

N&Q

福建諾奇股份有限公司

Fujian Nuoque Co., Ltd.

(A Joint Stock Limited Liability Company Incorporated
In The People's Republic of China)

Stock Code: 1353

(於中華人民共和國註冊成立之股份有限公司)

股份代號：1353



2018

Annual Report 年報

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Hai Ying (*Chairman*)

Mr. Sit Hon Wing

Non-executive Director

Mr. Han Huiyuan

Independent non-executive Directors

Mr. Chan Ming Sun Jonathan

Mr. Lee Chi Hwa Joshua

Mr. Mak Yiu Tong

AUDIT COMMITTEE

Mr. Chan Ming Sun Jonathan (*Chairman*)

Mr. Lee Chi Hwa Joshua

Mr. Mak Yiu Tong

REMUNERATION COMMITTEE

Mr. Mak Yiu Tong (*Chairman*)

Mr. Lee Chi Hwa Joshua

Mr. Xu Hai Ying

NOMINATION COMMITTEE

Mr. Mak Yiu Tong (*Chairman*)

Mr. Chan Ming Sun Jonathan

Mr. Xu Hai Ying

SUPERVISORY COMMITTEE

Ms. Wang Zhiyu (*Chairman*)

Mr. Cheung Wang Lok, Anthony

Mr. Cai Han Zong (*Employee Representative*)

董事會

執行董事

許海鷹先生 (*董事長*)

薛漢榮先生

非執行董事

韓惠源先生

獨立非執行董事

陳銘樂先生

李智華先生

麥耀棠先生

審核委員會

陳銘樂先生 (*主席*)

李智華先生

麥耀棠先生

薪酬委員會

麥耀棠先生 (*主席*)

李智華先生

許海鷹先生

提名委員會

麥耀棠先生 (*主席*)

陳銘樂先生

許海鷹先生

監事會

王智宇女士 (*主席*)

張宏樂先生

蔡漢忠先生 (*僱員代表*)

CORPORATE INFORMATION

公司資料

COMPANY SECRETARY

Mr. Leung Ka Kit, *HKICPA* (Appointed on 1 January 2019)
Mr. Law Geoff Chun Mo, *HKICPA*
(Resigned on 1 January 2019)

INTERNATIONAL AUDITORS

BDO Limited
Certified Public Accountants

LEGAL ADVISERS IN HONG KONG

Chiu and Partners

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 55 Chongwen Road
Economic and Technical Development Zone
Quanzhou
Fujian Province
The PRC

PLACE OF BUSINESS IN HONG KONG

Room 4901, 4938–4940,
49/F Sun Hung Kai Centre,
30 Harbour Road, Wanchai,
Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

公司秘書

梁家傑先生 · *HKICPA* (於二零一九年一月一日獲委任)
羅俊武先生 · *HKICPA*
(於二零一九年一月一日辭任)

國際核數師

香港立信德豪會計師事務所有限公司
執業會計師

香港法律顧問

趙不渝 馬國強律師事務所

註冊辦事處及中國主要營業地點

中國
福建省
泉州市
經濟技術開發區
崇文路55號

香港營業地點

香港
灣仔港灣道30號
新鴻基中心49樓
4901、4938–4940室

H股證券登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心17樓
1712–1716號舖

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKS

China Minsheng Banking Corp., Ltd.
China Construction Bank

COMPANY WEBSITE

www.nuoqi.com.hk

STOCK CODE

1353

主要往來銀行

中國民生銀行股份有限公司
中國建設銀行

公司網站

www.nuoqi.com.hk

股份代號

1353

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Company is a casual wear apparel company in the PRC offering a wide range of fashion casual wear products such as jackets, sweaters, shirts, T-shirts, trousers, shoes and accessories under its own brand, N&Q.

Due to the intense market competition in the apparel industry, the Group has adopted a prudent approach, aiming at minimising the operating costs. The revenue of the Group decreased significantly to approximately RMB2 million for the year ended 31 December 2018 ("FY2018") from approximately RMB39 million for the year ended 31 December 2017 ("FY2017"). Administrative and other expenses increased to approximately RMB17 million in FY2018 from approximately RMB14 million in FY2017, which was mainly attributable to the professional fees of approximately RMB7 million relating to the new listing application (for details, please refer to the following paragraph headed "Very substantial acquisition/Reverse takeover" below). As a result, the loss attributable to the owners of the Company increased to approximately RMB19 million in FY2018 from approximately RMB6 million in FY2017.

The Group recorded total assets of approximately RMB66 million as at 31 December 2018 as compared to approximately RMB164 million as at 31 December 2017. The decrease in total assets of the Group was mainly attributable to, among other things, the repayment of a loan facility of RMB80 million during FY2018.

業務回顧

本公司為一間中國休閒服裝公司，以自建品牌「諾奇 (N&Q)」提供各式休閒時裝產品(如夾克、毛衣、襯衫、T恤、褲子、鞋及配飾等)。

由於服裝行業之市場競爭激烈，本集團已採納審慎政策，旨在減低營運成本。本集團截至二零一八年十二月三十一日止年度(「二零一八財政年度」)之收入由截至二零一七年十二月三十一日止年度(「二零一七財政年度」)約人民幣39,000,000元大幅減至約人民幣2,000,000元。於二零一八財政年度，行政及其他開支由二零一七財政年度約人民幣14,000,000元增至約人民幣17,000,000元，主要由於新上市申請涉及專業費用約人民幣7,000,000元(詳情請參閱下文「非常重大收購事項／反向收購」一段)。因此，本公司擁有人應佔虧損由二零一七財政年度約人民幣6,000,000元增至二零一八財政年度約人民幣19,000,000元。

本集團於二零一八年十二月三十一日錄得資產總值約人民幣66,000,000元，而於二零一七年十二月三十一日之資產總值則約為人民幣164,000,000元。二零一八財政年度本集團之資產總值減少主要歸因於(其中包括)償還貸款融資人民幣80,000,000元所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

VERY SUBSTANTIAL ACQUISITION/REVERSE TAKEOVER

As disclosed in the announcement of the Company dated 4 December 2017 (the "RTO Announcement"), the Company, Zhong Hong Holdings Group Limited (the "Vendor") and the Vendor's warrantor (Mr. Hu Yulin who was interested in approximately 76% of the issued shares of the Vendor as at the date of the RTO Announcement) entered into a sale and purchase agreement on 6 November 2017 in relation to the Company's acquisition of the entire issued share capital (the "Acquisition") in Zhong Hong International Limited (the "Target Company") which is a wholly-owned subsidiary of the Vendor. Pursuant to the sale and purchase agreement, the consideration shall be paid by the Company by allotting and issuing to the Vendor 1,541,878,659 new H Shares, credited as fully paid, at the issue price of HK\$0.6829 per share. Completion of the Acquisition is conditional upon fulfillment or waiver of a number of conditions precedents, as disclosed in the RTO Announcement.

The Target Company and its subsidiaries (the "Target Group") are principally engaged in the provision of construction services, mainly as a general contractor for residential construction projects, commercial and public works construction projects, and industrial and other construction projects, in the PRC.

As disclosed in the RTO Announcement, the Acquisition constitutes a reverse takeover for the Company under Rule 14.06(6)(a) of the Listing Rules. Accordingly, the Company will be treated as if it were a new listing applicant. The Acquisition is therefore also subject to the approval by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for a new listing application to be made by the Company. Please refer to the announcement of the Company dated 1 March 2019 for details of the latest development in respect of the Acquisition.

非常重大收購事項／反向收購

誠如本公司日期為二零一七年十二月四日之公告(「反向收購公告」)所披露，本公司、中宏控股集團有限公司(「賣方」)與賣方擔保人(胡玉林先生，彼於反向收購公告日期擁有賣方已發行股份約76%權益)於二零一七年十一月六日訂立買賣協議，內容有關本公司收購中宏國際有限公司(「目標公司」，其為賣方之全資附屬公司)之全部已發行股本(「收購事項」)。根據買賣協議，代價須由本公司透過按發行價每股0.6829港元向賣方配發及發行1,541,878,659股新H股(入賬列作繳足)之方式支付。誠如反向收購公告所披露，收購事項須待多項先決條件獲達成或豁免後，方告完成。

目標公司及其附屬公司(「目標集團」)主要從事提供建築服務，主要於中國擔任住宅建築項目、商業及公共工程建築項目以及工業及其他建築項目之總承建商。

誠如反向收購公告所披露，根據上市規則第14.06(6)(a)條，收購事項構成本公司一項反向收購。因此，本公司將被視作新上市申請人，故收購事項亦須待香港聯合交易所有限公司(「聯交所」)上市委員會批准本公司將作出之新上市申請後方可作實。有關收購事項最新進展之詳情，請參閱本公司日期為二零一九年三月一日之公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS PROSPECTS

Since the suspension of the trading in H Shares in July 2014, the Company has been striving to reactivate its business and to fulfill the resumption conditions imposed by the Stock Exchange. As disclosed in the 2016 annual report of the Group, the Company would seek to resume the trading of the H Shares at the earliest possible time in order to re-establish a fund raising platform to be available for the future expansion of the Group. In light of the various challenges and uncertainties lying ahead in the apparel industry under the current PRC macro-economic environment, the Board has continuously been exploring different investment opportunities to broaden the income stream of the Group with a view to promote growth in the revenue and profits of the Group which will be beneficial to its shareholders. Through the Acquisition, the Company can acquire the well-established businesses of the Target Group which is engaged in the construction industry in the PRC and allows the scope of business of the Group to be expanded and its existing business portfolio to be diversified.

The construction industry in the PRC has experienced rapid growth in the recent years in accordance with the improvement of urbanisation as well as investment in infrastructure in the PRC. In order to accommodate the increasing urban population in cities, there are growing opportunities for building construction projects of both residential and commercial properties. Further, as public facilities and infrastructure are necessary to drive the urbanisation, the Company is optimistic towards the growth potential in the construction industry. The Board is of the view that the growth potential and prospect of the construction industry is expected to be more promising than that of the apparel industry.

The Target Group has an established business and is a valuable asset to be added into the business as a diversification for the Company. After completion of the Acquisition subject to fulfillment of the conditions precedent as disclosed in the announcement made by the Company on 4 December 2017, the Target Group will become wholly-owned subsidiaries of the Company.

The Company has no plan to dispose of its existing business. After completion of the Acquisition subject to the fulfillment of conditions precedent as disclosed in the RTO Announcement, the Company may restructure its apparel business according to the development of the apparel industry and the then market conditions.

業務前景

自二零一四年七月暫停H股買賣後，本公司一直致力重新開展業務，以符合聯交所施加之復牌條件。誠如本集團二零一六年年報所披露，本公司將尋求H股盡早恢復買賣，以重建可供本集團未來擴展之集資平台。鑑於服裝行業在目前中國宏觀經濟環境下面臨各種挑戰及不確定性，董事會一直探索不同投資機遇以拓寬本集團之收入來源，以促進本集團收入及利潤增長，此將對其股東有利。透過收購事項，本公司能夠收購目標集團於中國從事建造業之成熟業務，並可擴大本集團之業務範圍，令其現有業務組合更多元化。

近年來，由於中國城市化進程及投資於基建設施有所增加，中國建造業經歷急速增長。為了適應城市日益增長之都市人口，住宅及商業物業之建築項目機會也越來越多。此外，由於公共設施及基建設施對推動城市化而言屬必要，本公司對建造業之增長潛力感到樂觀。董事會認為，預期建造業之增長潛力及前景優於服裝行業。

目標集團之業務已見規模，為本公司注入一項寶貴資產，從而多元化發展業務。收購事項須待本公司於二零一七年十二月四日作出之公告所披露之先決條件獲達成後方告完成，目標集團屆時將成為本公司之全資附屬公司。

本公司並無計劃出售現有業務。於收購事項完成（須待反向收購公告所披露各項先決條件獲達成）後，本公司可視乎服裝行業之發展形勢及當時市況重整旗下之服裝業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group generated revenue in FY2018 of approximately RMB2 million, which represented an approximately 95% decrease as compared to approximately RMB39 million in FY2017 mainly due to decrease in sales and intense market competition in the apparel industry in the PRC.

Cost of sales and gross (loss)/profit

Cost of sales in FY2018 was approximately RMB2 million, which represented an approximately 89% decrease as compared to approximately RMB19 million in FY2017. The decrease was mainly due to the decrease in sales.

Gross loss in FY2018 was approximately RMB60,000 as compared to the gross profit of approximately RMB21 million in FY2017. The decrease was mainly due to the decrease in sales volume and prices resulting from intense market competition in the PRC.

Administrative and other expenses

Administrative and other expenses in FY2018 were approximately RMB17 million, which represented an approximately 21% increase as compared to approximately RMB14 million in FY2017. Such increase was mainly due to the professional fee of approximately RMB7 million incurred during the year in relation to the new listing application of the Company filed with the Stock Exchange on 26 March 2018.

Finance costs

Finance costs in FY2018 were approximately RMB1 million, which represented an approximately 67% decrease as compared to approximately RMB3 million in FY2017. The decrease was mainly attributable to the repayment of the other borrowings of RMB80 million during FY2018 which was arranged and drawn down in FY2017.

財務回顧

收入

本集團於二零一八財政年度產生收益約人民幣2,000,000元，較二零一七財政年度約人民幣39,000,000元減少約95%，主要因為銷售減少及中國服裝行業之市場競爭激烈。

銷售成本及毛(損)/毛利

二零一八財政年度之銷售成本約為人民幣2,000,000元，較二零一七財政年度約人民幣19,000,000元減少約89%，主要由於銷售減少所致。

二零一八財政年度之毛損約為人民幣60,000元，二零一七財政年度則錄得毛利約人民幣21,000,000元，毛利減少主要由於中國市場競爭激烈導致銷量及售價同告下跌所致。

行政及其他開支

二零一八財政年度之行政及其他開支約為人民幣17,000,000元，較二零一七財政年度約人民幣14,000,000元增加約21%，主要由於本公司於二零一八年三月二十六日向聯交所提交新上市申請而於年內產生專業費用約人民幣7,000,000元所致。

財務成本

二零一八財政年度之財務成本約人民幣1,000,000元，較二零一七財政年度約人民幣3,000,000元減少約67%，主要由於在二零一八財政年度償還於二零一七財政年度安排及提取之其他借款人民幣80,000,000元所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (continued)

Loss attributable to owners of the Company

Based on the above, loss attributable to owners of the Company in FY2018 amounted to approximately RMB19 million, which represented an increase of approximately 217% as compared to approximately RMB6 million in FY2017.

Liquidity, financial resources and capital structure

As at 31 December 2018, bank and cash balances of the Group were approximately RMB488,000 (2017: approximately RMB90 million).

The Group's gearing ratio (measured as total borrowings over total assets) as at 31 December 2018 was approximately 21% (31 December 2017: 61%). The decrease was mainly attributable to the repayment of the other borrowings of RMB80 million during FY2018 which was arranged and drawn down in FY2017.

Foreign currency risks

Most of the Group's transactions, assets and liabilities are principally denominated in Renminbi, the functional currency of the Group. Therefore, the Group had minimal exposure to foreign currency risk and hence the Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure of the Group from time to time and will consider hedging significant foreign currency exposure should the need arise.

Significant investments/Material acquisitions and disposals

Save as the Acquisition, the Group had not made any significant investments or material acquisitions of subsidiaries during FY2018.

Contingent liabilities and capital commitments

As at 31 December 2018, the Group did not have any significant contingent liabilities and capital commitments (31 December 2017: nil).

財務回顧(續)

本公司擁有人應佔虧損

基於上文所述，於二零一八財政年度，本公司擁有人應佔虧損約為人民幣19,000,000元，較二零一七財政年度約人民幣6,000,000元增加約217%。

流動資金、財務資源及資本結構

於二零一八年十二月三十一日，本集團的銀行及現金結餘約為人民幣488,000元(二零一七年：約人民幣90,000,000元)。

於二零一八年十二月三十一日，本集團之資產負債比率(按總借款除以總資產計量)約為21%(二零一七年十二月三十一日：61%)。資產負債比率減少主要由於在二零一八財政年度償還於二零一七財政年度安排及提取之其他借款人民幣80,000,000元所致。

外幣風險

本集團大部分交易、資產及負債主要以本集團之功能貨幣人民幣計值。因此，本集團之外匯風險甚微及因此本集團目前並無外匯對沖政策。然而，管理層不時監察本集團之外匯風險及將於需要時考慮對沖重大外匯風險。

重要投資／重大收購及出售事項

除收購事項外，於二零一八財政年度，本集團並無任何重要投資或重大附屬公司收購。

或然負債及資本承擔

於二零一八年十二月三十一日，本集團並無任何重大或然負債及資本承擔(二零一七年十二月三十一日：無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

DIVIDENDS

The Board does not recommend the payment of a final dividend for FY2018 (FY2017: nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during FY2018.

股息

董事會不建議就二零一八財政年度派發末期股息(二零一七財政年度：無)。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於二零一八財政年度內概無購買、贖回或出售任何本公司上市證券。

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理層的履歷

BOARD OF DIRECTORS

Executive Directors

Xu Hai Ying (許海鷹)

Mr. Xu Hai Ying, aged 64, was appointed to the Board on 15 May 2017. He was appointed as a non-executive director of Hao Tian on 1 January 2012 and was re-designated as an executive director of Hao Tian in February 2012. Mr. Xu is the senior technical consultant and senior manager of 中國節能環保集團有限公司 (China Jieneng Huangbao Group Company Limited*), whose principal business is the development of energy conservation technologies, clean and new energy, and energy infrastructure construction. Mr. Xu has substantial management experience and has been the manager of the representative offices of Wallem & Company Limited (華林船務集團有限公司) in Shanghai and Tianjin, the PRC and the chief representative of the Shanghai representative office of Hong Kong Maritime Company Limited (香港海運有限公司) and has served other management positions.

Sit Hon Wing (薛漢榮)

Mr. Sit Hon Wing, aged 42, was appointed to the Board on 21 April 2017. He has served as the chief financial officer, financial controller and company secretary of certain listed companies in Hong Kong. During the period from June 2006 to January 2008, Mr. Sit was the financial controller and company secretary of Sau San Tong Holdings Limited which was listed on the Stock Exchange (Stock Code: 8200). During the period from January 2008 to September 2015, Mr. Sit was the chief financial officer and company secretary of CT Environmental Group Limited ("CTEG") which was listed on the Stock Exchange (Stock Code: 1363). Since September 2015 and October 2016 and up to August 2017, Mr. Sit has been the financial controller and company secretary of Hao Tian Development Group Limited respectively. Mr. Sit is currently the Company Secretary of CTEG. Mr. Sit is a fellow member of both the Hong Kong Institute of Certified Public Accountants (HKICPA) and Association of Chartered Certified Accountants (ACCA).

董事會

執行董事

許海鷹

許海鷹先生，64歲，於二零一七年五月十五日獲委任為董事會成員。彼於二零一二年一月一日獲委任為昊天非執行董事，並於二零一二年二月調任為昊天執行董事。許先生為中國節能環保集團有限公司的高級技術顧問及高級經理，該公司主要從事節能技術開發、潔淨及新能源以及能源基礎建設業務。許先生擁有豐富的管理經驗，曾擔任華林船務集團有限公司中國上海及天津代表辦事處經理，以及香港海運有限公司上海代表辦事處的首席代表及其他管理職位。

薛漢榮

薛漢榮先生，42歲，於二零一七年四月二十一日獲委任為董事會成員。他曾擔任香港若干上市公司之首席財務官、財務總監及公司秘書。於二零零六年六月至二零零八年一月期間，薛先生出任修身堂控股有限公司(其於聯交所上市，股份代號：8200)之財務總監及公司秘書。於二零零八年一月至二零一五年九月期間，薛先生出任中滔環保集團有限公司(「中滔環保」)(其於聯交所上市，股份代號：1363)之首席財務官及公司秘書。自二零一五年九月及二零一六年十月起及直至二零一七年八月，薛先生分別獲委任為昊天發展集團有限公司之財務總監及公司秘書。薛先生現時為中滔環保之公司秘書。薛先生為香港會計師公會(香港會計師公會)及英國特許公認會計師公會(英國特許公認會計師公會)之資深會員。

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE 董事及高級管理層的履歷

BOARD OF DIRECTORS (continued)

Non-executive Director

Han Huiyuan (韓惠源)

Mr. Han Huiyuan (韓惠源), aged 55, is a non-executive Director. He was appointed to the Board on 9 July 2013. Mr. Han is currently the managing director of Heaven-Sent Capital Management Group Co., Ltd. (硅谷天堂資產管理集團股份有限公司), a corporate shareholder of Silicon Valley Solar Venture Capital Co., Ltd. (深圳硅谷天堂陽光創業投資有限公司) and is responsible for the overall business operation. Mr. Han obtained a master degree in urban economics from the Renmin University of China (中國人民大學) in 2011 and a bachelor degree in industrial automation from Huazhong Technical College (華中工學院) (currently known as the "Huazhong University of Science and Technology (華中科技大學)") in 1984.

Independent non-executive Directors

Chan Ming Sun (陳銘樂)

Mr. Chan Ming Sun Jonathan, aged 46, was appointed to the Board on 21 April 2017. Mr. Chan graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree in Accounting and Computer Information Systems. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Certified Practising Accountants, Australia. Mr. Chan has over 20 years of experience in auditing, accounting, investment and financial management. Mr. Chan is currently an investment manager of Sprint Asset Management Limited. Mr. Chan is also an independent non-executive director of each of China Dredging Environment Protection Holdings Limited (stock code: 871), Shenyang Public Utility Holdings Company Limited (stock code: 747), Up Energy Development Group Limited (stock code: 307) and Hao Tian Development Group Limited (stock code: 474), whose securities are listed on the main board of the Stock Exchange, and of Changhong Jiahua Holdings Limited (stock code: 8016), whose securities are listed on GEM of the Stock Exchange. Mr. Chan resigned as independent non-executive director of Beautiful China Holdings Company Limited (stock code: 706), Focus Media Network Limited (stock code: 8112), L&A International Holdings Limited (stock code: 8195), Far East Holdings International Limited (stock code: 36) and Dining Concepts Holdings Limited (stock code: 8056) on 28 February 2014, 27 November 2015, 3 March 2017, 18 July 2017 and 12 December 2018 respectively.

董事會 (續)

非執行董事

韓惠源

韓惠源先生，55歲，非執行董事。彼於二零一三年七月九日獲委任加入董事會。韓先生現時為深圳硅谷天堂陽光創業投資有限公司的公司股東硅谷天堂資產管理集團股份有限公司的董事總經理，負責整體業務營運。韓先生於二零一一年取得中國人民大學城市經濟學碩士學位，並於一九八四年取得華中工學院(現稱為華中科技大學)的工業自動化學士學位。

獨立非執行董事

陳銘樂

陳銘樂先生，46歲，於二零一七年四月二十一日獲委任為董事會成員。陳先生畢業於澳洲新南威爾斯大學，持有會計及電腦資訊系統學系商學士學位。彼現為香港會計師公會之資深會員及澳洲會計師公會之會員。陳先生於審計、會計、投資及財務管理方面擁有逾20年經驗。陳先生現時為新銳資產管理有限公司之投資經理。陳先生亦為中國疏浚環保控股有限公司(股份代號：871)、瀋陽公用發展股份有限公司(股份代號：747)、優派能源發展集團有限公司(股份代號：307)及昊天發展集團有限公司(股份代號：474)各自之獨立非執行董事，該等公司之證券於聯交所主板上市，以及長虹佳華控股有限公司(股份代號：8016)之獨立非執行董事，該公司之證券於聯交所GEM上市。陳先生分別於二零一四年二月二十八日、二零一五年十一月二十七日、二零一七年三月三日、二零一七年七月十八日及二零一八年十二月十二日辭任美麗中國控股有限公司(股份代號：706)、Focus Media Network Limited(股份代號：8112)、樂亞國際控股有限公司(股份代號：8195)、遠東控股國際有限公司(股份代號：36)及飲食概念控股有限公司(股份代號：8056)之獨立非執行董事。

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理層的履歷

BOARD OF DIRECTORS (continued)

Independent non-executive Directors (continued)

Lee Chi Hwa Joshua (李智華)

Mr. Lee Chi Hwa Joshua, aged 46, was appointed to the Board on 21 April 2017. He is a fellow member of the Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants. Mr. Lee has extensive experience in the fields of auditing, accounting and finance. Mr. Lee currently serves as an independent non-executive director of Hao Tian, Hao Tian International Construction Investment Group Limited (Stock code: 1341), Up Energy Development Group Limited (Stock code: 307), China Fortune Investments (Holding) Limited (Stock code: 8116), Code Agriculture (Holdings) Limited (Stock code: 8153) and Cornerstone Financial Holdings Limited (Stock code: 8112) respectively, whose shares are listed on the Stock Exchange. He currently serves as an executive director of China Healthcare Enterprise Group Limited (Stock code: 1143), whose shares are listed on the Main Board of the Stock Exchange. He was an independent non-executive director of King Stone Energy Group Limited (Stock code: 663) from January 2012 to April 2013, China Minsheng Drawin Technology Group Limited (Stock code: 726) from December 2013 to February 2015 and Teamway International Group Holdings Limited (Stock code: 1239) from March 2015 to August 2017, all companies are listed on the Stock Exchange.

Mak Yiu Tong (麥耀棠)

Mr. Mak Yiu Tong, aged 60, was appointed to the Board on 21 April 2017. Mr. Mak graduated from the China University of Political Science and Law with a Bachelor of Law degree in 1998. Mr. Mak is a legal executive of C. K. Mok & Co., a firm of solicitors in Hong Kong. Mr. Mak has been working in the legal industry for over 30 years. Mr. Mak currently serves as an independent non-executive director of Talent Property Group Limited (Stock code: 760), Up Energy Development Group Limited (Stock code: 307) and Hao Tian International Construction Investment Group Limited (Stock code: 1341), whose shares are listed on the main board of the Stock Exchange.

