不利影響：

- 中國的政治不穩定或社會狀況變動；
- 法律法規及行政指令或其詮釋發生變動；
- 可能推出用以控制通脹或通縮的措施；及
- 稅率或徵稅方式的變動。

該等因素受多項本集團無法控制的變數所影響。

(vi) The Group's business may be adversely affected by the introduction of new payment technologies

The Group face competition from new payment technologies, which could reduce the demand for financial cards as a payment method. If there are any new payment technologies which will reduce the demand for financial card products or other new products the Group may introduce from time to time, including new products arising from the Group's research and development activities, the Group may experience material and adverse effects on its business, financial condition and results of operations.

KEY RELATIONSHIPS

(i) Employees

Human resources are one of the greatest assets of the Group and the Group regards the personal development of its employees as highly important. The Group wants to continue to be an attractive employer for committed employees.

The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. The Group provides pre-employment and on-the-job training and development opportunities to its staff members. The training programs cover areas such as managerial skills, innovative technologies, sales and production, customer services, quality control, workplace ethics and training of other areas relevant to the industry. In addition, the Group seriously consider all those valuable feedback from its employees for enhancing workplace productivity and harmony.

(vi) 引入新的支付技術可能會對本集團的業務造成不利影響

本集團面對新支付技術的競爭，有關技術可能成為減少金融卡作為一種支付方式的需求。倘任何新支付技術減少對金融卡產品或本集團可能不時推出的其他新產品(包括因本集團的研發活動產生的新產品)的需求，則本集團的業務、財務狀況及經營業績或會遭受重大不利影響。

重要關係

(i) 員工

人力資源為本集團的最大資產之一，本集團高度重視員工的個人發展，且致力於繼續成為具吸引力僱主。

本集團致力以清晰的事業發展路徑以及提高和完善技能的機會激勵員工。本集團為員工提供職前及在職培訓及發展機會。培訓課程包括管理技能、研發能力、創新科技、銷售與生產、客戶服務、質量監控、工作操守及其他與行業相關範疇的培訓。此外，本集團會慎重考慮員工有關提升工作效率及和諧工作氣氛的所有寶貴反饋意見。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

Generally, a salary review is conducted annually. Aside from basic remuneration, for all employees in the Mainland China, the Group provides employee mandatory social security funds, pensions, work-related injury insurance, maternity insurance, medical and employment insurance, and full coverage of housing provident fund contributions in accordance with the applicable laws and regulations of the Mainland China. For overseas employees, the Group also makes contributions towards relevant insurance schemes required by the local regulations. Meanwhile the Group adopted the Pre-IPO Share Option Scheme, Share Option Scheme and Share Award Scheme to recognize and motivate the contribution of the employees and attract suitable personnel for the long-term growth and further strategic expansion of the Group. As at 31 December 2018, no shares have been granted or agreed to be granted to any selected participants (2017:10,374,000 shares) of the Share Award Scheme.

(ii) Suppliers

The Group has developed long-standing relationships with a number of its suppliers and takes great care to ensure that they share the Group's commitment to quality and ethics. The Group carefully selects its suppliers and requires them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, products qualities and quality control effectiveness. The Group also requires its suppliers to comply with the Group's anti-bribery policy.

(iii) Clients

The Group is committed to maintain and develop its diversified clients' portfolio consisting of the governmental organizations, world-leading financial institutions, transportations projects and multinational companies. The Group maximizes client value by offering professional and effective operation model and innovative and differentiated products and services, to intensify the interaction and viscosity between clients and the Group and enhances the client experience.

整體而言，本集團每年進行一次薪酬檢討。本集團根據內地的相關法律、法規為內地的全部員工提供退休、失業、工傷、生育和醫療等社會保險計劃。本集團亦按照內地規定為員工實施住房公積金計劃。對於本集團於海外工作員工，亦按照當地法律要求購買保險等計劃。同時，本公司亦實施了首次公開發售前購股權計劃，購股權計劃以及股份獎勵計劃，以嘉獎和鼓勵員工之貢獻，吸引合適人才推動本集團戰略拓展。於截至2018年12月31日止之年度，沒有股份依照股份獎勵計劃授予或同意授予任何計劃參與者(2017年：10,374,000股)。

(ii) 供應商

本集團已與多家供應商建立長期的合作關係，並盡力確保其遵守本集團對質素及道德的承諾。本集團審慎挑選供應商，並要求其滿足若干評估標準，包括往績記錄、經驗、財務實力、聲譽、產品質量及質量控制效力。本集團亦要求供應商遵守本集團的反賄賂政策。

(iii) 客戶

本集團致力於維護和擴大由政府組織、世界領先的金融機構、交通項目以及跨國企業所組成的多元化的客戶群。本集團秉承「為客戶創造最大價值」的理念，通過專業化、精準化的運營模式以及差異化的創新產品和服務，加強本集團與客戶間的互動和粘性，提升用戶體驗。

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the Mainland China and Hong Kong while the Company itself is listed on the Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in the Mainland China and Hong Kong. During the year 2018, the Group have complied with all the relevant laws and regulations in the Mainland China and Hong Kong.

RESERVES

Details of movements in the reserves of the Group and the Company during the year 2018 are set out on pages 130, 131 and 132 of this Annual Report and in Note 41 to the Consolidated Financial Statements on page 267 of this Annual Report respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year 2018 are set out in Note 13 to the Consolidated Financial Statements on pages 219 and 220 of this Annual Report.

BANK LOANS

The Group had no bank loan during the year 2018.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year 2018 are set out in Note 30 to the Consolidated Financial Statements on page 234 of this Annual Report.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for the distribution to the shareholders as at 31 December 2018 amounted to approximately RMB53.2 million (31 December 2017: approximately RMB146.2 million).

遵守法律及法規

本集團的業務主要由本公司於中國內地和香港的附屬公司進行，而本公司本身於聯交所上市。因此，本集團之營運須遵守中國內地及香港的有關法律及法規。於2018年，本集團已遵守中國內地及香港的所有有關法律及法規。

儲備

本集團及本公司於2018年的儲備變動詳情分別載於本年度報告第130、131、132頁以及第267頁的綜合財務表附註41。

物業、廠房及設備

本集團物業、廠房及設備於2018年的變動詳情載於第219頁以及220頁綜合財務表附註13。

銀行貸款

本集團於2018年並無銀行借款。

股本

有關本公司於2018年的股本詳情載於本年度報告中第234頁綜合財務表附註30。

可供分派的儲備

本公司於2018年12月31日的可分派給股東的儲備約人民幣53.2百萬元(2017年12月31日約人民幣146.2百萬元)。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

FINANCIAL SUMMARY OF THE PAST FIVE YEARS

The results, assets and liabilities of the past five years of the Group are set out in the Financial Summary on page 268 of this Annual Report.

INCENTIVE SCHEMES

(a) Pre-IPO Share Option Scheme

The pre-IPO share option scheme was adopted pursuant to a written resolution passed by the shareholders of the Company on 15 November 2013 (the “**Pre-IPO Share Option Scheme**”) for the primary purpose of recognising the contribution of certain employees and directors made or may have made to the growth of the Group and/or the listing of the Group on the Main Board of the Stock Exchange, and will expire on 3 December 2019.

As at the date of this Annual Report, the number of shares in respect of which options had been granted and remained outstanding under the Pre-IPO Share Option Scheme was 27,738,000, representing approximately 3.33% of the shares of the Company in issue on that day.

Options granted must be taken up on 19 November 2013, upon payment of HKD1.0 by the grantee. All the options under the Pre-IPO Share Option Scheme were granted on 19 November 2013. The exercise price of each Pre-IPO share option of the Company is HKD2.71 per share.

五年財務概要

本集團於過去五個財政年度的業績、資產及負債概要載於本年報中第268頁之財務概要。

激勵計劃

(a) 首次公開發售前購股權計劃

首次公開發售前購股權計劃(「**首次公開發售前購股權計劃**」)於2013年11月15日獲全體股東以書面決議批准，旨在肯定本集團若干僱員及董事作出或過去可能作出對本集團發展及／或股份於聯交所上市的貢獻，並將於2019年12月3日到期。

於本年度報告日，首次公開發售前購股權計劃下已授出及未行使股份的數量為27,738,000，約佔本公司於本年度報告日已發行的股份數量的3.33%。

授出的購股權必須在2013年11月19日前以支付港幣1.0元的價格予以承授。所有首次公開發售前購股權計劃下的購股權均於2013年11月19日授出。首次公開發售前購股權的行使價格為每股港幣2.71元。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

The Pre-IPO share options granted under the Pre-IPO Share Option Scheme of the Company may be exercised by each grantee in the following manner:

本公司首次公開發售前購股權計劃所授予的首次公開發售前購股權的承受人可以按照以下方式行使購股權：

Vesting Period 歸屬期	Exercise period 行使期	Maximum percentage of options exercisable 可行使購股權的最大百分比
From 19 November 2013 to 3 December 2014 2013年11月19日至2014年12月3日	From 4 December 2014 to 3 December 2019 2014年12月4日至2019年12月3日	Up to 20% of the options granted to such grantee (rounded down to the nearest whole number) 所獲購股權的最多20%(向下調整至最接近的整數)
From 19 November 2013 to 3 December 2015 2013年11月19日至2015年12月3日	From 4 December 2015 to 3 December 2019 2015年12月4日至2019年12月3日	Up to 40% of the options granted to such grantee less the options exercised (rounded down to the nearest whole number) 所獲購股權(減已獲行使的購股權)的最多40%(向下調整至最接近的整數)
From 19 November 2013 to 3 December 2016 2013年11月19日至2016年12月3日	From 4 December 2016 to 3 December 2019 2016年12月4日至2019年12月3日	Up to 60% of the options granted to such grantee less the options exercised (rounded down to the nearest whole number) 所獲購股權(減已獲行使的購股權)的最多60%(向下調整至最接近的整數)
From 19 November 2013 to 3 December 2017 2013年11月19日至2017年12月3日	From 4 December 2017 to 3 December 2019 2017年12月4日至2019年12月3日	Up to 80% of the options granted to such grantee less the options exercised (rounded down to the nearest whole number) 所獲購股權(減已獲行使的購股權)的最多80%(向下調整至最接近的整數)
From 19 November 2013 to 3 December 2018 2013年11月19日至2018年12月3日	From 4 December 2018 to 3 December 2019 2018年12月4日至2019年12月3日	Such number of unexercised options granted to such grantee 所獲授但尚未行使的購股權

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董事會報告(續)

The following table discloses details of the Company's Pre-IPO share options under the Pre-IPO Share Option Scheme held by Directors and employees and movements in such holding for the year ended 31 December 2018:

下表披露本公司董事及僱員所持有的首次公開發售前購股權計劃下的購股權及其於截至2018年12月31日止之年度之變動：

For the 12 months ended 31 December 2018

截至2018年12月31日止之十二個月

Name 名稱	As at 1 January 2018 於2018年 1月1日	Exercised 已行使	Lapsed 已失效	As at 31 December 2018 於2018年 12月31日
Directors				
董事				
Mr. LU Run Ting 盧閏霆先生	2,960,000	—	—	2,960,000
Mr. HOU Ping 侯平先生	1,200,000	—	—	1,200,000
Mr. LU Runyi 盧潤怡先生	1,600,000	—	—	1,600,000
Mr. LU Xiaozhong 盧小忠先生	1,000,000	—	—	1,000,000
Mr. WU Siqiang 吳思強先生	1,000,000	—	—	1,000,000
Senior management				
高級管理層				
In aggregate 合共	8,300,000	—	—	8,300,000
Other employees				
其他僱員				
In aggregate 合共	12,057,000	—	(379,000)	11,678,000
Total 總計	28,117,000	—	(379,000)	27,738,000

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

The fair values of the share options granted during the year ended 31 December 2013 were calculated at RMB69,935,000 (equivalent to HKD88,954,000) using the Binomial Option Pricing pricing model. The inputs into the model were as follows:

Share price	HKD4.52
Exercise price	HKD2.71
Expected life	6 years
Expected volatility	46.9963%
Expected dividend yield	1.0822%
Risk-free interest rate	1.2426%
Fair value per option	HKD2.4250 to HKD2.4791

Expected volatility was determined by using the historical volatility of the selected comparable companies in the same industry. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of RMB2,497,000 (2017: RMB4,426,000) for the year ended 31 December 2018 in relation to share options granted by the Company.

於截至2013年12月31日止之年度，授出的購股權之公價允值使用二項式期權定價模式計算出為人民幣69,935,000元(折合港幣88,954,000元)，代入模式如下：

股價	港幣4.52元
行使價	港幣2.71元
預期壽命	6年
預期波幅	46.9963%
預期股息收益	1.0822%
無風險利率	1.2426%
每份購股權之公允價值	港幣2.4250元至港幣2.4791元

預期波幅是按照歷史波幅及所選同行業的可比波幅決定的。該模式所用之預期壽命已經根據管理層就非轉讓性、行使限制及行為因素影響的最佳估算進行調整。

於截至2018年12月31日止之年度，本集團就本公司授出購股權確認開支為人民幣2,497,000元(2017年：人民幣4,426,000元)。

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(b) Share Option Scheme

The principal terms of the share option scheme, approved by the shareholder's resolution passed on 15 November 2013 (the "**Share Option Scheme**"), are substantially the same as the terms of the Pre-IPO Option Scheme except that:

- (i) the maximum number of shares in respect of which options may be granted shall not exceed 10% of the total number of shares in issue at the date of listing of the shares of the Company on the Main Board of the Stock Exchange;
- (ii) the maximum entitlement of each eligible participant in any 12-month period up to the date of offer to grant shall not exceed 1% of the shares in issue as at the date of offer to grant; and
- (iii) The exercise price is determined by the directors of the Company at their discretion and will not be lower than the highest of: (a) the closing price of the ordinary shares on the Stock Exchange at the offer date, which must be a trading day; (b) the average closing price of the ordinary shares on the Stock Exchange for the five business days immediately preceding the offer date; and (c) the nominal value of the Company's share.

On 7 September 2016, 20,000,000 share options were granted and all share options were forfeited during the year ended 31 December 2016. As at 31 December 2017 and 2018, no options were granted or agreed to be granted under the Share Option Scheme.

Assuming all options under the Share Option Scheme have been granted, the total number of shares available for issue under the Share Option Scheme shall be 80,000,000, representing approximately 9.6% of the Company's issued share capital as at the date of the Company's 2018 Annual Report.

(b) 購股權計劃

於2013年11月15日通過的股東決議中所批准的購股權計劃(「**購股權計劃**」)主要條款與首次公開發售的購股權計劃大致相同，以下條款除外：

- (i) 購股權授出最大股份數不得超過本公司在聯交所上市之日的總股數的10%；
- (ii) 在任一個12個月期間到要約授出之日，授予各合格參與者的最高配額不得超過已發行股份的1%；及
- (iii) 行使價格是由本公司董事酌情商定，且不會低於以下最高者：(a) 普通股在聯交所要約日交易日收盤價；(b) 在聯交所緊接授出日期的前五個營業日的普通股收盤價平均值；(c) 本公司股份面值。

於2016年9月7日，20,000,000股購股權被授出並於當年內失效。於截至2017年及2018年12月31日止之年度，概無根據該購股權計劃授出或同意授出購股權。

倘若購股權計劃下所有購股權均被授出，購股權計劃下股份總數目為80,000,000股，約佔本公司於2018年年度報告之日已發行總股數的9.6%。

(c) Share Award Scheme

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 30 November 2015 (the “**Adoption Date**”) with a duration of 15 years commencing from 11 December 2015. The objectives of the Share Award Scheme are to (i) align the interests of any employee, adviser, consultant, agent, contractor, client or supplier of any member of the Group whom the directors in its sole discretion considers may contribute or have contributed to the Group (the “Participants”); (ii) recognise and motivate the contribution of the Participants and to provide incentives in retaining the Participants for future operation and development of the Group; and (iii) attract suitable personnel for the long-term growth and further strategic expansion of the Group.

The Company has engaged BOCI-Prudential Trustee Limited (the “**Trustee**”) to administer and hold the Company’s shares before they are vested and transferred to the Participants. The Trustee purchases the Company’s shares being awarded from the open market with funds provided by the Company by way of contributions.

During the year ended 31 December 2018, no ordinary shares of the Company have been acquired (2017: Nil). As at 31 December 2018, no shares have been granted or agreed to be granted to any selected participants (2017: 10,374,000 shares) of the Share Award Scheme. The share awarded shall vest in 3 years on each anniversary of the first vesting date in equal portions. The first vesting date is 26 November 2017. The estimated fair value of the awards granted are approximately RMB24,239,000 (equivalent to approximately HKD27,564,000) based on the market price of the relevant shares at the grant date. There are 4,843,000 (2017: 7,867,000) shares held by the Trustee and RMB4,303,000 (2017: RMB2,792,000) was placed to the Trustee as prepayments at the end of reporting period.

(c) 股份獎勵計劃

本公司於2015年11月30日(「採納日」)採納股份獎勵計劃(「股份獎勵計劃」)，股份獎勵計劃自2015年12月11日起計有效期為15年。計劃之目的為(i)使董事認為已經或將會對本集團作出貢獻之僱員、參事、顧問、代理、承辦商、顧客或供應商(「計劃參與者」)之利益與本集團利益一致；(ii)嘉獎和鼓勵計劃參與者之貢獻，並給予獎勵，以挽留計劃參與者，為本集團的持續經營及發展效力；及(iii)吸引合適人才推動本集團長期增長及進一步戰略拓展。

本公司已委任中銀國際英國保誠信託有限公司(「受托人」)管理及持有本公司之股份，直至達到歸屬準則及條件符合為止，歸屬股份將轉讓予計劃參與人。受托人於合適的時候在公開市場買入公司現有股份，費用由本公司支付。

於截至2018年12月31日止之年度，本公司沒有購入本公司股份(2017：無)，亦無股份依照股份獎勵計劃授予或同意授予任何計劃參與者(2017年：10,374,000股)。獎勵股份從首個歸屬日起分3年歸屬，每年歸屬的數量相同。首個歸屬日為2017年11月26日。依據授予日的市場價格估算，獎勵股份的公允價值約人民幣24,239,000元(折合約港幣27,564,000元)。於報告期末，受托人持有4,843,000股普通股(2017：7,867,000股)和人民幣4,303,000元(2017：人民幣2,792,000元)之預付款。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

DIRECTORS

The Directors of the Company during the year 2018 and up to the date of this Annual Report were:

Executive Directors

Mr. LU Run Ting (*Chairman*)
Mr. HOU Ping
Mr. LU Runyi
Mr. LU Xiaozhong
Mr. WU Siqiang
Mr. LING Wai Lim (re-designated from non-executive Director with effect from 15 March 2019)

Independent Non-executive Directors

Mr. MAK Wing Sum Alvin
Mr. LIU John Jianhua
Ms. YE Lu

DIRECTORS' PROFILES

Details of the Directors' profiles are set out in the "Directors and Senior Management" on pages 28 to 37 of this Annual Report.

DIRECTORS OF SUBSIDIARIES

The directors who have served on the boards of the subsidiaries of the Company during the year 2018 and up to the date of this Annual Report are as follows:

Goldpac Limited

Mr. LU Run Ting
Mr. HOU Ping
Mr. LU Runyi

Goldpac Smart Card (Guangzhou) Limited

Mr. LIU Xuhui

董事

於2018年度內及至本年度報告日止，公司董事為：

執行董事

盧閏霆先生(主席)
侯平先生
盧潤怡先生
盧小忠先生
吳思強先生
盧威廉先生(於2019年3月15日由非執行董事調任)

獨立非執行董事

麥永森先生
劉建華先生
葉淥女士

董事介紹

董事介紹詳情載於本年度報告第28頁至37頁之「董事及高級管理層」章節。

附屬公司董事

於2018年度內及至本年度報告日止，本公司之附屬公司之董事如下：

金邦達有限公司

盧閏霆先生
侯平先生
盧潤怡先生

廣州市金邦達智能卡有限公司

劉煦暉先生

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

Goldpac Technology Service Limited (Hengqin)

Mr. HOU Ping
Mr. LU Runyi
Mr. LING Wai Lim
Mr. WU Siquang
Mr. LI Yuangang

Goldpac Datacard Solutions Company Limited

Mr. LU Run Ting
Mr. HOU Ping
Mr. LU Runyi

Goldpac Investment Limited

Mr. LU Run Ting

Goldpac Innovation Limited

Mr. LU Run Ting

SecureTech Holdings Limited

Mr. HOU Ping
Mr. HUI Oliver Siu-Pang
Mr. YAP Mung Hong
Miss. LU Xiaowei Winifred

Goldpac Fintech Private Limited

Mr. HOU Ping
Mr. HUI Oliver Siu-Pang
Mr. YAP Mung Hong
Miss. LU Xiaowei Winifred

Goldpac Fintech Hong Kong Limited

Mr. HOU Ping
Mr. HUI Oliver Siu-Pang
Mr. FU Kwan Lun Peter

金邦達科技服務(橫琴)有限公司

侯平先生
盧潤怡先生
盧威廉先生
吳思強先生
李遠剛先生

金邦達數據有限公司

盧閏霆先生
侯平先生
盧潤怡先生

金邦達投資有限公司

盧閏霆先生

Goldpac Innovation Limited

盧閏霆先生

SecureTech Holdings Limited

侯平先生
許少鵬先生
YAP Mung Hong先生
盧曉蔚女士

Goldpac Fintech Private Limited

侯平先生
許少鵬先生
YAP Mung Hong先生
盧曉蔚女士

金邦達金融科技香港有限公司

侯平先生
許少鵬先生
傅崑崙先生

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董事會報告(續)

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years, which shall be terminated by not less than three months' notice in writing served by either the executive Director or the Company. The non-executive Director has signed an appointment letter with the Company for a term of three years. Each of independent non-executive Directors has signed an appointment letter with the Company for a term of three years. The appointment of each Director is subject to the provisions of appointment and retirement of directors under the Articles of Association of the Company.

In accordance with the Company's Articles of Association, Mr. LU Run Ting, Mr. LU Runyi and Mr. LIU John Jianhua shall retire at the forthcoming annual general meeting. Mr. LU Run Ting and Mr. LU Runyi, being eligible, will offer themselves for re-election at the forthcoming annual general meeting, Mr. LIU John Jianhua will give up his re-election.

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

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors, namely Mr. MAK Wing Sum Alvin, Mr. LIU John Jianhua and Ms. YE Lu, the confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company has duly reviewed the confirmation of independence of each of these Directors. The Company considers that the independent non-executive Directors had been independent from the date of their appointment to 31 December 2018.

董事服務合同

每一位執行董事都與本公司訂有為期三年的服務合同，並約定各方可以通過提前三個月發出書面通知以終止服務合同。非執行董事與本公司簽有為期三年的任命書。每一位獨立非執行董事均與本公司訂有為期三年的任命書。所有董事的任命和退任均遵守本公司的章程細則。

根據本公司章程細則，盧閏霆先生、盧潤怡先生以及劉建華先生將在即將召開的股東週年大會上退任董事職務。盧閏霆先生以及盧潤怡先生符合資格且願意於即將召開的股東週年大會上膺選連任，劉建華先生則將放棄應選連任。

概無在即將召開的股東大會中重選的董事訂有不可於一年內被公司或其附屬公司終止而無須作出補償(法定補償除外)的未到期服務合約。

獨立非執行董事的獨立性確認

本公司已收到每一位獨立非執行董事，即麥永森先生、劉建華先生和葉淥女士，根據上市規則第3.13條就其獨立性發出的年度確認書。本公司已經充分檢討了每一位董事發出的獨立性確認書。本公司認為本公司的獨立非執行董事從任命之日至2018年12月31日均具有獨立性。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

For transaction, arrangement or the year ended 31 December 2018, the interests of the Directors and Chief Executive in the shares, underlying shares of equity derivatives and debentures of the Company and its associated corporations (all within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")), disclosed in accordance with the Listing Rules were detailed below:

Interests in Shares

Name of Director 董事姓名	Capacity/Nature of Interests 權益性質	Number of securities held ⁽¹⁾ 所持證券數目 ⁽¹⁾	Approximate percentage of interest in the Company (%) 所佔本公司權益概約百分比(%)
Mr. LU Run Ting (<i>Chairman</i>) 盧閔霆先生(主席)	Interest of Controlled Corporation ⁽²⁾⁽ⁱ⁾ 受控制法團權益 ⁽²⁾⁽ⁱ⁾	355,259,422 Shares (L) 355,259,422股(L)	42.62%
	Beneficial owner ⁽²⁾⁽ⁱⁱ⁾ 受益人 ⁽²⁾⁽ⁱⁱ⁾	4,700,000 Shares (L) 4,700,000股(L)	0.56%
Mr. HOU Ping 侯平先生	Beneficial owner ⁽³⁾ 受益人 ⁽³⁾	2,700,000 Shares (L) 2,700,000股(L)	0.32%
Mr. LU Runyi 盧潤怡先生	Beneficial owner ⁽⁴⁾ 受益人 ⁽⁴⁾	4,921,000 Shares (L) 4,921,000股(L)	0.59%
Mr. LU Xiaozhong 盧小忠先生	Beneficial owner ⁽⁵⁾ 受益人 ⁽⁵⁾	1,501,000 Shares (L) 1,501,000股(L)	0.18%
Mr. WU Siqiang 吳思強先生	Beneficial owner ⁽⁶⁾ 受益人 ⁽⁶⁾	1,931,000 Shares (L) 1,931,000股(L)	0.23%
Mr. LING Wai Lim 盧威廉先生	Beneficial owner ⁽⁷⁾ 受益人 ⁽⁷⁾	16,000 Shares (L) 16,000股(L)	0.00%

董事和首席執行官的權益

於截至2018年12月31日止之年度，董事和首席執行官在本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之任何股份、相關股份或債券之交易安排或權益根據上市規則披露如下：

股份權益

REPORT OF DIRECTORS (CONTINUED)

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- (1) The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
- (2) Mr. LU Run Ting's interests are consisted of: (i) the interest in the Company held by GIHL, which is wholly-owned by Chairman LU, accordingly, Chairman LU is deemed to be interested in GIHL's interest in the Company by virtue of the SFO; (ii) his interests in 2,960,000 underlying shares of shares options to be issued subject to exercise of such options granted under the Pre-IPO Share Option Scheme and 740,000 shares issued by options granted under the Pre-IPO Share Options Scheme exercised on 29 July 2015; and his interests in 1,000,000 shares as beneficial owner.
- (3) Mr. HOU Ping's interests are consisted of: (i) 1,200,000 shares to be issued subject to options granted under the Pre-IPO Share Option Scheme; (ii) 300,000 shares issued by options granted under the Pre-IPO Share Option Scheme exercised on 25 August 2015; and (iii) 1,200,000 shares awarded on 26 May 2017 under the Share Award Scheme.
- (4) Mr. LU Runyi's interests are consisted of: (i) 1,600,000 shares to be issued subject to options granted under the Pre-IPO Share Option Scheme; (ii) 2,120,000 shares transferred from GIHL (being a controlling shareholder of the Company and wholly-owned by Chairman LU) on 20 March 2015; (iii) 400,000 shares issued by options granted under the Pre-IPO Share Option Scheme exercised on 25 August 2015; and (iv) 801,000 shares awarded on 26 May 2017 under the Share Award Scheme.
- (5) Mr. LU Xiaozhong's interests are consisted of: (i) 1,000,000 shares to be issued subject to options granted under the Pre-IPO Share Option Scheme; and (ii) 501,000 shares awarded on 26 May 2017 under the Share Award Scheme.
- (6) Mr. WU Siquang's interests are consisted of: (i) 1,000,000 shares to be issued subject to options granted under the Pre-IPO Share Option Scheme; (ii) 130,000 shares as beneficial owner; and (iii) 801,000 shares awarded on 26 May 2017 under the Share Award Scheme.
- (7) Mr. LING Wai Lim holds 16,000 shares as beneficial owner.
- (1) 「L」代表董事於本公司或有關的相聯法團股份中所持有的好倉。
- (2) 盧潤霆先生之權益包括：(i)金邦達國際所持本公司權益；而金邦達國際由盧主席全資擁有，因此，根據證券及期貨條例，盧主席被視作於金邦達國際所持之本公司權益中擁有權益；(ii)根據首次公開發售前購股權計劃項下的可發行股份2,960,000股，於2015年7月29日通過行使首次公開發售前購股權計劃發行股份740,000股；以及作為受益人持有的1,000,000股。
- (3) 侯平先生之權益包括：(i)首次公開發售前購股權計劃下可發行股份1,200,000股；(ii)於2015年8月25日通過行使首次公開發售前購股權計劃發行股份300,000股；以及(iii)於2017年5月26日股份獎勵計劃下授予股份1,200,000股。
- (4) 盧潤怡先生之權益包括：(i)首次公開發售前購股權計劃下可發行股份1,600,000股；(ii)於2015年3月20日受讓於金邦達國際(本公司之控股股東，並由盧主席全資擁有)2,120,000股；(iii)於2015年8月25日通過行使首次公開發售前購股權計劃發行股份400,000股；以及(iv)於2017年5月26日股份獎勵計劃下授予股份801,000股。
- (5) 盧小忠先生之權益包括：(i)首次公開發售前購股權計劃下可發行股份1,000,000股；以及(ii)於2017年5月26日股份獎勵計劃下授予股份501,000股。
- (6) 吳思強先生之權益包括：(i)首次公開發售前購股權計劃下可發行股份1,000,000股；(ii)作為受益人持有130,000股；以及(iii)於2017年5月26日股份獎勵計劃下授予股份801,000股。
- (7) 盧威廉先生作為受益人持有16,000股。

DIRECTORS' INTERESTS IN CONTRACTS

No transaction, arrangement or contract of significance, to which the Company, any of its subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during or at the year ended 31 December 2018.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholders during the year ended 31 December 2018.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Pursuant to Rule 8.10 of the Listing Rules, for the year ended 31 December 2018, no Director had declared interests in any entity which competes, either directly or indirectly, with the businesses of the Company.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for the Directors and Senior Management in respect of certain liabilities arising out of corporate activities. As required by Section 470(1) and (2) of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the "**Companies Ordinance**"), it is confirmed that the permitted indemnity provision mentioned above is/was in force for the benefit of the Directors/then Directors when the Directors' Report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance; and has been in force throughout the financial year ended 31 December 2018, respectively. Pursuant to the Company's Articles of Association, subject to the provisions of the Companies Ordinance, every Director or other officer or auditor may be indemnified out of the assets of the Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer or auditor of the Company and in which judgment is given in his favour or in which he is acquitted, or incurred in connection with any application in which relief is granted to him by the court from liability in respect of any such act or omission.

董事享有權益之合約

於截至2018年12月31日止之年度，本公司或任何附屬公司、任何附屬公司的附屬公司均未直接或者間接地訂立有與本公司董事享有重大權益之交易、安排或重要合約。

與控股股東的合約

於截至2018年12月31日止之年度，本公司或其任何附屬公司並無與控股股東訂立任何重大合約。

董事就與本集團構成競爭業務之利益申報

根據上市規則第8.10之規定，於截至2018年12月31日止之年度，概無董事申報與本集團直接或者間接構成競爭或者可能構成競爭的機構中存在利益。

准許彌償條文

本公司已就其董事及高級管理層可能面對因企業活動產生之若干負債，作適當之投保安排。根據香港公司條例(香港法例第622章)(「**公司條例**」)第470(1)及(2)條的規定，本公司確認於董事編製之董事會報告書根據公司條例第391(1)(a)條獲通過時及於截至2018年12月31日止之整個財政年度內，上述獲准許彌償條文正於惠及／曾經惠及董事／前董事的情況下有效。根據本公司的章程細則，在公司條例的條文所規限下，但在不損害董事可享有的任何彌償的情況下，本公司各董事或其他高級人員或核數師因於任何民事或刑事法律程序作抗辯產生的任何負債、損失或支出，凡涉及其作為本公司高級人員或核數師而作出或沒有作出或其指稱已作出或沒有作出的任何事宜，而有關法律程序判其勝訴或獲無罪開釋，或凡屬因法院寬免其就作出或沒有作出任何行為負上法律責任的任何用途而產生，均獲本公司以其資產作出彌償。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

EQUITY-LINKED AGREEMENT

Details of the share option scheme of the Company are set out in the section headed “Incentive Schemes” above and Note 31 to the Consolidated Financial Statements on the pages 235 to 241 of this Annual Report.

Save as disclosed above, no equity-linked agreement will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the year or subsisted at the end of the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year 2018.

DIRECTORS' EMOLUMENTS

The emoluments of the Directors for the year 2018 are set out in Note 9 to the Consolidated Financial Statements on pages 209 to 213 of this Annual Report.

NON-COMPETE UNDERTAKINGS

Each of the controlling shareholders has confirmed to the Company of his/its compliance with the non-compete undertakings provided to the Company under the Deed of Non-Competition (as defined in the Prospectus). The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the controlling shareholders.

EMOLUMENT POLICY

The Group's emolument policies are based on the merit, qualifications and competence of individual employees and are reviewed by the remuneration committee periodically.

The emoluments of the Directors are recommended by the remuneration committee and are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics.

與權益掛鈎協議

有關本公司購股權計劃之詳情載於上文「激勵計劃」一節及本年報中第235頁至241頁綜合財務報表附註31。

除上述所披露者外，本公司概無於年內訂立或於年末存在任何與權益掛鈎協議將會或可能導致本公司發行股份，或規定本公司訂立任何協議將會或可能導致本公司發行股份。

管理合約

於2018年，概無訂立或存在有關本公司整體或任何重大部分業務管理及行政的任何合約。

董事薪酬

於截至2018年12月31日止之年度，本公司董事之薪酬以具名方式詳列於本年報中第209頁至213頁綜合財務報表附註9。

不競爭承諾

各控股股東已向本公司確認，其已遵守根據不競爭契約(定義見招股章程)向本公司提供的不競爭承諾。獨立非執行董事已審視其遵例情況，並確認控股股東已遵守根據不競爭契約的所有承諾。

薪酬政策

本集團的薪酬政策乃基於個別僱員的貢獻、資歷及能力，並定期由薪酬委員會審閱。

董事的薪酬乃由薪酬委員會參考本集團的經營業績、個人表現及可比較的市場統計數據做出建議、並由董事會決定。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

The Company has adopted two share option schemes and one share award scheme to motivate and reward its Directors and eligible employees. Details of these schemes are set out in the paragraph headed "Incentive Schemes" above and Note 31 to the Consolidated Financial Statements on the pages 235 to 241 of this Annual Report.

本公司已採納兩項股權計劃及一項股份獎勵計劃，以激勵及獎勵其董事及合資格僱員。有關該等計劃的詳情載於上文「激勵計劃」一段及本年報中第235頁至241頁綜合財務報表附註31。

None of the Directors waived any emoluments during the year 2018.

於2018年內，概無董事放棄任何酬金。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

主要股東權益

The register maintained by the Company pursuant to the SFO recorded that, as at 31 December 2018, the following persons and corporations had interests in the shares or underlying shares in the Company:

根據本公司依照證券及期貨條例而設之登記冊，於2018年12月31日，下列人士和公司擁有本公司股份或相關股份之權益：

Name 姓名	Capacity/Nature of Interests 權益性質	Number of securities held ⁽¹⁾ 所持證券數目 ⁽¹⁾	Approximate shareholding percentage 概約持股百分比
Mr. LU Run Ting 盧閏霆先生	Interest of Controlled Corporation ⁽²⁾⁽ⁱ⁾ 受控制法團權益 ⁽²⁾⁽ⁱ⁾	355,259,422 Shares (L) 355,259,422股(L)	42.62%
	Beneficial owner ⁽²⁾⁽ⁱⁱ⁾ 受益人 ⁽²⁾⁽ⁱⁱ⁾	4,700,000 Shares (L) 4,700,000股(L)	0.56%
Ms. ZHANG Jian ⁽³⁾ 張健女士 ⁽³⁾	Family 家族	359,959,422 Shares (L) 359,959,422股(L)	43.18%
Gemalto ⁽⁴⁾	Interest of Controlled Corporation 受控制法團權益	152,931,181 Shares (L) 152,931,181股(L)	18.35%
NTAsian Discovery Master Fund ⁽⁵⁾	Interest of Controlled Corporation 受控制法團權益	50,328,000 Shares (L) 50,328,000股(L)	6.04%

Notes:

附註：

- (1) The letter "L" denotes a person's long position in the shares of the Company or shares of the relevant Group member.
- (2) The disclosed interest represents: (i) the interest in the Company held by GIHL, which is wholly-owned by Chairman LU, accordingly, Chairman LU is deemed to be interested in GIHL's interest in the Company by virtue of the SFO; (ii) his interests in 2,960,000 underlying shares of shares options to be issued subject to exercise of such options granted under the Pre-IPO Share Option Scheme and 740,000 shares issued by options granted under the Pre-IPO Share Options Scheme exercised on 29 July 2015; and his interests in 1,000,000 shares as beneficial owner.

- (1) 「L」代表本公司有關人士於股份或本集團相關成員公司股份所持的好倉。
- (2) 所披露權益為：(i)金邦達國際所持本公司權益，而金邦達國際由盧主席全資擁有，因此，根據證券及期貨條例，盧主席被視作於金邦達國際所持之本公司權益中擁有權益；(ii)根據首次公開發售前購股權計劃項下的可發行股份2,960,000股，於2015年7月29日通過行使首次公開發售前購股權計劃發行股份740,000股；以及作為受益人持有的1,000,000股。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

- (3) Ms. ZHANG Jian, the spouse of Chairman LU, is deemed to be interested in Chairman LU's interest in the Company by virtue of the SFO. (3) 張健女士為盧主席的配偶，根據證券及期貨條例，被視作於盧主席所持的本公司權益中擁有權益。
- (4) The disclosed interest represents the interest in the Company held by Gemplus International S.A. ("GISA"), which is wholly-owned by Gemalto, whose shares are listed and traded on the NYSE Euronext Amsterdam and NYSE Euronext Paris. Therefore, Gemalto is deemed to be interested in GISA's interest in the Company by virtue of the SFO. (4) 所披露權益為Gemplus International S.A. (「GISA」)所持本公司權益，而GISA由Gemalto全資擁有，Gemalto的股份則於紐約泛歐阿姆斯特丹交易所及紐約泛歐巴黎交易所上市及買賣。因此，根據證券及期貨條例，Gemalto被視作於GISA所持之本公司權益中擁有權益。
- (5) Based on the Disclosure of Interests notice filed on 2 October 2018, the disclosed interest represents the interest in the Company held by NTAsian Discovery Master Fund. (5) 按照2018年10月2日填報的權益申報表，所披露權益為NTAsian Discovery Master Fund所持有之本公司權益。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

MAJOR CUSTOMERS AND SUPPLIERS

Aggregate sales to the Group's largest and five largest customers accounted for approximately 10.8% (2017: 10.8%) and approximately 36.3% (2017: approximately 38.9%), respectively, of the Group's total turnover from continuing operations.

Aggregate purchases from the Group's largest and five largest suppliers accounted for approximately 12.5% (2017: approximately 28.8%) and approximately 40.7% (2017: approximately 50.7%), respectively, of the Group's total purchases from suppliers.

Save as disclosed above, none of the Directors, their close associates or shareholders of the Company (which to the knowledge of the Directors own more than 5% of the shares of the Company in issue) had interests in the any suppliers or customers of the Group.

購買、出售或贖回上市證券

於截至2018年12月31日止之年度，並無本公司或其任何附屬公司購買、出售或贖回本公司上市證券。

主要客戶及供應商

向本集團最大及五大客戶的銷售總額分別約佔本集團來自持續經營業務的收入總額約10.8% (2017年：約10.8%) 及約36.3% (2017年：約38.9%)。

向本集團最大及五大供應商的採購總額分別約佔本集團向供應商的總採購額約12.5% (2017年：約28.8%) 及約40.7% (2017年：約50.7%)。

除上文所述，本公司董事或其緊密聯繫人或本公司的股東(據本公司董事所知，持有本公司5%以上已發行股份)，概無於任何本集團之供應商或客戶中持有任何權益。

CONTINUING CONNECTED TRANSACTIONS

The following related party transactions entered into during the year ended 31 December 2018 constituted continuing connected transactions for the Group under the Listing Rules. The Company confirms that the following disclosure with respect to the continuing connected transactions has complied with the disclosure requirement in accordance with Chapter 14A of the Listing Rules.

Gemalto

The Group had been purchasing certain microprocessors composed of an electronic component embedding a card operating system, also known as IC chips (the “**Gemalto IC Chips**”), from Gemalto (a substantial shareholder of the Company and hence a connected person of the Company). On 15 November 2013, a module supply agreement was entered into among the Company, Goldpac Datacard Solutions Company Limited, Goldpac Limited (the “**Goldpac Entities**”) and Gemalto, pursuant to which, Gemalto supplied to and the Goldpac Entities purchased from Gemalto or its affiliates Gemalto IC chips for a term from 4 December 2013 until 31 December 2015. On 25 February 2016, the Goldpac Entities entered into a mutual supply agreement for a term from 1 January 2016 until 31 December 2018 (the “**Mutual Supply Agreement**”) with Gemalto, pursuant to which (i) the Goldpac Entities shall supply to Gemalto with, among others, products such as banking card modules, cardbody and personalisation machines, equipment, spare parts and relevant consumables (the “**Supply of Goldpac Products**”); and (ii) Gemalto shall supply to the Goldpac Entities with Gemalto IC Chips (the “**Purchase of Gemalto IC Chips**”).

Pursuant to the Mutual Supply Agreement:

- the annual caps in respect of the Supply of Goldpac Products for the years ended 31 December 2016, 2017 and 2018 are RMB12,000,000, RMB16,000,000 and RMB20,000,000, respectively; and
- the annual caps in respect of the Purchase of Gemalto IC Chips for the years ended 31 December 2016, 2017 and 2018 are RMB750,000,000, RMB750,000,000 and RMB750,000,000, respectively.

