



香港華信金融投資有限公司

CEFC HONG KONG FINANCIAL INVESTMENT COMPANY LIMITED

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code : 1520



2018 ANNUAL
REPORT
年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

GUO Lin (*Chairman*)
JIANG Mingsheng
JIANG Tianqing
Hubert TIEN
LIU Chun Fai

INDEPENDENT NON-EXECUTIVE DIRECTORS

LU Hongbing
TANG Shu Pui Simon
HON Ming Sang
WU Fei

AUTHORISED REPRESENTATIVES

JIANG Tianqing
WONG Ka Man

COMPANY SECRETARY

WONG Ka Man

AUDIT COMMITTEE

LU Hongbing (*Chairman*)
TANG Shu Pui Simon
HON Ming Sang

REMUNERATION COMMITTEE

LU Hongbing (*Chairman*)
GUO Lin
JIANG Tianqing
TANG Shu Pui Simon
HON Ming Sang

董事會

執行董事

郭林 (主席)
姜明生
蔣恬青
田曉勃
廖晉輝

獨立非執行董事

呂紅兵
鄧澍焙
韓銘生
吳飛

授權代表

蔣恬青
黃嘉雯

公司秘書

黃嘉雯

審核委員會

呂紅兵 (主席)
鄧澍焙
韓銘生

薪酬委員會

呂紅兵 (主席)
郭林
蔣恬青
鄧澍焙
韓銘生

NOMINATION COMMITTEE

GUO Lin (*Chairman*)
JIANG Tianqing
LU Hongbing
TANG Shu Pui Simon
HON Ming Sang

CORPORATE GOVERNANCE COMMITTEE

GUO Lin (*Chairman*)
JIANG Tianqing
LU Hongbing
TANG Shu Pui Simon
HON Ming Sang

AUDITOR

BDO Limited

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Cathay Bank, Hong Kong Branch
China Construction Bank (Asia) Corporation Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2101, 21/F
Convention Plaza Office Tower
1 Harbour Road
Wanchai
Hong Kong

提名委員會

郭林 (主席)
蔣恬青
呂紅兵
鄧澍焙
韓銘生

企業管治委員會

郭林 (主席)
蔣恬青
呂紅兵
鄧澍焙
韓銘生

核數師

香港立信德豪會計師事務所有限公司

主要往來銀行

中國銀行(香港)有限公司
國泰銀行香港分行
中國建設銀行(亞洲)有限公司
星展銀行(香港)有限公司
恒生銀行有限公司
東亞銀行有限公司
香港上海滙豐銀行有限公司

註冊辦事處

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

總辦事處及香港主要營業 地點

香港
灣仔
港灣道1號
會展廣場辦公大樓
21樓2101室

Corporate Information

公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.cefcfi.com.hk

STOCK CODE

1520

主要股份登記及過戶辦事處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 22 樓

網頁

www.cefcfi.com.hk

股票代號

1520

Financial Summary

財務概要

Year ended 31 December
截至十二月三十一日止年度

Results	業績	2018 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元	2014 HK\$'000 千港元
Revenue	收入	203,892	325,445	368,857	371,725	379,715
Gross profit	毛利	42,480	95,589	94,079	92,819	94,087
(Loss)/Profit before income tax	除所得稅前 (虧損)/溢利	(62,178)	(13,875)	(17,768)	19,386	31,567
(Loss)/Profit attributable to the owners of the Company	本公司擁有人應佔 (虧損)/溢利	(60,032)	(15,632)	(18,769)	15,732	25,679

As at 31 December
於十二月三十一日

Financial position	財務狀況	2018 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元	2014 HK\$'000 千港元
Total assets	總資產	427,616	525,762	397,884	203,344	210,034
Interest-bearing borrowings	計息借貸	1,071	699	54,793	879	3,131
Total liabilities	總負債	45,198	79,431	133,732	67,587	87,265
Shareholders' equity	股東權益	382,418	446,331	264,152	135,757	122,769
Current ratio (note 1)	流動比率(附註1)	6.85	5.08	2.22	2.82	2.22
Quick ratio (note 2)	速動比率(附註2)	6.65	4.96	2.10	2.44	1.98
Return on assets (note 3)	資產回報率 (附註3)	(14.0%)	(2.9%)	(4.7%)	7.8%	12.2%
Return on equity (note 4)	股本回報率 (附註4)	(15.7%)	(3.5%)	(7.1%)	11.6%	20.9%
Gearing ratio (note 5)	資產負債比率 (附註5)	0.3%	0.2%	20.7%	0.6%	2.6%
Inventory turnover days (note 6)	存貨週轉天數 (附註6)	20 days/日	15 days/日	22 days/日	33 days/日	26 days/日
Trade receivables turnover days (note 7)	貿易應收款項週 轉天數(附註7)	26 days/日	48 days/日	60 days/日	63 days/日	57 days/日
Trade payables turnover days (note 8)	貿易應付款項週 轉天數(附註8)	21 days/日	37 days/日	50 days/日	47 days/日	67 days/日

Note:

- Current ratio = current assets/current liabilities
- Quick ratio = current assets less inventory/current liabilities
- Return on assets = (Loss)/Profit attributable to the owners of the Company for the year/total assets
- Return on equity = (Loss)/Profit attributable to the owners of the Company for the year/shareholders' equity
- Gearing ratio = Interest-bearing borrowings/shareholders' equity
- Inventory turnover days = Inventory balance/cost of sales for the year x number of days for the year
- Trade receivables turnover days = Trade receivables/revenue for the year x number of days for the year
- Trade payables turnover days = Trade payables/cost of sales for the year x number of days for the year

附註：

- 流動比率 = 流動資產 / 流動負債
- 速動比率 = 流動資產減存貨 / 流動負債
- 資產回報率 = 本公司擁有人應佔年度(虧損) / 溢利 / 總資產
- 股本回報率 = 本公司擁有人應佔年度(虧損) / 溢利 / 股東權益
- 資產負債比率 = 計息借貸 / 股東權益
- 存貨週轉天數 = 存貨結餘 / 年度銷售成本 x 年度天數
- 貿易應收款項週轉天數 = 貿易應收款項 / 年度收入 x 年度天數
- 貿易應付款項週轉天數 = 貿易應付款項 / 年度銷售成本 x 年度天數

Chairman's Statement

主席報告書

On behalf of the board (the "Board") of directors (the "Directors" and each a "Director") of CEFC Hong Kong Financial Investment Company Limited (the "Company"), I hereby present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018.

EXTERNAL ENVIRONMENT

Extending the growth in 2017, the global economy remained growing strong in the first half of 2018. However, the robust growth cannot sustained to the second half of 2018 and the global economy lost momentum amid various threats.

Apart from decelerating growth, there have been many uncertainties facing by the global economy. In 2018, the United States imposed tariffs on US\$250 billion of Chinese products and this resulted in the rise of trade protectionism among countries. The China-US trade tensions are still fraught with uncertainties.

2018 was a difficult year for the Group and we faced significant challenges. One of the biggest challenges was the tough operating environment. As mentioned before, the China-US trade disputes escalated to a new extent and the United States imposed tariffs on US\$250 billion of Chinese products, which included apparel products. During the year, the apparel industry was worried about the development of trade disputes and was filled with uneasiness in the shadow of trade barriers.

Trade conflicts among countries and other uncertainties also had adverse impact on the Hong Kong economy as an open economy. The Hong Kong economy achieved a healthy growth by 3.0% for 2018 as a whole and its growth remained strong in the first half of the year. However, affected by increasing external threats and uncertainties, the pace of economic growth in Hong Kong slowed down sharply in the second half of the year.

我謹代表香港華信金融投資有限公司（下稱「本公司」）的董事（下稱「董事」）會（下稱「董事會」），呈交本公司及其附屬公司（統稱「本集團」）截至二零一八年十二月三十一日止年度的經審核綜合業績。

外部環境

二零一八年上半年全球經濟保持強勁增長，延續了二零一七年的增長態勢。然而，亮麗增長無法持續到二零一八年下半年，全球經濟在各種威脅下失去動力。

除增長放緩外，全球經濟面臨諸多不確定因素。二零一八年，美國對2,500億美元的中國產品徵收關稅，導致各國貿易保護主義抬頭。中美貿易緊張局勢仍充滿不確定性。

二零一八年是本集團艱難的一年，我們面臨重大挑戰，其中最大挑戰之一是艱難的運營環境。如前所述，中美貿易爭端升級到新的程度，美國對2,500億美元的中國產品徵收關稅，其中包括服裝產品。在年內，服裝業對貿易糾紛的發展充滿憂慮。在貿易壁壘的陰霾籠罩下，業內瀰漫著一股不安情緒。

由於香港是一個開放的經濟體，各國之間的貿易衝突與其他不確定因素也對香港經濟產生不利影響。二零一八年香港經濟整體實現3.0%的健康增長，今年上半年增長依然強勁。然而，受外圍威脅和不確定因素增加的影響，香港經濟增長速度在下半年大幅放緩。

OUR PERFORMANCE

Apparel operation

The revenue from apparel operation for 2018 was approximately HK\$187,041,000 (2017: HK\$309,068,000), declined by approximately 39.5%. Our apparel products are manufactured in China and most of those apparel products are exported to the United States and so our apparel operation was hard hit by the China-US trade disputes.

Apart from the threats that stem from trade protectionism, technology has transformed unprecedentedly the landscape of apparel industry. Over the past few years, the apparel industry has experienced significant changes that can be characterized by a shift from traditional brick-and-mortar retailing to e-commerce retailing. Consequently, traditional brick-and-mortar retailers have started facing decreasing foot traffic, increasing speed of fashion cycle and rapid changes in consumer behavior. This continuous transformation of the apparel industry has also posed adverse impact to our apparel operation.

Money lending operation

Despite facing volatile economic environment and keen competition, there was steady growth of approximately 2.9% of revenue from our money lending operation, from approximately HK\$16,377,000 for the year ended 31 December 2017 to HK\$16,851,000 for the year ended 31 December 2018.

FUTURE PROSPECTS

The rise of trade protectionism among countries has weighed on global economic sentiment since 2018. Looking ahead, the risks to the global economy outlook remained skewed to the downside, in particular, if the trade disputes drag on or deteriorate, this would unavoidably cast a shadow on our apparel business. With challenges, grave and complicated environment ahead, we will continue to steer our apparel business with prudent operation strategy.

我們的業績

服裝業務

二零一八年服裝業務收入約為187,041,000港元(二零一七年:309,068,000港元),下跌約39.5%。我們的服裝產品在中國生產,而大部分服裝產品出口到美國,因此我們的服裝業務受到中美貿易糾紛的沉重打擊。

除貿易保護主義威脅外,科技也在前所未有的地轉變了服裝業的格局。過往數年,服裝行業經歷重大變革,特點是從傳統的實體零售轉向電子商務零售。因此,傳統的實體零售商開始面臨人流量減少、時尚週期速度加快以及消費者行為迅速變化的問題。服裝行業的這種持續轉型也對我們的服裝業務產生不利影響。

貸款融資業務

儘管經濟環境不穩定及競爭激烈,但我們的貸款融資業務收入仍錄得約2.9%的穩定增長,由截至二零一七年十二月三十一日止年度的約16,377,000港元增加至截至二零一八年十二月三十一日止年度的16,851,000港元。

未來展望

自二零一八年以來,各國貿易保護主義抬頭打壓了全球經濟情緒。展望未來,全球經濟前景面臨的風險仍然是傾向下行,特別是如果貿易爭端拖累或惡化,這會不可避免地給我們服裝業務帶來不利影響。面對挑戰及當前嚴峻複雜的環境,我們將繼續以審慎的經營策略經營服裝業務。

Chairman's Statement

主席報告書

For our money lending business, we are pleased with our strategic positioning and we believe we would deliver satisfactory performance, despite the complicated external environment and keen competition. The outlook remains positive in the midst of any disruptive market developments and we remain optimistic with its development.

Whilst the Group is dedicated to improving the performance of its existing businesses amid the challenges and uncertainties ahead, the Group will continue to cautiously explore and assess potential business opportunities with a view to enhancing returns to shareholders in the years to come.

APPRECIATION

Lastly, on behalf of the Board, I would like to take this opportunity to thank all our dedicated colleagues for their commitment to the Group, particularly during this difficult time which is full of challenges and uncertainties. I am also grateful to all shareholders for their continued support.

Guo Lin

Chairman

28 March 2019

對於貸款融資業務，我們對我們的策略定位感到滿意，並相信儘管外部環境復雜及競爭激烈，我們依然會交付令人滿意的業績。儘管市場處於顛覆性發展，我們仍然對該發展保持樂觀，因此前景依然正面。

本集團致力於在充滿挑戰和不確定因素的環境中改善現有業務的表現，而本集團將繼續審慎探索及評估潛在商機，以期在未來增加股東回報。

致謝

最後，我謹代表董事會，借此機會感謝我們所有敬業樂業的同事對本集團的付出，特別是在這個充滿挑戰和不確定性的困難時期。我也感謝所有股東長久以來給予我們的支持。

郭林

主席

二零一九年三月二十八日

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

EXECUTIVE DIRECTORS

Mr. GUO Lin, aged 44, was appointed as an executive Director and the chairman of the Board on 5 June 2017. He provides leadership for the Board. He is the chairman of the corporate governance committee (the “Corporate Governance Committee”) of the Company as he takes primary responsibility for ensuring that good corporate governance practices and procedures are in place. He is also the chairman of the nomination committee of the Company (the “Nomination Committee”) and a member of the remuneration committee of the Company (the “Remuneration Committee”).

Mr. Guo, who has over 22 years of experience in corporate management and business investments, has held managerial positions in business investment companies, large enterprises and securities companies, and is responsible for the overall development, growth strategies and supervision of key management matters. Mr. Guo was previously the general manager of the Shanghai Headquarter of China Minzu Securities Limited Company* (中國民族證券有限責任公司) from July 1997 to October 2008, the vice general manager of Shanghai Lujiazui Development (Group) Co., Ltd.* (上海陸家嘴(集團)有限公司) from November 2008 to March 2014, the deputy general manager of Taiping Asset Management Co., Ltd.* (太平資產管理有限公司) from March 2014 to March 2016, and the chairman of the board of CEFC Shanghai Securities Limited* (上海華信證券有限責任公司) from April 2016 to early January 2018. Mr. Guo is the executive director and has been appointed as the chairman of the board of New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司) since December 2016. Mr. Guo has respectively been the director and a shareholder of Shanghai Chengyi Business Consulting Company Limited* (上海承羿商務諮詢有限公司) and a limited partner of Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承羿企業管理合夥企業(有限合夥)) since June 2018.

執行董事

郭林先生，44歲，於二零一七年六月五日獲委任為執行董事兼董事會主席。郭先生領導董事會。彼為本公司企業管治委員會（「企業管治委員會」）主席，肩負重要責任，確保本公司實踐並運行良好企業管治程序。彼亦為本公司提名委員會（「提名委員會」）主席及薪酬委員會（「薪酬委員會」）成員。

郭先生在企業管理及商業投資方面擁有超過22年經驗，彼曾於企業投資公司、大型企業及證券公司擔任主要管理職位，負責整體發展、成長戰略及監管重大管理事項。郭先生自一九九七年七月至二零零八年十月擔任中國民族證券有限責任公司上海總部總經理，自二零零八年十一月至二零一四年三月擔任上海陸家嘴（集團）有限公司副總經理，自二零一四年三月至二零一六年三月擔任太平資產管理有限公司副總經理，及自二零一六年四月至二零一八年一月初擔任上海華信證券有限責任公司董事長。郭先生為新絲綢之路投資有限公司的執行董事，並自二零一六年十二月至今獲委任為董事長。自二零一八年六月起，郭先生分別為上海承羿商務諮詢有限公司之董事及股東及上海承羿企業管理合夥企業（有限合夥）之有限合夥人。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. JIANG Mingsheng, aged 58, was appointed as an executive Director on 5 June 2017. He has over 20 years of experience in the finance and banking industry. Mr. Jiang has held managerial positions at major banks in the People's Republic of China (the "PRC") and was responsible for strategic planning and business development. Mr. Jiang was previously the vice president of the Guangzhou branch of China Merchants Bank* (招商銀行) from 1997 to 2000, the general manager of the banking department at the headquarters of China Merchants Bank from 2000 to 2002 and the president of the Shanghai branch of China Merchants Bank from 2002 to 2007. From 2007 to 2017, Mr. Jiang was the executive vice president and a director of Shanghai Pudong Development Bank* (上海浦東發展銀行) (stock code: 600000.SH), a company listed on the Shanghai Stock Exchange, for the period from April 2016 to January 2017. Mr. Jiang was the vice president of CEFC China Energy Company Limited* (中國華信能源有限公司) from February 2017 to September 2018.

Mr. JIANG Tianqing, aged 34, was appointed as an executive Director on 5 June 2017. Mr. Jiang is a member of the Remuneration Committee, Nomination Committee and Corporate Governance Committee. He has over 13 years of experience as a finance professional in the accounting and investment field and has held various managerial roles in international accounting firm and major investment management companies in the PRC, in the area of control and supervision of investment development. Mr. Jiang was previously an auditor and manager at KPMG Advisory (China) Limited from November 2005 to May 2011, the vice president of risk management at Haitong Innovation Capital Management Co., Ltd* (海通創新資本管理有限公司) from May 2011 to September 2013, and the investment director at ORIZA FOF Investment Management* (蘇州工業園區元禾辰坤股權投資基金管理中心(有限合夥)) who was responsible for overseas investment from September 2013 to June 2016. Mr. Jiang was the general manager of CEFC Capital Co., Ltd* (上海華信資本投資有限公司) from July 2016 to December 2017. Mr. Jiang has been appointed as a director of New Seres International Asset Management (Cayman) Limited since January 2017 and as a director of New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司) since April 2017. Mr. Jiang has respectively been the supervisor and a shareholder of Shanghai Chengyi Business Consulting Company Limited* (上海承羿商務諮詢有限公司) and a limited partner of Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承羿企業管理合夥企業(有限合夥)) since June 2018.

姜明生先生，58歲，於二零一七年六月五日獲委任為本公司執行董事。彼在金融及銀行業擁有超過20年經驗，曾在中華人民共和國（「中國」）多間主要銀行擔任管理職位，負責戰略規劃及業務拓展。姜先生自一九九七年至二零零零年曾擔任招商銀行廣州分行副行長，自二零零零年至二零零二年擔任招商銀行總行銀行部總經理，並自二零零二年至二零零七年擔任招商銀行上海分行行長。自二零零七年至二零一七年，姜先生擔任上海浦東發展銀行（股份代號：600000.SH）（上海證券交易所上市公司）執行副行長，自二零一六年四月至二零一七年一月任董事。自二零一七年二月至二零一八年九月，姜先生任中國華信能源有限公司副總裁。

蔣恬青先生，34歲，於二零一七年六月五日獲委任為執行董事。彼亦為本公司薪酬委員會、提名委員會及企業管治委員會之成員。彼在會計及投資業擔任財務專業人員已有超過13年經驗，曾在國際會計師事務所及中國主要的投資管理公司任不同管理職務，負責控制並監控投資發展。自二零零五年十一月至二零一一年五月在畢馬威顧問（中國）有限公司擔任核數師及經理，自二零一一年五月至二零一三年九月在海通創新資本管理有限公司擔任風險管理部副總裁，自二零一三年九月至二零一六年六月在蘇州工業園區元禾辰坤股權投資基金管理中心（有限合夥）負責海外投資，並擔任投資總監。自二零一六年七月至二零一七年十二月，蔣先生獲委任為上海華信資本投資有限公司總經理。蔣先生自二零一七年一月起獲委任為New Seres International Asset Management (Cayman) Limited董事及自二零一七年四月起獲委任為新絲綢之路投資有限公司董事。自二零一八年六月起，蔣先生分別為上海承羿商務諮詢有限公司之監事及股東及上海承羿企業管理合夥企業（有限合夥）之有限合夥人。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. Hubert TIEN, aged 50, was appointed as an executive Director on 19 June 2013. Mr. Tien is one of the founders of the Group. He is responsible for overseeing the apparel operation of the Group in design, manufacturing and trading business. Mr. Tien has about 20 years of experience in garment trading, manufacturing and marketing in the United States, Australian and Canadian markets. Mr. Tien also serves as a director of certain subsidiaries of the Company.