董事會 (續)

獨立非執行董事 (續)

李智華

李智華先生，46歲，於二零一七年四月二十一日獲委任為董事會成員。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。李先生於核數、會計及財務方面擁有豐富經驗。李先生現分別為昊天、昊天國際建設投資集團有限公司(股份代號：1341)、優派能源發展集團有限公司(股份代號：307)、中國幸福投資(控股)有限公司(股份代號：8116)、科地農業控股有限公司(股份代號：8153)及基石金融控股有限公司(股份代號：8112)之獨立非執行董事，該等公司之股份均於聯交所上市。彼現為華夏健康產業集團有限公司(股份代號：1143)之執行董事，該公司之股份於聯交所主板上市。彼於二零一二年一月至二零一三年四月出任金山能源集團有限公司(股份代號：663)、於二零一三年十二月至二零一五年二月出任中民築友科技集團有限公司(股份代號：726)及於二零一五年三月至二零一七年八月出任Teamway International Group Holdings Limited (股份代號：1239) (該等公司均於聯交所上市)之獨立非執行董事。

麥耀棠

麥耀棠先生，60歲，於二零一七年四月二十一日獲委任為董事會成員。麥先生於一九九八年畢業於中國政法大學，獲頒授法學學士學位。麥先生為莫超權律師行(一家香港律師行)之法律行政人員。麥先生於法律行業工作逾三十年。麥先生現時擔任新天地產集團有限公司(股份代號：760)、優派能源發展集團有限公司(股份代號：307)及昊天國際建設投資集團有限公司(股份代號：1341)之獨立非執行董事，該等公司之股份均於聯交所主板上市。

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE 董事及高級管理層的履歷

BOARD OF SUPERVISORS

Wang Zhiyu (王智宇)

Ms. Wang Zhiyu, aged 35, joined the Company and was appointed to the Board on 21 April 2017. She obtained a bachelor's degree in business administration and has over 15 years of experience in administrative and human resources management. Between 2003 and 2010, she served as a manager in two companies and was responsible for daily administration management and establishing the administration and staff policy of the companies. In 2010, she joined Hao Tian Development Group Limited ("Hao Tian") and served a number of management positions, and was responsible for administrative and human resources management for the Hao Tian group and its subsidiaries. Ms. Wang was also appointed as a director of various subsidiaries of the Hao Tian group since June 2012.

Cheung Wang Lok (張宏樂)

Mr. Cheung Wang Lok, aged 41, joined the Company and was appointed to the Board on 21 April 2017. He has more than 18 years of experience in internal auditing, external auditing, accounting, finance, taxation, treasury management, internal control and personnel management in international and listed companies. Mr. Cheung was an associate general manager and finance manager in a listed company in the United States of America from 2007 to 2010. Mr. Cheung joined Hao Tian in 2010. He was appointed as a director of various subsidiaries of Hao Tian group since May 2016 and was promoted to Senior Finance Manager in 2019.

Cai Han Zong (蔡漢忠)

Mr. Cai Han Zong, aged 33, has over 10 years of experience in stores engineering supervision and administrative management. Mr. Cai joined the Company in August 2011 as an engineering supervisor. He has then worked as the deputy manager of the administrative department of the Company since September 2016. Prior to joining the Company in 2011, Mr. Cai had worked in 深圳市跨域體育用品有限公司 (Shenzhen Cross Domain Sports Equipment Company Limited*) as its engineering supervisor. Mr. Cai obtained a college degree in business administration from The Open University of Fujian in 2006.

* For identification purposes only

監事會

王智宇

王智宇女士，35歲，於二零一七年四月二十一日加入本公司並獲委任為董事會成員。彼取得工商管理學士學位並於行政及人力資源管理方面擁有逾15年經驗。於二零零三年至二零一零年間，彼擔任兩間公司之經理，負責日常行政管理並制定公司之行政及員工政策。於二零一零年，彼加入昊天發展集團有限公司（「昊天」）並擔任多項管理職位，負責昊天集團及其附屬公司之行政及人力資源管理。此外，王女士自二零一二年六月起獲委任為昊天集團多間附屬公司之董事。

張宏樂

張宏樂先生，41歲，於二零一七年四月二十一日加入本公司並獲委任為董事會成員。彼於國際及上市公司之內部核數、外部核數、會計、財務、稅項、財務管理、內部控制及人事管理方面擁有逾18年經驗。張先生於二零零七年至二零一零年出任一間美利堅合眾國上市公司之副總經理兼財務經理。張先生於二零一零年加入昊天。彼自二零一六年五月起獲委任為昊天集團多間附屬公司之董事及於二零一九年獲晉升為高級財務經理。

蔡漢忠

蔡漢忠先生，33歲，於店舖工程監理及行政管理方面擁有逾10年經驗。蔡先生於二零一一年八月加入本公司出任工程監理，彼其後自二零一六年九月起一直擔任本公司行政部副經理。於二零一一年加入本公司前，蔡先生為深圳市跨域體育用品有限公司之工程監理。蔡先生於二零零六年獲得福建廣播電視大學工商管理專科學歷。

DIRECTORS' REPORT

董事會報告

PRINCIPAL ACTIVITIES

The principal activities of the Company are retailing men's and women's casual apparels. There were no significant changes in the nature of the Group's principal activities during the year.

An analysis of the Group's revenue and profit for the year is set out in the section headed "Management Discussion and Analysis" in this report.

RESULTS AND DIVIDENDS

The results of the Group in FY2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 53 of this annual report.

For details regarding a fair review of the Company's business, please refer to the paragraph headed "Business review" of the section headed "Management discussion and analysis" of this annual report.

The Board does not recommend the payment of a dividend.

Summary financial information

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 152. The summary does not form part of the audited consolidated financial statements.

主營業務

本公司的主營業務為男士及女士休閒服飾零售業務。本集團的主營業務性質於年內概無重大變動。

本集團於年內之收入及溢利分析載於本報告「管理層討論及分析」一節。

業績及股息

本集團二零一八年財政年度的業績載於本年報第53頁的綜合損益及其他全面收益表內。

有關本公司業務公平回顧的詳情，請參閱本年報「管理層討論及分析」一節「業務回顧」一段。

董事會不建議派付股息。

財務資料概要

本集團過去五個財政年度之已刊發業績、資產及負債的概要(摘錄自經審核綜合財務報表)載於第152頁。此概要並不構成經審核綜合財務報表之一部分。

DIRECTORS' REPORT

董事會報告

AGM AND CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The notice of the forthcoming annual general meeting ("AGM") and the period of closure of register of members of H Shares will be published and despatched to the shareholders of the Company ("Shareholders"), at least 45 days before the meeting, in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and the articles of association of the Company. To ascertain the Shareholders' entitlement to attend and vote at the forthcoming AGM, all transfers of shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration. Details to which will be announced in due course.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 26 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and of the Group during the year are set out in note 14 to the financial statements.

RESERVES

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

股東週年大會及暫停辦理H股過戶登記

根據聯交所證券上市規則(「上市規則」)及本公司之公司章程之規定，應屆股東週年大會(「股東週年大會」)及暫停辦理H股過戶登記手續期間之通告將於大會前至少45日刊發及寄發予本公司股東(「股東」)。為確定股東出席應屆股東週年大會並於會上投票之權利，所有股份過戶文件連同有關股票及過戶表格必須遞交本公司之香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖，以辦理登記手續。其詳情將於適當時候公告。

股本

本公司於年內之股本變動詳情載於財務報表附註26。

物業、廠房及設備

本公司及本集團物業、廠房及設備於年內的變動詳情載於財務報表附註14內。

儲備

本公司及本集團儲備於年內的變動詳情分別載於財務報表附註27及綜合權益變動表。

DIRECTORS' REPORT 董事會報告

DISTRIBUTABLE RESERVES

As at 31 December 2018, our Company had no distributable reserves available for distribution to its equity holders.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company or the laws of the PRC which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during FY2018.

ENVIRONMENTAL POLICIES

We are committed to building an environmentally-friendly workplace that pays close attention to conserving natural resources. We strive to minimize our environmental impact by saving water supplies, electricity and encouraging recycle of office supplies and other packaging materials.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company's operations are mainly carried out in the PRC. Our establishment and operations accordingly shall comply with relevant laws and regulations in the PRC. During FY2018 and up to the date of this report, there is no material non-compliance with all the prevailing laws and regulations in the PRC.

可分派儲備

於二零一八年十二月三十一日，本公司並無可向其股權持有人分派之可供分派儲備。

優先購買權

本公司之公司章程或中國法律並無規定本公司於發行新股時，必須按比例賦予現有股東優先購買權。

購買、贖回或出售本公司上市證券

於二零一八年財政年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

環境政策

本公司致力於建立密切關注節約天然資源之環保工作環境。本公司力求盡量減少對環境造成之影響，方式為節約供水、電力及鼓勵循環再用辦公室物品及其他包裝物料。

遵守法律及法規

本公司主要於中國進行營運。因此，本公司之成立及營運均須遵守中國之相關法律及法規。於二零一八財政年度及直至本報告日期，概無重大違反所有中國現行法律及法規。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

Sales

The aggregate percentages of sales attributable to the Group's major customers during FY2018 are as follows:

Our largest customer	27%
Five largest customers combined	36%

None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

Purchases

During FY2018, no purchase was incurred in the Group.

DIRECTORS

The composition of the Board is as follows:

Executive Directors

Mr. Xu Hai Ying (Chairman)
Mr. Sit Hon Wing

主要客戶及供應商

銷售

於二零一八財政年度，本集團之主要客戶應佔之銷售百分比總額如下：

最大客戶	27%
五大客戶合計	36%

董事或彼等之任何聯繫人或任何股東(就董事所深知擁有本公司已發行股本超過5%)概無於本集團五大客戶擁有任何實益權益。

採購

於二零一八財政年度，本集團並無任何採購。

董事

董事會的組成如下：

執行董事

許海鷹先生(董事長)
薛漢榮先生

DIRECTORS' REPORT 董事會報告

DIRECTORS (continued) Non-executive Directors

Mr. Han Huiyuan

Independent non-executive Directors

Mr. Chan Ming Sun Jonathan
Mr. Lee Chi Hwa Joshua
Mr. Mak Yiu Tong

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and supervisors of the Company and the senior management of the Group are set out on pages 11 to 14 of the annual report.

An annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules has been received from each of the independent non-executive Directors. The Company considered that all the independent non-executive Directors were independent, and that no family, material or other relevant relationships existed between any of them. In addition, none of the members of the Board were related to any of the others.

DIRECTORS' AND SUPERVISORS SERVICE CONTRACTS

Each of the Directors and supervisors of the Company has entered into a service agreement with the Company for a term of three years.

No Director and supervisor of the Company has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事(續) 非執行董事

韓惠源先生

獨立非執行董事

陳銘樂先生
李智華先生
麥耀棠先生

董事、監事及高級管理層的履歷

本公司董事及監事以及本集團高級管理層的履歷詳情載於年報的第11至第14頁。

本公司已自各獨立非執行董事收到其根據上市規則第3.13條發出之獨立性年度確認書。本公司認為，全體獨立非執行董事均屬獨立，且彼等之間概不存在親屬、重大或其他相關關係。此外，概無董事會成員與任何其他人士有關連。

董事及監事之服務合約

各董事及本公司監事已與本公司訂立為期三年之服務協議。

概無董事及本公司監事已與本公司訂立本公司不可於一年內終止而毋須支付賠償(法定賠償除外)的服務合約。

DIRECTORS' REPORT

董事會報告

EMPLOYEES AND REMUNERATION POLICY

The Group had approximately 20 employees as at 31 December 2018 (31 December 2017: 45 employees). The total remuneration of employees in FY2018 amounted to approximately RMB3 million (FY2017: RMB7 million).

The Group's emolument policy is formulated based on the performance of individual employees and is reviewed regularly. Subject to the Group's profitability, the Group may also provide discretionary bonuses to its employees as an incentive for their contribution to the Group. The primary goal of the emolument policy with regard to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

The principal elements of the Group's remuneration packages include basic salaries, discretionary bonuses and housing benefits.

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

None of the Directors, the supervisors of the Company nor their respective associates had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party during the year.

僱員及薪酬政策

於二零一八年十二月三十一日，本集團有約20名僱員(二零一七年十二月三十一日：45名僱員)。二零一八財政年度的僱員薪酬總額約為人民幣3,000,000元(二零一七財政年度：人民幣7,000,000元)。

本集團的薪酬政策乃根據個別僱員的表現而制訂，並會定期作出檢討。視乎本集團的盈利能力，本集團亦可向其僱員派發酌情花紅，作為彼等對本集團作出貢獻之獎勵。就本集團執行董事之薪酬待遇而言，薪酬政策的首要目標乃將執行董事的薪酬與其達成企業目標的表現掛鉤，讓本集團能夠挽留及激勵執行董事。

本集團薪酬待遇的主要元素包括基本薪金、酌情花紅及房屋福利。

董事袍金須由股東於股東大會上批准。其他薪酬由董事會經參考董事職務、責任及表現以及本集團的業績後釐定。

董事及監事於合約的權益

概無本公司董事、監事或彼等各自之聯繫人於本公司或其任何附屬公司於年內訂立對本集團業務屬重大之任何交易、安排或合約當中直接或間接擁有重大權益。

DIRECTORS' REPORT

董事會報告

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for the information disclosed under this annual report, there was no other contract of significance between the Group and the Company's controlling shareholder (the "Controlling Shareholder") or any of its subsidiaries subsisted at the end of the year or at any time during the year.

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

As at 31 December 2018, none of the Directors and the Company's chief executive, and their respective associates had any interests in the Shares in and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have been taken under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), or were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO.

控股股東於重大合約的權益

除於本年報披露之資料外，本集團與本公司之控股股東（「控股股東」）或其任何附屬公司概無訂立於年末或年內任何時間存續之其他重大合約。

董事及主要行政人員於股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，概無董事及本公司主要行政人員及彼等各自的聯繫人士於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份及相關股份中，擁有根據證券及期貨條例第XV部第7及8分部（包括根據證券及期貨條例之條文彼等被當作或視為擁有的權益及淡倉）或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所，或根據證券及期貨條例第352條須記錄於本公司所存置的登記冊的任何權益。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2018, so far as the Directors are aware of, the interests or short positions of the persons and corporations in the Shares or underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO were as follow:

主要股東於本公司股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，據董事所悉，有關人士及法團於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露之權益或淡倉如下：

Name of Shareholder	Nature of interest	Number of Shares held	Type of shares	Approximate percentage of the respective type of shares	Approximate percentage of total issued shares
股東姓名／名稱	權益性質	持有股份數目 (Note 1) (附註1)	股份類型	佔各類股份之 概約百分比	佔已發行 股份總數之 概約百分比
Hao Tian Investment (China) Company Limited 昊天投資(中國)有限公司	Beneficial owner 實益擁有人	312,068,670 (L)	Domestic Shares (Note 2) 內資股(附註2)	69.35	51.09
Li Shao Yu 李少宇	Interest in controlled corporation 受控制法團權益	312,068,670 (L)	Domestic Shares (Note 2) 內資股(附註2)	69.35	51.09
	Interest in controlled corporation 受控制法團權益	53,991,000 (L)	H Shares (Note 3) H股(附註3)	33.58	8.84
Asia Link Capital Investment Holdings Limited 亞聯創富控股有限公司	Interest in controlled corporation 受控制法團權益	312,068,670 (L)	Domestic Shares (Note 2) 內資股(附註2)	69.35	51.09
	Interest in controlled corporation 受控制法團權益	53,991,000 (L)	H Shares (Note 3) H股(附註3)	33.58	8.84
Hao Tian Corporation Limited 昊天商貿有限公司	Beneficial owner 實益擁有人	53,991,000 (L)	H Shares (Note 3) H股(附註3)	33.58	8.84
Hao Tian Development Group Limited 昊天發展集團有限公司	Interest in controlled corporation 受控制法團權益	53,991,000 (L)	H Shares (Note 3) H股(附註3)	33.58	8.84
	Interest in controlled corporation 受控制法團權益	312,068,670 (L)	Domestic Shares (Note 2) 內資股(附註2)	69.35	51.09

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

主要股東於本公司股份及相關股份的權益及淡倉(續)

Name of Shareholder	Nature of interest	Number of Shares held	Type of shares	Approximate percentage of the respective type of shares	Approximate percentage of total issued shares
股東姓名/名稱	權益性質	持有股份數目 (Note 1) (附註1)	股份類型	佔各類股份之 概約百分比	佔已發行 股份總數之 概約百分比
Chan Yuk Ming	Beneficial owner/ Interest in controlled corporation/founder of a discretionary trust	42,800,000 (L)	H Shares (Note 4)	26.62	7.01
陳育明	實益擁有人/受控制法團 權益/全權信託創辦人		H股(附註4)		
Theme Link Investments Ltd.	Beneficial owner	12,700,000 (L)	H Shares (Note 4) H股(附註4)	7.90	2.08
Evisu (PTC) Limited	Trustee 受託人	29,400,000 (L)	H Shares (Note 5) H股(附註5)	18.28	4.81
Pacific Success Holdings Limited	Interest in controlled corporation 受控制法團權益	29,400,000 (L)	H Shares (Note 5) H股(附註5)	18.28	4.81
Evergreen International Holdings Limited	Interest in controlled corporation 受控制法團權益	29,400,000 (L)	H Shares (Note 5) H股(附註5)	18.28	4.81
Sunsonic Holdings Limited	Interest in controlled corporation 受控制法團權益	29,400,000 (L)	H Shares (Note 5) H股(附註5)	18.28	4.81
Joy Business Investments Limited	Beneficial owner 實益擁有人	29,400,000 (L)	H Shares (Note 5) H股(附註5)	18.28	4.81
Hong Jinjing 洪金京	Interest in controlled corporation 受控制法團權益	17,840,000 (L)	H Shares (Note 6) H股(附註6)	11.89	2.92
Sky Success Venture Holdings Limited	Beneficial owner 實益擁有人	17,840,000 (L)	H Shares (Note 6) H股(附註6)	11.89	2.92

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

Notes:

1. The letter "L" denotes a person's or a corporation's long position in the Shares and "S" denotes a person's or a corporation's short position in the Shares.
2. Hao Tian Investment (China) Company Limited was wholly owned by Hao Tian Investment (Hong Kong) Limited, which was in turn wholly owned by Long Xin Holdings Limited, which was in turn wholly owned by Hao Tian Development Group Limited. Hao Tian Development Group Limited was owned by Asia Link Capital Investment Holdings Ltd as to approximately 57.93%. Asia Link Capital Investment Holdings Ltd was wholly owned by Ms. Li Shao Yu.
3. Hao Tian Corporation Limited was wholly owned by Yixin Investments Limited, which was in turn wholly owned by Hao Tian Development Group Limited. Hao Tian Development Group Limited was owned by Asia Link Capital Investment Holdings Ltd as to approximately 57.93%. Asia Link Capital Investment Holdings Ltd was wholly owned by Ms. Li Shao Yu.
4. Of the 42,800,000 H Shares in which Mr. Chan Yuk Ming ("Mr. Chan") was interested or deemed to be interested in, 700,000 H Shares were held by him personally, 12,700,000 H Shares are held by Theme Link Investments Ltd., a company wholly-owned by Mr. Chan, and 29,400,000 H Shares were held by Joy Business Investments Limited, a company wholly-owned by Sunsonic Holdings Limited which is a company indirectly owned by Evisu (PTC) Limited, the trustee of a discretionary trust of which Mr. Chan was a founder (please see Note 5 below).
5. The abovementioned 29,400,000 H Shares were held by Joy Business Investments Limited, a company wholly-owned by Sunsonic Holdings Limited which was in turn wholly-owned by Evergreen International Holdings Limited ("Evergreen"), a company the shares of which are listed on the Hong Kong Stock Exchange under stock code 238. Evergreen was owned as to 51% by Pacific Success Holdings Limited, a company wholly-owned by Evisu (PTC) Limited which was the trustee of a discretionary trust of which Mr. Chan was a founder.
6. Mr. Hong Jinjing holds 42.00% equity interest in registered capital of Sky Success Venture Holdings Limited. Accordingly, Mr. Hong Jinjing is deemed to be interested in the 17,840,000 Shares held by Sky Success Venture Holdings Limited by virtue of SFO.

主要股東於本公司股份及相關股份的權益及淡倉 (續)

附註：

1. 字母「L」指有關人士或法團於股份之好倉，而字母「S」指有關人士或法團於股份之淡倉。
2. 昊天投資(中國)有限公司由昊天投資(香港)有限公司全資擁有，而昊天投資(香港)有限公司由龍鑫控股有限公司全資擁有，而龍鑫控股有限公司由昊天發展集團有限公司全資擁有。昊天發展集團有限公司由亞聯創富控股有限公司擁有約57.93%股權。亞聯創富控股有限公司由李少宇女士全資擁有。
3. 昊天商貿有限公司由意新投資有限公司全資擁有，而意新投資有限公司由昊天發展集團有限公司全資擁有。昊天發展集團有限公司由亞聯創富控股有限公司擁有約57.93%權益。亞聯創富控股有限公司由李少宇女士全資擁有。
4. 在陳育明先生(「陳先生」)擁有或被視為擁有權益的42,800,000股H股中，700,000股H股由其個人持有，12,700,000股H股由陳先生全資擁有的公司Theme Link Investments Ltd.持有，而29,400,000股H股由Sunsonic Holdings Limited全資擁有的公司Joy Business Investments Limited持有。Sunsonic Holdings Limited由Evisu (PTC) Limited間接擁有，而Evisu (PTC) Limited為陳先生創辦的酌情信託的受託人(請見下文附註5)。
5. 上述29,400,000股H股由Sunsonic Holdings Limited全資擁有的公司Joy Business Investments Limited持有，而Sunsonic Holdings Limited由Evergreen International Holdings Limited(「Evergreen」)全資擁有，Evergreen的股份於香港聯交所上市(股份代號：238)。Evergreen由Pacific Success Holdings Limited擁有51%權益。Pacific Success Holdings Limited由Evisu (PTC) Limited全資擁有，Evisu (PTC) Limited為陳先生創辦的全權信託的受託人。
6. 洪金京先生持有Sky Success Venture Holdings Limited註冊資本中42.00%股權。因此，根據證券及期貨條例，洪金京先生被視為於Sky Success Venture Holdings Limited所持17,840,000股股份中擁有權益。

DIRECTORS' REPORT

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for those disclosed in the paragraphs headed and "Directors' and chief executive's interests and short positions in Shares and underlying Shares" in this Directors' report in this annual report, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this annual report, the Company has maintained the prescribed public float under the Listing Rules based on the information that is publicly available to the Company and within the knowledge of the Directors.

CONNECTED TRANSACTION

Hao Tian Investment (China) Company Limited (昊天投資(中國)有限公司), the Controlling Shareholder entered into four loan agreements with the Company to provide interest-free unsecured working capital loan total RMB20 million to the Company for general working capital purposes and to support the daily operation and expansion plan. As at 31 December 2018, the outstanding amount of loan payable to the Controlling Shareholder was approximately RMB14 million (2017: RMB20 million) repayable on demand.

As at 31 December 2018, amount due to Hao Tian Management (Hong Kong) Limited amounts to approximately RMB3 million (2017: RMB316,000).

Details of the related party transactions of the Company in FY2018 and undertaken in the usual course of business are set out in note 32 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

董事收購股份或債券的權利

除本年報之董事會報告內「董事及主要行政人員於股份及相關股份的權益及淡倉」各段所披露者外，於年內所有時間，概無任何董事或彼等各自之配偶或未成年子女獲授任何可以收購本公司股份或債券的方式獲取利益的權利，彼等亦無行使任何該等權利，本公司或其任何附屬公司亦無訂立任何安排，以使董事可獲取任何其他法團的該等權利。

足夠公眾持股量

根據本公司從公開途徑取得的資料及就董事所知，於本年報刊發前之最後實際可行日期，本公司已維持上市規則項下規定之公眾持股量。

關連交易

本公司控股股東昊天投資(中國)有限公司與本公司訂立四份貸款協議，向本公司提供免息無抵押營運資金貸款合共人民幣20,000,000元，以用作一般營運資金及支持日常營運及擴展計劃。於二零一八年十二月三十一日，應付控股股東的未償還貸款約為人民幣14,000,000元(二零一七年：人民幣20,000,000元)，須按要求償還。

於二零一八年十二月三十一日，應付Hao Tian Management (Hong Kong) Limited之款項約為人民幣3,000,000元(二零一七年：人民幣316,000元)。

於二零一八年財政年度，本公司於正常業務過程中進行之關連人士交易詳情載於綜合財務報表附註32。該等關連人士交易並不構成上市規則所界定之須予披露關連交易。本公司確認其已遵守上市規則第14A章的披露規定。

DIRECTORS' REPORT 董事會報告

MANAGEMENT CONTRACTS

No contracts of significance 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.

DIRECTORS' AND SUPERVISORS' INTEREST IN COMPETING BUSINESS

None of the Directors or supervisors of the Company or their respective associates had engaged in or had any interest in any business which competes or may compete with the business of the Group.

CHARITABLE DONATIONS

During FY2018, the Group did not make any charitable and other donations.

AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Details of the Audit Committee, Remuneration Committee and Nomination Committee are set out in section headed "Corporate Governance Report" of this annual report.

REVIEW BY AUDIT COMMITTEE

The Audit Committee together with the management have reviewed the accounting principles and practices adopted by the Group and the audited consolidated financial statements of the Company in FY2018.

管理合約

年內，概無訂立或存在有關本公司全部或任何重大部分業務之管理及行政之重大合約。

董事及監事於競爭業務之權益

概無董事或本公司監事或彼等各自之聯繫人已從事與本集團業務構成競爭或可能構成競爭的任何業務，或於其中擁有任何權益。

慈善捐款

於二零一八年財政年度，本集團並無作出任何慈善及其他捐款。

審核委員會、薪酬委員會及提名委員會

審核委員會、薪酬委員會及提名委員會之詳情載於本年報「企業管治報告」一節。

由審核委員會審閱

審核委員會連同管理層已審閱本集團採納之會計原則及常規以及本公司於二零一八年財政年度之經審核綜合財務報表。

DIRECTORS' REPORT 董事會報告

AUDITOR

Following the resignation of ZHONGHUI ANDA CPA Limited as auditors of the Company on 13 February 2019, BDO Limited ("BDO") was appointed as the auditor of the Company on 14 February 2019 to fill in the vacancy. The consolidated financial statements of the Company for the year ended 31 December 2018 were audited by BDO. A resolution will be proposed at the forthcoming annual general meeting to re-appoint BDO as the auditor of the Company.

For the details, please refer to the announcement of the Company dated 15 February 2019 published on the website of the Stock Exchange and the website of the Company.