持續關連交易

根據上市規則，於截至2018年12月31日止之年度訂立的下列關聯方交易構成本集團持續關連交易。本公司確認以下關於持續關連交易之披露已遵守上市規則第14A章之披露要求。

Gemalto

本集團過往從金雅拓(本公司主要股東，因此亦為本公司關連人士)採購若干含有嵌入式卡片操作系統電子元件的微處理器，亦稱智能卡芯片(「**金雅拓智能卡芯片**」)。於2013年11月15日，金雅拓和本公司、金邦達數據有限公司、金邦達有限公司(合稱「**金邦達實體**」)訂立一份模塊供應協議，據此，自2013年12月4日至2015年12月31日止期間，金雅拓向金邦達實體供應而金邦達實體向金雅拓或其附屬公司採購金雅拓智能卡芯片。於2016年2月25日，金邦達實體與金雅拓訂立一份相互供應協議(「**相互供應協議**」)，據此，自2016年1月1日至2018年12月31日期間，(i)金邦達實體將向金雅拓供應之產品，包括但不限於銀行卡模塊、卡體、個人化機器、設備、零配件和相關耗材(「**金邦達產品供應**」)；以及(ii)金雅拓將向金邦達實體供應金雅拓智能卡芯片(「**金雅拓智能卡芯片採購**」)。

依據相互供應協議

- 金邦達產品供應於截至2016、2017及2018年12月31日之年度上限分別為人民幣12,000,000元、人民幣16,000,000元及人民幣20,000,000元。
- 金雅拓智能卡芯片採購於截至2016、2017及2018年12月31日之年度上限分別為人民幣750,000,000元、人民幣750,000,000元及人民幣750,000,000元。

REPORT OF DIRECTORS (CONTINUED)

董事會報告(續)

As each of the applicable percentage ratios (other than the profits ratio) (as defined under the Listing Rules) calculated by reference to the annual caps is less than 5%, the Supply of the Goldpac Products from the Goldpac Entities to Gemalto as contemplated under the Mutual Supply Agreement is subject to reporting and announcement requirements, but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) (as defined under the Listing Rules) calculated by reference to the annual caps is/are more than 5% and more than HKD10,000,000, the Purchase of Gemalto IC Chips by Goldpac Entities from Gemalto as contemplated under the Mutual Supply Agreement is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Mutual Supply Agreement, the Purchase of Gemalto IC Chips as contemplated under the Mutual Supply Agreement and the annual caps contemplated thereunder were approved by the independent shareholders of the Company on 25 February 2016.

For the year ended 31 December 2018, the actual transaction amount in respect of the Supply of Goldpac Products and the Purchase of Gemalto IC Chips amounted to 0 and RMB93,635,000, respectively.

Deloitte Touche Tohmatsu (the "Auditor"), the auditor of the Company, reviewed the Group's continuing connected transactions in accordance with Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Listing Rules" issued by Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the Auditor's letter has been provided by the Company to the Stock Exchange.

鑒於每一個適用之百分比比例(除盈利比率之外)(如上市規則規定)參考年限上限計算時低於5%，根據相互供應協議，金邦達實體向金雅拓供應金邦達產品的交易須根據上市規則第十四A章所載之要求予以申報及公告，但可豁免獨立股東批准。

鑒於一個或者多個適用之百分比比例(除盈利比率之外)(如上市規則規定)參考年度上限計算時超過5%且超過10,000,000港元，根據相互供應協議，金雅拓向金邦達實體供應金雅拓智能卡芯片的交易須根據上市規則第十四A章所載之要求予以申報、公告以及獲得獨立股東批准。相互供應協議以及相互供應協議項下所規定之金雅拓智能卡芯片採購及其年度上限均於2016年2月25日得到本公司獨立股東批准。

於截至2018年12月31日之年度，金邦達產品供應和金雅拓智能卡芯片採購的實際金額分別為人民幣0元和人民幣93,635,000元。

本公司核數師德勤•關黃陳方會計師行(「核數師」)根據香港會計師公會所發布的《實務守則》第740號「關於上市規則所述之關連交易的核數師函件」就本集團之持續關連交易進行審閱。核數師已經根據上市規則第14A.56條發出無保留意見的函件，而該函件載有核數師對有關本集團披露的持續性關連交易的發現及結論。本公司已經將核數師函件副本送呈聯交所。

The Auditor has issued a review report to the board and confirmed that for the year 2018:

- (1) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (3) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the maximum aggregate annual cap approved by the extraordinary general meeting on 25 February 2016 in respect of each of the disclosed continuing connected transactions.

ANNUAL REVIEW OF THE CONTINUING CONNECTED TRANSACTIONS

The independent non-executive Directors had reviewed the continuing connected transactions arising from the Mutual Supply Agreement with Gemalto in respect with Supply of Goldpac Products and Purchase of Gemalto IC Chips during the year ended 31 December 2018 and confirmed that the transactions were:

- i. in the ordinary and usual course of business of the Group;
- ii. on normal commercial terms; and
- iii. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

核數師已向董事會提交審閱報告，並確認於2018年度：

- (1) 彼等並無察悉任何事項促使其相信已披露持續關連交易未獲董事會批准；
- (2) 就涉及本集團提供貨品或服務而言，彼等並無察悉任何事項促使其相信有關之交易在所有重大方面並未按照本公司的定價政策而進行；
- (3) 彼等並無察悉任何事項促使其相信有關交易在所有重大方面並未根據規管有關交易之有關協議而訂立；及
- (4) 就載於以上之各持續關連交易之總額而言，彼等並無察悉任何事項促使其相信已披露持續關連交易已超逾本公司就各已披露持續關連交易而於2016年2月25日之特別股東大會所批准之最高年度總額。

持續關連交易的年度審閱

本公司獨立非執行董事已經審閱截至2018年12月31日止之年度，因根據與金雅拓的相互供應協議就金邦達產品供應與金雅拓智能卡芯片採購而產生的持續關連交易，並確認此等交易乃：

- i. 在本集團日常及一般業務範圍內進行；
- ii. 根據正常商業條款進行；以及
- iii. 根據有關協議的條款進行，而條款均屬公平合理，符合本公司股東的整體利益。

REPORT OF DIRECTORS (CONTINUED) 董事會報告(續)

SUFFICIENCY OF THE PUBLIC FLOAT

Based on information that has publicly available to the Company and to the knowledge of the Directors, the Company had maintained the prescribed minimum percentage of public float permitted under the Listing Rules since the Listing until the date of this Annual Report.

CODE ON CORPORATE GOVERNANCE PRACTICES

Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" in this Annual Report.

SUBSEQUENT EVENTS

Subsequent to 31 December 2018, no material event has occurred.

AUDITOR

Deloitte Touche Tohmatsu will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting on 22 May 2019.

On behalf of the Board

LU Run Ting
Chairman & Executive Director

Hong Kong, 15 March 2019

充足的公眾持股量

自上市之日起至本年報之日，基於本公司可公開獲取到的資訊以及董事所知，本公司維持保有聯交所批准，且符合上市規則所允許的最低公眾持股百分比。

企業管治常規守則

有關本公司企業管治之詳情載於本年報「企業管治報告」內。

期後事項

自2018年12月31日至本年報發佈之日概無重大事件發生。

核數師

德勤•關黃陳方會計師行將退任，但表示願意留任。在本公司即將於2019年5月22日召開的股東大會上，將提呈續聘德勤•關黃陳方會計師行為本公司核數師之議案。

承董事會命

盧閏霆
主席兼執行董事

香港，2019年3月15日

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has adopted the code provisions (“**Code Provisions**”) as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Listing Rules.

In the opinion of the Directors, throughout the year under review, the Company has complied with all the Code Provisions as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors’ securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code throughout the year 2018.

Specific enquiry was made with all the Directors and the Directors confirmed that they had complied with the Model Code throughout the year ended 31 December 2018.

The Company has also established written guidelines as stringent as the Model Code for securities transactions of employees who are likely to be in possession of unpublished price-sensitive information of the Company (the “**Employees Written Guidelines**”). No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

企業管治常規

本公司董事會致力於達成良好的企業管治水平。

董事會深信良好的企業管治標準是不可避免的，它為本集團提供一個架構以維護股東利益、提升企業價值和管理責任。

本公司已採用上市規則附錄14所載之企業管治守則(「**企業管治守則**」)中的守則條文(「**守則條文**」)。

縱觀全年之審查，董事們認為本公司已經遵守了企業管治守則所載之全部守則條文。

證券交易標準守則

本公司已採用上市規則附錄十所載列的有關董事證券交易的上市發行人董事進行證券交易的標準守則(「**標準守則**」)。經向全體董事作出特定查詢後，本公司全體董事已確認，於2018年內均遵守標準守則。

在向所有董事做出特定查詢後，所有董事於截至2018年12月31日止之年度內，都確有遵守標準守則。

本公司已就有關僱員買賣證券事宜設立了書面指引(「**僱員書面指引**」)，該僱員書面指引之內容與標準守則同樣嚴格，針對可能會持未公開的價格敏感信息資訊的有關僱員。公司暫未發現有僱員不遵守公司書面指引的情況。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

BOARD OF DIRECTORS

The Board currently comprises nine members, consisting of six executive Directors and three independent non-executive Directors. Below is the list of Directors:

Executive Directors:

Mr. LU Run Ting (*Chairman and Chairman of the Nomination Committee and Member of the Remuneration Committee*)
Mr. HOU Ping (*Chief Executive Officer and Member of the Nomination Committee*)
Mr. LU Runyi (*Senior Vice President*)
Mr. LU Xiaozhong (*Senior Vice President*)
Mr. WU Siqiang (*Chief Operating Officer*)
Mr. LING Wai Lim (*Note*)

Independent Non-executive Directors:

Mr. MAK Wing Sum Alvin (*Chairman of the Audit Committee and Member of the Nomination Committee and the Remuneration Committee*)
Mr. LIU John Jianhua (*Chairman of the Remuneration Committee and Member of the Audit Committee and the Nomination Committee*)
Ms. YE Lu (*Member of the Audit Committee and the Nomination Committee*)

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" on pages 28 to 37 of this Annual Report.

The relationships between the members of the Board are disclosed under "Directors and Senior Management" on pages 28 to 37 of this Annual Report.

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Mr. LU Run Ting and Mr. HOU Ping respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

Note: Mr. LING Wai Lim was re-designated from non-executive Director to executive Director with effect from 15 March 2019.

董事會

董事會現由九位成員組成，其中六名執行董事，三名獨立非執行董事。以下是董事成員列表：

執行董事：

盧閔霆先生(主席兼提名委員會主席與薪酬委員會成員)
侯平先生(首席執行官兼提名委員會成員)
盧潤怡先生(高級副總裁)
盧小忠先生(高級副總裁)
吳思強先生(首席運營官)
盧威廉先生(附註)

獨立非執行董事：

麥永森先生(審核委員會主席兼提名委員會與薪酬委員會成員)
劉建華先生(薪酬委員會主席兼審核委員會與提名委員會成員)
葉淶女士(審核委員會與提名委員會成員)

董事個人簡歷登載於本年報內第28頁至第37頁，標題為「董事及高級管理層」。

董事會成員之間的關係也在本年報中第28頁至第37頁，標題為「董事及高級管理層」。

主席與首席執行官

主席和首席執行官分別由盧閔霆先生和侯平先生擔任。主席領導並確保董事會的有效機能正常運作。首席執行官負責管理公司的業務發展和日常管理運作。

附註： 盧威廉先生於2019年3月15日由非執行董事調任為執行董事。

Independent Non-executive Directors

During the year ended 31 December 2018, the Board at all times had complied with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Non-executive Directors and Directors' Re-election

Code Provision A.4.1 of the CG Code stipulates that non-executive Directors shall be appointed for a specific term, subject to re-election.

Each of the Directors is appointed for a term of three years and is subject to retirement by rotation once every three years.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board takes decisions objectively in the interests of the Company.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

獨立非執行董事

於截至2018年12月31日止之年度內，董事會一直遵照上市規則有關必須委任至少三名獨立非執行董事及獨立非執行董事須佔董事會人數三分之一的規定，同時該三名獨立非執行董事中至少有一名具備適當的專業資格或會計或相關財務管理專業知識。

本公司已接獲各獨立非執行董事根據上市規則第3.13條之規定有關彼等之獨立性的年度確認書。本公司認為，本公司確認全體獨立非執行董事均為獨立人士。

非執行董事及董事重選

企業管治守則第A.4.1條規定非執行董事應有明確的任期，及須接受重選。

每位董事任期為三年，並須每三年輪值退休一次。

董事會及管理層的職責、責任和貢獻

董事會負責領導和控制本公司並監管本集團業務、戰略決策及表現，負責通過指導及監管本公司業務推動其成功發展。董事會以本公司利益做出客觀決策。

全體董事(包括非執行董事和獨立非執行董事)均為董事會帶來多種領域的寶貴業務經驗、知識及專長，使其高效及有效地運作。

董事須向本公司披露彼等擔任的其他職務的詳情，而董事會定期審閱各董事向本公司履行其職責時所作出的貢獻。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, environmental and social responsibilities, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors keep themselves abreast of responsibilities as Directors of the Company and of the conduct, business activities and development of the Company.

Every newly-appointed Director will receive formal, comprehensive and tailored induction on his or her first appointment to the Board to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

During the year ended 31 December 2018, each Director has read books/journals and attended relevant training to facilitate the discharge of their responsibilities.

In addition, relevant reading materials including legal and regulatory update have been provided to the Directors for their reference and studying. Continuing briefing and professional development for Directors will be arranged where necessary.

董事會負責決定所有重大事宜，其中涉及政策事宜、策略及預算、內部監控及風險管理、環境與企業責任，重大交易(尤其或會涉及利益衝突)、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理的職責則委託予管理層。

董事的持續專業發展

全體董事均知悉作為董事以及負責引導公司業務活動和發展的職責和責任。

每名新任命的董事於首次獲委任時將接收到正式、全面及針對性入職介紹，以確保新董事可恰當瞭解本公司業務及營運，並完全知悉上市規則及相關法規下的董事職責及責任。

所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

於截至2018年12月31日止之年度，每位董事均有閱讀專業書籍／期刊和參加相關培訓以幫助履行董事職責。

此外，相關閱讀資料包括法律和規則更新均已發送給各位董事作為學習與參考。於必要時，亦將為董事提供持續通報與職業發展培訓。

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All board committees of the Company are established with defined written terms of reference. The terms of reference of the board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The majority of the members of each board committee of the Company are independent non-executive Directors and the list of the Chairman and members of each board committee is set out under "Corporate Information" on page 2 to 4 of this Annual Report.

Audit Committee

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Board has also delegated the corporate governance duties to the Audit Committee for performing the functions set out in the Code Provision D.3.1 of the CG Code.

The Audit Committee has reviewed the Company's annual results and Annual Report for the year ended 31 December 2018.

The Audit Committee held two meetings to review interim and annual financial results and reports in respect of the year ended 31 December 2018 and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, scope of work and appointment of external auditors, connected transactions, arrangements for employees to raise concerns about possible improprieties, the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. The Audit Committee comprises three members, namely, Mr. MAK Wing Sum Alvin (Chairman of Audit Committee), Mr. LIU John Jianhua and Ms. YE Lu.

董事委員會

董事會下設三個委員會，即審核委員會、薪酬委員會和提名委員會，以監督公司特定範疇之事宜。本公司所有的董事委員會乃根據已釐定之職權範圍成立，有關各董事委員會之權職範圍已載於本公司網站和聯交所的網站，並可根據股東要求予以提供。

本公司各董事委員會的多數成員均為獨立非執行董事，各董事委員會的主席和成員名單已載於本年報第2頁至4頁企業資料。

審核委員會

審核委員會的主要職責是協助董事會檢討審查財務信息、報告流程、內部監控程序以及風險管理體系、審核計劃及與外聘核數師之關係，以及確保本公司的僱員可秘密地就涉及財務報告、內部監控以及本公司其他事宜中潛在的不正當行為提出異議。

董事會也已將企業管治之職責委派給審核委員會，由其履行企業管治守則第D.3.1條中規定的職責。

審核委員會已經審閱本公司截至2018年12月31日止之年度業績以及本年度報告。

審核委員會已召開兩次會議，以審閱中期和年度財務業績，以及截至2018年12月31日止之年度的報告，以及有關財務報告和投訴程序、內部監控和風險管理體系、外聘核數師的委任和工作範圍、關連交易、僱員反舞弊投訴、公司企業管治政策和慣例、董事和高級管理人員培訓和持續性職業發展、本公司對法律法規要求遵守的政策和慣例、標準守則及書面僱員指引的合規、公司遵守企業管治準則以及於企業管治報告內的披露等重大問題。審核委員會現由三名成員組成，即麥永森先生(審核委員會主席)、劉建華先生和葉淥女士。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Audit Committee also met with the external Auditor twice without the presence of the executive Directors.

審核委員會亦在執行董事缺席的情況下，已與外聘核數師進行了兩次會面。

REMUNERATION OF THE SENIOR MANAGEMENT

高級管理層的薪酬

For the year ended 31 December 2018, the remuneration of the senior management is listed as below by band:

於截至2018年12月31日止之年度，高級管理層的薪酬按組列表如下：

Band of remuneration	薪酬組別	Number of person	人數
HKD2,500,001 to HKD3,000,000	港幣2,500,001元至港幣3,000,000元		2

Further details of the remuneration of Directors, Chief Executive and Employees are set out in Note 9 to the Consolidated Financial Statements on the pages 209 to 213 of this Annual Report.

有關董事、首席執行官與僱員的薪酬詳情載於本年報中第209頁至213頁綜合財務報表附註9。

Remuneration Committee

薪酬委員會

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration adjustment principle of all employees as a whole, the remuneration packages of individual executive Directors, the remuneration policy and structure for all Directors; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration.

薪酬委員會的主要職責包括檢討有關僱員整體薪酬調整原則，各執行董事的薪酬方案、全體董事的薪酬政策及架構，並向董事會提供建議；以及設立透明的程序制訂薪酬政策及架構，以確保任何董事或其任何關連人士均不得參與有關其本身薪酬的決策。

For the year ended 31 December 2018, the Remuneration Committee met for one time to review and make recommendation to the Board on the remuneration adjustment principle of all employees as a whole, the remuneration policy and structure of the Company, and the remuneration packages of the Executive Directors and other related matters. Currently the Remuneration Committee comprises three members, namely, Mr. LIU John Jianhua (Chairman of Remuneration Committee), Mr. MAK Wing Sum Alvin and Mr. LU Run Ting.

於截至2018年12月31日止之年度，薪酬委員會已召開一次會議檢討公司的薪酬政策及架構、僱員整體薪酬調整原則，執行董事的薪酬方案及其他相關事宜，並向董事會提供建議。薪酬委員會現包括三位成員，即劉建華先生(薪酬委員會主席)、麥永森先生和盧閔霆先生。

Nomination Committee

The principal duties of the Nomination Committee include reviewing the board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the board composition, the Nomination Committee would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, race, language, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would review the Board Diversity Policy at least annually and discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's gender, age, character, qualifications, experience, independence and other relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee met once to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for election at the annual general meeting. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained. The Nomination Committee comprises five members currently, namely, Mr. LU Run Ting (Chairman of Nomination Committee), Mr. HOU Ping, Mr. MAK Wing Sum Alvin, Mr. LIU John Jianhua and Ms. YE Lu.

提名委員會

提名委員會的主要職責包括檢討董事會架構、發展以及明確董事提名和任命的相關程序，就董事委任及繼任計劃向董事會提出建議及評估獨立非執行董事的獨立性。

在評估董事會構成時，提名委員會須考慮到董事會多樣化政策，包括但不限於性別、年齡、種族、語言、文化和教育背景、專業資格、技能、知識、行業和地域經驗。提名委員會須每年至少一次討論董事會成員多元化政策，討論可估量目標，並達成統一意見，如有需要，推薦予董事會考慮及採納。

在考慮及挑選合適的候選人出任董事，並向董事會推薦之前，提名委員會須考慮候選人的性別、年齡、性格、資歷、經驗、獨立性和其他於董事會提名政策載明的相關條件，以配合企業策略並實現董事會多元化。

提名委員會已召開一次會議檢討董事會架構、規模和組成，及獨立非執行董事的獨立性，並考慮退任董事在股東週年大會上重選的資格。提名委員會認為董事會保持了合適及均衡的多元化構成。提名委員會現包括五位成員，即盧閏霆先生(提名委員會主席)、侯平先生、麥永森先生、劉建華先生和葉淥女士。

BOARD DIVERSITY POLICY

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. 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.

Pursuant to the Board Diversity Policy, 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 and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, race, language, cultural background, educational background, skills, knowledge, industry experience and professional experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

董事會成員多元化政策

本公司採納了董事會多元化政策，載列了實現董事會多元化的途徑。本公司認同亦深信達致董事會成員多元化的益處，亦將董事會多元化視為維持本公司競爭優勢的一個基本要素。

根據董事會多元化政策，提名委員會將至少每年檢討董事會的結構、人數及組成，亦就任何為配合本公司的公司戰略而對董事會作出的變動提出建議，以確保董事會保持一種均衡的多元化狀態。在檢討和評估董事會組成方面，提名委員會致力於全方位多元化，亦將審議若干方面問題，包括但不限於性別、年齡、種族、語言、文化背景、教育背景、技能、知識、行業經驗和專業經驗。

本公司的目標是保持與本公司業務增長相關的多元化範疇達到適當的平衡，亦致力確保所有級別(從董事會到以下級別)的招聘和甄選均按適當的程序進行，以便能吸引更多元背景的人選供本公司作出考慮。

董事會將考慮制定可計量的目標，以執行董事會多元化政策，亦不時審查這些目標，以確保這些目標是否適當，亦確保在實現這些目標方面取得進展。

目前，提名委員會認為董事會已有足够的多元化，而董事會亦沒有訂立任何可計量目標。

提名委員會將適當地檢討董事會多元化政策，以確保持其持之有效。

DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of Independent Non-executive Directors on the Board and independence of the proposed Independent Non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

董事提名政策

董事會已將其甄選和任命本公司董事的責任和權力授予本公司提名委員會。

本公司採納了董事提名政策，載列本公司有關提名及委任董事的甄選準則、程序、以及董事會繼任計劃的相關考慮，目的是確保董事會成員具備切合本公司業務所需的技巧、經驗和多元化觀點，亦確保本公司董事會的持續性及維持其領導角色。

董事提名政策列出了評估擬委任候選人適宜性和對董事會潛在貢獻的因素，包括但不限於以下方面：

- 品格與誠實；
- 資格，包括與本公司業務和本公司戰略有關的專業資格、技能、知識和經驗；
- 各方面的多樣性，包括但不限於性別、年齡(18歲或以上)、文化和教育背景、種族、專業經驗、技能、知識和服務年限；
- 根據上市規則，董事會需包括獨立非執行董事的規定，以及參考上市規則內載列候選人是否被視為獨立的指引；
- 願意及是否能夠投放足夠時間履行身為董事會成員及擔任董事會轄下委員會委員的職責。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. During the year ended 31 December 2018, there was no change in the composition of the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

DIVIDEND POLICY

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

COMPANY SECRETARY

The company secretary of the Company is Ms. LI Yijin. Details of the biography of the company secretary of the Company are set out in the section headed "Directors and Senior Management" of this Annual Report. Ms. LI confirmed that she took no less than 15 hours of relevant professional training in the year ended 31 December 2018 as required by the Listing Rules.

董事提名政策亦載列新董事甄選及委任程序，以及在股東大會上重選董事的程序。於截至2018年12月31日止之年度，董事會成員組成沒有變化。

提名委員會將適當地檢討董事會提名政策，以確保其有效性。

股息政策

本公司就股息的派付採納了股息政策。根據本公司和本集團的財務狀況以及股息政策中載列的條件和因素，董事會可在財政年度內建議和/或宣派股息，而任何財政年度之末期股息均須由股東批准。

公司秘書

本公司公司秘書為李易進女士。本公司公司秘書的履歷載於本年報的「董事及高級管理層」一節。於截至2018年12月31日止之年度內，李女士確認其已根據上市規則的規定參與不少於15小時的相關專業培訓。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

董事及委員會成員的出席記錄

The attendance record of each Director at the Board and board committee meetings and the general meetings of the Company held during the year ended 31 December 2018 is set out in the table below:

每位董事參與本公司於截至2018年12月31日止之年度內舉行的董事會、委員會會議及股東大會的出席記錄如下表所示：

Name of Directors 董事姓名	Attendance/Number of Meetings 出席次數/會議次數				Annual General Meeting 股東週年大會
	Board 董事會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	
Executive Directors					
執行董事					
Mr. LU Run Ting 盧閏霆先生	4/4	1/1	1/1	N/A	1/1
Mr. HOU Ping 侯平先生	4/4	1/1	N/A	N/A	1/1
Mr. LU Runyi 盧潤怡先生	4/4	N/A	N/A	N/A	1/1
Mr. LU Xiaozhong 盧小忠先生	4/4	N/A	N/A	N/A	1/1
Mr. WU Siqiang 吳思強先生	4/4	N/A	N/A	N/A	1/1
Mr. LING Wai Lim (Note) 盧威廉先生(附註)	4/4	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
獨立非執行董事					
Mr. MAK Wing Sum Alvin 麥永森先生	4/4	1/1	1/1	2/2	1/1
Mr. LIU John Jianhua 劉建華先生	4/4	1/1	1/1	2/2	1/1
Ms. YE Lu 葉淥女士	3/4	1/1	N/A	2/2	1/1

Note: Mr. LING Wai Lim was re-designated from non-executive Director to executive Director with effect from 15 March 2019. Therefore, Mr. LING Wai Lim attended the meetings in this table as a non-executive Director.

附註：盧威廉先生於2019年3月15日由非執行董事調任為執行董事。所以，盧威廉先生均以非執行董事身份列席此表中的會議。

Apart from regular board meetings, the Chairman also held meetings with the non-executive Directors (including independent non-executive Directors) without the presence of Executive Directors during the year 2018.

除了常規的董事會會議，於2018年主席亦和非執行董事(包括獨立非執行董事)召開了沒有執行董事出席的會議。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2018.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 117 to 125 of this Annual Report.

AUDITOR'S REMUNERATION

The remuneration paid to the Company's external auditor of the Company in respect of audit services and non-audit services for the year ended 31 December 2018 amounted to RMB1,608,000 and RMB371,000 respectively.

An analysis of the remuneration paid to the external auditor of the Company, Messrs. Deloitte Touche Tohmatsu, in respect of audit services and non-audit services for the year ended 31 December 2018 is set out below:

董事就財務報表的職責

董事確認其知悉編製本公司截至2018年12月31日止之年度財務報表的職責。

董事並不知悉任何有關可能會令本公司持續經營能力受到重大質疑的事件或情況的重大不明確因素。

關於公司獨立核數師對財務報表匯報職責的陳述載於本年報之獨立核數師報告第117至125頁。

核數師的酬金

支付予本公司外聘核數師有關截至2018年12月31日止之年度的核數服務及非核數服務之酬金分別為人民幣1,608,000元和人民幣371,000元。

支付予本公司外聘核數師德勤關黃陳方會計師行有關截至2018年12月31日止之年度核數服務及非核數服務之酬金的分析如下：

Service Category	服務種類	Fees Paid/Payable
		已付／應付費用
		RMB
		人民幣
Audit Services	核數服務	1,608,000
Non-audit Services	非核數服務	
— Interim review	— 中期審閱	342,000
— Others	— 其他	29,000
		1,979,000

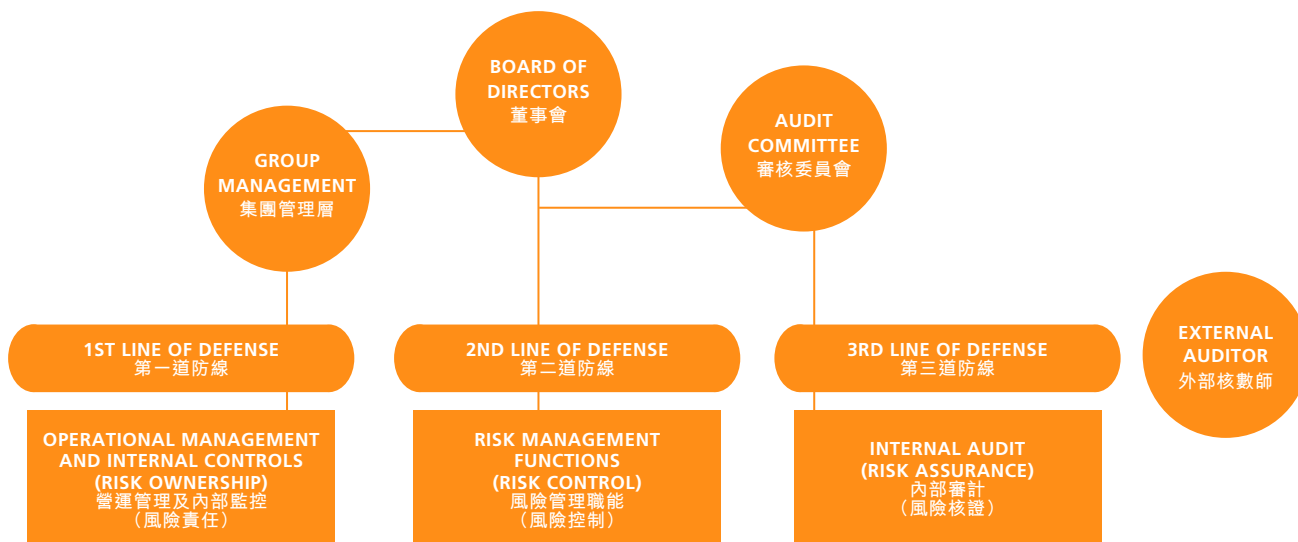
RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for continually overseeing the Group's risk management and internal control system and reviewing their effectiveness at least annually through Audit Committee. The Audit Committee assists the Board in fulfilling its oversight and corporate governance role in the Group's financial, operational, compliance, risk management and internal controls and the resourcing of the finance and internal audit functions.

Risk Management Structure

The Group has established an organizational structure with defined level of responsibility and reporting procedures. The Board oversees the overall management of Group's risks, with assistant from the Audit Committee on reviewing and monitoring key risks. Management is responsible for designing and implementing the risk management and internal control system. Management is also committed to fostering a risk aware and control conscious environment. Operating units are responsible for the identification and management of risks in their operations and a comprehensive approach is adopted for enterprise-wide risk. Responsibility for risk management resides at all levels within the Group, from the Board through the organisation to each manager and employee.

The Group's risk management framework is guided by the Three Lines of Defense model as shown below:



風險管理與內部監控

董事會確認其有責任持續地監控本集團的風險管理及內部監控系統，並透過審核委員會至少每年檢討其成效。審核委員會協助董事會履行其監控及企業管治職責，涵蓋本集團的財務、運營、合規、風險管理及內部監控，以及財務資源及內部審計職能。

風險管理架構

本集團已建立一個具備明確職責及報告程序的組織架構。本公司董事會全權監督集團整體的風險管理，並由審核委員會協助本公司董事會檢視和監控重大的風險。管理層負責風險管理和內部監控系統的設計及實施，致力促進集團風險管理和內部監控的意識及文化。業務部門負責其職權範圍內日常營運的風險識別和管理。集團的風險管理工作由本公司董事會至每位經理及員工共同協力完成。

本集團的風險管理架構以下圖列示的「三道防線」模式作為指引：

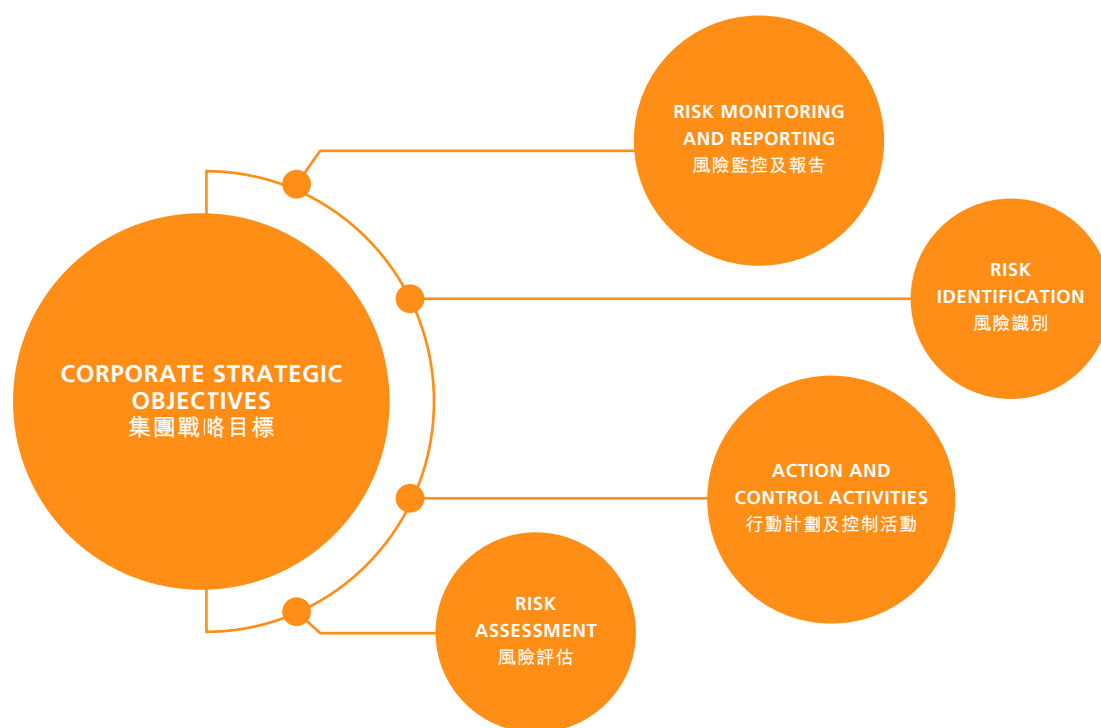
CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

Risk Management Framework

The Group has in place a risk management framework to effectively identify, assess, mitigate and monitor key business, financial, operational and compliance risks. The framework enables the Group to adopt a proactive and systematic approach to identifying and managing risks across the organisation to evaluate risk severity and likelihood of occurrence. The framework also sets out the procedures of risk management and clarifies the roles and responsibilities of various departments in relation to risk management.

風險管理辦法

集團建立了風險管理辦法以有效識別、評估、減輕和監控主要業務、運營、財務及合規風險。該辦法為集團提供一個清晰和系統的方法去識別和管理風險，以及評估風險的嚴重性和發生的機會。同時，該辦法確定了集團的風險管理流程，明確了各部門在風險管理工作中的職責分工。



The Group has embedded its risk management systems into the core operating practices of the business. On an ongoing basis, the respective operating units of the Company review and assess the status of potential risks which may impact on their ability to achieve their business objectives and/or those of the Group, determine and implement treatment plans where risk mitigations are actionable. This review process includes assessment as to whether the existing internal controls continue to remain relevant, adequately address potential risks, and/or should be supplemented.

本集團已將風險管理系統貫穿至核心業務中。各部門持續地檢討及評估可能對達成該部門或本集團業務目標的能力造成影響的潛在風險的狀況，制定及實施可行的風險舒緩措施。相關檢討流程包括評估現有內部監控系統是否繼續切合業務需要、是否足夠應對潛在風險及是否需要予以補充。

Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance to relevant accounting standards and regulatory reporting requirements, and key risks that may impact the Group's performance are appropriately identified and managed. The system and internal controls can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to be managed, rather than eliminate the risk of failure to achieve business objectives.

A description of the Group's main risk factors is shown on pages 40 to 45 of this Annual Report. The Group continuously works to improve its risk management framework in order to keep pace with the changing business environment.

Internal Controls

Internal Audit Department conducts independent reviews on the Group's risk management and internal control system. Internal Control Department reports directly to the Audit Committee to ensure identified internal control weaknesses are communicated and rectified effectively.

Internal Audit Department adopts a risk-oriented audit approach. The annual audit plan covers major activities and processes of the Group's compliance, financial, procurement and operations. On a regular basis, Internal Audit Department reports to the Audit Committee the results of their activities during the preceding period pertaining to the adequacy and effectiveness of internal controls, and follows up the progress of rectification for control weaknesses.

The Group has established and oversees a whistleblower policy and a set of comprehensive procedures whereby employees, customers, suppliers and other concerned parties can report any actual or suspected occurrence of improper conduct involving the Company, and for such matters to be investigated and dealt with efficiently in an appropriate and transparent manner.

適當的政策及監控已經制定，以確保資產不會在未經許可下使用或處置，依從及遵守相關條例及規定，根據相關會計標準及監管申報規定保存可靠的財務及會計記錄，以及適當地識別及管理可能影響本集團表現的主要風險。有系統及內部監控僅可合理而非絕對保證可防範重大失實陳述或損失，因為其目的旨在管理，而非消除未能達成業務目標的風險。

集團的主要風險因素載於本年報第40頁至45頁內。本集團將不斷致力於完善風險管理機制，緊貼不斷變化的業務環境。

內部監控

集團內部審計對本集團風險管理及內部監控系統的成效展開獨立評估，內部審計部門直接向審核委員會匯報以確保內部控制缺陷得到有效的溝通及糾正。

內部審計部門採取以風險為導向的審核方法。內部審計的全年工作計劃，涵蓋合規、財務、採購及運營等集團的各項主要工作及程序。內部審計部門於定期會議上向審核委員會匯報其於上一個期間有關內部監控是否足夠及其成效等的工作結果，並跟進其發現問題的進展。

本集團亦已制定並監督一項舉報政策。據此，僱員、客戶、供應商及其他相關方能對涉及本集團的任何實際或疑似不當行為作出舉報，從而使有關事宜可按照適當及具透明度的方式立即展開調查及得到有效處理。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Company formulated the insider information policy and regularly reminds the Directors and employees about due compliance with all policies regarding the insider information. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements.

The Board reviews annually the Group's risk management and internal control system. During the year, the Board conducted a review of the effectiveness of the risk management and internal control system of the Group, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function. The Board and the Audit Committee considered that the key areas of the Group's risk management and internal control systems are effectively implemented.

In addition to the review of risk management and internal controls undertaken within the Group, the external auditor also accessed the adequacy and effectiveness of certain key risk management and internal controls as part of their statutory audits. The external auditor's recommendations also provide enhancements to the risk management and internal controls.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Right to call a General Meeting

General meetings may be convened by the Board on requisition of shareholder(s) of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings or by such shareholder(s) who made the requisition (as the case may be) pursuant to Sections 566 and 568 respectively of the Companies Ordinance. The general nature of the business to be dealt with at the meeting must be stated in the request. Shareholders should follow the requirements and procedures as set out in the Companies Ordinance for convening a general meeting.

本公司已制定內幕信息及知情人管理制度並定期提醒董事及僱員妥善遵守所有有關內幕消息的政策。本公司將編製或更新合適指引或政策以確保遵守監管規定。

董事會每年對集團的風險管理及內部監控系統進行檢討。在本年度內，董事會已檢討本公司風險管理及內部監控系統的有效性，包括資源充足性、員工資質、經驗、培訓計劃及本公司財務預算及財務報告功能。董事會及審核委員會認為本集團的風險管理及內部監控系統的主要部分已得到有效的實施。

除本集團對風險管理及內部監控進行檢討外，外聘核數師的法定審核工作內容亦包括對若干重要的風險管理及內部監控的有效性進行評估，其建議亦有助於改善風險管理及內部監控。

股東權益

為保障股東的權益和權利，股東大會上將對重要獨立事項分別提議獨立決議案，包括個別董事的選舉。所有在股東大會上提出的決議案將依照上市規則進行投票決議，決議結果將於每個股東大會結束後在公司網站和聯交所網站公佈。

召開股東大會的權利

根據公司條例第566條及第568條，股東可要求董事會或由該呈請人自行召開股東大會（按情況而定）。如董事會收到佔全體有權在股東大會上表決的股東的總表決權至少5%的股東要求召開股東大會，則董事會須召開股東大會。該要求須述明有待於該會議上處理的事務的一般性質。股東應遵從公司條例所載之規定和程序召開股東大會。

Right to Circulate Resolution at Annual General Meeting

Pursuant to Section 615 of the Companies Ordinance, shareholder(s) representing at least 2.5% of the total voting rights of all shareholders; or at least 50 shareholders (as the case may be) who have a right to vote at the relevant Annual General Meeting, may request to circulate a resolution to be moved at an Annual General Meeting. Shareholders should follow the requirements and procedures as set out in the Companies Ordinance for circulating a resolution for annual general meeting.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 1301, 13th Floor, Bank of East Asia,
Harbour View Center, No. 56 Gloucester Road,
Wanchai, Hong Kong
(For the attention of the Company Secretary)
Fax: +852 2834 6759
Email: goldpac@goldpac.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

於股東週年大會上傳閱決議的權利

根據公司條例第615條，佔全體有權在週年股東大會上表決的股東的總表決權至少2.5%的公司股東或最少50名有權在股東大會上表決的股東(按情況而定)，可要求傳閱擬在該股東大會動議的決議。股東應遵從公司條例所載有關傳閱週年股東大會決議之規定和程序。

向董事會提出詢問

若須對董事會提出任何詢問，股東可向本公司發送書面詢問。本公司一般不會處理口頭或匿名查詢。

聯繫方式

股東可將其上述詢問或要求發送到以下地址：

地址：香港灣仔告士打道56號
東亞銀行港灣中心
13層1301室
(請註明收件人為公司秘書)
傳真：+852 2834 6759
電郵：goldpac@goldpac.com

為避免疑問，股東須將簽署的請求、通知或聲明(視情況而定)的書面正本，遞交和寄送至上列地址，並提供其全名、聯繫方式和身份信息才能生效。按法律規定，股東信息有可能被披露。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through Annual General Meetings and other general meetings. At the Annual General Meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

CONSTITUTIONAL DOCUMENTS

During the year 2018, the Company has not made any changes to its Articles of Association. An up to date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

與股東的溝通及投資者關係

本公司認為與股東的有效溝通對加強投資者關係及投資者對本集團業務成績和策略的瞭解是不可避免的。本公司致力通過股東週年大會及其他股東大會與股東保持溝通。在股東週年大會上，董事(或其代表)會與股東會面並解答股東提出的問題。

章程文件

於2018年內，本公司並無對其公司章程進行任何改動。本公司最新的公司章程可在聯交所網站和本公司網站上查閱。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

ABOUT THE REPORT

Introduction

The Group (or we) reaffirm the commitment to sustainability with the publication of the Environmental, Social and Governance (“ESG”) Report 2018 (“Report”). This Report is prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Listing Rules and is based on the Group’s conditions. The purpose of this Report is to present the Group’s environmental and social performance in 2018 and for better communication with stakeholders of the Group. The Board of the Company acknowledges its responsibility to ensure the integrity of this Report and to the best of its knowledge that this Report addresses all material issues and fairly presents the Group’s ESG performance. The Board confirms that it has reviewed and approved this Report.