Mr. LIU Chun Fai, aged 31, was appointed as an executive Director on 24 November 2016. Mr. Liu received his education in Canada. Mr. Liu has over seven years of working experience in both legal and finance sectors. Mr. Liu is a member of the Racing Club of the Hong Kong Jockey Club and Hong Kong United Youth Association Limited. Mr. Liu also is a director of Jiangxi Overseas Friendship Association. Mr. Liu has been appointed as an executive committee member of Youth Council since June 2017.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LU Hongbing, aged 52, was appointed as an independent non-executive Director on 5 June 2017. He is the chairman of the audit committee of the Company (the "Audit Committee") and Remuneration Committee. He is also a member of the Corporate Governance Committee and Nomination Committee.

Mr. Lu has been a qualified lawyer in the PRC since 1991 and has over 26 years of experience in the legal industry in the PRC. Mr. Lu has been an attorney-at-law and partner at Grandall Law Firm (Shanghai)* (國浩律師(上海)事務所) since July 1993 and has become a partner and chief executive partner at the same firm since June 1998. Currently, Mr. Lu is the vice chairman of the All-China Lawyers Association and a committee member of The 13th National Committee of the Chinese People's Political Consultative Conference.

Mr. Lu is an independent non-executive director of Shimao Property Holdings Limited (stock code: 813.HK), a company listed on the Hong Kong Stock Exchange, since November 2004, and ZTE Corporation (stock code: 763.HK and 000063.SZ), a company listed on both of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, since July 2015. Mr. Lu is also an independent director of Shandong Airlines Co. Ltd. (山東航空股份有限公司) (stock code: 200152.SZ), a company listed on the Shenzhen Stock Exchange, since March 2016, and Shanghai Shentong Metro Co., Ltd. (stock code: 600834.SH), a company listed on the Shanghai Stock Exchange, since May 2014.

田曉勃先生，50歲，於二零一三年六月十九日獲委任為執行董事。田先生為本集團創辦人之一，負責監督本集團服裝業務之設計、生產及貿易事務。田先生於美國、澳洲及加拿大市場的服裝貿易、生產及營銷領域擁有約20年經驗。田先生亦為本公司若干附屬公司之董事。

廖晉輝先生，31歲，於二零一六年十一月二十四日獲委任為執行董事。廖先生於加拿大接受教育。廖先生在法律和金融行業有七年以上的工作經驗。廖先生是香港賽馬會賽馬競駿會之會員及香港青年聯會之會員。廖先生亦是江西省海外聯誼會理事。自二零一七年六月起，廖先生獲委任為青年議會之常務理事。

獨立非執行董事

呂紅兵先生，52歲，於二零一七年六月五日獲委任為獨立非執行董事。彼為本公司審核委員會（「審核委員會」）及薪酬委員會主席。彼亦為企業管治委員會及提名委員會成員。

自一九九一年起，呂先生成為中國合資格律師，並在法律業擁有超過26年經驗。自一九九三年七月起，呂先生為國浩律師（上海）事務所律師及合夥人，並自一九九八年六月起成為該事務所合夥人及首席執行合夥人。呂先生目前為中華全國律師協會副會長及第十三屆全國政協委員。

呂先生自二零零四年十一月起為世茂房地產控股有限公司（股份代號：813.HK）（香港聯交所上市公司）的獨立非執行董事，自二零一五年七月起為中興通訊股份有限公司（股份代號：763.HK及000063.SZ）（香港聯交所及深圳證券交易所上市公司）的獨立非執行董事。呂先生亦自二零一六年三月起為山東航空股份有限公司（股份代號：200152.SZ）（深圳證券交易所上市公司）的獨立董事，自二零一四年五月起為上海申通地鐵股份有限公司（股份代號：600834.SH）（上海證券交易所上市公司）的獨立董事。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. TANG Shu Pui Simon, aged 54, was appointed as an independent non-executive Director on 22 August 2016. He is a member of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee.

Mr. Tang is a practising solicitor and an accredited mediator with the Hong Kong International Arbitration Centre. Mr. Tang is a partner of P. C. Woo & Co., a firm of solicitors with over 70 years of service in Hong Kong. Mr. Tang is a member of the Appeal Tribunal of the Hong Kong Federation of Insurers, honorary legal advisor to the General Agents and Managers Association of Hong Kong, founding member and vice president of the Hong Kong Institute Patent Attorneys, honorary senior legal adviser of the Hong Kong Brands Protection Alliance, founding member, board member and honorary legal counsel of the Hong Kong-ASEAN Economic Cooperation Foundation, member of the Standing Committee on Standards and Development of the Law Society of Hong Kong, member of the Sichuan Committee of The Chinese People's Political Consultative Conference, honorary legal advisor of the Kitchee Foundation Limited, fellow member of the Hong Kong Institute of Directors and board member of Monte Jade Science and Technology Association of Hong Kong.

Mr. Tang was first appointed as an independent non-executive Director on 22 November 2013. He retired on 3 December 2015 as an independent non-executive Director in order to devote more time for his other personal pursuits during that period. He was re-appointed as an independent non-executive Director on 22 August 2016.

Mr. HON Ming Sang, aged 40, was appointed as an independent non-executive Director on 2 November 2016. He is a member of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee. Mr. Hon obtained an honor degree of Professional Accountancy in the School of Accountancy from The Chinese University of Hong Kong. Mr. Hon is a chartered CFA. He is also a member of The Hong Kong Society of Financial Analysts, a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators.

鄧澍培先生，54歲，於二零一六年八月二十二日獲委任為獨立非執行董事。彼為審核委員會、薪酬委員會、提名委員會及企業管治委員會成員。

鄧先生為香港執業事務律師及香港國際仲裁中心認可調解員。鄧先生為香港胡百全律師事務所合夥人，該所為香港貢獻法律服務超過70年。鄧先生並為香港保險業聯會上訴裁判處委員、香港人壽保險經理協會名譽法律顧問、香港專利師協會創辦成員及副主席、香港工商品牌保護陣綫榮譽常務法律顧問、香港-東盟經濟合作基金會創會成員、理事及義務法律顧問、香港律師會專業水準及發展常務委員會委員、四川省政協委員、傑志基金有限公司名譽法律顧問、香港董事學會資深會員和香港玉山科技協會理事。

鄧先生於二零一三年十一月二十二日首次獲委任為獨立非執行董事。因為其他個人事務投放更多時間，彼於二零一五年十二月三日辭任獨立非執行董事。彼於二零一六年八月二十二日再次獲委任為獨立非執行董事。

韓銘生先生，40歲，於二零一六年十一月二日獲委任為獨立非執行董事。彼為審核委員會、薪酬委員會、提名委員會及企業管治委員會成員。韓先生獲得香港中文大學會計學院專業會計榮譽學位。韓先生為特許財務分析師。彼亦為香港財經分析師學會會員、香港會計師公會會員、英國特許公認會計師公會資深會員、香港特許秘書公會會員，以及英國特許秘書及行政人員公會會員。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. Hon has previously worked in an international audit firm and has over 10 years of working experience in listed companies and financial institutions. He has extensive experience in corporate finance, merger and acquisition, investment and financial management and compliance services. Mr. Hon is an executive director and company secretary of SFund International Holdings Limited (stock code: 1367.HK), a company listed on the Main Board of the Hong Kong Stock Exchange. He was the company secretary of China Smarter Energy Group Holdings Limited ("China Smarter Energy", stock code: 1004.HK), a company listed on the Main Board of the Hong Kong Stock Exchange from 31 December 2012 to 9 February 2017 and was an executive director of China Smarter Energy from 31 December 2012 to 16 August 2017.

Professor WU Fei, aged 47, was appointed as an independent non-executive Director on 15 February 2018. He is currently a professor at the Shanghai Advanced Institute of Finance ("SAIF"), Shanghai Jiao Tong University, China (上海交通大學上海高級金融學院).

Before joining SAIF, Professor Wu was a professor for the period from November 2010 to October 2013 and also an associate dean between March 2012 and June 2013 at the International Institute for Financial Studies (金融管理國際研究院), at the Jiangxi University of Finance and Economics (江西財經大學), China. Prior to that, he was a senior lecturer in Finance, at the Department of Economics and Finance at the College of Business at Massey University, New Zealand.

Professor Wu has become an independent director of Fujian Raynen Technology Co., Ltd.* (福建睿能科技股份有限公司) (stock code: 603933.SH), a company listed on the Shanghai Stock Exchange, since 30 December 2016.

韓先生曾任職一所國際審計事務所，並擁有逾10年於上市公司及金融機構工作之經驗，彼於企業融資、收購合併、投資及金融管理及合規服務擁有廣泛經驗。韓先生現為廣州基金國際控股有限公司（股份代號：1367.HK，一間於香港聯交所主板上市之公司）之執行董事兼公司秘書。彼自二零一二年十二月三十一日至二零一七年二月九日為中國智慧能源集團控股有限公司（「中國智慧能源」，股份代號：1004.HK，一間於香港聯交所主板上市之公司）之公司秘書，並於二零一二年十二月三十一日至二零一七年八月十六日擔任中國智慧能源的執行董事。

吳飛教授，47歲，於二零一八年二月十五日獲委任為獨立非執行董事。吳教授現為中國上海交通大學上海高級金融學院（「上海高級金融學院」）教授。

在加入上海高級金融學院前，吳教授於二零一零年十一月至二零一三年十月期間在中國江西財經大學為教授；及於二零一二年三月至二零一三年六月期間為該校的金融管理國際研究院副院長。在此之前，彼為新西蘭梅西大學商學院經濟與金融系高級講師。

吳教授自二零一六年十二月三十日起出任福建睿能科技股份有限公司（股份代號：603933.SH）（上海證券交易所上市公司）的獨立董事。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

SENIOR MANAGEMENT

Mr. CHEUNG Ka Lung, Savio, aged 43, was appointed as the deputy chief executive officer of the Company on 1 May 2017. Mr. Cheung is primarily responsible for the daily management, business operations and corporate transactions of the Group. He also serves as a director of certain subsidiaries of the Group. Mr. Cheung graduated with a Bachelor of Business Administration (Finance) from The Hong Kong University of Science and Technology. He is a chartered CFA. He is also a member of The Hong Kong Society of Financial Analysts and a member of The Hong Kong Institute of Directors.

Mr. Cheung has over 20 years of working experience in the banking and finance industry. He previously worked for a number of investment banks and has extensive experience in handling various corporate transactions such as initial public offerings, mergers and acquisitions, reverse takeovers, restructuring, fund raising. During his career, he also had worked in the field of private equity investment for over 10 years including a senior position in the private equity arm of Ichigo Inc. (formerly known as Asset Managers Co., Ltd.), a company listed on the Tokyo Stock Exchange First Section (stock code: 2337.T) in which he managed a portfolio with assets under management over USD300 million in the Greater China region. Currently, he is a non-executive director of Stemcell United Limited (stock code: ASX:SCU), a company listed on the Australian Securities Exchange.

Ms. TIN Yuen Sin Carol, aged 53, is the director of Delta Wealth Finance Limited, a wholly-owned subsidiary of the Company. She joined the Group in November 2016. Ms. Tin is an entrepreneur operating businesses including money lending business and fine dining business. Ms. Tin also has extensive experience in trading business in Hong Kong and PRC. Ms. Tin was an executive director of Carnival Group International Holdings Limited (“Carnival”) (formerly known as Oriental Ginza Holding Limited and CASH Retail Management Group Limited) (stock code: 996.HK), a company listed on the Hong Kong Stock Exchange, for the period from 2005 to 2011. Ms. Tin also served as the chairperson of Carnival from 2006 to 2011 and was responsible for the overall strategic planning and policy making. Ms. Tin served as a director of Yan Oi Tong from 2017 to 2018.

高級管理層

張家龍先生，43歲，於二零一七年五月一日獲委任為本公司的副首席執行官。張先生主要負責本集團的日常管理，業務運營和企業項目。彼亦為本集團多間屬附公司之董事。張先生畢業於香港科技大學，取得工商管理（財務）學士學位。彼為特許財務分析師，並為香港財經分析師學會會員及香港董事學會會員。

張先生於銀行及金融行業擁有超過20年工作經驗。彼曾於多家投資銀行工作，並在處理各種企業項目（如首次公開發售、併購、反收購、重組、集資）擁有豐富經驗。在其職業生涯中，彼亦曾於私募股權投資領域工作逾10年時間，包括於Ichigo Inc.（前稱為Asset Managers Co., Ltd.，一間於東京證券交易所一部上市的公司（股份代號：2337.T））私募股權業務部門擔任高級職位，負責管理大中華地區資產管理規模超過3億美元的投資組合。當前，彼於Stemcell United Limited（股份代號：ASX:SCU，一間於澳大利亞證券交易所上市的公司）擔任非執行董事。

田琬善女士，53歲，為本公司全資附屬公司融富財務有限公司之董事。彼於二零一六年十一月加入本集團。田女士為經營包括貸款融資業務及高級餐廳業務之企業家。田女士亦於中港貿易業務擁有豐富經驗。田女士自二零零五年至二零一一年期間曾擔任嘉年華國際控股有限公司（「嘉年華」）（前稱東方銀座控股有限公司及時惠環球控股有限公司）（股份代號：996.HK，一間於香港聯交所上市的公司）之執行董事。田女士自二零零六年至二零一一年亦曾擔任嘉年華之主席並負責整體策略規劃及政策制訂。田女士於二零一七年至二零一八年期間擔任仁愛堂總理。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. Farzad GOZASHTI, aged 53, is responsible for overseeing the design, sales and marketing activities of the apparel operation of the Group. He joined the Group in October 2001. Mr. Gozashti graduated with a Bachelor of Science in business administration (marketing) from San Francisco State University in California of the United States of America in May 1989. Mr. Gozashti has about 20 years of experience in design and product development.

Mr. CHAN Ka Yu, aged 39, is the chief financial officer of the Company. He is also the company secretary of Runway Global Limited, an indirect wholly owned subsidiary of the Company. Mr. Chan joined the Group in June 2013. He is responsible for overseeing the Group's financial reporting and assisting in handling company secretarial matters of the Group. Mr. Chan graduated with a Bachelor of Commerce in Accounting from the Hong Kong Shue Yan University in October 2009. He is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Chan has over 10 years of professional accounting and financial reporting experience. Prior to joining the Group, from September 2010 to April 2012, he worked at BDO Limited (which was formerly known as JBPB & Company), initially as a senior accountant and subsequently promoted as a senior associate. From May 2012 to April 2013, he worked as an investor relations officer for Fantasia Group (China) Company Limited, a subsidiary of Fantasia Holdings Group Co., Limited (花樣年控股集團有限公司) (stock code: 1777.HK), a company listed on the Main Board of the Hong Kong Stock Exchange.

Farzad GOZASHTI 先生，53歲，負責監督本集團服裝業務之設計、銷售及營銷活動。彼於二零零一年十月加入本集團。Gozashti 先生於一九八九年五月畢業於美國舊金山州立大學，獲得工商管理（市場學）理學士學位。Gozashti 先生於設計及產品開發擁有約20年經驗。

陳家宇 先生，39歲，為本公司財務總監兼時尚環球有限公司（本公司之間接全資附屬公司）之公司秘書。陳先生於二零一三年六月加入本集團。彼負責監督本集團財務申報及協助處理本集團公司秘書事務。於二零零九年十月，陳先生畢業於香港樹仁大學，獲頒會計學商學士學位。彼為香港會計師公會成員。

陳先生在專業會計及財務呈報方面有超過10年經驗。在加入本集團前，陳先生於二零一零年九月至二零一二年四月，在香港立信德豪會計師事務所有限公司（前為莊柏會計師行）起初任職高級會計師，其後晉升為高級審計員。二零一二年五月至二零一三年四月期間，他曾擔任花樣年控股集團有限公司（股份代號：1777.HK，一間於香港聯交所主板上市公司）附屬公司花樣年集團（中國）有限公司的投資者關係主任。

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BUSINESS REVIEW

The Group principally engages in (i) design, manufacture and trading of apparels; and (ii) provision of money lending business.

APPAREL OPERATION

Revenue from apparel operation is principally derived from the sales of apparel products. The Group's products can be classified into two categories, namely, private label products and own brand products. Private label products are those designed and manufactured under the private labels owned or specified by the Group's customers, while own brand products are those designed and manufactured under the Group's proprietary labels.

There was intensified trade friction between China and the United States in 2018. During the year, the United States imposed tariffs on US\$250 billion of Chinese products, which included apparel products.

Our apparel products are manufactured in China and most of those apparel products are exported to the United States. Our apparel operation was thus adversely affected by the intensified trade friction between China and the United States. During the year, the apparel industry was worried about the development of trade disputes and was filled with uneasiness in the shadow of trade barriers.

Apart from trade disputes between China and the United States, the apparel industry was undergoing continuous transformation from brick-and-mortar retails to e-commerce retails in 2018 and certain of our customers were adversely affected.

Our apparel operation remained the largest contributor to the Group's business, accounting for 91.7% of total revenue. The revenue from apparel operation for 2018 was approximately HK\$187,041,000 (2017: HK\$309,068,000), declined by approximately 39.5%, as orders from our major customers, which have been adversely affected by the shift of consumers' buying habit to online shopping and weak sentiment among our customers in the United States due to intensified trade friction between China and the United States.

業務回顧

本集團主要從事(i) 服裝產品的設計、製造及貿易；及(ii) 提供貸款融資業務。

服裝業務

服裝業務收入主要源自銷售服裝產品。本集團的產品可分為兩大類，即貼牌產品與自有品牌產品。貼牌產品是按本集團客戶擁有或指定的私有品牌設計製造的產品，而自有品牌產品則是在本集團專屬品牌名下設計和製造的產品。

二零一八年中美之間的貿易摩擦加劇。在年內，美國對2,500億美元的中國產品徵收關稅，其中包括服裝產品。

我們的服裝產品在中國生產，大部分服裝產品出口到美國。因此，中國和美國之間的貿易摩擦加劇，對我們的服裝業務產生了不利影響。在年內，服裝業對貿易糾紛的發展充滿憂慮。在貿易壁壘的陰霾籠罩下，業內瀰漫著一股不安情緒。

除了中國與美國之間的貿易糾紛外，服裝行業在二零一八年正在經歷從實體零售到電子商務零售的不斷轉變，我們的部分客戶受到不利影響。

我們的服裝業務收入仍佔本集團業務收入的最高比重，佔總收入的91.7%。二零一八年服裝業務收入約為187,041,000港元（二零一七年：309,068,000港元），下跌約39.5%，因為我們的主要客戶訂單受到消費者購買習慣轉向網購的不利影響，及因受到中國與美國之間的貿易摩擦加劇而導致我們的美國客戶低落氣氛。

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PRIVATE LABEL PRODUCTS

Revenue from certain major private label customers dropped in the year, resulting in the revenue from private label products decreased by approximately 31.2% to approximately HK\$125,227,000 (2017: HK\$181,966,000). Private label products continued to be the core business of the Group, contributing 67.0% (2017: 58.9%) of the total revenue from apparel operation for the year. The gross profit derived from private label products decreased by 73.8% to approximately HK\$9,149,000 (2017: HK\$34,904,000) and the gross profit margin declined to approximately 7.3% in 2018, compared with approximately 19.2% in 2017.

OWN BRAND PRODUCTS

Own brand products accounted for 33.0% (2017: 41.1%) of the total revenue from apparel operation for the year. For the year 2018, revenue from own brand products decreased by approximately 51.4% to approximately HK\$61,814,000 (2017: HK\$127,102,000) and gross profit decreased by 62.8% to approximately HK\$16,480,000 (2017: HK\$44,308,000). The gross profit margin for own brand products decreased from approximately 34.9% in 2017 to approximately 26.7% in 2018.

MONEY LENDING BUSINESS

Our money lending business primarily offers loans to individual consumers and small businesses in Hong Kong.

The Hong Kong economy grew by 3.0% for 2018 as a whole. Growth remained strong at 4.1% on a year-on-year basis in the first half of the year. However, affected by increasing external uncertainties, particularly those stemming from the trade conflicts between China and the United States and increase in the interest rate of the United States, the pace of Hong Kong economic growth decelerated to 2.8% in the third quarter and further to 1.3% in the fourth quarter.