On behalf of the Board

Xu Hai Ying

Executive Director

Quanzhou, PRC, 20 March 2019

核數師

中匯安達會計師事務所有限公司於二零一九年二月十三日起辭任本公司核數師職務後，香港立信德豪會計師事務所有限公司（「立信德豪」）於二零一九年二月十四日獲委任為本公司核數師以填補空缺。本公司截至二零一八年十二月三十一日止年度的綜合財務報表已由立信德豪審核。本公司將於應屆股東週年大會提呈決議案續聘立信德豪為本公司核數師。

詳情請參閱本公司日期為二零一九年二月十五日之公告，有關公告已於聯交所網站及本公司網站登載。

代表董事會

執行董事

許海鷹

中國泉州，二零一九年三月二十日

SUPERVISORY COMMITTEE REPORT

監事會報告

Dear Shareholders:

On behalf of the Supervisory Committee of the Company, I would like to present to the general meeting the work report of the Supervisory Committee for the year 2018.

In 2018, the fourth session of the Supervisory Committee of Fujian Nuoqi Co., Ltd. (hereinafter referred to as the "Company") earnestly performed its duties in compliance with the relevant national laws and regulations as well as the articles of association of the Company, highlighted its supervisory function over the financial position and senior management of the Company, and carried out its works by abiding to the objective of safeguarding the interests of the Shareholders.

We hereby report the work performed by the Supervisory Committee of the Company for the year 2018 as follows:

(1) INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE LAWFUL OPERATION OF THE COMPANY

The Supervisory Committee is of the view that the Company had complied with the legal requirements in its management and operation during 2018 and that the Directors and managers of the Company had fulfilled their duties without violating any laws, regulations and articles of association of the Company or performed any behaviours that were detrimental to the interests of the Company.

各位股東：

本人謹代表公司監事會，向股東大會提呈二零一八年度監事會工作報告。

二零一八年度福建諾奇股份有限公司(以下簡稱「公司」或「本公司」)第四屆監事會遵循國家相關法律法規和本公司之公司章程認真履行監事會的職責，突出對公司財務狀況及高級管理人員的監督職能，秉承維護股東權益的宗旨開展工作。

現將二零一八年度公司監事會工作匯報如下：

(一) 監事會對公司依法運作情況的獨立意見

監事會認為，公司在二零一八年的管理和運作中合乎法律規範的要求，而本公司董事及經理已履行彼等之職責且並無違反任何法例、法規及本公司之公司章程或作出任何損害本公司權益之行為。

SUPERVISORY COMMITTEE REPORT

監事會報告

(2) INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE INSPECTION OF THE FINANCIAL POSITION OF THE COMPANY

The Supervisory Committee is of the opinion that BDO expressed its unqualified opinions that 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 International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

(3) INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE AUDIT OPINION OF ACCOUNTING FIRM

The consolidated financial statement of the Company for the year 2018 was audited by BDO and an audit report of unqualified opinion was issued thereon. The Supervisory Committee had no objection to the audit opinion and the report.

We hereby present this report for the Shareholders' consideration.

(二) 監事會對檢查公司財務情況的獨立意見

監事會認為，立信德豪已發表其無保留意見認為，綜合財務報表已根據國際會計準則理事會頒佈的國際財務報告準則（「國際財務報告準則」）真實而公平地反映本集團於二零一八年十二月三十一日之綜合財務狀況，以及其截至該日止年度的綜合財務表現及綜合現金流量，並已根據香港公司條例的披露規定妥為編製。

(三) 監事會對會計師事務所審計意見的獨立意見

本公司二零一八年度之綜合財務報表已經立信德豪審計，並就此出具無保留意見審計報告。監事會對審計意見及報告並無異議。

特此報告，請各位股東審議。

Fujian Nuoqi Co., Ltd.
Supervisory Committee

Quanzhou, PRC, 20 March 2019

福建諾奇股份有限公司
監事會

中國泉州，二零一九年三月二十日

CORPORATE GOVERNANCE REPORT

企業管治報告

CODE OF CORPORATE GOVERNANCE PRACTICE

The Company has adopted the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules as its own code of corporate governance. During the year ended 31 December 2018, the Company has complied with the code provisions under the Code, except for the deviation from the code provision A.2.1. Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviation are summarised below.

Pursuant to code provision A.2.1 of the Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, since the resolution passed on an extraordinary general meeting convened on 21 April 2017 that Mr. Ding Hui was removed as a Director, Mr. Zhang Aiping, a then executive Director, has been elected as the chairman of the Board. On 27 June 2017, the Board has resolved to appoint Mr. Xu Hai Ying, an executive Director, as the chairman of the Board. On the other hand, the Board has yet to appoint the chief executive officer of the Company. The Board will keep reviewing the current structure of the Company from time to time and should a candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post of the chief executive officer as appropriate and will make further announcement in due course.

企業管治常規守則

本公司已採納上市規則附錄14所載企業管治守則(「守則」)，作為其自身的企業管治守則。截至二零一八年十二月三十一日止年度，本公司已遵從守則項下的守則條文，惟守則條文第A.2.1條的偏離情況除外。本公司的關鍵企業管治原則及常規以及有關上述偏離情況的詳情概述如下。

根據守則的守則條文第A.2.1條，董事長及行政總裁的職責須予劃分，不應由同一人士擔任。然而，自於二零一七年四月二十一日舉行之股東特別大會上通過決議案後，丁輝先生被罷免董事職務，而當時執行董事張愛平先生則被選舉為董事會主席。於二零一七年六月二十七日，董事會已議決委任執行董事許海鷹先生為董事會主席。此外，董事會尚未委任本公司之行政總裁。董事會將繼續不時檢討本公司目前架構，倘能物色具備適當知識、技能及經驗之人選，本公司將於適當情況委任以填補行政總裁之空缺，並於適當時候另行作出公告。

CORPORATE GOVERNANCE REPORT

企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry by the Company to the Directors, they confirmed that they have complied with the required standard of dealings as set out in the Model Code during FY2018.

BOARD OF THE DIRECTORS

The Board is currently constituted by six members, including two executive Directors, one non-executive Director and three Independent non-executive Directors. The composition of the Board is as follows:

Executive Directors

Mr. Xu Hai Ying (*Chairman*)
Mr. Sit Hon Wing

Non-executive Director

Mr. Han Huiyuan

Independent non-executive Directors

Mr. Chan Ming Sun Jonathan
Mr. Lee Chi Hwa Joshua
Mr. Mak Yiu Tong

進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事買賣本公司證券時的操守守則。經本公司向董事作出具體查詢後，彼等確認，於二零一八財政年度，彼等已遵從標準守則所載買賣規定標準。

董事會

董事會現時由六名成員組成，包括兩名執行董事、一名非執行董事及三名獨立非執行董事。董事會的組成如下：

執行董事

許海鷹先生(*董事長*)
薛漢榮先生

非執行董事

韓惠源先生

獨立非執行董事

陳銘燊先生
李智華先生
麥耀棠先生

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF THE DIRECTORS (continued)

Function

The Board is responsible for the oversight of the management of the Company's business and affairs with the objective of enhancing shareholder value.

The Board is also responsible for performing corporate governance duties including the developing, reviewing and monitoring of 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 compliance manual applicable to employees and Directors.

Daily operations, business strategies and administration are delegated to the executive Directors and the management with divisional heads responsible for different aspects of the business. When the Board delegates different aspects of its management and administrative functions to the senior management, it has given clear directions in relation to the scope of powers of the senior management. Although the Board is not involved in the Company's day-to-day operations, it does have a formal schedule of matters reserved for its own decision, as defined in its terms of reference, which are available on the Company's website.

董事會 (續)

職能

董事會負責監督本公司業務及事務的管理，務求提高股東價值。

董事會亦負責履行企業管治職責，包括制訂、檢討及監察本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、遵守標準守則及適用於僱員及董事的合規手冊。

日常營運、業務策略及行政授權執行董事及管理層執行，而部門主管負責各個方面的業務營運。當董事會將其不同管理及行政職能轉授高級管理層時，董事會已就高級管理層的權力範圍給予清晰指引。儘管董事會不參與本公司的日常營運，但設有其職權範圍明確列出須由董事會作決定的事項之正式清單（有關內容可在本公司網站查閱）。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF THE DIRECTORS (continued)

Board meetings

During the year ended 31 December 2018, 13 meetings were held by the Board. The attendance record of each Director is set out below:

董事會 (續)

董事會會議

截至二零一八年十二月三十一日止年度，董事會舉行了13次會議。各董事出席會議的情況載列如下：

Name of Board members 董事會成員姓名	Number of attendance 出席次數	Number of meetings 會議次數
Mr. Xu Hai Ying 許海鷹先生	13	13
Mr. Sit Hon Wing 薛漢榮先生	13	13
Mr. Han Huiyuan 韓惠源先生	9	13
Mr. Chan Ming Sun Jonathan 陳銘樂先生	13	13
Mr. Lee Chi Hwa Joshua 李智華先生	13	13
Mr. Mak Yiu Tong 麥耀棠先生	13	13

Notice of regular Board meetings is served to all Directors at least 14 days before the meetings while reasonable notice is generally given for other Board meetings.

定期董事會會議的通知於會議前最少14日送達全體董事，而其他董事會會議一般會給予合理通知。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF THE DIRECTORS (continued)

Independent non-executive Directors

Pursuant to Rule 3.10(1) and Rule 3.10(2) of the Listing Rules, every listed issuer is required to have at least three independent non-executive Directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company complied with these requirements throughout the year ended 31 December 2018, with three independent non-executive Directors, which represented more than one-third of the entire Board; and more than one of them has appropriate professional qualifications in accounting or related financial management expertise. Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. The Board is of the view that all independent non-executive Directors meet the guidelines set out in Rule 3.13 of the Listing Rules and are independent pursuant to the requirements of the guidelines.

Chairman and Chief Executive Officer

The chairman is responsible for leading the Board and is also responsible for overseeing effective functioning of the Board and application of good corporate governance practices and procedures. Whereas the role of chief executive officer focuses on implementing objectives, policies and strategies approved and delegated by the Board.

As mentioned in the section headed "Code of corporate governance practice" above, the Board has yet to appoint the chief executive officer of the Company.

董事會 (續)

獨立非執行董事

根據上市規則第3.10(1)及3.10(2)條，每名上市發行人均須有最少三名獨立非執行董事，而其中最少一名須具備合適之專業資格或會計或相關財務管理專長。本公司已於截至二零一八年十二月三十一日止整個年度內遵守該等規定，其有三名獨立非執行董事（佔全部董事會成員超過三分之一），且超過一名獨立非執行董事具備合適之會計專業資格或相關財務管理專長。各獨立非執行董事已根據上市規則第3.13條確認其獨立性。董事會認為，全體獨立非執行董事均符合上市規則第3.13條所載之指引，而按照指引之規定均屬獨立。

董事長及行政總裁

董事長的職責是領導董事會，並負責監督董事會的有效運作和應用良好企業管治常規及程序。行政總裁的職責則為專注執行董事會批准並下達的目標、政策及策略。

誠如上文「企業管治常規守則」一節所述，董事會尚未委任本公司之行政總裁。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF THE DIRECTORS (continued)

Appointment, re-election and removal

A Director shall have a term of office of three years and shall be entitled to be re-appointed when the term of office expires provided that the term of office of independent non-executive Directors shall not exceed six years. The Company has entered into service agreements with each of the executive Director and non-executive Director with a term of three years. The appointment and removal of Directors shall be approved by shareholders at shareholders' meeting. The current Directors appointed by the Board shall hold office until the next annual general meeting of the Company and be subject to re-election at such meeting.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office and the Company may by ordinary resolution appoint another in his place.

Directors' continuous training and development

Pursuant to the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During FY2018, the Company has circulated and the Directors have received updates on changes and development on relevant laws and regulations for their reference.

COMMITTEES OF THE BOARD

Remuneration Committee

The remuneration committee of the Company ("Remuneration Committee") comprises one executive Director and two independent non-executive Directors, namely, Mr. Mak Yiu Tong, Mr. Xu Hai Ying and Mr. Lee Chi Hwa Joshua. Mr. Mak Yiu Tong is the chairman of the Remuneration Committee. The Remuneration Committee is responsible for making recommendations to the Board on the remuneration of the Directors and senior management and specific remuneration packages and conditions of employment for the Directors and senior management and evaluating and making recommendations on employee benefit arrangements.

董事會 (續)

委任、重選及罷免

董事之任期為三年，並有權在任期屆滿時膺選連任，惟獨立非執行董事之任期不得超過六年。本公司與各執行董事及非執行董事訂有服務協議，任期為三年。董事之委任及罷免須獲股東於股東大會上批准。由董事會委任的現任董事任期直至本公司下一屆股東週年大會為止，並須於該大會上重選。

董事可於任期屆滿前由本公司以普通決議案罷免，而本公司亦可以普通決議案委任其他人士代替其職位。

董事的持續培訓及發展

根據守則，全體董事應參加持續專業發展以發展及更新其知識及技能，從而確保其對董事會之貢獻仍然為知情及相關。於二零一八財政年度，本公司已傳閱且董事已接獲有關法律及法規之變動及發展之更新資料，以供彼等參考。

董事委員會

薪酬委員會

本公司薪酬委員會(「薪酬委員會」)由一名執行董事及兩名獨立非執行董事(即麥耀棠先生、許海鷹先生及李智華先生)組成。麥耀棠先生為薪酬委員會主席。薪酬委員會負責就董事及高級管理層的薪酬及董事與高級管理層的特定薪酬組合及聘用條件向董事會提供推薦建議，以及評估僱員福利安排並提供推薦建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMITTEES OF THE BOARD (continued)

Remuneration Committee (continued)

The remuneration of Directors is determined by the Board, upon recommendation of the Remuneration Committee with reference to the Directors' qualifications, experience, duties, responsibilities and performance and results of the Group.

The terms of reference of the Remuneration Committee are posted on the websites of the Company and Stock Exchange.

During FY2018, the Remuneration Committee had held one meeting. The attendance records of the members of the Remuneration Committee are summarised below:

		Attendance/Numbers of meetings 出席會議次數/會議次數
Mr. Mak Yiu Tong (Chairman)	麥耀棠先生(主席)	1/1
Mr. Lee Chi Hwa Joshua	李智華先生	1/1
Mr. Xu Hai Ying	許海鷹先生	1/1

Nomination Committee

The Company established the Nomination Committee on 16 December 2013 with written terms of reference in compliance with the Code.

The nomination committee of the Company ("Nomination Committee") comprises one executive Director and two independent non-executive Directors, namely, Mr. Mak Yiu Tong, Mr. Xu Hai Ying and Mr. Chan Ming Sun Jonathan, Mr. Mak Yiu Tong is the chairman of the Nomination Committee. The Nomination Committee is responsible for making recommendations to the Board on the appointment of Directors. The Committee is also responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually; assessing the independence of the independent non-executive Directors; and evaluating the effectiveness and implementation of the Board Diversity Policy (see below).

董事委員會(續)

薪酬委員會(續)

董事的薪酬乃由董事會經參考董事的資格、經驗、職務、責任及表現以及本集團的業績後，根據薪酬委員會的推薦意見釐定。

薪酬委員會的職權範圍登載於本公司及聯交所網站。

於二零一八財政年度，薪酬委員會舉行了一次會議。薪酬委員會成員出席會議的情況概述如下：

提名委員會

本公司於二零一三年十二月十六日遵照守則成立提名委員會，並制定書面職權範圍。

本公司提名委員會(「提名委員會」)由一名執行董事及兩名獨立非執行董事(即麥耀棠先生、許海鷹先生及陳銘樂先生)組成。麥耀棠先生為提名委員會主席。提名委員會負責就董事的委任向董事會提供推薦建議。委員會亦負責至少每年檢討董事會的架構、規模及組成(包括技能、知識及經驗)、評估獨立非執行董事的獨立性，以及評估董事會成員多元化政策(見下文)的成效及執行情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMITTEES OF THE BOARD (continued)

Nomination Committee (continued)

The terms of reference of the Nomination Committee are posted on the websites of the Company and Stock Exchange.

During FY2018, the Nomination Committee had held one meeting. The attendance records of the members of the Nomination Committee are summarised below:

董事委員會(續)

提名委員會(續)

提名委員會的職權範圍刊登於本公司及聯交所網站。

於二零一八財政年度，提名委員會舉行了一次會議。提名委員會成員出席會議的情況概述如下：

		Attendance/Numbers of meetings
		出席會議次數/會議次數
Mr. Mak Yiu Tong (Chairman)	麥耀棠先生(主席)	1/1
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1/1
Mr. Xu Hai Ying	許海鷹先生	1/1

Audit Committee

The audit committee of the Company currently comprises three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lee Chi Hwa Joshua and Mr. Mak Yiu Tong. Mr. Chan Ming Sun Jonathan is the chairman of the audit committee of the Company. The audit committee is primarily responsible for the review and supervision of the financial reporting system, risk management and internal control systems of the Group. It has reviewed the accounting principles and practices adopted by the Group and the audited consolidated financial statements of the Company for the year ended 31 December 2018.

審核委員會

本公司審核委員會現時由三名獨立非執行董事，即陳銘樂先生、李智華先生及麥耀棠先生組成。陳銘樂先生為本公司審核委員會之主席。審核委員會主要負責審閱及監督本集團財務報告系統、風險管理及內部監控制度。審核委員會已審閱本集團採納之會計原則及常規以及本公司截至二零一八年十二月三十一日止年度之經審核綜合財務報表。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMITTEES OF THE BOARD (continued)

Audit Committee (continued)

During FY2018, the Audit Committee had held 2 meetings. The attendance records of the members of the Audit Committee are summarised below:

董事委員會(續)

審核委員會(續)

於二零一八年財政年度，審核委員會舉行了兩次會議。審核委員會成員出席會議的情況概述如下：

		Attendance/Numbers of meetings during the Reporting Period 於報告期內 出席會議次數/會議次數
Mr. Chan Ming Sun Jonathan (<i>Chairman</i>)	陳銘樂先生(主席)	2/2
Mr. Lee Chi Hwa Joshua	李智華先生	2/2
Mr. Mak Yiu Tong	麥耀棠先生	2/2

BOARD DIVERSITY POLICY

The Company adopted a policy concerning diversity of board members ("Board Diversity Policy") on 16 December 2013. The Company recognises and embraces the benefits of having a diverse Board to enhance its operating results and quality of its performance.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. When determining the composition of the Board, board diversity will be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

董事會成員多元化政策

於二零一三年十二月十六日，本公司採納一項關於董事會成員多元化的政策(「董事會成員多元化政策」)。本公司明白並深信董事會成員多元化對提升本公司的營運業績及表現素質裨益良多。

為達致可持續及均衡發展，本公司視董事會層面日益多元化為支援其達到戰略目標及維持可持續發展的關鍵元素。本公司在釐定董事會的組成時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技巧、知識，以及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識，以及服務任期。最終將按人選的長處及可為董事會作出的貢獻而作決定。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

In view of the resignation of Mr. Law Geoff Chun Mo as the company secretary of the Company with effect from 1 January 2019, the Board has appointed Mr. Leung Ka Kit as the company secretary of the Company with effect from 1 January 2019.

The company secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that board policy and procedures are followed.

All Directors may access to the advice and services of the company secretary who regularly updates the Board on governance and regulatory matters and should also facilitate induction and professional development of Directors.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the Code.

The Board has reviewed the Company's corporate governance policies and practices, training and continuous professional and development of the Directors and senior management of the Group, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code, and the Company's compliance with the Code and disclosure in this Corporate Governance Report.

FINANCIAL REPORTING

The Board are responsible for the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the Group. In preparing the financial statements for the year ended 31 December 2018, the Directors have reviewed and applied suitable accounting policies, adopted appropriate International Financial Reporting Standards and International Accounting Standards, made adjustments and estimates that are prudent and reasonable, and have prepared the accounts on a going concern basis. The Directors are also responsible for keeping proper accounting records which reflect the financial information of the Group with reasonable accuracy.

公司秘書

鑑於羅俊武先生於二零一九年一月一日起辭任本公司的公司秘書，董事會已委任梁家傑先生為本公司之公司秘書，自二零一九年一月一日起生效。

公司秘書在支援董事會方面擔當重要角色，確保董事會成員之間資訊交流良好，以及遵循董事會政策及程序。

全體董事均可獲得公司秘書的建議及服務，而公司秘書定期為董事會更新有關管治及監管的事項，並應協助董事的入職培訓及專業發展。

企業管治職能

董事會負責履行守則的守則條文第D.3.1條所載職能。

董事會已檢討本公司的企業管治政策及常規、本集團董事及高級管理層的培訓及持續專業發展、本公司在遵守法律法規規定、遵守標準守則及本公司在遵守守則方面之政策及常規以及本企業管治報告的披露情況。

財務申報

董事會負責編製各財務期間的財務報表，以真實公平地反映本集團的事務狀況。於編製截至二零一八年十二月三十一日止年度的財務報表時，董事已審閱及應用合適的會計政策、採納適當的國際財務報告準則及國際會計準則、作出審慎而合理的調整及估計以及按持續經營基準編製賬目。董事亦負責保留適當會計記錄，以合理及準確反映本集團的財務資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

FINANCIAL REPORTING (continued)

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 auditors of the Company about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report" in this annual report.

EXTERNAL AUDITORS

External auditors' responsibility is to form an independent opinion, based on their audit, on those financial statements and to report their opinion solely to the Company, as a body, and for no other purpose. They do not assume responsibility towards or accept liability to any other person for the contents of the auditors' report.

The Company engaged BDO as its external auditor for the year ended 31 December 2018. The Audit Committee has been notified of the nature and the service charges of non-audit services for the agreed upon procedures in connection with annual results announcement for the year ended 31 December 2018 and considered that these non-audit services have no adverse effect on the independence of the auditor. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor. Details of the fees paid/payable to BDO during the Year are as follows:

Nature of services

服務的性質

Fee paid/payable

已付／應付費用

RMB'000

人民幣千元

Audit services	審核服務	245
Non-audit services	非審核服務	-
		245

財務申報(續)

董事並不知悉任何重大不明朗因素，其涉及可能對本公司持續經營能力產生重大疑慮的事件或狀況。

本公司獨立核數師所作有關彼等就財務報表的申報責任的聲明，載於本年報「獨立核數師報告」一節。

外聘核數師

外聘核數師的責任乃根據其審核工作的結果，對該等財務報表發表獨立意見，並僅向本公司作整體報告。除此之外，該報告不可用作其他用途。核數師概不會就核數師報告的內容，對任何其他人士負責或承擔任何責任。

本公司已委任立信德豪為截至二零一八年十二月三十一日止年度的外聘核數師。審核委員會已獲知會有關截至二零一八年十二月三十一日止年度的年度業績公告的經協定程序的非審核服務的性質及服務收費，認為有關非審核服務對核數師的獨立身分並無不利影響。董事會與審核委員會對外聘核數師的挑選、委任、辭任或罷免並無意見分歧。於本年度已付／應付立信德豪的費用詳情如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining a sound and effective risk management and internal control system and for reviewing its effectiveness, particularly in respect of controls on financial, operational, compliance and risk management, to safeguard shareholders' investment and the Group's assets.

The Company has developed its disclosure policy which provides a general guide to the Directors, the Company's officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

The internal control system is designed to provide reasonable, but not absolute, assurance. The system aims to eliminate, or otherwise manage, risks of failure in achieving the Company's objectives.

During the year, the internal audit department performed regular financial and operational review and recommending necessary actions to the management. The works carried out by the internal audit department ensure the risk management and internal control measures are in place and function properly as intended. The internal audit department reports the internal audit plan and results to the Audit Committee directly.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems. The management has reported and confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems during the year ended 31 December 2018.

風險管理及內部監控

董事會有整體責任維持一個健全和有效的風險管理及內部監控系統以及檢閱其有效性，尤其是有關財務、營運、合規和風險管理的監控，以保障股東的投資和本集團的資產。

本公司已制訂其披露政策，其就處理機密資料、監管資料披露及回應查詢向董事、本公司高級職員、高級管理層及相關僱員提供全面指引。監控程序經已實施，以確保嚴禁於未獲授權之情況下取得及使用內幕消息。

內部監控系統旨在提供合理（但並非絕對）的保證。該系統的目的是在達致本公司目標過程中消除或管理其失誤的風險。

內部審核部門已於本年度進行定期財務及營運檢討及向管理層建議必要行動。內部審核部門開展的工作確保風險管理及內部監控措施實施到位並按計劃妥善發揮作用。內部審核部門直接向審核委員會呈報內部審計計劃及結果。

審核委員會協助董事會領導管理層，並監督風險管理及內部監控系統的設計、實施及監察。截至二零一八年十二月三十一日止年度，管理層已向董事會及審核委員會報告及確認風險管理及內部監控系統的效能。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

No material issues on the Group's internal control system have been identified and reported to the Audit Committee by the Group's internal audit department and the Company's external auditors during the year which required significant rectification measures. The Board considered that the Group's risk management and internal control systems for financial reporting and Listing Rules compliance are effective and adequate.

REGULATORY COMPLIANCE

As disclosed under the section headed "Directors' continuous training and development" in this annual report, the Directors have sufficient up-to-date knowledge of relevant laws and regulations.

The Company had engaged external professional advisers, including legal advisers, to render professional advice as to compliance with the statutory requirements applicable to the Group from time to time.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information, which enables shareholders and investors to make appropriate investment decisions.

The members of the Board and committees of the Board and the external auditor will be present to answer shareholders' questions in the annual general meetings of the Company. Circulars will be distributed to all shareholders before the annual general meeting and any special general meetings in accordance with the timeline requirement as laid down in the Listing Rules and the articles of association of the Company. All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the relevant general meetings.

風險管理及內部監控(續)

於本年度，本集團內部審核部門及本公司外聘核數師並無識別有關本集團內部監控系統並須實施重大糾正措施的重大事項並向審核委員會呈報。董事會認為本集團的就財務報告及遵守上市規則而言的風險管理及內部監控系統為有效及充分。

監管合規

誠如本年報「董事的持續培訓及發展」一節所披露，董事已就相關法律及法規掌握足夠的最新知識。

本公司已委聘外部專業顧問(包括法律顧問)不時就適用於本集團的法定規定合規情況提供專業意見。

與股東及投資者的溝通

本公司相信與股東有效溝通對增進投資者關係與令投資者了解本集團的業務表現及策略甚為重要。本集團亦明白公司資料透明及適時披露的重要性，這令股東及投資者能夠作出合適的投資決定。

董事會成員及董事會屬下委員會成員與外聘核數師將出席本公司股東週年大會回答股東提問。通函將按照上市規則及本公司的公司章程所規定的時限，於股東週年大會及任何股東特別大會前派發予全體股東。全部提呈並將於股東大會上批准的決議案將以投票方式進行表決，投票結果將於有關股東大會後在聯交所及本公司網站刊登。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS (continued)

As a channel to promote effective communication, the Group maintains a website where information on the Company's announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any enquires.