Reporting Period and Scope

This Report supplements the Group’s Annual Report and discloses performance and progress on ESG issues from 1 January to 31 December 2018. The scope of this Report covers the Company and its major subsidiaries. The information stated in this Report was obtained from the Group’s various reports and records of daily operations.

Feedback

The Group considers sustainable development as its imperative long-term goal. We would highly appreciate any comments on improving the content and information delivery of this Report. If you have any queries or suggestions, please feel free to contact us.

Contacts

Goldpac Group Limited
Address: Room 1301, 13th Floor,
Bank of East Asia, Harbour View Centre,
No.56 Gloucester Road, Wanchai, Hong Kong

Telephone: (852) 2838 6202
Fax: (852) 2834 6759
Email: goldpac@goldpac.com

關於本報告

報告簡要

本集團(或我們)重申對可持續發展的承諾，發佈2018年度的環境、社會及管治(「ESG」)報告(「本報告」)。本報告乃遵守上市規則附錄二十七所載之環境、社會及管治報告指引的要求，以及根據本集團實際情況而編制。本報告旨在展現本集團2018年度於環境和社會方面的表現，促進與各利益相關方的溝通。董事會肩負起確保本報告完整性的責任，承諾公正地披露ESG表現，及盡其所知涵蓋所有有關的重大事宜。董事會已審閱本報告。

報告期間及範圍

本報告披露本集團於2018年1月1日至2018年12月31日的可持續發展表現和進展情況，與本集團年報相輔相成。本報告範圍涵蓋本公司及其主要附屬公司，所載資料皆來自本集團各類報告或日常作業記錄。

意見反饋

本集團視可持續發展為長遠發展方針。我們高度重視您對本報告內容或信息傳達方面的寶貴意見。若對本報告有任何疑問或建議，歡迎隨時聯繫我們。

聯繫方式

金邦達實嘉控股有限公司
地址：香港灣仔告士打道56號
東亞銀行港灣中心
13層1301室

電話：(852)2838 6202
傳真：(852)2834 6759
電郵：goldpac@goldpac.com

SUSTAINABILITY MANAGEMENT

Preventing systemic risks is the fundamental theme of the financial work in the country. Benefiting from their safety and stability features, smart secure payment products have been always playing a crucial role in maintaining a stable and healthy operation of the entire financial market. As a global leader in smart secure payment total solutions, the Group upholds the vision of “Make Transactions More Secure and Convenient” to deliver embedded software, secure payment products and A.I. financial self-serve kiosks for customers across the world. By leveraging innovative technologies, the Group provides data processing, system platforms and other total solutions for a broad range of customers including financial, government, healthcare, transportation and retail sectors.

The Group are the only one supplier in China, which has passed the qualification certifications issued by six global credit card organizations. Product quality and customer data security are defined as our prime objectives. We strive to explore and investigate suitable corporate operational processes to cohere with the Group’s sustainability development pattern.

The Group is committed to integrating its businesses with environment and society, pursuing a sustainable development. We formulate and implement policies regarding the environmental and social aspects and update those policies after diverse internal and external communications and appropriateness review, to decide whether the ongoing policies are still suitable. During the year, employees at all levels fully cooperated with the sustainability management in practice. Led by the corporate business management department, information collection and reporting on environmental and social performance are completed through collaboration among various departments, e.g. human resource department, administration department, engineering department and etc..

可持續發展管理

防範系統性風險是國家金融工作的核心。智能安全支付產品以其在交易安全性、穩定性的優勢，長久以來在維護金融市場的穩定運行中發揮著重要作用。本集團作為全球智能交易整體解決方案的引領者，以「讓交易更安全、更便捷」為願景，為全球客戶提供智能安全支付領域的嵌入式軟件、安全支付產品和智能金融自助設備。融合創新金融科技，本集團為金融、政府、衛生、交通、零售等廣泛領域客戶提供數據處理、系統平台及其他整體解決方案。

本集團是中國唯一通過全球六大信用卡組織資質認證的供應商。產品質量和客戶數據安全是本集團的首要工作。於企業運營過程中，我們不斷發掘、探討和嘗試適合本集團的可持續發展模式。

本集團一直致力將業務與環境和社會共同發展相結合，推動本集團實現可持續發展的目標。我們制定和落實有關環境及社會影響的政策措施，並通過內外溝通手段，檢討現行政策的適宜性，對政策及時作出更新。回顧年內，本集團各級員工全力配合相關管理工作，將環境及社會影響管理工作落到實處。我們通過企業項目管理部牽頭，人力資源部、行政部、工程部等多部門配合，持續推進環境和社會表現信息的收集和匯報工作。

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

In terms of environment protection, the Group complies with related environmental laws, regulations and standards. Starting from the energy saving, emission reduction and waste management as key aspects, we established a series of internal procedures and systems to help our employees properly handle the wastes generated in the production process. As a result, we are able to enhance the productivity and operation efficiency, and bear a greater responsibility of the environment protection.

The Group not only complies with related laws and regulations relating to employment and safety, but also pays considerable attention to employee welfare and safety, and at the same time it devotes itself to a well-established management and training system, offering employees a broader development space in a fair, safe, healthy and harmonious work environment, to strengthen its leader position in the smart secure payment industry.

Appendix 1 presents the list including but not limited to laws and regulations relating to ESG issues and with significant impacts on the Group.

Stakeholder Communication and Engagement

We are grateful to every stakeholder for their support on our growth and improvement. In order to lay a solid foundation for our sustainable development, we have made great efforts to understand opinions suggested by stakeholders, e.g. investors, customers, suppliers, employees, community, government and etc. Stakeholders can deliver their comments on our ESG performance and future policies through different channels.

環境保護方面，本集團遵從相關的環境法律法規及標準。重點從節能減排和廢棄物管理入手，本集團通過制定一連串的內部程序和制度，使員工能更有效地妥善處理廢棄物，提升生產和營運效率，全面肩負對環境保護的責任。

本集團除遵守相關僱傭和安全法律法規外，亦關注員工的福利和安全，同時致力通過完善的管理程序和培訓，為員工提供充分的發展空間，以及公平、安全、健康、愉快的工作環境，鞏固智能安全支付行業領導者地位。

附錄1呈列(但不限於)與環境、社會及管治議題相關且對本集團具有重大影響的主要法律法規列表。

利益相關方溝通及參與

本集團的成長與進步離不開各利益相關方的支持，因此，我們努力瞭解投資者、客戶、供應商、員工、社區、政府等利益相關方的意見，以求本集團良好的持續發展，奠定良好基礎。利益相關方可通過多種不同途徑，向我們傳遞他們對於可持續發展績效和未來政策的意見。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Investors 投資者	<ul style="list-style-type: none"> Annual General Meeting 股東周年大會 Regular Disclosure on Financial and Operational Information 定期披露財務信息及運營資訊 The Group's Website 本集團網站 Proactive Communications to Understand Issues concerned by investors 主動溝通，瞭解投資者關注事項
Customers 客戶	<ul style="list-style-type: none"> Customer Service Specialist 客戶服務專員 Survey on Customer Satisfaction Information 客戶滿意度調查 The Group's Website 本集團網站 Social Media, e.g. Official WeChat Account 社交媒體，如微信官方公眾號
Suppliers 供應商	<ul style="list-style-type: none"> Regular Assessments 定期評估 Continuous Communications to Understand Suppliers 持續溝通，瞭解供應商
Employees 員工	<ul style="list-style-type: none"> Management Mailbox 管理層信箱 Performance Assessments 績效評估 Regular Meetings 定期會議 The Group's Website 本集團網站 Social Media, eg. Official Wechat Account 社交媒體，如微信官方公眾號
Community 社區	<ul style="list-style-type: none"> Regular Communications to Pay Attention to Society Issues and Neighborhood 定期溝通，關注社會民生 The Group's Website 本集團網站 Social Media, e.g. Official WeChat Account 社交媒體，如微信官方公眾號
Government 政府	<ul style="list-style-type: none"> Forums, Thematic Meetings, Trainings 論壇、專題會議、培訓 Proactive Communications to Appreciate the Latest Policies 主動溝通，瞭解最新政策 Regular Compliance Reports 定期合規報告

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We believe that proactive two-way communications with stakeholders will help formulate business strategies better conforming to their expectations and requirements, improve the ability of risk forecast, strengthen crucial relationships, and finally realize the sustainable development in economies society and environment together with them.

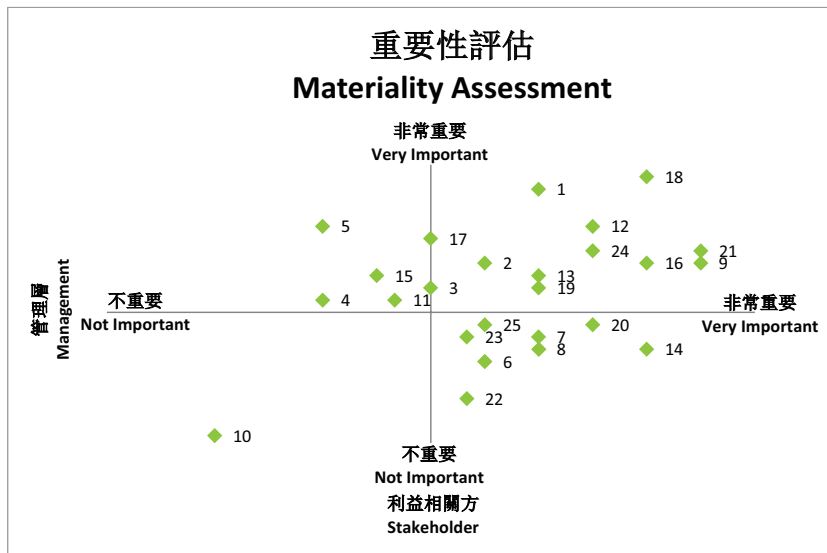
我們堅信，通過與各利益相關方積極的雙向溝通時，將有助制訂更加符合其需求與期望的業務戰略，提升風險預見能力，鞏固重要關係，攜手各方共同實現經濟、社會和環境的可持續發展。

Materiality Assessment

We identified 25 issues and held a survey among management and stakeholders through questionnaires to communicate with them. This Report is prepared and the coming sustainable development work will be arranged based on the results of the survey.

重要性議題評估

我們識別了25項議題，以問卷調查的形式分別與管理層和上述利益相關方進行溝通。其結果作為編寫本報告和提升未來可持續發展工作的重要依據和基礎。



Environment Protection 環境保護	
1. Usage and recycling of materials 物料的使用及回收再利用情況	6. Air pollutant emissions and reduction measures 廢氣排放及減排措施
2. Energy consumption and saving measures 能源消耗及節能措施	7. Wasted water discharge and reduction measures 廢水排放及減排措施
3. Usage of water resources and saving measures 水資源使用及節水措施	8. R&D on clean production technologies and green products 清潔生產技術及綠色產品的研究與開發
4. Greenhouse gas emissions and reduction measures 溫室氣體排放及減排措施	9. Compliance with environmental laws and regulations 遵守環境法律法規情況
5. Wastes and their disposal 廢棄物的產生及處置	10. Protection of biodiversity 保護生物多樣性

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Employee Policy 員工政策	
11. Talent management policies and status 人才管理政策及現狀	14. Internal communications 內部溝通情況
12. Protection of employees' occupational health and safety 保障僱員職業健康與安全	15. Practices avoiding child and forced labour 避免童工及強制勞工措施
13. Employee development and training 僱員發展與培訓	16. Compliance with laws and regulations of protection of labour rights and interests 遵守勞工權益保障法律法規情況
Operation Management 運營管理	
17. Guarantee the quality of customer products and services 保障客戶產品及服務質量	21. Compliance with industry specific laws and regulations, and business ethics 遵守行業法律法規及商業道德
18. Protection of customer data and privacy 保護客戶資料及個人隱私	22. Supplier status 供應商現狀
19. Protection of intellectual properties and research outcomes 保護知識產權及研究成果	23. Supplier policies and management 供應商政策及管理
20. Customer complaints dealing and customer satisfaction improvement 處理客戶投訴及提升客戶滿意度	24. Anti-Corruption policies and performance 反貪污政策及表現
Community Contribution 社區貢獻	
25. Community participation 社區參與	

Looking ahead, we will interact with stakeholders and evaluate our performance as always. We persist in taking the social and environmental responsibilities, optimizing measures of sustainable development and placing great importance on stimulating business growth.

OPERATIONAL EXCELLENCE

Our commitment to upholding the highest level of business ethics and integrity connects to what we do and we believe that it is our competitive advantage.

展望未來，我們會持續與各利益相關方開展溝通工作，檢視自身發展表現，並繼續肩負社會和環境責任，優化各項促進可持續發展的相關措施，持續將業務發展與環境管理及社會影響相結合，致力促進業務增長。

營運卓越

本集團承諾遵守最高標準的商業道德及誠信要求，這與我們的營運息息相關，也是我們的競爭優勢。

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Product and Service Quality

Following the quality policy “All for better meeting customer requirements, exceeding customer expectations and improving customer satisfaction!”, the Group pursues to achieve operational excellence. Guided by such policy, the Group has established a quality management system supported by a set of policy documents, e.g. *Quality Manual for Card Business*, *Quality Manual for Individualization Business* and subordinate documents. During the year, the Group successfully renewed the ISO9001 Quality Management System Certificate. Together with the efforts of all departments, our products and services implement strict safety standards and meet the requirements of relevant laws and regulations. The Group has been granted certifications by the six global credit card organizations.

Regarding product quality, we have established the quality management department, which is in charge of carrying out quality check during the production process for raw material, goods in progress and finished goods, in accordance with quality management system and industry requirements. Unqualified products are immediately adjusted, improved, re-manufactured or even disposed. In terms of customer service, we offer high quality services as well. For each customer, the sales staff designs tailored sales strategy after a thorough analysis and a designated customer service staff follows up after sale issues. The issuance of *Customer Complaint Management Process* which defines how to deal with customer complaints, effectively enhance our internal management in customers’ perspectives. It thus improves customer satisfaction. In addition, we build a special team to record, internally coordinate and summarize customer complaints for future reference. Both the product quality and services have received a high appraisal from customers. During the year, we do not find any cases about privacy leak or significant accidents that have material effects on the Group in terms of the product quality and services.

產品及服務質量

本集團以「一切為了更好地滿足客戶的需求，超越客戶的期望，持續提高客戶滿意度！」為質量方針，致力追求運營卓越。在上述方針的指引下，本集團建立了一套完整的質量管理體系文件，例如《卡片業務質量手冊》《個人化業務質量手冊》及其下級文件，並於本年內成功續期ISO9001質量管理體系認證。在各部門的共同努力下，我們的產品和服務實行嚴格的安全標準且符合相關法律法規的要求。本集團已獲得全球六大信用卡組織資質認證。

於產品質量方面，我們成立了品質管理部。根據質量管理體系，結合行業要求，該部門對生產過程中所有原材料、半成品及產成品進行嚴格的檢驗。不符合要求的產品將立即進行調整、改善、重制甚至銷毀。於客戶服務方面，我們致力為客戶提供優質服務。每個客戶均由指定銷售人員量制銷售策略並安排客戶服務人員進行售後跟踪。《客戶投訴管理程序》的制定為我們提供了完善的應對、處理客戶投訴的措施與流程，幫助我們根據客戶建議，有效地改善內部管理，不斷提高客戶滿意度。我們成立了專責小組，負責記錄、內部協調和總結所有投訴，供日後參考。本集團的產品質量和服務溝通工作均獲得了客戶的高度評價。於本年內，未發現任何涉及重大隱私洩漏、對本集團造成重大影響的產品質量與服務事故。

Information Security and Privacy

The Group firmly believes that operational excellence and safe and reliable information management are inseparable. *Information Security Management System Manual* and its subordinate documents are published to widely define the structure of security management, target and arrangement of information security and clarify in detail the security requirements of information processing. During the year, the Group successfully renewed ISO27001 Information Security Management System Certificate and was highly recognized by the card organizations and customers.

The Group penetrates information security management into every aspect of daily operations. When signing employment agreement, employees have to sign the *Confidentiality Agreement and Competition Restriction Agreement* as well. During daily work, no employees are permitted to disseminate information to unauthorized persons or outsiders without authorization, and copying of information is strictly forbidden either. After our training programs and regular assessments, our employees can handle confidential information properly. Random and regular security inspections by industry supervision authorities, card organizations, customers and professional institutions reassure the reliability of our service and ensure a high standard of security management. The Group publishes specific management procedures to standardize the management of information assets and intellectual property rights that could be timely authorized with certificates and to be in an invincible position in the fierce industry competition.

信息安全及隱私

本集團堅信，運營卓越與安全可靠的信息管理密不可分。本集團頒布的《信息安全管理体系手冊》及其下級文件，全面定義了安全管理架構與信息安全目標、規劃等，明確了信息處理的具體安全要求。於本年內，本集團成功續期ISO27001信息安全管理体系認證並獲得了卡組織和客戶的高度認可。

本集團將信息安全的管理滲透至運營的各個環節。簽訂僱傭合約時，員工須簽訂《保密協議》和《競爭限制協議》。日常工作中，任何員工不得擅自將信息發送給未經授權的同事或外部人員，亦嚴禁複製任何保密信息。通過我們的培訓和定期評估，我們的員工能妥當處理機密資料。我們亦會隨時接受行業監管機構、卡組織、客戶及專業機構的隨機及定期安全檢查，再次保證我們服務的可靠性，實現高標準的安全管理。對於自主知識產權，本集團制定了相關管理程序，對目前公司現有的信息資產和知識產權的管理進行規範，確保自主知識產權能夠及時得到認證，在激烈的行業競爭中立於不敗之地。

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Product Innovation

The Group has proactively engaged in technology exchange and cooperation with the world's top universities and global leaders of secure technology companies and chip manufacturers. In June 2018, the Group worked jointly with Guoxin Micro and CEC Huada Electronic, driving a deep integration in industry chains to seek the application of financial technologies in a wider area. Such cooperations will empower China's financial outsourcing service industry to accelerate its steps into the world's high-end value chain.



Sign framework agreement with Guoxin Micro
與紫光國微簽訂框架協議



Work jointly with CEC Huada Electronic
攜手華大電子

Focusing on the prospective research and development on secure encryption technology, the Group has made progress in its technical preparations for secure modules in Internet of Things, mobile phone application white boxes, smart homes, machine interaction and etc.. The Group owns mature techniques in the application of electronic identification cards. It has become a new growth area for the Group by employing such techniques in smart financial self-services kiosks and oversea identity documents. During the year, smart financial self service kiosks e.g. Goldpac A.I. Self-service Card-issuing and Card-receipt Kiosk developed by the Group appeared in exhibitions, attracted plenty of customers and successfully won the bids for several citizen card projects. Meanwhile, various banks or organizations have launched one-card solution products based on our advanced core algorithms and security control techniques to build smart cities.

產品創新

本集團積極與頂尖學府、全球領先的安全技術公司和芯片廠商展開技術交流與合作。2018年6月，本集團攜手紫光國微和華大電子，推動產業鏈深度融合，促進金融科技在更廣泛領域的應用，助力中國金融外包服務產業加快向全球價值鏈中高端邁進。

我們致力於安全加密技術的前瞻性研發，目前已經在物聯網安全模塊、手機應用程序白盒技術、智能家居、機器交互等領域進行技術儲備。在電子身份認證應用領域，本集團亦有成熟的技術。這些技術已被充分地運用在智能金融自助設備、海外市場身份證件等新興領域，成為本集團的增長動力。回顧年內，本集團研發的智能金融自助設備，如金邦達智能自助制卡／領卡終端等創新產品亮相展會，吸引眾多客戶，成功中標多項市民卡項目。我們以先進的核心算法和安全控制技術，助力多家銀行或機構推出一卡通產品，推動智慧城市建設。



Smart financial self-service kiosks in exhibition
 智能金融自助設備亮相展會



Innovative products in exhibition
 創新產品亮相展會

Fintech has become one of the main driving forces in financial industry. To passively embrace financial technology and tightly combine with epoch-making technologies such as internet, big data, cloud technology and etc.. In September, the Group started the construction of Zhuhai Fintech Center which was authorized by Zhuhai Municipal Government in late October. The center locates at the core area in the Guangdong-Hong Kong-Macao Greater Bay Center Area and is expected to be completed in 2020. The center functions as a core strategic platform, through which the Group connects with the Greater Bay Area and attracts startup financial technology companies, projects and talents to create a smart secure payment industry center, a financial technology center, a Greater Bay Area innovative talents center, a financial information service industry cluster and a city of innovation. The Group will build greater synergies to generate new motivations for more and faster development in financial technologies.

金融科技已經成為驅動金融產業前進的主要動力之一。為積極擁抱金融科技，與互聯網、大數據、雲端科技等劃時代技術緊密結合，本集團已於2018年9月啟動珠海市金融科技創新中心的建設並於10月底獲得珠海市政府授牌。該中心位於粵港澳大灣區核心地理位置，預計將於2020年投入運行。本集團將以金邦達金融科技創新中心為戰略核心平臺，輻射粵港澳大灣區，吸引金融科技創新企業、項目和人才，打造智能安全支付產業鏈中心和金融科技中心，以及粵港澳大灣區創新人才中心，金融信息服務產業聚集區和創新之城。本集團將與其融合發展，提供持續創新動力，帶動更多、更快金融科技領域的發展。



Ceremony of commencement for Zhuhai Fintech Center
 珠海市金融科技中心授牌暨動工儀式現場

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Anti-corruption

The Group is committed to maintaining high standard of business ethics in terms of information disclosure, integrity and accountability. Our *Anti-Fraud Reporting Management System* strictly manages our businesses with all business partners, including our customers, suppliers, creditors and debtors. We encourage employee reporting on any suspected behaviors against policies and protect the whistleblowers against any punishment due to his/her accurate report. The whistleblower's identities are strictly kept confidential unless it is necessary for investigation, malicious reporting or required by relevant laws and regulations. We treat with and fight against fraud and bribery in any forms such as cash, gifts seriously.

Whistleblowers can report to the Chairman of the Group's audit committee or to the Chairman of the Board. Materials will be forwarded to the other audit committee members for internal investigation or to other departments for investigations given that it is in line with the best interests of the Group. Regular evaluations on management ensure compliance with all relevant laws and regulations and their effectiveness. During the year, the Group did not notice any issues relating to bribery, blackmail, fraud, money laundering or any misconduct which has a material impact on the Group.

Supply Chain Management

Partnerships with suppliers are regularly reviewed to ensure that excellent products and services are provided to customers. Initial assessment on new suppliers and annual assessments on existing suppliers are conducted to evaluate their qualifications performance, and environmental and safety management practices. The formulation of *Supplier Evaluation and Control Procedures* ensures that all the Group's suppliers possess adequate capacity and are able to maintain suitable quality. After each assessment, we prepare evaluation reports and update the list of qualified suppliers to provide reference for screening suppliers. We will keep building healthy relationships with supplies, achieving a win-win result and grow together.

反貪腐

本集團於信息披露、誠信和問責等方面秉持高標準的商業道德規範。我們的《反舞弊舉報管理制度》嚴格管理本集團與所有業務合作夥伴的關係，包括我們的客戶、供應商、債權人和債務人。我們鼓勵員工舉報任何涉嫌違規的行為，並保護舉報人不會因其準確的舉報而受到任何處罰。除因配合調查需要、惡意舉報行為、或相關法律和法規要求之外，舉報人的身份將被嚴格保密。我們更嚴厲打擊以金錢、禮品和任何形式的欺詐或賄賂行為。

舉報人可以向本集團的審核委員會主席或董事會主席作出舉報。相關資料將會轉至其他審核委員會成員進行內部審查，或授權予其他部門協助，在符合本集團最佳利益的前提下作出調查行動。我們的管理體系亦進行定期評估，以遵守所有相關的法律和法規及確保其有效性。本年內，本集團並沒獲悉任何有關賄賂、勒索、欺詐與洗黑錢的行為，或對本集團造成重大影響的違規行為。

供應鏈管理

本集團定期審視與供應商的合作關係，以保障我們為客戶所提供產品和服務的品質。我們會分別對新供應商以及現時合作的供應商作出新的供應商評估和定期評估，評核他們的資質、表現以及於環境和安全管理方面的工作情況。公司制定《供應商評估控制程序》，確保與本集團合作的供應商擁有充足的產能和合適的質量控制水平。每次供應商評估工作完成後，我們將出具相應評估報告，並更新合格供應商清單，為本集團供應商篩選工作提供參考依據。今後，我們將繼續與供應商保持健康良好關係，互利共贏，共同成長。

ENVIRONMENTAL MANAGEMENT

Our main principles in environmental sustainability are to diminish the consumption of materials and energy and waste management, achieving the “Energy saving and emission reduction” goal; and to reduce negative influence on eco-environment, creating an environment friendly enterprise.

In addition to seeking business growth by providing high quality and high class techniques, products and services to customers, the Group, as a leading provider of smart secure payment products and services in China, always prioritizes environmental management to mitigate negative influence on eco-environment through operational excellence. The Group’s major impacts to the environment were resulted mainly from the production processes of smart secure payment products on environment are energy and emissions consumption. Through risk control and measures on minimizing resource usage, we will continue to monitor the impacts on the human being and the environment. The Group has strictly complied with all relevant environmental laws and regulations in the Mainland China and Hong Kong. During 2018, we were not aware of any practices or issues caused by environmental problems significantly influencing the environment or the Group.

Guided by standards under the ISO14001 Environmental Management System and referring to environmental factors, the Group has established an environmental management system in which *Environment and Occupational Health and Safety Management Manual* provides the general guidelines and other subordinate documents describe the implementation details, in order to make best utilization of raw materials and resources and to reduce pollution, finally realizing the sustainable development goal. The Group provides environmental data for all operational activities, products and services. In addition, management designates environmental management representatives to communicate with stakeholders and understand their opinions, to confirm environmental management plans and internal approval, and to report to CEO to ensure the environmental management system functions well.

環境管理

減少物料及能源消耗和優化廢棄物管理，實現「節能減排」目標；減少對生態環境產生的不良影響，創建環境友好型企業，是我們環境可持續發展的重要原則。

本集團作為中國領先的智能安全支付產品及服務供應商，在致力推動業務可持續發展，為客戶提供優質技術、一流產品及服務的同時，也時刻關注環境管理，通過卓越的運營降低對生態環境的負面影響。本集團對環境所產生的影響包括能源的消耗及排放物的產生，主要來自智能安全支付產品的生產過程。通過實施風險控制和資源耗用最小化措施，我們將持續監察運營過程對環境與人類的影響。本集團恪守中國和香港的相關環境法律法規。於2018年，本集團並沒有發現任何對環境，或由於環境問題而對本集團造成重大影響的行為。

本集團以ISO14001環境管理體系標準為導向，參照環境因素信息建立了以《環境和職業健康安全手冊》為總指導方針，配合其他多級文件為實施細則的環境管理體系，達到充分使用原材料和資源，減少污染，實現可持續發展的目標。本集團更全面提供有關經營範圍內任何活動、產品或服務所引起的環境數據。另外，管理層委派環境管理代表，保持與利益相關方溝通，瞭解他們對公司的看法，確認環境管理計劃及進行內部審批，並向首席執行官匯報相關工作，以確保環境管理系統得以貫徹實施。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED) 環境、社會及管治報告(續)



To maximize the value of stakeholders, the Group integrates the concept of environment protection with its business to realize the vision of environment friendly and a harmonious development mode between economy and environment.

為實現利益相關方價值最大化，本集團不斷將保護環境的概念融入業務，以實現環境友好為目標，達成經濟與環境相統一的和諧發展模式。

Resources Consumption

It is one of the national strategies to build a resource-economic society when implementing the scientific outlook on development. The Group actively responds to the call of the government by complying with environmental laws and regulations and continuously monitoring the resources consumption.

資源使用

資源節約型社會是國家貫徹落實科學發展觀的戰略部署之一。本集團積極響應國家號召，遵守環境法律法規，持續監督資源的使用。

The Group's energy consumptions are mainly due to electricity usage in production facilities and office activities, fuels used by automobiles, and liquefied petroleum gas ("LPG") consumed by cooking stoves. Responsibilities of energy management are further divided among different departments because of their better understanding and management on themselves. We make timely adjustments on the electricity supply to and usage by lighting system, air conditioning system, ventilating and production facilities. We analyze the energy efficiency based on the collected data and computed statistics. If any exceptions are noted, necessary improvements will be carried out. We have enforced a series of control measures to improve the energy efficiency:

本集團能源消耗主要來自生產設施和辦公活動對電力的消耗，汽車燃料的使用以及食堂爐具對液化石油氣的消耗。能源管理責任被劃分至不同部門，因其對自身的能耗有更好的瞭解及管理。我們會對包括照明、空調系統、通風和生產線設施的電力供應和使用作出定期且適當的調整。我們將定期收集數據並做出統計，分析能源效率。若發現異常情況，將採取改善措施。我們制定了一系列提升能源效益的控制措施：

- Electrical engineers should be qualified to guarantee an effective allocation and management of electricity to avoid waste.
- Each department appoints person in charge to turn off electrical facilities that should be closed state.
- Production facilities are turned on in accordance with production needs to avoid long time turned-on status without usage.
- Public transportation is recommended.
- Use energy efficient stoves in the canteen to increase the energy efficiency.
- 電工持證上崗，確保其有能力進行有效的調配與管理，減少用電的浪費。
- 用電設備由各部門指定負責人適時開關，無人在時應保持關閉狀態。
- 生產輔助設備根據生產需要開啟，避免長期帶電開啟而無人使用的情況。
- 出行盡量選擇公共交通工具。
- 食堂使用節能燃氣灶，提高能源使用率。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Our production does not involve massive water usage. Our water consumption is mainly from daily office and life activities. In order to reduce water consumption, we conduct staff education, propagate information about water saving, and apply water saving tools.

During the year, both electricity and water consumptions increase as a result of the commencement of the construction of Zhuhai Fintech Center. As at the end of the year, it consumes electricity of 32,523 kWh and water of 3,444 tonnes. The Group implements stringent project management control procedures throughout every construction stage from declaration, assessment and constructing to final completion for the purpose of reducing resource waste and mitigating destruction on eco-environment caused by the construction. The environment protection measures include introducing low noise construction processes and mechanical ventilation system to reduce noise and air pollution, applying energy saving equipment to avoid unnecessary waste of resources, and monitoring water and electricity usage. After the center operates, the electricity and water consumption is believed to return to normal levels.

水資源使用方面，我們的生產過程不存在大量用水的工序，主要水資源消耗為員工日常辦公、生活所需。我們通過員工教育工作，宣傳節約用水信息，並採用節水器具，減少水資源消耗。

本年內，由於本集團珠海市金融科技中心的建設啟動，電力與水資源消耗均有所上升。截至本年底，該項目共消耗32,523千瓦·時電力以及3,444噸水。本集團對於新建項目亦採用嚴格的項目管理控制程序。環境管理將貫穿申報、評估、建設到最終竣工驗收的每一個環節，從而減少資源浪費，降低施工過程對周圍生態環境的破壞。具體環保措施包括採用低噪音施工過程和機械通風系統，分別降低噪音和空氣污染；採用節能設備防止不必要的能源浪費；以及監控水資源、電力的使用情況。未來，隨著建築的投入使用，本集團的用電與用水消耗量將回歸正常水平。

Resource type 資源種類	Unit 單位	Total 總數	Intensity unit 密度單位	Intensity 密度
Electricity 電力	kWh 千瓦·時	13,785,088	kWh/RMB million turnover 千瓦·時/人民幣百萬營業額	9,770
LPG 液化石油氣	KG 公斤	23,165	KG/Employee 公斤/每位員工	13
Water 自來水	Tonne 噸	99,983	Tonne/RMB million turnover 噸/人民幣百萬營業額	71
Unleaded petrol 汽油	Liter 升	11,088	Liter/RMB million turnover 升/人民幣百萬營業額	8
Diesel oil 柴油	Liter 升	2,920	Liter/RMB million turnover 升/人民幣百萬營業額	2

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Emissions Reduction

On one hand, the Group strictly complies with applicable laws and regulations; on the other hand, the Group makes special pollution preventing procedures to standardize pollutant emission processes and to control the emission of exhaust air, greenhouse gas, sewage and noise.

Each department is responsible for the control and prevention the possible water, air and noise pollutions generated during their production and office activities. The engineering department takes the responsibility of regular maintenance and the management of the equipment. The quality management department works together with qualified testing organizations to monitor pollution. They will compare the testing results with standards in relevant laws and regulations and report to the environmental management representative. Once any inconformity is noted, departments involved have to investigate and solve the problem in accordance with the *Corrective and Preventive Measures Control Procedures*, and then propose improvement measures.

減少排放

為有效減少各類污染物的排放，本集團一方面嚴格遵守相關法法規；另一方面制定了專門的污染防治程序，規範經營活動所產生的污染物排放流程，控制廢氣、溫室氣體、污水、噪音等的排放與釋放。

本集團各部門根據運營過程的操作和預防規定負責控制和防治生產、辦公過程中可能產生的水、空氣和噪音污染。工程部根據設備操作規定定期維護和管理相關的設備。我們亦制定設備及運營過程的操作和預防規定。本集團的品質管理部與有資質的檢測機構維持緊密聯繫，共同進行污染監測工作，將檢查結果與有關法規和法例標準進行比較，並向環境管理代表報告。若發現超標情況，相關部門應按照《糾正和預防措施控制程序》進行調查及處理，並制定進一步的預防措施。



During the year, independent testing organizations has tested the quality of noise and sewage produced in Zhuhai plant, the Group's main production and office place. It indicates a qualified result when comparing with relevant standards.

於2018年，本集團主要生產及辦公地—珠海廠區的環境檢測交由獨立檢測機構進行，對噪音和廢水質量進行檢驗。結果顯示珠海廠區符合相關標準。

The main sources of the Group's exhaust air emission come from fuel combustion, vehicle exhaust and volatile organic compounds ("VOCs") during production processes. Based on the Group's records on fuel and vehicles usage, we calculate and convert the amount of air pollutant emissions as presented below:

本集團廢氣排放源主要為燃料燃燒、汽車尾氣和生產過程中產生的揮發性有機物（「VOCs」）。根據本集團燃料及車輛的使用情況，我們折算出報告期內其產生的廢氣污染物排放量，列示如下：

Air pollutants 廢氣染污物	Unit 單位	Total 總數
Sulfur oxides (SOx) 硫氧化物 (SOx)	KG 公斤	0.2
Nitrogen oxides (NOx) 氮氧化物 (NOx)	KG 公斤	19
Particulate matter (PM) 顆粒物 (PM)	KG 公斤	1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

With gradually focusing on greenhouse effect, global warming and other related issues, people have already realized the importance of monitoring and slowing down the speed of greenhouse gas emissions. The Group's production and office activities, such as fuel combustion, electricity consumption and vehicle fuel usage lead to both direct and indirect carbon emissions. We encourage low-carbon office activities, e.g. using clean energy and energy saving equipment, saving electricity, reducing paper consumption, taking public transportations, and etc. The emissions of greenhouse gases during the reporting period are presented as below:

Scope of greenhouse gas

(CO ₂ e) emissions 溫室氣體(二氧化碳當量)排放範圍	Unit 單位	Total 總數	Intensity unit 密度單位	Intensity 密度
Scope I: direct emission 範圍一：直接排放	Tonne 噸	108	Tonne/RMB million turnover 噸／人民幣百萬營業額	0.1
Scope II: indirect emission 範圍二：間接排放	Tonne 噸	7,266*	Tonne/RMB million turnover 噸／人民幣百萬營業額	5

* Include indirect emissions of 10 tonnes CO₂e from electricity consumption due to the construction of Zhuhai Fintech Center.

In terms of emissions of the particulate matter ("PM") and VOCs, we install an air ventilation system in printing workshop after taking a full consideration of their emission quantities, concentration, economic feasibility and relevant regulations. An adsorption and purification device is set for exhaust air treatment before it is discharged to the atmosphere. Specifically, the device has the capacity to filter tiny PMs and to absorb the VOCs with activated carbon, holding back pollutants before they are discharged. Regular inspections and component replacement are carried out to ensure the efficiency of PM filtering and VOCs absorbing. For the production techniques, we adopt advanced production processes which reduce errors and wastes, and improve efficiencies in the production of smart secure payment products.

The Group has been treating sewage and effluent according to wastewater treatment plan made in compliance with applicable laws and regulations, to mitigate the impacts on the environment. The Zhuhai Fintech Center currently under construction is designed with wastewater treatment facilities, which can handle wasted water from in kitchens and toilets and industry organic wasted water.

隨著溫室效應、全球氣候變暖等相關議題越來越引起關注，人們已經意識到監測與緩解溫室氣體排放速度的重要性。本集團的經營生產與辦公活動，如燃料燃燒、電力消耗、汽車燃油使用等亦會直接或間接產生碳排放。我們鼓勵低碳辦公的行為，例如使用清潔能源和節能設備、節約用電、減少紙張消耗、支持搭乘公共交通出行等。於報告期內的溫室氣體排放情況於下表列示：

對於空氣懸浮顆粒(「空氣懸浮顆粒」)和揮發性有機物的釋放，本集團充分考慮了排放量、濃度、經濟可行性和有關規定，於印刷車間安裝通風系統。於廢氣排放到大氣層前，我們設置一部吸收淨化裝置處理印刷廢氣。具體而言，細小的空氣懸浮顆粒將被過濾去除，而有機物則被活性炭吸附，在廢氣排放前全面截留污染物。我們定期派人檢查和更換設備，以保空氣懸浮顆粒和揮發性有機物的去除效率。就生產工藝而言，我們採取先進的智能安全支付產品生產過程，能有效減少生產誤差和廢棄物產生，提高生產效率，減少資源消耗。

本集團遵照相關環境法律和法規，根據合乎規範的廢水處理方案對來自生產及生活的污水進行處理及排放，減少對環境的影響。正在建設施工的珠海市金融科技中心也設計有污水處理設施，可處理包括來自廚房、衛生間的生活污水和工業有機廢水。

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Waste Reduction and Recycling

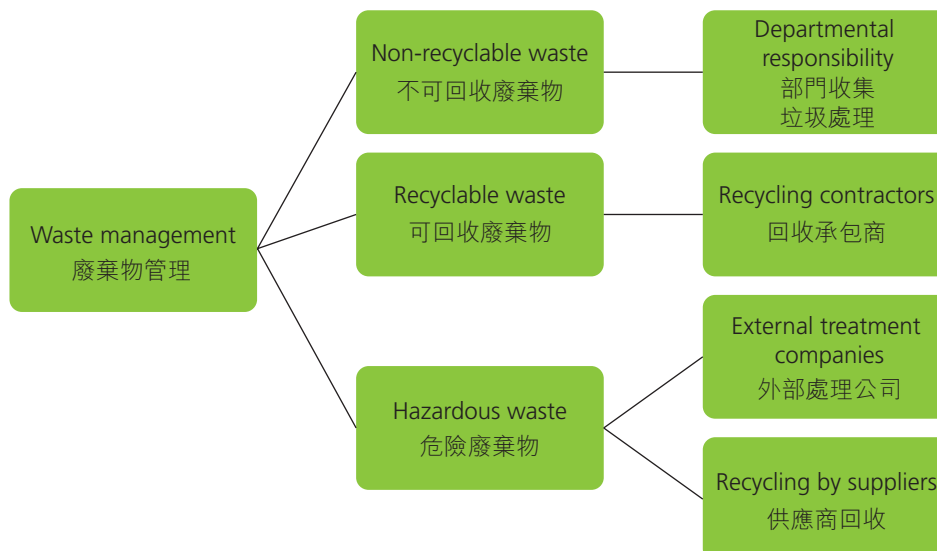
Improper disposal of wastes is one of the crucial reasons of environment pollution. Therefore, waste management is another key focus for the Group's environmental management. Under the requirements set out in relevant laws and regulations, we publish the *Waste Disposal Control Procedures* to manage the generation, storage, marking and disposal of wastes in the production of smart secure payment products, to pursue a deduction of wastes and to prevent and lower the negative impacts on environment.

We compile a detailed list of wastes annually to conduct a comprehensive review on the waste production and treatment and submit it to the environmental management representatives for approval. Waste is classified into non-hazardous waste and hazardous waste based on whether it is injurious, while the non-hazardous waste is further classified as recyclable non-hazardous wastes and non-recyclable non-hazardous wastes based on its nature. Through collaboration among departments, specific waste management is designed to each type of waste according to their classifications. Departments where the wastes are generated accounts for the collection and storage. The administration department is responsible to contact qualified waste management contractors for treatment and final disposal of recyclable and non-hazardous wastes and part of hazardous wastes. For non-recyclable non-hazardous wastes, they are disposed with the assistance of the municipal sanitation department contacted by the administration department. The storage department is in charge of contacting with suppliers to recycle the hazardous waste during the procurement process.