貼牌產品

本年度若干主要貼牌客戶的收入下跌，導致貼牌產品的收入減少約31.2%至約125,227,000港元（二零一七年：181,966,000港元）。貼牌產品仍然是本集團的核心業務，佔本年度服裝業務總收入的67.0%（二零一七年：58.9%）。貼牌產品的毛利亦減少73.8%至約9,149,000港元（二零一七年：34,904,000港元），而毛利率於二零一八年下跌至約7.3%，而二零一七年則約為19.2%。

自有品牌產品

於本年度自有品牌產品佔本集團服裝業務總收入的33.0%（二零一七年：41.1%）。於二零一八年年度，自有品牌產品的收入減少約51.4%至約61,814,000港元（二零一七年：127,102,000港元），而毛利減少62.8%至約16,480,000港元（二零一七年：44,308,000港元）。自有品牌產品的毛利率由二零一七年的約34.9%下降至二零一八年的約26.7%。

貸款融資業務

我們的貸款融資業務主要為香港個體消費者及小型企業提供貸款。

整個二零一八年香港經濟增長3.0%。上半年的增長率依然強勁，錄得按年增長4.1%。然而受外圍不確定性增加的影響，特別是中美貿易衝突及美國利率上升所帶來的影響，香港經濟增長速度在第三季度減速至2.8%，並進一步下降至第四季度的1.3%。

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As we focus on individual consumers and small businesses in Hong Kong, our money lending business is closely bound up with the Hong Kong economy. Despite facing volatile economic environment and keen competition, there was steady growth of approximately 2.9% of revenue from our money lending operation, from approximately HK\$16,377,000 for the year ended 31 December 2017 to HK\$16,851,000 for the year ended 31 December 2018. Our loans and interest receivables decreased by approximately 29.2%, from HK\$148,881,000 at 31 December 2017 to approximately HK\$105,339,000 at 31 December 2018.

COST OF SALES

As there was no direct cost incurred for money lending operation, cost of sales was incurred entirely for our apparel operation only. In light of the decline in revenue from apparel operation, the cost of sales decreased by approximately 29.8%, from approximately HK\$229,856,000 for the year ended 31 December 2017 to approximately HK\$161,412,000 for the year ended 31 December 2018.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit for the year ended 31 December 2018 was approximately HK\$42,480,000 (2017: HK\$95,589,000), representing a decrease of approximately HK\$53,109,000 or 55.6% as compared to the corresponding period in 2017. The gross profit margin decreased from approximately 29.4% for the year ended 31 December 2017 to 20.8% for the year ended 31 December 2018. During the year, apparel operation contributed approximately HK\$25,629,000 (2017: HK\$79,212,000) to the gross profit, and money lending operation contributed approximately HK\$16,851,000 (2017: HK\$16,377,000) to the gross profit.

The gross profit from apparel operation decreased by approximately HK\$53,583,000 or 67.6% to approximately HK\$25,629,000 for the year ended 31 December 2018. The gross profit margin of apparel operation decreased to 13.7% for the year ended 31 December 2018 (2017: 25.6%). Our procurement costs fell during the year, but the decline was lower than the decline in sales. In addition, the Group also recorded a raise in the wages for production workers. On the other hand, because of the sales market was weak and so we were unable to pass the rising costs on to customers, which led to a narrowing of gross profit margin.

由於我們專注於香港的個人消費者和小型企業，我們的貸款融資業務與香港經濟環境息息相關。儘管面對波動的經濟環境及激烈的競爭，我們的貸款融資業務收入仍錄得約2.9%的穩定增長，由截至二零一七年十二月三十一日止年度的約16,377,000港元增長至截至二零一八年十二月三十一日止年度的16,851,000港元。我們的應收貸款及應收利息由二零一七年十二月三十一日的148,881,000港元減少約29.2%至二零一八年十二月三十一日的約105,339,000港元。

銷售成本

因為貸款融資業務沒有產生直接成本，銷售成本完全由我們的服裝業務產生。由於服裝業務收入減少，銷售成本由截至二零一七年十二月三十一日止年度的約229,856,000港元減少約29.8%至截至二零一八年十二月三十一日止年度的約161,412,000港元。

毛利及毛利率

截至二零一八年十二月三十一日止年度毛利約為42,480,000港元（二零一七年：95,589,000港元），較二零一七年同期減少約53,109,000港元或55.6%。毛利率由截至二零一七年十二月三十一日止年度的約29.4%減少至截至二零一八年十二月三十一日止年度的20.8%。本年度內，服裝業務貢獻毛利約25,629,000港元（二零一七年：79,212,000港元），貸款融資業務貢獻毛利約16,851,000港元（二零一七年：16,377,000港元）。

服裝業務的毛利減少約53,583,000港元或67.6%至截至二零一八年十二月三十一日止年度的約25,629,000港元。截至二零一八年十二月三十一日止年度，服裝業務的毛利率下降至13.7%（二零一七年：25.6%）。年內我們採購成本錄得下跌，但下跌幅度低於銷售下跌幅度。此外，本集團亦錄得生產工人的工資上升。另一方面由於銷售市道疲弱，我們未能將上漲成本轉嫁給顧客，因而導致毛利率收窄。

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The gross profit from money lending operation increased by approximately HK\$474,000, from HK\$16,377,000 for the year ended 31 December 2017 to HK\$16,851,000 for the year ended 31 December 2018, as there was more revenue from money lending operation in the year. The gross profit margin was 100% for money lending operation for the year ended 31 December 2018 (2017: 100%), as there was no direct cost incurred in generating revenue in the money lending operation.

OTHER INCOME AND GAINS

Other income and gains increased by approximately HK\$1,153,000 or 32.9%, from approximately HK\$3,508,000 in 2017 to approximately HK\$4,661,000 in 2018. In 2018, there was subcontracting income of approximately HK\$2,264,000 (2017: nil).

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses mainly consist of (i) import duty and transportation costs for delivery of the products; (ii) staff costs for our sales representatives; and (iii) rental costs of our showroom. The selling and distribution expenses incurred in the reporting period were approximately HK\$26,551,000 (2017: HK\$39,245,000), decreased by approximately HK\$12,694,000 or 32.3% on a year to year basis. The decrease in selling and distribution expenses was primarily attributable to approximately 39.5% decline in revenue from apparel operation. As a percentage of revenue, selling and distribution expenses increased to 13.0% for the year ended 31 December 2018 from 12.1% for the year ended 31 December 2017.

貸款融資業務的毛利由截至二零一七年十二月三十一日止年度的16,377,000港元增加約474,000港元至截至二零一八年十二月三十一日止年度的16,851,000港元，因為本年度貸款融資業務獲得更高收入。截至二零一八年十二月三十一日止年度，貸款融資業務的毛利率為100%（二零一七年：100%），因為貸款融資業務產生收入的同時並無產生直接成本。

其他收入及收益

其他收入及收益增加約1,153,000港元或32.9%，由二零一七年的約3,508,000港元增加至二零一八年的約4,661,000港元。二零一八年，加工收入約為2,264,000港元（二零一七年：無）。

銷售及分銷費用

銷售及分銷費用主要包括：(i) 就交付產品的進口關稅及運輸費用；(ii) 銷售代表的員工成本；及(iii) 我們陳列室的租金開支。於報告期內，產生的銷售及分銷費用約為26,551,000港元（二零一七年：39,245,000港元），即按年減少約12,694,000港元或32.3%。銷售及分銷費用減少的主要原因是服裝業務收入下跌約39.5%。銷售及分銷費用與收入的百分比由截至二零一七年十二月三十一日止年度的12.1%增加至截至二零一八年十二月三十一日止年度的13.0%。

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ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of (i) staff costs; (ii) rental expenses; (iii) professional fees, (iv) forfeiture of deposit in relation to the possible acquisition of companies; and (v) depreciation of property, plant and equipment. The administrative expenses for the year ended 31 December 2018 were approximately HK\$82,729,000 (2017: HK\$73,085,000), increased by approximately 13.2% or HK\$9,644,000. The increase in administrative expenses was mainly attributable to (i) the increase in rental expenses and depreciation of property, plant and equipment during the year following the change in control of the Company in May 2017; and (ii) forfeiture of deposit of HK\$5,000,000 in relation to the possible acquisition of companies (please refer to the paragraph headed “POSSIBLE ACQUISITION OF PRIOR SECURITIES LIMITED AND PRIOR ASSET MANAGEMENT LIMITED” for further details).

FINANCE COSTS

Finance costs represent interest expenses on the Group's obligations under finance leases. The finance costs decreased by approximately 93.9% or HK\$603,000 from approximately HK\$642,000 for the year ended 31 December 2017 to approximately HK\$39,000 for the year ended 31 December 2018, primarily due to there was only interest expenses for obligations under finance leases in 2018.

LOSS FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The loss attributable to the owners of the Company for the year ended 31 December 2018 was approximately HK\$60,032,000 (2017: HK\$15,632,000), representing an increase in loss attributable to the owners of the Company of approximately HK\$44,400,000 or 284.0%. The increase in loss attributable to the owners of the Company for the year ended 31 December 2018 was primarily attributable to decrease in revenue of our apparel operation and increase in administrative expenses in comparison to 2017 as previously discussed..

行政開支

行政開支主要包括(i)員工成本；(ii)租金開支；(iii)專業費用；(iv)被沒收關於可能收購公司的按金；及(v)物業、廠房及設備折舊。截至二零一八年十二月三十一日止年度的行政開支約82,729,000港元（二零一七年：73,085,000港元），增加約13.2%或9,644,000港元。行政開支增加主要由於(i)自本公司控制權於二零一七年五月變動後年內租金開支及物業、廠房及設備折舊增加；及(ii)被沒收有關可能收購公司的按金5,000,000港元（進一步詳情請參閱「昇悅證券有限公司與昇悅資產管理有限公司的可能收購」）。

融資成本

融資成本指本集團的融資租賃項下承擔的利息開支。融資成本減少約93.9%或603,000港元，由截至二零一七年十二月三十一日止年度的約642,000港元增加至截至二零一八年十二月三十一日止年度的約39,000港元，主要是由於二零一八年融資租賃項下承擔僅有利息開支。

本公司擁有人應佔年度虧損

截至二零一八年十二月三十一日止年度，本公司擁有人應佔虧損約為60,032,000港元（二零一七年：15,632,000港元），擴大約44,400,000港元或284.0%。截至二零一八年十二月三十一日止年度本公司擁有人應佔虧損擴大乃主要由於與二零一七年相比服裝業務收入減少及行政開支增加（如先前所述）。

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GOODWILL

Goodwill arose on the acquisition of our money lending operation in November 2016, which was the fair value of consideration exceeding the fair value of the net identifiable assets of the acquiree. Goodwill is subject to impairment review periodically.

INVENTORY

The following table set out a summary of the Group's inventory balances as at respective financial position dates below:

商譽

商譽於二零一六年十一月收購貸款融資業務時產生，代價的公平值超過被收購方的可識別淨資產的公平值。商譽須定期進行減值檢討。

存貨

下表載列本集團於下列各財務狀況日期的存貨結餘概要：

		As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元
Raw materials and consumables	原料及耗材	2,575	3,266
Work in progress	在製品	742	765
Finished goods	製成品	5,690	5,282
		9,007	9,313
Inventory turnover day	存貨週轉天數	20	15

The Group's inventories decreased by approximately HK\$306,000 or 3.3%, from approximately HK\$9,313,000 as at 31 December 2017 to approximately HK\$9,007,000 as at 31 December 2018. The inventory turnover day increased from 15 days as at 31 December 2017 to 20 days as at 31 December 2018.

本集團的存貨減少約306,000港元或3.3%，由二零一七年十二月三十一日的約9,313,000港元減少至二零一八年十二月三十一日的約9,007,000港元。存貨週轉天數亦由二零一七年十二月三十一日的15天增加至二零一八年十二月三十一日的20天。

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TRADE AND BILLS RECEIVABLES

The following table set out a summary of the Group's trade and bills receivables balances as at respective financial position dates below:

		As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收款項	14,854	42,613
Bill receivables	應收票據	3,694	10,176
		18,548	52,789
Trade receivables turnover day	貿易應收款項週轉天數	26	48

The Group's trade and bills receivables decreased by approximately HK\$34,241,000 or 64.9% from approximately HK\$52,789,000 as at 31 December 2017 to approximately HK\$18,548,000 as at 31 December 2018, as well as trade receivables turnover day decreased from 48 days as at 31 December 2017 to 26 days as at 31 December 2018.

LOANS AND INTEREST RECEIVABLES

The Group's loans and interest receivables decreased by approximately 29.2%, from HK\$148,881,000 at 31 December 2017 to approximately HK\$105,339,000 at 31 December 2018. The loans receivables as at 31 December 2018 were mainly comprised of mortgage loans receivables, secured loans receivables and personal loans receivables.

貿易應收款項及應收票據

下表載列本集團於下列各財務狀況日期的貿易應收款項及應收票據結餘概要：

		As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收款項	14,854	42,613
Bill receivables	應收票據	3,694	10,176
		18,548	52,789
Trade receivables turnover day	貿易應收款項週轉天數	26	48

本集團的貿易應收款項及應收票據減少約34,241,000港元或64.9%，由二零一七年十二月三十一日的約52,789,000港元減少至二零一八年十二月三十一日的約18,548,000港元，而貿易應收款項週轉天數由二零一七年十二月三十一日的48天減少至二零一八年十二月三十一日的26天。

應收貸款及利息

本集團的應收貸款及利息由二零一七年十二月三十一日的148,881,000港元減少約29.2%至二零一八年十二月三十一日的約105,339,000港元。於二零一八年十二月三十一日，應收貸款主要包括應收按揭貸款、應收有抵押貸款及應收個人貸款。

Management Discussion and Analysis

管理層討論及分析

DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

The Group's deposits, prepayments and other receivables increased by approximately HK\$2,636,000 or 15.3% from approximately HK\$17,260,000 as at 31 December 2017 to approximately HK\$19,896,000 as at 31 December 2018, primarily due to more trade deposits were placed to our suppliers to purchase raw materials and finished goods.

按金、預付款及其他應收款項

本集團的按金、預付款及其他應收款項增加約2,636,000港元或15.3%，由二零一七年十二月三十一日的約17,260,000港元增加至二零一八年十二月三十一日的約19,896,000港元，主要由於我們為購買原材料及製成品而向供應商支付的貿易按金增加。

TRADE AND BILLS PAYABLES

The following table set out a summary of the Group's trade and bills payables balances as at respective financial position dates below:

貿易應付款項及應付票據

下表載列本集團於下列各財務狀況日期的貿易應付款項及應付票據結餘概要：

		As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付款項	9,227	23,044
Bills payables	應付票據	11,046	14,351
		20,273	37,395
Trade payables turnover day	貿易應付款項週轉天數	21	37

The Group's trade and bills payables decreased by approximately HK\$17,122,000 or 45.8% from approximately HK\$37,395,000 as at 31 December 2017 to approximately HK\$20,273,000 as at 31 December 2018. The trade payables turnover day decreased from 37 days as at 31 December 2017 to 21 days as at 31 December 2018.

本集團的貿易應付款項及應付票據減少約17,122,000港元或45.8%，由二零一七年十二月三十一日的約37,395,000港元減少至二零一八年十二月三十一日的約20,273,000港元。貿易應付款項週轉天數由二零一七年十二月三十一日的37天減少至二零一八年十二月三十一日的21天。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, pledged bank deposits and cash and bank balances amounted to approximately HK\$155,911,000 (2017: HK\$171,332,000). Total interest-bearing borrowings of the Group as at 31 December 2018 was approximately HK\$1,071,000 (2017: HK\$699,000), of which approximately HK\$218,000 (2017: HK\$325,000) would be repayable within one year and all the remaining interest-bearing borrowings of approximately HK\$853,000 (2017: HK\$374,000) would be repayable after one year. The current ratio of the Group was approximately 6.85 (2017: 5.08).

GEARING RATIO

The gearing ratio of the Group, calculated as total interest-bearing borrowings over total equity, was approximately 0.3% as at 31 December 2018 (2017: 0.2%).

CHARGE ON ASSETS

As at 31 December 2018, the Group's time deposits of HK \$3,314,000 (2017: HK\$4,522,000) and nil (2017: HK \$2,074,000) were pledged as securities for the Group's bills payables and banking facilities respectively. Buildings and land with net carrying value of approximately HK\$5,874,000 (2017: HK\$6,653,000) were pledged as securities for the Group's bills payables.

CONTINGENT LIABILITIES

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

流動資金及財務資源

於二零一八年十二月三十一日，已抵押銀行存款及現金以及銀行結存為約155,911,000港元（二零一七年：171,332,000港元）。本集團於二零一八年十二月三十一日的計息借貸總額為約1,071,000港元（二零一七年：699,000港元），其中約218,000港元（二零一七年：325,000港元）須於一年內償還，及所有餘下計息借貸約853,000港元（二零一七年：374,000港元）須於一年後償還。本集團的流動比率為約6.85（二零一七年：5.08）。

資產負債比率

本集團於二零一八年十二月三十一日的資產負債比率（按計息借貸總額除以總股本計算）約為0.3%（二零一七年：0.2%）。

資產抵押

於二零一八年十二月三十一日，本集團的定期存款3,314,000港元（二零一七年：4,522,000港元）及零港元（二零一七年：2,074,000港元）已予抵押，分別作為本集團的應付票據及銀行融資的擔保。賬面淨值約5,874,000港元（二零一七年：6,653,000港元）的樓宇及土地已抵押作為本集團應付票據的擔保。

或然負債

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（二零一七年：無）。

Management Discussion and Analysis

管理層討論及分析

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

FOREIGN EXCHANGE EXPOSURE

The Group derives the majority of its revenue in US\$ while substantial portion of our costs are denominated in Renminbi ("RMB"). Appreciation of RMB against US\$ will therefore directly decrease the profit margin of the Group if the Group is unable to increase the selling prices of its products accordingly. If the Group increases the selling prices of its products as a result of the appreciation of RMB, it may in turn affect the Group's competitiveness against its other business competitors. To the extent that the Company needs to convert future financing into RMB for the Group's operations, appreciation of the RMB against the relevant foreign currencies would have an adverse effect on the purchasing power of the RMB amount that the Company would receive from the conversion.

The exchange rates between RMB and US\$ are subject to changes in the PRC Government's policies and global political and economic conditions.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and affiliated companies during the year ended 31 December 2018.

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故在整個回顧期內維持健康的流動資金狀況。本集團致力透過進行持續的信貸評估及評估其客戶的財務狀況以降低信貸風險。為管理流動資金風險，董事會緊密監察本集團的流動資金狀況，以確保本集團的資產、負債及其他承擔的流動資金結構可應付其不時的資金需求。

外匯風險

本集團得到的大部分收入為美元，而其中絕大部分成本以人民幣（「人民幣」）計值。因此，倘人民幣兌美元升值，而本集團無法相應調高產品售價，將直接降低本集團的毛利率。倘本集團因人民幣升值而調高產品售價，則可能影響本集團的競爭力，以致不及其他業務競爭對手。由於本公司需要將未來融資兌換成人民幣以供本集團營運之用，人民幣兌相關外幣升值將對本公司兌換而來的人民幣款項的購買力造成不利影響。

人民幣與美元之間的匯率受中國政府政策及全球政治及經濟狀況轉變影響。

重大收購或出售附屬公司及聯屬公司

於截至二零一八年十二月三十一日止年度，本集團並無重大收購或出售附屬公司及聯屬公司。

Management Discussion and Analysis

管理層討論及分析

POSSIBLE ACQUISITION OF PRIOR SECURITIES LIMITED AND PRIOR ASSET MANAGEMENT LIMITED

On 25 January 2017, the Group entered into two sale and purchase agreements (as supplemented and amended) thereof (the “Agreements”) with a vendor in relation to the acquisition (the “Acquisition”) of the entire share capital of Prior Securities Limited and Prior Asset Management Limited.

The conditions precedent pursuant to the Agreements were not fulfilled or satisfied by 31 July 2018, being the long stop date of the Agreements, therefore the Acquisition was not completed and the Agreements were automatically terminated.

The amount of HK\$5,000,000 which represented payments of non-refundable deposit for the Acquisition was forfeited after the termination of the Agreements. The forfeiture of the non-refundable deposit was reflected in this annual result for the year ended 31 December 2018.