SHAREHOLDERS' RIGHTS

Convening of extraordinary general meeting on requisition by Shareholders

The shareholders, individually or collective holding not less than 10% of the paid-up capital of the Company, may by written requisition request the Board to convene an extraordinary general meeting. The Board shall within 10 days after the receipt of the written requisition provide a written reply as to whether an extraordinary general meeting will be convened in respect of the written requisition received.

If the Board do not within 10 days from the date of the deposit of the requisition proceed to convene a meeting, the requisitionists may by written requisition request the supervisory committee of the Company ("Supervisory Committee") to convene an extraordinary general meeting.

In the event that the Supervisory Committee did not provide a notice of extraordinary general meeting within the specified timeframe, the Supervisory Committee shall be considered to be unwilling to convene and preside over the extraordinary general meeting. The shareholders that, either individually or jointly, hold over 10% of shares of the Company for a period of 90 consecutive days or more may at their sole discretion convene and preside over the extraordinary general meeting in accordance with the articles of association of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the company secretary of the Company at the Company's principal place of business at Rooms 4901, 4938-4940, 49/F Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong and may consist of several documents in like form each signed by one or more requisitionists.

與股東及投資者的溝通(續)

作為鼓勵有效溝通的渠道，本集團設立網站以刊登本公司公佈的資料、財務資料及其他資料。股東和投資者可將查詢以書面形式直接寄往本公司的香港主要營業地點。

股東權利

應股東請求召開股東特別大會

個別或合共持有本公司繳足股本不少於10%的股東可透過請求書要求董事會召開股東特別大會。董事會於接獲請求書後10天內，須就會否針對所接獲的請求書召開股東特別大會作出書面回復。

倘董事會並無於遞交請求日期起計10天內召開會議，則請求人可透過請求書要求本公司監事會(「監事會」)召開股東特別大會。

倘監事會並無於指定時限內提供股東特別大會通告，則監事會將被視為不願召開及主持股東特別大會。於連續90日以上期間個別或合共持有本公司超過10%股份之股東可根據本公司之公司章程全權酌情召開及主持股東特別大會。

請求書必須註明會議目的及由請求人簽署，並送達本公司主要營業地點(地址為香港灣仔港灣道30號新鴻基中心49樓4901、4938-4940室)交予本公司之公司秘書。請求書可由多份各自自由一名或多名請求人簽署的相同格式文件組成。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS (continued) Convening of extraordinary general meeting on requisition by Shareholders (continued)

The request will be verified with the Company's share registrars and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Board to include the resolution in the agenda for the extraordinary general meeting.

Procedures for putting forward proposals at general meetings by Shareholders

To put forward proposals at an AGM or extraordinary general meeting, the shareholders, individually or collective holding not less than 3% of the paid-up capital of the Company, should submit a written notice of those proposals 10 days before the holding of such meeting to the company secretary of the Company at the Company's principal place of business at Rooms 4901, 4938-4940, 49/F Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and the articles of association of the Company.

Procedures for directing Shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns with contact information of the requisitionists to the Board in writing through the company secretary of the Company by mail to the Company's principal place of business in Hong Kong at Rooms Room 4901, 4938-4940, 49/F Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

股東權利(續) 應股東請求召開股東特別大會(續)

請求將由本公司股份登記處核實，經股份登記處確認該請求為恰當及適當後，本公司之公司秘書將要求董事會在股東特別大會的議程內加入有關決議案。

股東在股東大會上提呈建議的程序

如欲在股東週年大會或股東特別大會上提呈建議，個別或合共持有本公司繳足股本不少於3%的股東應在舉行該大會前10天將有關建議的書面通知遞交至本公司主要營業地點(地址為香港灣仔港灣道30號新鴻基中心49樓4901、4938-4940室)交予本公司之公司秘書。將提出的建議內容應當屬於股東大會的職責範圍，有明確的議題及具體決議事項，並且符合法律、行政法規及本公司之公司章程的相關規定。

股東向董事會發送查詢的程序

股東可隨時透過本公司之公司秘書以書面形式將彼等的查詢及所關注事項連同請求人的聯絡資料發送予董事會，方式為郵寄至本公司的香港主要營業地點(地址為香港灣仔港灣道30號新鴻基中心49樓4901、4938-4940室)。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF FUJIAN NUOQI CO., LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

致福建諾奇股份有限公司股東

(於中華人民共和國註冊成立之股份有限公司)

OPINION

We have audited the consolidated financial statements of Fujian Nuoqi Co., Ltd. (the "Company") and its subsidiary (together the "Group") set out on pages 53 to 151, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

我們已審核載於第53至151頁的福建諾奇股份有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，包括於二零一八年十二月三十一日的綜合財務狀況表以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據國際會計準則理事會頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於二零一八年十二月三十一日的綜合財務狀況，以及其截至該日止年度的綜合財務表現及綜合現金流量，並已根據香港公司條例的披露規定妥為編製。

意見的基準

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審核。根據該等準則，我們的責任於本報告「核數師就審核綜合財務報表須承擔的責任」一節中進一步詳述。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道德責任。我們相信，我們所獲得的審核憑證足夠及能適當地為我們的保留意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Assessment of impairment of property, plant and equipment and prepaid land lease payments

The carrying amount of the Group's property, plant and equipment and prepaid land lease payments as at 31 December 2018 amounted to RMB54,077,000 and RMB9,851,000 respectively. The Group sustained a loss for the year ended 31 December 2018 of RMB 19,496,000. Accordingly, management considered that there were indicators of potential impairment of property, plant and equipment and prepaid land lease payments.

Management performs an impairment assessment when indicators of impairment are identified.

Management determined the recoverable amounts based on the higher of fair value less costs to sell and value in use. When performing an impairment assessment, management uses the fair value less costs to sell and compares the aggregate carrying values of property, plant and equipment and prepaid land lease payments, to determine the impairment loss which should be recognised for the year, if any.

We identified the assessment of potential impairment of property, plant and equipment and prepaid land lease payments as a key audit matter because the impairment assessments prepared by management are complex and contain certain judgmental and subjective assumptions which may be inherently uncertain and could be subject to management basis.

The determination of fair value less costs to sell requires the exercise of significant management judgement in determining the assumptions and parameters adopted.

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期間的綜合財務報表的審核最為重要的事項。此等事項是在我們審核整體綜合財務報表及就此出具意見時進行處理的。我們不會對此等事項提供單獨的意見。

物業、廠房及設備以及預付土地租賃款項減值評估

於二零一八年十二月三十一日，貴集團物業、廠房及設備以及預付土地租賃款項的賬面值分別為人民幣54,077,000元及人民幣9,851,000元。貴集團於截至二零一八年十二月三十一日止年度持續錄得虧損人民幣19,496,000元。因此，管理層認為物業、廠房及設備以及預付土地租賃款項出現潛在減值跡象。

當發現減值跡象時，管理層會進行減值評估。

管理層根據公平值減銷售成本與使用價值兩者間的較高者釐定可收回金額。在進行減值評估時，管理層使用公平值減出售成本及比較物業、廠房及設備與預付土地租賃款項的賬面總值，以釐定年內應予確認的減值虧損(如有)。

我們已識別評估物業、廠房及設備以及預付土地租賃款項的潛在減值評估為關鍵審核事項，原因為管理層所編製的減值評估涉及複雜因素，並包含若干判斷及主觀假設，當中可能存在固有不確定因素，而管理層亦可能有所偏頗。

釐定公平值減出售成本須於確定所採納假設及參數時行使重大管理判斷。

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Refer to summary of significant accounting policies in Note 4, critical accounting judgments and key sources of estimation uncertainty in Note 5 and disclosure of property, plant and equipment and prepaid land lease payments in Note 14 and 15 to the consolidated financial statements respectively.

Our response:

Our procedure in relation to assess the impairment of property, plant and equipment and prepaid land lease payments included the following:

- understanding and evaluating management's impairment assessment on property, plant and equipment and prepaid land lease payments;
- assessing the independent valuer's qualifications, experience and expertise and considered their objectivity and independence; and
- engaging our internal valuation specialists to assist us in evaluating management's impairment assessment methodology, the key assumptions applied and calculations contained with reference to the requirements of the prevailing accounting standard.

Assessment of going concern assumption

As at 31 December 2018, the Group had net current liabilities of RMB22,135,000 and the Group sustained a loss of RMB19,496,000 for the year then ended.

Notwithstanding the above, the consolidated financial statements have been prepared by management on a going concern basis as, in the opinion of the directors, the Group will have sufficient working capital, recourse to financing to sustain its operations and continue to operate as a going concern for the foreseeable future.

The directors of the Company evaluated the Group's ability to continue as a going concern based upon an assessment of the Group's cash position, a free cash flow forecast and its recourse to various financing facilities.

分別參閱綜合財務報表附註4的主要會計政策、附註5的重要會計判斷及估計不確定因素的主要來源以及附註14及15有關物業、廠房及設備以及預付土地租賃款項的披露。

我們的回應：

我們就評估物業、廠房及設備以及預付土地租賃款項減值進行的審核程序包括下列各項：

- 了解及評價管理層就物業、廠房及設備以及預付土地租賃款項進行的減值評估；
- 評估獨立估值師的資格、經驗及專業知識，並考慮其客觀性及獨立性；及
- 委聘內部估值專家，以協助我們參考現行會計準則規定評價管理層的減值評估方法、所應用的關鍵假設及所包含的計算。

評估持續經營假設

於二零一八年十二月三十一日，貴集團有流動負債人民幣22,135,000元，而貴集團於截至該日止年度持續錄得虧損人民幣19,496,000元。

儘管有上述情況，管理層按持續經營基準編製綜合財務報表，原因為董事認為貴集團有充足營運資金、融資追索權以支持其營運及會於可見將來持續經營。

貴公司董事根據對貴集團現金狀況、自由現金流量預測及對多項資金融資追索權的評估，評估貴集團的持續經營能力。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

The preparation of a free cash flow forecast requires the exercise of significant management judgement in assessing the relevant businesses, particularly in relation to both qualitative and quantitative factors about the sustainability of the businesses, the business plans of the Group and the macroeconomic environment.

We identified management's use of the going concern assumption in preparing the consolidated financial statements as a key audit matter because the factors considered by the directors of the Company in their evaluation on the Group's ability to continue as a going concern are complex and contain certain judgemental assumptions which may be inherently uncertain and could be subject to management bias.

Refer to critical accounting judgments and key sources of estimation uncertainty in Note 5 and basis of measurement and going concern assumption in Note 2 to the consolidated financial statements.

Our response:

Our procedure in relation to assess appropriateness of management's preparation of the consolidated financial statements on a going concern basis included the following:

- evaluating management's future plans for the businesses of the Group and making inquiries of management as to the availability of loans and financing facilities for a period of at least 12 months from the end of the reporting period;
- inspecting the relevant facility agreements in respect of the loans granted by the Group's immediate holding company and financial support by the Group's intermediate holding company to identify key terms and assess the impact of these terms, including repayment terms, on the Group's free cash flow forecast and the consolidated financial statements;
- confirming the terms of the loans and financing facilities with the Group's immediate holding company and intermediate holding company;

編製自由現金流量預測需要就評估有關業務作出重大管理層判斷，尤其是有關業務的可持續性、貴集團業務計劃及宏觀經濟環境。

我們已識別管理層編製綜合財務報表所用持續經營假設為關鍵審核事項，原因為 貴公司董事評估 貴集團持續經營能力所考慮因素相當複雜，且包括可能在本質上並不確定及受管理層偏見影響的若干判斷假設。

參閱綜合財務報表附註5的重要會計判斷及估計不確定因素的主要來源以及附註2的計量基準及持續經營假設。

我們的回應：

我們就評估管理層按持續經營基準編製綜合財務報表的適當性進行的審核程序包括下列各項：

- 評估管理層對 貴集團業務的未來計劃，並就自報告期結束起至少12個月期間能夠獲得貸款及融資授信向管理層提出質詢；
- 檢查有關 貴集團直接控股公司所授出貸款的相關融資協議及來自 貴集團中介控股公司的財務支援，以識別主要條款及評估該等條款(包括還款條款)對 貴集團自由現金流量預測及綜合財務報表的影響；
- 確認 貴集團直接控股公司及中介控股公司的貸款及資金融資的條款；

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- comparing data in management's free cash flow forecast with the relevant data, including forecast revenue, forecast operating expenses and forecast capital expenditure, in the financial budget and the businesses plan which was prepared by management; and
 - performing sensitivity analyses of the key assumptions adopted in the free cash flow forecast and assessing the impact of the changes in the key assumptions on the conclusions reached and whether there were any indicators of management bias.
- 將管理層的自由現金流量預測與管理層所編製財務預算及業務計劃的相關數據(包括預測收入、預測經營開支及預測資本開支)進行比較；及
 - 對自由現金流量預測所採用的主要假設進行敏感度分析，並評估主要假設的變動對管理層的評估結論造成的影響，以及是否有任何跡象顯示管理層偏頗。

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

年報的其他資料

董事須對其他資料負責。其他資料包括載於 貴公司年報的資料，惟不包括綜合財務報表及我們就此發出的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們不會對其他資料發表任何形式的核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況存在重大不一致，或似乎存在重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們須報告該事實。於此方面，我們並無任何報告。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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.

董事就綜合財務報表須承擔的責任

董事須負責根據國際財務報告準則及按照香港公司條例的披露規定編製真實而公平的綜合財務報表，並落實董事認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

董事亦須負責監督貴集團的財務報告過程。審核委員會會協助董事履行其此方面的責任。

核數師就審核綜合財務報表須承擔的責任

我們的目標為對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理核證，並發出包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

合理核證乃高水平的核證，但不能保證按香港審計準則進行的審核總能發現存在的某一重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其個別或匯總起來可能影響該等綜合財務報表的基準的使用者所作出的經濟決定，則有關的錯誤陳述可被視為屬重大。

INDEPENDENT AUDITOR'S REPORT

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As part of an audit in accordance with HKSAAs, 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.
- 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.

於根據香港審計準則進行審核過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對此等風險，以及取得充足及適當審核憑證，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，或凌駕於內部監控之上，因此未能發現因欺詐而導致重大錯誤陳述的風險較因錯誤而導致重大錯誤陳述的風險為高。
- 了解與審核相關的內部監控，以設計適當的審核程序，但目的並非對貴集團內部監控有效性發表意見。
- 評估董事所採用會計政策的恰當性以及作出會計估計及相關披露的合理性。
- 就董事採用持續經營會計基礎的恰當性作出結論。根據所得審核憑證，確定是否存在與事件或情況有關的重大不確定性，從而可能對貴集團持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要於核數師報告中提請使用者注意綜合財務報表中相關披露。假如有關披露不足，我們則應當發表非無保留意見。我們的結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否以達致公允陳述的方式反映相關交易及事項。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

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

- 就貴集團內實體或業務活動的財務資料獲取充分及適當的審核憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審核。我們對我們的審核意見承擔全部責任。

我們與審核委員會就(其中包括)審核的計劃範圍、時間安排及重大審核發現溝通，該等發現包括我們在審核過程中識別的內部監控的任何重大缺失。

我們亦向審核委員會作出聲明，確認我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事項，以及相關的防範措施(如適用)。

從與董事的溝通事項中，我們釐定對本期綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。我們於核數師報告中描述該等事項，除非法律或法規不允許對某件事項作出公開披露，或於極端罕見的情況下，倘合理預期於我們報告中披露某事項而造成的負面後果將會超過其產生的公眾利益，則我們決定不應於報告中溝通該事項。

BDO Limited
Certified Public Accountants

Wan Che Bun
Practising Certificate No. P05804

Hong Kong, 20 March 2019

香港立信德豪會計師事務所有限公司
執業會計師

尹子斌
執業證書編號 P05804

香港，二零一九年三月二十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		Notes	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		附註		
Revenue	收入	6	2,177	39,098
Cost of sales	銷售成本		(2,237)	(18,558)
Gross (loss)/profit	(毛損)/毛利		(60)	20,540
Other incomes	其他收入	7	1,697	415
Selling and distribution expenses	銷售及分銷開支		(1,258)	(4,535)
Administrative and other expenses	行政及其他開支		(17,490)	(14,083)
Expected credit loss on financial assets	金融資產之預期信貸虧損		(931)	–
(Loss)/profit from operations	經營(虧損)/溢利		(18,042)	2,337
Impairment losses on various assets	多項資產減值虧損		(45)	(5,203)
Finance costs	財務成本	8	(1,409)	(3,027)
Loss before tax	除稅前虧損	9	(19,496)	(5,893)
Income tax	所得稅	11	–	–
Loss and total comprehensive income for the year attributable to the owners of the Company	本公司擁有人應佔年內虧損及全面收益總額		(19,496)	(5,893)
Loss per share	每股虧損	13		
Basic (RMB per share)	基本(每股人民幣)		(0.03)	(0.01)
Diluted (RMB per share)	攤薄(每股人民幣)		(0.03)	(0.01)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 December 2018 於二零一八年十二月三十一日

			2018	2017
		Notes	二零一八年	二零一七年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	54,077	58,522
Prepaid land lease payments	預付土地租賃款項	15	9,615	9,851
			63,692	68,373
Current assets	流動資產			
Inventories	存貨	17	50	2,258
Trade receivables	應收貿易款項	18	-	68
Other receivables and prepayments	其他應收款項及預付款項	19	1,179	2,772
Prepaid land lease payments	預付土地租賃款項	15	236	236
Bank and cash balances	銀行及現金結餘	20	488	90,258
			1,953	95,592
Current liabilities	流動負債			
Trade payables	應付貿易款項	21	642	663
Other payables and accruals	其他應付款項及應計費用	22	6,528	1,739
Amount due to a fellow subsidiary	應付同系附屬公司款項	23	2,611	316
Amount due to an intermediate holding company	應付中介控股公司款項	23	323	-
Loan from a shareholder	股東貸款	24	13,984	20,000
			24,088	22,718
Net current (liabilities)/assets	流動(負債)/資產淨額		(22,135)	72,874
Total assets less current liabilities	總資產減流動負債		41,557	141,247

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註		
Non-current liabilities	非流動負債			
Borrowings	借款	25	–	80,000
			–	80,000
NET ASSETS	資產淨額		41,557	61,247
Capital and reserves	資本及儲備			
Share capital	股本	26	122,159	122,159
Reserves	儲備	27	(80,602)	(60,912)
TOTAL EQUITY	權益總額		41,557	61,247

The consolidated financial statements on pages 53 to 151 were approved and authorised for issue by the Board of Directors on 20 March 2019 and signed on its behalf by:

第53至151頁之綜合財務報表已於二零一九年三月二十日獲董事會批准及授權刊發，並由以下人士代表董事會簽署：

Xu Hai Ying
許海鷹
Director
董事

Sit Hon Wing
薛漢榮
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Share capital	Share premium	Statutory surplus reserve	Accumulated losses	Total
		股本	股份溢價賬	法定 盈餘儲備	累計虧損	總計
		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
At 1 January 2017	於二零一七年一月一日	122,159	320,811	22,940	(398,770)	67,140
Total comprehensive income for the year	年內全面收益總額	-	-	-	(5,893)	(5,893)
At 31 December 2017 as originally presented	於二零一七年十二月三十一日 原先呈列	122,159	320,811	22,940	(404,663)	61,247
Initial application of IFRS 9 (note 3)	首次應用國際財務報告準則 第9號(附註3)	-	-	-	(194)	(194)
Restated at 1 January 2018	於二零一八年一月一日重列	122,159	320,811	22,940	(404,857)	61,053
Total comprehensive income for the year	年內全面虧損收益	-	-	-	(19,496)	(19,496)
At 31 December 2018	於二零一八年十二月三十一日	122,159	320,811	22,940	(424,353)	41,557

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash flows from operating activities	經營活動現金流量		
Loss before tax	除稅前虧損	(19,496)	(5,893)
Adjustments for:	就以下各項調整：		
Finance costs	財務成本	1,409	3,027
Depreciation	折舊	4,010	3,947
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	236	236
Loss on disposal/write-off of property, plant and equipment	出售／撤銷物業、廠房及設備虧損	437	416
Interest income	利息收入	(195)	(285)
Expected credit loss on financial assets	金融資產之預期信貸虧損	931	-
Gain on disposal of a subsidiary	出售附屬公司之收益	(-*)	-
Written-down of inventories	撇減存貨	45	4,922
(Reversal of)/impairment losses on trade and other receivables	應收貿易賬款及其他應收款項(減值虧損撥回)/減值虧損	(98)	281
Operating cash flows before working capital changes	營運資金變動前的經營現金流量	(12,721)	6,651
Change in inventories	存貨變動	2,163	(4,463)
Change in trade receivables	應收貿易款項變動	166	(231)
Change in other receivables and prepayments	其他應收款項及預付款項變動	468	(211)
Change in trade payables	應付貿易款項變動	(21)	328
Change in other payables and accruals	其他應付款項及應計費用變動	4,789	(1,012)
Cash (used in)/generated from operations	經營(所用)/所得現金	(5,156)	1,062
Interest paid	已付利息	(1,409)	(3,027)
Net cash used in operating activities	經營活動所用現金淨額	(6,565)	(1,965)

* Less than RMB1,000

* 少於人民幣1,000元

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash flows from investing activities			
	投資活動現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(2)	(1,850)
Proceed from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	–	115
Interest received	已收利息	195	285
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	193	(1,450)
Cash flows from financing activities			
	融資活動現金流量		
New borrowings raised	新增借款	–	80,000
Repayment of borrowings	償還借款	(80,000)	–
Advance from a fellow subsidiary	來自同系附屬公司之墊款	2,295	316
Advance from an intermediate holding company	來自中介控股公司之墊款	323	–
Repayment to a shareholder	向股東還款	(6,666)	–
Loan from a shareholder	股東貸款	650	12,000
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(83,398)	92,316
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(89,770)	88,901
Cash and cash equivalents at beginning of year	年初現金及現金等價物	90,258	1,357
Cash and cash equivalents at end of year	年末現金及現金等價物	488	90,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

The Company was established in the People's Republic of China (the "PRC") on 14 October 2004 as a domestic company with limited liability under the name of Quanzhou City Nuoqi Fashion Chain Sales Co., Ltd. (泉州市諾奇時裝連鎖銷售有限公司). On 22 January 2008, the Company was renamed Fujian Nuoqi Co., Ltd. (福建諾奇股份有限公司) and transformed into a joint stock company with limited liability. The Company's registered office is located at No. 55 Chongwen Road, Economic and Technical Development Zone, Quanzhou, Fujian Province, the PRC.

The Company's immediate and ultimate holding company is Hao Tian Investment (China) Company Limited and Asia Link Capital Investment Holdings Limited, which are established and incorporated in the PRC and the British Virgin Islands ("BVI"), respectively.

The principal activities of the Company are investment holding and retailing of men's and women's casual apparels. There were no significant changes in the nature of the Group's principal activities during the year.

The Company's ordinary shares (the "H Shares") that are approved for listing and trading on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") were listed on the Stock Exchange on 9 January 2014 and have been suspended for trading since 23 July 2014. As at 5 September 2016, the Company became a subsidiary of Hao Tian Development Group Limited, whose shares were listed on the Stock Exchange (stock code: 474).

1. 一般資料

本公司於二零零四年十月十四日以泉州市諾奇時裝連鎖銷售有限公司的名義在中華人民共和國(「中國」)成立為本地有限公司。於二零零八年一月二十二日，本公司改名為福建諾奇股份有限公司，並轉型為股份有限公司。本公司的註冊辦事處位於中國福建省泉州經濟技術開發區崇文路55號。

本公司之直接及最終控股公司為分別於中國成立及於英屬處女群島(「英屬處女群島」)成立及註冊成立的昊天投資(中國)有限公司及Asia Link Capital Investment Holdings Limited。

本公司的主營業務為投資控股及男士及女士休閒服飾零售業務。本集團的主營業務性質於年內概無重大變動。

本公司獲香港聯合交易所有限公司(「聯交所」)批准上市及買賣的普通股(「H股」)於二零一四年一月九日於聯交所上市及自二零一四年七月二十三日起暫停買賣。於二零一六年九月五日，本公司成為昊天發展集團有限公司(其股份於聯交所上市，股份代號：474)之附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable IFRSs, which collective term includes all applicable individual IFRSs, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out in note 4.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial statements.

(b) Basis of measurement and going concern assumption

The financial statements have been prepared under the historical cost basis.

As at 31 December 2018, the Group had net current liabilities of approximately RMB22,135,000 (2017: net current assets RMB72,874,000). In view of this circumstance, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

As at 31 December 2018, the Group has loans from its immediate holding company, Hao Tian Investment (China) Company Limited, amounting to approximately RMB13,984,000 (2017: RMB20,000,000), which are repayable on demand.

2. 編製基準

(a) 合規聲明

財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的所有適用國際財務報告準則(所有適用個別國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋之統稱)以及香港公司條例之規定編製。財務報表亦已遵守香港聯合交易所有限公司證券上市規則(「上市規則」)的適用披露條文。本集團所採納主要會計政策概要載於附註4。

國際會計準則理事會已頒佈若干新訂和經修訂國際財務報告準則，並於本集團及本公司的本會計期間首次生效或可供提前採納。附註3提供有關首次應用該等發展所導致的任何會計政策變動的資料，該等變動與財務報表所反映本集團本會計期間及過往會計期間有關。

(b) 計量基準及持續經營假設

財務報表已根據歷史成本編製。

於二零一八年十二月三十一日，本集團的流動負債淨額約為人民幣22,135,000元(二零一七年：流動資產淨值人民幣72,874,000元)。鑑於此情況，本公司董事(「董事」)於評估本集團是否有充足財務資源持續經營時，已審慎考慮本集團的未來流動資金及表現以及其可用融資來源。

於二零一八年十二月三十一日，本集團來自其直接控股公司昊天投資(中國)有限公司的貸款約為人民幣13,984,000元(二零一七年：人民幣20,000,000元)，須按要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. BASIS OF PREPARATION (continued)

(b) Basis of measurement and going concern assumption (Continued)

Based on the Group's 2019 business plan and cash flow forecast, the Directors believe the Group will generate sufficient cash flows to meet its liabilities as and when they fall due in the next twelve months. In preparing the cash flow forecast, the Directors also consider the Group's intermediate holding company, Hao Tian Development Group Limited will continue to support the Group to the extent necessary.