循環減廢

廢棄物的不當處理是造成環境污染的重要原因之一。因此，對廢棄物的管理亦是本集團環境管理中的一項工作重點。根據有關法律法規的要求，我們發布《廢棄物處理控制程序》以控制廢棄物的產生、存放、標識及處理，致力減少智能安全支付產品生產過程所產生的廢棄物，預防和減輕對環境的負面影響。

我們每年編制廢棄物清單，全面審查廢棄物的產生和處理情況，交由環境管理代表批准。根據廢棄物是否有害，本集團廢棄物分為一般廢棄物和危險廢棄物；一般廢棄物根據屬性又分為可回收一般廢棄物和不可回收一般廢棄物。我們根據廢棄物的種類，通過各部門的分工與協作，對廢棄物進行有針對性的管理。廢棄物產生部門負責收集並集中放置。行政管理部門負責聯絡有資質的廢棄物處理承包商，對可回收的一般廢棄物和部分危險廢棄物進行處理和最終棄置；對於不可回收一般廢棄物，行政管理部門亦需聯絡市政環衛部門進行處理。倉儲部門負責聯繫供應商回收採購過程中產生的危險廢棄物。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

During reporting period, the Group's wastes are mainly recyclable non-hazardous wastes, e.g. leftover production materials, wasted packaging materials, wasted paper and etc. Hazardous wastes, mainly from printing process, account for only a small part of total wastes. Our waste management system allows most of the materials are recycled so that environmental impacts were significantly reduced. Wastes generated during the reporting period are presented as below:

於本報告期內，本集團廢棄物主要為可回收一般廢棄物，主要包括生產物料邊角料、廢棄的包裝物料、廢辦公用紙等。危險廢棄物只占廢棄物總量的一小部分，主要來自產品印刷。我們的廢棄物管理系統讓大部分物料得以循環利用，顯著地降低對環境的負面影響。於報告期內產生的廢棄物列示如下：

Types of wastes 廢棄物種類	Wastes 廢棄物	Unit 單位	Total 總數	Intensity unit 密度單位	Intensity 密度
Hazardous waste 危險廢棄物	Wasted ink 廢油墨	Tonne 噸	19	KG/RMB million turnover 公斤／人民幣百萬營業額	13
	Developer/ fixative solution 顯／定影廢液	Tonne 噸	9	KG/RMB million turnover 公斤／人民幣百萬營業額	7
	Wastes with paint and dye 塗料、染料廢物	Tonne 噸	7	KG/RMB million turnover 公斤／人民幣百萬營業額	5
Non-hazardous waste 一般廢棄物	Wasted empty barrel 廢空桶	Tonne 噸	7	KG/RMB million turnover 公斤／人民幣百萬營業額	5
	Recyclable 可回收	Tonne 噸	234	KG/RMB million turnover 公斤／人民幣百萬營業額	166
	Non-recyclable 不可回收	Tonne 噸	14	KG/RMB million turnover 公斤／人民幣百萬營業額	10

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In our production and transportation process, packaging materials are mainly composed of paper boxes, paper carton boxes, tags, tapes and fillers. These materials are necessary to prevent the smart secure payment products from any damage during the production and transportation process. Packaging materials are strictly forbidden to be discarded, and are regularly recycled by professional companies.

我們生產及運輸過程中採用的包裝物料主要包括紙盒、紙箱、標籤、膠帶、填充物等，均為保護智能安全支付產品在生產及運輸過程中免受損壞的必要包裝物。包裝物料嚴禁隨意丟棄，均由專業公司進行定期回收處理。

Types of packing materials 包裝材料類型	Unit 單位	Total 總數	Intensity unit 密度單位	Intensity 密度
Paper box 紙盒	Unit 個	2,245,200	Unit/RMB million turnover 個／人民幣百萬營業額	1,591
Paper carton box 紙箱	Unit 個	219,750	Unit/RMB million turnover 個／人民幣百萬營業額	156
Tag 標籤	Piece 張	6,185,000	Piece/RMB million turnover 張／人民幣百萬營業額	4,383
Tape 膠紙	Roll 卷	57,825	Roll/RMB million turnover 卷／人民幣百萬營業額	41
Filler 填充物	Piece 張	663,034	Piece/RMB million turnover 張／人民幣百萬營業額	470

Green Product

We aim to innovate in the development of green products, realizing the production and the use of smart card. During the year, we continuously invested in environmentally-friendly cards with better decomposable materials which can reduce environmental impacts during the product life cycle. We also integrate the concept of environment protection into the product design to convey its importance to our customers.

綠色產品

本集團致力開展綠色產品研發，實現智能卡綠色生產和使用。於本年內，我們繼續研製環保卡，採用更好的可分解物料，以減少產品生命週期內的环境影響。我們亦將環保理念滲透到產品設計中，向用戶傳達環境保護的重要性。

PEOPLE AND COMMUNITY

Employees are critical support to our on-going development. We treat our people well to bring mutual advancement. The Group's operations also need to cooperate with the community. Thus, we proactively contribute to the community and endeavor for mutual prosperity.

Recruitment Policy

The Group issues *Human Resource Management Procedure* and *Staff Manual* to stipulate in detail the recruitment requirements and procedures. Under the principle of being open, fair and just, we treat every candidate equally without any biases, regardless of their race, religion, complexion, gender, age, region, marital status or whether disabled. However, employing child is prohibited. Candidates have to pass a written examination and several interviews in order to obtain the offer. Besides specific professional skills and working capabilities, candidates should be honest, possess a correct working attitude and a high professional dedication and comply with laws, regulations and ethics. Similarly, procedures for termination or cancellation of employment also follow the requirements and procedures stated in the above two documents. In line with the core value of "People-oriented", the Group treasures every staff, pays attention to staff thoughts and takes action to retain talents as early as possible.

The Group's employment policies comply with all relevant labor laws and regulations at each operation location. During the year, the Group observed no violations of any applicable labor laws and regulations including child labor and forced labor issues.

員工及社區

員工是我們得以持續發展的重要支持。我們善待員工，邁向共同發展。本集團運營亦需社區的配合，為此我們積極回饋社會，實現共同繁榮。

僱傭政策

本集團制定的《人力資源管理程序》和《員工手冊》詳細規定了集團關於僱傭方面的要求與流程。我們遵循公開、公平、公正、擇優錄用的選拔原則，不論種族、民族、膚色、宗教、性別、年齡、地域、婚姻狀況或殘疾狀況等均平等對待所有求職者，但嚴禁僱傭童工。在整個招聘過程中，求職者需經過嚴格的筆試和多輪面試。除需具備指定的專業技能和工作能力，求職者還必須誠實守信，秉持端正的勞動態度和高度的敬業精神，遵守法律法規和社會公德。同樣地，終止／解除勞動合同亦須遵守上述文件中的流程規定。本集團本著「以人為本」的核心價值觀，珍視每一位員工，及時瞭解員工動向，儘早採取措施挽留人才。

本集團的僱傭規定遵守業務運營所在地相關勞動法律法規要求。於2018年，公司無獲悉任何違反僱傭法律法規，以及僱用童工及強制勞工等情況。

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Employee Benefits

Achievements of the Group are attributable to the hard-working of all employees. Therefore, we consider humanistic care being important by creating an enjoyable working environment and providing sound payment and harmonious working atmosphere.

Remunerations are determined and adjusted based on factors including economic conditions, personal experience, performance assessment and operational results. To motivate employees at every level to fully utilize their potentials, in addition to basic salaries, we still offer bonus, allowance and option plan. Employees have the rights to take paid leaves, including but not limited to annual leave, overtime leave, marital leave and maternity leave, as stated in applicable laws of their working places. Number of working hours also complies with local laws and regulation, as well as the industry norms. Forced labor is prevented within the Group that provides reasonable subsidies to overtime which is voluntary.

Statutory benefits are offered to employees under the requirements of local laws and regulations. Such benefits include insurances and paying entity's section of accumulation funds on time. The Group arranges physical examinations for all staff every year, usually in the second half of the year. During the year, it has been completed in the third quarter. The group companies convey policies about settling down in local household to employees and support them on such issue. Furthermore, the Group distributes festival gifts, pays attention to physical and mental health of female employees, holding thematic essay writing activity, and providing activity funding to each department for team building and strengthening the sense of belongings.

員工待遇

本集團所取得的每一份成就，都是全體員工辛勤耕耘的結果。因此，我們重視人文關懷，努力營造愉快的工作環境，提供優厚的待遇福利以及融洽的職場氛圍。

本集團根據宏觀經濟環境、個人資歷、績效考核、經營效益等因素釐定及調整僱員薪酬。除基本工資外，亦實施獎金、津貼、股權計劃等福利政策以激勵各個級別員工充分發揮個人潛力。員工享有工作地當地的法定帶薪假期，包括且不限於年假、加班假、婚假、產假等。工作時數亦符合工作地當地的法律法規及行業指標準則。本集團嚴禁強制勞動，對於自願性加班及特殊崗位給予合法合理的補貼。

本集團按照各地政府法律法規，為員工提供法定福利，包括各種保險及公積金，按時繳納企業應繳金額。每年下旬，本集團組織全體員工進行身體檢查並承擔全部費用。該項工作已於2018年第三季度圓滿完成。為幫助員工解決子女教育及應屆畢業生落戶問題，各集團公司及時傳達入戶政策並積極協助員工辦理落戶事宜，解決員工後顧之憂。此外，本集團於節假日派發禮品，關注女性員工身心健康，舉辦徵文活動，為各部門提供活動基金，加強團隊建設，提升員工歸屬感。



"Caring female employees" workshop
「關愛在職女工」座談會



Team photo
團隊合影

Development and Training

The Group sees employees as an important asset and emphasizes on their performance and development. We encourage and motivate skills and knowledge improvement so as to offer better products and services to our customers. *Training Management Procedures* clarify types of trainings and how to participate. Comprehensive internal and external trainings are provided. Internal trainings include compulsory orientation, job skill training, fire safety training, improvement training, information security training and etc.; while external trainings include meetings, coursed offered by various institutions and organizations. Training allowances are provided accordingly. During the year, we successfully organized a training related to management improvement in human resource management, invited experts to conduct a course about employee psychological safety and emotional stress management, contact and support employees to go out to intend several seminars. Trainees are evaluated at the end of the training to ensure the effectiveness.



Information security training
信息安全培訓



Management training
管理者培訓



員工培訓與發展

本集團十分注重員工培訓與發展，致力提升僱員的知識水平及技能。我們鼓勵員工知識增值，從而為客戶提供更佳的產品和服務。《培訓管理程序》明確了員工培訓種類，規範了培訓參與方式與流程等。我們為員工提供全面的內部和外部培訓。內部培訓包括必須參加的入職培訓、崗位技能培訓、消防安全培訓、在職提高培訓、信息安全培訓等。外部培訓包括會議、各類機構組織的培訓課程，本集團會視情況提供相應津貼。於2018年，我們成功舉辦了提升管理者人力資源管理能力的培訓，邀請專家開展員工心理安全與情緒壓力管理課程，聯絡並支持員工外出參加多個能力提升講座。在培訓結束後，受訓員工需參與評核，以確保培訓的有效性。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

According to *Management Method of Performance Appraisal*, employees are assessed on a regular basis, that is, performance appraisal, to review their work progress, quality and effectiveness, in order to set further improvement plans and better goals in the future. Performance appraisals are carried out every month, quarter and year and its contents should be specific and quantified. The results serve as a vital reference in deciding salary, promotion and training opportunities, as well as strengthening communications between department and employee. In addition, benefiting from a complete promotion procedure, the Group's management team is able to improve its overall quality and competence. A broader platform could be provided to qualified employees through comprehensive assessments under the principles of being open, fair and just. Meanwhile, the Group becomes energetic with positive competitions which also lays a good foundation of greater progresses in the future.

Occupational Health and Safety

The Group is committed to investing continuously in occupational health and safety. Since 2012, the Group has obtained and successfully renewed the OHSAS18001 Occupational Health and Safety Management System Certificate. The Group issues the *Environment and Occupational Health and Safety Management Manual* as a general policy, together with other subordinated documents as procedures. Our policy related to occupational health and safety, aiming to manage risks and mitigate the operational impacts on employees, complies with all applicable laws, regulations and standards. It also creates a safe and harmonious environment.

We encourage employees to engage in the management of occupational health and safety to establish a safe workplace. Employees have appointed the management representatives to implement the management of occupational health and safety. Employee representatives are also selected to act as a communication bridge with management to reflect employees' opinions about matters related to occupational health and safety. In addition, there are regular internal monitors by the quality management team to ensure the effectiveness and compliance of the health and safety management system, operational controls and emergency preparation control procedures. To promote the occupational health and safety education, the Group strictly implements the employee safety training.

本集團根據《績效考核管理辦法》定期對員工進行評估，即績效考核，檢視其工作進度、工作質量和工作效率，以便制定進一步的改善方案，及鼓勵員工制定將來的提升目標。績效考核週期分為月度、季度、年度，內容需細化及量化，其結果是決定員工薪酬、晉升和培訓機會的重要參考依據，亦是一個加強部門溝通和人員管理的平臺。此外，完整的晉升流程有助於本集團提升公司管理團隊的整體素質和競爭力。其公開、公平、公正的原則，通過全面的考核，為符合要求的員工提供更加廣闊的發展平臺。同時，內部的良性競爭為本集團帶來活力，為取得未來更大的進步奠定良好的基礎。

職業健康安全

本集團致力持續投入職業健康與安全，自2012年起，本集團獲得並成功續期OHSAS18001職業健康安全管理体系認證。為此，本集團頒布了《環境和職業健康安全管理手冊》作為總的指導方針並相應制定了多級文件作為具體指導程序。我們的職業健康與安全政策旨在恪守適用的法律法規及標準，提高本集團職業健康安全管理水平，控制並減少營運過程和產品對員工的影響，創造一個安全、和諧的環境。

我們鼓勵員工參與職業健康和安全管理的工作，共同營造安全的工作場所。員工已任命管理者代表負責執行具體的職業健康與安全管理工作。選舉員工代表，作為與管理層溝通的橋樑，反映員工對職業健康安全相關事宜的意見，確保政策實施的有效性。另外，質量管理小組亦定期開展內部監測，調查職業健康安全管理體系、運行控制、應急準備控制程序的有效性和合規情況。為推動職業健康安全教育，本集團嚴格執行員工安全培訓。

Community investment

The Group is committed to growing together with the community. We understand the importance of the community engagement and encourage our employees to participate in charity and donation activities to strengthen our relationship with the domestic community. During the year, the Group supported the infrastructure construction in villages and towns nearby through donation. In response to the development of T.I.O CITY by Zhuhai Municipal Government, the Group proactively propagated this project and tended to build Zhuhai Fintech Center into a solid foundation for the financial industry and for innovation technologists to connect and communicate with each other in Zhuhai and even around the Greater Bay Area, promoting an industrial upgrading within the region. In addition, the Group also supports educational programs through establishing partnerships with domestic universities and offering training programs and venues for educational purposes.

By leveraging our experience and expertise, we offer supports in a wide range of areas in infrastructure construction, technology development, education and etc., fostering the development of the community and giving back to our society.

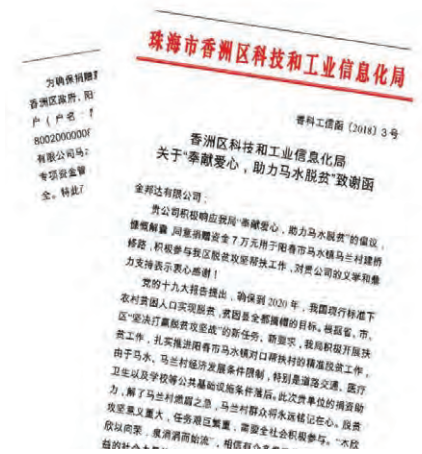


Promoting T.I.O CITY to advance industrial upgrading
宣傳三溪•科創小鎮，推動區域產業升級

社區參與

本集團致力與社會一同成長和進步。我們瞭解社區參與的重要性，積極鼓勵員工參與慈善和捐贈活動，促進我們與當地社區的關係。於本年內，本集團通過捐款支持周邊縣鎮的基礎設施建設工作。為響應珠海政府開發建設三溪·科創小鎮的決定，本集團積極宣傳，努力將珠海市金融科技中心打造成為珠海市乃至粵港澳大灣區金融產業和創新技術相互對接交流的前沿陣地，助力區域產業發展升級。此外，本集團通過與國內大學建立夥伴關係以支援教育項目，並提供培訓課程及場地支持。

我們運用累積的經驗和專長，在業務發展的同時，在基礎設施建設、科技發展、教育等廣泛領域為社會提供支援和便利，促進社區發展，積極回饋社會。



Letter of thanks for eliminating poverty
「奉獻愛心，助力馬水脫貧」致謝函

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Appendix 1 List of laws and regulations

The following table presents the list including but not limited to the laws and regulations relating to ESG issues and with significant impacts on the Group.

GENERAL

Constitution of the PRC
General Principles of the Civil Law of PRC
The Criminal Law of the PRC
Contract Law of the PRC
Company Law of the PRC
PRC tax laws
The Basic Law of the Hong Kong Special Administration Region of the PRC
Companies Ordinance
Inland Revenue Ordinance

LISTING

Listing Rules
Securities and Futures Ordinance

OPERATION ISSUES

Information security and privacy

Guidelines for the Supervision of Information Technology Outsourcing Risks in Banking and Financial Institutions
Guidelines for the Administration of Outsourcing Risks in Banking and Financial Institutions
Cybersecurity Law of the PRC
Intellectual property laws

Card organization

Rules and guidelines on the qualification certifications, quality control certifications, security management for product manufacturing and personalization enterprises
PCI¹ Card Production Physical Security Requirements
PCI Card Production Logical Security Requirements

附錄1 法律法規列表

下表呈列(但不限於)與環境、社會及管治議題相關且對本集團具有重大影響的主要法律法規列表。

綜合類

《中華人民共和國憲法》
《中華人民共和國民法總則》
《中華人民共和國刑法》
《中華人民共和國合同法》
《中華人民共和國公司法》
中華人民共和國相關稅法
《中華人民共和國香港特別行政區基本法》
《公司條例》
《稅務條例》

上市

《上市規則》
《證券及期貨條例》

運營議題相關

信息安全及隱私

《銀行業金融機構信息科技外包風險監管指引》
《銀行業金融機構外包風險管理指引》
《中華人民共和國網絡安全法》
知識產權相關法律

卡組織

各卡組織產品企業資質認證規則、
產品品質管制認證規則、
生產企業安全管理指南、
個人化企業安全管理指南等

¹ PCI stands for Payment Card Industry

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Product and service quality

The Work Safety Law of the PRC
 The Product Quality Law of the PRC
 Regulation of the PRC on the Administration of
 Production License for Industrial Products
 Regulation on the Administration of Commercial Cipher Codes

Anti-corruption

Law of the PRC against Unfair Competition

ENVIRONMENT PROTECTION ISSUES

The Environment Protection Law of the PRC
 The Water Pollution Prevention and Control Law of the PRC
 The Law of the PRC on the Prevention and Control of
 Environmental Pollution by Solid Wastes
 The Energy Conservation Law of the PRC
 The Atmospheric Pollution Prevention and Control Law of the PRC
 Law of the PRC on Prevention and Control of
 Pollution From Environmental Noise
 National Catalogue of Hazardous Waste

PEOPLE AND COMMUNITY ISSUES

The Labour Law of the PRC
 The Labour Contract Law of the PRC
 Regulation on Work-Related Injury Insurances
 Law of the PRC on the Prevention and Control of
 Occupational Diseases
 The Social Insurance Law of the PRC
 Provisions on Prohibition of Child Labour
 Provisions of the State Council on Working Hours of
 Workers and Staff
 Labour Relations Ordinance
 Employment Ordinance

產品及服務質量

《中華人民共和國安全生產法》
 《中華人民共和國產品質量法》
 《中華人民共和國工業產品
 生產許可證管理條例》
 《商用密碼管理條例》

反貪污

《中華人民共和國反不正當競爭法》

環境保護議題相關

《中華人民共和國環境保護法》
 《中華人民共和國水污染防治法》
 《中華人民共和國固體廢棄物
 污染環境防治法》
 《中華人民共和國節約能源法》
 《中華人民共和國大氣污染防治法》
 《中華人民共和國環境噪聲污染防治法》

 《國家危險廢物名錄》

員工及社區議題相關

《中華人民共和國勞動法》
 《中華人民共和國勞動合同法》
 《工傷保險條例》
 《中華人民共和國職業病防治法》

 《中華人民共和國社會保險法》
 《禁止使用童工規定》
 《國務院關於職工工作時間的規定》

 《勞資關係條例》
 《僱傭條例》

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ESG CONTENT INDEX

ESG報告內容索引

KPIs 關鍵績效指標(KPI)	HKEX ESG Reporting Guide Requirements 香港聯合交易所ESG報告指引要求	Section/Remarks 章節／備注
A. Environmental A.環境		
Aspect A1 層面A1	Emissions 排放物	
General disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Environmental Management Emissions Reduction Waste Reduction and Recycling Appendix 1 環境管理 減少排放 循環減廢 附註1
KPI A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Emissions Reduction 減少排放
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity. 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Emissions Reduction 減少排放
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Waste Reduction and Recycling 循環減廢
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Waste Reduction and Recycling 循環減廢
KPI A1.5	Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果。	Emissions Reduction 減少排放
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Waste Reduction and Recycling 循環減廢

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KPIs 關鍵績效指標(KPI)	HKEX ESG Reporting Guide Requirements 香港聯合交易所ESG報告指引要求	Section/Remarks 章節/備注
Aspect A2 層面A2	Use of resources 資源使用	
General disclosure 一般披露	Policies on efficient use of resources including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Environmental Management Resources Consumption 環境管理 資源使用
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	Resources Consumption 資源使用
KPI A2.2	Water consumption in total and intensity 總耗水量及密度(如以每產量單位、每項設施計算)。	Resources Consumption 資源使用
KPI A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Resources Consumption 資源使用
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題, 以及提升用水效益計劃及所得成果。	Resources Consumption 資源使用
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	Waste Reduction and Recycling 循環減廢
Aspect A3 層面A3	The environment and natural resources 環境及天然資源	
General disclosure 一般披露	Policies on minimizing the issuers' significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Environmental Management 環境管理
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Emissions Reduction Green Product 減少排放 綠色產品

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KPIs 關鍵績效指標(KPI)	HKEX ESG Reporting Guide Requirements 香港聯合交易所ESG報告指引要求	Section/Remarks 章節／備注
B. Social B. 社會		
Aspect B1 層面B1	Working conditions 工作狀況	
General disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer related to compensation and dismissal, recruitment and promotion, working hours, rest periods, diversity and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Recruitment Policy Employee Benefits Appendix 1 僱傭政策 員工待遇 附錄1
Aspect B2 層面B2	Health and safety 健康與安全	
General disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Occupational Health and Safety Appendix 1 職業健康安全 附錄1
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Occupational Health and Safety 職業健康安全
Aspect B3 層面B3	Development and training 發展及培訓	
General disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。 描述培訓活動。	Development and Training 員工培訓與發展

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KPIs 關鍵績效指標(KPI)	HKEX ESG Reporting Guide Requirements 香港聯合交易所ESG報告指引要求	Section/Remarks 章節/備注
Aspect B4 層面B4	Labour standards 勞工準則	
General disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour. 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Recruitment Policy Appendix 1 僱傭政策 附錄1
Aspect B5 層面B5	Supply chain management 供應鏈管理	
General disclosure 一般披露	Policies on managing environmental and social risks of the supply chain 管理供應鏈的環境及社會風險政策。	Supply Chain Management 供應鏈管理
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Supply Chain Management 供應鏈管理
Aspect B6 層面B6	Product responsibility 產品責任	
General disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Information Security and Privacy Appendix 1 信息安全及隱私 附錄1
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Information Security and Privacy 信息安全及隱私
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	Information Security and Privacy 信息安全及隱私

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KPIs 關鍵績效指標(KPI)	HKEX ESG Reporting Guide Requirements 香港聯合交易所ESG報告指引要求	Section/Remarks 章節／備注
Aspect B7 層面B7	Anti-Corruption 反貪污	
General disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Anti-corruption Appendix 1 反貪腐 附錄1
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Anti-corruption 反貪腐
Aspect B8 層面B8	Community investment 社區投資	
General disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Community Investment 社區參與
KPI B8.1	Focus areas of contribution 專注貢獻範疇。	Community Investment 社區參與

Deloitte.

德勤

TO THE SHAREHOLDERS OF GOLDPAC GROUP LIMITED
(incorporated in Hong Kong with limited liability)

金邦達寶嘉控股有限公司
(於香港註冊成立的有限公司)

OPINION

意見

We have audited the consolidated financial statements of Goldpac Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 126 to 267, 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.

我們已審核載於第126頁至267頁金邦達寶嘉控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的綜合財務報表，包括於2018年12月31日的綜合財務狀況表與截至該日止之年度的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及對綜合財務報表的註釋，包括主要會計政策概要。

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 Hong Kong Companies Ordinance.

我們認為，該等綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實而中肯地反映了 貴集團於2018年12月31日的綜合財務狀況及截至該日止之年度的綜合財務表現及綜合現金流量，並已按照香港公司條例妥善編製。

BASIS FOR OPINION

意見的基礎

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

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

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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我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的，我們不會對這些事項提供單獨的意見。

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Expected credit losses ("ECL") assessment of trade receivables and contract assets

應收貨款及合同資產的預期信貸虧損(「預期信貸虧損」)評估

We identified ECL assessment of trade receivables and contract assets as a key audit matter due to the significance of trade receivables and contract assets to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the ECL of the Group's trade receivables and contract assets at the end of the reporting period.

我們將應收貨款及合同資產的預期信貸虧損評估識別為關鍵審計事項，由於應收貨款及合同資產在貴集團綜合財務狀況表中有重大結餘，以及在評估貴集團於報告期末應收貨款及合同資產的預期信貸虧損時需要主觀判斷和管理層估計。

As at 31 December 2018, the Group's trade receivables and contract assets net of allowance for doubtful debt amounting to RMB413,840,000 and RMB13,564,000, respectively. As explained in note 20 and 21 to the consolidated financial statements, in the current year, the Group adopted HKFRS 9 "Financial Instruments" and recognised an additional impairment of RMB741,000 on trade receivables as at 1 January 2018 in accordance with the transitional provisions of HKFRS 9.

於2018年12月31日，貴集團應收貨款及合同資產(扣除呆帳撥備)分別為人民幣413,840,000元和人民幣13,564,000元。如本綜合財務報告附註20及21所述，貴集團本年度採納了香港財務報告準則第9號「金融工具」並且根據香港財務報告準則第9號的過渡條款，於2018年1月1日確認了人民幣741,000元應收貨款減值。

Our procedures in relation to ECL assessment of trade receivables included:

我們對應收貨款的預期信貸虧損評估之程序包括：

- Understanding key controls on how the management estimates the loss allowance for trade receivables and contract assets;
- 瞭解管理層估計應收貨款及合同資產虧損撥備時的關鍵控制；
- Testing the accuracy of the ECL adjustment made by the Group as at 1 January 2018 on initial adoption of HKFRS 9;
- 測試貴集團於2018年1月1日首次採納香港財務報告準則第9號時對預期信貸虧損所作調整的準確性；
- Testing the integrity of information used by management to develop the provision matrix, including trade receivables aging analysis as at 1 January 2018 and 31 December 2018, on a sample basis, by comparing individual items in the analysis with the relevant sales agreements and sales invoices; and
- 抽樣測試管理層建立撥備矩陣時使用的信息的真實性，包括對截至2018年1月1日和2018年12月31日的應收貨款進行賬齡分析，逐一比較應收貨款與相關銷售協議和銷售發票；以及

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

KEY AUDIT MATTER (Continued)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

Expected credit losses ("ECL") assessment of trade receivables and contract assets (Continued)

應收貨款及合同資產的預期信貸虧損(「預期信貸虧損」)評估(續)

As disclosed in note 37 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables and contract assets based on provision matrix through grouping of various debtors that have similar loss patterns, after considering historical default rates and forward-looking information of respective trade receivables and contract assets. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information.

如本綜合財務報表附註37披露，貴集團管理層根據撥備矩陣，在考慮了應收貨款及合同資產的歷史違約率和前瞻性信息後，將具有相似虧損模式的債務人進行分組，從而估計應收貨款及合同資產的終身預期信貸虧損。估計虧損率基於債務人預期壽命內的歷史可觀測違約率，並通過前瞻性信息進行調整。

Details of the ECL are set out in Note 37 to the consolidated financial statements.

預期信貸虧損詳情載於本綜合財務報表附註37。

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Our procedures in relation to ECL assessment of trade receivables included: (Continued)

我們對應收貨款的預期信貸虧損評估之程序包括：(續)

- Challenging management's basis and judgement in determining credit loss allowance on trade receivables and contract assets as at 1 January 2018 and 31 December 2018, including the reasonableness of management's grouping of the trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information).
- 質疑管理層確認應收貨款及合同資產於2018年1月1日和2018年12月31日的信貸虧損撥備時的基礎和判斷，包括管理層對債務人在撥備矩陣中分類的合理性以及於撥備矩陣每個類別中應用估計虧損率的基礎(結合歷史違約率和前瞻性信息)。

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KEY AUDIT MATTER (Continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p>Estimated allowance for inventories 存貨撥備估計</p> <p>We identified the estimated allowance for inventories as a key audit matter due to the management's judgment required in identifying slow-moving and obsolete inventories and determining the allowance for inventories.</p> <p>我們將存貨撥備估計識別為關鍵審計事項，由於管理層需要對識別滯銷及陳舊存貨和決定存貨撥備作出判斷。</p> <p>As disclosed in note 4 to the consolidated financial statements, the management identifies slow-moving inventories and obsolete inventories that are no longer suitable for use in production or sales based on aging analysis, and estimates the allowance for inventories based on aging of inventories, technology changes and current market demand. The carrying amounts of inventories of the Group amounted to RMB211,952,000 as at 31 December 2018. Based on the management's assessment, the allowance for inventories was RMB53,837,000 as at 31 December 2018.</p> <p>如綜合財務報表附註4所披露，管理層根據賬齡分析識別滯銷及不再適用於生產或銷售的陳舊存貨，並根據存貨賬齡、技術更新和當前市場需求估計存貨撥備。截至2018年12月31日，貴集團的存貨賬面值為人民幣211,952,000元。根據管理層的評估，截至2018年12月31日之存貨撥備為人民幣53,837,000元。</p>	<p>Our procedures in relation to evaluating the appropriateness of estimated allowance for inventories included:</p> <p>我們對存貨撥備估計的恰當性之評估程序包括：</p> <ul style="list-style-type: none">• Understanding the basis of the allowance for inventories adopted by the Group;• 瞭解 貴集團的存貨撥備基礎；• Testing, on a sample basis, the accuracy of the aging analysis of inventories to the relevant documents including goods receipt notes;• 對包括收貨單在內的相關文件進行抽樣測試，以確認存貨賬齡分析的準確性；• Evaluating the reasonableness of the management assessment on the identification of slow-moving and obsolete inventories and the sufficiency of the allowance for inventories with reference to aging of inventories, usage or sales record for aged-inventories, current market conditions and technology changes;• 評價管理層根據存貨賬齡、陳舊存貨的使用或銷售記錄、當前市場狀況和技術更新所識別出的滯銷和陳舊存貨的合理性以及存貨撥備的充足性；

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

KEY AUDIT MATTER (Continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p>Estimated allowance for inventories (Continued) 存貨撥備估計(續)</p>	<p>Our procedures in relation to evaluating the appropriateness of estimated allowance for inventories included: (continued) 我們對存貨撥備估計的恰當性之評估程序包括：(續)</p> <ul style="list-style-type: none"> For raw materials that no allowance have been made, considering the subsequent usage of raw materials and tracing a selection of subsequent usage of raw materials to the raw material delivery notes; and 對於未作出撥備的原材料，考慮原材料的期後使用情況及抽查期後使用的原材料交貨單；及 For finished goods that no allowance have been made, considering the subsequent selling prices of finished goods and comparing the unit costs of a selection of finished goods with their subsequent selling prices. 對於未作出撥備的成品，考慮成品的期後銷售價格及抽樣比對成品的單位成本和期後銷售價格。

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OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年度報告內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及管理層就綜合財務報表須承擔的責任

貴公司董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

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 solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否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，並按照香港公司條例第405條的規定僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。本行並不就本報告之內容對任何其他人士承擔任何責任或接受任何義務。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滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

核數師就審計綜合財務報表承擔的責任(續)

- 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

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

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.

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

The engagement partner on the audit resulting in the independent auditor's report is Wu Ka Ming.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
15 March 2019

核數師就審計綜合財務報表承 擔的責任(續)

除其他事項外，我們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，包括我們在審計中識別出內部控制的任何重大缺陷。

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

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

出具本獨立核數師報告的審計項目合夥人是胡家明。

德勤•關黃陳方會計師行
執業會計師
香港
2019年3月15日

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 2018 於截至2018年12月31日止之年度

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Turnover	營業額	5	1,411,127	1,400,842
Cost of sales	銷售成本		(1,020,996)	(983,661)
Gross profit	毛利		390,131	417,181
Other income	其他收入	6	88,089	78,274
Other gains or losses	其他收益或虧損	7	25,672	(49,830)
Reversal of impairment loss on trade receivables	撥回應收貨款 減值虧損		208	9,384
Impairment loss on amount due from an associate	應收聯營公司款項之 減值虧損		(11,460)	—
Impairment loss on interest in an associate	於聯營公司之權益之 減值虧損	17	(27,191)	—
Research and development costs	研發成本		(113,854)	(109,053)
Selling and distribution costs	銷售及分銷成本		(106,020)	(105,719)
Administrative expenses	行政開支		(37,489)	(35,919)
Share of losses of associates	應佔聯營公司虧損	17	(284)	(5,554)
Profit before taxation	稅前利潤	8	207,802	198,764
Taxation	稅項	10	(33,154)	(34,287)
Profit for the year	年度利潤		174,648	164,477
Other comprehensive income (expense) for the year	年度其他全面收入(開支)			
<i>Item that may be subsequently reclassified to profit or loss:</i>	<i>可於期後重新分類至損益之 項目：</i>			
— exchange differences arising on translation of foreign operations	— 換算海外業務產生的 匯兌差額		1,321	(1,021)
Total comprehensive income for the year	年度全面收入總額		175,969	163,456

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

綜合損益及其他全面收入表(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

	Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Profit (loss) for the year attributable to:	應佔年度利潤(虧損):		
Owners of the Company	本公司擁有人	175,187	164,477
Non-controlling interests	非控股權益	(539)	—
		174,648	164,477
Total comprehensive income (expense) attributable to:	應佔全面收入(開支)總額:		
Owners of the Company	本公司擁有人	176,508	163,456
Non-controlling interests	非控股權益	(539)	—
		175,969	163,456
Earnings per share	每股盈利	12	
— Basic (RMB cents)	— 基本(人民幣分)	21.2	20.0
— Diluted (RMB cents)	— 攤薄(人民幣分)	21.2	20.0

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018 於2018年12月31日

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	335,019	335,921
Land use rights	土地使用權	14	26,206	26,665
Goodwill	商譽	15	1,375	1,375
Intangible assets	無形資產	16	6,676	8,966
Interests in associates	於聯營公司之權益	17	—	27,475
Amount due from an associate	應收聯營公司款項	23	—	819
Deferred tax assets	遞延稅項資產	29	9,104	8,730
Pledged bank deposits	已抵押銀行存款	24	150,000	—
Fixed bank deposits	銀行定期存款	24	100,000	100,000
			628,380	509,951
Current assets	流動資產			
Inventories	存貨	19	211,952	207,609
Trade receivables	應收貨款	20	413,840	417,729
Contract assets	合同資產	21	13,564	—
Other receivables and prepayments	其他應收和預付款	22	40,665	45,197
Amount due from an associate	應收聯營公司款項	23	—	9,422
Financial assets at fair value through profit or loss ("FVTPL")	按公允價值計入損益 (「公允價值計入損益」) 之金融資產	18	232,649	—
Pledged bank deposits	已抵押銀行存款	24	15,573	111,309
Fixed bank deposits	銀行定期存款	24	750,787	830,234
Bank balances and cash	銀行存款及現金	24	321,042	575,424
			2,000,072	2,196,924
Current liabilities	流動負債			
Trade and bills payables	應付貨款及應付票據	25	437,721	550,703
Contract liabilities	合同負債	26	27,176	—
Other payables	其他應付款	27	129,381	157,981
Government grants	政府補貼	28	3,000	17,700
Taxation	稅項		24,696	30,737
			621,974	757,121
Net current assets	流動資產淨值		1,378,098	1,439,803

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

At 31 December 2018 於2018年12月31日

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Total assets less current liabilities	總資產減流動負債		2,006,478	1,949,754
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	29	26,395	19,871
Net assets	資產淨值		1,980,083	1,929,883
Capital and reserves	資本及儲備			
Share capital	股本	30	1,192,362	1,192,362
Reserves	儲備		785,187	737,521
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,977,549	1,929,883
Non-controlling interests	非控股權益		2,534	—
Total equity	權益總額		1,980,083	1,929,883

The consolidated financial statements on pages 126 to 267 were approved and authorised for issue by the Board of Directors on 15 March 2019 and are signed on its behalf by:

董事會已於2019年3月15日審核並通過第126頁至267頁綜合財務報表的發布，並由以下董事會代表簽署：

LU RUN TING
盧閔霆

Chairman and Executive Director
董事會主席兼執行董事

HOU PING
侯平

Executive Director and Chief Executive Officer
執行董事兼首席執行官

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018 於截至2018年12月31日止之年度

		Share capital	Shares award reserve	Shares held under award scheme	Share options reserve	Translation reserve	Other reserves	Statutory reserves	Retained profits	Total	Non-controlling interests	Total
		股本	股份獎勵儲備	獎勵計劃持有股份	購股權儲備	匯兌儲備	其他儲備	法定儲備	未分配利潤	合計	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
							(Note i) (附註i)	(Note ii) (附註ii)				
At 1 January 2017	於2017年1月1日	1,191,941	—	(25,112)	52,586	4,900	42,631	81,673	524,710	1,873,329	—	1,873,329
Profit for the year	年度利潤	—	—	—	—	—	—	—	164,477	164,477	—	164,477
Other comprehensive expense for the year	年度其他全面開支	—	—	—	—	(1,021)	—	—	—	(1,021)	—	(1,021)
Total comprehensive (expense) income for the year	年度全面(開支)收入總額	—	—	—	—	(1,021)	—	—	164,477	163,456	—	163,456
Issue of shares upon exercise of share options (note 30)	因行使購股權而發行的股份(附註30)	421	—	—	(189)	—	—	—	—	232	—	232
Recognition of equity-settled share-based payments (note 31)	以權益結算的股份支付(附註31)	—	12,737	—	4,426	—	—	—	—	17,163	—	17,163
Forfeiture of share options	購股權失效	—	—	—	(1,991)	—	—	—	1,991	—	—	—
Transfers	轉撥	—	—	—	—	—	—	20,714	(20,714)	—	—	—
Dividends recognised as distribution (note 11)	分派股息(附註11)	—	—	—	—	—	—	—	(123,475)	(123,475)	—	(123,475)
Shares vested under the shares award scheme	根據股份獎勵計劃股份歸屬	—	(7,825)	7,990	—	—	—	—	(987)	(822)	—	(822)
		421	4,912	7,990	2,246	—	—	20,714	(143,185)	(106,902)	—	(106,902)
At 31 December 2017	於2017年12月31日	1,192,362	4,912	(17,122)	54,832	3,879	42,631	102,387	546,002	1,929,883	—	1,929,883
Adjustment (note 2)	調整(附註2)	—	—	—	—	—	—	—	(741)	(741)	—	(741)
		1,192,362	4,912	(17,122)	54,832	3,879	42,631	102,387	545,261	1,929,142	—	1,929,142

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

		Share capital	Shares award reserve	Shares held under award scheme	Share options reserve	Translation reserve	Other reserves	Statutory reserves	Retained profits	Total	Non-controlling interests	Total
		股本	股份獎勵儲備	獎勵計劃持有股份	購股權儲備	匯兌儲備	其他儲備	法定儲備	未分配利潤	合計	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Profit (loss) for the year	年度利潤(虧損)	—	—	—	—	—	—	—	175,187	175,187	(539)	174,648
Other comprehensive income for the year	年度其他全面收入	—	—	—	—	1,321	—	—	—	1,321	—	1,321
Total comprehensive income (expense) for the year	年度全面收入(開支)總額	—	—	—	—	1,321	—	—	175,187	176,508	(539)	175,969
Recognition of equity-settled share-based payments (note 31)	以權益結算的股份支付(附註31)	—	7,579	—	2,497	—	—	—	—	10,076	—	10,076
Forfeiture of share options	購股權失效	—	—	—	(602)	—	—	—	602	—	—	—
Capital contribution from non-controlling interests ("NCI")	非控股權益(「非控股權益」)之資本投入	—	—	—	—	—	—	—	—	—	3,265	3,265
Deemed disposal of partial interest in a subsidiary	部分於附屬公司之權益已認定處置	—	—	—	—	—	—	—	192	192	(192)	—
Transfers	轉撥	—	—	—	—	—	—	14,097	(14,097)	—	—	—
Dividends recognised as distribution (note 11)	分派股息(附註11)	—	—	—	—	—	—	—	(137,850)	(137,850)	—	(137,850)
Shares vested under the shares award scheme	根據股份獎勵計劃股份歸屬	—	(7,620)	7,154	—	—	—	—	(53)	(519)	—	(519)
		—	(41)	7,154	1,895	—	—	14,097	(151,206)	(128,101)	3,073	(125,028)
At 31 December 2018	於2018年12月31日	1,192,362	4,871	(9,968)	56,727	5,200	42,631	116,484	569,242	1,977,549	2,534	1,980,083

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

Notes:

- (i) Other reserves represent the aggregate of capitalisation of statutory reserves into capital of a subsidiary of the Company, Goldpac Limited in 2011 and contribution from a shareholder and share of other reserves of associates.
- (ii) Under the relevant regulations in the People's Republic of China (the "PRC"), certain subsidiaries of the Company which established in the PRC are required to make appropriation to the statutory reserves at 10% of their profit after tax based on their statutory financial statements. The statutory reserves may only be used, upon approval by the relevant authorities, to offset accumulated losses or to increase the capital of those subsidiaries.