THE SUBSCRIPTION AND THE USE OF PROCEEDS

As disclosed in the joint announcement issued by the Company and New Seres CEFC Investment Fund LP (“New Seres”) dated 15 February 2017 (the “Joint Announcement”) and the circular of the Company dated 10 April 2017 (the “Circular”), the Company entered into an agreement with New Seres on 26 January 2017 in relation to the subscription of 860,000,000 new shares in the Company by New Seres (the “Subscription”). The Subscription was completed on 2 May 2017, raising net proceeds of approximately HK\$195,720,000. Set out below are the details of the utilisation of the net proceeds from the Subscription during the financial year ended 31 December 2018:

昇悅證券有限公司與昇悅資產管理有限公司的可能收購

於二零一七年一月二十五日，本集團與一位賣方訂立兩份買賣協定（經補充及修訂）（「該等協議」），內容有關收購（「收購事項」）昇悅證券有限公司及昇悅資產管理有限公司的全部股本。

根據該等協議，先決條件於二零一八年七月三十一日（為該等協議的最長終止日期）尚未履行或滿足，因此收購事項並未完成，該等協議自動終止。

5,000,000港元款項指收購事項的不可退還按金付款，已於該等協議終止後被沒收。被沒收不可退還按金已在截至二零一八年十二月三十一日止年度的全年業績中反映。

認購及所得款項用途

如本公司與New Seres CEFC Investment Fund LP（「New Seres」）發佈的日期為二零一七年二月十五日的在聯合公告（「聯合公告」）及本公司日期為二零一七年四月十日的通函（「通函」）所披露，本公司與New Seres於二零一七年一月二十六日訂立一份協議，內容有關由New Seres認購本公司860,000,000股新股份（「認購事項」）。認購事項於二零一七年五月二日完成，募集款項淨額約195,720,000港元。以下載列於截至二零一八年十二月三十一日止財政年度認購事項所得款項淨額的使用詳情：

Management Discussion and Analysis

管理層討論及分析

		Intended use of the net proceeds as disclosed in the Joint Announcement and the Circular 聯合公告及 通函所披露 所得款項淨額 的計劃用途 HK\$'000 千港元	Actual use of the net proceeds up to 31 December 2018 截至二零一八年 十二月三十一日 所得款項淨額 的實際用途 HK\$'000 千港元	Unutilised net proceeds as at 31 December 2018 於二零一八年 十二月三十一日 已動用所得 款項淨額 HK\$'000 千港元
(i) for the development of the loan financing business of the Group including but not limited to:	(i) 發展本集團貸款融資業務，包括但不限於：			
— the provision of loans of larger principal amount and longer term (e.g. mortgage loans)	— 提供高額本金及長期貸款（如按揭貸款）	103,432	117,600	Over-utilised of HK\$14,168 (Note 1) 超額動用 14,168 港元（附註1）
— the expansion of sales and customer service team and the overheads for the loan financing business	— 銷售與客戶服務團隊的擴張，及貸款融資業務的開支	9,000	3,199	5,801 (Note 1) （附註1）
— the marketing campaign for the loan financing business	— 貸款融資業務的營銷活動	5,000	802	4,198 (Note 1) （附註1）
(ii) for the development of the securities and asset management business of the Group including but not limited to:	(ii) 本集團的證券及資產管理業務的發展，包括但不限於：			
— the settlement of the outstanding consideration for the Acquisition	— 收購事項未支付代價的結算	28,900	3,000	25,900 (Note 2 and 3) （附註2及3）
— the business development of Prior Securities and Prior Asset	— 昇悅證券與昇悅資產的業務發展	11,388	—	11,388 (Note 3) （附註3）
— the grant of securities margin financing loans	— 融資融券融資貸款	38,000	—	38,000 (Note 3) （附註3）
		195,720	124,601	71,119

Management Discussion and Analysis

管理層討論及分析

Notes:

1. As the development of the financing business has exceeded expectation, no significant additional expenses were expected to be incurred on expansion of sales and customer service team and marketing campaign, and the unutilised proceeds as at 31 December 2018 had accordingly been used principally towards provision of loans to clients.
2. Up to 31 December 2018, the amount of HK\$3,000,000 was utilised which represented payment of the second non-refundable deposit for the Acquisition in accordance with the terms of the Agreements.
3. As disclosed in the paragraph headed "POSSIBLE ACQUISITION OF PRIOR SECURITIES LIMITED AND PRIOR ASSET MANAGEMENT LIMITED" above, the Acquisition was not completed and the Agreements were automatically terminated. The unutilised proceeds, amounting to HK\$75,288,000, which was originally allocated for the development of the securities and asset management business (including the Acquisition), shall be retained by the Group for its future acquisition(s) and business development and/or working capital purposes.

CAPITAL COMMITMENTS

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2018, the Group had a total of 332 employees (2017: 339 employees). Total staff costs (including Directors' emoluments) were approximately HK\$76,044,000, as compared to approximately HK\$82,141,000 for the year ended 31 December 2017. Remuneration is determined with reference to market norms as well as individual employees' performance, qualification and experience.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2018 (31 December 2017: nil).

FINAL DIVIDEND

The Board of Directors did not recommend any payment of a final dividend for the year ended 31 December 2018.

EVENTS AFTER THE REPORTING DATE

There are no important subsequent events which would materially affect the Company or the Group after 31 December 2018 and up to the date of this report.

附註：

1. 由於融資業務的發展已超出預期，銷售與客戶服務團隊的擴張及營銷活動預計不會產生重大額外費用，因此於二零一八年十二月三十一日已動用所得款項主要應用於向客戶提供貸款。
2. 直至二零一八年十二月三十一日，動用的3,000,000港元指根據該等協議的條款支付收購事項的第二筆不可退還按金。
3. 如上文「昇悅證券有限公司與昇悅資產管理有限公司的可能收購」一段所披露，收購事項並未完成，該等協議自動終止。未動用所得款項75,288,000港元，原定分配至發展證券及資產管理業務（包括收購事項），須由本集團保留作未來收購及業務發展及／或營運資本用途。

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資本承擔（二零一七年：無）。

僱員及薪酬政策

於二零一八年十二月三十一日，本集團共有332名僱員（二零一七年：339名僱員）。總員工成本（包括董事酬金）為約76,044,000港元，而截至二零一七年十二月三十一日止年度約82,141,000港元。酬金乃參照市場標準及個別僱員的表現、資歷及經驗釐定。

日後重大投資計劃或資本資產

於二零一八年十二月三十一日概無具體的重大投資計劃或資本資產（二零一七年十二月三十一日：無）。

末期股息

董事會不建議派付截至二零一八年十二月三十一日止年度的末期股息。

報告日期後事項

於二零一八年十二月三十一日後直至本報告日期，概無重大後續事項會對本公司或本集團屬重大。

Corporate Governance Report

企業管治報告

The Board is pleased to present the corporate governance report for the year ended 31 December 2018.

CORPORATE GOVERNANCE CODE

The Company has complied with the principles and applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year. The Board will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards. The terms of reference of the Board committees have been posted on the Company’s and the Stock Exchange’s websites.

CORPORATE GOVERNANCE STRUCTURE

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are four committees, namely Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in the Appendix 10 of the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. The Company has confirmed, having made specific enquiry with each of the Directors (except Mr. WANG Zhou who could not be contacted to make the confirmation), that all the Directors have complied with the Model Code throughout the year.

董事會欣然呈報截至二零一八年十二月三十一日止年度的企業管治報告。

企業管治守則

本公司已於全年一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企管守則」）的原則及適用守則條款。董事會將不時檢討及更新該等常規，以確保遵守法定及商業標準。各董事會委員會的職權範圍已刊載於本公司及聯交所網站。

企業管治架構

董事會主要負責制定策略、監管執行及管理本集團的風險。與此同時，其亦有責任提高本集團企業管治常規的效率。董事會下設四個委員會，即審核委員會、薪酬委員會、提名委員會及企業管治委員會。所有該等委員會根據彼等各自職權範圍條款履行彼等不同職能並協助董事會監管高級管理層的若干職能。

董事之證券交易

本公司已採納上市規則附錄十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的行為守則。本公司經各董事（除了王洲先生無法與其聯繫以進行確認外）作出特定查詢後確認，所有董事全年已遵守標準守則。

Corporate Governance Report

企業管治報告

DIRECTORS AND OFFICERS LIABILITY INSURANCE

Promoting good corporate governance and managing enterprise-wide risk is a priority of the Company. The Company is convinced that corporate governance and Directors and Officers Liability Insurance (the “D&O Insurance”) complement each other. The Company has arranged appropriate D&O Insurance coverage on Directors’ and officers’ liabilities in respect of legal actions against the Directors and senior management arising out from corporate activities. The D&O Insurance will be reviewed and renewed annually.

THE BOARD AND BOARD COMMITTEES

As at the date of this report, the Board comprises 9 Directors and their respective roles are set out as follows:

EXECUTIVE DIRECTORS

GUO Lin (*Chairman*)
JIANG Mingsheng
JIANG Tianqing
Hubert TIEN
LIU Chun Fai
Zhang Yu (resigned on 9 July 2018)
WANG Zhou (vacated on 8 March 2019)

Mr. Zhang resigned as a Director on 9 July 2018 due to his other business commitments. He has no disagreement with the Board and does not have any matter in relation to his resignation that should be brought to the attention of the Company.

The office of Mr. Wang as an executive Director has been vacated on 8 March 2019 by resolution of the Board. To the best of the Directors’ (except Mr. Wang’s) knowledge, information and belief and having made all reasonable enquiries, the Board is not aware of any disagreement between Mr. Wang and the Board or any matters that need to be brought to the attention of the shareholders of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

LU Hongbing
TANG Shu Pui Simon
HON Ming Sang
WU Fei (appointed on 15 February 2018)

董事及主管責任保險

促進本公司良好企業管治及管理企業整體風險乃本公司之首要事務。本公司相信，企業管治以及董事及主管責任保險（「董事及主管責任保險」）可相輔相成。本公司已安排適當之董事及主管責任保險，以涵蓋董事及高級管理層就企業活動而產生對董事及主管之法律訴訟責任。董事及主管責任保險將會每年檢討及續期。

董事會及董事委員會

於本報告日期，董事會由九名董事組成及彼等各自職能載列如下：

執行董事

郭林（主席）
姜明生
蔣恬青
田曉勃
廖晉輝
張宇（於二零一八年七月九日辭職）
王洲（於二零一九年三月八日離任）

張先生因其他業務承擔於二零一八年七月九日辭任董事。彼與董事會並無任何意見分歧，亦無任何有關其辭任之事宜應敦請本公司垂注。

王先生已於二零一九年三月八日經董事會決議離任執行董事職位。就董事（王先生除外）所知、所悉及所信，並經作出一切合理查詢後，董事會並不知悉王先生與董事會之間存在任何分歧或任何事項需敦請本公司股東垂注。

獨立非執行董事

呂紅兵
鄧樹培
韓銘生
吳飛（於二零一八年二月十五日獲委任）

Corporate Governance Report

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BOARD MEETINGS AND GENERAL MEETINGS

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

The Company held nine Board meetings and one annual general meeting (“AGM”) and nil extraordinary general meetings (“EGM”) throughout the year. During the year, the chairman held two meetings with the independent non-executive Directors without the presence of other Directors.

The attendance records of individual Director are set out as follows:

董事會會議及股東大會

董事會定期召開會議審閱及批准財務及經營表現，並考慮及批准本公司的整體策略及政策。於須討論及議決重大事件或重大問題時將舉行額外會議。

全年本公司已舉行九次董事會會議、一次股東週年大會（「股東週年大會」）及並無舉行任何股東特別大會（「股東特別大會」）。於本年度，主席與獨立非執行董事舉行兩次會議，而無其他董事出席。

各董事的出席記錄乃載列如下：

		Number of Board meetings attended/ eligible to attend 董事會會議出席/合資格出席次數	Number of AGM attended/ eligible to attend 股東週年大會出席/合資格出席次數	Number of EGM attended/ eligible to attend 股東特別大會出席/合資格出席次數
EXECUTIVE DIRECTORS:	執行董事：			
Mr. GUO Lin (Chairman)	郭林先生 (主席)	9/9	0/1	0/0
Mr. JIANG Mingsheng	姜明生先生	7/9	0/1	0/0
Mr. JIANG Tianqing	蔣恬青先生	8/9	0/1	0/0
Mr. Hubert TIEN	田曉勃先生	5/9	0/1	0/0
Mr. LIU Chun Fai	廖晉輝先生	9/9	1/1	0/0
Mr. ZHANG Yu (resigned on 9 July 2018)	張宇先生 (於二零一八年七月九日辭任)	2/2	1/1	0/0
Mr. WANG Zhou (vacated on 8 March 2019*)	王洲先生 (於二零一九年三月八日離任*)	0/9	0/1	0/0
INDEPENDENT NON-EXECUTIVE DIRECTORS:	獨立非執行董事：			
Mr. LU Hongbing	呂紅兵先生	6/9	0/1	0/0
Mr. TANG Shu Pui, Simon	鄧澍培先生	9/9	1/1	0/0
Mr. HON Ming Sang	韓銘生先生	8/9	1/1	0/0
Mr. WU Fei (appointed on 15 February 2018)	吳飛先生 (於二零一八年二月十五日獲委任)	6/8	0/1	0/0

* pursuant to the Company's announcement dated 8 March 2019, Mr. WANG Zhou has been vacated from his office as an executive Director on 8 March 2019.

* 根據本公司於二零一九年三月八日之公告，王洲先生已於二零一九年三月八日離任執行董事之職位。

Corporate Governance Report

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Duties of the Board and Management

Duties of the Board

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but not limited to formulating the Group's business strategies, reviewing the Group's financial performance and results, deciding all significant financial and operational issues and monitoring, reviewing the Group's internal control system and corporate governance; and all other functions reserved to the Board under the Company's articles of association (the "Articles").

Duties of the Management

In addition, the Board delegates to the Group's management certain functions including (i) the implementation of general daily operation and strategies approved by the Board; (ii) the implementation of internal control procedures; and (iii) ensuring compliance with relevant requirements and other rules and regulations.

Pursuant to Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed four independent non-executive Directors. All of them have appropriate professional qualifications or accounting or related financial management expertise.

The Board members have no financial, business, family or other material/relevant relationships with each other. All the Directors carry out their duties in good faith and in compliance with applicable laws and regulations, making decisions objectively and acting in the interests of the Company and its shareholders at all times.

The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Board considers them independent.

Biographies of all Directors are listed in the section headed "Biographical Details of Directors and Senior Management" set out on pages 9 to 15.

董事會及管理層的職責

董事會職責

董事會主要負責監督及監管管理本集團的業務事宜及整體表現。董事會制定本集團的價值及標準並確保為本集團安排所需財務及人力資源以實現其目標。董事會履行的職能包括但不限於制定本集團的業務策略、審核本集團的財務表現及業績、決定所有重大財務及經營問題以及監管、檢討本集團的內部監控系統及企業管治；及本公司組織章程細則（「細則」）下所保留董事會的所有其他職能。

管理層職責

此外，董事會授權本集團管理層的若干職能，包括(i)實施一般日常經營和經董事會批准的策略；(ii)執行內部監控程序；(iii)及確保遵守相關規定以及其他規則及規例。

根據上市規則第3.10(1)及3.10(2)條，本公司已委任四名獨立非執行董事。所有獨立非執行董事具備適當專業資格或會計或相關財務管理專長。

董事會成員彼此間並無財務、業務、家族或其他重大／相關關係。全體董事均時刻本著真誠態度並遵守適用法律及法規履行職責，並客觀地作出決策及以本公司及股東的利益為依歸行事。

本公司接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出年度確認，董事會已認可彼等的獨立性。

所有董事的履歷乃列於第9頁至第15頁「董事及高級管理層履歷」一節詳情。

Corporate Governance Report

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DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

According to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director is provided with a comprehensive induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant laws, rules and regulations.

The development and training of Directors are an ongoing process so that the Directors can perform their duties appropriately. The Directors are provided with periodic updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, the Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure that they continue to make contribution to the Board in an informed and relevant manner.

The chart below summarises the participation of each of the Directors in continuous professional development during the year ended 31 December 2018 and up to the date of this report is summarised as follows:

董事持續專業發展

根據企業管治守則的守則條文A.6.5，所有董事均須參與持續專業進修，以提高及更新其知識及技能，從而確保繼續在全面知悉及切合所需的情況下向董事會作出貢獻。

每名新獲委任董事均獲提供全面之就任須知及資料，以確保彼適當了解本公司之營運及業務以及彼於相關法律、規則及規定下之職責。

本公司持續提供董事發展及培訓，以使董事能夠適當履行職責。本公司定期向董事提供有關本公司表現、狀況及前景之最新資料，以便董事會及每名董事履行其職責。此外，本公司鼓勵全體董事參與持續專業發展，以提升及更新彼等之知識及技能，從而確保彼等繼續對董事會作出知情及相關貢獻。

下表概述各董事截至二零一八年十二月三十一日止年度及直至本報告日期參與持續專業發展的情況：

Name of director		Participated in continuous professional development*
董事姓名		參與持續專業發展*
Executive Directors	執行董事	
GUO Lin	郭林	√
JIANG Mingsheng	姜明生	√
JIANG Tianqing	蔣恬青	√
Hubert TIEN	田曉勃	√
LIU Chun Fai	廖晉輝	√
ZHANG Yu	張宇	√
WANG Zhou [#]	王洲 [#]	—

[#] Since Mr. Wang Zhou could not be contacted, the Company was not provided with a record of his continuous professional development.

[#] 因無法與王洲先生聯繫，本公司並未獲提供其持續專業發展的紀錄。

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Participated in
continuous professional
development*
參與持續專業發展*

Name of director

董事姓名

Independent non-executive directors

獨立非執行董事

LU Hongbing

呂紅兵

√

TANG Shu Pui Simon

鄧澍焙

√

HON Ming Sang

韓銘生

√

WU Fei

吳飛

√

* Attend seminars/conferences/forums/briefings/workshops/programmes; and/or read materials relevant to the business, director's duties, corporate governance or regulatory updates, etc.

* 出席與業務、董事職責、企業管治或最新監管規定相關之研討會／座談會／論壇／簡介會／工作坊／課程；及／或閱讀相關之刊物

CHAIRMAN, CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICER

主席，首席執行官及副首席執行官

Mr. GUO Lin, the chairman, has provided leadership for the Board and ensures that the Board works effectively and that all important issues are discussed in a timely manner.

主席郭林先生領導董事會以及確保董事會有效運作及所有重要事項均適時討論。

Mr. ZHANG Yu (resigned on 9 July 2018), and after the resignation of Mr. ZHANG Yu, Mr. CHEUNG Ka Lung, Savio, each of whom was/is in charge of the office of the chief executive officer, was/is responsible for managing the Company's day-to-day businesses and implementing major strategies and policies of the Company. The positions of the chairman, the chief executive officer and the deputy chief executive officer are held by separate individuals so as to maintain an effective segregation of duties.

張宇先生（於二零一八年七月九日辭職）及張家龍先生（於張宇先生辭職後），各人均曾經／現在擔任首席執行官的職務，負責管理本公司日常業務及推行本公司主要策略及政策。主席、首席執行官及副首席執行官由不同人士擔任，以維持有效職能分工。

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APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors and independent non-executive Directors has entered into a service contract or a letter of appointment (as the case may be) with the Company for a period of three years. All Directors are subject to retirement by rotation at least once every three years and are eligible for election in accordance with the Articles. A new Director is subject to re-election by the shareholders at the first general meeting after his or her appointment in accordance with the Articles.

In accordance with the Articles, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and being eligible offer themselves for re-election provided that every Director shall be subject to the retirement by rotation at least once every three years.

REMUNERATION COMMITTEE

The Board established the Remuneration Committee on 22 November 2013. The Remuneration Committee currently consists of two executive Directors, namely Mr. GUO Lin and Mr. JIANG Tianqing; and three independent non-executive Directors, namely, Mr. LU Hongbing, Mr. TANG Shu Pui Simon and Mr. HON Ming Sang. Mr. LU is the chairman of the Remuneration Committee.

The main duties of the Remuneration Committee include, among others:

- formulating remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, time commitment, employment conditions, and responsibilities, and individual performance of the Directors, senior management, and the general staff; and
- ensuring none of the Directors determine their own remuneration.

委任及重選董事

各執行董事及獨立非執行董事已與本公司訂立服務合約或委任函（視情況而定），為期三年。所有董事須至少每三年輪值退任一次，並符合資格按照細則選舉。按照細則，新董事須於其獲委任後的首次股東大會上由股東重選。

根據細則，三分之一的董事須輪值退任或（倘彼等數目非三名或三之倍數）最接近數目但不少於三分之一將退任並合資格膺選連任，惟各董事須至少每三年輪值退任一次。

薪酬委員會

董事會已於二零一三年十一月二十二日成立薪酬委員會。薪酬委員會現時包括兩名執行董事，即郭林先生及蔣恬青先生，以及三名獨立非執行董事，即呂紅兵先生、鄧澍焙先生及韓銘生先生。呂先生為薪酬委員會主席。

薪酬委員會的主要職責包括（其中包括）：

- 制定薪酬政策供董事會批准，薪酬政策將考慮若干因素，例如可資比較公司所付薪金、彼等投放的時間、聘用條件及職責，以及董事、高級管理及普通員工的個別表現；及
- 確保概無董事釐定彼等自身薪酬。

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Throughout the year, one meeting of the Remuneration Committee was held to, amongst others, review and approve the remuneration packages of the Directors and senior management of the Company. The attendance records of individual committee members are as follows:

	Number of meeting attended/eligible to attend		出席／合資格 出席會議次數
GUO Lin	1/1	郭林	1/1
JIANG Tianqing (appointed to the Remuneration Committee on 9 July 2018)	0/0	蔣恬青 (於二零一八年七月九日獲委任 至薪酬委員會)	0/0
LU Hongbing	1/1	呂紅兵	1/1
TANG Shu Pui Simon	1/1	鄧澍焙	1/1
HON Ming Sang	1/1	韓銘生	1/1
ZHANG Yu (resigned on 9 July 2018)	0/1	張宇 (於二零一八年七月九日辭任)	0/1

During the year, the Remuneration Committee performed the following work:

- provided the recommendation to the Board with respect to the remuneration of Mr. WU Fei;
- reviewed the performance of the Directors and senior management, and made recommendations as to their discretionary bonus and remuneration package;
- reviewed the remuneration policy and annual bonus policy; and
- after due consideration, made recommendations in respect of above reviews to the Board for approval.