In view of the above, the Directors consider that the Group will generate sufficient financial resources for its working capital and capital expenditure requirements and that it will be able to meet its financial obligations as and when they fall due. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 5.

2. 編製基準(續)

(b) 計量基準及持續經營假設(續)

根據本集團的二零一九年業務計劃及現金流量預測，董事相信本集團將產生足夠現金流量於其負債在未來十二個月到期時償付。編製現金流量預測時，董事亦已考慮本集團之直接控股公司昊天發展集團有限公司將於有需要時繼續支持本集團。

基於上述各項，董事認為，本集團將產生足夠財務資源應付其營運資金及資本開支所需，且本集團將可於其財務承擔到期時償付。因此，已按持續經營基準編製綜合財務報表。

管理層需在編製符合國際財務報告準則的綜合財務報表時作出對會計政策應用，以及資產、負債、收入及支出的報告數額構成影響的判斷、估計及假設。估計及相關假設是根據以往經驗及管理層因應當時情況認為合理的多項其他因素作出，其結果構成管理層在無法依循其他途徑即時得知資產與負債的賬面值時所作出判斷的基礎。實際結果可能有別於該等估計。

管理層會不斷審閱各項估計及相關假設。倘會計估計的修訂只是影響某一期間，其影響則在該期間內確認；倘修訂對當前及未來期間均有影響，則在作出修訂的期間及未來期間確認。

有關管理層在應用國際財務報告準則時所作出對綜合財務報表有重大影響的判斷以及估計不確定因素的主要來源的討論內容載列於附註5。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. BASIS OF PREPARATION (continued)

(c) Functional and presentation currency

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

(d) Suspension of trading in shares of the Company

The trading of the shares of the Company on the Stock Exchange has been suspended due to the unauthorised acts discovered of Mr. Ding Hui, the former Chairman, the former chief executive officer and executive director of the Company. Reference is made to the Company’s announcement dated 23 July 2014.

Reference to the Company’s announcement date 4 December 2017, the Company and Zhong Hong Holdings Group Limited (the “Vendor”) entered into the sale and purchase agreement in relation to the acquisition of the entire issued share capital in Zhong Hong International Limited, (the “Target Company”) which is a wholly-owned subsidiary of the Vendor with consideration of HK\$1,053,024,128 on 6 November 2017. The consideration shall be paid by the Company by allotting and issuing to Vendor 1,541,878,659 new H shares (the “Acquisition”).

The Target Company and its subsidiaries (the “Target Group”) are principally engaged in the provision of construction services, mainly as a general contractor for residential construction projects, commercial and public works construction projects, and industrial and other construction projects in the PRC.

2. 編製基準(續)

(c) 功能及呈列貨幣

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司的功能貨幣。除另有註明外，所有數值均捨入至最接近千位數。

(d) 本公司股份暫停買賣

由於發現本公司之前董事長、前行政總裁兼執行董事丁輝先生多項未經授權行為，故本公司股份已於聯交所暫停買賣。茲提述本公司日期為二零一四年七月二十三日之公告。

茲提述本公司日期為二零一七年十二月四日的公告，於二零一七年十一月六日，本公司與中宏控股集團有限公司(「賣方」)訂立買賣協議，內容有關收購賣方的全資附屬公司中宏國際有限公司(「目標公司」)的全部已發行股本，代價為1,053,024,128港元。代價由本公司透過向賣方配發及發行1,541,878,659股新H股支付(「收購事項」)。

目標公司及其附屬公司(「目標集團」)主要業務為在中國就住宅建築項目、商業及公共工程建築項目以及工業及其他建築項目提供建築服務(主要作為總承建商)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. BASIS OF PREPARATION (continued)

(d) Suspension of trading in shares of the Company (continued)

The Acquisition constitutes a reverse takeover for the Company under Rule 14.06(6)(a) of the Listing Rules. Accordingly, the Company will be treated as if it were a new listing applicant. The Acquisition is therefore also subject to the approval by the Listing Committee of a new listing application to be made by the Company. The Company filed the new listing application with the Stock Exchange on 26 March 2018.

Reference to the Company's announcement dated 31 January 2019, the Company has identified a replacement sponsor for the purpose of the Acquisition, and the replacement sponsor has been in communication with Central China International Capital Limited ("CCIC"), being the former sponsor, in order to obtain relevant documents and information required by the Stock Exchange and with the Target Group for the purpose of the preparation and submission of the renewed listing application.

Reference to the Company's announcement dated 1 March 2019, the Company and Ever-Long Securities Co., Ltd., the replacement sponsor, have entered into a sponsor mandate on 27 February 2019 in relation to the Acquisition.

2. 編製基準(續)

(d) 本公司股份暫停買賣(續)

收購事項構成上市規則第14.06(6)(a)條項下本公司的反向收購。因此，本公司將被視作新上市申請人，故收購事項亦須待上市委員會批准本公司將作出之新上市申請方可作實。本公司於二零一八年三月二十六日向聯交所提交新上市申請。

茲提述本公司日期為二零一九年一月三十一日的公告，本公司已就收購事項識別一名替任保薦人，而替任保薦人一直與前保薦人中州國際融資有限公司(「中州國際融資」)溝通以取得聯交所要求的相關文件及資料，並就編製及提交重續上市申請與目標集團溝通。

參照本公司日期為二零一九年三月一日之公告，本公司就收購事項於二零一九年二月二十七日與替任保薦人長雄證券有限公司訂立保薦人授權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) Adoption of new/revised IFRSs — effective 1 January 2018

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group and the Company:

Amendments to IFRS 2	Classification and measurement of share-based payment transactions
Amendments to IFRS 4	Applying IFRS 9, 'Financial instruments' with IFRS 4, 'Insurance contracts'
Amendments to IAS 40	Transfers of investment property
IFRS 9	Financial instruments
IFRS 15	Revenue from contracts with customers
Amendments to IFRS 15	Clarifications to IFRS 15
Annual improvements — 2014 – 2016 Cycle	Amendments to IFRS 1 and IAS 28
IFRIC 22	Foreign currency transactions and advance consideration

3. 應用新訂及經修訂國際財務報告準則

(a) 採納新訂／經修訂國際財務報告準則 — 二零一八年一月一日起生效

國際會計準則理事會已頒佈下列於本集團及本公司本會計期間首次生效的國際財務報告準則之修訂：

國際財務報告準則第2號之修訂	以股份為基礎之支付交易之分類及計量
國際財務報告準則第4號之修訂	與國際財務報告準則第4號「保險合約」一併應用國際財務報告準則第9號「金融工具」
國際會計準則第40號之修訂	轉讓投資物業
國際財務報告準則第9號	金融工具
國際財務報告準則第15號	客戶合約收益
國際財務報告準則第15號之修訂	國際財務報告準則第15號之澄清
二零一四年至二零一六年週期之年度改進	國際財務報告準則第1號及國際會計準則第28號之修訂
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

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments

(i) Classification and measurement of financial instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment and (3) hedge accounting. The adoption of IFRS 9 from 1 January 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the consolidated financial statements.

The following tables summarised the impact, net of tax, of transition to IFRS 9 on the opening balance of accumulated losses as of 1 January 2018 as follows:

		RMB'000 人民幣千元
<i>Accumulated losses</i>	<i>累計虧損</i>	
Accumulated losses as at 31 December 2017	於二零一七年十二月三十一日之累計虧損	404,663
Increase in expected credit losses ("ECLs") in trade and other receivables	應收貿易款項及其他應收款項之預期信貸虧損(「預期信貸虧損」)增加	194
Restated accumulated losses as at 1 January 2018	於二零一八年一月一日之經重列累計虧損	404,857

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效(續)

A 國際財務報告準則第9號 — 金融工具

(i) 金融工具的分類及計量

國際財務報告準則第9號於二零一八年一月一日或之後開始之年度期間取代國際會計準則第39號金融工具：確認及計量，合併金融工具會計處理之三個方面：(1)分類及計量；(2)減值；及(3)對沖會計。自二零一八年一月一日起採納國際財務報告準則第9號導致本集團會計政策及綜合財務報表內確認之金額出現變動。

下表概述過渡至國際財務報告準則第9號對二零一八年一月一日的累計虧損年初結餘的影響(扣除稅項)如下：

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

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

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

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效(續)

A 國際財務報告準則第9號 — 金融工具(續)

(i) 金融工具的分類及計量(續)

國際財務報告準則第9號沿用國際會計準則第39號有關金融負債之確認、分類及計量規定，惟指定按公平值計入損益的金融負債除外，該等負債之信貸風險變動相關的公平值變動金額乃於其他全面收益內確認，除非此舉將增設或擴大會計錯配則作別論。此外，國際財務報告準則第9號保留國際會計準則第39號有關終止確認金融資產及金融負債之規定。然而，其取消過往國際會計準則第39號的金融資產類別：持有至到期之金融資產、貸款及應收款項以及可供出售金融資產。採納國際財務報告準則第9號對本集團有關金融負債及衍生金融工具的會計政策並無重大影響。國際財務報告準則第9號對本集團金融資產分類及計量的影響載於下文。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/ revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

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

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

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效(續)

A 國際財務報告準則第9號 — 金融工具(續)

(i) 金融工具的分類及計量(續)

根據國際財務報告準則第9號，除若干應收貿易款項(有關應收貿易款項不包括國際財務報告準則第15號的重大融資部分)外，實體應於初步確認時按公平值加(如為並非按公平值計入損益(「按公平值計入損益」)之金融資產)交易成本計量金融資產。金融資產分類為：(i)按攤銷成本(「攤銷成本」)計量的金融資產；(ii)按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量的金融資產；或(iii)按公平值計入損益(定義見上文)。國際財務報告準則第9號對金融資產的分類基於兩個準則：(i)管理金融資產之業務模式；及(ii)其合約現金流量特徵(「純粹支付本金及利息」準則或稱「SPPI準則」)。根據國際財務報告準則第9號，嵌入衍生工具毋須再與主體金融資產分開列示。取而代之，混合式金融工具於分類時作整體評估。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

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

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

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

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

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

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效(續)

A 國際財務報告準則第9號 — 金融工具(續)

(i) 金融工具的分類及計量(續)

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

- 該金融資產按旨在持有金融資產以收取合約現金流量之業務模式持有；及
- 該金融資產之合約條款於特定日期產生符合SPPI準則之現金流量。

如債務投資同時符合以下條件，且並非指定按公平值計入損益，則該債務投資按公平值計入其他全面收益計量：

- 該金融資產按旨在同時收取合約現金流量及出售金融資產之業務模式持有；及
- 該金融資產之合約條款於特定日期產生符合SPPI準則之現金流量。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

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

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Amortised cost 攤銷成本

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

按攤銷成本計量之金融資產其後以實際利率法計量。利息收入、外匯收益及虧損以及減值於損益中確認。終止確認之收益於損益中確認。

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效(續)

A 國際財務報告準則第9號 — 金融工具(續)

(i) 金融工具的分類及計量(續)

於初步確認並非持作買賣之股本投資時，本集團可不可撤回地選擇於其他全面收益中呈列投資公平值之其後變動。該選擇乃按逐項投資作出。並無按上文所述分類為按攤銷成本計量或以公平值計入其他全面收益之所有其他金融資產，均分類為按公平值計入損益。此包括所有衍生金融資產。於初步確認時，本集團可不可撤回地指定金融資產(另符合規定可按攤銷成本計量或以公平值計入其他全面收益)為按公平值計入損益，前提是有關指定可消除或大幅減少原應產生的會計錯配。

本集團金融資產將應用下列會計政策：

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

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

The following table summarises the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018:

Financial assets	Original classification under IAS 39	New classification under IFRS 9	Carrying amount	Carrying amount
			as at 1 January 2018	as at 1 January 2018
	國際會計準則第39號的原先分類	國際財務報告準則第9號的新分類	根據國際會計準則第39號於二零一八年一月一日的賬面值 RMB'000 人民幣千元	根據國際財務報告準則第9號於二零一八年一月一日的賬面值 RMB'000 人民幣千元
Other receivables 其他應收款項	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	2,205	2,011

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效 (續)

A 國際財務報告準則第9號 — 金融工具 (續)

(i) 金融工具的分類及計量 (續)

下表概述本集團各類金融資產於二零一八年一月一日根據國際會計準則第39號的原先計量分類及根據國際財務報告準則第9號的新計量分類：

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

(ii) Impairment of financial assets

The adoption of IFRS 9 has changed the Group's impairment model by replacing the IAS 39 "incurred loss model" to the "expected credit losses ("ECLs") model". IFRS 9 requires the Group to recognised ECLs for trade receivables and financial assets at amortised costs earlier than IAS 39. Cash and cash equivalents are subject to ECLs model but the impairment is immaterial for the current period.

Under IFRS 9, the losses allowances are measured on either of the following bases: (1) 12- months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected losses provision for all trade receivables.

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效(續)

A 國際財務報告準則第9號 — 金融工具(續)

(ii) 金融資產減值

採納國際財務報告準則第9號改變本集團之減值模式，以「預期信貸虧損(「預期信貸虧損」)模式」取代國際會計準則第39號之「已產生虧損」模式。國際財務報告準則第9號要求本集團確認應收貿易款項及按攤銷成本計量之金融資產之預期信貸虧損，早於國際會計準則第39號。現金及現金等價物受限於預期信貸虧損模式，惟本集團認為有關減值影響於本期間並不重大。

根據國際財務報告準則第9號，虧損撥備以下列任一基準計量：(1)12個月預期信貸虧損：即報告日期後12個月內之可能違約事件所產生預期信貸虧損；及(2)全期預期信貸虧損：即金融工具預期年內所有可能違約事件所產生預期信貸虧損。

本集團應用簡化法按國際財務報告準則第9號規定就預期信貸虧損計提撥備，國際財務報告準則第9號規定就所有應收貿易款項使用全期預期虧損撥備。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

(ii) Impairment of financial assets (continued)

Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則—二零一八年一月一日起生效 (續)

A 國際財務報告準則第9號 — 金融工具 (續)

(ii) 金融資產減值 (續)

計量預期信貸虧損

預期信貸虧損乃基於根據合約應付之合約現金流量與本集團預期收取之所有現金流量間之差額。差額其後按與資產原有實際利率相若之利率貼現。

本集團已選擇根據國際財務報告準則第9號簡化法計量應收貿易款項之虧損撥備，並根據全期預期信貸虧損計算預期信貸虧損。本集團已設立基於本集團過往信貸虧損經驗之撥備矩陣，並按債務人及經濟環境的特定前瞻因素作出調整。

就其他應收款項而言，預期信貸虧損乃基於12個月預期信貸虧損。12個月預期信貸虧損為全期預期信貸虧損之一部分，源自可能在報告日期後12個月內發生之金融工具違約事件。然而，倘信貸風險自開始以來大幅增加，撥備將以全期預期信貸虧損為基準。釐定金融資產之信貸風險是否自初步確認後大幅增加時以及估計預期信貸虧損時，本集團考慮相關及毋需付出過多成本或努力下即可獲得之合理及可靠資料。有關資料包括根據本集團之過往經驗及信貸評估得出之定量及定性資料及分析，並包括前瞻性資料。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

(ii) Impairment of financial assets (continued)

Measurement of ECLs (continued)

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) a breach of contract such as a default or past due event.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the ECL model

(i) Impairment of trade receivables

As mentioned above, the Group applies the IFRS 9 simplified approach to measure ECLs which recognises lifetime ECLs for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk as the trade receivables.

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效 (續)

A 國際財務報告準則第9號 — 金融工具 (續)

(ii) 金融資產減值 (續)

計量預期信貸虧損 (續)

本集團於下列情況下認為金融資產違約：(1)在本集團不採取追索行動(例如變現擔保(如持有))情況下，借款人不大可能向本集團全數償還其信貸責任；或(2)違反合約，例如違約或逾期事件。

估計預期信貸虧損時所考慮的最長期間為本集團面對信貸風險的最長合約期間。

呈列預期信貸虧損

按攤銷成本計量之金融資產之虧損撥備自該資產之賬面總值扣除。

預期信貸虧損模式之影響

(i) 應收貿易賬款減值

誠如上文所述，本集團應用國際財務報告準則第9號簡化法計量預期信貸虧損，就所有應收貿易款項確認全期預期信貸虧損。為計量預期信貸虧損，應收貿易款項按共同信貸風險特徵及逾期日數劃分。合約資產與應收貿易款項有大致上相同的風險。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

(ii) Impairment of financial assets (continued)

Impact of the ECL model (continued)

(II) Impairment of other receivables

Other financial assets at amortised cost of the Group include rental deposits and other receivables. Applying the ECLs model result in the recognition of ECLs of RMB194,000 on 1 January 2018 and a further ECLs of RMB931,000 for the year ended 31 December 2018.

(iii) Transition

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

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效 (續)

A 國際財務報告準則第9號 — 金融工具 (續)

(ii) 金融資產減值 (續)

預期信貸虧損模式之影響 (續)

(II) 其他應收款項減值

本集團按攤銷成本計量的其他金融資產包括租金按金及其他應收款項。應用預期信貸虧損模式導致於二零一八年一月一日確認預期信貸虧損人民幣194,000元及於截至二零一八年十二月三十一日止年度進一步確認預期信貸虧損人民幣931,000元。

(iii) 過渡

本集團已應用國際財務報告準則第9號之過渡條文，以使國際財務報告準則第9號獲全面採納而毋須重列比較資料。因此，新預期信貸虧損規則所產生重新分類及調整並無反映於二零一七年十二月三十一日之綜合財務狀況報表，惟於二零一八年一月一日的綜合財務狀況報表中確認。其指於二零一八年一月一日採納國際財務報告準則第9號所產生金融資產與金融負債之賬面值差異乃於累計虧損及儲備確認。因此，二零一七年之呈列資料並未反映國際財務報告準則第9號之規定，而反映國際會計準則第39號之規定。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revISED IFRSs — effective 1 January 2018 (continued)

A IFRS 9 — Financial Instruments (continued)

(iii) Transition (continued)

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

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

If an investment in a debt investment had low credit risk at the DIA, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效(續)

A 國際財務報告準則第9號 — 金融工具(續)

(iii) 過渡(續)

以下評估基於首次應用國際財務報告準則第9號日期(「首次應用日期」)存在的事實及情況作出：

- 釐定持有金融資產的業務模式；
- 指定與撤銷若干金融資產及金融負債按公平值計入損益計量原先有關指定；及
- 將並非持作買賣的股本投資內若干投資指定為按公平值計入其他全面收益。

倘債務投資的投資於首次應用日期具低信貸風險，則本集團假設該資產的信貸風險自其初步確認以來並無重大增加。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revISED IFRSs — effective 1 January 2018 (continued)

B IFRS 15 Revenue from Contracts with Customers (“IFRS 15”)

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

The Group has adopted IFRS 15 using the cumulative effect method without practical expedients. The adoption of IFRS 15 does not have a significant impact on when the Group recognises revenue from sales of products.

C Amendments to IFRS 15 — Revenue from Contracts with Customers (Clarifications to IFRS 15)

The amendments to IFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The adoption of these amendments has no impact on the consolidated financial statements as the Group had not previously adopted IFRS 15 and took up the clarifications in this, its first, year.

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效(續)

B 國際財務報告準則第15號客戶合約收益 (「國際財務報告準則第15號」)

國際財務報告準則第15號取代國際會計準則第11號建築合約、國際會計準則第18號收益及相關詮釋。國際財務報告準則第15號就客戶合約收益列賬訂立一個五步模式。根據國際財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨品或服務作交換而有權獲得的代價金額確認。

本集團已在並無實際權宜情況下，運用累計影響法採納國際財務報告準則第15號。採納國際財務報告準則第15號對本集團確認產品的銷售收益並無重大影響。

C 國際財務報告準則第15號之修訂 — 客戶合約收益 (國際財務報告準則第15號之澄清)

國際財務報告準則第15號之修訂包括對下列項目作出澄清：履約責任之識別；應用委託人及代理人；知識產權許可；及過渡規定。

採納該等修訂對綜合財務報表並無影響，原因為本集團過往並無採納國際財務報告準則第15號，並於本年度(採納該準則之首年)採納有關澄清。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(a) Adoption of new/revised IFRSs — effective 1 January 2018 (continued)

D IFRIC 22 — Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The adoption of these amendments has no impact on the consolidated financial statements as the Group has not paid or received advance consideration in a foreign currency.

3. 應用新訂及經修訂國際財務報告準則 (續)

(a) 採納新訂／經修訂國際財務報告準則一二零一八年一月一日起生效(續)

D 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

該詮釋對用於確定涉及以外幣支付或收取預付代價及確認非貨幣資產或非貨幣負債之交易匯率之交易日期提供指引。該詮釋訂明，用於確定初步確認相關資產、開支或收入(或其中一部分)時之匯率之交易日期，乃實體由於支付或收取預付代價而初步確認非貨幣資產或非貨幣負債之日期。

採納該等修訂對綜合財務報表並無影響，原因為本集團並無以外幣支付或收取預付代價。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(b) New/revised IFRSs that have been issued but are not yet effective

The following new/revised IFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to IFRS 3	Definition of a business ²
Amendments to IFRS 9	Prepayment features with negative compensation ¹
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁴
Amendments to IAS 1 and IAS 8	Definition of material ²
Amendments to IAS 19	Plan amendment, curtailment or settlement ¹
Amendments to IAS 28	Long term interests in associates and joint ventures ¹
IFRS 16	Leases ¹
IFRS 17	Insurance contracts ³
IFRIC 23	Uncertainty over income tax treatments ¹
Annual improvements — 2015 – 2017 Cycle	Annual improvements project ¹

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

3. 應用新訂及經修訂國際財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂／經修訂國際財務報告準則

與本集團綜合財務報表可能有關之以下新訂／經修訂國際財務報告準則已頒佈但尚未生效，且本集團並無提早採納。本集團目前有意於有關修改生效日期時應用有關修改。

國際財務報告準則第3號之修訂	業務的定義 ²
國際財務報告準則第9號之修訂	具有負補償特性之提早還款 ¹
國際財務報告準則第10號及國際會計準則第28號之修訂	投資者與其聯營公司或合營企業間之資產出售或注資 ⁴
國際會計準則第1號及國際會計準則第8號之修訂	重大的的定義 ²
國際會計準則第19號之修訂	計劃修訂、縮減或結清 ¹
國際會計準則第28號之修訂	於聯營公司及合營企業之長期權益 ¹
國際財務報告準則第16號	租賃 ¹
國際財務報告準則第17號	保險合約 ³
國際財務報告詮釋委員會詮釋第23號	所得稅處理之不確定性 ¹
年度改進 — 二零一五年至二零一七年週期	年度改進計劃 ¹

- ¹ 於二零一九年一月一日或之後開始之年度期間生效
- ² 於二零二零年一月一日或之後開始之年度期間生效
- ³ 於二零二一年一月一日或之後開始之年度期間生效
- ⁴ 尚未釐定強制生效日期惟可供採納

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 16 — Leases

IFRS 16, which upon the effective date will supersede IAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

3. 應用新訂及經修訂國際財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第16號 — 租賃

國際財務報告準則第16號將於生效日期取代國際會計準則第17號「租賃」及相關詮釋，引入單一承租人會計處理模式並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產。具體而言，根據國際財務報告準則第16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃付款）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，且在現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理肯定會行使選擇權延續租賃或行使終止租賃選擇權之情況下將於選擇權期間內作出之付款。就根據前訂準則國際會計準則第17號分類為經營租賃之租賃而言，此會計處理方法與承租人會計處理顯著不同。

就出租人會計處理而言，國際財務報告準則第16號大致沿用國際會計準則第17號之出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同會計處理。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRS 16 — Leases (continued)

As set out in Note 29, total operating lease commitment as lessee of the Group in respect of leased premises as at 31 December 2018 amounted to RMB800,000. The directors of the Group do not expect the adoption of IFRS 16 as compared with the current accounting policy would result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

The Group intends to elect the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC-Interpretation 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 IAS 17 and IFRIC-Interpretation 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 IFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

3. 應用新訂及經修訂國際財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂／經修訂國際財務報告準則 (續)

國際財務報告準則第16號 — 租賃 (續)

誠如附註29所載，於二零一八年十二月三十一日本集團作為租賃物業承租人的經營租賃承擔總額為人民幣800,000元。本集團董事預期採納國際財務報告準則第16號與現行會計政策相比不會對本集團業績產生重大影響，惟預期該等租賃承擔的若干部分將須於綜合財務狀況表確認為使用權資產及租賃負債。

本集團擬選擇可行權宜方法，就先前應用國際會計準則第17號及國際財務報告詮釋委員會—詮釋第4號「釐定安排是否包括租賃」識別為租賃的合約應用國際財務報告準則第16號，而並無對先前應用國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。

此外，本集團(作為承租人)擬選擇經修訂追溯法應用國際財務報告準則第16號，並將確認首次應用對期初保留溢利的累計影響，且並無重列比較資料。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

IFRIC 23 — Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of IAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

Amendments to IFRS 9 — Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met — instead of at fair value through profit or loss.