附註：

- (i) 其他儲備指於2011年法定儲備擴充至一家本公司之附屬公司，金邦達有限公司、一名股東的出資及應佔聯營公司其他儲備的資本總和。
- (ii) 根據中華人民共和國(「中國」)的有關法規，若干於中國成立之本公司之附屬公司需按其法定財務報表中除稅後淨利潤的10%計提法定儲備。該法定儲備僅能在得到有關部門批准後，方可用於彌補該等附屬公司累積虧損或者增加其資本。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018 於截至2018年12月31日止之年度

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Operating activities	經營活動		
Profit before taxation	稅前利潤	207,802	198,764
Adjustments for:	經下列各項調整：		
Gain on fair value of financial assets FVTPL	按公允價值計入損益之 金融資產公允價值收益	(2,649)	—
Investment income from financial assets at FVTPL	按公允價值計入損益之 金融資產投資收入	(9,034)	(3,815)
Interest income	利息收入	(28,061)	(23,374)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	43,916	44,475
Amortisation of intangible assets	無形資產攤銷	2,290	2,290
Operating lease rentals in respect of land use rights	土地使用權經營租賃租金	459	624
Loss on disposal of property, plant and equipment	處置物業、廠房及設備虧損	94	15
Reversal of impairment loss on trade receivables	應收賬款減值撥回	(208)	(9,384)
Impairment loss on interest in an associate	於聯營公司之權益減值	27,191	—
Impairment loss on amount due from an associate	應收聯營公司款項減值	11,460	—
Allowance for inventories	存貨撥備	2,887	4,925
Equity-settled share-based payments	以權益結算的股份支付	10,076	17,163
Share of losses of associates	應佔聯營公司虧損	284	5,554
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	266,507	237,237
Increase in inventories	存貨增加	(7,230)	(1,322)
Decrease in contract assets	合同資產減少	3,086	—
Increase in trade receivables	應收貨款增加	(13,294)	(68,375)
Decrease (increase) in other receivables and prepayments	其他應收款項及預付款項 減少(增加)	3,482	(20,560)
Decrease in contract liabilities	合同負債減少	(8,299)	—
(Decrease) increase in trade and bills payables	應付貨款及應付票據(減少)增加	(112,982)	35,602
Increase in other payables	其他應付款增加	6,356	7,650
Decrease in government grants	政府補貼減少	(14,700)	—
Cash generated from operations	經營活動所得的現金	122,926	190,232
Taxation paid	已付稅項	(33,073)	(40,923)
Net cash from operating activities	經營活動所得現金淨額	89,853	149,309

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Investing activities	投資活動		
Redemption of financial assets at FVTPL	贖回按公允價值計入損益之金融資產	490,000	765,600
Withdrawals of fixed bank deposits	提取銀行定期存款	1,171,285	160,850
Withdrawals of pledged bank deposits	提取已抵押銀行存款	125,263	73,789
Increase in amount due from an associate	應收聯營公司款項增加	(1,219)	(963)
Interest received	已收利息	29,111	23,374
Investment income received from financial assets at FVTPL	已收按公允價值計入損益之金融資產投資收入	9,034	3,815
Receipt of government grants	收到政府補助	—	3,000
Proceeds on disposal of property, plant and equipment	處置物業、廠房及設備收入	8	95
Placement of fixed bank deposits	存放銀行定期存款	(1,080,838)	(912,084)
Purchase of financial assets at FVTPL	購買按公允價值計入損益之金融資產	(720,000)	(765,600)
Placement of pledged bank deposits	存放已抵押銀行存款	(179,527)	(45,391)
Purchase of property, plant and equipment and land use rights	購買物業、廠房及設備和土地使用權	(43,087)	(202,174)
Net cash used in investing activities	投資活動所用現金淨額	(199,970)	(895,689)
Financing activities	融資活動		
Dividends paid	已付股息	(140,289)	(120,601)
Capital contribution from NCI	非控股權益之資本注入	3,265	—
Increase in dividend payable to employees	應付員工股息增加	—	1,498
Proceeds from issue of shares upon exercise of share options	因行使購股權而發行的股份所募集資金	—	232
Net cash used in financing activities	融資活動所用現金淨額	(137,024)	(118,871)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(247,141)	(865,251)
Cash and cash equivalents at 1 January	1月1日現金及現金等價物	644,424	1,513,430
Effect of foreign exchange rate changes	匯率變動的影響	3,759	(3,755)
Cash and cash equivalents at 31 December	12月31日現金及現金等價物	401,042	644,424
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Bank balances and cash	銀行存款及現金	321,042	575,424
Fixed bank deposits which matured within three months	3個月內到期的銀行定期存款	80,000	69,000
		401,042	644,424

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent and ultimate holding company is Goldpac International (Holding) Limited (“**GIHL**”) (a limited liability company incorporated in Hong Kong). Its ultimate controlling party is Mr. Lu Run Ting, who is also the chairman and executive director of the Company. The Company acts as an investment holding company while the Group is principally engaged in embedded software and secure payment products for smart secure payment and provision of data processing, equipment, system platform and other total solutions for customers in a wide business range including financial, government, healthcare, transportation and retails by leveraging innovative financial technology (“**Fintech**”).

The address of the registered office and principal place of business of the Company are set out in the corporate information section of the annual report.

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

1. 一般資料

本公司是一家在香港註冊的股份有限公司，本公司股票在香港聯合交易所有限公司（「**聯交所**」）上市交易。本公司之母公司及最終控股公司為金邦達國際（集團）有限公司（「**金邦達國際**」）（一家於香港註冊的有限公司）。本公司最終控制方為盧閏霆先生，彼亦是本公司主席及執行董事。本公司是一家投資控股有限公司，本集團的主要業務是為全球客戶提供智能安全支付領域的嵌入式軟件和安全支付產品，同時融合創新金融科技（「**金融科技**」），為金融、政府、衛生、交通、零售等廣泛領域客戶提供數據處理、設備、系統平台及其他整體解決方案。

本公司註冊辦事處及主要經營地點載於年報企業資料章節。

此綜合財務報表以人民幣（「**人民幣**」）呈列，與本公司的功能貨幣一致。

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For the year ended 31 December 2018 於截至2018年12月31日止之年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

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

Except as described below, the application of the new and amendments to 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. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)

本年度強制生效的新訂及經修訂香港財務報告準則

本集團於本年度首次採納了以下由香港會計師公會(「香港會計師公會」)頒佈之對於香港財務報告準則的修訂：

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	與客戶合約之收入及相關修訂
香港(國際財務報告詮釋委員會)－詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂	以股份為基礎之支付交易之分類及計量
香港財務報告準則第4號之修訂	與香港財務報告準則第4號「保險合約」一併應用香港財務報告準則第9號「金融工具」
香港會計準則第28號之修訂	作為2014年至2016年週期之香港財務報告準則年度改進的一部分
香港會計準則第40號之修訂	投資性房地產的轉換

除以下闡述外，本年度對新訂及經修訂香港財務報告準則的採納，並未對本集團本年度及之前年度的財務表現和狀況，和／或，綜合財務報表中所披露情況，造成實質的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and the related interpretations.

The Group recognises revenue at a point in time when the control of the embedded software and secure payment products, data processing and equipment are transferred to the customers at the designated locations.

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

2.1 香港財務報告準則第15號與客戶合約之收入

本集團於本年度首次採納香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號收入及相關的詮釋。

本集團已首次採納了香港財務報告準則第15號並對過往年度產生的累積影響進行追溯調整。該累積影響已於首次採納日，即2018年1月1日被確認於期初未分配利潤，未重新呈列比較信息。此外，根據香港財務報告準則第15號的過渡條款，本集團選擇僅對截至2018年1月1日尚未完成的合約採納該準則並進行追溯調整。因此，按照香港會計準則第18號收入及相關的詮釋編制的部分比較信息可能不具備可比性。

當嵌入式軟件和安全支付產品、數據處理和設備的控制權於指定地點轉移至客戶時，本集團即確認收入。

由於採納香港財務報告準則第15號產生的本集團履約責任和會計政策信息分別披露於附註5和附註3。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

2.1 香港財務報告準則第15號與客戶合約之收入(續)

首次採納香港財務報告準則第15號產生的影響摘要

於2018年1月1日的綜合財務狀況表確認之金額已做出如下調整。未受變化影響之項目未予呈列。

			Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018*
		Notes	於2017年12月31日的帳面值 RMB'000 人民幣千元	重新分類的金額 RMB'000 人民幣千元	於2018年1月1日根據香港財務報告準則第15號的賬面值* RMB'000 人民幣千元
		附註			
Current assets	流動資產				
Trade receivables	應收貨款	(a)	417,729	(16,650)	401,079
Contract assets	合同資產	(a)	—	16,650	16,650
Current liabilities	流動負債				
Other payables	其他應付款	(b)	157,981	(35,475)	122,506
Contract liabilities	合同負債	(b)	—	35,475	35,475

* The amounts in this column are before the adjustments from the application of HKFRS 9.

* 該列金額為採納香港財務報告準則第9號所做調整前金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

Notes:

- (a) At the date of initial application of HKFRS 15, included in the total trade receivables amounting to RMB16,650,000, is related to the retentions held by customers. These balances were reclassified to contract assets upon application of HKFRS 15.
- (b) At the date of initial application of HKFRS 15, included in other payables amounting to RMB35,475,000, is related to advance from customers. These balances were reclassified to contract liabilities upon application of HKFRS 15.

The following tables summarise the impacts of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 December 2018 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

2.1 香港財務報告準則第15號與客戶合約之收入(續)

首次採納香港財務報告準則第15號產生的影響摘要(續)

附註：

- (a) 於首次採納日，應收貨款中由客戶持有的保留款金額為人民幣16,650,000元。採納香港財務報告準則第15號後，該等餘額被重新分類為合同資產。
- (b) 於首次採納日，其他應付款含人民幣35,475,000元客戶預收款。採納香港財務報告準則第15號後，該等餘額被重新分類為合同負債。

採納香港財務報告準則第15號對本集團截至2018年12月31日的綜合財務狀況表及綜合現金流量表的受影響項目於下表呈列。未受變化影響之項目未予呈列。

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2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

Impact on the consolidated statement of financial position

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

2.1 香港財務報告準則第15號與客戶合約之收入(續)

首次採納香港財務報告準則第15號產生的影響摘要(續)

對綜合財務狀況表的影響

			As reported	Reclassification	Amounts without application of HKFRS 15
		Notes	報告的金額 RMB'000 人民幣千元	重新分類的金額 RMB'000 人民幣千元	未採納香港財務報告準則第15號的金額 RMB'000 人民幣千元
		附註			
Current assets	流動資產				
Trade receivables	應收貨款	(a)	413,840	13,564	427,404
Contract assets	合同資產	(a)	13,564	(13,564)	—
Current liabilities	流動負債				
Other payables	其他應付款	(b)	129,381	27,176	156,557
Contract liabilities	合同負債	(b)	27,176	(27,176)	—

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

Impact on the consolidated statement of financial position(Continued)

Notes:

- (a) Prior to the application of HKFRS 15, retentions held by customers was classified as trade receivables. For illustrative purpose of the table above, retentions held by customers of RMB13,564,000 was reclassified from contract assets to trade receivables.
- (b) Prior to the application of HKFRS 15, advance from customers was classified as other payables. For illustrative purpose of the table above, advance from customers of RMB27,176,000 was reclassified from contract liabilities to other payables.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

2.1 香港財務報告準則第15號與客戶合約之收入(續)

首次採納香港財務報告準則第15號產生的影響摘要(續)

對綜合財務狀況表的影響(續)

附註：

- (a) 採納香港財務報告準則第15號前，由客戶持有的保留款被分類為應收貨款。上述表格用於說明目的，金額為人民幣13,564,000元的由客戶持有的保留款由合同資產重新分類至應收貨款。
- (b) 採納香港財務報告準則第15號前，客戶預收款被分類為其他應收款。上述表格用於說明目的，金額為人民幣27,176,000元的客戶預收款由合同負債重新分類至其他應收款。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

Impact on the consolidated statement of cash flows

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

2.1 香港財務報告準則第15號與客戶合約之收入(續)

首次採納香港財務報告準則第15號產生的影響摘要(續)

對綜合現金流量表的影響

		As reported	Reclassification	Amounts without application of HKFRS 15
		報告的金額 RMB'000 人民幣千元	重新分類的金額 RMB'000 人民幣千元	未採納香港財務報告準則第15號的金額 RMB'000 人民幣千元
Increase in trade receivables	應收貨款增加	(13,294)	3,086	(10,208)
Decrease in contract assets	合同資產減少	3,086	(3,086)	—
Increase (decrease) in other payables	其他應付款增加(減少)	6,356	(8,299)	(1,943)
Decrease in contract liabilities	合同負債減少	(8,299)	8,299	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 HKFRS 9 Financial Instruments and the related amendments

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and contract assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

2.2 香港財務報告準則第9號金融工具及相關修訂

本集團於本年度採納了香港財務報告準則第9號金融工具及對其他香港財務報告準則的後續修訂。香港財務報告準則第9號介紹了新要求，包括(1)金融資產和金融負債的分類與計量，(2)金融資產和合同資產的預期信貸虧損(「預期信貸虧損」)和(3)一般對沖會計。

根據香港財務報告準則第9號的過渡條款，本集團已經採納了香港財務報告準則第9號，例如對截至2018年1月1日(首次採納日)尚未終止確認的金融工具應用計量和分類要求(包括預期信貸虧損模式下之減值)並對其進行追溯調整；而不再對截至2018年1月1日已經終止確認的金融工具應用上述要求或對其進行追溯調整。於2017年12月31日報告的賬面值與於2018年1月1日報告的賬面值之間的差異已確認在期初未分配利潤和其他權益組成部分，因此未重新呈列比較信息。

因此，按照香港會計準則第39號金融工具：確認和計量所編制的部分比較信息可能不具備可比性。

由採納香港財務報告準則第9號產生的會計政策披露於附註3。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of trade receivables from goods and services subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

2.2 香港財務報告準則第9號金融工具及相關修訂(續)

首次採納香港財務報告準則第9號產生的影響摘要

下表列明於2018年1月1日即首次採納日，根據香港財務報告準則第9號及香港會計準則第39號需要確認預期信貸虧損的來自貨物及服務的應收貨款的分類和計量。

		Trade receivables from goods and services 來自貨物及服務的應收貨款	Retained profits 未分配利潤
	Note 附注	RMB'000 人民幣千元	RMB'000 人民幣千元
Closing balance at 31 December 2017- HKAS 39		401,079	1,929,883
Effect arising from initial application of HKFRS 9			
Remeasurement			
Impairment under ECL model	(a)	(741)	(741)
Opening balance at 1 January 2018		400,338	1,929,142

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

2.2 HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

Note:

(a) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all contract assets and trade receivables. To measure the ECL, contract assets and trade receivables have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets.

As at 1 January 2018, the additional credit loss allowance of RMB741,000 has been recognised against retained profits. The additional loss allowance is charged against trade receivables from goods and services.

All loss allowances for trade receivables from goods and services as at 31 December 2017 reconciled to the opening loss allowance as at 1 January 2018 is as follows:

		Trade Receivables from goods and services 來自貨物及服務的應收貨款 RMB'000 人民幣千元
At 31 December 2017 - HKAS 39	於2017年12月31日－	
	香港會計準則第39號	7,254
Amounts remeasured through opening retained profits	於期初未分配利潤重新計量	741
At 1 January 2018	於2018年1月1日	7,995

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

2.2 香港財務報告準則第9號金融工具及相關修訂(續)

首次採納香港財務報告準則第9號產生的影響摘要(續)

附註：

(a) 預期信貸虧損模式下之減值

本集團採納香港財務報告準則第9號簡化法計量所有合同資產及應收貨款的終身預期信貸虧損。合同資產及應收貨款已根據共同信用風險特徵進行分類以計量預期信貸虧損。合同資產與未開發票的半成品相關並且與同類型合約的應收貨款具有基本一致的風險特徵。因此，本集團認為應收貨款預期虧損率為合同資產虧損率的合理估計。

於2018年1月1日，增加人民幣741,000元的信貸虧損撥備已於未分配利潤予以確認並且於來自貨物及服務的應收貨款中扣除。

來自貨物及服務的應收貨款於2017年12月31日的所有虧損撥備已調整至2018年1月1日的期初虧損撥備如下：

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 - 2017 Cycle ¹

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒布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16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理之不确定性 ¹
香港財務報告準則第3號之修訂	業務之定義 ⁴
香港財務報告準則第9號之修訂	具有負補償之預付款特性 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	投資方與其聯營或合營企業之間的資產出售或注資 ²
香港會計準則第1號及香港會計準則第8號之修訂	「重要的」之定義 ⁵
香港會計準則第19號之修訂	計劃修改、縮減或結算 ¹
香港會計準則第28號之修訂	聯營和合營中的長期權益 ¹
香港財務報告準則之修訂	2015年至2017年週期之香港財務報告準則年度改進 ¹

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

- 1 *Effective for annual periods beginning on or after 1 January 2019*
- 2 *Effective for annual periods beginning on or after a date to be determined*
- 3 *Effective for annual periods beginning on or after 1 January 2021*
- 4 *Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020*
- 5 *Effective for annual periods beginning on or after 1 January 2020*

Except for the new HKFRS mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

- 1 於2019年1月1日或之後開始之年度期間生效
- 2 於將釐定之日期或之後開始之年度期間生效
- 3 於2021年1月1日或之後開始之年度期間生效
- 4 對獲取日為以2020年1月1日或之後為第一個年度期間期初的，或獲取日為其之後的業務合併和資產收購生效
- 5 於2020年1月1日或之後開始之年度期間生效

除下述提及的新訂香港財務報告準則，本公司董事預計應用其他新訂及經修訂香港財務報告準則在可預見的未來不會對綜合財務報表構成重大影響。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees except for short-term leases and leases of low value assets.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號同時為出租人及承租人引入一個用以識別租賃協議及會計處理之綜合模式。香港財務報告準則第16號生效時，將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號基於所識別資產是否由客戶控制區分租賃與服務合同。此外，香港財務報告準則第16號要求，在決定是否為售後回租交易時，應依據香港財務報告準則第15號中相關資產的轉換是否應被認定為一次銷售交易的要求。香港財務報告準則第16號亦包括對於轉租和租賃變更的要求。

經營租賃及融資租賃的區分從承租人會計處理中取消。除短期租賃及低值資產租賃外，承租人須對所有租賃確認使用權資產及相應負債。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 16 Leases (Continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flow by the Group.

Under HKAS 17, the Group has already recognised assets for prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they are owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

使用權資產按成本進行初始計量，後續按成本(除某些例外情況)減去累積折舊與減值虧損計量，並通過租賃負債的任何重新計量進行調整。租賃負債按確認日尚未支付的租賃款項的現值進行初始計量。其後續根據利息、租賃款項和租賃變更等進行調整。對於現金流的分類，本集團目前將與自用租賃土地相關的預付租賃款項分類為投資現金流，而將其他經營租賃款項於經營現金流中呈列。根據香港財務報告準則第16號，與租賃負債有關的租賃款項將被分類為本金以及作為融資現金流呈列的利息部分。

根據香港會計準則第17號，本集團作為承租人，已將租賃土地的預付租賃款項確認為資產。採納香港財務報告準則第16號可能導致上述資產的分類發生潛在的變化，取決於本集團單獨呈列使用權資產還是將其與自有資產合併呈列於同一項中。

除適用於出租人的特定要求，香港財務報告準則第16號大致沿用香港會計準則第17號中對出租人的會計處理要求，且仍要求出租人將其租賃分類為經營租賃或融資租賃。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 16 Leases (Continued)

Furthermore, extensive disclosure are required by HKFRS 16.

As at 31 December 2018, the Group as lessee has non-cancellable operating lease commitment of RMB9,088,000 as disclosed in note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of RMB1,636,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be considered as additional lease payment and included in the carrying amount of right-of-use assets.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

此外，香港財務報告第16號要求全面的披露。

截至2018年12月31日，本集團作為承租人不可取消的經營租賃承擔為人民幣9,088,000元(附註33)。初步評估表明這些協議將符合租賃的定義。採納香港財務報告準則第16號後，除低價值或短期租賃外，本集團將確認所有租賃的使用權資產以及相應的負債。

此外，根據香港會計準則第17號，本集團目前將已支付且可退還的人民幣1,636,000元租賃保證金作為租賃的權利和義務。根據香港財務報告準則第16號對於租賃款項的定義，該等保證金並非為獲取相關資產使用權而支付。相應地，其賬面值可能被調整至攤銷成本並被作為額外的租賃款項。對於已支付且可退還的租賃保證金的調整，可被視為額外的租賃款項並被計入使用權項資產的賬面值中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 16 Leases (Continued)

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) - Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

2. 新訂及經修訂香港財務報告準則的採納(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

採納新要求可能導致上述計量、呈列和披露的變更。作為權宜之計，本集團有意選擇將香港財務報告準則第16號應用於之前根據香港會計準則第17號和香港(國際財務報告詮釋委員會)-詮釋第4號確定一項協議是否包含租賃識別為租賃的合約中；而不將該準則應用於之前根據香港(國際財務報告詮釋委員會)-詮釋第4號認定為包含租賃的合約中。因此，於首次採納日已經存在的租賃，本集團將不會再次評估其合約是否屬於或包含一項租賃。此外，本集團作為承租人時，將有意選擇經修正的追溯法以應用香港財務報告準則第16號並將首次採納的累積影響確認於期初未分配利潤中，而不再重新呈列比較信息。

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3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance (“**Companies Ordinance**”).

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

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.

3. 主要會計政策

本綜合財務報表乃按照符合香港會計師公會頒佈之香港財務報告準則的會計政策編製。此外，綜合財務報表已載有香港聯合交易所有限公司證券上市規則(「**上市規則**」)及香港公司條例(「**公司條例**」)規定的適當披露。

本綜合財務報表乃按照歷史成本法編製，如以下會計政策中所描述。

歷史成本一般基於換取貨物或服務的代價的公允價值釐定。

公允價值是於計量日市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付的價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。估計資產或負債的公允價值時，本集團考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債的特點。於本綜合財務報表中作計量及／或披露目的的公允價值乃按此基準釐定，惟屬於香港財務報告準則第2號以股份為基礎之支付範疇的以股份為基礎之支付交易，香港會計準則第17號租賃範疇的租賃交易，與公允價值的計量相似但並非公允價值，例如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值除外。

非金融資產公允價值計量考慮市場參與者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，所產生經濟效益的能力。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. 主要會計政策(續)

此外，為財務報告之目的，根據公允價值計量的輸入數據的可觀察程度及對其公允價值計量整體的重要性，公允價值的計量分類為如下第1、2或3層級：

- 第1層級公允價值估量是基於相同資產或負債在活躍市場中的報價(未經調整)；
- 第2層級公允價值估量是基於第1層所包括的報價以外可直接(即按價格)或間接(即從價格中取得)就有關資產或負債可觀察到的因素；及
- 第3層級公允價值估量為以估值技術進行的估量，其包括有關資產或負債不可從可觀察市場數據得出的因素。

主要會計政策如下。

合併基準

本綜合財務報表包括本公司以及受本公司控制的實體及其附屬公司的財務報表。本公司在下列情況下即擁有控制權：

- 可對投資對象行使權力；
- 因參與投資對象業務而承擔可變回撥的風險或享有權利；及
- 有能力使用其權力影響其回報。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. 主要會計政策(續)

合併基準(續)

倘根據事實及實際情況，上述控制權三個因素中的一個或以上發生變化，則本公司須重新評估是否擁有投資對象的控制權。

即使本集團對投資對象不擁有多數表決權，在擁有足夠的表決權以令其可以單方面地對投資對象相關活動起導向作用的情況下，本集團對投資對象具有控制權。在評估本集團是否擁有足夠的表決權而可以對投資對象具有控制權時，本集團考慮所有相關事實及實際情況，包括：

- 比較本集團持有的表決權規模與其他表決權持有者持有的表決權規模及分散程度；
- 本集團、其他表決權持有者或其他各方持有的潛在表決權；
- 其他合約安排賦予的權利；及
- 任何其他事實及實際情況表明本集團在做決策時，是否具備對相關活動起導向作用的能力，如之前股東會議的表決方式。

本集團獲得附屬公司控制權時即對其合併入賬，而當本集團失去附屬公司控制權時，即不再對其合併入賬。具體而言，自本集團獲得附屬公司控制權之日計起，年內收購或出售附屬公司之收入及開支將列入綜合損益及其他全面收益表內，直至本集團不再擁有附屬公司控制權之日止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

3. 主要會計政策(續)

合併基準(續)

損益及其他全面收益各組成部分歸屬於本公司擁有人及非控股權益。附屬公司全面收益總額歸屬於本公司擁有人及非控股權益，即便此舉導致非控股權益出現虧絀結餘。

於必要時，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團之會計政策一致。

有關本集團成員之間交易的所有集團內公司間之資產及負債、權益、收入、支出及現金流量於合併時悉數對銷。

附屬公司的非控股權益代表清盤時所有權益擁有者對相關附屬公司資產淨值的應佔份額並於本集團權益中單獨呈列。

本集團於現有附屬公司之權益變動

本集團於附屬公司之權益變動不會導致本集團失去附屬公司控制權，並被計入權益交易。調整本集團相關權益組成部分及非控股權益的賬面值以反映其於附屬公司之權益變動。調整包括根據本集團和非控股權益所佔權益按比例重新歸屬二者之間的相關儲備。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in the Group's interests in existing subsidiaries (Continued)

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9/HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate.

3. 主要會計政策(續)

合併基準(續)

本集團於現有附屬公司之權益變動(續)

經調整的非控股權益金額與已支付或已收到對價公允價值的差異，直接確認於權益中並歸屬本公司擁有人。

倘本集團失去附屬公司控制權，將終止確認該附屬公司的資產和負債以及非控股權益(如有)。收益或虧損為(i)已收到對價和保留權益的公允價值總和與(ii)本公司擁有人應佔附屬公司資產(含商譽)和負債賬面值的差異，並於損益中確認。之前已確認於其他全面收入關於該附屬公司的所有金額的處理方式與本集團直接處置該附屬公司之相關資產或負債(例如，根據適用的香港財務報告準則指定或允許的方式，重新分類至損益或轉入損益中的其他分類)一致。根據香港財務報告準則第9號或香港會計準則第39號，於失去控制權之日對上述附屬公司留存投資的公允價值，將被視為後續入賬時初始確認的公允價值，或倘適用，初始確認為對關聯公司投資的成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

3. 主要會計政策(續)

業務合併

收購業務採用收購法入賬。業務合併之轉讓代價按公允值計量，而計算方法為本集團所轉讓資產、本集團向被收購方原股東產生之負債及本集團於交換被收購方控制權發行之股權之總額。收購相關成本一般於產生時於損益確認。

於收購日期，所收購可識別資產及所承擔負債按公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及僱員福利安排之相關資產或負債分別按香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購方以股份為基礎之付款安排或本集團為取代被收購方以股份為基礎之付款安排而訂立的以股份為基礎之付款安排相關之負債或權益工具，均於收購日期按香港財務報告準則第2號以股份為基礎之付款支出計量(見下文會計政策)；及
- 根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務分類為持作出售之資產(或出售組合)根據該準則計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3. 主要會計政策(續)

業務合併(續)

商譽是以所轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公平值(如有)之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。

非控股權益是清盤時所有權權益擁有者對相關附屬公司資產淨值的應佔份額，並以非控股權益應佔被收購方可識資產淨值份額或以公允價值進行初始計量。

商譽

收購業務所產生之商譽按於收購業務當日確定之成本(見上文會計政策)減累計減值虧損(如有)列賬，並於綜合財務狀況表獨立呈列。

就減值測試而言，商譽分配至預期會受惠於合併協同效益之本集團現金產生單位(或現金產生單位組別)，以反映商譽於內部管理中的最低監控水平，且不會大於一個營業分部。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGU), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGU) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

3. 主要會計政策(續)

商譽(續)

獲分配商譽的現金產生單位(或現金產生單位組別)須每年及在出現可能減值之跡象時更頻密地進行減值測試。於報告期間內通過收購產生的商譽，其被分配的現金產生單位(或現金產生單位組別)的減值測試應於該個報告期末前進行。倘現金產生單位的可收回金額少於其賬面值，則會先將減值虧損分配至減少獲分配商譽單位之賬面值，其後以該單位內各資產的賬面值為基準按比例分配至該單位內其他資產。

處置相關現金產生單位或現金產生單位組別中的任何現金產生單位時，在釐定處置盈虧金額時須計入其應佔商譽金額。當本集團處置現金產生單位(或現金產生單位組別中的某個現金產生單位)中的一項經營業務時，計量處置的商譽金額應以被處置的經營業務價值及現金產生單位(或現金產生單位組別)留存部分為基礎。

本集團收購一間聯營公司產生商譽之政策於下文有所說明。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associates other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策(續)

於聯營公司之權益

聯營公司指本集團對其行使重大影響力之實體。重大影響力乃指可參與被投資方的財務及營運決策之權力，惟對該等政策並無控制權或共同控制權。

聯營公司之業績與資產及負債按權益會計法列入綜合財務報表，用作權益法入賬之該等聯營公司之財務報表與本集團於同等情況及類似交易時使用一致的會計政策。根據權益法，於一間聯營公司之投資初步於綜合財務狀況表按成本確認，其後就確認本集團應佔該聯營公司之損益及其他全面收益作出調整。聯營公司淨資產的變動，而非其損益及其他全面收入的變動不被入賬，除非該變動導致本集團於聯營公司所有權益的變動。倘本集團應佔一間聯營公司之虧損等於或超出本集團於該聯營公司之權益(包括實質上屬於本集團於該聯營公司投資淨額部分之長期權益)，則本集團會終止確認應佔進一步虧損。當本集團產生法定或推定責任或代表該聯營公司付款時，方會確認額外虧損。

於被投資方成為一家聯屬公司當日，對一間聯屬公司之投資採用權益法入賬。於收購一間聯屬公司之投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平淨值之任何差額確認為商譽，並計入投資之賬面值。本集團所佔可識別資產及負債於重新評估後之公平淨值與投資成本之任何差額，會於收購投資期間即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9/HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

3. 主要會計政策(續)

於聯營公司之權益(續)

本集團評估是否有客觀證據表明於聯營公司之權益可能減值。倘任何客觀證據存在，投資的全部賬面值(包括商譽)將根據香港會計準則第36號資產減值作為一項單一資產進行減值測試，即比較其可收回金額(使用價值與扣除處置成本的公允價值之間較高者)與賬面值。確認的減值虧損作為投資賬面值的一部分。若期後需要撥回該減值虧損，則撥回金額按照香港會計準則第36號確認。

當本集團終止對聯營公司施加重大影響時，這被視為對被投資者全部權益的處置。產生的收益或虧損被確認至損益。倘本集團保留於前述聯營公司之權益且該保留權益屬於香港財務報告準則第9號/香港會計準則第39號定義的金融資產，本集團按處置日的公允價值計量該保留權益，並將其作為初始確認的公允價值。聯營公司的賬面值與保留權益的公允價值之和，與處置相關於聯營公司之權益所得款的差額用於確定處置聯營公司的收益或虧損。同時，本集團對已確認於其他全面收入的關於該聯營公司的全部金額的會計處理，與該聯營公司直接處置其相關資產或負債時的會計處理相似。因此，已被該關聯公司確認於其他全面收入的收益或虧損，在其處置相關資產或負債時，將被重新分類至損益；而本集團在處置/部分處置相關聯營公司時，將收益或虧損由權益重新分類至損益(作為一項重新分類調整)。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in associates (Continued)

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or services (or a bundle of goods or services) that is distinct or a series of distinct goods that are substantially the same.

3. 主要會計政策(續)

於聯營公司之權益(續)

當本集團減少於聯營公司之權益所有權但繼續應用權益法時，倘處置相關資產或負債時將收益或虧損重新分類至損益，則本集團可將已被確認於其他全面收入的關於所有權權益減少的收益或虧損部分重新分類至損益。

當集團實體與本集團聯營公司進行交易時，產生的利潤和虧損僅能在與本集團無關的於聯營公司之權益範圍內的本集團綜合財務報表中予以確認。

與客戶合約之收入(根據附註2之變化採納香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團在符合履約責任時確認收入，即需符合特定履約責任的貨物或服務的「控制權」轉移至客戶時。

履約責任適用於一件或一項可區分的貨物(或服務或一組貨物或服務)，或者多個本質相同但可區分的貨物。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or services.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i. e. only the passage of time is required before payment of that consideration is due.

3. 主要會計政策(續)

與客戶合約之收入(根據附註2之變化採納香港財務報告準則第15號後)(續)

控制權於一段時間內被轉移，倘符合下述標準之一，則收入亦應根據以完全滿足履約責任為目標的相關履約責任完成進度，於該段時間內被確認：

- 客戶同時收到並使用由本集團的履約行為提供的利益；
- 本集團的履約行為產生由客戶控制的資產並為該資產增值；或
- 本集團的履約行為未產生一項可供集團備用的資產且本集團對已完成的履約行為的支付款項具有可執行權。

否則，當客戶取得可區分貨物或服務的控制權時，收入就應於該時點被確認。

合同資產指本集團對已轉移至客戶的貨物或服務作為交換而獲取報酬且還未構成無條件的權利。根據香港財務報告準則第9號應對其進行減值評估。而應收款項則指本集團取得報酬的無條件權利，即在報酬的應支付日前僅需要經過一定時間。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

3. 主要會計政策(續)

與客戶合約之收入(根據附 註2之變化採納香港財務報 告準則第15號後)(續)

合同負債指本集團有義務將貨物或服務轉移至本集團已收到(或應收到)客戶報酬的客戶。

與同一合同相關的合同資產和合同負債均以淨額入賬和呈列。

委託人或代理人

當有其他方參與為客戶提供貨物或服務時，本集團需確認其承諾的性質是單獨提供指定貨物或服務的履約責任(本集團即為委託人)還是安排其他方提供指定貨物或服務的履約責任(本集團即為代理人)。

倘本集團在指定貨物或服務被轉移至客戶前，對該貨物或服務具有控制權，則本集團為委託人。

倘本集團的履約責任為安排其他方提供指定貨物或服務，則本集團為代理人。在這種情況下，由其他方提供的該指定貨物或服務被轉移至客戶前，本集團不對其具有控制權。當本集團作為代理人時，確認的收入為安排其他方提供指定貨物或服務而有權收取的費用或佣金。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable the future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below:

Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer, no further work or processing is required by the Group, the quantity and quality of the goods has been determined with reasonable accuracy and standard, the price is fixed or determinable, and collectability is reasonable assured. This is generally when title passes and the goods have been delivered to the designated locations for the sales of magnetic strip cards, smart cards and the related personalisation services. Revenue from the sales of on-site card issuance equipment and the related revenue from the provision of on-site card issuance system solutions are recognised when the equipment are delivered and the services are provided at the designated locations and after inspection of the equipment.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments in subsidiaries is recognised when the owners' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

3. 主要會計政策(續)

收入確認(2018年1月1日前)

收入乃按已收或應收代價的公允價值計量。收入因估計的顧客退貨、折扣和其他類似的折讓而減少。

在收入金額能夠被可靠的計量；未來的經濟利益可能會流向本集團並且在本集團活動的每一個特定標準被達到時，收入可以被確認，具體描述如下：

倘貨品的風險及回報已轉嫁予客戶，本集團毋須進行進一步工作或處理，貨品的數量及質量能夠按標準合理準確釐定，價格已設定或可予釐定，並且可收回性能夠合理確定，則會確認來自銷售貨品的收入。就銷售磁條卡、智能卡及有關數據處理服務而言，本集團一般會在移交所有權及貨品已送達指定地點時確認收入。就銷售發卡設備的收益以及提供發卡系統解決方案相關的收入而言，會在設備送達指定地點並已提供有關服務及驗收後確認有關收入。

財務資產的利息收入於經濟利益將可能流入本集團且能夠可靠計量收入金額時確認。利息收入以時間基準經參考未償還本金及適用的實際利率計算，實際利率乃將估計日後現金收入按財務資產的預期年期準確貼現至該資產於初步確認時的賬面金額淨值的利率。

投資附屬公司的股息收入於擁有人收取款項的權利確立時確認(於經濟利益可能流入本公司及收益額能夠可靠計量時)。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Construction in progress includes property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such construction in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備(不包括在建工程)按成本減其後的累計折舊及累計減值虧損(如有)後列於綜合財務狀況表。

在建以作生產、供應或行政用途的物業按成本減任何已確認減值虧損列賬。成本包括專業費用及就合資格資產而言，根據本集團的會計政策資本化的借貸成本。該等物業乃於竣工後並可投入作擬定用途時歸類為適當類別的物業、廠房及設備。該等資產按與其他物業資產相同的基準，於該等資產可投入作擬定用途時開始計提折舊。

折舊的確認是用來沖銷資產於估計可使用年期內，以直線法並扣除了其剩餘價值的成本。估計可使用年期、剩餘價值和折舊方法於每個報告期末進行審閱。任何估計的變化將基於未來適用的原則進行會計處理。

物業、廠房及設備項目於處置時或預計繼續使用將不會帶來經濟利益時終止確認。處置或報廢一項物業、廠房及設備的損益按出售所得款項與資產賬面值之差額釐定，並於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

3. 主要會計政策(續)

租約

凡租約條款將所有權所附帶的絕大部分風險及回報轉移至承租人的租約均分類為融資租約。所有其他租約分類為經營租約。

本集團作為承租人

經營租賃款項(包括取得經營租約中的土地時的成本)於相關租約期間以直線法確認為開支。

租賃土地及樓宇

倘若租賃包括土地及樓宇部分，本集團根據對各自部分之擁有權附帶之絕大部分風險及回報是否已轉讓予本集團，分別對兩部分單獨進行評估並將劃分為融資或經營租賃，除非兩個部分明顯均為經營租賃，則整份租賃歸類為經營租賃。具體而言，全部付款(包括任一筆過預付款項)於租賃訂立時按租賃土地部分及樓宇部分中的租賃權益相對公允值比例於土地及樓宇間分配。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasehold land and building (Continued)

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “land use rights” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 主要會計政策(續)

租賃土地及樓宇(續)

倘租賃付款能可靠分配，則以經營租賃入賬的租賃土地權益在綜合財務狀況表中列為「土地使用權」，且於租期內按直法攤銷。倘租賃付款不能可靠分類為租賃土地或樓宇部分，則整個物業一般按照融資租賃中的租賃土地分類。

外幣

於編製各集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易均按交易日期的當前匯率換算為各自的功能貨幣(即該實體經營所在主要經濟環境的貨幣)記賬。於報告期末，以外幣計值的貨幣項目均按報告期末的當前匯率重新換算。以外幣按歷史成本計量的非貨幣項目毋須重新換算。

結算貨幣項目和重新換算貨幣項目所引起的匯兌差額於產生期間在損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the functional currency of the Company and the presentation currency of the Group (i.e. RMB) using the exchange rate prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

3. 主要會計政策(續)

外幣(續)

就呈報綜合財務報表而言，本集團海外業務的資產及負債乃按各報告期末的當前匯率換算為本集團的功能貨幣及本集團的呈報貨幣(即人民幣)。收入及支出乃按期間的平均匯率進行換算，除非匯率在期間內大幅波動，在此情況下，則使用交易日起的當前匯率。所產生的匯兌差額(如有)將於其他全面收入確認，並累計至權益(匯兌儲備)項下。

此外，倘對附屬公司的部分處置不會使本集團失去附屬公司控制權，此時的應佔累計匯兌差額不確認於損益，而是按比例重新歸屬至非控股權益。

借貸成本

收購、建設或生產符合規定的資產(指需要耗費大量時間方可供投入作擬定用途或出售的資產)直接應佔的借款成本乃計入該等資產的成本，直至該等資產幾近可供投入作擬定用途或出售為止。

所有其他借款成本於其產生期內於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and the related verification procedures have been completed and approved by the relevant authorities.