全年已舉行一次薪酬委員會會議(其中包括)審核及批准本公司董事及高級管理層的薪酬待遇。個別委員會成員的出席記錄如下:

於本年度, 薪酬委員會已履行以下工作:

- 就獨立非執行董事吳飛先生的任命, 向董事會提薪酬建議;
- 檢討董事及高級管理層的表現, 並建議彼等之酌情花紅及薪酬組合;
- 檢討薪酬政策及年度花紅政策; 及
- 經過充分考慮後, 就上述檢討向董事會提出建議以供審核。

NOMINATION COMMITTEE

The Board established the Nomination Committee on 22 November 2013. The Nomination Committee currently consists of two executive Directors, namely Mr. GUO Lin and Mr. JIANG Tianqing and three independent non-executive Directors, namely, Mr. LU Hongbing, Mr. TANG Shu Pui Simon and Mr. HON Ming Sang. Mr. GUO Lin is the chairman of the Nomination Committee.

提名委員會

董事會已於二零一三年十一月二十二日成立提名委員會。提名委員會現時包括兩名執行董事, 即郭林先生及蔣恬青先生, 以及三名獨立非執行董事即呂紅兵先生、鄧澍焙先生及韓銘生先生。郭林先生為提名委員會主席。

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The main duties of the Nomination Committee include, among others:

- reviewing the structure, size and composition of the Board;
- making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors; and
- identifying suitable and qualified individuals to join the Board.

Throughout the year, one meeting of the nomination committee was held and the attendance records of individual committee members are as follows:

	Number of Meetings attended/eligible to attend		出席／合資格 出席會議次數
GUO Lin	1/1	郭林	1/1
JIANG Tianqing (appointed to the Nomination Committee on 9 July 2018)	0/0	蔣恬青 (於二零一八年七月九日獲委任 至提名委員會)	0/0
LU Hongbing	1/1	呂紅兵	1/1
TANG Shu Pui Simon	1/1	鄧樹培	1/1
HON Ming Sang	1/1	韓銘生	1/1
ZHANG Yu (resigned on 9 July 2018)	1/1	張宇 (於二零一八年七月九日辭任)	1/1

During the year, the Nomination Committee performed the following work:

- provided the recommendation to the Board with respect to the appointment of Mr. Wu Fei;
- reviewed the confirmations of independence from the independent non-executive Directors;
- reviewed the nomination policy and board diversity policy;
- reviewed the re-election of the retiring Directors at the AGM of the Company held on 28 May 2018; and
- after due consideration, made recommendations in respect of above reviews to the Board for approval.

提名委員會的主要職責包括(其中包括):

- 審核董事會的架構、規模及組成;
- 就有關委任或重新委任董事向董事會提供建議; 及
- 物色合適及合資格人士加入董事會。

全年已舉行一次提名委員會會議及個別委員會成員的出席記錄如下:

於本年度, 提名委員會已履行以下工作:

- 就獨立非執行董事吳飛先生的任命, 向董事會提供建議;
- 審視獨立非執行董事作出的獨立性確認書;
- 審閱提名政策及董事會多元化政策;
- 審視於2018年5月28日舉行的股東週年大會上進行的退任董事重選; 及
- 經過充分考慮後, 就上述檢討向董事會提出建議以供審核。

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Nomination Policy

The Board has established a set of nomination policy setting out the approach to nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies. The criteria of nomination have been considered from a number of aspects, including but not limited to, skills, experience, qualifications and aspects as detailed in the board diversity policy.

During this year, the Company reviewed its nomination policy for a formal, considered and transparent procedure to help identifying and nomination of candidates for Directors. All valid nomination of candidates, accompanied with biographical details, would be presented to the Board for consideration. Consideration would be given to factors such as the candidate's integrity, experience and qualifications relevant to the Group's business. It is believed that members of the Nomination Committee collectively would have required relevant knowledge and skills to identify, invite and evaluate qualifications of nominated candidates for directorship.

The process of our appointment and re-election of Directors are as follows:

Potential new Directors are identified and considered for appointment at any time by the Board upon the recommendation of the Nomination Committee. Nomination Committee considers the candidates based on merit having regard to the knowledge, experience, skills and expertise as well as the overall board diversity which, in the opinion of the Directors, will enable them to make positive contributions on the performance of the Board and makes recommendations to the Board as appropriate. Emoluments of new Directors will be considered by the Remuneration Committee.

Newly appointed members by the Board to fill a casual vacancy on the Board is subject to re-election by shareholders at the first general meeting after their appointment or as addition to the existing Board is subject to re-election by Shareholders at the first AGM after their appointment. All executive Directors and independent non-executive Directors are subject to re-election by shareholders every three years.

董事會提名政策

董事會已制定董事會提名政策，載列董事會提名適當人選，以供董事會考慮及向股東推薦於股東大會上選任為董事，或供董事會委任為董事以填補臨時空缺。適當人選從多個層面加以考慮，包括但不限於技能、經驗、專業、資質及詳列於董事會成員多元化政策的其他層面。

於本年內，本公司已審閱其提名委員會政策，以一套正式、經考慮及透明的程序助於識別及提名董事的候選人。所有候選人之合資格提名連同彼等詳細履歷，將提呈董事會以供審閱。審閱會就候選人之品格、與本集團業務相關之經驗及資歷等因素作出考慮。本公司相信提名委員會成員均擁有相關之知識及技能，以物色、邀請及評估獲名候選人作為董事之資格。

委任新董事及重新委任的程序如下：

董事會於提名委員會建議後隨時識別潛在新董事及考慮委任。提名委員會根據董事認為其知識、經驗、技能及專長以及整體董事會多元化將令彼等對董事會之表現作出積極貢獻的優點考量候選人，並於適當時向董事會提供推薦意見。新董事之薪酬將由薪酬委員會考慮。

由董事會新委任以填補董事會臨時空缺的成員須於其委任後的首次股東週年大會由股東重選，或作為現有董事會新增成員須於其委任後的首次股東週年大會由股東重選。所有執行董事及獨立非執行董事須每三年由股東重選。

Corporate Governance Report

企業管治報告

Board Diversity Policy

The Board has established a set of board diversity policy setting out the approach to achieve diversity on the Board with the aims of enhancing Board's effectiveness and corporate governance as well as achieving our business objectives and sustainable development. Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, required expertise, skills, knowledge and length of service.

The current Board consists of a diverse mix of Board members appropriate to the business needs of the Company, which is briefly set out below:

Designation	Executive Director Independent non-executive Director
Skills, knowledge and professional experience ^(Note)	Corporate Management Business Investment Banking Accounting Manufacturing & Trading Legal Finance Financial Management Compliance Teaching Scholar
Academic background	Bachelor's degree Master's degree Professor grade

Note: Directors may possess multiple skills, knowledge and professional experience.

董事會多元化政策

董事會已制定董事會多元化政策，載列令董事會達致多元化之方針，旨在提升董事會效率及企業管治，實現業務目標及可持續發展。董事會成員多元化從多個層面加以考慮，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、所需專才、技能、知識及服務年期。

董事會目前由多元化董事會成員組成，切合本公司的業務需要，概括如下：

委任	執行董事 獨立非執行董事
技能、知識及專業經驗 ^(附註)	企業管理 商業投資 銀行 會計 生產及貿易 法律 金融 金融管理 合規 授課學者
學歷背景	學士學位 碩士學位 教授級

附註：董事或擁有多項技能、知識及專業經驗。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE COMMITTEE

The Board established the Corporate Governance Committee on 22 November 2013. The Corporate Governance Committee currently consists of two executive Directors, namely Mr. GUO Lin and Mr. JIANG Tianqing, and three independent non-executive Directors, namely, Mr. LU Hongbing, Mr. TANG Shu Pui Simon and Mr. HON Ming Sang. Mr. GUO Lin is the chairman of the Corporate Governance Committee.

The main duties of the Corporate Governance Committee include, among others:

- developing and reviewing the Group's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- reviewing the Group's compliance with the CG Code and disclosure in the Corporate Governance Report.

企業管治委員會

董事會已於二零一三年十一月二十二日成立企業管治委員會。企業管治委員會現時包括兩名執行董事，即郭林先生及蔣恬青先生，以及三名獨立非執行董事，即呂紅兵先生、鄧澍焙先生及韓銘生先生。郭林先生為企業管治委員會主席。

企業管治委員會的主要職責包括（其中包括）：

- 制定及檢討本集團的企業管治政策及常規並向董事會提供推薦建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本集團在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事適用的操守守則及合規手冊（如有）；及
- 檢討本集團遵守企管守則及披露企業管治報告。

Corporate Governance Report

企業管治報告

Throughout the year, one meeting of the Corporate Governance Committee was held and the attendance records of individual committee members are as follows:

全年已舉行一次企業管治委員會會議及個別委員會成員的出席記錄如下：

	Number of Meetings attended/eligible to attend		出席／合資格 出席會議次數
GUO Lin	1/1	郭林	1/1
JIANG Tianqing (appointed to the Corporate Governance Committee on 9 July 2018)	0/0	蔣恬青 (於二零一八年七月九日獲委任 至企業管治委員會)	0/0
LU Hongbing	1/1	呂紅兵	1/1
TANG Shu Pui Simon	1/1	鄧澍焙	1/1
HON Ming Sang	1/1	韓銘生	1/1
ZHANG Yu (resigned on 9 July 2018)	1/1	張宇 (於二零一八年七月九日辭任)	1/1

During the year, the Corporate Governance Committee performed the following work:

於本年度，企業管治委員會已履行以下工作：

- reviewed and monitored the policies and practices of the Group on corporate governance;
 - approved the Corporate Governance Report and Environmental, Social and Governance Report of the year 2017; and
 - after due consideration, made recommendations in respect of above reviews to the Board for approval.
- 檢討及監察本集團的企業管治政策及常規；
 - 審核二零一七年度之《企業管治報告》及《環境、社會及管治報告》；及
 - 經過充分考慮後，就上述檢討向董事會提出建議以供審核。

AUDIT COMMITTEE

The Board established the Audit Committee on 22 November 2013. The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. LU Hongbing, Mr. TANG Shu Pui Simon and Mr. HON Ming Sang. Mr. LU Hongbing is the chairman of the Audit Committee. The audited annual results of the Group for the year ended 31 December 2018 have been reviewed by the Audit Committee members who have provided advice and comments thereon.

審核委員會

董事會已於二零一三年十一月二十二日成立審核委員會。審核委員會現時包括三名獨立非執行董事，即呂紅兵先生、鄧澍焙先生及韓銘生先生。呂紅兵先生為審核委員會主席。本集團截至二零一八年十二月三十一日止年度的經審核年度業績已由審核委員會成員審閱且彼等已就此提供意見及建議。

The main duties of the Audit Committee include, among others:

審核委員會的主要職責包括（其中包括）：

- monitoring the integrity of the Company's financial statements, annual and interim financial reports, and to review significant financial reporting judgments and accounting policies contained therein;
- 監管本公司財務報表、年度及中期財務報告的完整性，並審閱其中所載重大財務申報判斷及會計政策；

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- satisfying themselves as to the effectiveness of the risk management and internal control systems of the Group and as to the adequacy of the external and internal audits;
 - making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor; and
 - reporting the findings and making recommendations to the Board on a regular basis.
- 促使本集團風險管理及內部監控系統的有效性以及外部與內部審核的充足性達到自己滿意的水平；
 - 負責向董事會就委任、重新委任及罷免外聘核數師提供推薦意見並批准外聘核數師的薪酬及委聘條款；及
 - 定期向董事會報告結果及提供推薦建議。

Throughout the year, two Audit Committee meetings were held to review and discuss with the management of the Company and the external auditor the accounting principles and practices adopted by the Group, as well as internal audit functions, internal controls and other financial reporting matters. The attendance records of individual committee members are set out below:

全年已舉行二次審核委員會會議以與本公司管理層及外聘核數師檢討及討論本集團採納的會計原則及常規，內部審核功能以及內部監控及其他財務申報事宜。個別委員會成員出席記錄乃載於下文：

	Number of Meetings attended/eligible to attend		出席／合資格 出席會議次數
LU Hongbing	2/2	呂紅兵	2/2
TANG Shu Pui Simon	2/2	鄧澍培	2/2
HON Ming Sang	2/2	韓銘生	2/2

During the year, the Audit Committee performed the following work:

於本年度，審核委員會已履行以下工作：

- reviewed the appointment and remuneration of BDO Limited as the Group's auditor;
 - reviewed the continuing connected transactions conducted by the Group;
 - reviewed the interim and annual financial statements, reports, and results announcement of the Group for the year prior to publication; and
 - after due consideration, made recommendations in respect of above reviews to the Board for approval.
- 檢討本集團核數師香港立信德豪會計師事務所有限公司的委任及薪酬；
 - 審查本集團進行的持續關連交易；
 - 於刊發前審閱本集團於本年度的中期及年度財務報表、報告及業績公告；及
 - 經過充分考慮後，就上述檢討向董事會提出建議以供審核。

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AUDITOR REMUNERATION

For the year ended 31 December 2018, remuneration payable to the auditor of the Group is approximately HK\$1,200,000 for audit services.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparation of the consolidated financial statements for the year ended 31 December 2018, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

The Directors were not aware of any material uncertainties which may affect the Company's business or cast significant doubt upon the Company's ability to continue as a going concern.

COMPANY SECRETARY

The Company has engaged and appointed Ms. WONG Ka Man, a representative from an external secretarial service provider, as the company secretary of the Company. The primary contact person with the company secretary of the Company is the deputy chief executive officer of the Company. Ms. Wong has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

In accordance with the Articles, shareholders holding not less than 10% of the paid up capital of the Company can convene an EGM by written requisition to the Board or the company secretary of the Company. In addition, shareholders can raise any questions relating to published information and latest strategic plan of the Group with the Directors. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Shareholders can also submit enquiries to the management and send proposals to be put forward at shareholders' meeting to the Board or senior management by sending e-mails to ir@cefcfi.com.hk.

核數師薪酬

截至二零一八年十二月三十一日止年度，就核數服務而應付予本集團核數師的薪酬約為1,200,000港元。

董事就財務報表的責任

董事知悉彼等編製截至二零一八年十二月三十一日止年度的綜合財務報表的責任，為真實及公平反映截至該日止年度的本公司事務狀況及本集團的業績及現金流量，並根據適當法定要求及會計標準按持續基準妥為編製。

董事並不知悉可能影響本公司業務或對本公司持續經營能力產生疑問的重大不確定因素。

公司秘書

本公司已委聘及委任黃嘉雯女士（外部秘書服務供應商代表）為本公司公司秘書。本公司公司秘書的主要聯繫人為本公司的副主席執行官。黃女士已妥為遵守上市規則第3.29條項下的相關專業培訓規定。

股東權利

根據細則，持有本公司繳足資本不少於10%的股東可透過向本公司董事會或公司秘書提交書面要求召開股東特別大會。此外，股東可向董事提出任何有關本集團公開資料及最新策略計劃的問題。本公司鼓勵股東出席該等大會或倘彼等不能出席大會可委派代表代其出席並於大會上投票。股東亦可發送電郵至 ir@cefcfi.com.hk 向管理層提出問題及向董事會或高級管理層提出於股東大會上提呈之建議。

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DIVIDEND POLICY

The Group has adopted a dividend policy setting out the principle and guidelines by the Group to apply declaration, payment or distribution of its net profits as dividends to the shareholders. The distribution of dividend will be considered and determined by the Board based on the Group's operating results, cash flow, financial position, business prospects, and statutory and regulatory restrictions relating to dividend distributions as well as other factors the Board considers appropriate.

INVESTOR RELATIONS

The Board recognises the importance of good communications with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and public investors.

The Company maintains various communication channels with its shareholders and the investment public to ensure that they are kept abreast of the Company's latest news and development. The Company updates its shareholders on its development, financial results and major events through its annual and interim reports. All published information is promptly uploaded to the website of the Company at www.cefcfi.com.hk.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2018, there is no change to the memorandum and articles of association of the Company, the latest version of which is available on both the websites of the Company and the Stock Exchange.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group highly values the importance of internal control and risk management for the smooth running of its business. The Board is responsible for maintaining a sound and effective risk management and internal control systems in order to safeguard the interests of the shareholders and the assets of the Company against unauthorised use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations.

股息政策

本集團已採納股息政策，其中載列本集團就向股東宣派、派付或派發其純利作為股息時擬應用的原則及指引。股息分派將由董事會根據本集團的經營業績、現金流量、財務狀況、業務前景，及與股息分派有關的法定及監管限制，以及董事會認為相關的其他因素考慮及釐定。

投資者關係

董事會深知與全體股東保持良好溝通的重要性。本公司相信維持高透明度乃為提升投資者關係的關鍵所在。本公司承諾向其股東及公眾投資者公開且及時地披露公司資料。

本公司透過不同渠道與股東及公眾投資者通訊，以確保彼等能獲悉本公司的最新資料及發展。本公司透過其年報及中期報告為其股東提供其發展、財務業績及重大事項的更新。所有刊登資料均會快速上傳至本公司網站 www.cefcfi.com.hk。

憲章文件

於截至二零一八年十二月三十一日止年度，本公司之組織章程大綱及細則並無變動，其最新之版本已載於本公司及聯交所網站。

風險管理及內部監控

本集團高度重視內部監控及風險管理對其業務順利營運的重要性。董事會負責維持健全有效的風險管理及內部監控系統以保障股東權益及本公司資產免受未授權使用或處置，確保保存適當賬簿及記錄以提供可靠財務資料及確保遵守相關規則及規例。

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The Corporate Governance Committee closely monitors the effectiveness of the Group's risk management and internal control systems and reports to the Board regularly. The Corporate Governance Committee shall report to the Board immediately once any non-compliance issues are noted.

During the year ended 31 December 2018, the Company has engaged an independent external assurance provider to perform the internal audit function, who is responsible for carrying out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems.

The Board has conducted an annual review of its risk management and internal control systems for the year ended 31 December 2018, which covered relevant financial operational, compliance control and risk management function by reviewing the reports issued by the independent external assurance provider. The annual review also considered the adequacy of resources, qualifications and experience of staff of the accounting as well as financial reporting function.

The Board is of the view that the Group's risk management and internal control systems are effective and adequate. The Board will continue to assess the effectiveness of its risk management and internal control systems by considering reviews and recommendations made by the Corporate Governance Committee and senior management.