3. 應用新訂及經修訂國際財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂／經修訂國際財務報告準則 (續)

國際財務報告詮釋委員會詮釋第23號 — 所得稅處理之不確定性

該詮釋透過提供有關如何反映所得稅處理之不確定性之指引，為國際會計準則第12號所得稅之要求作出補充。根據該詮釋，實體須以可對不確定性結果作出較佳預測之方式，決定單獨或一併考慮各個不確定之稅務處理。實體亦須假設稅務機關將審查其有權審查之金額，且進行審查時充分掌握所有相關資料。倘實體認為稅務機關可能會接受不確定之稅務處理，則實體須按照其稅務登記文件計量即期及遞延稅項。倘實體認為上述情況不大可能發生，則釐定稅項時之不確定性須透過「最有可能的金額」或「預期價值」法反映，以可對不確定性結果作出較佳預測之方式為準。

國際財務報告準則第9號之修訂 — 具有負補償特性之提早還款

有關修訂作出澄清，倘符合特定條件，具有負補償之可提前還款金融資產可按攤銷成本或按公平值計入其他全面收益，而非按公平值計入損益計量。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(b) New/revised IFRSs that have been issued but are not yet effective (continued)

Annual Improvements to IFRSs 2015–2017 Cycle — Amendments to IFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to IFRSs 2015–2017 Cycle — Amendments to IAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to IAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

3. 應用新訂及經修訂國際財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂／經修訂國際財務報告準則 (續)

國際財務報告準則二零一五年至二零一七年週期之年度改進 — 國際財務報告準則第3號業務合併之修訂

根據年度改進過程頒佈的修訂對現時不明確的多項準則作出微細及不急切的修改。其中包括對國際財務報告準則第3號之修訂，釐清倘業務的合營者取得合營業務的控制權，該情況為分階段進行的業務合併，故過往所持股權將重新計量為收購日期公平值。

國際財務報告準則二零一五年至二零一七年週期之年度改進 — 國際會計準則第12號所得稅之修訂

根據年度改進過程頒佈的修訂對現時不明確的多項準則作出微細及不急切的修改。其中包括對國際財務報告準則第12號之修訂，釐清股息之所有所得稅後果與產生可分派溢利的交易一致，乃於損益、其他全面收益或直接於權益中確認。

本集團並無應用已頒佈但尚未生效之國際財務報告準則。本集團已開始評估該等新訂及經修訂國際財務報告準則的影響，惟尚未能指出該等新訂及經修訂國際財務報告準則會否對其經營業績及財務狀況構成重大影響。

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4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary ("the Group"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

4. 主要會計政策

(a) 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司（「本集團」）之財務報表。本集團旗下公司之集團內公司間交易及結餘連同未變現溢利於編製綜合財務報表時全數對銷。未變現虧損亦會對銷，除非交易提出所轉讓資產之減值證據，於有關情況下，虧損於損益中確認。

年內所收購或出售附屬公司之業績自收購日期起或截至出售日期止（視乎適用情況而定）計入綜合全面收益表。如有需要，附屬公司的財務報表會作出調整，以使其會計政策與本集團其他成員公司之會計政策一致。

收購附屬公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行之股權於收購日期之公平值總額計量。所收購可辨別資產及所承擔負債則主要按收購日期之公平值計量。本集團先前所持收購對象之股權以收購日期公平值重新計量，而所產生之收益或虧損則於損益中確認。本集團可按每宗交易選擇以公平值或應佔收購對象之可識別資產淨值比例計算非控股權益（即現時於附屬公司之擁有權益）。除非國際財務報告準則有規定另一計量基準，否則所有其他非控股權益均按公平值計量。所產生之收購相關成本列作支出，除非該等成本乃於發行股本工具時產生，在該情況下，有關成本乃自權益中扣除。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Business combination and basis of consolidation (continued)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

4. 主要會計政策 (續)

(a) 業務合併及綜合基準 (續)

收購方將予轉讓之任何或然代價按收購日期之公平值確認。其後對代價之調整僅於調整源自於計量期(最長為收購日期起計十二個月)內所取得有關於收購日期之公平值之新資料時，方以商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於損益確認。

當本集團失去附屬公司控制權，出售之收益或虧損乃按以下兩者之差額計算：(i) 已收代價之公平值與任何保留權益之公平值之總額；與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益過往之賬面值。先前於其他全面收益確認與附屬公司有關之金額以相同方式入賬，猶如有關資產或負債已經出售。

收購後，相當於現時於附屬公司之擁有權權益之非控股權益賬面值為該等權益於初步確認時之款額加有關非控股權益應佔權益其後變動之部分。即使會導致非控股權益出現虧絀結餘，全面收益總額乃歸屬於非控股權益。

(b) 附屬公司

附屬公司為本公司可對其行使控制權之投資對象。倘出現以下全部三個因素時，本公司即控制該投資對象：有權控制投資對象、承擔或享有來自投資對象可變回報之風險或權利，及可運用其權力影響該等可變回報。當事實及情況顯示任何該等控制因素可能出現變動時，將會重新評估控制權。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiaries (Continued)

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Company and other parties who hold voting rights;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Property, plant and equipment

Owner-occupied leasehold land and buildings are stated at valuation less accumulated depreciation. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period. Increases in value arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of properties revaluation reserve. Decreases in value arising on revaluation are first offset against increases on earlier valuations in respect of the same property and thereafter recognised in profit or loss. Any subsequent increases are recognised in profit or loss up to the amount previously charged and thereafter to the properties revaluation reserve.

4. 主要會計政策 (續)

(b) 附屬公司 (續)

倘本公司擁有實際能力引導投資對象相關活動，而並無持有大多數投票權，則存在實際控制權。釐定實際控制權是否存在時，本公司考慮所有相關事實及情況，包括：

- 相對其他持有投票權人士的數量及分散情況，本公司投票權的數量多少；
- 本公司及其他持有投票權人士所持有的實際潛在投票權；
- 其他合約安排；及
- 參與投票的歷史模式。

於本公司之財務狀況表內，於附屬公司之投資乃按成本扣除減值虧損(如有)列賬。附屬公司之業績由本公司按已收及應收股息基準列賬。

(c) 物業、廠房及設備

業主自用的租賃土地及樓宇按估值減累計折舊列賬。重估按合理期間定期進行，以確保有關賬面值不會與報告期末採用公平值釐定者有重大差異。重估導致價值增加於其他全面收益確認，並於權益中物業重估儲備項下累計。重估導致價值減少首先抵銷同一物業較早估值之增加，其後於損益中確認。任何其後增加於損益中確認(以先前扣除金額為限)，其餘於物業重估儲備確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

Upon disposal, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the properties revaluation reserve to retained earnings.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Buildings	5%
Leasehold improvements	Over the shorter of lease terms and 25%
Furniture, fixtures and office equipment	10%–20%
Motor vehicles	12.5%

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

4. 主要會計政策 (續)

(c) 物業、廠房及設備 (續)

於出售時，先前估值所變現重估儲備之相關部分自物業重估儲備解除至保留盈利。

其他物業、廠房及設備按成本減累計折舊及累計減值虧損列賬。

物業、廠房及設備之成本包括收購有關項目之購買價及直接相關之成本。

其後成本僅於可能有與該項目相關之未來經濟利益流入本集團且有關項目之成本能可靠計量時，方會計入資產之賬面值或確認為獨立資產(視乎適用情況而定)。重置部分之賬面值會取消確認。所有其他維修及保養於產生之財政期間內在損益中確認為開支。

物業、廠房及設備亦折舊以於其估計可使用年期內按直線法撇銷其成本或估值(扣除預期剩餘價值)。可使用年期、剩餘價值及折舊法於各報告期間結算日審閱及作出調整(如適用)。可使用年期如下：

樓宇	5%
租賃裝修	租賃期及25%之較短者
家具、裝置及辦公室設備	10%–20%
汽車	12.5%

倘資產賬面值高於其估計可收回金額，則該資產即時撇減至其可收回金額。

出售物業、廠房及設備的收益或虧損乃銷售所得款項淨額及有關資產的賬面值之間的差額，並於出售時在損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Payments for leasehold land held for own use under operating leases

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

(e) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

(f) Financial Instruments (accounting policies applied from 1 January 2018)

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4. 主要會計政策 (續)

(d) 按經營租約持作自用之租賃土地付款

按經營租約持作自用之租賃土地付款指就取得承租人佔用物業長期權益之預付款。該等付款按成本列賬，並於租賃期內作為開支按直線法攤銷。

(e) 租賃

凡租約條款將所有權之絕大部分風險及回報轉移至承租人之租賃，均列為融資租賃。所有其他租賃均列為經營租賃。

本集團作為承租人

經營租賃項下之應付租金總額於租期內按直線法於損益確認。所收租賃優惠會作為總租金開支之整體部分在租賃期確認。

物業租賃之土地及樓宇部分就租賃分類而言被視作個別項目。

(f) 金融工具 (自二零一八年一月一日起應用之會計政策)

(i) 金融資產

金融資產 (除非為並無重大融資成分之應收貿易賬款) 初步按公平值加 (就並非按公平值計入損益 (「按公平值計入損益」) 之項目) 其收購或發行直接相關之交易成本計量。並無重大融資成分之應收貿易賬款初步按交易價計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (accounting policies applied from 1 January 2018) (continued)

(i) Financial assets (continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

4. 主要會計政策 (續)

(f) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(i) 金融資產 (續)

金融資產之所有常規購買及出售均於交易日 (即本集團承諾購買或出售該資產的日期) 進行確認。常規購買或出售是指要求於相關市場規例或慣例所約定之時間內交付資產之金融資產買賣。

具有嵌入式衍生工具之金融資產於釐定其現金流是否純粹支付本金及利息時乃作為整體考慮。

債務工具

債務工具之其後計量視乎本集團管理該資產之業務模式及該資產的現金流量特徵而定。本集團按三個計量類別將其債務工具分類：

攤銷成本：持作收回合約現金流 (有關現金流量純粹為支付本金及利息) 的資產按攤銷成本計量。按攤銷成本計量的資產其後按實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益中確認。終止確認的任何收益於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (accounting policies applied from 1 January 2018) (continued)

(i) Financial assets (continued)

Debt instruments (continued)

Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI. Debt investments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

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

4. 主要會計政策 (續)

(f) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(i) 金融資產 (續)

債務工具 (續)

按公平值計入其他全面收益 (「按公平值計入其他全面收益」): 持作收集合約現金流及出售金融資產 (該資產的現金流量純粹為支付本金及利息) 之資產按公平值計入其他全面收益計量。按公平值計入其他全面收益的債務投資其後按公平值計量。按實際利率法計算的利息收入、匯兌收益及虧損以及減值於損益中確認。其他收益及虧損淨額於其他全面收益中確認。於終止確認時, 於其他全面收益累計的收益及虧損重新分類至損益。

按公平值計入損益 (「按公平值計入損益」): 按公平值計入損益的金融資產包括持作買賣的金融資產、於初步確認時指定為按公平值計入損益的金融資產或強制須按公平值計量的金融資產。倘收購金融資產的目的為於短期內出售或購回, 則該金融資產分類為持作買賣。衍生工具包括個別嵌入式衍生工具, 亦分類為持作買賣, 被指定作實際對沖工具則除外。現金流並非純粹支付本金及利息的金融資產分類為及按公平值計入損益, 而不論其業務模式。倘債務工具初步確認時指定為按公平值計入損益可消除或大幅減少會計錯配, 則債務工具可不論上文所述將債務工具分類為按攤銷成本或按公平值計入其他全面收益的準則而如此指定。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (accounting policies applied from 1 January 2018) (continued)

(i) **Financial assets** (continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) **Impairment loss on financial assets**

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

4. 主要會計政策 (續)

(f) 金融工具(自二零一八年一月一日起應用之會計政策)(續)

(i) **金融資產**(續)

股本工具

初步確認並非持作買賣的股本工具時，本集團可不可撤回地選擇於其他全面收益呈列該投資公平值的其後變動。有關選擇按個別投資作出。按公平值計入其他全面收益的股本工具按公平值計量。股息收入於損益中確認，除非有關股息收入明確代表收回部分投資成本。其他收益及虧損淨額於其他全面收益確認，且不會重新分類至損益。所有其他股本工具分類為按公平值計入損益，其中公平值變動、股息及利息收入於損益中確認。

(ii) **金融資產減值虧損**

本集團就應收貿易賬款、合約資產、按攤銷成本計量的金融資產及按公平值計入其他全面收益的債務投資的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。預期信貸虧損按下列任一基準計量：12個月預期信貸虧損：即報告日期後12個月內之可能違約事件所產生預期信貸虧損；及(2)全期預期信貸虧損：即金融工具預期年內所有可能違約事件所產生預期信貸虧損。估計預期信貸虧損所考慮最長期間為本集團承擔信貸風險的最長合約期間。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (accounting policies applied from 1 January 2018) (continued)

(ii) Impairment loss on financial assets (continued)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

4. 主要會計政策 (續)

(f) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(ii) 金融資產減值虧損 (續)

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損按本集團根據合約應收的所有合約現金流量與本集團預期收取的所有現金流量的差額計量。差額其後按與資產原有實際利率相若之利率貼現。

本集團已選擇根據國際財務報告準則第9號簡化法計量應收貿易賬款及合約資產之虧損撥備，並根據全期預期信貸虧損計算預期信貸虧損。本集團已設立基於本集團過往信貸虧損經驗之撥備矩陣，並按債務人及經濟環境的特定前瞻因素作出調整。

就其他債務金融資產而言，預期信貸虧損以12個月預期信貸虧損為基準。然而，倘信貸風險自開始以來大幅增加，撥備將以全期預期信貸虧損為基準。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (accounting policies applied from 1 January 2018) (continued)

(ii) Impairment loss on financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) a breach of contract such as a default or past due event.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

4. 主要會計政策 (續)

(f) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(ii) 金融資產減值虧損 (續)

釐定金融資產之信貸風險是否自初步確認後大幅增加時以及估計預期信貸虧損時，本集團考慮相關及毋需付出過多成本或努力下即可獲得之合理及可靠資料。有關資料包括根據本集團之過往經驗及詳細信貸評估得出之定量及定性資料及分析，並包括前瞻性資料。

本集團於下列情況下認為金融資產出現信貸減值：(1)在本集團不採取追索行動(例如變現擔保(如持有))情況下，借款人不大可能向本集團全數償還其信貸責任；或(2)違反合約，例如違約或逾期事件。

信貸減值金融資產的利息收入根據金融資產的攤銷成本(即總面值減虧損撥備)計算。並無信貸減值的金融資產利息收入按總面值計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (accounting policies applied from 1 January 2018) (continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

4. 主要會計政策 (續)

(f) 金融工具(自二零一八年一月一日起應用之會計政策)(續)

(iii) 金融負債

本集團視乎負債產生之目的，將其金融負債分類。按公平值計入損益之金融負債初步按公平值計量，而按攤銷成本計量之金融負債則初步按公平值扣除直接應佔所產生之成本計量。

按公平值計入損益的金融負債

按公平值計入損益的金融負債包括持作買賣的金融負債及於初步確認時指定為按公平值計入損益的金融負債。

倘收購金融負債的目的為於短期內出售，則有關金融負債分類為持作買賣。衍生工具包括個別嵌入式衍生工具，亦分類為持作買賣，被指定作實際對沖工具則除外。持作買賣負債的收益或虧損於損益中確認。

倘合約包含一項或以上的嵌入式衍生工具，整個混合合約可指定為按公平值計入損益的金融負債，除非該嵌入式衍生工具不會大幅更改現金流或分離嵌入式衍生工具遭明確禁止則除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (accounting policies applied from 1 January 2018) (continued)

(iii) Financial liabilities (continued)

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

4. 主要會計政策 (續)

(f) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(iii) 金融負債 (續)

倘符合以下條件，金融負債於初步確認時可被指定為透過按公平值計入損益：(i) 該指定可抵銷或大幅減少按不同基準計量負債或確認收益或虧損所產生之不一致入賬方法；(ii) 該金融負債為一組金融負債之一部分，該組金融負債根據一套規範之風險管理策略按公平值基準管理及評估表現；或(iii) 該金融負債包含須獨立入賬之嵌入式衍生工具。

於初步確認後，按公平值計入損益的金融資產按公平值計量，公平值變動於變動產生期間的損益中確認，惟本集團本身的信貸風險所產生收益及虧損除外，該等收益及虧損於其他全面收益呈列，其後不會重新分類至損益。於損益表確認的公平值收益或虧損淨額不會計入就該等金融負債扣除的任何利息。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (accounting policies applied from 1 January 2018) (continued)

(iii) Financial liabilities (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

4. 主要會計政策 (續)

(f) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(iii) 金融負債 (續)

按攤銷成本列賬的金融負債

按攤銷成本列賬的金融負債包括應付貿易賬款及其他應付款項、借款、若干優先股及本集團所發行可換股貸款票據的債務部分，其後以實際利率法按攤銷成本計量。有關利息開支於損益確認。

終止確認負債及進行攤銷程序時會於損益中確認收益或虧損。

(iv) 實際利率法

實際利率法乃計算金融資產或金融負債及按有關期間分配利息收入或利息開支之攤銷成本計算方法。實際利率乃準確貼現金融資產或負債之預期存續期或較短期間 (如適用) 估計未來現金收款或付款之利率。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (accounting policies applied from 1 January 2018) (continued)

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

4. 主要會計政策 (續)

(f) 金融工具(自二零一八年一月一日起應用之會計政策)(續)

(v) 終止確認

當與金融資產相關之未來現金流量合約權利屆滿，或當金融資產已經按照符合國際財務報告準則第9號終止確認之條件轉讓，則本集團終止確認該項金融資產。

當於相關合約之特定責任被解除、取消或屆滿時，方會終止確認金融負債。

當本集團因重新磋商負債條款而向其債權人發出本身的股本工具以支付全部或部分金融負債，所發出股本工具為已付代價，並於金融負債或其中部分消除當日按公平值初步確認及計量。倘所發行股本工具的公平值不能可靠計量，則按反映所消除金融負債公平值的方式計量股本工具。所消除金融負債或其中部分的賬面值與已付代價的差額於年內損益確認。

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (accounting policies applied until 31 December 2017)

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

4. 主要會計政策 (續)

(g) 金融工具 (截至二零一七年十二月三十一日止應用的會計政策)

(i) 金融資產

本集團於初步確認時將其金融資產分類，視乎所收購資產之目的而定。按公平值計入損益之金融資產初步按公平值計量，而所有其他金融資產則初步按公平值加收購該等金融資產直接產生之交易成本計量。以常規方式買賣之金融資產按交易日期基準確認及終止確認。常規方式買賣指合約條款要求於市場規管或慣例通常設定時限內交付資產之金融資產買賣。

按公平值計入損益的金融資產

該等資產包括持作買賣金融資產。倘收購金融資產的目的為於短期內出售，則該金融資產分類為持作買賣。衍生工具包括個別嵌入式衍生工具，亦分類為持作買賣，被指定作實際對沖工具或融資擔保合約則除外。

於初步確認後，按公平值計入損益的金融資產按公平值計量，其公平值變動於產生期間在損益中確認。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (accounting policies applied until 31 December 2017) (continued)

(i) Financial assets (continued)

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Held-to-maturity investments

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

4. 主要會計政策 (續)

(g) 金融工具 (截至二零一七年十二月三十一日止應用的會計政策) (續)

(i) 金融資產 (續)

貸款及應收款項

該等資產為有固定或可釐定付款而並無活躍市場報價之非衍生金融資產。其主要透過向顧客 (貿易債務人) 提供貨品及服務而產生，亦包括其他類別之合約貨幣資產。於初步確認後，有關項目按攤銷成本以實際利率法減任何已識別減值虧損入賬。

持有至到期投資

該等資產為有固定或可釐定付款及固定到期日且本集團有意及有能力持有至到期之非衍生金融資產。於初步確認後，持有至到期投資按攤銷成本以實際利率法減任何已識別減值虧損計量。

可供出售金融資產

該等資產為指定為可供出售或並無包括在其他金融資產類別之非衍生金融資產。於初步確認後，該等資產乃按公平值列賬，而公平值變動則於其他全面收益確認，惟貨幣工具之減值虧損及外匯盈虧均於損益確認。

並無活躍市場之市場報價及公平值無法可靠地計量之可供出售股本投資，以及與該等無報價股本工具掛鉤且必須以交付該等股本工具結算之衍生工具乃按成本值減任何已識別減值虧損計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (accounting policies applied until 31 December 2017) (continued)

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For Loans and receivables or Held-to-maturity investments

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

4. 主要會計政策 (續)

(g) 金融工具 (截至二零一七年十二月三十一日止應用的會計政策) (續)

(ii) 金融資產之減值虧損

本集團於各報告期末評估是否存在任何客觀證據證明金融資產出現減值。當存在客觀證據證明於初步確認資產後發生一項或多項事件導致出現減值，而有關事件對有關金融資產之估計未來現金流量構成之影響可以合理估計，則該金融資產出現減值。減值證據可包括：

- 債務人出現嚴重財務困難；
- 違反合約，例如欠繳或拖欠利息或本金付款；
- 由於債務人出現財務困難而對債務人作出寬限；
- 債務人很有可能將宣告破產或進行其他財務重組。

就貸款及應收款項或持有至到期投資

當有客觀證據證明資產已減值，則減值虧損在損益確認，並按資產賬面值與按原定實際利率貼現之估計日後現金流量現值之差額計算。金融資產賬面值乃透過使用撥備賬扣減。倘金融資產任何部分被釐定為無法收回，則與相關金融資產之撥備賬對銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (accounting policies applied until 31 December 2017) (continued)

(ii) Impairment loss on financial assets (continued)

For Available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

4. 主要會計政策 (續)

(g) 金融工具 (截至二零一七年十二月三十一日止應用的會計政策) (續)

(ii) 金融資產之減值虧損 (續)

就可供出售金融資產

當公平值減少構成客觀減值證據，有關虧損金額自權益移除並於損益中確認。

倘可供出售債務投資的公平值增加能夠與確認減值虧損後發生之事件客觀地聯繫，則該投資的任何減值虧損其後撥回損益。

就可供出售股本投資而言，減值虧損後公平值的任何增加於其他全面收益確認。

就按成本列賬的可供出售股本投資而言，減值虧損金額按資產賬面值與相若金融資產回報的流通市場利率貼現之估計日後現金流量現值之差額計算。有關減值虧損不會撥回。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (accounting policies applied until 31 December 2017) (continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

4. 主要會計政策 (續)

(g) 金融工具 (截至二零一七年十二月三十一日止應用的會計政策) (續)

(iii) 金融負債

本集團視乎負債產生之目的，將其金融負債分類。按公平值計入損益之金融負債初步按公平值計量，而按攤銷成本計量之金融負債則初步按公平值扣除直接應佔所產生之成本計量。

按公平值計入損益的金融負債

按公平值計入損益的金融負債包括持作買賣的金融負債及於初步確認時指定為按公平值計入損益的金融負債。

倘收購金融負債的目的為於短期內出售，則有關金融負債分類為持作買賣。衍生工具包括個別嵌入式衍生工具，並分類為持作買賣，被指定作實際對沖工具則除外。持作買賣負債的收益或虧損於損益中確認。

倘合約包含一項或以上的嵌入式衍生工具，整個混合合約可指定為按公平值計入損益的金融負債，除非該嵌入式衍生工具不會大幅更改現金流或分離嵌入式衍生工具遭明確禁止則除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (accounting policies applied until 31 December 2017) (continued)

(iii) Financial liabilities (continued)

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

4. 主要會計政策(續)

(g) 金融工具(截至二零一七年十二月三十一日止應用的會計政策)(續)

(iii) 金融負債(續)

按公平值計入損益的金融負債(續)

倘符合以下條件，金融負債於初步確認時可被指定為透過按公平值計入損益：(i)該指定可抵銷或大幅減少按不同基準計量負債或確認收益或虧損所產生之不一致入賬方法；(ii)該金融負債為一組金融負債之一部分，該組金融負債根據一套規範之風險管理策略按公平值基準管理及評估表現；或(iii)該金融負債包含須獨立入賬之嵌入式衍生工具。

於初步確認後，按公平值計入損益的金融資產按公平值計量，公平值變動於變動產生期間的損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (accounting policies applied until 31 December 2017) (continued)

(iii) *Financial liabilities* (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

4. 主要會計政策 (續)

(g) 金融工具 (截至二零一七年十二月三十一日止應用的會計政策) (續)

(iii) 金融負債 (續)

按攤銷成本列賬的金融負債

按攤銷成本列賬的金融負債包括應付貿易賬款及其他應付款項、借款、若干優先股及本集團所發行可換股貸款票據的債務部分，其後以實際利率法按攤銷成本計量。有關利息開支於損益確認。

終止確認負債及進行攤銷程序時會於損益中確認收益或虧損。

(iv) 實際利率法

實際利率法乃計算金融資產或金融負債及按有關期間分配利息收入或利息開支之攤銷成本計算方法。實際利率乃準確貼現金融資產或負債之預期存續期或較短期間 (如適用) 估計未來現金收款或付款之利率。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (accounting policies applied until 31 December 2017) (continued)

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

4. 主要會計政策 (續)

(g) 金融工具 (截至二零一七年十二月三十一日止應用的會計政策) (續)

(v) 終止確認

當與金融資產相關之未來現金流量合約權利屆滿，或當金融資產已經按照符合國際會計準則第39號終止確認之條件轉讓，則本集團終止確認該項金融資產。

當於相關合約之特定責任被解除、取消或屆滿時，方會終止確認金融負債。

當本集團因重新磋商負債條款而向其債權人發行本身的股本工具以支付全部或部分金融負債，所發行股本工具為已付代價，並於金融負債或其中部分消除當日按公平值初步確認及計量。倘所發行股本工具的公平值不能可靠計量，則按反映所消除金融負債的公平值計量股本工具。所消除金融負債或其中部分的賬面值與已付代價的差額於年內損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 4(f) (ii)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less ECL (see note 4(f) (ii)).

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

4. 主要會計政策 (續)

(h) 存貨

存貨初步按成本及其後按出售成本與可變現淨值的較低者列賬。成本包括採購成本、兌換成本及將存貨送到目前地點或達至目前狀態所產生其他成本。成本按加權平均基準釐定。可變現淨值指一般業務過程中的估計售價減所有估計完工成本及銷售所須成本。

(i) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項初步按公平值確認，其後以實際利率法按攤銷成本減呆賬減值撥備列賬（見附註4(f)(ii)），除非該等應收款項乃向關連人士作出並無固定還款期或折現影響並不重大的不計息貸款。於該等情況，有關應收款項按成本減預期信貸虧損列賬（見附註4(f)(ii)）。

(j) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構之活期存款及於購入後三個月內到期之短期高流通性投資（可轉換成已知金額之現金且價值變動風險不大）。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using an effective interest method.

(m) Revenue recognition (accounting policies applied from 1 January 2018)

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

4. 主要會計政策 (續)

(k) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項初步按公平值確認，其後按攤銷成本列賬，除非有關折現影響並不重大則會按成本列賬。

(l) 借款

借款初步按公平值扣除相關交易成本確認。於初步確認後，借款以實際利率法按攤銷成本列賬，而初步確認金額與贖回價值之任何差額連同任何應付利息及費用則於借款期內在損益中確認。

(m) 收益確認 (自二零一八年一月一日起應用的會計政策)

客戶合約收益於貨品或服務控制權轉移至客戶時按反映本集團預期就交換該等貨品或服務享有的代價 (不包括代表第三方收集的金額) 的金額確認。收益不包括增值稅及其他銷售稅，且已扣除任何交易折扣。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition (accounting policies applied from 1 January 2018) (continued)

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

4. 主要會計政策 (續)

(m) 收益確認 (自二零一八年一月一日起應用的會計政策) (續)

視乎合約條款及合約適用的法例，貨品或服務控制權可於一段時間內或某時間點轉移。倘符合以下情況，則貨品或服務控制權於一段時間內轉移：

- 客戶於本集團履約時同時收取及利用本集團履約所提供的利益；
- 本集團的履約創造及提升客戶於本集團履約時控制的資產；或
- 本集團履約未創造對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

倘貨品或服務控制權於一段時間內轉移，則收益參考履約責任的完成進度於合約期內確認。否則，收益於客戶取得貨品或服務控制權的時間點確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition (accounting policies applied from 1 January 2018) (continued)

(i) Sales of men's and women's casual apparels

The Group sells goods directly to retail customers within retail stores and wholesale customers from the warehouse. Revenue recognised from sale of goods to retail customers is recognised when the product is transferred to the customers upon sale. Payment of the transaction price is due immediately when the customers purchase the good. The payment is usually settled in cash or using credit cards, Wechat pay and Alipay online platform. For wholesale, customers obtain control of the casual apparels when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the casual apparels. There is generally only one performance obligation. Wholesale customers are required to pay in advance before delivery of goods.