Retirement benefits costs

Payments to defined contribution retirement benefit plans, government-managed retirement benefit scheme and the Mandatory Provident Fund Scheme (“MPF”) are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

政府補貼

政府補貼須於能合理確定本集團將遵守附帶條件及將會收到補貼時方會確認。

可收政府補貼作為已產生的費用或虧損補貼，或者在未來無相關成本支出的對本集團的即時經濟支持，於其可收回的期間確認為損益並且相關的核實程序已完成且已被有關部門批准。

退休福利成本

向固定供款退休福利計劃，政府管理的退休福利計劃及強制性公積金計劃（「強積金計劃」）支付的款項於僱員已提供服務而有權獲得供款時確認為支出。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. 主要會計政策(續)

短期僱員福利

短期僱員福利乃於僱員提供服務時按預期將支付的福利之未貼現金額確認。所有短期僱員福利均確認為開支，惟另一項香港財務報告準則規定或允許福利計入資產之成本值則另作別論。

僱員有關工資及薪金、年假和病假之應計福利乃於扣除任何已支付金額後確認為負債。

研發費用

研究活動的費用於產生期間確認為開支。

僅當以下所有條件均能被證明時，方可確認為來自開發(或內部項目開發階段)的內部產生的無形資產：

- 在技術上完成該無形資產以使其可供使用或銷售是可行的；
- 有意圖完成並使用或出售該無形資產；
- 有能力使用或出售該無形資產；
- 該無形資產將如何產生未來經濟利益；
- 有足夠的技術、財務和其他資源完成開發、使用或銷售該無形資產；及
- 該無形資產在開發期內應佔的開支能可靠地計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Research and development costs (Continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. 主要會計政策(續)

研發費用(續)

內部生成的無形資產的初始確認金額為使該無形資產首次達到上述確認標準之日起的已發生費用總和。倘內部生成的無形資產未能被確認，開發費用於發生當期計入損益。

初始確認後，內部生成的無形資產的計量與單獨購買的無形資產的計量方式一樣，按成本扣除累積攤銷和累積減值虧損(如有)計量。

單獨收購之無形資產

具有限使用年期之獨立收購之無形資產乃按成本減累計攤銷及累計減值虧損入賬。具有限使用年期之無形資產乃於估計使用年內按直線法攤銷。估計使用年期及攤銷方法於各個報告期末審閱。任何估計的變化將基於未來適用的原則進行會計處理。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策(續)

有形資產及除商譽(見上述關於商譽之會計政策)之無形資產之減值

本集團於報告期末審閱其有固定使用年限的有形資產和無形資產的賬面值，以釐定該等資產有否任何減值虧損跡象。倘任何有關跡象存在，則估計該等資產的可收回金額，以釐定減值虧損(如有)的程度。

有形及無形資產的可回收金額被單獨估計。倘難以單獨估計可收回金額，則本集團會估計該資產所屬現金產生單位的可收回金額。當可確定合理及一致的分配基準時，企業資產亦可分配至個別現金產生單位，否則，企業資產將分配至能確定合理及一致分配基準的最小現金產生單位組別。

可收回金額為扣除處置成本的公允價值與使用價值之間的較高者。於評估使用價值時，是採用反映現時市場對貨幣時間價值及資產或現金產生單位(並未就此調整預計未來現金流量)特定風險的評估的稅前貼現率，將預計未來現金流量貼現至其現有價值。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in unit. The carrying amount of an asset is not reduced below the highest of its fair value less cost of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to other assets of the unit. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 主要會計政策(續)

有形資產及除商譽(見上述關於商譽之會計政策)之無形資產之減值(續)

倘資產(或現金產生單位)的可收回金額估計低於其賬面值,則資產(或現金產生單位)的賬面值將減至其可收回金額。在分配減值虧損時,將首先用於撇減何商譽之賬面值(如適用),然後按該單位內各資產的賬面值比例減少其賬面值。唯資產的賬面值不應低於以下之最高值:公允值扣除處置成本(如可以計量),使用價值(如可釐定),及零。否則,該減值虧損應按比例分配至單位內之其他資產。減值虧損應即時確認損益。

倘減值虧損其後得以撥回,則該等資產(或現金產生單位)的賬面值會增加至其經修訂的估計可收回金額,惟增加後的賬面值不可超過有關資產(或現金產生單位)於過往期間並無確認減值虧損前應釐定的賬面值。減值虧損撥回會被即時確認為損益。

存貨

存貨以成本及可變現淨值兩者之較低者入賬。成本使用先進先出法計算。可變現淨值指存貨估計售價減完成銷售的全部估計成本及銷售活動所需成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Warranties

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the expected cost of warranty obligations under the relevant sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策(續)

質保金

依據當地貨物銷售立法的規定，以各位董事對履行集團義務所需開支的最佳估計，而對質保金的可能成本進行的計提，於相關產品銷售日計入賬目。

確認為撥備的金額是於報告期末對履行有關現行責任所需之代價的最佳估計並已考慮有關責任之風險及不明朗因素。倘該撥備是根據現金流估計且貨幣的時間價值影響重大，則其賬面值為這些現金流的現值總和。

依據有關貨物銷售立法的規定，以各位董事對履行本集團義務所需開支的最佳估計，而對質保金的可能成本進行的計提，於相關產品銷售日計入賬目。

金融工具

當集團內實體成為金融工具合約條文的訂約方時，即會在綜合財務狀況表內確認金融資產及金融負債。所有金融資產的常規買賣乃按交易日確認及終止確認。常規買賣指須於市場規則或慣例所確立的期限內交付資產的金融資產買賣。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payment (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

3. 主要會計政策(續)

金融工具(續)

除根據2018年1月1日生效的香港財務報告準則第15號進行初始計量的與客戶合約之應收貨款外，金融資產及金融負債按公允價值進行初始計量。因收購或發行金融資產及金融負債(按公允價值計入損益的金融資產或金融負債除外)而直接產生的交易成本於首次確認時加入金融資產或金融負債的公允價值或公允價值中扣除(如適用)。收購按公允價值計入損益的金融資產或金融負債直接應佔的交易成本即時於損益內確認。

實際利率法為計量金融資產攤銷成本及於有關期間內分配利息收入和利息開支的方法。實際利率乃於初步確認時將金融資產或金融負債之預計年期或(如適用)較短期間內之估計未來現金收入和支付(包括構成實際利率不可或缺部分之一切已付或已收費用及點數、交易成本及其他溢價或折讓)確切貼現至賬面淨值之利率。

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綜合財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類和後續計量(根據附註2之變化採納香港財務報告準則第9號後)

符合下列條件的金融資產後續將以攤銷成本計量：

- 業務模式為收回合約現金流為目的金融資產；以及
- 合約條款於特定日期產生僅為支付本金及未償還本金的利息的現金流。

符合下列條件的金融資產後續按公允價值變動計入其他全面收入(「公允價值計入其他全面收入」)計量：

- 業務模式為收回合約現金流且出售為目的之金融資產；以及
- 合約條款於特定日期產生僅為支付本金及未償還本金的利息的現金流。

所有其他金融資產後續按公允價值計入損益計量，除非在金融資產的初始採納日／初始確認日，倘一項股權投資既非以交易為目的的持有，也非於業務合併中根據香港財務報告準則第3號業務合併而被收購方確認的或有對價，本集團可以不可撤銷地選擇於其他全面收入中呈列該股權投資公允價值的後續變化。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類和後續計量(根據附註2之變化採納香港財務報告準則第9號後)(續)

一項金融資產被分類為以交易為目的的持有倘若：

- 收購其主要目的為近期出售；或
- 初始確認時，作為本集團共同管理的一組已識別金融工具的一部分且近期具有短期獲利的實際模式；或
- 它是非指定為有效對沖工具的衍生品。

此外，倘可以消除或顯著減少不當的會計匹配且某項債務投資符合以攤銷成本計量或以公允價值計入其他全面收入計量標準，本集團可以不可撤回地指定該項金融資產按公允價值計入損益計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類和後續計量(根據附註2之變化採納香港財務報告準則第9號後)(續)

(i) 攤銷成本和利息收入

後續按攤銷成本計量的金融資產及後續按公允價值計入其他全面收入的債務工具/應收款項的利息收入以實際利率法確認。對於後續沒有信用減值(見下文)的金融資產,於其賬面總值應用實際利率計算利息收入。對於後續信用減值的金融資產,於其下一期的攤銷成本應用實際利率確認利息收入。倘已信用減值的金融工具的信貸風險有所下降且金融資產不再需要信用減值,則在決定不再信用減值下一個報告期初,於其賬面總值應用實際利率確認利息收入。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains or losses" line item.

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, other receivables, amount due from an associate, pledged bank deposits, fixed bank deposits and bank balances and contract assets). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類和後續計量(根據附註2之變化採納香港財務報告準則第9號後)(續)

(ii) 按公允價值計入損益之金融資產

凡不符合按攤銷成本計量、按公允價值計入其他全面收入計量或者指定為按公允價值計入其他全面收入計量標準的金融資產，應按公允價值計入損益計量。

按公允價值計入損益之金融資產的公允價值變動收益或虧損於每一個報告日計入損益。計入損益的淨收益或虧損不包含該金融資產的股息或者利息收入並且被計入「其他收益或虧損」項。

金融資產之減值(根據附註2之變化採納香港財務報告準則第9號後)

本集團對香港財務報告準則第9號規定應減值的金融資產(包括應收貨款、其他應收款、應收聯營公司款項、已抵押銀行存款、銀行定期存款及銀行存款和合同資產)確認預期信貸虧損撥備。預期信貸虧損的金額應於每一報告日進行更新，以反映初始計量後信貸風險的變化。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(根據附註2之變化採納香港財務報告準則第9號後) (續)

終身預期信貸虧損指某項工具於其預期壽命內所有可能的違約事件而導致的預期信貸虧損。相比之下，12個月的預期信貸虧損(「**12個月預期信貸虧損**」)指終身預期信貸虧損中，於報告日後的12個月內所有可能的違約事件而導致的預期信貸虧損部分。評估是基於本集團過往的信貸虧損經驗並對其結合債務人的具體情況、總體經濟環境和報告日當前及未來預測狀況進行調整後得出的。

本集團始終對無重大融資成分的應收貨款及合同資產的終身預期信貸虧損進行確認。對於具有重大餘額的應收貨款及合同資產，將共同評估已根據撥備矩陣適當分組的資產。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(根據附註2之變化採納香港財務報告準則第9號後) (續)

對於所有其他工具，除非信貸風險自初始確認後顯著增加，本集團將確認終身預期信貸虧損；否則本集團將按照12個月預期信貸虧損對虧損撥備進行計量。評估是否確認終身預期信貸虧損是基於自初始確認後，違約發生的可能性或風險的增加。

(i) 信貸風險顯著增加

在評估信貸風險是否自初始確認後顯著增加時，本集團比較於報告日的金融工具違約發生的風險和於初始確認日的金融工具違約發生的風險。本集團在評估時需考慮合理的、可靠的定性及定量信息，包括過往經驗和無需過多成本或精力即可獲得的前瞻性信息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(根據附註2之變化採納香港財務報告準則第9號後)(續)

(i) 信貸風險顯著增加(續)

具體而言，評估信貸風險是否顯著增加時考慮了以下信息：

- 金融工具外部(如有)或內部信貸評級實際或預期重大下調；
- 信貸風險的外部市場指標顯著下降，例如信貸息差、賬號債務人信用違約互換價格顯著上漲；
- 預期會導致債務人履行債務義務能力大幅降低的商業、金融或經濟環境現有或預測的不利變化；
- 債務人經營結果實際或預期顯著惡化；
- 預期會導致債務人履行債務義務能力大幅降低的監管、經濟或技術環境現有或預期的不利變化。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(根據附註2之變化 採納香港財務報告準則第9號後) (續)

(i) 信貸風險顯著增加(續)

無論上述評估的結果如何，倘合同規定的付款逾期超過30日，除非本集團有合理的、可靠的信息表明不同的情況，則本集團認為信貸風險自初始確認後有顯著增加。

此外，倘債務工具於報告日被認定為低信貸風險，則本集團假設該債務工具的信貸風險自初始確認後沒有顯著增加。債務工具為低信貸風險倘(i)債務工具具有低違約風險，(ii)借款人於短期內具有履行其合約現金流義務的較強能力，及(iii)經濟和商業環境的不利變化從長期來看可能但未必一定削弱借款人履行其合同現金流義務的能力。當債務工具具有根據世界上公認定義的「投資級別」的內部或外部信貸評級時，本集團認為該債務工具為低信貸風險。

本集團定期檢視用來認定信貸風險是否顯著增加的標準的有效性，並對標準進行適當的修改，以確保其能在金額過期前認定出信貸風險的顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(根據附註2之變化採納香港財務報告準則第9號後) (續)

(ii) 違約的定義

在內部信貸風險管理中，當內部產生的或外部資源獲取的信息顯示債務人無法悉數(不考慮本集團持有之抵押品)償還其包括本集團在內的債權人之債務時，本集團即認為違約事件發生。

無論上述判定結果如何，倘金融資產逾期超過90日，除非本集團有合理的、可靠的信息表明不同的情況，則本集團認為違約發生。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(根據附註2之變化採納香港財務報告準則第9號後) (續)

(iii) 已信用減值之金融資產

當一件或多件對一項金融資產預計未來現金流產生不利影響的違約事件發生時，金融資產即被信用減值。金融資產被信用減值的證據包括下列事件：

- (a) 發行人或債務人出現重大財務困難；
- (b) 違反合同，例如違約或逾期事件；
- (c) 由於經濟或合約等與債務人財務困難有關的原因，債務人的出借方做出讓步，不再考慮該項債務。
- (d) 債權人已出現破產或其他財務重組的可能性；或
- (e) 由於財務困難導致的該金融資產活躍市場的消失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i. e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(根據附註2之變化採納香港財務報告準則第9號後) (續)

(iv) 核銷政策

當有信息表明合同另一方出現嚴重的財務困難並且未來無望恢復時，例如，合同另一方已處於清算階段、已進入破產程序或出現應收貨款逾期3年的情況，以較早出現者為準，本集團對金融資產進行核銷。考慮到本集團的追回程序或酌情根據法律意見，已核銷的金融資產仍可能強制執行。核銷包括終止確認事件。後續追回的金額於損益中確認。

(v) 預期信貸虧損的計量和確認

預期信貸虧損的計量是關於違約的可能性、違約產生的損失(例如倘發生違約所產生的損失幅度)和違約風險暴露的函數。對於違約的可能性和違約產生的損失的評估是基於過往數據並對其結合前瞻性信息進行調整後得到的。預期信貸虧損的估計是以違約發生風險作為權重的無偏見概率加權量。

一般而言，預期信貸虧損是本集團根據合約應付的所有合約現金流與本集團預期收到的所有現金流之間的差額並用初始確認時選定的實際利率對其貼現得到的。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the below basis:

- Nature of financial instruments (i.e. the Group's trade receivables, contract assets and other receivables are each assessed as a separate group. Amount due from an associate is assessed for expected credit losses on an individual basis);
- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(根據附註2之變化採納香港財務報告準則第9號後) (續)

(v) 預期信貸虧損的計量和確認(續)

倘預期信貸虧損被集中計量或有證據表明工具無法個別計量，金融工具可基於以下規則進行分組：

- 金融工具性質(例如，本集團應收貨款、合同資產及其他應收款按組別進行評估。單獨評估應收聯營公司款項的預期信貸虧損。)
- 逾期狀態；以及
- 債務人性質、規模和行業。

管理層定期審閱分組情況以確保每一個組別內的各個組成部分一直具有相同的信用風險特徵。

利息收入是基於金融資產的賬面總額進行計算。倘金融資產已被信用減值，則利息收入將根據金融資產的攤銷成本進行計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(v) Measurement and recognition of ECL (Continued)

Except for investments in debt instruments/receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments/receivables.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(根據附註2之變化採納香港財務報告準則第9號後) (續)

(v) 預期信貸虧損的計量和確認(續)

除按公允價值計入其他全面收入計量的債務工具／應收款項投資，本集團對所有金融工具通過調整其賬面值於損益確認其減值收益或虧損；而其中對於應收貸款、其他應收款和合同資產的調整，將通過虧損撥備項進行。對於按公允價值計入其他全面收入計量的債務工具投資，虧損撥備計入其他全面收入並於公允價值計入其他全面收入儲備中進行累計，而非直接對這些債務工具／應收款項投資的賬面值進行扣減。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

The Group's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, amount due from an associate, pledged bank deposits, fixed bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment loss.

Impairment of loans and receivables (before application of HKFRS 9 on 1 January 2018)

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the loans and receivables have been affected.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類和後續計量(於2018年1月1日採納香港財務報告準則第9號前)

本集團的金融資產分為貸款及應收賬款。上述分類取決於金融資產的性質及用途，乃於初次確認時確定。

貸款及應收款項

貸款及應收款項是指在活躍市場中沒有報價，但有固定或可確定付款金額的非衍生金融資產。於初次確認之後，貸款及應收款項(包括應收貨款、其他應收款、應收聯營公司款項、已抵押銀行存款、銀行定期存款以及銀行存款)均採用實際利率法計算按攤銷成本減任何已識別減值虧損入賬。

貸款及應收款項之減值(於2018年1月1日採納香港財務報告準則第9號前)

貸款及應收款項於各報告期末評估是否有減值跡象。當有客觀證據顯示，由於該金融資產初始確認後發生的一項或多項事項，使貸款及應收款項的預計未來現金流量受到影響時，即視該貸款及應收款項出現減值。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of loans and receivables (before application of HKFRS 9 on 1 January 2018) (Continued)

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised are the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項之減值(於2018年1月1日採納香港財務報告準則第9號前)(續)

減值的客觀證據可包括：

- 發行人或交易對手出現重大財政困難；或
- 違反合約，如拖欠或無法支付利息或本金；或
- 借款人有可能破產或進行財務重組。

就若干類別的貸款及應收款項(例如應收貨款)而言，被評定為不作單獨減值的資產將另行按合並基準評估減值。應收款項組合的客觀減值證據可包括本集團的過往收款經驗、組合用超過平均信貸期的延期付款數目增加、與應收款項違約相關的全國或地區經濟情況的可觀察變化。

所確認的減值虧損金額為資產賬面值與預計未來現金流量現值(按該金融資產的初始實際利率貼現)的差額。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of loans and receivables (before application of HKFRS 9 on 1 January 2018) (Continued)

The carrying amount of the loans and receivables are reduced by the impairment loss directly with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項之減值(於2018年1月1日採納香港財務報告準則第9號前)(續)

貸款及應收款項的賬面值會直接扣減其減值虧損，惟應收貨款除外，其賬面值乃透過使用撥備科目扣減。撥備賬的賬面值變動於損益確認。倘一項應收貨被視作無法收回，則會與撥備賬撤銷。其後若收回過往撤銷的款項，則計入損益中。

倘減值虧損金額於往後期間減少，而該減少可客觀地與確認減值虧損後發生的事件有關，則先前確認的減值虧損透過損益撥回，惟該資產於撥回減值日期的賬面值不得超過在並無確認減值的情況下應有的攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of the Company's own equity instruments.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之終止確認

僅當從資產收取現金流量的合約權利已到期，或已將金融資產以及資產所有權的絕大部分風險及回報轉移予其他實體時，本集團方會終止確認金融資產。倘本集團既未轉移也未保留所有權的絕大部分風險及回報，卻繼續控制被轉移資產，本集團確認保留權益及相應應付金額作為負債。倘本集團保留被轉移金融資產所有權的絕大部分風險及回報，則本集團繼續確認該金融資產且同時於已收金額中確認抵押借款。

終止確認以攤銷成本計量之金融資產時，其賬面值與已收或應收代價的差額於損益確認。

債務或權益之分類

根據合約協議的實質內容和金融負債及權益工具的定義，集團實體發行的債務及權益工具被分類為金融負債或權益。

金融負債及權益工具

股本工具

股本工具為證明扣除所有負債後仍持有某實體資產剩餘權益之任何合約。本公司發行的股本工具按收取的所得款項減直接發行成本入賬。

回購本公司自身之權益工具時，直接從權益中扣除。購買、出售、發行或取消本公司自身之權益工具時皆不會確認任何當期損益。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

Financial liabilities including trade and bills payables and other payables are subsequently measured at amortised cost, using the effective interest method.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

以攤銷成本計量之金融負債

金融負債包括應付貨款、應付票據及其他應付款項，其後續採用實際利率法按攤銷成本計量。

稅項

所得稅開支指即期應付稅項及遞延項的總和。

即期應付稅項乃根據年度的應課稅利潤計算。應課稅利潤與綜合損益及其他全面收入表呈報的除稅前利潤不同，原因是其並無計入其他期間的應課稅或可扣稅的收支項目。本集團即期稅項負債乃使用報告期末已頒行或實際上已頒行的稅率計算。

遞延稅項按綜合財務報表所列資產負債的賬面值與用以計算應課稅利潤的相應稅基之間的暫時性差異確認。一般會就所有的應課稅暫時性差異確認遞延稅項負債。一般會就所有可扣稅暫時性差異確認遞延稅項資產，惟以將來很可能有應課稅利潤可用以對銷該等可扣稅暫時性差異為限。倘暫時性差異乃因首次確認一項交易中不影響應課稅利潤或會計利潤的資產及負債而產生，則不會確認有關資產及負債。倘暫時性差異是由於商譽的初始確認，則不會確認遞延稅項負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

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

3. 主要會計政策(續)

稅項(續)

與在附屬公司和關營公司投資相關的應課稅暫時性差異確認為遞延稅項負債，但若本集團可控制該暫時性差異的撥回，且該暫時性差異不大可能在可見將來撥回的除外。對於與有關投資和權益相關的應課稅暫時性差異所產生的遞延稅項資產，僅會於有可能取得足夠的應課稅利潤用作抵銷暫時性稅務利益，且該等暫時性差異預期會在可見將來撥回時方予確認。

於報告期末會審閱遞延稅項資產的賬面值，並在不再可能有足夠應課稅利潤可收回全部或部分遞延稅項資產時，相應扣減該賬面值。

遞延稅項資產及負債乃根據報告期末已頒行或實際上已頒行的稅率(及稅法)計量，按預期於清還負債或變現資產期間的稅率。

遞延稅項負債及資產的計量反映以本集團於往績記錄期間各期間結束時預期收回或清償其資產負債賬面值的所引致的稅務後果。

當具有法律上可執行以即期稅項資產抵消即期稅項負債的權利，且當相關所得稅由相同稅務機關徵收，同時本集團傾向以淨額為基礎結算即期稅項資產和即期稅項負債時，遞延稅項資產及負債可相互抵消。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

3. 主要會計政策(續)

稅項(續)

除非與當期及遞延稅項相關的項目於其他全面收入表或於權益中確認，即當期及遞延稅項亦於其他全面收入表或於權益中確認，否則將在損益中確認當期及遞延稅項。倘即期稅項或遞延稅項是由業務合併之初始會計處理時產生的，則稅務影響計入業務合併之會計處理中。

以股份為基礎的支付

以權益結算的股份支付交易

授予僱員之購股權

授予僱員及其他提供相似服務人員的以權益結算的股份支付按授出日的公允價值計量。

未考慮非市場歸屬條件的以股份為基礎的權益結算的公允價值按本集團對最終歸屬的估計於歸屬期間內按直線法攤銷，同時相應地增加所有者權益(購股權儲備)。於每個報告期末，本集團根據所有相關非市場歸屬條件的評估以修訂其對於最終歸屬的估計。對於最初估計修訂所帶來的影響，如有，將按總費用能反映修訂後的估計為原則確認為損益，同時相應地調整購股權儲備。如購股權於授出當天即可歸屬，其公允價值應確認為當期損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to employees (Continued)

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits. Any excess of the amount received upon exercise of the options over the price paid by the employee share trust to purchase the shares initially is accounted for directly in equity, for example in retained profits or another part of equity specified by local law and regulations.

Share award scheme

For share award schemes, the fair value of services received, determined by reference to the fair value of awarded shares granted at the grant date, is expensed on a straight-line basis over the vesting period, with a corresponding increase in shares award reserve. The cost of acquisition of the Company's share held for the share award scheme is recorded as treasury shares (shares held for share award scheme). At the time when the awarded shares are vested, any differences between the amount previously recognised in shares award reserve and the relevant amount of the shares held under shares award scheme reserve will be changed/credited to retained profits.

At the end of each reporting period, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to the shares award reserve.

3. 主要會計政策(續)

以股份為基礎的支付(續)

以權益結算的股份支付交易(續)

授予僱員之購股權(續)

當購股權獲行使時，早前於購股權儲備確認之數額將轉撥至股本。倘購股權於歸屬日期遭沒收或於屆滿日期仍未行使，早前於購股權儲備確認之數額將轉撥至未分配利潤。購股權獲行使時收到的金額超出員工股份信託初始購買股份時支付的價格的金額，直接計入權益，例如未分配利潤或其他由當地法律法規規定的權益部分。

股份獎勵計劃

在股份獎勵計劃中，提供服務的公允價值是根據獎勵股份在授予當天之公允價值來釐定，其相關費用會在歸屬期間以直線法攤銷，而股份獎勵計劃儲備亦作出相應增加。收購公司股票以作股份獎勵的成本會確認為庫存股(就股份獎勵計劃持有之股份)。在授予股份的歸屬期間，之前確認在股份獎勵計劃儲備的金額與股份獎勵計劃儲備持有股份的有關金額的差異，於未分配利潤中扣除/增加。

於每個報告期間末，本集團修訂預期最終歸屬的獎勵股份估計數目。歸屬期間經修訂後的影響需在損益賬確認，並於股份獎勵計劃儲備中作相對應的調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Share award scheme (Continued)

Tax laws or regulations may oblige an entity to withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount, normally in cash, to the tax authority on the employee's behalf. To fulfil this obligation, the terms of the share-based payment arrangement may permit or require the Group to withhold the number of equity instruments equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon exercise (or vesting) of the share-based payment (i.e. the share-based payment arrangement has a "**net settlement feature**").

The Group accounts for the withholding of shares to fund the payment to the tax authority in respect of the employee's tax obligation associated with the share-based payment as repurchase of vested equity instruments, therefore, the payment made shall be accounted for as a deduction from equity for the shares withheld, except to the extent that the payment exceeds the fair value at the net settlement date of the equity instruments withheld.

3. 主要會計政策(續)

以股份為基礎的支付(續)

以權益結算的股份支付交易(續)

股份獎勵計劃(續)

稅務法律法規可能要求實體保留一部分與以股份為基礎的支付相關的權益工具，作為僱員的納稅義務，並將該部分一般以現金形式代表僱員轉交稅務部門。為履行該義務，以股份為基礎的支付安排條款可能允許或要求本集團從全部以股份支付的權益工具中保留一部分本應於行權或歸屬後發放給僱員的權益工具。且保留的該部分權益工具應等值於因該股份支付交易而產生的僱員納稅義務的貨幣價值。即，以股份為基礎的支付交易安排具有「淨額結算特徵」。

本集團通過回購已歸屬的權益工具，已保留上述權益工具作為支付與股份支付交易相關的僱員納稅義務的資金。因此，該稅項的支付應被作為權益的扣減，除非於淨額結算日，該支付額超過已保留權益工具的公允價值。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 to the consolidated financial statements, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Estimated allowance for inventories

The Group carries out inventory review at the end of each reporting period and provides allowance for inventories.

The directors of the Company reviews the inventory aging analysis at the end of each reporting period and identifies the inventories that are no longer suitable for use in production or sales. The directors of the Company estimate the allowance for inventories based on aging of inventories, technology changes and current market demand. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a further impairment loss may arise. As at 31 December 2018, the carrying amounts of inventories of the Group were RMB211,952,000 (net of allowance of RMB53,837,000) (2017: carrying amount of RMB207,609,000, net of allowance of RMB50,950,000).

4. 估計不明朗因素之主要來源

本集團董事在應用綜合財務報表附註3中描述的會計政策時，需要對未能明顯地從其他資料來源取得有關資產和負債的賬面值進行判斷、估計和假設。估計和相關假設建立在歷史經驗和其他應考慮因素的基礎上。實際結果可能與上述估計結果不同。

持續審閱估計和相關假設。倘會計估計的修訂只影響修訂當期，則於修訂當期確認；倘對修訂當期及未來期間均產生影響，則於修訂當期及未來期間確認。

估計不明朗因素之主要來源

以下為於報告期末，關於未來和其他估計不明朗因素之主要來源的關鍵性假設。這些未來因素及來源可能具有導致資產和負債的賬面值於下一財年進行重大調整的顯著風險。

存貨撥備估計

集團在每一個報告期末對存貨進行審閱並對呆滯和陳舊存貨作出撥備。

公司董事在每一個報告期末審閱存貨賬齡分析並辨別呆滯存貨及不再適用於生產及銷售的陳舊存貨。公司董事根據存貨帳齡，技術更新及當前市場需求對存貨撥備進行估計。當未來現金流量小於期望值，或由於實際情況和環境的變更被修正降低，則可能需要作出進一步的撥備。截至2018年12月31日，集團存貨賬面值為人民幣211,952,000元(已扣除撥備人民幣53,837,000元)(2017：帳面值人民幣207,609,000元，已扣除撥備人民幣50,950,000元)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment and provision of ECL for trade receivables and contract assets

At 31 December 2017, the directors of the Company review the aging analysis of trade receivables at the end of the reporting period and identify the long-aged receivables that are no longer probably to be recovered in the future. The Group considers the aging of trade receivables, credit portfolio of the debtors, default or significant delay on payments and makes necessary allowance for doubtful debt where appropriate. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a further impairment loss may arise.

At 31 December 2018, the Group uses provision matrix to calculate ECL for the trade receivables and contract assets. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

4. 估計不明朗因素之主要來源(續)

應收貨款及合同資產減值估計及預期信貸虧損撥備估計

於2017年12月31日，本公司董事於報告期末審閱應收貨款的賬齡分析並識別將來可能無法被收回的長賬齡的應收貨款。本集團考量應收貨款的賬齡、債務人的信用組合，過去拖欠或嚴重逾期的支付，並在恰當的時候對可疑債務作出必要的撥備。當未來的現金流量小於期望值，或由於實際情況和環境的變更被修正降低，則可能需要作出進一步的撥備。

於2018年12月31日，本集團利用撥備矩陣計算應收貨款和合同資產的預期信貸虧損。撥備率基於將具有相似虧損模式的債務人分組後的內部信用評級。撥備矩陣基於根據無需過多成本或精力即可獲得的具有前瞻性的合理及可靠的信息而得出的本集團歷史違約率。於每個報告日，結合前瞻性信息的變化，重新評估已觀測的歷史違約率。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment and provision of ECL for trade receivables and contract assets (Continued)

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in note 20 and note 21 respectively.

As at 31 December 2018, the carrying amounts of trade receivables from goods and services were RMB413,840,000 (net of allowance for doubtful debt of RMB7,595,000) (2017: carrying amounts of RMB401,079,000 net of allowance for doubtful debt of RMB7,254,000). As at 31 December 2018, the carrying amounts of contract assets were RMB13,564,000 and no allowance for doubtful debt was made.

4. 估計不明朗因素之主要來源(續)

應收貨款及合同資產減值估計及預期信貸虧損撥備估計(續)

預期信貸虧損撥備敏感於估計的變化。關於預期信貸虧損和本集團應收貨款及合同資產的信息分別於附註20及附註21披露。

於2018年12月31日，來自貨物及服務的應收貨款的賬面值為人民幣413,840,000元(已扣除金額為人民幣7,595,000元的呆賬撥備)(2017年賬面值為人民幣401,079,000元，已扣除金額為人民幣7,254,000元的呆賬撥備)。於2018年12月31日，合同資產賬面值為人民幣13,564,000，未計提呆賬撥備。

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5. TURNOVER AND SEGMENT INFORMATION

5. 營業額及分部資料

For the year ended 31 December 2018

於截至2018年12月31日止之年度

Disaggregation of revenue from contracts with customers

與客戶合約之收入拆分

		Embedded software and secure payment products 嵌入式軟件和安全支付產品 RMB'000 人民幣千元	Platform and service 平台及服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Types of goods	貨物種類			
Embedded software and secure payment products	嵌入式軟件和安全支付產品	1,110,420	–	1,110,420
Data processing	數據處理	–	157,268	157,268
Equipment	設備	–	143,439	143,439
Total	總計	1,110,420	300,707	1,411,127
Timing of revenue recognition	收入確認時間			
A point in time	於某一時點	1,110,420	300,707	1,411,127
Geographical markets	地區市場			
Overseas and the special administrative regions of Hong Kong (“Hong Kong”) and Macao (“Macao”)	海外及香港特別行政區(「香港」)和澳門特別行政區(「澳門」)	67,051	15,142	82,193
Mainland China	中國內地	1,043,369	285,565	1,328,934
Total	總計	1,110,420	300,707	1,411,127

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

5. TURNOVER AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers (Continued)

For embedded software and secure payment products, data processing and equipment, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the designated location (delivery). The normal credit period is 30 to 150 days upon delivery. A contract liability is recognised for sales in which revenue has yet been recognised. Sales-related warranties associated with the goods cannot be purchased separately and they serve as an assurance that the goods sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37 *Provision, Contingent Liabilities and Contingent Assets* consistent with its previous accounting treatment.

The contracts for embedded software and secure payment products, data processing and equipment are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information has been identified on the basis of internal management reports which are reviewed by the Chairman of the Company, being the chief operating decision maker, in order to allocate resources to the operating and reportable segments and to assess their performance.

5. 營業額及分部資料(續)

與客戶合約之收入拆分(續)

對於嵌入式軟件和安全支付產品、數據處理和設備，當貨物的控制權被轉移時，即當該貨物被運送至指定地點(送達)時，收入被確認。一般信貸期為自送達之日起30至150日。在收入確認後，合同負債將轉為銷售。與銷售貨物相關的質保金不能被單獨購買，且應作為售出商品符合已商定要求的保證。同之前的會計處理方式一樣，本集團對質保金的會計處理乃根據香港會計準則第37號撥備、或有負債及或有資產之要求。

嵌入式軟件和安全支付產品、數據處理和設備的合同期限為一年或少於一年。根據香港財務報告準則第15號，未披露分配至這些未完成合同的交易價格。

分部資料以公司內部管理報告為基礎而確立，此內部管理報告經由公司經營決策者—本公司主席審閱，以用於分配經營所需資源和評估各分部表現。

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5. TURNOVER AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers (Continued)

The Group's operating and reportable segments under HKFRS 8 are as follows:

Embedded software and secure payment products	-	Embedded software and secure payment products for smart secure payment
Platform and service	-	Provision of data processing, equipment, system platforms and other total solutions for customers in a wide business range including financial, government, healthcare, transportation and retails by leveraging innovative Fintech

Each operating and reportable segment derives its turnover from the sales of products. They are managed separately because each product requires different production and marketing strategies. For segment reporting, these individual operating segments have been aggregated into a single reportable segment due to similar nature of the products.

Segments results represent the gross profit earned by each segment.

5. 營業額及分部資料(續)

與客戶合約之收入拆分(續)

根據香港財務報告準則第8號，本集團經營及可報告分部如下：

嵌入式軟件和安全支付產品	-	智能安全支付領域的嵌入式軟件和安全支付產品
平台及服務	-	融合創新金融科技，為金融、政府、衛生、交通、零售等廣泛領域客戶提供數據處理、設備、系統平台及其他整體解決方案

各經營及可報告分部通過銷售產品取得其營業額。因為不同產品需要不同的生產及市場營銷策略，各分部實行單獨管理。出於分部匯報之目的，相似性質的產品的分部已合併作為一個分部。

分部業績指各分部所取得的毛利。

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5. TURNOVER AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by reportable segment recognised in a point in time:

5. 營業額及分部資料(續)

以下為本集團按可報告分部於某一時點確認的營業額及業績之分析：

		Turnover		Results	
		營業額	業績	營業額	業績
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Sales to external parties of	向外部客戶之銷售				
— embedded software and	— 嵌入式軟件和				
secure payment products	安全支付產品	1,110,420	1,149,968	271,549	312,315
— platform and service	— 平台及服務	300,707	250,874	118,582	104,866
		1,411,127	1,400,842	390,131	417,181
Research and development costs	研發成本			(113,854)	(109,053)
Other operating expenses	其他運營費用			(143,509)	(141,638)
Other income, gains or losses	其他收入、 收益或虧損			53,549	51,070
Interest income	利息收入			28,061	23,374
Operating profit	經營利潤			214,378	240,934
Investment income from financial assets at FVTPL	按公允價值計入損益之金融資產投資收入			9,034	3,815
Net exchange gain (loss)	匯兌收益(損失)淨值			23,117	(49,815)
Share of losses of associates	應佔聯營公司虧損			(284)	(5,554)
Reversal of impairment loss on trade receivables	撥回應收貨款減值虧損			208	9,384
Impairment loss on amount due from an associate	應收聯營公司款項之減值虧損			(11,460)	—
Impairment loss on interest in an associate	於聯營公司之權益之減值虧損			(27,191)	—
Profit before taxation	稅前利潤			207,802	198,764

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5. TURNOVER AND SEGMENT INFORMATION (Continued)

The management of the Company makes decisions according to the operating results of each segment. No information of segment assets and liabilities is available for the assessment of performance of different business activities. Therefore, no information about segment assets and liabilities are presented.

Other information

Turnover from external customers attributed to the Group by location of the operations of the customers is presented as follows:

5. 營業額及分部資料(續)

本公司管理層根據各分部經營業績作出決策。概無分部資產或負債資料可用以評估不同業務活動的表現。因此，並無呈報分部資產及負債資料。

其他資料

本集團源自外部客戶的營業額按客戶的經營所在地劃分呈列如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Turnover	營業額		
— Mainland China	— 中國內地	1,328,934	1,312,173
— Overseas, Hong Kong and Macao	— 海外、香港和澳門	82,193	88,669
		1,411,127	1,400,842

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5. TURNOVER AND SEGMENT INFORMATION (Continued)

Other information (Continued)

Information about the Group's non-current assets except for financial instruments and deferred tax assets by location of assets is presented as below:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Hong Kong	香港	171,587	179,342
Mainland China	中國內地	197,689	221,060
		369,276	400,402

Information about major customer

For the year ended 31 December 2018, there was one customer with turnover of RMB152,019,000 in aggregate (2017: same customer with turnover of RMB151,473,000 in aggregate) from the segments of both embedded software and secure payment products and platform and service which accounted for more than 10% of the Group's total turnover.

6. OTHER INCOME

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Government grants	政府補貼	31,091	23,304
Interest income	利息收入	28,061	23,374
Investment income from financial assets at FVTPL	按公允價值計入損益之 金融資產投資收入	9,034	3,815
Value-added tax refund	增值稅退稅	18,987	24,905
Others	其他	916	2,876
		88,089	78,274

5. 營業額及分部資料(續)

其他資料(續)

本集團除金融工具及遞延稅項資產以外之所有非流動資產按所在地劃分呈現如下：

有關主要客戶的資料

截至2018年12月31日止之年度，於嵌入式軟件和安全支付產品和平台及服務分部有一名客戶的營業額總計為人民幣152,019,000元(2017年：同一名客戶的營業額總計為人民幣151,473,000元)，佔本集團總營業額的10%以上。

6. 其他收入

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7. OTHER GAINS OR LOSSES

7. 其他收益或虧損

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Net exchange gain (loss)	匯兌收益(損失)淨值	23,117	(49,815)
Gain on fair value changes of financial assets at FVTPL	按公允價值計入損益之金融資產之公允價值變動收益	2,649	—
Loss on disposal of property, plant and equipment	處置物業、廠房及設備虧損	(94)	(15)
		25,672	(49,830)

8. PROFIT BEFORE TAXATION

8. 稅前利潤

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Profit before taxation has been arrived at after charging:	稅前利潤已扣除：		
Directors' emoluments (note 9)	董事酬金(附註9)	17,399	20,672
Other staff costs	其他僱員酬金	197,650	167,468
Other staff's equity-settled share-based payments	其他僱員以權益結算的股份支付	6,896	11,329
Other staff's retirement benefits scheme contributions	其他僱員退休福利計劃供款	6,879	5,903
		228,824	205,372
Allowance for inventories included in cost of sales	計入銷售成本的存貨撥備	2,887	4,925
Amortisation of intangible assets	無形資產攤銷	2,290	2,290
Auditor's remuneration	核數師酬金	1,608	1,508
Depreciation of property, plant and equipment	物業、廠房及設備折舊	43,916	44,475
Operating lease rentals in respect of	經營租賃租金		
— land use rights	— 土地使用權	459	624
— office premises	— 辦公室	7,567	7,685
— machinery	— 機器	2,041	—
Cost of inventories recognised as expense	確認為開支之存貨成本	833,630	810,877

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9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

9. 董事、首席執行官與五位最高薪酬僱員酬金

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Directors' fees	董事費	733	676
Other emoluments to executive directors	其他予執行董事的酬金		
— basic salaries and allowances	— 基本薪金與津貼	8,385	8,445
— bonus	— 分紅	5,016	5,629
— retirement benefits scheme contributions	— 退休福利計劃供款	85	88
— equity-settled share-based payments	— 以權益結算的股份支付	3,180	5,834
		17,399	20,672

The bonus of the directors was determined with reference to the Group's performance, individual performances and comparable market statistics.

Mr. Hou Ping is also the chief executive ("the Chief Executive") of the Company and his emoluments disclosed below include those for services rendered by him as the Chief Executive.

董事會分紅依照本集團業績、個人表現以及可比的市場統計資料釐定。

侯平先生也是本公司首席執行官，他的酬金在下表披露，包括由其擔任首席執行官所提供服務的酬金。

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9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

Directors' and chief executive's emoluments for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance is as follows:

9. 董事、首席執行官與五位最高薪酬僱員酬金(續)

根據適用之上市規則及公司條例所披露之董事及首席執行官本年度之酬金如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
A) EXECUTIVE DIRECTORS			
	執行董事		
Mr. Lu Run Ting	盧潤霆先生		
— basic salaries and allowances	— 基本薪金和津貼	3,578	3,617
— bonus	— 分紅	2,292	2,574
— retirement benefits scheme contributions	— 退休福利計劃供款	15	16
— equity-settled share-based payments	— 以權益結算的股份支付	277	669
		6,162	6,876
Mr. Lu Runyi	盧潤怡先生		
— basic salaries and allowances	— 基本薪金和津貼	1,059	1,071
— bonus	— 分紅	557	625
— retirement benefits scheme contributions	— 退休福利計劃供款	15	16
— equity-settled share-based payments	— 以權益結算的股份支付	754	1,373
		2,385	3,085
Mr. Hou Ping	侯平先生		
— basic salaries and allowances	— 基本薪金和津貼	2,352	2,377
— bonus	— 分紅	1,834	2,059
— retirement benefits scheme contributions	— 退休福利計劃供款	15	16
— equity-settled share-based payments	— 以權益結算的股份支付	1,017	1,787
		5,218	6,239

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9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

9. 董事、首席執行官與五位最高薪酬僱員酬金(續)

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
A) EXECUTIVE DIRECTORS (Continued)			
Mr. Lu Xiaozhong	執行董事(續) 盧小忠先生		
— basic salaries and allowances	— 基本薪金和津貼	770	767
— bonus	— 分紅	63	71
— retirement benefits scheme contributions	— 退休福利計劃供款	20	20
— equity-settled share-based payments	— 以權益結算的股份支付	453	813
		1,306	1,671
Mr. Wu Siqiang (Note)	吳思強先生(附註)		
— basic salaries and allowances	— 基本薪金和津貼	626	613
— bonus	— 分紅	270	300
— retirement benefits scheme contributions	— 退休福利計劃供款	20	20
— equity-settled share-based payments	— 以權益結算的股份支付	679	1,192
		1,595	2,125
		16,666	19,996

Note: Mr. Wu Siqiang was appointed as executive director on 18 May 2017.

附註：吳思強先生於2017年5月18日獲委任為執行董事。

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上述執行董事之酬金為其管理本公司及本集團事務之服務費。

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
B) NON-EXECUTIVE DIRECTOR			
Mr. Ling Wai Lim	非執行董事 盧威廉先生		
— directors' fees	— 袍金	169	106
		169	106

The non-executive director's emolument shown above was for his services as director of the Company.