PROCEDURES AND INTERNAL CONTROLS FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

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

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong;

企業管治委員會緊密監控本集團風險管理及內部監控系統的有效性並定期向董事會報告。企業管治委員會在注意到任何不合規問題後將立刻向董事會報告。

截至二零一八年十二月三十一日止年度，本公司委託了一家獨立的外部保證提供者執行內部審核功能，負責對本集團的風險管理及內部監控系統的足夠性和有效性作出分析及獨立評估。

董事會已就截至二零一八年十二月三十一日止年度的風險管理及內部監控系統（涵蓋相關財務、運營、合規控制及風險管理職能）進行年度審閱，審閱了由獨立外部保證提供者出具的報告。年度審閱亦考慮資源是否充足、會計工作人員的資質及經驗以及財務報告職能。

董事會認為本集團的風險管理及內部監控系統為有效及充分。董事會將通過考慮企業管治委員會及高級管理層的觀點及所作建議，繼續評估內部風險管理及監控系統的有效性。

處理及發佈內幕消息之程序及內部監控措施

本集團確認其根據香港法例第571章證券及期貨條例及上市規則所應履行之責任，整體原則是凡涉及內幕消息，必須在有所決定後即時公布。處理及發佈內幕消息之程序及內部監控措施如下：

- 本集團處理事務時會充分考慮上市規則項下之披露規定以及香港證券及期貨事務監察委員會發表之「內幕消息披露指引」；

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- the Group regulates the handling and dissemination of inside information to ensure inside information remains confidential until the disclosure of such information is appropriately approved. Inside information is restricted to relevant parties on a need-to-know basis so as to ensure confidentiality;
 - the Group strictly prohibits unauthorised use of confidential or inside information;
 - the Group has also implemented procedures to guard against possible mishandling of inside information within the Group including notification of regular blackout period and securities dealing restrictions to Directors and relevant employees; and
 - the Group keeps the Directors and employees apprised of the latest regulatory updates on disclosure requirements of inside information.
- 本集團規管內幕消息之處理及發佈，以確保內幕消息在獲適當批准披露前一直保密。內幕消息按照需要知曉的準則局限於相關人士知悉，以確保其保密性；
 - 本集團嚴格禁止未經授權使用機密或內幕消息；
 - 本集團亦已實施程序以防止本集團內部可能不當處理內幕消息，包括通知董事及相關僱員有關常規禁止買賣期及證券交易限制；及
 - 本集團讓本公司董事及僱員掌握有關內幕消息披露規定之最新監管資料。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THE REPORT

The Environmental, Social and Governance (“ESG”) Report issued by CEFC Hong Kong Financial Investment Company Limited has set forth the Group’s support to various sustainable development efforts and ESG concepts, visions and policies during 1 January 2018 to 31 December 2018 (“the Year”).

Scope of the Report

The ESG Report describes the environmental and social policies of the core businesses of the Group in the PRC and Hong Kong, including (i) design, manufacturing and trading of apparel products; and (ii) provision of loan financing business. During the Year, the Group takes the environmental and social performance of the plant in Jiaxing, China (“Jiaxing Plant”) and three offices in Hong Kong as the disclosure focus of the key performance indicators¹. For details about corporate governance, please refer to the Corporate Governance Report on pages 29 to 46.

Reporting Framework

The ESG Report is compiled on the basis of Environmental, Social and Governance Reporting Guide under Appendix 27 of the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited following the principles of materiality, quantitative, balance and consistency.

Comment and Feedback

For details about environmental, social and corporate governance of the Company, please refer to our official website (<http://www.cefcfi.com.hk>) and annual report. We value your views on this report, and please email any comment or suggestion on the report to: info@cefcfi.com.hk.

關於本報告

本公司發表的環境、社會及管治（「ESG」）報告闡述本集團於二零一八年一月一日至二零一八年十二月三十一日（「本年度」）內，支持可持續發展的各項工作，以及在ESG方面的理念、願景及政策。

報告範疇

ESG報告主要闡述本集團在中國及香港的核心業務之環境及社會政策，包括(i) 服裝產品的設計、製造及貿易；及(ii) 提供貸款融資業務。本年度，本集團以位於中國嘉興的廠房（「嘉興廠房」）及三個於香港的辦公室在環境及社會方面的表現，作為本年度關鍵績效指標的披露重點¹。有關企業管治的詳情，請參閱第29至46頁的企業管治報告。

報告架構

ESG報告乃根據香港聯合交易所有限公司頒佈的《主板上市規則》附錄二十七《環境、社會及管治報告指引》，並遵循重要性、量化、平衡及一致性的原則所編寫。

意見及反饋

有關本公司環境、社會及企業管治的詳細資料，請參閱我們的官方網站（<http://www.cefcfi.com.hk>）及年報。我們重視您對此報告的看法，若閣下對此報告有任何意見或建議，歡迎發送電郵至以下郵箱：info@cefcfi.com.hk。

¹ In the 2017 ESG Report, the scope of key performance indicators only includes the performance of Jiaxing Plant.

¹ 於二零一七年ESG報告中，關鍵績效指標的範疇只包括嘉興廠房之表現。

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環境、社會及管治報告

ESG RESPONSIBILITY MANAGEMENT

Governance Framework of ESG

The Group is committed to the implementation of corporate goals and visions as well as the active fulfillment of social responsibilities. We have developed ESG management approach to benefit all stakeholders, contribute to society and protect the environment under the principle of sustainable development.

For the sake of effective top-down implementation of sustainable development strategy, the Group has developed an independent internal control and risk management framework with the Company's Board, Deputy Chief Executive Officer and senior management as the core. Moreover, we will review and adjust relevant sustainable development policies from time to time to meet the expectations and needs of different stakeholders.

The ESG governance framework of the Group is as follows:

ESG 責任管理

ESG 的管治架構

本集團致力實踐企業目標與願景，積極履行社會責任。我們已制定 ESG 的管理方針，務求讓各持份者受惠，並以可持續發展為原則，貢獻社會及保護環境。

為了有效地由上而下實施可持續發展策略，本集團已制定以本公司董事會、副首席執行官及高級管理層為核心的獨立內部監控及風險管理架構。我們亦會不時檢討及調整相關可持續發展的政策，以滿足不同持份者的期望與需要。

本集團的 ESG 管治架構如下：

Board of Directors	董事會
<ul style="list-style-type: none">Developing and approving the development and business strategies, policies, annual budget and business plan of the GroupReviewing, resolving and reporting all environmental and social issues listed at the guideline level and scope.	<ul style="list-style-type: none">制定及審批本集團之發展及業務策略、政策、年度預算及業務方案審閱、解決及匯報所有指引層面及範疇列示的環境及社會事宜
Deputy Chief Executive Officer	副首席執行官
<ul style="list-style-type: none">Executing the duties entrusted by the Board, including the overall strategies and approach on operational, financial, environmental and social issues and obligations.Analyzing and establishing key performance indicatorsCoordinating with the objectives, visions and policies of the Group to carry out supervision and continual actions	<ul style="list-style-type: none">執行董事會委以的職責，包括有關營運、財務、環境及社會事宜及義務之整體策略及方針分析及建立關鍵績效指標配合本集團的目標、願景及政策作出監管及持續行動
Senior Management	高級管理層
<ul style="list-style-type: none">Leading and supervising the implementation of sustainable development objectives and policies of the Group	<ul style="list-style-type: none">領導及監督本集團可持續發展目標及政策的實踐
Business Unit	業務單位
<ul style="list-style-type: none">Coordinating and implementing ESG policies and measures at different stages of business operations, such as environmental protection policies.	<ul style="list-style-type: none">於業務營運的不同階段中協調與落實 ESG 的政策及措施，例如環境保護政策

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders Engagement

The management and staff from various departments holding key positions in the Group jointly prepare the ESG Report of the Year and assist the Group in reviewing its operating conditions. The opinion collection of the management and other staff enables the Group to identify major issues at the environmental and social levels and make relevant disclosure and response in the ESG Report.

In the meantime, the Group attaches great importance to the opinions of different stakeholders, which are taken as the basis for the development of our sustainable development policies. Therefore, we are committed to communicating with stakeholders in a diversified way, understanding and trying our best to respond to their expectations and requirements, so as to improve our performance in ESG.

持份者參與

於本集團擔當主要職務的管理層及各部門同事共同籌備本年度的ESG報告，並協助本集團檢討其營運狀況。透過收集管理層及其他員工的意見，本集團得以識別環境及社會層面的主要議題，並在ESG報告中作出相關披露及回應。

與此同時，本集團高度重視不同持份者的意見，視之為我們制定可持續發展政策的基礎。因此，我們致力以多元化的方式與持份者溝通，了解並盡力回應其期望與要求，從而提升我們在ESG方面的表現。

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholder 持份者	Expectations and Requirements 期望與要求	Ways of Communication and Response 溝通與回應方式
Government and Regulatory Authorities 政府與監管機構	<ul style="list-style-type: none"> Abiding by national policies, laws and regulations 遵守國家政策及法律法規 Promoting local employment 帶動地方就業 Paying taxes on time 按時繳稅 	<ul style="list-style-type: none"> Regular reporting of information 定期匯報信息 Regular communication with regulatory authorities 定期與監管機構溝通 Inspection and supervision 檢查及監督
Shareholders 股東	<ul style="list-style-type: none"> Returns 回報 Compliant operation 合規運營 Enhancing company value 提升公司價值 Improving information transparency and implementing effective communication 提高資訊透明度及貫徹高效溝通 	<ul style="list-style-type: none"> General meetings 股東大會 Company announcements 公司公告 E-mail, telephone communication and company website 電郵、電話通訊及公司網站
Partners 合作夥伴	<ul style="list-style-type: none"> Operational integrity 誠信經營 Fair competition 公平競爭 Performing contract according to laws 依法履約 	<ul style="list-style-type: none"> Reviews and evaluation meetings 審查與評估會 Business communication 商務溝通 Engagement and cooperation 參與及合作
Customers 客戶	<ul style="list-style-type: none"> High quality products and services 優質產品與服務 Health and safety 健康與安全 Performing contract according to laws 依法履約 Operational integrity 誠信經營 	<ul style="list-style-type: none"> Customer service center and hotline 客戶服務中心和熱線 Customer communication meetings 客戶溝通會議 Calling for feedback 回訪

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholder 持份者	Expectations and Requirements 期望與要求	Ways of Communication and Response 溝通與回應方式
Environment 環境	<ul style="list-style-type: none"> Compliant emission 達標排放 Energy conservation and emission reduction 節能減排 Ecological protection 保護生態 	<ul style="list-style-type: none"> Communicating with local environmental authorities 與當地環境部門交流 Submitting reports 遞交報告
Industry 行業	<ul style="list-style-type: none"> Industrial standards development 行業標準制定 	<ul style="list-style-type: none"> Participating in industry forums 參與行業論壇 Investigation and exchange visits 考察互訪
Staff 員工	<ul style="list-style-type: none"> Rights and interests protection 權益維護 Occupational health 職業健康 Remuneration and benefits 薪酬福利 Career development 職業發展 	<ul style="list-style-type: none"> Staff communication meetings 員工溝通會 Training and workshops 培訓與工作坊 Employee activities 員工活動
Community and the Public 社區及公眾	<ul style="list-style-type: none"> Improving community environment 改善社區環境 Participating in public welfare undertakings 參與公益事業 Information disclosure and transparency 資訊公開透明 	<ul style="list-style-type: none"> Company website 公司網站 Company announcements 公司公告 Social media platforms 社交媒體平台

Environmental, Social and Governance Report

環境、社會及管治報告

GREEN OPERATION

As a responsible enterprise, the Group adheres to the environmental approach of “observing environmental protection regulations, raising environmental awareness, emphasizing pollution prevention, optimizing resource utilization, striving to save energy and reducing consumption, continually improving” during apparel manufacturing to shoulder the social responsibility of environmental protection. The Group strictly abides by environmental laws and regulations enacted by the country and local environmental department, including but not limited to the *Environmental Protection and Control Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes* and *Cleaner Production Promotion Law of the People's Republic of China*, carries out close monitoring on activities with potential impact on the environment, grasps the emission status of pollutants and their impact on the surrounding environment, and fulfills its responsibilities and obligations of environmental protection.

During the Year, no violation of regulations on emission, wastewater, waste and noise or other relevant environmental laws and regulations was involved or discovered by the Group.

Environmental Management System

The Group has established a sound environmental management system and developed relevant systems and procedures including but not limited to environmental management, pollution control management and solid waste management. The environmental management system is composed of four parts of “planning, implementation, inspection and correction, and review”. The environmental management objectives, indicators and plans shall be implemented within each department upon approval, and managers shall be responsible for supervising and inspecting the implementation of the plan. Meanwhile, regular environmental management review meetings are held to ensure the effective implementation of environmental approach, objectives, indicators and plans to maintain the continuous applicability, adequacy and effectiveness of the environmental management system, listen to reports on environmental protection, investigate and solve major environmental problems in a timely manner.

綠色營運

作為一間負責任的企業，本集團於服裝生產過程中秉持「遵守環保法規，提升環境意識；重在污染預防，優化資源利用；努力節能降耗，持續改進提高」的環境方針，肩負保護環境的社會責任。本集團嚴格遵守國家和地方環保部門制定的環境法律及法規，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染環境防治法》及《中華人民共和國清潔生產促進法》，並緊密監測該等對環境有潛在影響的活動，掌握污染物的排放狀況及其對周邊環境的影響，以履行保護環境的責任與義務。

於本年度，本集團並無涉及或發現任何違反有關排放物、廢水、廢棄物及噪聲的規定或其他有關環境法律及法規的行為。

環境管理體系

本集團已設立完善的環境管理體系，制定了包括但不限於環境管理、污染控制管理和固體廢物管理等相關制度和程序。我們的環境管理體系由「規劃、實施、檢查與糾正、評審」四個部分組成。環境管理目標、指標和方案經審批後，於各部門內實施，而各管理人員會負責監督和檢查方案的實施情況。與此同時，我們定期舉行環境管理評審會議，確保環境方針、目標、指標和方案得以有效實施，維持環境管理體系的持續適用性、充分性和有效性，同時聽取環境保護工作匯報，以及時調查及解決重大環境問題。

Environmental, Social and Governance Report

環境、社會及管治報告

The environmental management system of the Group is as follows:

本集團的環境管理體系如下：



Emissions Management

The Group has been committed to environmental protection to reduce emission and waste during production and operation by adopting clean energy and controlling resource consumption, and has spared no effort in environmental protection over the years. Jiaying Plant has taken a series of appropriate measures and monitoring methods, as well as provided training on pollution prevention for staff to fulfill its environmental protection responsibilities. The daily operations of the Group are mainly located in offices and plants, and the production process only includes cutting, sewing and apparel manufacturing processes, so no significant amount of exhaust gas or other air pollutants with significant impact on the environment will be generated. The greenhouse gas emission of the Group mainly comes from vehicle fuel consumption, purchased electricity consumption and employees' business travels.

排放物管理

本集團一直致力保護環境、透過採用清潔能源及控制資源耗量，以減少生產和經營過程中的排放和浪費。多年來，本集團於保護環境方面一向不遺餘力，當中嘉興廠房不但採取了一系列適當措施和監測方法，同時亦為員工提供有關預防污染的培訓，以履行環境保護的責任。本集團的日常營運主要位於辦公室及廠房，而生產過程只包括裁剪、縫紉、車衣等工序，因此不會產生大量廢氣或其他對環境有重大影響的空氣污染物。本集團的溫室氣體排放主要來自車輛燃料消耗、外購電力消耗及僱員差旅。

Environmental, Social and Governance Report

環境、社會及管治報告

The greenhouse gas emission data of the Group are as follows:

本集團溫室氣體排放數據如下：

Greenhouse Gas Emission 溫室氣體排放	Unit 單位	2018
Total greenhouse gas emission 溫室氣體排放總量	t CO ₂ e 噸二氧化碳當量	593
Scope 1: Direct emissions 範圍一：直接排放	t CO ₂ e 噸二氧化碳當量	43
Scope 2: Energy indirect emissions ² 範圍二：能源間接排放 ²	t CO ₂ e 噸二氧化碳當量	448
Scope 3: Other indirect emissions 範圍三：其他間接排放	t CO ₂ e 噸二氧化碳當量	102
Greenhouse gas emission intensity 溫室氣體排放密度	t CO ₂ e/employee 噸二氧化碳當量／僱員	1.83

Wastewater Management

廢水管理

The production process of the Group only includes cutting, sewing, apparel manufacturing and other processes, so the Group does not involve the discharge of production wastewater, i.e. we discharged 0 tonnes of production wastewater in the Year, while the discharged wastewater is mainly domestic wastewater. We clean the sundry filter screen at the canteen's water outlet every day, and carry out regularly cleansing of the sewage purification device to ensure that the discharged domestic sewage meets the *Integrated Wastewater Discharge Standard (GB8978-96)* before it is discharged to the municipal pipelines equipped with filter facilities. Moreover, we have entrusted local environmental monitoring authorities to regularly monitor the quality of discharged domestic sewage so as to ensure that the water quality meets the national discharge standards.

由於本集團的生產過程只包括裁剪、縫紉、車衣等工序，因此本集團並不涉及生產廢水的排放，即我們於本年度排放0噸生產廢水，而本集團所排放的廢水主要為生活廢水。我們不僅每天清理食堂下水口的雜物過濾網，同時會定期清潔污水淨化裝置，以確保外排的生活污水符合《污水綜合排放標準》(GB8978-96)後，方排到已安裝過濾設施的市政管線。我們亦會委託地方環境監測部門定期監測生活污水外排水質，以確保水質符合國家排放標準。

² Energy indirect emissions are calculated by referring to the *Average Carbon Dioxide Emission Factors of Regional Power Grid in China in 2011 and 2012* issued by the National Development and Reform Commission.

² 能源間接排放參照國家發展和改革委員會發佈的《2011年和2012年中國區域電網平均二氧化碳排放因子》所計算。

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環境、社會及管治報告

Waste Management

The Group has developed policies with regard to solid waste management, collected waste separately in various departments and working unit and recycled where possible. In addition, the random stacking of solid waste is strictly prohibited, while non-hazardous and hazardous wastes that cannot be reused must be collected and handled by qualified units. With effective waste disposal strategies and policies, the Group has minimized the environmental risks and impacts caused by waste. During the Year, the non-hazardous wastes generated by the Group are mainly domestic wastes, paper, kitchen wastes and production wastes, including waste cloth and waste electric wires. 544 tonnes of non-hazardous wastes were generated by the Group during the Year, with an average of 1.68 tonnes of non-hazardous wastes per employee. Moreover, no significant amount of hazardous waste was generated by the Group within its business operations, and therefore no relevant disclosure was made.

Noise Management

The Group adopts noise reduction measures on equipment that generates heavy noise to meet the emission standards of the industry for noise, including the *Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-90)*, and strives to reduce the significant impact of noise on surrounding environment. The noise reduction measures we have adopted to maintain the noise reduction effects include sealing the glasses of production units, intensifying maintenance of equipment and adjusting the shock-absorbing function of equipment.

廢棄物管理

本集團已制定固體廢物管理相關的政策，於各部門及車間分類收集廢物，並盡可能回收利用。此外，我們嚴禁隨地堆放固體廢物，無法回收再用的無害及有害廢棄物都必須由合資格的單位收集處理。憑藉有效的廢物處理策略和政策，本集團已將廢物所帶來的環境風險及影響減至最低。本年度，本集團產生的無害廢棄物主要為生活垃圾、紙張、廚房垃圾及生產廢品，包括廢布及廢電線等。本集團於本年度共產生544噸無害廢棄物，平均每名僱員產生1.68噸無害廢棄物。另外，本集團於業務營運中並無產生大量有害廢棄物，因此並無作出相關披露。

噪音管理

本集團對產生嚴重噪音的設備採取降噪措施，以符合行業噪音排放標準，包括《工業企業廠界噪聲標準》(GB12348-90)，並致力降低噪音對周遭環境造成的重大影響。我們採取的降噪措施包括對生產車間進行玻璃封閉，並加強對設備的保養，調整其減震功能，以維持降噪效能。

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USE OF RESOURCES

The Group adheres to the environmental protection approach of optimizing resource utilization and striving for energy saving and consumption reduction. Through formulation, implementation and improvement of resources and energy management policies and procedures, together with standardization and effective use of resources, the Group aims at reducing wastage of resources and environmental pollution, while enhancing efficiency. We actively promote environmental education to employees, and enhance their awareness of environmental protection through publicity on corporate bulletin board and training, so as to practice the concept of energy saving, consumption reduction, reduction of wastes at source, effective use of resources and green office. We also monitor the use of water, electricity, paper, packaging materials and other resources. Because the water consumption and discharge of the Group's three offices in Hong Kong are solely controlled by the property management company of the building, we have no access to the water consumption data of these three offices. In the Year, the water consumption in Jiaxing plant is 12,077 cubic meters in total and 46.27 cubic meters per employee on average.