(ii) Other income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

4. 主要會計政策 (續)

(m) 收益確認 (自二零一八年一月一日起應用的會計政策) (續)

(i) 銷售男士及女士休閒服飾

本集團直接於零售店向零售客戶及自倉庫向批發客戶出售貨品。就向零售客戶出售貨品確認的收益於出售後在貨品轉讓予客戶時確認。交易價付款於客戶購買貨品時即時到期。有關付款通常以現金或使用信用卡、微信支付及支付寶線上平台支付。至於批發方面，客戶於貨品交付並獲接納時取得休閒服飾的控制權。一般而言只存在一項履約責任。批發客戶須於貨品交付前預先付款。

(ii) 其他收入

利息收入以時間基準按適用利率就未償還本金累計。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition (accounting policies applied from 1 January 2018) (continued)

(iii) Revenue recognition (accounting policies applied until 31 December 2017)

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

- (a) Revenues from the sales of casual apparels are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.
- (b) Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

(iv) Contract assets and liabilities (accounting policies applied from 1 January 2018)

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

4. 主要會計政策 (續)

(m) 收益確認 (自二零一八年一月一日起應用的會計政策) (續)

(iii) 收益確認 (截至二零一七年十二月三十一日應用的會計政策)

收益按已收或應收代價的公平值計量，並於經濟利益可能流入本集團且有關收益金額能可靠計量時確認。

- (a) 銷售休閒服飾的收益於擁有權的重大風險及回報轉移時確認，一般而言與貨品交付及所有權轉移至客戶的時間相同。
- (b) 利息收入以時間基準按適用利率就未償還本金累計。

(iv) 合約資產及負債 (自二零一八年一月一日起應用的會計政策)

合約資產指本集團就向客戶換取本集團已轉讓服務收取代價的權利 (尚未成為無條件)。相反，應收款項指本集團收取代價的無條件權利，即只要時間流逝即須到期支付代價。

合約負債指本集團就已自客戶收取代價 (或到期收取代價)，而須向客戶轉讓服務的責任。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

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

4. 主要會計政策 (續)

(n) 所得稅

年內所得稅指即期稅項及遞延稅項。

即期稅項以一般業務的溢利或虧損為基準，按就所得稅而言毋須課稅或不得扣稅之項目作出調整，按於報告期末已頒佈或實質頒佈之稅率計算。

遞延稅項就財務申報用途所列資產及負債賬面值與就稅務用途所用相關金額之差額確認。除影響會計或應課稅溢利的商譽及已確認資產及負債外，就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產則僅於日後可能有應課稅溢利以用作扣減暫時差額時確認。遞延稅項按預期變現資產或償還債項期間適用且於報告期末已頒佈或實質頒佈稅率計算。

於附屬公司、聯營公司及共同控制實體投資產生之應課稅暫時差額會確認為遞延稅項負債，惟如本集團能控制有關暫時差額之撥回，且暫時差額不大可能於可見將來撥回則除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income taxes (continued)

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(o) Foreign currency

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

4. 主要會計政策 (續)

(n) 所得稅 (續)

所得稅於損益中確認，惟倘所得稅與於其他全面收益或直接於權益確認之項目有關，則有關稅項亦須於其他全面收益或直接於權益確認。

(o) 外幣

本集團實體以其經營所在主要經濟環境之貨幣(「功能貨幣」)以外之貨幣所進行交易，乃以進行交易時之現行匯率記錄。外幣貨幣資產及負債按報告期末之現行匯率換算。按公平值列賬以外幣計值之非貨幣項目按釐定公平值當日的現行匯率換算。按歷史成本以外幣計量之非貨幣項目不作重新換算。

結算及換算貨幣項目產生之匯兌差額於其產生期間於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees. The employees of the Group are members of a state-managed retirement benefit plan operated by the government of the PRC. The Group are required to contribute specified percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

(iii) Termination benefits

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

4. 主要會計政策 (續)

(p) 僱員福利

(i) 短期僱員福利

短期僱員福利為預期於僱員提供相關服務年度報告期末後12個月前結算的僱員福利(終止福利除外)。短期僱員福利於年內在僱員提供相關服務時確認。

(ii) 界定供款退休計劃

界定供款退休計劃的供款於僱員提供服務時於損益確認為開支。本集團僱員為中國政府所營辦國家管理退休福利計劃之成員。本集團須向退休福利計劃按工資成本規定百分比作出供款作為福利資金。本集團對退休福利計劃之唯一責任為作出規定供款。

(iii) 終止福利

終止福利乃於本集團不得撤銷提呈此等福利時，及本集團確認支付終止福利之重組成本兩者之較早時間確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset. An unconditional government grant is recognised in profit or loss as other revenue when the grant becomes receivable.

(r) Impairment of assets (other than financial assets)

Other than financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- prepaid land lease payments; and
- investments in subsidiaries

4. 主要會計政策 (續)

(q) 政府補貼

本集團合理確定將收取政府補貼及本集團將符合其所附帶條件時初步於財務狀況表確認政府補貼。補償本集團所產生開支的補貼於產生開支的同一期間按系統化基準在損益中確認為收入。補償本集團資產成本的補貼於資產的可使用年期內按系統化基準在損於中確認為遞延收入。無條件政府補貼於可收取有關補貼時在損益中確認為其他收益。

(r) 金融資產以外資產減值

金融資產以外

於報告期末，本集團檢討下列資產之賬面值，以釐定是否有跡象顯示該等資產出現減值虧損或過往確認之減值虧損不再存在或可能有所減少：

- 物業、廠房及設備；
- 預付土地租賃付款；及
- 於附屬公司之投資。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Impairment of assets (other than financial assets) (continued)

Other than financial assets (continued)

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another IFRS, in which case the impairment loss is treated as a revaluation decrease under that IFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another IFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that IFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

4. 主要會計政策 (續)

(r) 金融資產以外資產減值 (續)

金融資產以外 (續)

倘估計資產之可收回金額(即公平值減出售成本與使用價值兩者之較高者)將少於其賬面值,則資產賬面值將調減至其可收回金額。減值虧損即時確認為開支,除非資產根據另一項國際財務報告準則按重估金額列賬,於該情況下,減值虧損撥回根據該國際財務報告準則視作重估減少。

倘其後撥回減值虧損,則資產之賬面值將增至其可收回金額之經修訂估計數字,惟所增加賬面值不得於過往年度未有確認資產減值虧損時原應釐定之賬面值。減值虧損之撥回會即時確認為收入,除非資產根據另一項國際財務報告準則按重估金額列賬,於該情況下,減值虧損撥回根據該國際財務報告準則視作重估增加。

使用價值以預期資產將產生的估計未來現金流量為基準,按反映市場現時所評估之金錢時間值及該資產或現金產生單位的特定風險之稅前貼現率貼現至其現值。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

4. 主要會計政策 (續)

(s) 撥備及或然負債

倘本集團因過去事件而可能出現法定或推定責任，且可能須流出經濟利益以履行該責任及流出金額能夠可靠估計，則就不確定時間或金額之負債確認撥備。

倘可能毋須流出經濟利益，或金額不能可靠估計，此責任則披露為或然負債，惟流出經濟利益之可能性甚微則除外。如潛在責任之存在因發生或不發生一項或以上日後事件方可確定，有關責任亦作為或然負債披露，惟流出經濟利益之可能性甚微則除外。

(t) 關連人士

- (a) 倘屬以下人士，即該人士或該人士的近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司主要管理人員的其中一名成員。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

4. 主要會計政策 (續)

(t) 關連人士 (續)

- (b) 倘符合下列任何條件，即該實體與本集團(報告實體)有關連：
- (i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合營公司(或另一實體為成員公司的集團旗下成員公司的聯營公司或合營公司)。
 - (iii) 兩間實體均為同一第三方的合營公司。
 - (iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。
 - (v) 該實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃。
 - (vi) 該實體受上文(a)所識別人士控制或受共同控制。
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。
 - (viii) 實體或其所屬集團之任何成員公司向本集團或本集團母公司提供主要管理層成員服務。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

(u) Segment reporting

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

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

4. 主要會計政策 (續)

(t) 關連人士 (續)

任何人士之近親為可能預期於與該實體之交易中影響該名人士或受該名人士影響之家族成員，包括：

- (i) 該名人士之子女及配偶或同居伴侶；
- (ii) 該名人士之配偶或同居伴侶之子女；及
- (iii) 該名人士或其配偶或同居伴侶之受養人。

(u) 分部報告

經營分部及財務報表所呈報各經營分部的數額乃根據定期提供予本集團最高級管理層以供分配資源及評估本集團多個業務線及地區表現的財務資料識別。

個別重大的經營分部不會就財務申報目的綜合入賬，除非該等分部有相似的經濟特性且其產品及服務的性質、生產工序的性質、客戶類型或類別、分銷產品或提供服務所用方法以及監管環境的性質相若，則另作別論。個別不重大的經營分部倘符合以上大部分條件，則會綜合入賬。

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(a) Property, plant and equipment and depreciation

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

(b) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the fair value less costs of disposal. Where the fair value less costs of disposal are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of fair value less costs of disposal, a material impairment loss may arise.

5. 重要會計判斷及估計不確定因素之主要來源

以下為大有可能導致下一個財政年度的資產及負債賬面值須作重大調整的未來主要假設及報告期末估計不確定因素的其他主要來源。

(a) 物業、廠房及設備以及折舊

本集團就本集團之物業、廠房及設備釐定估計可使用年期、剩餘價值以及相關折舊開支。該估計乃根據性質及功能相近的物業、廠房及設備實際可使用年期及剩餘價值的過往經驗而作出。當可使用年期及剩餘價值與原先估計者不同時，本集團會對折舊開支進行調整，或將已報廢或出售之技術過時或非策略資產註銷或撇減。

(b) 物業、廠房及設備減值

當發生事件或情況變動表示資產賬面值超過其可收回金額時，則會檢討物業、廠房及設備是否減值。可收回金額乃參考公平值減出售成本釐定。倘公平值減出售成本低於預期或出現不利事件及事實和情況變動導致對公平值減出售成本作出修訂，則可能出現重大減值虧損。

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

(c) Net realisable value of inventories

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

(d) Going concern

The directors of the Company have given careful consideration to the future liquidity of the Group in light of the Group's net current liabilities of approximately RMB22,135,000. The directors consider that it is appropriate to prepare the financial statements using a going concern basis. Further details are set out in notes 2(b) and 33(c). Should the Group be unable to continue as a going concern, all of the Group's assets and liabilities would have to be stated at net realisable value. In particular, the non-current assets and the non-current liabilities would have to be reclassified as current assets and current liabilities respectively and provision for contingent liabilities may be required as a result.

5. 重要會計判斷及估計不確定因素之主要來源(續)

(c) 存貨可變現淨值

存貨可變現淨值為日常業務過程中的估計售價減估計完成成本及銷售開支。該等估計乃根據現時市況及製造和出售類似性質產品之過往經驗而作出，可因客戶品味轉變及競爭者採取的行動而大幅改變。本集團將於各報告期末重新評估該等估計。

(d) 持續經營

鑑於本集團的流動負債淨額約為人民幣22,135,000元，本公司董事已仔細考慮本集團的未來流動資金。董事認為，以持續經營為基礎編製財務報表乃屬適當。有關進一步詳情載於附註2(b)及33(c)。倘本集團無法繼續持續經營，本集團所有資產及負債須按可變現淨額列示。尤其是非流動資產及非流動負債會分別重分類至流動資產及流動負債，並可能須就或然負債計提撥備。

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6. REVENUE AND SEGMENT REPORTING

The Group's primary operating segment is the retailing of men's and women's casual apparels. Since it is the only operating segment of the Group, no further analysis thereof is presented.

Besides, the Group's customers and non-current assets are solely in the PRC. No further analysis on the geographical information thereof is presented.

(i) Information about major customers

Revenues from one (2017: Nil) customer of the Group amounted to RMB597,000 (2017: Nil), which represent 10% or more of the Group's revenues for the year ended 31 December 2018.

(ii) Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets, major products and timing of revenue recognition.

6. 收益及分部呈報

本集團的主要經營分部是男女裝休閒服飾零售業務。由於此乃本集團唯一的經營分部，故並無呈列其進一步分析。

此外，本集團全部客戶及非流動資產均位於中國大陸。並無呈列其地理位置資料的進一步分析。

(i) 有關主要客戶的資料

來自本集團一名(二零一七年：無)客戶的收益為數人民幣597,000元(二零一七年：無)，佔本集團截至二零一八年十二月三十一日止年度的收益10%或以上。

(ii) 收益劃分

下表按主要地區市場、主要產品及收益確認時間劃分收益。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Primary geographical markets	主要地區市場		
The PRC	中國	2,177	39,098
Major products	主要產品		
Men's and women's casual apparels	男女裝休閒服飾	2,177	39,098
Timing of revenue recognition	收益確認時間		
Product transferred at a point in time	於指定時間點轉撥的產品	2,177	39,098

Note: The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with IAS 18 and IAS 11.

附註：本集團使用累計影響法初步應用國際財務報告準則第15號。按此方法，可資比較資料並無重列，乃根據國際會計準則第18號及國際會計準則第11號編製。

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6. REVENUE AND SEGMENT REPORTING (continued)

(iii) Details of contract liabilities

		31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	1 January 2018 二零一八年 一月一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Contract liabilities (Note)	合約負債(附註)	-	56	-

Note: The contract liabilities represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the Group transfers goods to the customers.

Contract liabilities represented receipt in advance from customers for goods that have not yet been transferred to the customers. As at 31 December 2017 and 2018, the contract liabilities mainly included the receipt in advance received from sales of men's and women's casual apparels. The contract liabilities decreased by RMB56,000 during the year ended 31 December 2018 primarily due to the decrease in sales with receipt in advance.

During the years ended 31 December 2017 and 2018, all brought-forward contract liabilities at the beginning of the financial period were fully recognised as revenue.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Sales deposits

When the Group receives a deposit before the delivery of goods, this will give rise to contract liabilities at the start of a contract, until the revenue recognised exceeds the amount of the deposit. The amount of the sales deposit, if any, was negotiated on a case by case basis with customers.

6. 收益及分部呈報(續)

(iii) 合約負債詳情

附註：合約負債指截至報告期末分配至未完成履約責任的交易價格總額。本集團預期分配至未完成履約責任的交易價格將於本集團向客戶轉移貨品時確認為收益。

合約負債指就尚未轉移至客戶的貨品而向客戶預先收取的款項。於二零一七年及二零一八年十二月三十一日，合約負債主要包括銷售男女裝休閒服飾的預收款項。截至二零一八年十二月三十一日止年度合約負債減少人民幣56,000元，主要由於涉及預收款項的銷售額減少所致。

截至二零一七年及二零一八年十二月三十一日止年度，於財政期間開始時的所有承前合約負債已全面確認為收益。

影響所確認合約負債金額的一般付款條款如下：

銷售訂金

當本集團付運貨品前收取訂金，將於合約開始時產生合約負債，直至所確認收益超過訂金額為止。銷售訂金額(如有)乃按個別訂單與客戶磋商。

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6. REVENUE AND SEGMENT REPORTING (continued)

(iii) Details of contract liabilities (continued)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows: (continued)

6. 收益及分部呈報 (續)

(iii) 合約負債詳情 (續)

對已確認合約負債金額構成影響的一般付款條款如下：(續)

		2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	56
Amounts included in contract liabilities that was recognised as revenue during the year (Note)	年內計入確認為收益的合約負債的金額(附註)	(56)
Cash received in advance of performance and not recognised as revenue during the year	年內並無確認為收益的履約預收現金	-
At 31 December	於十二月三十一日	-

Note: The Group has initially applied IFRS 15 using the cumulative effect method and adjusted the opening balance at 1 January 2018. Upon the adoption of IFRS 15, amounts previously included as "Deposit and advance from customers" (note 22) have been reclassified to "Contract liabilities" (note 6).

附註：本集團使用累計影響法初步應用國際財務報告準則第15號，並調整於二零一八年一月一日的期初結餘。於採納國際財務報告準則第15號，先前計入「客戶按金及墊款」(附註22)已重新分類為「合約負債」(附註6)。

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7. OTHER INCOMES

7. 其他收入

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Government grants (Note)	政府補貼(附註)	1,286	–
Interest income	利息收入	195	285
Exchange gain	匯兌收益	–	23
Gain on disposal of a subsidiary	出售一間附屬公司的收益	–*	–
Reversal of impairment losses on trade receivables	撥回應收貿易款項減值虧損	98	–
Others	其他	118	107
		1,697	415

* Less than RMB1,000

* 少於人民幣1,000元

Note: Government grants mainly comprised of subsidy related to the Group's incentive of business development. There are no unfulfilled conditions or contingencies attaching to these grants.

附註：政府補貼主要包括有關獎勵本集團業務發展的補貼。該等補貼概無未履約情況或特殊狀況。

8. FINANCE COSTS

8. 財務成本

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interests on other borrowings	其他借款利息	1,409	3,027

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9. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

9. 除稅前虧損

除稅前虧損乃經扣除下列各項後達致：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨賬面值	2,152	18,211
Write-down of inventories	撇減存貨	45	4,922
Costs of inventories recognised as expenses	確認為開支的存貨成本	2,197	23,133
Auditor's remuneration	核數師酬金	245	451
Depreciation	折舊	4,010	3,947
Minimum lease payment	最低租賃付款	392	1,378
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	236	236
Staff costs (including directors' remuneration)	員工成本(包括董事酬金)		
Salaries, bonus and allowances	薪金、花紅及津貼	2,887	6,486
Retirement benefits scheme contributions	退休福利計劃供款	78	708
		2,965	7,194
Loss on disposal/write-off of items of property, plant and equipment	出售／撇銷物業、廠房及設備項目時的虧損	437	416
Impairment of trade receivables	應收貿易款項減值	-	175
Impairment of other receivables	其他應收款項減值	931	106

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10. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

The emoluments of each Director were as follows:

10. 董事及五名最高薪酬人士之酬金

各董事酬金如下：

		2018	Fee	Salaries and allowances	Retirement benefit scheme contributions	Bonus	Total
		二零一八年	袍金	薪金及津貼	退休福利計劃供款	花紅	總計
			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
<i>Executive Directors</i>	<i>執行董事</i>						
Mr. Xu Haiying	許海鷹先生	-	-	-	-	-	-
Mr. Sit Hon Wing	薛漢榮先生	-	-	-	-	-	-
<i>Non-Executive Director</i>	<i>非執行董事</i>						
Mr. Han Huiyuan	韓惠源先生	-	-	-	-	-	-
<i>Independent Non-Executive Directors</i>	<i>獨立非執行董事</i>						
Mr. Chan Ming Sun Jonathan	陳銘燊先生	105	-	-	-	-	105
Mr. Lee Chi Hwa Joshua	李智華先生	105	-	-	-	-	105
Mr. Mak Yiu Tong	麥耀棠先生	105	-	-	-	-	105
Total for 2018	二零一八年總計	315	-	-	-	-	315

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

10. 董事及五名最高薪酬人士之酬金(續)

The emoluments of each Director were as follows: (continued)

各董事酬金如下：(續)

2017	Fee	Salaries and allowances	Retirement benefit scheme contributions	Bonus	Total
二零一七年	袍金	薪金及津貼	退休福利計劃供款	花紅	總計
	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
Executive Directors					
執行董事					
Mr. Xu Haiying (appointed on 15 May 2017)	許海鷹先生(於二零一七年五月十五日獲委任)	-	-	-	-
Mr. Zhang Aiping (appointed on 21 April 2017 and resigned on 30 September 2017)	張愛平先生(於二零一七年四月二十一日獲委任及於二零一七年九月三十日辭任)	-	-	-	-
Mr. Gao Shufang (appointed on 21 April 2017 and resigned on 30 September 2017)	高書方先生(於二零一七年四月二十一日獲委任及於二零一七年九月三十日辭任)	-	-	-	-
Mr. Sit Hon Wing (appointed on 21 April 2017)	薛漢榮先生(於二零一七年四月二十一日獲委任)	-	-	-	-
Mr. Ding Hui (removed on 21 April 2017)	丁輝先生(於二零一七年四月二十一日罷免)	-	-	-	-
Mr. Ding Canyang (resigned on 15 May 2017)	丁燦陽先生(於二零一七年五月十五日辭任)	-	94	3	97
Mr. Chen Quanyi (resigned on 21 April 2017)	陳全懿先生(於二零一七年四月二十一日辭任)	-	-	-	-
Non-Executive Directors					
非執行董事					
Mr. Han Huiyuan	韓惠源先生	-	-	-	-
Ms. Ding Lixia (resigned 21 April 2017)	丁麗霞女士(於二零一七年四月二十一日辭任)	-	-	-	-
Independent Non-Executive Directors					
獨立非執行董事					
Mr. Chan Ming Sun Jonathan (appointed on 21 April 2017)	陳銘燊先生(於二零一七年四月二十一日獲委任)	69	-	-	69
Mr. Lee Chi Hwa Joshua (appointed on 21 April 2017)	李智華先生(於二零一七年四月二十一日獲委任)	69	-	-	69
Mr. Mak Yiu Tong (appointed on 21 April 2017)	麥耀棠先生(於二零一七年四月二十一日獲委任)	69	-	-	69
Total for 2017	二零一七年總計	207	94	3	304

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

The five highest paid individuals in the Group during the year included one (2017: included one) director whose emoluments is reflected in the analysis presented above. The emoluments of the four (2017: four) individuals are set out below:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	913	983
Retirement benefit scheme contributions	退休福利計劃供款	17	13
		930	996

The emoluments fell within the following band:

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	零至1,000,000港元	4	4

During the year, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals in the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX

No provision for PRC enterprise income tax is required since the Group has no assessable profit for the year ended 31 December 2018 and 2017.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the Company and its subsidiaries is 25%.

10. 董事及五名最高薪酬人士之酬金(續)

年內本集團之五名最高薪酬人士包括一名(二零一七年: 包括一名)董事, 其酬金反映於上文呈列之分析內。四名(二零一七年: 四名)人士之酬金載列如下:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	913	983
Retirement benefit scheme contributions	退休福利計劃供款	17	13
		930	996

酬金處於以下範圍:

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	零至1,000,000港元	4	4

本集團於年內概無向任何董事或本集團五名最高薪酬人士支付酬金, 作為加入本集團或於加入本集團後之獎勵或作為離職補償。

11. 所得稅

截至二零一八年及二零一七年十二月三十一日止年度, 因本集團並無應課稅溢利, 故毋須就中國企業所得稅作出撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例, 本公司及其附屬公司的稅率為25%。

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11. INCOME TAX (continued)

The reconciliation between the income tax and the loss before tax is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss before tax	除稅前虧損	(19,496)	(5,893)
Tax at the PRC statutory rate of 25%	按中國法定稅率25%計算之稅項	(4,874)	(1,473)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	2,377	1,301
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(38)	(71)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	2,535	243
Income tax for the year	年內所得稅	-	-

11. 所得稅(續)

所得稅與除稅前虧損之對賬如下：

12. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2018 (2017: Nil).

13. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately RMB19,496,000 (2017: RMB5,893,000) and the weighted average number of 610,794,000 (2017: 610,794,000) ordinary shares in issue during the year.

Diluted loss per share

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares for the years ended 31 December 2018 and 2017.

12. 股息

董事不建議就截至二零一八年十二月三十一日止年度派發任何股息(二零一七年：無)。

13. 每股虧損

每股基本虧損

本公司擁有人應佔每股基本虧損乃根據本公司擁有人應佔年內虧損約人民幣19,496,000元(二零一七年：人民幣5,893,000元)及年內已發行普通股之加權平均數610,794,000股(二零一七年：610,794,000股)計算。

每股攤薄虧損

由於截至二零一八年及二零一七年十二月三十一日止年度，本公司並無擁有任何攤薄潛在普通股，故並無呈列每股攤薄虧損。

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14. PROPERTY, PLANT AND EQUIPMENT**14. 物業、廠房及設備**

		Buildings	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
		樓宇	傢具、裝置及辦公室設備	汽車	租賃裝修	總計
		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
Cost	成本					
At 1 January 2017	於二零一七年一月一日	74,286	941	2,674	-	77,901
Additions	添置	-	378	-	1,472	1,850
Disposal/write-off	出售/撇銷	-	(906)	(1,508)	-	(2,414)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	74,286	413	1,166	1,472	77,337
Additions	添置	-	-	-	2	2
Disposal/write-off	出售/撇銷	-	(68)	-	(540)	(608)
At 31 December 2018	於二零一八年十二月三十一日	74,286	345	1,166	934	76,731
Accumulated depreciation	累計折舊					
At 1 January 2017	於二零一七年一月一日	14,108	532	2,111	-	16,751
Charge for the year	年度開支	3,536	56	132	223	3,947
Disposal/write-off	出售/撇銷	-	(509)	(1,374)	-	(1,883)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	17,644	79	869	223	18,815
Charge for the year	年度開支	3,531	81	119	279	4,010
Disposal/write-off	出售/撇銷	-	(39)	-	(132)	(171)
At 31 December 2018	於二零一八年十二月三十一日	21,175	121	988	370	22,654
Net book value	賬面值					
At 31 December 2018	於二零一八年十二月三十一日	53,111	224	178	564	54,077
At 31 December 2017	於二零一七年十二月三十一日	56,642	334	297	1,249	58,522

Buildings which held for own use are situated in the PRC. At 31 December 2017, buildings with carrying amount of approximately RMB56,642,000 were pledged for the Group's other borrowings (see Note 25). As at the date of this annual report, such pledge has been discharged.