上述非執行董事之袍金主要為其作為本公司董事之服務費。

Mr. Ling Wai Lim was re-designed from non-executive Director to executive Director with effect from 15 March 2019.

盧威廉先生於2019年3月15日由非執行董事調任為執行董事。

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9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

9. 董事、首席執行官與五位最高薪酬僱員酬金(續)

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
C) INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事			
Mr. Ye Lu — directors' fees	葉淥女士 — 袍金	169	106
Mr. Mak Wing Sum Alvin — directors' fees	麥永森先生 — 袍金	226	228
Mr. Zhu Lijun (resigned on 18 May 2017) — directors' fees	朱立軍先生 (於2017年5月18日辭任) — 袍金	-	65
Mr. Liu John Jianhua — directors' fees	劉建華先生 — 袍金	169	171
Total	小計	564	570

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

上述獨立非執行董事之袍金主要為其作為本公司董事之服務費。

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9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

The five highest paid individuals for the year ended 31 December 2018 included three (2017: three) directors of the Company, details of whose emoluments are set out above. The remuneration of the remaining highest paid individuals who are neither a director nor Chief Executive of the Company during the year were as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Employees	僱員		
— basic salaries and allowances	— 基本薪金和津貼	2,375	2,393
— bonus	— 分紅	909	990
— retirement benefits scheme contributions	— 退休福利計劃供款	63	63
— equity-settled share-based payments	— 以權益結算的股份支付	1,133	1,975
		4,480	5,421

The number of the highest paid employees who are not the directors of the Company whose fell within the following bands is as follows:

		Number of employees 僱員人數	
		2018	2017
HKD2,500,001 to HKD3,000,000	2,500,001港幣至3,000,000港幣	2	—
HKD3,000,001 to HKD3,500,000	3,000,001港幣至3,500,000港幣	—	2

During the year, no emoluments were paid by the Group to the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director or the Chief Executive waived or agreed to waive any emoluments during the year.

9. 董事、首席執行官與五位最高薪酬僱員酬金(續)

於截至2018年12月31日之年度五位最高薪酬人士包括三位(2017年：三位)董事，其酬金詳情載於上表。除董事及首席執行官外，本年度餘下的最高薪酬人士的酬金如下：

除董事以外最高薪酬人士的人數在下表範圍內：

於本年度內，本集團沒有向董事或五名薪酬最高人士(包括董事及僱員)支付任何額外的酬金作為吸引其加入本集團的報酬或失去職位的補償。概無董事或首席執行官於年內放棄或同意放棄任何酬金。

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10. TAXATION

10. 稅項

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
The (charge) credit comprises:	(支出)沖回包括：		
Mainland China Enterprise Income Tax ("EIT")	中國內地企業所得稅 ("企業所得稅")	(21,497)	(31,180)
Underprovision of EIT in prior years	過往年度企業所得稅 計提不足	(2,332)	(1,906)
		(23,829)	(33,086)
Hong Kong Profits Tax	香港利得稅	(3,257)	(405)
Overprovision of Hong Kong Profits Tax in prior year	過往年度利得稅多提	82	234
		(27,004)	(33,257)
Deferred taxation (note 29)	遞延稅項(附註29)		
Current tax	本年計提	(6,150)	(10,429)
Underprovision in prior years	過往年度計提不足	—	9,399
		(6,150)	(1,030)
		(33,154)	(34,287)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HKD2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

香港立法會於2018年3月21日通過了《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)。該條例草案引入利得稅兩級制，已於2018年3月28日簽署成為法律並於翌日刊憲。在利得稅兩級制下，對於符合資格的集團實體首200萬港幣利潤的利得稅率為8.25%，超過200萬港幣利潤的部分的利得稅率為16.5%。無資格應用利得稅兩級制的集團實體則繼續統一以16.5%為利得稅率。

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10. TAXATION (Continued)

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Accordingly, starting from the current year, the Hong Kong Profits Tax is calculated at 8.25% on the first HKD2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HKD2 million.

The EIT is calculated at the applicable rates in accordance with the relevant laws and regulations in the Mainland China.

The Company's subsidiaries in the Mainland China are subject to EIT at 25% except that Goldpac Limited is approved for 3 years as enterprise satisfied as a High-New Technology Enterprise and entitles the preferential tax rate of 15% in 2017, 2018 and 2019.

According to a joint circular of Ministry of Finance and the State Administration of Taxation, Cai Shui (2008) No. 1, only the profits earned by Goldpac Limited prior to 1 January 2008, when distributed to foreign investors, can be grandfathered with the exemption from withholding tax. Whereas, pursuant to Articles 3 and 27 of the EIT Law and Article 91 of its Implementation Rules, dividend distributed out of the profit generated thereafter, shall be subject to EIT at 10% or reduced tax rate if tax treaty or arrangement applies. Under the relevant tax arrangement, withholding tax rate on dividend distribution to the qualifying Hong Kong resident companies is 5%. Deferred tax liability on the undistributed profits earned since 1 January 2008 have been accrued at the tax rate of 5%.

10. 稅項(續)

本公司董事認為執行利得稅兩級制涉及的金額在綜合財務報表中並不重大。相應地，由本年度開始，首200萬港幣估計應課稅利潤的香港利得稅應用8.25%計算，超過200萬港幣部分的香港利得稅則應用16.5%計算。

企業所得稅根據中國內地有關法律法規按適用的稅率計算。

本公司的中國內地的附屬公司按25%的稅率繳納企業所得稅，惟金邦達有限公司已被認定為高新技術企業，並可於2017年、2018年及2019年享受15%的優惠稅率。

根據財政部及國家稅務總局財稅(2008)第1號聯合通知，於向境外投資者作出分派時，只有金邦達有限公司於2008年1月1日之前賺取的利潤可免繳預扣稅。然而，根據企業所得稅法第3條及27條及其實施細則第91條規定，以其後產生的利潤分派股息時，須按10%或(倘稅收協定或安排適用)較低的稅率繳納企業所得稅。根據相關稅收安排，分配予合資格香港居民公司股息的預扣稅率為5%。自2008年1月1日起賺取的未分配利潤遞延稅項責任已按5%的稅率計提。

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10. TAXATION (Continued)

10. 稅項(續)

Tax charge for the year is reconciled to profit before taxation as follows:

年度稅項支出與稅前利潤的對賬如下：

		2018		2017	
		RMB'000	%	RMB'000	%
		人民幣千元		人民幣千元	
Profit before taxation	除稅前利潤	207,802		198,764	
Tax at the applicable income tax rate (Note)	按適用所得稅率計算的稅項(附註)	(51,951)	(25.0)	(49,691)	(25.0)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	(12,965)	(6.2)	(17,905)	(9.0)
Tax effect of income not taxable for tax purpose	毋需扣稅收入的稅務影響	13,457	6.5	3,787	1.9
Utilisation of tax losses previously not recognised	使用未確認之稅務虧損	—	—	1,248	0.6
Tax effect of tax concession	稅項優惠的稅務影響	25,659	12.3	31,193	15.7
Tax effect of different tax rate of subsidiaries operating in other tax jurisdiction	在其他稅務司法轄區經營的附屬公司的不同稅率的稅務影響	1,024	0.5	503	0.2
Tax effect of share of losses of associates	應佔聯營公司虧損之稅務影響	(71)	(0.1)	(1,389)	(0.7)
Mainland China withholding tax on undistributed earnings	未分配利潤的中國內地預扣稅	(6,524)	(3.1)	(9,760)	(4.9)
(Under) overprovision in prior years	過往年度企業所得稅撥備(不足)多提	(2,250)	(1.1)	7,727	3.9
Tax effect of tax losses not recognised	未確認之稅務虧損的影響	467	0.2	—	—
Tax charge and effective tax rate for the year	年度的稅項支出及實際稅率	(33,154)	(16.0)	(34,287)	(17.3)

Note: The rate applied is the applicable tax rate in the Mainland China where the operation of the Group is substantially based.

附註：所用稅率為本集團實質運營地中國內地的適用稅率。

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11. DIVIDENDS

11. 股息

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
2018 Interim - HK4.0 cents per ordinary share (declared on 17 August 2018 and based on 833,561,000 shares)	2018年年度中期－每股普通股港幣4.0仙 (於2018年8月17日宣派，基於833,561,000股)		
2017 Interim - HK4.0 cents per ordinary share (declared on 17 August 2017 and based on 833,561,000 shares)	2017年年度中期－每股普通股港幣4.0仙 (於2017年8月17日宣派，基於833,561,000股)	28,954	28,105
2017 Final - HK10.0 cents per ordinary share (declared on 16 March 2018 and based on 833,561,000 shares)	2017年年度末期－每股普通股港幣10.0仙 (於2018年3月16日宣派，基於833,561,000股)		
2016 Final - HK7.0 cents per ordinary share (declared on 21 March 2017 and based on 833,561,000 shares)	2016年年度末期－每股普通股港幣7.0仙 (於2017年3月21日宣派，基於833,561,000股)	68,060	51,353
2017 Special - HK6.0 cents per ordinary share (declared on 16 March 2018 and based on 833,561,000 shares)	2017年年度特別股息－每股普通股港幣6.0仙 (於2018年3月16日宣派，基於833,561,000股)		
2016 Special - HK6.0 cents per ordinary share (declared on 21 March 2017 and based on 833,561,000 shares)	2016年年度特別股息－每股普通股港幣6.0仙 (於2017年3月21日宣派，基於833,561,000股)	40,836	44,017
		137,850	123,475

Subsequent to the end of the reporting period, a final dividend of HK10.0 cents (2017: HK10.0 cents) and a special dividend of HK6.0 cents (2017: HK6.0 cents) per ordinary share in respect of the year ended 31 December 2018 have been proposed by the Board of Directors and is subject to approval by the shareholders of the Company at the forthcoming annual general meeting.

報告期末後，董事會建議就截至2018年12月31日止之年度派發末期股息每股普通股港幣10.0仙(2017年為港幣10.0仙)，以及特別股息每股普通股港幣6.0仙(2017年為港幣6.0仙)，且須獲得在即將舉行的股東周年大會上本公司股東之批准。

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12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Earnings	盈利		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	計算每股基本盈利所採用的盈利(本公司擁有人應佔年度利潤)	175,187	164,477
		'000 千股	'000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note)	計算每股基本盈利所採用的加權平均股數(附註)	826,134	822,949

Note: The weighted average number of ordinary shares adopted in the calculation of basic and diluted earnings per share for both years has been arrived at after deducting the shares held in trust for the Company by an independent trustee under the share award scheme of the Company.

The computation of diluted earnings per share does not assume the exercise of the Company's Pre-IPO Share Option Scheme (as defined in note 31(a)) and share awards because the exercise prices of those options and the option under fair value of those share awards were both higher than the average market price for shares for both 2018 and 2017.

12. 每股盈利

歸屬於本公司擁有人的每股基本及攤薄盈利乃根據以下數據計算：

附註：計算兩年每股基本及攤薄盈利加權平均普通股數時，均已扣除股份獎勵計劃項目下的由獨立信託公司代本公司持有的股份。

因首次公開發售前購股權計劃(定義見附註31(a))的行權價格以及股份獎勵的公允價值分別高於2018年及2017年股份平均市場價格，在計算每股攤薄盈利時並未假定有行使該購股權和股份獎勵。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Buildings	Furniture, fixtures and equipment 傢俬、裝置 及設備	Motor vehicles 汽車	Plant and machinery 廠房及機器	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
COST	成本						
At 1 January 2017	於2017年1月1日	57,732	44,475	5,073	248,031	22,551	377,862
Currency realignment	幣值調整	—	(42)	(61)	—	—	(103)
Additions	添置	174,181	8,699	268	5,116	24,707	212,971
Disposals	處置	—	(578)	(216)	(7,860)	—	(8,654)
Transfers	轉移	—	—	—	18,557	(18,557)	—
At 31 December 2017	於2017年12月31日	231,913	52,554	5,064	263,844	28,701	582,076
Currency realignment	幣值調整	—	32	43	—	—	75
Additions	添置	—	7,779	380	12,006	22,922	43,087
Disposals	處置	—	—	(241)	(128)	—	(369)
Transfers	轉移	—	—	—	20,196	(20,196)	—
At 31 December 2018	於2018年12月31日	231,913	60,365	5,246	295,918	31,427	624,869
DEPRECIATION	折舊						
At 1 January 2017	於2017年1月1日	24,142	25,180	2,253	158,708	—	210,283
Currency realignment	幣值調整	—	(36)	(23)	—	—	(59)
Provided for the year	年度撥備	7,314	10,303	503	26,355	—	44,475
Eliminated on disposals	處置時對銷	—	(578)	(216)	(7,750)	—	(8,544)
At 31 December 2017	於2017年12月31日	31,456	34,869	2,517	177,313	—	246,155
Currency realignment	幣值調整	—	28	18	—	—	46
Provided for the year	年度調整	8,032	9,488	534	25,862	—	43,916
Eliminated on disposals	處置時對銷	—	—	(241)	(26)	—	(267)
At 31 December 2018	於2018年12月31日	39,488	44,385	2,828	203,149	—	289,850
CARRYING VALUES	賬面值						
At 31 December 2018	於2018年12月31日	192,425	15,980	2,418	92,769	31,427	335,019
At 31 December 2017	於2017年12月31日	200,457	17,685	2,547	86,531	28,701	335,921

The Group's buildings are erected on land held under medium-term land use rights in the Mainland China and Hong Kong.

本集團樓宇建於中國內地和香港境內，擁有中期土地使用權。

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綜合財務報表附註(續)

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13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method, as follows:

Buildings	2% – 5%
Furniture, fixtures and equipment	20% – 33 $\frac{1}{3}$ %
Motor vehicles	10% – 20%
Plant and machinery	10%

14. LAND USE RIGHTS

The balance represents the prepayments of rentals for medium-term land use rights situated in the Mainland China for a period of 50 years.

15. GOODWILL

COST AND CARRYING VALUE
At 1 January 2017, 31 December 2017 and 2018

成本及賬面值
於2017年1月1日，2017年12月31日
及2018年12月31日

1,375

Management of the Group determined that there was no impairment in the CGU (i.e. embedded software and secure payment products) containing the goodwill during the year ended 31 December 2018 and 2017.

13. 物業、廠房及設備(續)

除在建工程外，上述物業、廠房及設備乃經考慮其預計殘值後，於估計可使用年限內按下列年率以直線法確認折舊：

樓宇	2% – 5%
傢俬、裝置及設備	20% – 33 $\frac{1}{3}$ %
汽車	10% – 20%
廠房及機器	10%

14. 土地使用權

結餘指位於中國內地年限50年的中期土地使用權的預付租金。

15. 商譽

RMB'000
人民幣千元

管理層認為，截至2018年及2017年12月31日，包含商譽之現金產生單位(即嵌入式軟件和安全支付產品)並無產生減值。

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16. INTANGIBLE ASSETS

16. 無形資產

		Trademarks
		商標
		RMB'000
		人民幣千元
COST	成本	
At 1 January 2017, 31 December 2017 and 31 December 2018	於2017年1月1日、2017年12月31日及2018年12月31日	18,318
AMORTISATION	攤銷	
At 1 January 2017	於2017年1月1日	7,062
Charge for the year	年度攤銷	2,290
At 31 December 2017	於2017年12月31日	9,352
Charge for the year	年度攤銷	2,290
At 31 December 2018	於2018年12月31日	11,642
CARRYING VALUES	賬面值	
At 31 December 2018	於2018年12月31日	6,676
At 31 December 2017	於2017年12月31日	8,966

On 15 November 2013, a trademark agreement was entered into between GIHL and the Company, in respect of the trademarks registered in Hong Kong, Macao and the PRC, and pursuant to which GIHL agreed to transfer the trademarks to the Company at a consideration of United States dollar (“USD”) 3 million (equivalent to RMB18.3 million).

The trademarks are with finite useful lives and are amortised on a straight-line basis over the periods of 5 to 9 years (2017: 5 to 9 years).

於2013年11月15日，金邦達國際與本公司就於香港、澳門和中國註冊的商標簽訂了一份商標協議。根據協議，金邦達國際同意以美元(「美元」)3百萬元(折合人民幣18.3百萬元)的對價轉讓上述商標予本公司。

商標有固定使用年限，且在5到9年(2017：5到9年)內以直線法攤銷。

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17. INTERESTS IN ASSOCIATES

17. 於聯營公司之權益

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Unlisted investments in associates, at cost	投資於非上市之聯營公司，按成本	32,120	32,120
Exchange realignment	匯兌調整	193	193
Share of post-acquisition results and reserves	應佔投資收益及儲備	(5,122)	(4,838)
Impairment loss on interest in an associate	於聯營公司之權益之減值虧損	(27,191)	—
		—	27,475

Details of the Group's associates at the end of the reporting period are as follows:

於本報告期末本集團聯營公司之詳細信息如下：

Name of entity 實體名稱	Country of incorporation and operation 成立和運營國家	Proportion of issued ordinary share and capital indirectly held by the Group 由本集團非直接持有的已發行普通股之佔比		Principal activity 主要業務
		2018	2017	
Kaixin Holdings Limited 凱鑫控股有限公司	British Virgin Islands 英屬維爾京群島	45%	45%	Investment holding 控股公司
Goldpac ACS Technologies Inc.	Philippines 菲律賓	45%	45%	Data processing 數據處理
Sichuan Zhongruan Technology Ltd. ("SCZR") 四川中軟科技有限公司(「四川中軟」)	Mainland China 中國內地	19.68% (Note) (附註)	19.68% (Note) (附註)	Smart city platform 智慧城市平台

Note: The Group is able to exercise significant influence over SCZR because it has the power to appoint two out of the seven directors of that company under the article of association of that company.

附註：本集團能對四川中軟施加重大影響，因為根據四川中軟之公司章程，本集團有權指派其七名董事中的兩名。

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17. INTERESTS IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
The Group's share of losses of associates	本集團應佔聯營公司之虧損	(284)	(5,554)
Aggregate carrying amount of the Group's interests in these associates	本集團於聯營公司權益之賬面值合計	—	27,475

As at 31 December 2018, the carrying amount of the interest in SCZR has been tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset. The Group takes into consideration the estimation of recoverable amount of the associate and determined that an amount of RMB27,191,000 is recognised in profit or loss as an impairment loss on interest in an associate based on the value in use of SCZR.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Structured deposits	結構性存款	232,649	—
Analysed for reporting purposes as:	為報告目的之分析：		
Current assets	流動資產	232,649	—

As at 31 December 2018, the structured deposits represent the principal-guaranteed financial products amounting to RMB230,000,000 issued by the banks in the PRC with an expected but not guaranteed return varying with the range from 2.6% to 3.35% per annum, which depending on the market price of underlying financial instruments, including money market funds, inter-banking lending and debentures. The structured deposits were designated at FVTPL on initial recognition. Details of fair value measurement of structured deposits are set out note 38.

17. 於聯營公司之權益(續)

個別非重大聯營公司的滙總信息

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
The Group's share of losses of associates	本集團應佔聯營公司之虧損	(284)	(5,554)
Aggregate carrying amount of the Group's interests in these associates	本集團於聯營公司權益之賬面值合計	—	27,475

截至2018年12月31日，作為一項單一資產，於四川中軟權益的賬面值已根據香港會計準則第36號「資產減值」進行減值測試。本集團考慮了聯營公司估計可收回金額並根據四川中軟的使用價值，決定將人民幣27,191,000元作為於聯營公司之權益之減值虧損計入損益。

18. 按公允價值計入損益之金融資產

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Structured deposits	結構性存款	232,649	—
Analysed for reporting purposes as:	為報告目的之分析：		
Current assets	流動資產	232,649	—

於2018年12月31日，結構性存款為中國境內銀行發行的保本金融產品人民幣230,000,000元。預期(未保證)年化收益範圍在2.6%至3.35%之間，取決於包括貨幣市場基金、銀行間借款和債券在內的標的金融工具的市場價格。該結構性存款初始確認時被指定為按公允價值計入損益。結構性存款公允價的計量詳情披露於附註38。

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19. INVENTORIES

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Raw materials	原材料	135,974	150,625
Work in progress	半成品	4,787	5,316
Finished goods	成品	71,191	51,668
		211,952	207,609

19. 存貨

20. TRADE RECEIVABLES

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Trade receivables	應收貨款		
-goods and services	— 貨物及服務	413,840	401,079
Retentions held by customers	客戶持有的保留款	—	16,650
		413,840	417,729

20. 應收貨款

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers amounted to RMB413,840,000 and RMB400,338,000 respectively.

As at 31 December 2017, included in the trade receivables are retention amounts of RMB16,650,000, of which are due within one year. Upon application of HKFRS 15, the retentions receivables were reclassified to contract assets.

截至2018年12月31日及2018年1月1日，與客戶合約之應收貨款金額分別為人民幣413,840,000元及人民幣400,338,000元。

截至2017年12月31日，應收貨款中由客戶持有的保留款金額為人民幣16,650,000元，將於一年內到期。採納香港財務報告準則第15號後，該應收保留款被重新分類為合同資產。

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20. TRADE RECEIVABLES (Continued)

Payment terms with customers are mainly on credit. Invoices are normally payable in 30 to 150 days by the customers from date of issuance. The following is an aged analysis of trade receivables net of allowance for doubtful debt presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Age	賬齡		
0 – 90 days	0 – 90日	308,371	297,292
91 – 180 days	91 – 180日	41,946	56,046
181 – 365 days	181 – 365日	32,416	34,794
Over 1 year	超過一年	31,107	29,597
		413,840	417,729

The Group does not hold any collateral over these balances.

20. 應收貨款(續)

與客戶的付款條款主要為賒賬。發票一般於發出日期起計30日至150日內由客戶支付。按貨物交付日期(與各自收益確認日期相若)呈列的應收貨款(扣除呆帳撥備)賬齡分析如下：

本集團並無就該等結餘持有任何抵押品。

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20. TRADE RECEIVABLES (Continued)

As at 31 December 2018, included in the Group's trade receivables balances are debtors with aggregate carrying amount of RMB11,544,000 which are past due as at the reporting date. The past due balances have been past due 90 days or more and is not considered as in default. The directors of the Company consider that the recoverability of these debts are high based on historical experience. The Group does not hold any collateral over these balances.

As at 31 December 2017, 95% of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the internal credit scoring system used by the Group.

At 31 December 2017, included in the Group's trade receivable balances are trade receivables with aggregate carrying amount of RMB21,251,000 which are past due at the reporting date for which the Group has not provided for impairment loss as counterparties have sound financial background.

Aging of trade receivables which are past due but not impaired is as follows:

Age	賬齡	
91 – 180 days	91–180日	8,796
181 – 365 days	181–365日	6,042
Over 1 year	超過一年	6,413
		21,251

In determining the recoverability of the trade receivables, the Group monitors change in the credit quality of the debtors since the credit was granted and up to the reporting date.

20. 應收貨款(續)

於2018年12月31日，本集團應收貨款餘額中包含賬面值合計為人民幣11,544,000元的債權且於報告日已逾期。逾期餘額已超過90日並且未被認定為違約。根據歷史經驗，本公司董事認為收回該債務的可能性較高。本集團並無就該等餘額持有任何抵押品。

於2017年12月31日，根據本集團的內部信用評分系統，既未逾期且未被減值的應收貨款中，95%獲得最高信用評分。

於2017年12月31日，本集團應收貨款餘額中包含賬面值合計為人民幣21,251,000元的應收貨款於報告日已逾期。本集團尚未對其計提減值虧損，此乃由於對方有良好的財務背景。

已逾期但未減值的應收貨款賬齡如下：

2017
RMB'000
人民幣千元

在釐定應收貨款的可收回性時，本集團監控自信貸授出至報告日，債務人信用質量的變動。

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20. TRADE RECEIVABLES (Continued)

Movements in the allowance for doubtful debt are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At 31 December – HKAS 39	於12月31日 – 香港會計準則第39號	7,254	17,431
Amounts remeasured through opening retained profits upon application of HKFRS 9	採納香港財務報告準則第9號後，於期初未分配利潤重新計量	741	–
At 1 January	於1月1日	7,995	17,431
Reversal of impairment loss recognised	撥回已確認減值虧損	(208)	(9,384)
Bad debts written off	已核銷壞賬	(192)	(793)
At 31 December	於12月31日	7,595	7,254

Details of impairment assessment of trade receivables for the year ended 31 December 2018 are set out in note 37.

呆賬撥備變動如下：

應收貨款於截至2018年12月31日止之年度的減值評估細節於附註37披露。

21. CONTRACT ASSETS

		31.12.2018 RMB'000 人民幣千元	1.1.2018* RMB'000 人民幣千元
Embedded software and secure payment products	嵌入式軟件和安全支付產品	7,163	7,150
Equipment	設備	6,401	9,500
		13,564	16,650

* The amounts in this column are after the adjustments from the application of HKFRS 15.

* 該列金額為採納香港財務報告準則第15號所做調整後金額。

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21. CONTRACT ASSETS (Continued)

The contract assets primarily relate to the Group's right to receive remaining payments from customers and not billed because the rights are conditioned on the satisfaction of quality over the products delivered at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. The condition is fulfilled upon the completion of retention period which is normally between 6 months to 1 year.

22. OTHER RECEIVABLES AND PREPAYMENTS

21. 合同資產(續)

合同資產主要指在報告期發出產品有質保條件時，對未開票收款部分本集團擁有之權利。當該權利變為無條件時，合同資產則轉為應收貨款。通常質保期為6個月至1年。

22. 其他應收及預付款

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Rental and utility deposits	租金及水電押金	1,968	1,747
Tender deposits	投標保證金	6,379	5,561
Deposits paid to suppliers	支付給供應商的定金	2,966	12,014
Prepayments to the Trustee (as defined in note 31(c))	信託預付款 (參見附註31(c))	4,303	2,792
Interest income receivable	應收利息收入	14,081	15,131
Customs deposits	海關押金	3,678	-
Other prepayments and deposits	其他預付款及定金	7,290	7,952
		40,665	45,197

23. AMOUNT DUE FROM AN ASSOCIATE

The balance is unsecured and interest-free. At 31 December 2017, an amount of RMB819,000 is expected to be repayable after one year, and the amount is therefore shown as non-current. At 31 December 2017, the remaining amount of RMB9,422,000, the amount is repayable on demand.

23. 應收聯營公司款

結餘為無抵押、免息。於2017年12月31日，人民幣819,000元預計於1年後償還，因此為非流動資產。於2017年12月31日，人民幣9,422,000元需應要求償還。

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23. AMOUNT DUE FROM AN ASSOCIATE (Continued)

Movement in amount due from an associate are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At 1 January	於1月1日	10,241	9,278
Increase in amount due from an associate	應收聯營公司款項增加	1,219	963
Impairment loss on amount due from an associate	應收聯營公司款項減值虧損	(11,460)	-
At 31 December	於12月31日	-	10,241

At 31 December 2018, the Group impairs the amount due from an associate of RMB11,460,000 when there is information indicating that the associate is in severe financial difficulty and there is no realistic prospect of recovery.

應收聯營公司款項變動如下：

於2018年12月31日，有信息表明一家聯營公司出現嚴重財務困難且未來無望恢復，因此本集團將應收聯營公司款項減值人民幣11,460,000元。

24. PLEDGED BANK DEPOSITS, FIXED BANK DEPOSITS AND BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The pledged bank deposits are pledged for bills payables and carry the fixed interest rate ranging from 0.3% to 4.13% (2017: 0.36% to 4.13%) per annum. As at 31 December 2018, RMB150,000,000 (2017: nil) represents bank deposits pledged to banks for the Group to issue bills in the coming years and, accordingly, were classified as non-current asset.

24. 已抵押銀行存款、銀行定期存款、銀行存款及現金

銀行存款及現金包括本集團所持有的現金及三個月或在三個月以內到期的短期存款。已抵押銀行存款為抵押應付票據，按0.3%至4.13%（2017年為0.36%至4.13%）的固定年利率計息。於2018年12月31日，人民幣150,000,000元（2017年：無）的銀行存款已抵押於銀行，以備本集團未來發行票據。相應地，該筆存款被分類與非流動資產。

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24. PLEDGED BANK DEPOSITS, FIXED BANK DEPOSITS AND BANK BALANCES AND CASH (Continued)

Bank balances held by the Group carry interest at the floating rate of 0% to 0.3% (2017: 0% to 0.3%) per annum.

Fixed bank deposits held by the Group and the Company are denominated in RMB and carry interest at the fixed rate of 2.88% to 3.85% (2017: 2% to 4%) per annum. Included in the balance as at 31 December 2018, RMB100,000,000 of fixed bank deposits are carried with original maturity over one year (2017: RMB100,000,000).

Details of impairment assessment of pledged bank deposits, fixed bank deposits and bank balances for the year ended 31 December 2018 are set out in note 37.

24. 已抵押銀行存款、銀行定期存款、銀行存款及現金(續)

本集團持有的銀行存款按浮動年利率0%至0.3% (2017年為0%至1%) 計息。

本集團持有的銀行定期存款以人民幣計價，按2.88%至3.85% (2017年為2%至4%) 的固定年利率計息。截至2018年12月31日，到期超過一年的銀行定期存款結餘為人民幣100,000,000元(2017年為人民幣100,000,000元)。

於截至2018年12月31日止之年度的已抵押銀行存款、銀行定期存款和銀行存款的減值評估細節載於附註31。

25. TRADE AND BILLS PAYABLES

25. 應付貨款及應付票據

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Trade payables	應付貨款		
— Subsidiaries of Gemalto N.V. ("Gemalto") (Note)	— Gemalto N.V. (「Gemalto」) 的附屬公司(附註)	9,533	85,258
— Related company of Gemalto	— Gemalto的關聯公司		
— DataCard Corporation	— DataCard Corporation	10,621	10,066
— Third parties	— 第三方	249,476	319,403
		269,630	414,727
Bills payables – secured	有抵押應付票據		
— Subsidiaries of Gemalto	— Gemalto的附屬公司	23,021	78,383
— Third parties	— 第三方	145,070	57,593
		168,091	135,976
		437,721	550,703

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綜合財務報表附註(續)

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25. TRADE AND BILLS PAYABLES (Continued)

Note: Gemalto is a company incorporated under the laws of the Netherlands and whose shares are listed and traded on NYSE Euronext Amsterdam and NYSE Euronext Paris. It controlled Gemplus International S.A., a substantial shareholder of the Company throughout both years, which is a limited liability company incorporated in Luxembourg.

The Group normally receives credit terms of 60 to 180 days from its suppliers. The following is an aged analysis of the Group's trade and bills payables based on invoice date and bill issuance date respectively at the end of the reporting period:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Age	賬齡		
0 – 90 days	0 – 90日	353,550	391,592
91 – 180 days	91 – 180日	65,026	129,681
181 – 365 days	181 – 365日	11,911	27,579
Over 1 year	超過一年	7,234	1,851
		437,721	550,703

26. CONTRACT LIABILITIES

		31.12.2018 RMB'000 人民幣千元	1.1.2018* RMB'000 人民幣千元
Embedded software and secure payment products	嵌入式軟件和安全支付產品	27,176	35,475

* The amounts in this column are after the adjustments from the application of HKFRS 15.

Upon adoption of HKFRS 15, receipt in advance from customers included in trade and other payables amounting to RMB35,475,000 was reclassified to contract liabilities as the date of initial application, 1 January 2018.

25. 應付貨款及應付票據(續)

附註：Gemalto根據荷蘭法律成立，其股份在紐約一泛歐證券交易所之阿姆斯特丹交易所和巴黎交易所上市交易。Gemplus International S.A.由Gemalto控制，是一家於盧森堡註冊的有限責任公司，在兩個年度內均是本公司的主要股東。

本集團一般獲供應商提供60日至180日的信貸期。下列為各報告期末本集團應付貨款及應付票據按發票日期或票據開具日期的賬齡分析：

26. 合同負債

* 該列金額為採納香港財務報告準則第15號所作調整後金額。

於香港財務報告準則第15號首次採納日2018年1月1日，應付貨款及其他應付款中含人民幣35,475,000元客戶預收款，該金額被重新分類至合同負債。

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26. CONTRACT LIABILITIES(Continued)

The Group receives 10% to 100% of the contract value as deposit from customers when they sign the agreement with customers. Contract liabilities represent the receipts in advance from customers which is recognised as revenue at a point in time when the control of the goods are transferred to the customer. During the year ended 31 December 2018, revenue recognised in the current year relating to contract liabilities at the beginning of the year is RMB35,475,000.

26. 合同負債(續)

當與客戶簽訂協議時，本集團收取客戶合約金額的10%至100%作為客戶保證金。合同負債為客戶預收款，當貨物控制權於某一時點轉移至客戶時則確認收入。於截至2018年12月31日止之年度，人民幣35,475,000元的上一年合同負債被確認為收入。

27. OTHER PAYABLES

27. 其他應付款項

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Customers' deposits	客戶保證金	—	35,475
Payroll and welfare payables	應付工資及福利	52,004	45,925
Value-added tax payables	應付增值稅	55,402	61,903
Warranty provision	保證金撥備	4,775	4,775
Delivery and postage payables	應付運費及郵資	2,919	4,411
Other tax payables	其他應付稅款	3,642	2,137
Payables for marketing events	應付營銷活動款項	5,239	—
Other payables	其他應付款項	5,400	3,355
		129,381	157,981

28. GOVERNMENT GRANTS

28. 政府補貼

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
CARRYING VALUE	賬面值		
At 1 January	於1月1日	17,700	14,700
Government grants received during the year	年內所收政府補貼	—	3,000
Released to profit or loss during the year	年內計入損益	(14,700)	—
At 31 December	於12月31日	3,000	17,700

Goldpac Limited received government grants from the relevant Mainland China local authorities as an incentive in relation to technical know-how on the development of smart cards and solutions services. Such government grants were recognised in the profit or loss as other income when the research was completed and the related verification procedures have been completed and approved by the Mainland China local authorities.

金邦達有限公司所收到的中國內地政府補貼是作為對智能卡及解決方案技術發展的獎勵。此類政府補貼在研發完成、相關驗證程序完畢並獲得中國內地政府部門批准後將作為其他收入計入損益。

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29. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred taxation balances at the end of the reporting period:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	9,104	8,730
Deferred tax liabilities	遞延稅項負債	(26,395)	(19,871)
		(17,291)	(11,141)

The following is the deferred taxation recognised and movements thereon during the year:

		Temporary differences arising from allowance for doubtful debt and inventories 由呆賬及存貨撥備產生的暫時性差異 RMB'000 人民幣千元	Mainland China withholding tax on undistributed earnings 中國內地預扣稅 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	—	10,111	10,111
(Credited) charged to profit or loss during the year (note 10)	年內於損益中(增加)扣除(附註10)	(8,730)	9,760	1,030
At 31 December 2017	於2017年12月31日	(8,730)	19,871	11,141
(Credited) charged to profit or loss during the year (note 10)	年內於損益中(增加)扣除(附註10)	(374)	6,524	6,150
At 31 December 2018	於2018年12月31日	(9,104)	26,395	17,291

29. 遞延稅項

綜合財務狀況報表中部分遞延稅項資產和債務已被相互抵消。以下為於報告期末遞延稅項餘額分析：

以下為已確認的遞延稅項及其年內的變動：

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29. DEFERRED TAXATION (Continued)

At 31 December 2018, the Group has unused tax losses of RMB1,868,000 available for offset against future profits (2017: nil). No deferred tax asset has been recognised in relation to the unused tax losses due to the unpredictability of future profit streams. Losses may be carried forward indefinitely.

At 31 December 2018, the Group has deductible temporary differences of RMB60,692,000 (2017: RMB58,204,000) in relation to allowance for doubtful debt and inventories. Deferred tax asset has been recognised in relation to such deductible temporary differences as it is probable that the temporary differences can be utilized in foreseeable future.

29. 遞延稅項(續)

於2018年12月31日，本集團可用於抵扣未來盈利之未使用的稅務虧損為人民幣1,868,000元(2017：無)。由於未來溢利的不可預測性，概無就未使用之稅務虧損確認遞延稅項資產。該虧損的抵扣並無固定期限。

於2018年12月31日，本集團呆賬及存貨撥備的可扣減暫時性差額為人民幣60,692,000元(2017：人民幣58,204,000元)。由於暫時性差額能夠在可預見的未來被使用，故該可扣減暫時性差額已確認為遞延稅項資產。

30. SHARE CAPITAL

30. 股本

		Number of ordinary shares 普通股數目	Amount 金額
	Note 附註	'000 千	HKD'000 港幣千元
Issued and fully paid:			
At 1 January 2017		833,464	1,498,995
Issue of shares upon exercise of share options	(a)	97	503
At 31 December 2017 and 2018		833,561	1,499,498
Shown in the financial statements as — at 31 December 2017 and 2018	顯示於下列財務報表 — 於2017年12月31日及2018年12月31日		1,192,362

Note:

(a) During the year ended 31 December 2017, 97,000 share options were exercised and converted into 97,000 ordinary shares at the conversion price of HKD2.71.

附註：

(a) 於截至2017年12月31日止之年度，97,000股購股權按每股港幣2.71元行使並轉為97,000股普通股。

All the shares which were issued during the year ended 31 December 2017 rank pari passu with the existing shares in all respects.

所有在截至2017年12月31日止之年度發行的股份各方面與現有股份享有同等權益。

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31. SHARE-BASED PAYMENT TRANSACTIONS

(a) Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme was adopted pursuant to a written resolution passed by the shareholders of the Company on 15 November 2013 (the “**Pre-IPO Share Option Scheme**”) for the primary purpose of recognise the contribution of certain employees and directors made or may have made to the growth of the Group and/or the listing of the Group on the Main Board of the Stock Exchange, and will expire on 3 December 2019.

At 31 December 2018, the number of shares in respect of which options had been granted and remained outstanding under the Pre-IPO Share Option Scheme was 27,738,000 (2017: 28,117,000), representing 3.33% (2017: 3.37%) of the shares of the Company in issue on that day.

Options granted must be taken up on 19 November 2013, upon payment of HKD1.0 by the grantee.

31. 以股份為基礎的支付交易

(a) 首次公開發售前購股權計劃

首次公開發售前購股權計劃於2013年11月15日獲全體股東以書面決議批准(「**首次公開發售前購股權計劃**」)，旨在肯定本集團若干僱員及董事作出或過去可能作出對本集團發展及／或股份於聯交所上市的貢獻，並將於2019年12月3日到期。

於2018年12月31日，在首次公開發售前購股權計劃下已授出及未行使股份的數量為27,738,000 (2017: 28,117,000)，佔本公司於2018年12月31日已發行的股份數量的3.33% (2017: 3.37%)。

授出的購股權必須在2013年11月19日前以支付港幣1.0元的價格予以承授。

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31. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

The following table discloses details of the Company's share options held by directors and employees and movements in such holding for both years ended 31 December 2017 and 2018:

Date of grant	Vesting period	Exercise period	Exercise price per share	Number of share options							
				At 1 January 2017 於2017年1月1日	Transfer during the year 年內轉發 (Note 1) (附註1)	Exercise during the year 年內行使 (Note 2) (附註2)	Forfeiture during the year 年內失效	At 31 December 2017 於2017年12月31日	Exercise during the year 年內行使	Forfeiture during the year 年內失效	At 31 December 2018 於2018年12月31日
Directors 董事											
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2014 自2013年11月19日至2014年12月3日	From 4 December 2014 to 3 December 2019 自2014年12月4日至2019年12月3日	HKD2.71 港幣2.71元	200,000	200,000	—	—	400,000	—	—	400,000
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2015 自2013年11月19日至2015年12月3日	From 4 December 2015 to 3 December 2019 自2015年12月4日至2019年12月3日	HKD2.71 港幣2.71元	1,640,000	200,000	—	—	1,840,000	—	—	1,840,000
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2016 自2013年11月19日至2016年12月3日	From 4 December 2016 to 3 December 2019 自2016年12月4日至2019年12月3日	HKD2.71 港幣2.71元	1,640,000	200,000	—	—	1,840,000	—	—	1,840,000
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2017 自2013年11月19日至2017年12月3日	From 4 December 2017 to 3 December 2019 自2017年12月4日至2019年12月3日	HKD2.71 港幣2.71元	1,640,000	200,000	—	—	1,840,000	—	—	1,840,000
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2018 自2013年11月19日至2018年12月3日	From 4 December 2018 to 3 December 2019 自2018年12月4日至2019年12月3日	HKD2.71 港幣2.71元	1,640,000	200,000	—	—	1,840,000	—	—	1,840,000
				6,760,000	1,000,000	—	—	7,760,000	—	—	7,760,000

31. 以股份為基礎的支付交易 (續)

(a) 首次公開發售前購股權計劃(續)

下表披露本公司董事及僱員所持有的購股權及其於截至2017及2018年12月31日之年度之變動：

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31. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price per share 每股行使價	Number of share options 購股權數目							
				At 1 January 2017 於2017年1月1日	Transfer during the year 年內轉撥 (Note 1) (附註1)	Exercise during the year 年內行使 (Note 2) (附註2)	Forfeiture during the year 年內失效	At 31 December 2017 於2017年12月31日	Exercise during the year 年內行使	Forfeiture during the year 年內失效	At 31 December 2018 於2018年12月31日
Employees 僱員											
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2014 自2013年11月19日至2014年12月3日	From 4 December 2014 to 3 December 2019 自2014年12月4日至2019年12月3日	HKD2.71 港幣2.71元	3,006,000	(200,000)	(9,000)	(148,000)	2,649,000	—	(12,000)	2,637,000
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2015 自2013年11月19日至2015年12月3日	From 4 December 2015 to 3 December 2019 自2015年12月4日至2019年12月3日	HKD2.71 港幣2.71元	4,508,000	(200,000)	(4,000)	(312,000)	3,992,000	—	(88,000)	3,904,000
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2016 自2013年11月19日至2016年12月3日	From 4 December 2016 to 3 December 2019 自2016年12月4日至2019年12月3日	HKD2.71 港幣2.71元	5,284,000	(200,000)	(84,000)	(484,000)	4,516,000	—	(93,000)	4,423,000
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2017 自2013年11月19日至2017年12月3日	From 4 December 2017 to 3 December 2019 自2017年12月4日至2019年12月3日	HKD2.71 港幣2.71元	5,284,000	(200,000)	—	(484,000)	4,600,000	—	(93,000)	4,507,000
19 November 2013 2013年11月19日	From 19 November 2013 to 3 December 2018 自2013年11月19日至2018年12月3日	From 4 December 2018 to 3 December 2019 自2018年12月4日至2019年12月3日	HKD2.71 港幣2.71元	5,284,000	(200,000)	—	(484,000)	4,600,000	—	(93,000)	4,507,000
				23,366,000	(1,000,000)	(97,000)	(1,912,000)	20,357,000	—	(379,000)	19,978,000
Total 合計				30,126,000	—	(97,000)	(1,912,000)	28,117,000	—	(379,000)	27,738,000

Note 1: The transfer during the year represents share options held by a newly appointed director, who was previously an employee.