資源使用

本集團倡導並奉行優化資源利用及努力節能降耗的環保方針。透過制定、實施及完善資源能源管理政策與程序，規範及有效利用資源，本集團力爭減少資源浪費和對環境的污染及提高效益。通過企業公告欄公示及培訓，我們積極向員工宣揚環境教育，提升員工的環保意識，以實踐節能降耗、源頭減廢、善用資源及綠色辦公的理念。我們亦會監察資源的使用情況，如水、電、紙張及包裝材料的用量。本集團位於香港的三個辦公室的耗水及排水由樓宇管理公司全權控制，因此無法收集辦公室用水的相關數據。本年度，嘉興廠房的耗水量為12,077立方米，而每名僱員耗水量為46.27立方米。

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The data of use of resources of the Group are listed as below:

本集團資源使用數據如下：

Use of Resources 資源使用	Unit 單位	2018
Total energy consumption 能源消耗總量	MWh 兆瓦時	822
Non-renewable fuel consumption 不可再生燃料耗量	MWh 兆瓦時	170
Purchased electricity 購買電力量	MWh 兆瓦時	652
Energy consumption intensity 能源耗量密度	MWh/employee 兆瓦時／僱員	2.53
Total paper packaging materials consumption 紙類包裝材料使用量	tonnes 噸	37
Paper packaging materials consumption intensity 紙類包裝材料使用密度	kg/product quantity 千克／產品數量	0.05
Total plastic packaging materials consumption 塑膠類包裝材料使用量	tonnes 噸	5
Plastic packaging materials consumption intensity 塑膠類包裝材料使用密度	kg/product quantity 千克／產品數量	0.01

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On top of actively expanding its business, the Group also keeps in mind the concept of energy saving, consumption reduction, reduction of wastes at source and green office. Therefore, the following measures have been adopted for our commitment of practicing our environmental protection concept in our daily operation:

Energy Saving and Consumption Reduction:

- Establish energy monitoring and evaluation system to avoid energy wastage through monitoring main energy consuming equipment and managing each department's energy consumption.
- Replace existing high energy consuming equipment with new energy efficient equipment.
- Study and perfect technical standards and utilize new process, new materials and new equipment to improve production efficiency and reduce resource consumption.
- Turn off all power consuming equipment before leaving the office.
- Set the air conditioner in any office to a temperature of no lower than 26°C in summer and no higher than 23°C in winter.
- Decrease by half the light tubes in any office and use LED lights to conserve electricity.
- Employ energy saving transformer to improve power switching rate and reduce power and energy consumption.

Reduction of Wastes at Source:

- Adopt measures of source control, comprehensive utilization and recycling to reduce the waste production as far as possible.
- Upgrade production equipment, utilize computerized typesetting and provide employee training to control the fabric usage and reduce scrap production.
- Resell surplus fabric to second-hand fabric recyclers to reduce fabric disposal

本集團在積極發展業務的同時，亦不忘提倡節能降耗、源頭減廢、善用資源及綠色辦公的理念。因此，我們採取了以下措施，致力將我們的環保理念融入在日常營運中：

節能降耗：

- 建立能源監測評估體系，通過監測重點耗能設備及管理各部門的能耗情況，避免能源浪費
- 使用新型節能設備替代現有的高能耗設備
- 研究並完善技術標準，利用新工藝、新材料及新設備提高生產效率，減少資源消耗
- 下班前將所有耗電設備關掉
- 辦公室於夏季的空調溫度不得低於攝氏26度；於冬季的空調溫度不得高於攝氏23度
- 將辦公室內使用的光管量減半，及使用LED燈以節省電力
- 使用節能變壓器以提高電源轉換率，降低功耗及能耗

源頭減廢：

- 採取源頭控制、綜合利用及循環利用措施，盡量減少產生廢棄物
- 升級生產設備，利用電腦排版和提供員工培訓，以控制面料使用量及減少產生廢品
- 將剩餘面料轉售二手布料回收商，以減少面料棄置量

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Effective Use of Resources:

- Post environmental protection information in office, kitchen and washrooms to remind and encourage employees to save water and further enhance their awareness of water saving.
- Maintain regularly valves and pipelines, replace and repair any leaking pipe timely.

Green Office:

- Encourage employees to reuse paper and print on both sides.
- Promote paperless office and communicate internally with email instead of paper documents
- Decrease the frequency of travelling for business by air, to reduce the greenhouse gas emission caused by business travel.

善用資源：

- 於辦公室、廚房及廁所張貼環保信息，提醒及鼓勵僱員節約用水，進一步提高僱員的節水意識
- 定期維護閥門及管道，並及時更換及修理洩漏管道

綠色辦公：

- 鼓勵員工使用循環再用紙及採用雙面印刷
- 推行無紙化辦公，以電郵方式取代發放紙張文件作內部溝通
- 減少員工乘坐飛機出差頻率，以降低因出外公幹而產生的溫室氣體排放

ENVIRONMENT AND NATURAL RESOURCES

The Group attaches importance to the impact of our business operation on the environment and natural resources. In addition to our compliance with applicable environmental laws and international standards, we also have included the concept of environmental protection and environmental management into our business decision, daily operation and internal management. We are committed to building ourselves into a comprehensive enterprise that takes into account the benefits of economy, environment and society.

In order to reduce the significant impact as far as possible on environment and natural resources, the Group identifies the environment factors within our business scope to establish relevant control measures and environment improvement targets. We have also assigned specific department to follow up and handle any problems caused by our business operation with respect to the environment and natural resources utilization. We have kept in file all the environmental protection works, monitoring records, contamination accidents and other materials relating to pollution prevention and controlling. Besides, overseas customers of the Group visit our plants and review our environment management policies regularly.

環境與自然資源

本集團重視業務營運對環境與自然資源造成的影響。除遵守相關環境法規和國際標準外，我們亦將環保及環境管理理念納入業務決策、日常運作及內部管理中，致力成為一個兼顧經濟、環境及社會的全方位企業。

為盡量減少對環境與自然資源造成重大影響，本集團對業務範圍內的環境因素進行識別，以制定相應的控制措施及環境改善目標。我們亦已指派特定部門跟進和處理因業務營運產生的環境及資源使用問題。我們已建立環境保護工作檔案，監測記錄、污染事件和其他有關污染預防和控制的資料。此外，本集團的國外客戶亦定期考察我們的工廠，並審閱我們的環境管理政策。

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PEOPLE-ORIENTED

Employment Standard

The Group adheres to the management approach of “people-oriented”, places great importance to the rights and interests for employees, and abides by the laws and regulations related to employment, including but not limited to the *Labour Law of the People’s Republic of China*, *Labour Contract Law of the People’s Republic of China* and *Employment Ordinance* in Hong Kong. The Group has gained a Gold Certificate awarded by the Worldwide Responsible Accredited Production (WRAP), marking an affirmation of our efforts to protect workers’ rights and interests. In order to improve efficiency and standardize the procedure of recruitment, we have established recruitment-related management and controlling procedures according to the principles of fairness and impartiality, avoiding misemployment of child labour or any discrimination during the process of recruitment. We strive to creating a fair environment for working, reflecting on treating all employees and applicants equally in many aspects, including recruitment, transferring, training, promotion, remuneration and benefits, ensuring that they enjoy equal opportunities and are treated equally, regardless of race, gender, age, religion, belief, marital or fertility status. For resigned employees, we will terminate the contract in accordance with relevant laws and regulations, and pay the remaining wages on time.

To prevent forced labour, the Group specifies the details of the workplace, working hours and job responsibilities in the contract. If employees have to work overtime due to business needs, the Group will pay overtime wages according to regulations. We also forbid taking any fees or belongings as “deposit” from employees as well as forcing them to work or restricting their personal freedom in any way, so as to ensure that they are employed voluntarily. Apart from prevention of forced labour, the Group promises not to employ child labour. The Group requires new employees to provide true and accurate identification documents when commencing the employment, aiming at identifying the true age of the employees and avoiding misemployment of child labour. The Group will also occasionally check whether child labour has been misemployed. Once it is discovered, the Group will immediately return the child labour to their original place of residence and bear the expenses needed.

During the Year, no violation of laws and regulations relating to employment and labour standard, avoiding child labour and forced labour was involved or discovered by the Group.

以人為本

僱傭準則

本集團秉持「以人為本」的管理方針，高度重視員工的權利及權益，並嚴格遵守與僱傭相關的法律及法規，包括但不限於《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及香港《僱傭條例》等。本集團獲得由國際社會責任認證組織 (WRAP) 頒發的黃金級認證證書，作為對我們於維護勞工權益方面努力的肯定。為提高招聘效率和規範招聘流程，我們按公平及公正原則制定了招聘相關的管理及控制程序，避免在招聘過程中發生誤聘童工或任何歧視情況。我們致力於營造一個公平的工作環境，不論在招聘、調職、培訓、晉升及薪酬福利等方面，均會對所有員工及求職者一視同仁，確保其享有平等機會和公平待遇，不會因種族、性別、年齡、宗教、信仰、婚姻狀況或生育狀況而遭受差別待遇。對於離職的員工，我們會依照相關法律及法規解除和終止僱傭合約，並依時發放餘下工資。

為杜絕強制勞工，本集團在僱傭合約中清楚列明工作地點、工作時間及崗位職責等細節。若員工因工作及經營需要而加班，本集團會根據規定支付加班工資。我們亦禁止向任何員工收取金錢或實物作「押金」，同時嚴禁以任何方式強迫員工工作或限制員工人身自由，以確保員工均為自願受僱。除防止強制勞工外，本集團亦承諾不使用童工。本集團要求新員工在入職時提供真實準確的身份證明文件，以鑒別員工的真實年齡，避免誤聘童工。本集團亦會不定期檢查有否誤聘童工，一旦發現誤聘童工的情況，本集團會立刻將童工送返原居住地，並承擔所需費用。

於本年度，本集團並無涉及或發現任何違反僱傭及勞工常規、防止童工及強制勞工相關法律法規的情況。

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環境、社會及管治報告

Salary and Benefits

The Group abides by the laws and regulations of China and Hong Kong, including but not limited to the *Labour Law of the People's Republic of China*, *Mandatory Provident Fund Schemes Ordinance* and *Minimum Wage Ordinance* in Hong Kong, ensuring that the employees' working hours and wages meet local requirements and providing social insurance and mandatory provident fund to employees as required by local regulations. The Group's salary system is established according to several factors such as the positions, work performance and abilities of the employees, and would be adjusted with reference to market salary level. We will comprehensively evaluate their knowledge and skills, their attitude and enthusiasm to their positions. Their salaries will be adjusted based on the evaluation results. The Group offers its employees discretionary bonus based on the Group's annual financial performance and the individual performance of employees. Employees also enjoy paid leaves, such as annual leave, marriage leave, maternity leave and compassionate leave, apart from statutory holidays.

Employees are the important asset of the Group, whose sense of belonging is closely related to the success of the Group. Aiming to promote the idea of work-life balance, create an excellent environment for work and enhance employees' sense of belonging to the Group, the Group hammers at improving its policies and measures, and providing employees with the following benefits (including but not limited to):

- Distributing allowance and welfare gifts during festivals
- Providing reimbursement on transportation fee for employees returning home during Chinese New Year
- Organising travelling trips for employees
- Providing medical health insurance for employees
- Under specified circumstances, employees can enjoy allowances of meal and transportation for overtime work

薪酬及福利

本集團嚴遵中國及香港的法律及法規，包括但不限於《中華人民共和國勞動法》、香港《強制性公積金計劃條例》和《最低工資條例》等，確保員工的工時及工資符合當地要求，並按地方規定為員工提供社會保險及強制性公積金供款。本集團的薪酬制度乃按照員工之職位、工作績效及能力等因素釐訂，並參照市場價格作出調整。根據員工的工作崗位，我們會綜合其對工作崗位的知識和技能、工作態度及工作時的積極性等範疇進行評估，並於參考評估結果後決定職位及薪酬調整。根據本集團的年度財務表現及僱員的個人表現，我們會酌情發放花紅。除了法定節假日外，員工亦可享有年假、婚假、產假及恩恤假等有薪假期。

員工乃本集團的重要資產，其歸屬感與本集團的成功息息相關。為促進工作及生活平衡、創造良好的工作環境及增強員工對本集團的歸屬感，本集團致力完善政策和措施，並為員工提供以下福利（包括但不限於）：

- 於節日發放過節費及福利品
- 於春節時為回家過節的員工提供車費報銷
- 組織員工旅遊活動
- 為員工提供醫療健康保險
- 在特定情況下，員工在加班時可享膳食及交通費津貼

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Development and Training

The Group has established a comprehensive evaluation system for work, according to which the Group would evaluate employees' working attitudes, abilities, performance and disciplines, thereby enhancing employees' understanding to their work and furnishing an opportunity for supervisors to make a feedback about their work performance. The evaluation results also act as the standard for their position and salary adjustments and discretionary bonus, which will greatly benefit employees' individual development and productivity enhancement.

Aiming to improve staff's professional proficiency and follow the development of the Group, we provide different types of training, including internal training, external training, induction training and on-the-job training, on the basis of the training needs of each department. New recruits are required to attend induction training, including job responsibilities and objectives, operational skills and procedures, as well as regulations and policies. During the Year, the Group's employees have participated in different types of training, such as management training, pollution prevention training, and health and safety training. In addition, we encourage and support employees to participate in personal and professional training to keep abreast of the development of new technologies and equipment. Eligible employees completing the training can apply for subsidies on course fee and retrieve partial or entire cost of the training course.

Health and Safety

The Group prioritizes the health and safety of its employees, and adheres to the production principle of "Safety First". To avoid accidents during work, the Group provides employees with a safe and healthy working environment and complies with national laws and regulations on safe production, including but not limited to the *Production Safety Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and *Occupational Safety and Health Ordinance* in Hong Kong. Jiaxing Plant has established an accountability system for different positions regarding production safety, listing clearly the safety responsibilities of each unit and unifying the standards for safety production.

發展與培訓

本集團建立了一套全面的工作評估制度，定期對員工的工作態度、工作能力、業績及紀律等範疇進行評估，增進員工對工作了解的同時，亦提供了機會予主管回應員工的工作表現。工作評估的結果亦會作為員工職位、薪酬調整及發放酌情花紅的標準，對協助員工發展及提升生產力均有莫大裨益。

為提升員工業務能力，以緊貼本集團的發展步伐，我們按照各部門培訓需求，為員工提供不同類型的培訓，包括內部培訓、外部培訓、入職培訓及在職培訓等。新入職員工需要接受入職培訓，培訓內容包括工作職責和目標、操作技能和程序，以及規章制度等。本年度，本集團的員工參與了不同類型的培訓，例如管理培訓、污染預防培訓及健康與安全培訓等。此外，我們鼓勵及支持僱員參與個人及專業培訓，以緊貼新技術及新設備的發展。完成培訓的合資格員工可向我們申請課程資助，取回有關培訓課程的部分或全部費用。

健康與安全

本集團將員工的健康與安全放在首位，堅持「安全第一」的生產原則。為避免員工在工作時發生意外，本集團為員工提供安全健康的工作環境，並遵守國家有關安全生產的法律及法規，包括但不限於《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》及香港《職業安全及健康條例》等。嘉興廠房已制定安全生產崗位責任制，清楚列明各單位的安全職責，統一安全生產的標準。

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We provide safety protection equipment and supplies for our employees, including user guide for these equipment and supplies, to safeguard their health and safety as well as to prevent and reduce accidents. For employees who may have access to hazardous materials, we provide an annual health check to monitor the negative impact of the production process on their health. Moreover, employees are required to attend three-level safety training organised by the Group regularly, including education at plant, working unit and position levels. They can only operate the equipment individually after passing the assessment. We have established plans for different emergencies and performed drills regularly to improve employees' risk awareness and emergency capabilities. We attach great importance to the bilateral communication with our employees, and encourage them to provide advice on work safety and report on accidents and other unsafe factors, so as to control risks of workplace and reduce accidents. The Group also would investigate and eliminate potential accidents to protect lives of employees and safety of properties.

To strengthen the safety management on hazardous chemicals, Jiaxing Plant has set a safety management policy for hazardous chemicals, which lists the safety regulations for storage, use, transportation and disposal, so as to protect the Group's assets, health and safety of employees, as well as the surrounding environment. In addition, Jiaxing Plant has implemented safety management policy for special equipment, which requires the special equipment operating personnel to obtain corresponding certificates before working. Jiaxing Plant also inspects on special equipment regularly and entrusts qualified units to carry out maintenance and repair, ensuring the safe operation of the equipment.

During the Year, there was no significant event of accidents, casualties or serious work accidents, whereas no violation of laws and regulations relating to health and safety was involved or discovered by the Group.

我們為員工提供安全防護設備和用品，並提供相關設備和用品的使用指南，以保障員工的健康與安全，防止及減少事故發生。對於有機會接觸有害物品的員工，我們提供年度健康檢查，以監測生產過程對員工健康造成的負面影響。此外，我們定期為員工提供職業安全培訓，員工必須進行三級安全教育，包括廠級教育、車間教育及崗位教育，並要通過考核後方可獨自操作設備。為提高員工的危險意識及應急能力，我們已針對不同緊急情況制定相應的應急預案，並定期進行演習。我們非常重視與員工的雙向溝通，且鼓勵員工向管理人員提供工作安全建議及報告各種事故和其他不安全因素，以控制工作場所的安全風險及減少事故發生。本集團亦會及時調查及消除事故隱患，以保障員工的生命及財產安全。

為加強危險化學品的安全管理，嘉興廠房已制定危險化學品安全管理政策，其中列明危險化學品儲存、使用、運輸和處置的安全規定，從而保護本集團的資產、員工的健康安全以及周邊環境。此外，嘉興廠房實施特種設備安全管理政策，規定特種設備操作人員必須取得相應證書後方可正式工作。嘉興廠房亦會定期檢查特種設備，並委託資格單位進行維修保養，以確保設備安全運行。

於本年度，本集團並無發生任何重大意外、人員傷亡或嚴重工傷事故，亦無涉及或發現任何違反健康及安全相關法律及法規的情況。

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OPERATING PRACTICES

Supply Chain Management

The Group absorbs the idea of “green purchasing” into its procurement process, while it implements strict procurement policies and control procedures on all products provided by suppliers, and establishes strict environmental stipulations. For example, we refuse to purchase materials that are harmful to the environment or human body according to the national restrictions.

Supply chain management is always considered as an important part in controlling quality by the Group. The Group adheres to the quality-oriented principle and establishes a supplier evaluation management policy, standardizing the evaluation process and daily management of suppliers. Referring to selecting suppliers, we strictly review the supplier's product quality, delivery capacity and service quality, and require them to provide samples for reviews by our customers, so as to ensure the quality is up to customers' requirement. Beyond that, we also track and monitor progress of entrusted processing suppliers, ensuring that the quality of processed products is accord with the requirements. The audited suppliers will be added to the recognized supplier list, which will be inspected regularly.

The suppliers who do not meet the requirements of enterprise development will be eliminated by the Group to strengthen management of suppliers, and facilitate and improve the supplier management system, thereby optimising the operation of supply chain.

Management on Product Quality

The Group has established a comprehensive quality management system, aiming to standardize inspection procedures and regulations, safeguarding quality and safety of products. We review the system regularly, ensuring that the system is still appropriate, comprehensive and effective. According to customer's specific requirements, the Group is open to inspection and monitoring by the customers, and assesses its production procedures every year, guaranteeing the system can operate continuously and effectively, and meet with customer requirements pragmatically.

營運慣例

供應鏈管理

本集團將「綠色採購」概念納入採購過程，對供應商提供的所有產品均執行嚴格的採購政策和控制程序，以及訂立嚴格的環保要求。例如，我們依照國家限制拒絕購買對環境或人體有害的材料。

供應鏈管理一直是本集團質量控制中的重要一環。本集團堅持質量為本的原則，建立供應商評估管理政策，以規範供應商評估流程及日常管理。甄選供應商時，我們會嚴格審查供應商的產品質量、交付能力及服務質素等範疇，並要求其提供樣本予我們的客戶作樣本評審，以驗證其質量符合客戶要求。對於受委託的外部加工供應商，我們會跟蹤及監控其進度，以確保外部加工的產品質量符合要求。經審核的供應商將列入獲認可供應商名單，且我們亦將定期審查供應商的表現。

本集團淘汰不符合企業發展規定的供應商，以不斷加強供應商管理，促進和改善供應商管理體系，從而優化供應鏈的運行。

產品質量管理

本集團建立完整的質量管理制度，以規範檢驗流程和規定，確保產品質量與安全。我們定期對質量管理制度進行評審，以確保制度仍然適宜、全面及有效。根據客戶規範之要求，本集團接受客戶監督及審核，並每年對生產流程進行內部考核，以確保質量管理制度能持續及有效地運作，並切實地符合客戶要求。

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To ensure that equipment condition is able to achieve production targets, relevant equipment operating personnel will check the equipment condition daily prior to production. We also conduct occasional inspection on production procedures and take corrective measures as soon as failure is found. In addition, the quality of raw materials, semi-finished products and finished products are inspected. Only qualified products can enter the next production stage, aiming that the products will meet the criteria of relevant standards. The unqualified will be labelled clearly and stored separately, and then the relevant department will analyze the cause and implement corrective measures. The Group has established a policy on reporting incidents to standardize quality reporting, ensure timely handling of product-related issues and control potential risks effectively.