持作自用的樓宇位於中國。於二零一七年十二月三十一日，賬面值約人民幣56,642,000元之樓宇已就本集團的其他借款作抵押(見附註25)。於本年報日期，有關抵押已解除。

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15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cost	成本		
At 1 January and 31 December	於一月一日及十二月三十一日	11,772	11,772
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	1,685	1,449
Charge for the year	年度開支	236	236
At 31 December	於十二月三十一日	1,921	1,685
Net book value:	賬面值：		
At 31 December	於十二月三十一日	9,851	10,087
Represented by:	指：		
Non-current portion	非即期部分	9,615	9,851
Current portion	即期部分	236	236
		9,851	10,087

At 31 December 2017, the carrying amount of prepaid land lease payments amounting to approximately RMB10,087,000 have been pledged as security for the Group's other borrowings (see Note 25). As at the date of the annual report, such pledge has been discharged.

於二零一七年十二月三十一日，賬面值約為人民幣10,087,000元的預付土地租賃款項已抵押作為授予本集團其他借款的擔保（見附註25）。於本年報日期，有關抵押已解除。

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16. INTERESTS IN A SUBSIDIARY

The table below lists the subsidiary of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group.

Particulars of the subsidiary as at 31 December 2018 are as follows:

Name	Principal country of operation/Place of incorporation 營運所在主要國家/ 註冊成立地點	Issued and paid-up capital 已發行及繳足股本	Percentage of the ownership interest/ voting power Direct 佔擁有權權益/ 投票權百分比直接	Principal activities 主營活動
Quanzhou Yande Commerce & Trading Co., Ltd *# 泉州晏德商貿有限公司	The PRC/the PRC 中國/中國	RMB3,000,000 人民幣3,000,000元	100%	Trading of men's apparels 男士服飾貿易
* The English name is for identification purpose only		* 英文名稱僅供識別		
# Registered as a wholly foreign owned enterprise with limited liability under the laws of the PRC		# 根據中國法律註冊為外商獨資有限公司		

16. 於一間附屬公司的權益

下表列示董事認為主要影響年內業績或構成本集團資產淨值很大一部分之本公司之附屬公司。

本公司於二零一八年十二月三十一日之附屬公司之詳情如下：

17. INVENTORIES

17. 存貨

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Finished goods	製成品	50	2,258

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18. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by the Directors. In view of the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

18. 應收貿易款項

本集團與其客戶的貿易條款以信貸為主，惟新客戶除外，新客戶通常須預先付款。信貸期通常為一個月，主要客戶則可延長至三個月。本集團擬對其未清償應收款項實行嚴格控制以將信貸風險減至最低。董事定期檢討逾期結餘。鑑於本集團應收貿易款項涉及大量多元化客戶，本集團並無重大信貸集中風險。本集團並無就其應收貿易款項結餘持有任何抵押品或推行其他加強信貸措施。

按發票日期及扣除撥備的應收貿易款項賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 month	1個月以內	-	68

The Group recognised impairment loss based on the accounting policy stated in Note 4(f)(ii).

本集團根據附註4(f)(ii)所述會計政策確認減值虧損。

19. OTHER RECEIVABLES AND PREPAYMENTS

Prepayments	預付款項	50	567
Rental deposits	租金按金	30	130
Other receivables	其他應收款項	1,099	2,075

		1,179	2,772
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19. 其他應收款項及預付款項

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	50	567
	30	130
	1,099	2,075
	1,179	2,772

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20. BANK AND CASH BALANCES

Conversion of RMB into foreign currencies amounted to approximately RMB488,000 as at 31 December 2018 (2017: RMB90,258,000) is subject to the PRC's Foreign Exchange Control Regulations.

21. TRADE PAYABLES

The trade payables are non-interest-bearing and are normally settled on one month's term.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

20. 銀行及現金結餘

於二零一八年十二月三十一日，約人民幣488,000元(二零一七年：人民幣90,258,000元)已遵照中國外匯管制條例限制由人民幣兌換為外幣。

21. 應付貿易款項

應付貿易款項為不計息，一般於一個月的期限內結算。

以下為於報告期末按發票日期呈列的應付貿易款項之賬齡分析：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	應付貿易款項	642	663

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 month	1個月以內	-	10
1 to 3 months	1至3個月	-	13
3 to 6 months	3至6個月	-	64
6 months to 1 year	6個月至1年	-	576
Over 1 year	超過1年	642	-
		642	663

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22. OTHER PAYABLES AND ACCRUALS

22. 其他應付款項及應計費用

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Deposit and advance from customers	客戶按金及墊款	-	56
Accruals	應計費用	697	980
Other payables	其他應付款項	5,831	703
		6,528	1,739

23. AMOUNT DUE TO A FELLOW SUBSIDIARY/ AMOUNT DUE TO AN INTERMEDIATE HOLDING COMPANY

The amounts due to a fellow subsidiary and an intermediate holding company are unsecured, interest-free and repayable on demand.

23. 應付一間同系附屬公司款項／應付一間中介控股公司款項

應付一間同系附屬公司及一間中介控股公司款項為無抵押、不計息及按要求償還。

24. LOAN FROM A SHAREHOLDER

The loan from a shareholder is unsecured, interest-free and repayable on demand.

24. 來自一名股東之貸款

來自一名股東之貸款為無抵押、不計息及按要求償還。

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25. BORROWINGS

25. 借款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Other borrowings — Secured	其他借款 — 有抵押	—	80,000
The borrowings are repayable as follows:	須於以下期間償還之借款：		
In the third to fifth years, inclusive	第三至第五年內(包括首尾兩年)	—	80,000
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：須於12個月內結算之金額 (流動負債項下所示)	—	—
Amount due for settlement after 12 months	須於12個月後結算之金額	—	80,000

The other borrowings with fixed interest rates were 7.65% and 7.4% per annum for the years ended 31 December 2018 and 2017 respectively. The other borrowings were denominated in RMB. The other borrowings were fully repaid during 2018.

As at 31 December 2017, other borrowings of RMB80,000,000 was secured by (a) a charge over the 311,504,940 domestic shares of the Company by Hao Tian Investment (China) Company Limited, the controlling shareholder of the Company; and (b) a charge over the Company's land with carrying amount of approximately RMB10,087,000 and buildings with carrying amount of approximately RMB56,642,000. As at the date of this annual report, both charges have been released.

截至二零一八年及二零一七年十二月三十一日止年度，其他借款分別按固定年利率7.65%及7.4%計息。其他借款按人民幣計值。其他借款已於二零一八年悉數償還。

於二零一七年十二月三十一日，為數人民幣80,000,000元之其他借款乃以下列各項作為抵押：(a)本公司控股股東昊天投資(中國)有限公司持有之本公司311,504,940股內資股之押記；及(b)本公司賬面值約人民幣10,087,000元之土地及賬面值約人民幣56,642,000元之樓宇之押記。於本年報日期，兩項抵押均已解除。

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26. SHARE CAPITAL

26. 股本

		Number of shares 股份數目	Amount 金額 RMB'000 人民幣千元
Registered:			
Ordinary shares at RMB0.20 (2017: RMB0.20) each	註冊： 每股面值人民幣0.20元 (二零一七年：人民幣0.20元) 之普通股		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日	610,794,000	122,159
Issued and fully paid:			
Ordinary shares at RMB0.20 (2017: RMB0.20) each	已發行及繳足： 每股面值人民幣0.20元 (二零一七年：人民幣0.20元) 之普通股		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日	610,794,000	122,159

27. RESERVES

27. 儲備

(a) The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(a) 本集團儲備之金額及其變動乃於綜合損益及其他全面收益表及綜合權益變動表內呈列。

(b) Nature of the statutory reserve of the Group

(b) 本集團法定儲備之性質

(i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

(i) 股份溢價

股份溢價乃指本公司股份面值與自發行本公司股份收取之所得款項兩者間的差額。

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27. RESERVES (continued)

(b) Nature of the statutory reserve of the Group (continued)

(ii) Statutory surplus

Transfers from retained earnings to statutory reserve fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

Statutory reserve fund can be used to make good previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the statutory reserve fund after such conversion is not less than 25% of their registered capital.

The Company and its subsidiary in the PRC are required to transfer a minimum of 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations, to the statutory reserve fund until the reserve balance reaches 50% of the registered capital. The transfer to this fund must be made before distribution of dividends to owners.

The statutory reserve, which is non-distributable, is appropriated from the profit after taxation of the Company and its subsidiary under the applicable laws and regulations in the PRC.

27. 儲備 (續)

(b) 本集團法定儲備之性質 (續)

(ii) 法定盈餘

自保留盈利轉撥至法定儲備金乃根據相關中國規則及法規及本公司於中國成立之附屬公司之組織章程細則而作出且已獲各自之董事會批准。

法定儲備金可用作填補往年虧損(如有), 並可轉換為繳足股本, 前提為於有關轉換後, 法定儲備金結餘不少於其註冊資本之25%。

根據中國會計規則及法規之規定, 本公司及其於中國之附屬公司須向法定儲備金轉撥其純利之最少10%, 直至儲備金結餘達至註冊資本之50%為止。向該基金之轉撥須於向擁有人派發股息前作出。

法定儲備(不可分派)乃根據中國適用法律及法規調撥自本公司及其附屬公司之除稅後溢利。

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27. RESERVES (continued)

(c) Reserves of the Company

		Share premium 股份溢價 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘儲備 RMB'000 人民幣千元	Accumulated loss 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	320,811	22,940	(398,770)	(55,019)
Total comprehensive income for the year	年內全面收益總額	-	-	(5,893)	(5,893)
At 31 December 2017 as originally presented	於二零一七年 十二月三十一日， 原先呈列	320,811	22,940	(404,663)	(60,912)
Initial application of IFRS 9 (note 3)	首次應用國際財務報告 準則第9號(附註3)	-	-	(194)	(194)
Restated at 1 January 2018	於二零一八年一月一日， 經重列	320,811	22,940	(404,857)	(61,106)
Total comprehensive income for the year	年內全面收益總額	-	-	(19,496)	(19,496)
At 31 December 2018	於二零一八年 十二月三十一日	320,811	22,940	(424,353)	(80,602)

27. 儲備 (續)

(c) 本公司之儲備

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28. SUMMARISED FINANCIAL POSITION OF THE COMPANY

28. 本公司之財務狀況概要

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	54,077	58,522
Interests in a subsidiary	於一間附屬公司之權益	97	100
Prepaid land lease payments	預付土地租賃款項	9,615	9,851
		63,789	68,473
Current assets	流動資產		
Inventories	存貨	50	2,258
Trade receivables	應收貿易款項	-	68
Other receivables and prepayments	其他應收款項及預付款項	1,179	2,772
Prepaid land lease payments	預付土地租賃款項	236	236
Bank and cash balances	銀行及現金結餘	391	90,158
		1,856	95,492
Current liabilities	流動負債		
Trade payables	應付貿易款項	642	663
Other payables and accruals	其他應付款項及應計費用	6,528	1,739
Amount due to a fellow subsidiary	應付一間同系附屬公司款項	2,611	316
Amount due to an intermediate holding company	應付一間中介控股公司款項	323	-
Loan from a shareholder	一名股東之貸款	13,984	20,000
		24,088	22,718
Net current (liabilities)/assets	流動(負債)/資產淨值	(22,232)	72,774
Total assets less current liabilities	總資產減流動負債	41,557	141,247
Non-current liabilities	非流動負債		
Borrowings	借款	-	80,000
		-	80,000
NET ASSETS	資產淨值	41,557	61,247
Capital and reserves	資本及儲備		
Share capital	股本	122,159	122,159
Reserves	儲備	(80,602)	(60,912)
TOTAL EQUITY	權益總額	41,557	61,247

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29. COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

(a) Commitments under operating leases

As lessee

The Group leases certain of its retail points under operating lease arrangements. Leases are negotiated for a term ranging from one to five years (2017: one to five years). The Group does not have an option to purchase the leased asset at the expiry of the leased period. The leases do not include any contingent rental.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which are payable as follows:

29. 承擔

於報告期末，本集團擁有以下承擔：

(a) 經營租賃承擔

作為承租人

本集團根據經營租賃安排租賃其若干零售網點。經商議之租期介乎一至五年(二零一七年：一至五年)。本集團無權選擇於租期屆滿時購買所租賃之資產。租賃並不包括或然租金。

於報告期末，根據不可撤銷經營租賃，本集團之未來最低租賃款項承擔須於下列期間支付：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年以內	300	660
In the second to fifth years, inclusive	第二至第五年內(包括首尾兩年)	500	680
		800	1,340

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30. NOTES SUPPORTING CASH FLOW STATEMENT 30. 支持現金流量表附註

Reconciliation of liabilities arising from financing activities

The following table shows Group's changes in liabilities arising from financing activities during the year:

融資活動產生的負債對賬

下表載列本集團年內融資活動產生的負債變動情況：

		Borrowings	Loan from a shareholder	Amount due to a fellow subsidiary	Amount due to an intermediate holding company	Total liabilities from financing activities
		借款	來自一名股東之貸款	應付一間同系附屬公司款項	應付一間中介控股公司款項	融資活動之負債總額
		(Note 25)	(Note 24)	(Note 23)	(Note 23)	
		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
At 1 January 2017	於二零一七年一月一日	-	8,000	-	-	8,000
Changes in cash flows	現金流量變動	80,000	12,000	316	-	92,316
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	80,000	20,000	316	-	100,316
Changes in cash flows	現金流量變動	(80,000)	(6,016)	2,278	323	83,415
Non-cash changes	非現金變動					
— exchange adjustment	— 匯兌調整	-	-	17	-	17
At 31 December 2018	於二零一八年十二月三十一日	-	13,984	2,611	323	16,918

Note: The cash flows from borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statements of cash flows.

附註：於綜合現金流量表內構成來自借款及償還借款所得款項淨額的借款的現金流量。

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31. DISPOSAL OF SUBSIDIARY

On 12 January 2018, the Group disposed of its subsidiary Nuoqi Holdings (Hong Kong) Limited which is engaged in the provision of in trading of men's apparels. The net assets of Nuoqi Holdings (Hong Kong) Limited at the date of disposal were as follows:

31. 出售附屬公司

於二零一八年一月十二日，本集團出售其從事提供男裝服飾買賣的附屬公司Nuoqi Holdings (Hong Kong) Limited。於出售日期Nuoqi Holdings (Hong Kong) Limited的資產淨值如下：

		12 January 2018 二零一八年 一月十二日 RMB'000 人民幣千元
Cash	現金	-*
Gain on disposal of subsidiary included in profit for the year	計入年內溢利的 出售附屬公司收益	-*
Total consideration	總代價	-*
Satisfied by:	以下列方式支付：	
Cash	現金	-*
Total	總計	-*
Net cash inflow arising on disposal:	出售所產生現金流入淨額：	
Cash consideration	現金代價	-*
Cash balances disposed of	已出售現金結餘	-*
		-*

* Less than RMB1,000

* 少於人民幣1,000元

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32. RELATED PARTY TRANSACTIONS

(a) Related party transactions

There were no other related party transactions and balances except for those disclosed elsewhere in the financial statements.

(b) Compensation of key management personnel

The emoluments of the Company's Directors, who are also identified as members of key management of the Group, are set out in note 10.

33. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

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

(b) Credit risk

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

32. 關連方交易

(a) 關連方交易

除財務報表其他部分所披露者外，概無其他關連方交易及結餘。

(b) 主要管理人員酬金

本公司董事（亦確認為本集團之主要管理層成員）之薪酬載於附註10。

33. 財務風險管理

本集團業務使其面對多項財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃專注於金融市場無法預測之特性，以及尋求盡量減少對本集團財務表現可能造成之不利影響。

(a) 外幣風險

由於大部分業務交易、資產及負債主要以本集團實體之功能貨幣列值，故本集團所承受之外幣風險減至最低。

(b) 信貸風險

由於交易對方為國際信貸評級機構評定為具有高信貸評級之銀行，故現金及銀行結餘之信貸風險有限。

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33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade and other receivables.

The Group trade only with recognised and creditworthy customers with no requirement for collateral. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

In order to minimise credit risk, the Directors review the recoverable amount of each individual receivable regularly to ensure that adequate impairment losses are recognised for irrecoverable receivable. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables.

33. 財務風險管理 (續)

(b) 信貸風險 (續)

當交易對方未能於報告期末履行彼等有關各類已確認金融資產之義務時，本集團面臨之最大信貸風險為綜合財務狀況表所列該等資產之賬面值。本集團之信貸風險主要來自其應收貿易賬款及其他應收款項。

本集團僅與獲認可且信譽良好的客戶進行交易，毋需抵押品。本集團政策為所有擬按信用方式進行交易的客戶均須通過信用核實程序。此外，應收款項餘額持續被監控且本集團面臨的壞賬風險並不重大。

為減低信貸風險，董事定期檢討各個別應收款項之可收回金額，確保為不可收回應收款項確認充足減值虧損。就此，董事認為，本集團之信貸風險已大幅減少。

本集團並無重大集中的信貸風險，風險分佈於多名交易對方及客戶。

本集團應用簡化方式就國際財務報告準則第9號所指預期信貸虧損作出撥備，該準則容許就應收貿易款項使用全期預期信貸虧損撥備。

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33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and other receivables as at 31 December 2018:

		Expected loss rate 預期信貸虧損 (%)	Gross carrying amount 總賬面值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Trade receivables	應收貿易款項			
More than 90 days past due	逾期超過90天	100%	77	(77)
Other receivables	其他應收款項			
Rental deposits	租金按金	84.04%	188	(158)
Other receivables	其他應收款項	49.38%	2,172	(1,073)
			2,360	(1,231)

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 90 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

33. 財務風險管理 (續)

(b) 信貸風險 (續)

下表提供有關二零一八年十二月三十一日本集團所面對信貸風險及應收貿易款項及其他應收款項的預期信貸虧損之資料：

計算預期信貸虧損時，應收貿易款項乃按集體基準評估，乃因其擁有分享信貸風險特徵。彼等乃根據逾期日數分類。

應收貿易款項於合理預期未能收回時撇銷(即終止確認)。倘(其中包括)無法自發票日期起90天內付款及未能與本集團執行其他付款安排，將被視為無合理收回預期的跡象。

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33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment (see note 4(g)(ii)). At 31 December 2017, trade receivables of RMB175,000 was determined to be impaired. The ageing analysis of trade debtors that were not considered to be impaired was as follows:

		2017 二零一七年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦無減值	68

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

於二零一八年一月一日前，僅於有客觀證據顯示出現減值時方會確認減值虧損（見附註4(g)(ii)）。於二零一七年十二月三十一日，人民幣175,000元之應收貿易款項被釐定為已減值。被視為並無減值之貿易債務賬齡分析如下：

未逾期亦無減值的應收款項與多名近期並無拖欠記錄的客戶有關。

Movement in the loss allowance account in respect of trade and other receivables during the year is as follows:

應收貿易款項及其他應收款項之減值撥備年內變動如下：

		Trade receivables 應收貿易款項 RMB'000 人民幣千元	Other receivables 其他應收款項 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	-	-	-
Impairment losses recognised during the year	年內確認減值虧損	175	106	281
Balance at 31 December under IAS 39	按國際會計準則第39號計算於十二月三十一日之結餘	175	106	281
Impact of initial application of IFRS 9 (note 3(a)A)	首次應用國際財務報告準則第9號之影響(附註3(a)A)	-	194	194
Adjusted balance at 1 January 2018	於二零一八年一月一日之經調整結餘	175	300	475
Reversal of impairment losses during the year	年內減值虧損撥回	(98)	-	(98)
Impairment losses recognised during the year	年內已確認減值虧損	-	931	931
At 31 December 2018	於二零一八年十二月三十一日	77	1,231	1,308

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33. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

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

The management of the Group receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following tables show the remaining contractual maturities at the end of the reporting period of the Company's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Company can be required to pay.

33. 財務風險管理 (續)

(c) 流動資金風險

本集團的政策是定期監控現時及預期流動資金需求，確保維持足夠現金儲備，滿足其短期及長期之流動資金需求。

本集團管理層每月接獲12個月現金流量預測以及有關現金結餘之資料。於財務年度結束時，該等預測反映本集團預期擁有充足流動資源應付所有合理預計情況所帶來責任。

下表顯示報告期末本公司金融負債的餘下合約到期情況，乃根據未貼現現金流量(包括利用合約利率或(如為浮動利率)報告日期當前利率計量的利息付款)及本公司需要還款之最早日期計算。

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33. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (Continued)

The maturity analysis of the Group's financial liabilities is as follows:

		Carrying amount	Total contractual undiscounted cash flow	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
		賬面值	合約未貼現現金流量總額	一年以內	一至兩年	兩至五年
		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
At 31 December 2018	於二零一八年十二月三十一日					
Trade payables	應付貿易款項	642	642	642	-	-
Other payables and accruals	其他應付款項及應計費用	6,528	6,528	6,528	-	-
Amount due to a fellow subsidiary	應付一間同系附屬公司款項	2,611	2,611	2,611	-	-
Amount due to an intermediate holding company	應付一間中介控股公司款項	323	323	323	-	-
Loan from a shareholder	一名股東之貸款	13,984	13,984	13,984	-	-
		24,088	24,088	24,088	-	-
At 31 December 2017	於二零一七年十二月三十一日					
Trade payables	應付貿易款項	663	663	663	-	-
Other payables and accruals	其他應付款項及應計費用	1,683	1,683	1,683	-	-
Amount due to a fellow subsidiary	應付一間同系附屬公司款項	316	316	316	-	-
Loan from a shareholder	一名股東之貸款	20,000	20,000	20,000	-	-
Borrowings	借款	80,000	94,767	5,920	5,920	82,927
		102,662	117,429	28,582	5,920	82,927

33. 財務風險管理 (續)

(c) 流動資金風險 (續)

本集團金融負債的到期分析如下：

(d) Interest rate risk

As the Group has no significant interest-bearing assets and liabilities, the Group's operating cash flows are substantially independent of changes in market interest rates.

(d) 利率風險

由於本集團並無重大計息資產及負債，故本集團之經營現金流量實質上獨立於市場利率之變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

33. FINANCIAL RISK MANAGEMENT (continued)**33. 財務風險管理 (續)****(e) Fair values**

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

(e) 公平值

於綜合財務狀況表所反映本集團金融資產及金融負債的賬面值與彼等各自的公平值相若。

(f) Categories of financial instruments**(f) 金融工具類別**

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables:	貸款及應收款項：		
Trade receivables	應收貿易款項	–	68
Other receivables	其他應收款項	1,129	2,205
Bank and cash balances	銀行及現金結餘	488	90,258
		1,617	92,531
Financial liabilities	金融負債		
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
Trade payables	應付貿易款項	642	663
Other payables and accruals	其他應付款項及應計費用	6,528	1,683
Amount due to a fellow subsidiary	應付一間同系附屬公司款項	2,611	316
Amount due to an intermediate holding company	應付一間中介控股公司款項	323	–
Loan from a shareholder	一名股東之貸款	13,984	20,000
Borrowings	借款	–	80,000
		24,088	102,662

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

34. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The capital structure of the Group consists of debts disclosed in Notes 23, 24 and 25, cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves as disclosed in Notes 26 and 27 respectively. The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total assets. Total borrowings include loan from a shareholder and borrowings.

The gearing ratios as at the end of the reporting periods were as follows:

34. 資本管理政策及程序

本集團之資本管理目標乃保障本集團能持續營運，從而為股東提供回報，同時兼顧其他利益相關者之利益，並維持最佳之資本架構以減低資本成本。

為維持或調整資本結構，本集團可能調整向股東支付之股息金額、向股東發還資本、發行新股或出售資產以減輕債務。

本集團之資本架構包括附註23、24及25所披露債務、現金及現金等價物以及本公司擁有人應佔權益，包括分別披露於附註26及27之股本及儲備。本集團之風險管理部門每半年審閱資本結構。作為是次審閱的一部分，管理層考慮資本成本及與各類資本有關之風險。

本集團使用資產負債比率(即總借款除以總資產)監控資本。總借款包括股東貸款及借款。

報告期末的資產負債比率如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loan from a shareholder	一名股東的貸款	13,984	20,000
Borrowings	借款	–	80,000
Total borrowings	總借款	13,984	100,000
Total assets	總資產	65,645	163,965
Gearing ratio	資產負債比率	21.3%	61.0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

35. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, there are certain updates in respect of the status of suspension of trading in shares of the Company, and further details of which are stated in note 2 to the financial statements.

36. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

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

35. 報告期後事項

於報告期末後，有關本公司股份暫停買賣狀況之資料有若干更新，有關其進一步詳情載於財務報表附註2。

36. 核准綜合財務報表

財務報表已於二零一九年三月二十日經董事會批准並授權刊發。

SUMMARY FINANCIAL INFORMATION

財務資料概要

31 December 2018 二零一八年十二月三十一日

A summary of the published results and of the assets and liabilities of the Group for the last five financial years prepared on the basis set out in the notes below:

本集團過去五個財政年度的已刊發業績以及資產及負債的概要乃根據下文附註所載基準編製：

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
REVENUE	收入	2,177	39,098	4,430	21,541	322,525
(LOSS)/PROFIT BEFORE TAX	除稅前(虧損)/溢利	(19,496)	(5,893)	406,195	(355,285)	(701,828)
IN COME TAX EXPENSE	所得稅開支	-	-	-	-	(19,043)
(LOSS)/PROFIT FOR THE YEAR	年度(虧損)/溢利	(19,496)	(5,893)	406,195	(355,285)	(720,871)
(Loss) profit attributable to: Owners of the Company	以下人士應佔(虧損)溢利： 本公司擁有人	(19,496)	(5,893)	406,195	(355,285)	(720,871)

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
TOTAL ASSETS	資產總值	65,645	163,965	78,226	165,413	529,609
TOTAL LIABILITIES	負債總額	(24,088)	(102,718)	(11,086)	(535,008)	(543,919)
NET ASSETS/(LIABILITIES)	資產淨值/(負債淨額)	41,557	61,247	67,140	(369,595)	(14,310)

Notes:

The consolidated results of the Group for the year ended 31 December 2018 and the consolidated assets and liabilities of the Group as at 31 December 2018 are those set out on pages 54 to 55 of this annual report.

The above summary does not form a part of the audited financial statements.

附註：

本集團截至二零一八年十二月三十一日止年度的綜合業績及於二零一八年十二月三十一日的綜合資產及負債為本年報第54至第55頁所載者。

上述概要並不構成經審核財務報表的一部分。



N&Q

福建諾奇股份有限公司
Fujian Nuoqi Co., Ltd.