附註1：年內轉撥指由僱員持有的購股權轉撥至由董事持有的購股權。該名僱員於年內獲委任成為董事。

Note 2: The weighted average share price at the dates of exercise is HKD2.35.

附註2：於行權日的加權平均價格為港幣2.35元。

31. 以股份為基礎的支付交易 (續)

(a) 首次公開發售前購股權計劃 (續)

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31. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Pre-IPO Share Option Scheme (Continued)

The share options shall vest in 5 tranches subject to specific period of services of certain of employees, executives and officers for the Group and/or the listing of shares on the Stock Exchange. Due to the resignation of certain of employees, executives and officers during the year ended 31 December 2018, part of the share options were forfeited.

The fair values of the share options granted during the year ended 31 December 2013 were calculated at RMB69,935,000 (equivalent to HKD88,954,000) using the Binomial Option Pricing pricing model. The inputs into the model were as follows:

Share price	HKD4.52
Exercise price	HKD2.71
Expected life	6 years
Expected volatility	46.9963%
Expected dividend yield	1.0822%
Risk-free interest rate	1.2426%
Fair value per option	HKD2.4250 to HKD2.4791

Expected volatility was determined by using the historical volatility of the selected comparable companies in the same industry. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of RMB2,497,000 (2017: RMB4,426,000) for the year ended 31 December 2018.

31. 以股份為基礎的支付交易 (續)

(a) 首次公開發售前購股權計劃(續)

根據若干員工、管理層及職員對本集團及／或本集團上市的特定服務期間，購股權將分五批歸屬。截至2018年12月31日止，由於若干員工、管理層及職員的離職，部份購股權失效。

於截至2013年12月31日止之年度，授出的購股權公價允值使用二項式期權定價模式計算出為人民幣69,935,000元(折合港幣88,954,000元)，代入模式如下：

股價	港幣4.52元
行使價	港幣2.71元
預期壽命	6年
預期波幅	46.9963%
預期股息收益	1.0822%
無風險利率	1.2426%
每份購股權之公允價值	港幣2.4250元至港幣2.4791元

預期波幅是按照歷史波幅及所選同行業的可比波幅決定的。該模式所用之預期壽命已經根據管理層就非轉讓性，行使限制及行為因素影響的最佳估算進行調整。

於截至2018年12月31日止之年度，本集團確認開支為人民幣2,497,000元(2017年：人民幣4,426,000元)。

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31. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Share Option Scheme

The principal terms of the share option scheme, approved by the shareholder's resolution passed on 15 November 2013 (the "**Share Option Scheme**"), are substantially the same as the terms of the Pre-IPO Option Scheme except that:

- (i) the maximum number of shares in respect of which options may be granted shall not exceed 10% of the total number of shares in issue at the date of listing of the shares of the Company on the Stock Exchange;
- (ii) the maximum entitlement of each eligible participant in any 12-month period up to the date of offer to grant shall not exceed 1% of the shares in issue as at the date of offer to grant; and
- (iii) the exercise price is determined by the directors of the Company at their discretion and will not be lower than the highest of: (a) the closing price of the ordinary shares on the Stock Exchange at the offer date, which must be a trading day; (b) the average closing price of the ordinary shares on the Stock Exchange for the five business days immediately preceding the offer date; and (c) the nominal value of the Company's share.

As at 31 December 2018, no options were granted or agreed to be granted pursuant to the Share Option Scheme.

31. 以股份為基礎的支付交易 (續)

(b) 購股權計劃

於2013年11月15日通過的股東決議中所批准的購股權計劃(「**購股權計劃**」)首要條款與首次公開發售的購股權計劃大致相同，以下條款除外：

- (i) 購股權授出最大股份數不得超過本公司在聯交所上市之日的總股數的10%；
- (ii) 在任何一個12個月期間到要約授出之日，授予各合格參與者的最高配額不得超過已發行股份的1%；及
- (iii) 行使價格是由本公司董事酌情商定，且不會低於以下最高者：(a)普通股在聯交所要約日(需為交易日)之收盤價；(b)普通股在聯交所緊接授出日前五個營業日的普通股收平均盤價；及(c)本公司股份面值。

截至2018年12月31日，該購股權計劃下無已授出或同意被授出的購股權。

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31. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(c) Share Award Scheme

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 30 November 2015 (the “**Adoption Date**”) with a duration of 15 years commencing from 11 December 2015. The objective of the Share Award Scheme are to (i) align the interests of any employee, adviser, consultant, agent, contractor, client or supplier of any member of the Group whom the directors in its sole discretion considers may contribute or have contributed to the Group (the “**Participants**”); (ii) recognise and motivate the contribution of the Participants and to provide incentives in retaining the Participants for future operation and development of the Group; and (iii) attract suitable personnel for the long-term growth and further strategic expansion of the Group.

The Company has engaged BOCI-Prudential Trustee Limited (the “**Trustee**”) to administer and hold the Company’s shares before they are vested and transferred to the Participants. The Trustee purchases the Company’s shares being awarded from the open market with funds provided by the Company by way of contributions.

31. 以股份為基礎的支付交易 (續)

(c) 股份獎勵計劃

本公司於2015年11月30日(「**採納日**」)採納股份獎勵計劃(「**股份獎勵計劃**」)，股份獎勵計劃自2015年12月11日起計有效期為15年。計劃之目的為(i)使董事認為已經或將會對本集團作出貢獻之僱員、參事、顧問、代理、承辦商、顧客或供應商(「**計劃參與者**」)之利益與本集團利益一致；(ii)嘉獎和鼓勵計劃參與者之貢獻，並給予獎勵，以挽留計劃參與者，為本集團的持續經營及發展效力；及(iii)吸引合適人才推動本集團長期增長及進一步戰略拓展。

本公司已委任中銀國際英國保誠信託有限公司(「**受托人**」)管理及持有本公司之股份，直至達到歸屬準則及條件符合為止，歸屬股份將轉讓予計劃參與人。受託人於合適的時候在公開市場買入公司現有股份，費用由本公司支付。

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31. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(c) Share Award Scheme (Continued)

During both years, nil ordinary shares of the Company have been acquired. As at 31 December 2018, 10,374,000 shares have been granted or agreed to be granted to the Participants (2017: 10,374,000). The share awarded shall vest in 3 years on each anniversary of the first vesting date in equal portions. The first vesting date is 26 November 2017. The estimated fair value of the awards granted are HKD27,564,000 (equivalent to RMB24,239,000) based on the market price of the relevant shares at the grant date. The Group recognised the total expenses of RMB7,579,000 for the year ended 31 December 2018 (2017: RMB12,737,000) in relation to the share awards granted by the Company. There are 4,843,000 (2017: 7,867,000) shares held by the Trustee and RMB4,303,000 (2017: RMB2,792,000) was placed to the Trustee as prepayments at the end of reporting period.

31. 以股份為基礎的支付交易 (續)

(c) 股份獎勵計劃(續)

於兩年內，本公司均沒有購入普通股。截至2018年12月31日，10,374,000股(2017年：10,374,000股)股份已經授予或同意被授予計劃參與者。獎勵股份從首個歸屬日起分3年歸屬，每年歸屬的數量相同。首個歸屬日為2017年11月26日。依據授予日的市場價格估算，獎勵股份的公允價值共港幣27,564,000元(折合約人民幣24,239,000)。於截至2018年12月31日止之年度，本集團就本公司授出獎勵股份確認的總開支為人民幣7,579,000元(2017年：人民幣12,737,000元)。於報告期末，受託人持有4,843,000股(2017年：7,867,000股)普通股和人民幣4,303,000元(2017年：人民幣2,792,000元)之預付款。

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32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or the future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

32. 融資活動產生之負債調節表

下表詳細列明本集團因融資活動產生的負債變動，包括現金及非現金變動。因融資活動產生的負債指在本集團綜合現金流量表中被分類為或將要被分類為融資活動的現金流或未來現金流相關的負債。

		Dividend Payable 應付股息	
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	—	—
Financing cash flow	融資活動現金流	(140,289)	(120,601)
Dividend declared	宣派股息	137,850	123,475
Foreign exchange gain (loss)	外幣換算收益(虧損)	2,439	(2,874)
At 31 December	於12月31日	—	—

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33. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group was committed to make the following future minimum lease payments for office premises and machinery under non-cancellable operating leases which fall due as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within one year	於一年內	4,801	6,093
In the second to fifth year inclusive	於第二至第五年	4,287	954
		9,088	7,047

Leases are negotiated for a term of 1 to 5 years and rentals are fixed for an average of 2 years (2017: 1 to 5 years for an average of 2 years).

33. 經營租賃

本集團作為承租人

於本報告期末，本集團承諾對不可撤銷的經營租賃寫字樓物業及機器做出未來最低租賃付款額，到期如下：

租期1到5年，租金平均兩年是固定的（2017年：租期1到5年，租金平均兩年是固定的）。

34. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	有關收購物業、廠房及設備的已訂約但未列入本綜合財務報表內的資本開支	18,035	14,804
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34. 資本承擔

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	有關收購物業、廠房及設備的已訂約但未列入本綜合財務報表內的資本開支	18,035	14,804

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35. RETIREMENT BENEFITS SCHEME

The Group participates in MPF for its qualifying employees in Hong Kong. Under the rules of MPF Scheme, the employer and its employees are required to contribute 5% of the employee's salaries, up to a maximum of HKD1,500 per employee per month. The assets of MPF are held separately from those of the group companies in an independently administered fund.

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefits scheme operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligations of the Group with respect to the retirement benefits scheme are to make the required contributions under the scheme.

36. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits as disclosed in the consolidated financial statements.

The management of the Group reviews the capital structure on a regular basis. The Group considers the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through the payment of dividends, new share issues as well as the raising of bank loans.

35. 退休福利計劃

本公司於香港的合格僱員參加香港強積金。香港強積金要求，僱主需要繳納僱員相關收入的5%，以每月港幣1,500元為上限。強積金的資產與本集團分開，由受托人獨立管理。

本集團於中國附屬公司的合格僱員參加由中國政府運作的國家管理退休福利計劃。該等附屬公司須按其工資總額的一定比例向退休福利計劃供款。本集團就退休福利計劃的唯一責任是根據該計劃的規定提供供款。

36. 資本風險管理

本集團管理資本的目的為確保集團實體均可持續經營，同時通過優化債務及權益間平衡為擁有着謀求最大回報。

本集團的資本結構包括現金及現金等價物及本公司擁有着應佔權益，包括綜合財務報表中所披露的已發行股本、儲備及未分配利潤。

本集團管理層定期審閱資本結構。本集團考慮資本成本及與各類資本相關的風險，並將透過支付股息、發行新股及籌集銀行貸款，保持整體資本結構的平衡。

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37. FINANCIAL INSTRUMENTS

37. 金融工具

Categories of financial instruments

金融工具類別

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Financial assets	金融資產		
FVTPL	公允價值計入損益強制		
Mandatorily measured at FVTPL	按公允價值計入損益計量	232,649	—
Financial assets at amortised cost	按攤銷成本計量之金融資產	1,779,478	—
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	—	2,072,558
Financial liabilities	金融負債		
Amortised cost	攤銷成本	446,040	558,469

Financial risk management objectives and policies

The Group's major financial instruments include amount due from an associate, trade and other receivables, pledged bank deposits, fixed bank deposits, bank balances and cash, trade, bills and other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

財務風險管理目標與政策

本集團的主要金融工具包括應收聯營公司款項、應收貨款及其他應收款項、已抵押銀行存款、銀行定期存款、銀行存款及現金、應付貨款、應付票據及其他應付款項。該等金融工具的詳情於相關附註披露。該等金融工具的相關風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動性風險。減輕此等風險的政策載於下文。本集團管理層管理及監察該等風險，以確保適當的措施被及時、有效執行。

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to risk of USD. The percentage of the Group's sales and purchases that are denominated in USD, currency other than the functional currency of the relevant group companies are as follows:

		2018	2017
Sales	銷售	1.0%	5.2%
Purchases	採購	21.7%	15.2%

37. 金融工具(續)

財務風險管理目標與政策 (續)

市場風險

(i) 貨幣風險

本公司若干附屬公司有外幣銷售及採購，令本公司面臨美元的外匯風險。本集團以美元(即有關本集團公司功能貨幣以外的貨幣)計值的銷售及採購的百分比如下：

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Assets 資產	
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
HKD	港幣	80,281	38,763
USD	美元	341,853	831,393
RMB	人民幣	99,706	909
Euros ("EUR")	歐元(「歐元」)	284	842
Singapore dollars ("SGD")	新加坡幣(「新加坡幣」)	599	650
British Pound Sterling ("GBP")	大不列顛英鎊(「英鎊」)	36	672

		Liabilities 負債	
		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
HKD	港幣	23,941	2,183
USD	美元	44,732	47,027
SGD	新加坡幣	—	22

37. 金融工具(續)

財務風險管理目標與政策(續)

市場風險(續)

(i) 貨幣風險(續)

以下是本集團在本報告期末以外幣計價的貨幣資產及貨幣負債賬面值：

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The sensitivity analysis below includes the Group's outstanding foreign currency denominated monetary items where the denomination of the balances is in a currency other than the functional currency of the respective group companies at the end of the reporting period and has been determined based on the exposure to exchange rates against the functional currency of relevant group companies. For a 5% weakening of these currencies against the functional currency of relevant group companies and all other variables being held constant, the Group's profit for the year is as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Decrease in profit for the year	年度利潤減少		
— HKD	— 港幣	(2,113)	(1,372)
— USD	— 美元	(11,142)	(29,414)
— RMB	— 人民幣	(4,162)	(34)
— EUR	— 歐元	(11)	(32)
— SGD	— 新加坡幣	(22)	(24)
— GBP	— 英鎊	(1)	(25)

There would be an equal and opposite impact on the profit for the year where the respective currencies strengthens against the functional currency of relevant group companies by 5%.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as at the year end exposure does not reflect the exposure during the year.

37. 金融工具(續)

財務風險管理目標與政策(續)

市場風險(續)

(i) 貨幣風險(續)

下表載列的敏感度分析包括本集團於本報告期末未償還的外幣計值貨幣項目及集團公司間貨幣計值為各集團公司非功能性貨幣的未償還結餘，且已根據所承受的匯率對有關集團公司的功能貨幣而釐定。若這些貨幣對相關集團公司功能性貨幣貶值5%，其他所有變量保持不變，本集團年度利潤情況如下：

若相關貨幣相對各集團公司功能性貨幣升值5%，將會對年度利潤產生同等反效影響。

管理層認為，由於年末的貨幣風險暴露不能反映年內之風險暴露，因此敏感度分析不具有代表性。

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed rate pledged bank deposits and fixed bank deposits (see note 24 for details).

The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets, mainly interest bearing bank balances. The Group cash flow interest rate is mainly concentrated on the fluctuation of interest rates quoted by the People's Bank of China arising from the Group's RMB denominated bank deposits and balances. The Group currently does not have an interest rate hedging policy.

37. 金融工具(續)

財務風險管理目標與政策(續)

市場風險(續)

(ii) 利率風險

本集團的公允價值利率風險主要涉及固定利率的已抵押銀行存款及銀行定期存款(詳見附註24)。

本集團的現金流利率風險主要為利率變動對計息金融資產的影響，主要是對計息銀行存款的影響。本集團的現金流利率主要集中於中國人民銀行對利率報價之變動對集團人民幣計息銀行存款和結餘產生的影響。本集團目前沒有利率對沖政策。

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing bank balances at the end of the reporting period and assumed that the amount of assets outstanding at the end of the reporting period was outstanding for the whole year. 50 basis points were used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The management does not anticipate a decrease in interest rate in the next financial year having regard to the trends in market interest rates and global economic environment. Accordingly, sensitivity analysis on a decrease in interest rates is not presented.

37. 金融工具(續)

財務風險管理目標與政策 (續)

市場風險(續)

(ii) 利率風險(續)

以下敏感度分析是基於在本報告期末，所承受的計息銀行存款的利率風險並假設於本報告期末未償還資產金額是全年度未償還的。在向內部主要的管理人員匯報利率風險時和管理評估利率合理的變動時採用50個基點。在考慮過未來市場利率趨勢和環球經濟環境後，管理層預計在未來的財政年度中利率並不會下降，故無利率下降之敏感度分析呈列。

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

If interest rates on bank balances had been 50 basis points higher and all other variables were held constant, the potential effect on profit for the year is as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Increase in profit for the year	年度利潤增長	1,204	2,158

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest risk as at the year end exposure does not reflect the exposure during the year.

Credit risk and impairment assessment

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position of the Group. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

37. 金融工具(續)

財務風險管理目標與政策(續)

市場風險(續)

(ii) 利率風險(續)

倘銀行存款利率上升50個基點，並且所有其他變量不變，對年度利率潛在的影響如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Increase in profit for the year	年度利潤增長	1,204	2,158

管理層認為，由於年末的利率風險暴露不能反映年內之風險暴露，因此敏感度分析不具有代表性。

信貸風險和減值評估

因交易方未能於報告期末就各類已確認的金融資產履行其責任，對本集團造成財務虧損的信貸風險上限分別為該等資產於本集團綜合財務狀況表內所示的賬面值。本集團並無就其金融資產持有任何抵押品或其他可降低信用風險的信用提升物品。

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on trade balances and contract assets based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in PRC and Hong Kong.

The Group has concentration of credit risk as 56% (2017: 76%) of the total trade receivables as at 31 December 2018 which was due from customers engaged in the banking industry.

The Group also have concentration of credit risk on fixed bank deposits which are deposited with banks with high credit rating. Other than the above, the Group does not have any other significant concentration of credit risk. The credit risks on pledged bank deposits, fixed bank deposits and bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are deposited with several banks with good reputation and high credit ratings, the Group does not have any other significant concentration of credit risk, with exposure spread over a number of counterparties.

The Group has considered that credit risk on other receivables, pledged bank deposits, fixed bank deposits and bank balances has not increased significantly since initial recognition and has assessed the expected credit loss rate under 12m ECL method based on the Group's assessment in the risk of default of the respective counterparties.

As at 31 December 2018, the Group has assessed that the expected loss rates for other receivables, pledged bank deposits, fixed bank deposits and bank balances were immaterial. Thus no loss allowance for other receivables, pledged bank deposits, fixed bank deposits and bank balances was recognised.

37. 金融工具(續)

財務風險管理目標與政策(續)

信貸風險和減值評估(續)

為了盡可能降低信貸風險，本集團管理層已委派信貸批准小組。開展其他監控措施以確保採取了跟進措施收回逾期債務。此外，本集團自採納香港財務報告準則第9號後，根據預期信貸虧損模型(2017：虧損發生模型)並基於撥備矩陣，對應收貨款和合同資產進行減值評估。基於上述措施，本公司董事認為本集團的信用風險大幅下降。

本集團按區域劃分的集中信貸風險主要集中於中國和香港。

本集團存在集中信貸風險，因為截至2018年12月31日應收貨款總額中56%(2017：76%)為應收銀行業客戶的款項。

本集團存放在具有高信用等級銀行的銀行定期存款亦存在集中信貸風險。除上述內容，本集團並無其他重大集中信貸風險。由於已抵押銀行存款、銀行定期存款及銀行存款存放於被國際信用評級機構評定為較高信用評級的銀行，故信貸風險有限。

除存放於若干具有良好信譽和較高信用評級的銀行中的流動資金存在集中信貸風險情況，本集團的信貸風險較為分散，概無其他重大集中信用風險。

本集團認為其他應收款、已抵押銀行存款、銀行定期存款和銀行存款的信貸風險自初始確認起無顯著增加，並且基於本集團對對方違約風險的評估，按照12個月預期信貸虧損法評估了預期信貸虧損率。

於2018年12月31日，本集團評估其他應收款、已抵押銀行存款、銀行定期存款和銀行存款的預期虧損率不重大。因此未確認其他應收款、已抵押銀行存款、銀行定期存款和銀行存款的虧損撥備。

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37. FINANCIAL INSTRUMENTS (Continued)

37. 金融工具(續)

Financial risk management objectives and policies (Continued)

財務風險管理目標與政策(續)

Credit risk and impairment assessment (Continued)

信貸風險和減值評估(續)

The Group's internal credit risk grading assessment comprises the following categories:

本集團內部信用風險級別評估包括以下類別：

Category 類別	Description 描述	Trade receivables and contract assets 應收貨款及合同資產	Other financial assets 其他金融資產
Performing 執行	The counterparty has a low risk of default and does not have any past-due amounts 對方違約風險較低且無逾期金額	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 未信用減值	12m ECL 12個月 預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 負債人多次逾期還款且通常逾期結算	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 未信用減值	12m ECL 12個月 預期信貸虧損
Doubtful 懷疑	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources 內部產生的或外部獲取的信息顯示信用風險自初始確認後出現顯著增加	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 未信用減值	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 未信用減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據表明資產已信用減值	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 已信用減值	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 已信用減值

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

37. 金融工具(續)

財務風險管理目標與政策(續)

信貸風險和減值評估(續)

Category 類別	Description 描述	Trade receivables and contract assets 應收貨款及合同資產	Other financial assets 其他金融資產
Write-off 核銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據表明債務人出現嚴重財務困難且本集團未來無望收回	Amount is written off 金額被核銷	Amount is written off 金額被核銷

The estimated loss rates are estimated based on historical observed default rates over the expected lives of the debtors and are adjusted for forward-looking information, including but not limited to expected growth rate of the industry, that available without undue cost or effort.

For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Trade receivables and contract assets are assessed based on provision matrix through grouping of various debtors that have similar loss patterns, after considering historical default rates and forward-looking information.

估計虧損率是根據債務人於其債務期內的已觀測歷史違約率並結合無需過多成本或精力即可獲得的前瞻性信息(包括但不限於行業預期增長的長率)而估計得到的。

本集團已採納香港財務報告準則第9號簡化法計量應收貨款及合同資產的終身預期信貸虧損的虧損撥備。根據撥備矩陣，在考慮了歷史違約率和前瞻性信息後，將具有相似虧損模式的債務人進行分組，從而對應收貨款及合同資產進行評估。

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

2018	Notes 附註	Internal credit rating 內部信用評級	12-month or Lifetime ECL 12個月預期信貸虧損 或終身預期信貸虧損	Gross carrying amount 賬面值總額 RMB'000 人民幣千元
Trade receivables 應收貨款	20	Performing 執行	Lifetime ECL by provision matrix – not credit-impaired 通過撥備矩陣獲得的 終身預期信貸虧損 – 未信用減值	421,435
Contract assets 合同資產	21	Performing 執行	Lifetime ECL by provision matrix – not credit-impaired 通過撥備矩陣獲得的 終身預期信貸虧損 – 未信用減值	13,564
Other receivables 其他應收款	22	Performing 執行	12m ECL 12個月預期信貸虧損	28,236
Amount due from an associate 應收聯營公司款項	23	Loss 虧損	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 已信用減值	11,460
Pledged bank deposits, fixed bank deposits and bank balances 已抵押銀行存款、銀行 定期存款和銀行存款	24	Performing 執行	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 未信用減值	1,337,309

The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix as at 31 December 2018 within lifetime ECL (not credit impaired).

37. 金融工具(續)

財務風險管理目標與政策(續)

信貸風險和減值評估(續)

2018	Notes 附註	Internal credit rating 內部信用評級	12-month or Lifetime ECL 12個月預期信貸虧損 或終身預期信貸虧損	Gross carrying amount 賬面值總額 RMB'000 人民幣千元
Trade receivables 應收貨款	20	Performing 執行	Lifetime ECL by provision matrix – not credit-impaired 通過撥備矩陣獲得的 終身預期信貸虧損 – 未信用減值	421,435
Contract assets 合同資產	21	Performing 執行	Lifetime ECL by provision matrix – not credit-impaired 通過撥備矩陣獲得的 終身預期信貸虧損 – 未信用減值	13,564
Other receivables 其他應收款	22	Performing 執行	12m ECL 12個月預期信貸虧損	28,236
Amount due from an associate 應收聯營公司款項	23	Loss 虧損	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 已信用減值	11,460
Pledged bank deposits, fixed bank deposits and bank balances 已抵押銀行存款、銀行 定期存款和銀行存款	24	Performing 執行	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 未信用減值	1,337,309

下表為應收貨款及合同資產於2018年12月31日，在終身預期信貸虧損(未信用減值)模式下於基於撥備矩陣評估的信用風險。

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Gross carrying amount

Internal credit rating 內部信用評級		Average loss rate 平均虧損率	Trade receivables 應收貨款 HKD'000 港幣千元	Average loss rate 平均虧損率	Contract assets 合同資產 HKD'000 港幣千元
Performing	內部信用評級 執行	0.23%	80,285	0.22%	13,564
Watch list	觀察名單	1.31%	273,249	—	—
Doubtful	懷疑	5.64%	67,901	—	—
			421,435		13,564

In the opinion of the directors of the Company, the trade receivables within performing, watch list and doubtful at the end of the reporting period which have been past due over 90 days are not considered as in default by considering the expected subsequent and historical repayment from trade debtors and contract assets.

In the opinion of the directors of the Company, the amount due from an associate was within the category of write-off. There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery. Impairment loss on amount due from an associate amounted to RMB11,460,000 is provided.

For the year ended 31 December 2018, the Group performed impairment assessment on financial assets other than trade receivables and contract assets and concluded that the probability of default of the counterparty are insignificant and accordingly, no allowance for credit losses is provided.

37. 金融工具(續)

財務風險管理目標與政策(續)

信貸風險和減值評估(續)

賬面值總額

Trade receivables 應收貨款 HKD'000 港幣千元	Average loss rate 平均虧損率	Contract assets 合同資產 HKD'000 港幣千元
80,285	0.22%	13,564
273,249	—	—
67,901	—	—
421,435		13,564

考慮到負債人和合同資產的預期後續還款及歷史還款情況，本公司董事認為於報告期末逾期超過90日，屬於執行、觀察名單和懷疑類別下的應收貨款並未違約。

本公司董事認為應收聯營公司款項屬於核銷類別。有證據顯示負債人出現嚴重財務困難且本集團未來無望收回。因此對應收聯營公司款項計提減值虧損人民幣11,460,000元。

於截至2018年12月31日止之年度，本集團對除應收貨款和合同資產外的金融資產進行減值評估並認為對方違約的可能性不重大，因此未計提信貸虧損撥備。

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綜合財務報表附註(續)

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37. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk management

The management of the Group has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining banking facilities and by continuously monitoring forecasted and actual cash flows and the maturity profiles of its financial liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

Financial liabilities		Weighted average interest rate	On demand	Total undiscounted cash flows	Carrying amount
金融負債		加權平均利率	按需求	未貼現金流總額	賬面值
		%	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2018	於2018年12月31日				
Financial liabilities	金融負債				
Trade and bills payables	應付貨款及應付票據	—	437,721	437,721	437,721
Other payables	其他應付款	—	8,319	8,319	8,319
			446,040	446,040	446,040
At 31 December 2017	於2017年12月31日				
Financial liabilities	金融負債				
Trade and bills payables	應付貨款及應付票據	—	550,703	550,703	550,703
Other payables	其他應付款	—	7,766	7,766	7,766
			558,469	558,469	558,469

37. 金融工具(續)

財務風險管理目標與政策(續)

流動性風險管理

本集團的管理層就本集團的短期、中期、長期資金和流動資金管理要求制定了適宜的流動資金風險管理框架。本集團通過維持銀行融資，持續監測預期及實際現金流，以及金融負債的到期情況來管理流動資金風險。

下表詳列本集團非衍生金融負債的合約期限。該表乃基於本集團須作出支付的最早日期的金融負債的未貼現金流編製。其他非衍生金融負債到期日按協定的付還日期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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38. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. 金融工具的公允價值計量

(a) 按公允價值經常性計量的本集團金融資產的公允價值

本集團部分金融資產於每個報告期末按公允價值計量。關於該等金融資產公允價值是如何定義的(特別是估價方法及使用的輸入數據),以及基於計量公允價值的輸入數據可觀測程度而分類的公允價值等級(第一至三級)信息由下表提供。

- 第1級公允價值計量指使用相同資產或負債於活躍市場的報價(未經調整)計量;
- 第2級公允價值計量指使用除第1級涵蓋的報價外,資產或負債直接(例如價格)或間接(例如按價格計算所得)可觀測的輸入數據計量;及
- 第3級公允價值計量指估值方法中使用無法基於可觀測的市場數據(不可觀測輸入數據)的資產或負債輸入數據計量。

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38. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

38. 金融工具的公允價值計量 (續)

(a) 按公允價值經常性計量的本集團金融資產的公允價值(續)

Financial assets 金融資產	Fair value 公允價值	Fair value hierarchy 公允價值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀測輸入數據	Relationship unobservable inputs to fair value 不可觀測輸入數據與公允價值之關係
Structured deposits 結構性存款	As at 31 December 2018: RMB232,649,000 截至2018年12月31日: 人民幣232,649,000	Level 3 第三級	Discounted cash flow – future cash flows are estimated based on estimated return, and discounted at a rate that reflects the credit risk of various counterparties. 現金流貼現 – 未來現金流根據預計業績估計並按反映對方信貸風險的貼現率貼現。	Estimated return (range from 2.6% to 3.35%) 預計業績 (範圍由 2.6%至3.35%)	The higher the estimated return, the higher the fair value and vice versa 預計業績越高，公允價值越高，反之亦然。

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38. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 Measurement

The following table presents the reconciliation of Level 3 Measurement of the financial assets:

		Structured deposits 結構性存款 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	—
Net gain on financial assets	金融資產淨收益	3,815
Purchase of financial assets	購買金融資產	765,600
Redemption of financial assets	贖回金融資產	(769,415)
At 31 December 2017	於2017年12月31日	—
Net gain on financial assets	金融資產淨收益	11,683
Purchase of financial assets	購買金融資產	720,000
Redemption of financial assets	贖回金融資產	(499,034)
At 31 December 2018	於2018年12月31日	232,649

There were no transfers into or out of Level 3 during both periods.

The total gains or losses for the year included a realised gain of RMB9,034,000 and a unrealised gain RMB2,649,000 relating to financial assets that are measured at fair value at the end of each reporting period (for the year ended 31 December 2017: an unrealised gain of RMB3,815,000). Such fair value gains or losses are included in "other gains or losses".

38. 金融工具的公允價值計量 (續)

(a) 按公允價值經常性計量的本集團金融資產的公允價值(續)

第三級計量對賬

下表呈列金融資產的第三級計量對賬：

		Structured deposits 結構性存款 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	—
Net gain on financial assets	金融資產淨收益	3,815
Purchase of financial assets	購買金融資產	765,600
Redemption of financial assets	贖回金融資產	(769,415)
At 31 December 2017	於2017年12月31日	—
Net gain on financial assets	金融資產淨收益	11,683
Purchase of financial assets	購買金融資產	720,000
Redemption of financial assets	贖回金融資產	(499,034)
At 31 December 2018	於2018年12月31日	232,649

於兩期內均無轉入第三級或由第三級轉出。

期內收益或虧損總額含於報告期末按公允價值計量的金融資產已實現收益人民幣9,034,000元及未實現收益人民幣2,649,000元(於截至2017年12月31日止之六個月：未實現收益人民幣3,815,000元)。該公允價值變動產生的收益或虧損計入「其他收益或虧損」。

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38. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Fair value measurements and valuation processes

The Board of Directors of the Company has set up a valuation committee, which is headed up by the chief financial officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The chief financial officer reports the valuation committee's findings to the Board of Directors of the Company when needed to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

(b) Fair value of financial instruments at amortised cost

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of each reporting period.

38. 金融工具的公允價值計量 (續)

(a) 按公允價值經常性計量的本集團金融資產的公允價值(續)

公允價值計量及估值過程

本公司董事會已成立由首席財務官領導的投資價值管理小組，以決定適當的公允價值計量估值方法和輸入數據。

估計某一資產或負債的公允價值時，本集團使用可獲取的市場可觀測數據。倘無法獲取第一級輸入數據，本集團聘請有資質的第三方估值師進行估值。投資價值管理小組與有資質的外部估值師密切合作，運用適當的估值方法和輸入數據建立估值模型。首席財務官於必要時向本公司董事會報告投資價值管理小組的研究結果，以解釋資產和負債公允價值變動的原因。

決定各項資產及負債公允價值所用的估值方法及使用的輸入數據等相關信息已於上述披露。

(b) 按攤銷成本計量的金融工具的公允價值

本集團管理層認為，於每個報告期末按攤銷成本列於簡明綜合財務報表的金融資產及金融負債的賬面值與其公允價值相若。

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39. RELATED PARTY TRANSACTIONS

Other than the transactions and balances with related parties disclosed in respective notes, during the year, the Group had the following significant transactions with related parties:

Relationship and name of related parties: 關係及關聯方名稱	Nature of transactions 交易性質	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Companies controlled by Gemalto 由Gemalto公司控制的公司			
Gemalto Pte. Ltd.	Purchase of materials 原材料採購	208	62
Shanghai Gemalto IC Card Technology Co., Ltd. 上海金雅拓智能卡技術有限公司	Purchase of materials 原材料採購	13,455	—
Gemalto Technologies (Shanghai) Co., Ltd. 金雅拓科技(上海)有限公司	Purchase of materials 原材料採購	79,972	229,015

The details of compensation of key management personnel, representing the remuneration of the directors of the Company during the year are set out in note 9.

39. 關聯方交易

除附註中所披露的與關聯方的交易及結餘外，於本年度內，本集團與關聯方有以下重大交易：

本公司支付給主要管理層人員及董事代表的酬金明細詳載於附註9。

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40. SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2018 and 31 December 2017 are as follows:

Name of subsidiary 附屬公司名稱	Place/Country of incorporation/ establishment/ operations 公司成立/ 經營地點、國家	Nominal value of issued and fully paid share capital/ registered capital 已發行及繳足股本的 股份面值/註冊資金	Proportion of issued ordinary shares capital held by the Company 本公司佔已發行 普通股比例		Principal activities 主營業務
			2018	2017	
Goldpac Datacard Solutions Company Limited (Note i) 金邦達數據有限公司(附註i)	Hong Kong 香港	Ordinary shares — HKD500,000 普通股份 — 港幣500,000元	100%	100%	(Note iv) (Note v) (附註iv)(附註v)
Goldpac Limited (Note i) 金邦達有限公司(附註i)	Mainland China for a term of 50 years as a wholly foreign owned enterprise commencing 21 June 1995 中國內地始 於1995年6月21日 為期五十年的 外商獨資企業	Registered capital — USD43,000,000 註冊資本 — 美元43,000,000元	100%	100%	(Note iv) (Note v) (附註iv)(附註v)
Goldpac Smart Card (Guangzhou) Limited 廣州市金邦達智能卡有限公司	Mainland China limited liability company 中國內地 有限責任公司	Registered capital — RMB1,000,000 註冊資本 — 人民幣1,000,000元	100%	100%	(Note v) (附註v)
Goldpac Fintech Hong Kong Limited (Note ii) 金邦達金融科技香港有限公司(附註ii)	Hong Kong 香港	Ordinary share — HKD1 普通股份 — 港幣1元	60%	—	(Note v) (附註v)

40. 附屬公司

於2018年12月31日及2017年12月31日，本公司擁有的附屬公司詳情載於下表：

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For the year ended 31 December 2018 於截至2018年12月31日止之年度

40. SUBSIDIARIES (Continued)

40. 附屬公司(續)

Name of subsidiary 附屬公司名稱	Place/Country of incorporation/ establishment/ operations 公司成立/ 經營地點、國家	Nominal value of issued and fully paid share capital/ registered capital 已發行及繳足股本的 股份面值/註冊資金	Proportion of issued ordinary shares capital held by the Company 本公司佔已發行 普通股比例		Principal activities 主營業務
			2018	2017	
Goldpac Fintech Private Limited (Note iii) (附註iii)	Singapore 新加坡	Ordinary shares — SGD100 普通股份 — 新加坡幣100元	60%	100%	(Note v) (附註v)
Goldpac Innovation Limited (Note i) (Note ii) (附註i) (附註ii)	British Virgin Islands 英屬維爾京群島	Ordinary shares — USD100 普通股份 — 美元100元	100%	—	Investment holding 控股公司
Goldpac Investment Limited (Note i) 金邦達投資有限公司(附註i)	Hong Kong 香港	Ordinary share — HKD1 普通股份 — 港幣1元	100%	100%	Property holding 房地產持有
SecureTech Holdings Limited (Note ii) (附註ii)	British Virgin Islands 英屬維爾京群島	Ordinary shares — USD100 普通股份 — 美元100元	60%	100%	Investment holding 控股公司
Goldpac Technology Service Limited (Hengqin) (Note ii) 金邦達科技服務(橫琴)有限公司(附註ii)	Mainland China limited liability company 中國內地 有限責任公司	Registered capital — RMB20,000,000 普通股份 — 人民幣20,000,000元	100%	—	Inactive 未運營

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2018 於截至2018年12月31日止之年度

40. SUBSIDIARIES (Continued)

Notes:

- (i) Directly held by the Company.
- (ii) The entities are incorporated/registered during the year ended 31 December 2018.
- (iii) In May 2018, the Group disposed of 40% interest in SecureTech Holdings Limited and its subsidiary Goldpac Fintech Private Limited. The disposal does not result in the Group losing control over SecureTech Holdings Limited and, accordingly, the transaction is accounted for as an equity transaction.
- (iv) Embedded software and secure payment products for smart secure payment.
- (v) Provision of data processing system platforms, other total solutions and equipment for customers in a wide business range including financial, government, healthcare, transportation and retails by leveraging innovative Fintech.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

40. 附屬公司(續)

附註：

- (i) 由本公司直接持有。
- (ii) 實體於截至2018年12月31日止之年度內併入。
- (iii) 於2018年5月，本集團處置了SecureTech Holdings Limited及其附屬公司Goldpac Fintech Private Limited 40%的權益。該項處置未使本集團失去對SecureTech Holdings Limited的控制權。相應地，該項交易為一項權益交易。
- (iv) 智能安全支付領域的嵌入式軟件和安全支付產品。
- (v) 為金融、政府、衛生、交通、零售等廣泛領域客戶提供數據處理、系統平台、其他整體解決方案及設備。

董事認為以上列表中本集團的附屬公司會對本集團的業績或資產造成主要影響。

於本年末或本年度期間，各附屬公司並無任何已發行的債務性證券。

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41. STATEMENT OF FINANCIAL POSITION 41. 財務狀況報表

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Non-current assets	非流動資產		
Intangible assets	無形資產	6,676	8,966
Property, plant and equipment	物業、廠房及設備	588	350
Investments in subsidiaries	於附屬公司之投資	365,327	355,251
		372,591	364,567
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	507,727	527,335
Other receivables	其他應收款	14,122	13,794
Fixed bank deposits	銀行定期存款	571,787	741,632
Bank balances	銀行存款	12,029	8,496
		1,105,665	1,291,257
Current liabilities	流動負債		
Other payables	其他應付款	3,535	2,561
Amounts due to subsidiaries	應付附屬公司款項	139,889	234,389
		143,424	236,950
Net current assets	流動資產淨值	962,241	1,054,307
Net assets	資產淨值	1,334,832	1,418,874
Capital and reserves	資本及儲備		
Share capital	股本	1,192,362	1,192,362
Reserves	儲備	142,470	226,512
Total equity	權益總額	1,334,832	1,418,874

The Company's statement of financial position was approved and authorised for issue by the board of directors on 15 March 2019 and are signed on its behalf by:

董事會已於2019年3月15日審核並通過本公司財務狀況報表的發布，並由以下董事會代表簽署：

Lu Run Ting
盧閔霆
Chairman and Executive Director
董事會主席兼執行董事

Hou Ping
侯平
Executive Director and Chief Executive Officer
執行董事兼首席執行官

FINANCIAL SUMMARY

財務概要

		Year ended 31 December				2018 RMB'000 人民幣千元
		截止於12月31日之年度				
		2014	2015	2016	2017	
		RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	
RESULTS	業績					
Turnover	營業額	1,521,069	1,684,632	1,393,713	1,400,842	1,411,127
Profit before taxation	除稅前利潤	256,552	296,179	244,566	198,764	207,802
Taxation	稅項	(43,045)	(54,341)	(39,666)	(34,287)	(33,154)
Profit for the year	年度利潤	213,507	241,838	204,900	164,477	174,648
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	213,507	241,838	204,900	164,477	175,187
Non-controlling interests	非控股權益	—	—	—	—	(539)
		213,507	241,838	204,900	164,477	174,648

		At 31 December				2018 RMB'000 人民幣千元
		於12月31日				
		2014	2015	2016	2017	
		RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	
ASSETS AND LIABILITIES	資產和負債					
Total assets	總資產	2,317,297	2,606,841	2,599,582	2,706,875	2,628,452
Total liabilities	總負債	(706,459)	(792,627)	(726,253)	(776,992)	(648,369)
Net assets	淨資產	1,610,838	1,814,214	1,873,329	1,929,883	1,980,083
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	1,610,838	1,814,214	1,873,329	1,929,883	1,977,549
Non-controlling interests	非控股權益	—	—	—	—	2,534
		1,610,838	1,814,214	1,873,329	1,929,883	1,980,083

金邦達 Goldpac

GOLDPAC GROUP LIMITED

金邦達寶嘉控股有限公司