Customer First

The Group is committed to enhancing customer satisfaction, since fulfilling customers' needs is the ultimate goal of the Group's development. We evaluate and improve the quality management system by investigating customers' satisfaction regularly and collecting their opinions through questionnaires and other methods. Meanwhile, we have established a set of policies on customer rights and interests to regulate the handling of complaints from customers, so that the Group's reputation will be maintained and customer satisfaction will be improved. Customers can complain through letters, calls and emails, which is managed, analyzed and handled by our specialists.

In addition, the Group attaches great importance to protecting customer privacy due to its loan financing services. Employees must abide by relevant industrial laws and regulations, such as the *Personal Data (Privacy) Ordinance* of Hong Kong. They are forbidden to disclose customers' information to third-party unit without approval, adhering to professional ethics at all times. The customers' data is accessible to authorized personnel solely, while staff from other departments can only retrieve and provide information upon application to and approval by the Company.

為確保生產設備狀態能應付生產目標，相應的設備操作人員會在每日生產前檢查設備狀態。我們亦會對生產工藝進行不定期的檢查，一旦發現不合格的情況會立即採取糾正措施。此外，我們會檢驗原材料、半製成品及製成品之質量，檢驗合格的產品方可進入下一道工序，以確保產品符合相關標準。檢測為不合格的產品會被清楚標識及分開存放，並由相關部門分析原因及實施糾正措施。本集團已制定事故報告政策，以規範質量報告工作、確保及時處理產品相關問題及有效控制潛在風險。

客戶至上

本集團以滿足客戶需求為發展的最高目標，並致力提升客戶滿意度。我們定期進行客戶滿意度調查，透過問卷調查及其他方式收集客戶意見，從而對質量管理制度進行測量及改良。與此同時，我們已就客戶權利及權益制定一套政策以規範客戶投訴處理，從而維護本集團的聲譽及提高客戶滿意度。客戶可透過信件、電話及電郵等方式投訴，並由我們的專責人員負責管理、分析及處理。

此外，本集團同時亦提供貸款融資服務，因此十分重視保障客戶隱私。本集團的員工必須遵守行業相關法律法規，例如香港《個人資料（私隱）條例》，在未經批准前，不得向第三方透露客戶資料，時刻堅守職業道德。本集團的客戶資料系統僅允許獲授權人員訪問。本集團其他部門員工須向公司提出申請並獲准許，方可准許進行信息檢索及提供資料。

Environmental, Social and Governance Report

環境、社會及管治報告

Safeguarding Intellectual Property

The Group is committed to strengthening the protection of intellectual property. Therefore, we require employees to strictly abide by the laws and regulations such as the *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and *Copyright Ordinance* in Hong Kong. We have also made clear requirements for the application, management, use and protection of intellectual property for our customers and the Group, enhancing the Group's awareness of protecting intellectual property and corporate interests.

During the Year, no violation of laws and regulations relating to intellectual property was involved or discovered by the Group.

Anti-corruption

The Group advocates employees to consciously abide by the law, to hold fast integrity, to be self-discipline and practice probity culture. The Group abides by the laws and regulations on anti-corruption, including but not limited to the *Criminal Law of the People's Republic of China* and *Prevention of Bribery Ordinance* in Hong Kong. The Group has formulated employee handbooks and systems to regulate their behaviour, especially in loan financing business, encouraging employees to keep honest and be self-discipline. Thus, the operating risks will be reduced, and the interests of the company and employees will be guaranteed. In addition, employees should not seek personal or indirect benefits by their authority, and should avoid situations that may involve or result in potential or actual conflicts of interest. Once any violation is discovered, employees should report it in written or verbal ways. Violators will be dismissed and bear legal responsibility upon confirmation of violation after investigation.

During the Year, no violation of laws and regulations relating to anti-corruption was involved or discovered by the Group.

COMMUNITY INVESTMENT

The Group attaches great importance to social responsibility, and regards the prosperity and stability of society as the footstone of its development. For this, the Group spares no effort to promote the development of charities, and to support charitable projects and activities. We also encourage employees to participate in volunteer activities and charitable donations, enhancing their sense of social responsibility.

維護知識產權

本集團致力加強知識產權保護，因此我們規定員工必須嚴格遵守《中華人民共和國專利法》、《中華人民共和國商標法》及香港《版權條例》等法律及法規。我們亦已就客戶及本集團知識產權的申請、管理、使用及保護作出明確規定及要求，從而增強本集團對保護知識產權的意識及保護企業利益。

於本年度，本集團並無涉及或發現任何違反知識產權相關法律及法規的情況。

反貪污

本集團積極倡導員工自覺遵守法律、誠實守信、自律自守及實現廉潔文化。本集團嚴格遵守反貪污的相關法律及法規，包括但不限於《中華人民共和國刑法》及香港《防止賄賂條例》等。本集團已制定員工手冊及相關制度，規範員工行為，尤其進行貸款融資工作時，鼓勵員工廉潔自律，降低經營風險，並確保公司和員工的利益。員工不得利用職權謀取個人或間接利益，亦應避免可導致或涉及實際或潛在利益衝突的情況。一旦發現違規情況，員工應透過書面或口頭方式舉報。經調查證實違規後，相關人士會被解僱及需承擔法律責任。

於本年度，本集團並無涉及或發現任何違反反賄賂或反貪污的相關法律及法規的情況。

社區投資

本集團高度重視企業社會責任，視社會的繁榮穩定為我們發展的基石。為此，本集團對促進慈善事業發展不遺餘力，積極支持慈善項目及公益活動。我們亦鼓勵員工參與義工活動及進行慈善捐助，全面提升員工的社會責任感。

Environmental, Social and Governance Report

環境、社會及管治報告

CONTENT INDEX ON THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

有關《環境、社會及管治報告指引》內容索引

ESG Index ESG 指標	Summary 概述	Section 章節	Page 頁碼
Environment 環境			
Aspect A1: Emissions 層面 A1：排放物	General Disclosure 一般披露	GREEN OPERATION 綠色營運	
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Emissions Management 排放物管理 Wastewater Management 廢水管理 Waste Management 廢棄物管理	53-54 54 55
Aspect A2: Use of Resources 層面 A2：資源使用	General Disclosure 一般披露	USE OF RESOURCES 資源使用	56-59
	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源（包括能源、水及其他原材料）的政策。		
Aspect A3: The environment and Natural Resources 層面 A3：環境及天然資源	General Disclosure 一般披露	GREEN OPERATION 綠色營運	
	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Wastewater Management 廢水管理 Noise Management 噪音管理	54 55
		ENVIRONMENT AND NATURAL RESOURCES 環境與自然資源	59

Environmental, Social and Governance Report

環境、社會及管治報告

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社會			
Employment and Labour Practices			
僱傭及勞工常規			
Aspect B1: Employment	General Disclosure 一般披露	PEOPLE-ORIENTED 以人為本	
層面 B1：僱傭	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：	Employment Standard 僱傭準則	60
	(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Salary and Benefits 薪酬及福利	61
Aspect B2: Health and Safety	General Disclosure 一般披露	PEOPLE-ORIENTED 以人為本	
層面 B2：健康與安全	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的：	Health and Safety 健康與安全	62-63
	(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。		
Aspect B3: Development and Training	General Disclosure 一般披露	PEOPLE-ORIENTED 以人為本	
層面 B3：發展及培訓	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Development and Training 發展與培訓	62

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Employment and Labour Practices (Continued) 僱傭及勞工常規 (續)			
Aspect B4: Labour Standards 層面 B4：勞工準則	<p>General Disclosure 一般披露</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p> <p>有關防止童工或強制勞工的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	<p>PEOPLE-ORIENTED 以人為本</p> <p>Employment Standard 僱傭準則</p>	60
Operating Practices 營運慣例	<p>General Disclosure 一般披露</p>	OPERATING PRACTICES 營運慣例	
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理	<p>Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。</p>	Supply Chain Management 供應鏈管理	64
Aspect B6: Product Responsibility 層面 B6：產品責任	<p>General Disclosure 一般披露</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.</p> <p>有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	<p>OPERATING PRACTICES 營運慣例</p> <p>Supply Chain Management 供應鏈管理</p> <p>Management on Product Quality 產品質量管理</p> <p>Customer First 客戶至上</p> <p>Safeguarding Intellectual Property 維護知識產權</p>	64 64-65 65 66

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環境、社會及管治報告

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Operating Practice (Continued) 營運慣例 (續)			
Aspect B7: Anti-corruption 層面 B7：反貪污	General Disclosure 一般披露 Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	OPERATING PRACTICES 營運慣例 Anti-corruption 反貪污	66
Community 社區			
Aspect B8: Community Investment 層面 B8：社區投資	General Disclosure 一般披露 Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	COMMUNITY INVESTMENT 社區投資	66

Directors' Report

董事報告書

The Board hereby present its report together with the consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Group is principally engaged in design, manufacturing and trading of apparels as well as provision of money lending services. Details of the principal activities of the Company and its subsidiaries are set out in note 1 to the financial statements.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by geographical areas and businesses is set out in note 6 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 and its state of affairs of the Group as at 31 December 2018 are set out in the financial statements on pages 98 to 228.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2018.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the past five years is set out in the financial summary on page 5 of this annual report. This summary does not form part of the audited financial statements in this annual report.

RESERVES

Details of the movements in the reserves of the Company and of the Group during the year are set out in note 38(b) to the financial statements and in the consolidated statement of change in equity, respectively in this annual report.

董事會謹此呈上本集團的報告及其截至二零一八年十二月三十一日止年度的綜合財務報表。

主要業務

本集團主要從事服裝產品的設計、製造及貿易以及貸款融資業務。本公司及其附屬公司的主要業務詳情載於財務報表附註1。

分部資料

本集團按地區及業務劃分之業績分析載於財務報表附註6。

業績及分配

本集團截至二零一八年十二月三十一日止年度之業績及本集團於二零一八年十二月三十一日的業務狀況載於財務報表第98頁至第228頁。

董事不建議派發截至二零一八年十二月三十一日止年度的任何末期股息。

財務概要

本集團於過往五個年度的已刊發業績以及資產及負債概要乃載於本年報第5頁的財務概要。此概要並不構成本年報經審核財務報表的一部分。

儲備

本公司及本集團儲備於年內之變動詳情分別載於本年報財務報表附註38(b)及綜合權益變動表。

Directors' Report

董事報告書

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution to equity shareholders, comprising share premium and contributed surplus, amounted to approximately HK\$364,012,000.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 29 to the financial statements.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$38,000.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles nor the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

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

可供分派儲備

於二零一八年十二月三十一日，本公司可供分派予權益股東之儲備（包括股份溢價及繳入盈餘）約364,012,000港元。

物業、廠房及設備

本集團於本年度的物業、廠房及設備變動詳情載於本年報內財務報表附註14。

股本

本公司於本年度的股本變動詳情載於財務報表附註29。

慈善捐款

本集團於本年度作出38,000港元的慈善捐款。

優先購買權

細則或開曼群島法律並無關於優先購買權的規定，致令本公司須按比例向現有股東發售新股份。

購買、贖回或出售本公司的上市證券

本公司或其任何附屬公司於截至二零一八年十二月三十一日止年度期間並無購買、贖回或出售本公司任何上市證券。

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2018, the percentages of sales and purchases attributable to the Group's major customers and suppliers, respectively are as follows:

Sales

- The largest customer 43.6%
- The total of the five largest customers 81.3%

Purchases

- The largest supplier 14.1%
- The total of the five largest suppliers 51.3%

None of the Director, their associates or any shareholder of the Company, which owns more than 5% of the Company's issued share capital, to the best knowledge of the Directors, had any interest in the share capital of the Group's five largest customers or five largest suppliers.

DIRECTORS

The Directors during the year ended 31 December 2018 and up to the date of this annual report are:

EXECUTIVE DIRECTORS

GUO Lin (*Chairman*)
JIANG Mingsheng
JIANG Tianqing
Hubert TIEN
LIU Chun Fai
ZHANG Yu (resigned on 9 July 2018)
WANG Zhou (vacated on 8 March 2019)

INDEPENDENT NON-EXECUTIVE DIRECTORS

LU Hongbing
TANG Shu Pui Simon
HON Ming Sang
WU Fei (appointed on 15 February 2018)

In accordance with article 84 of the Articles, Mr. Hubert TIEN, Mr. HON Ming Sang and Mr. WU Fei will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming AGM.

主要客戶及供應商

截至二零一八年十二月三十一日止年度，本集團的主要客戶及供應商應佔銷售額與採購的百分比分別如下：

銷售額

- 最大客戶 43.6%
- 五大客戶合計 81.3%

採購

- 最大客戶 14.1%
- 五大供應商合計 51.3%

概無任何董事、董事的緊密聯繫人、或任何股東（擁有5%以上的本公司已發行股份數目者），據董事會所知在本集團上述五大的供應商或客戶中佔有任何股本權益。

董事

於截至二零一八年十二月三十一日止年度內及直至本年報日期在任之董事如下：

執行董事

郭林（主席）
姜明生
蔣恬青
田曉勃
廖晉輝
張宇（於二零一八年七月九日辭職）
王洲（於二零一九年三月八日離任）

獨立非執行董事

呂紅兵
鄧澍培
韓銘生
吳飛（於二零一八年二月十五日獲委任）

根據細則第84條，田曉勃先生、韓銘生先生及吳飛先生將於即將舉行的股東週年大會上輪席退任及彼等均符合資格並願意於該大會上膺選連任。

Directors' Report

董事報告書

DIRECTORS' SERVICE CONTRACTS

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

MANAGEMENT CONTRACTS

Save for the service contracts of the Directors, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

Under article 164 of the Articles, every Director, secretary, other officers and auditor for the time being of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, charges, losses, damages and expenses which they or any of them, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

Such permitted indemnity provisions have been in force throughout the year. The Company has arranged appropriate D&O Insurance.

董事服務合約

擬於週年股東大會上膺選連任之董事概無與本公司訂立不得由本公司於一年內終止時免付賠償（法定賠償除外）之服務合約。

管理合約

除董事服務合約外，於本年度，概無訂立或存在任何與本集團全部業務或其任何重大部分有關的管理及行政合約。

准許彌償條文

根據細則第164條，董事、秘書及其他高級人員及本公司當時的核數師，就或針對其本人或其中任何人，於各自的職位或信託中履行職責或其假定職責時作出、同意作出或遺漏作出任何行為而將會或可能招致或蒙受的任何訴訟、費用、收費、損失、損害賠償及開支而蒙受損害，將獲以本公司資產及利潤作為彌償保證及擔保；惟該等彌償不得引伸而適用於與任何所述人士的任何欺詐或不誠實行為有關的任何事宜。

該准許彌償條文於本年度生效。本公司已投保合適的董事及主管責任保險。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 9 to 15 of this annual report.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS

No Director (except Mr. WANG Zhou who could not be contacted to make the confirmation), had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to business of the Group to which the Company or any of its subsidiaries was a party for the year ended 31 December 2018.

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

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

董事及高級管理人員履歷

本公司董事及本集團高級管理人員的履歷詳情載於本年報第9至15頁。

董事於交易、安排及合約的 重大權益

截至二零一八年十二月三十一日止年度，概無董事（除了王洲先生無法與其聯繫以進行確認外）於本公司或其任何附屬公司為訂約一方而對本集團業務而言屬重大的任何交易、安排或合約中直接或間接擁有重大權益。

董事及主要行政人員於股 份、相關股份及債權證中的 權益及淡倉

於二零一八年十二月三十一日，本公司董事及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所的權益（包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第352條規定須記錄在該條所述登記冊內的權益；或根據標準守則須知會本公司及聯交所的權益如下：

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Long positions in Shares of the Company

於本公司股份的好倉

Name 姓名	Capacity/nature of interest 身份／權益性質	Number of ordinary shares held 所持普通股數目	Approximate percentage of interests 概約權益百分比
Mr. Guo Lin 郭林先生	Interest in controlled corporation (Note 1) 受控法團權益 (附註1)	860,120,000	50.89%
Mr. Jiang Tianqing 蔣恬青先生	Interest in controlled corporation (Note 2) 受控法團權益 (附註2)	860,120,000	50.89%
Mr. Jiang Mingsheng 姜明生先生	Beneficial owner (Note 3) 實益擁有人 (附註3)	25,857,000	1.53%
Mr. Hubert Tien 田曉勃先生	Interest in controlled corporation (Note 4) 受控法團權益 (附註4)	9,000,000	0.53%
Mr. Tang Shu Pui Simon 鄧澍焙先生	Beneficial owner 實益擁有人	5,000,000	0.30%

Notes:

- By virtue of the SFO, Mr. Guo Lin ("Mr. Guo") is deemed to be interested in 860,120,000 shares of the Company, representing approximately 50.89% of the total number of issued shares of the Company, which are directly held by New Seres CEFC Investment Fund LP, which in turn is owned as to 50% by its general partner, New Seres International Asset Management (Cayman) Limited, and is in turn owned as to 50% by New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司). New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司) is owned as to 40% by Mr. Guo and 60% by Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承羿企業管理合夥企業(有限合夥)). Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承羿企業管理合夥企業(有限合夥)) is 10% directly owned by Mr. Guo (as its limited partner) and is 1% owned by Shanghai Chengyi Business Consulting Company Limited* (上海承羿商務諮詢有限公司) as its general partner, which is in turn directly owned as to 80% by Mr. Guo.

附註：

- 根據證券及期貨條例，郭林先生（「郭先生」）被視為於本公司860,120,000股股份中擁有權益，佔本公司已發行股份總數約50.89%。該等股份由New Seres CEFC Investment Fund LP直接持有，前者由其普通合夥人New Seres International Asset Management (Cayman) Limited擁有50%權益，而New Seres International Asset Management (Cayman) Limited由新絲綢之路投資有限公司擁有50%權益。新絲綢之路投資有限公司由郭先生擁有40%權益，由上海承羿企業管理合夥企業（有限合夥）擁有60%權益。上海承羿企業管理合夥企業（有限合夥）由郭先生（作為有限合夥人）直接擁有10%權益，並由上海承羿商務諮詢有限公司（作為一般合夥人）擁有1%權益，而上海承羿商務諮詢有限公司則由郭先生直接擁有80%權益。

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- By virtue of the SFO, Mr. Jiang Tianqing ("Mr. Jiang TQ") is deemed to be interested in 860,120,000 shares of the Company, representing approximately 50.89% of the total number of issued shares of the Company, which are directly held by New Seres CEFC Investment Fund LP, which in turn is owned as to 50% by its general partner, New Seres International Asset Management (Cayman) Limited, and is in turn owned as to 50% by New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司). New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司) is owned as to 60% by its limited partner Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承羿企業管理合夥企業(有限合夥)), which in turn is owned directly as to 33% by Mr. Jiang TQ (as its limited partner) and is owned as to 1% by Shanghai Chengyi Business Consulting Company Limited* (上海承羿商務諮詢有限公司) as its general partner, which is in turn directly owned as to 20% by Mr. Jiang TQ.
- 根據證券及期貨條例，蔣恬青先生(「蔣先生」)被視為為本公司 860,120,000 股股份中擁有權益，佔本公司已發行股份總數約 50.89%。該等股份由 New Seres CEFC Investment Fund LP 直接持有，前者由其普通合夥人 New Seres International Asset Management (Cayman) Limited 擁有 50% 權益，而 New Seres International Asset Management (Cayman) Limited 由新絲綢之路投資有限公司擁有 50% 權益。新絲綢之路投資有限公司由其有限合夥人上海承羿企業管理合夥企業(有限合夥)擁有 60% 權益。上海承羿企業管理合夥企業(有限合夥)由蔣先生(作為有限合夥人)直接擁有 33% 權益，並由上海承羿商務諮詢有限公司(作為一般合夥人)擁有 1% 權益，而上海承羿商務諮詢有限公司則由蔣先生直接擁有 20% 權益。
- By virtue of the SFO, Mr. Jiang Mingsheng ("Mr. Jiang MS") is the indirect beneficial owner of 25,857,000 shares of the Company, representing approximately 1.53% of the total number of issued shares of the Company, which are directly held by New Seres CEFC Investment Fund LP, which in turn is owned as to 50% by its general partner, New Seres International Asset Management (Cayman) Limited, and is in turn owned as to 50% by New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司). New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司) is owned as to 60% by its limited partner Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承羿企業管理合夥企業(有限合夥)), which in turn is directly owned as to 20% by Mr. Jiang MS as its limited partner.
- 根據證券及期貨條例，姜明生先生(「姜先生」)為本公司 25,857,000 股股份の間接實益擁有人，佔本公司已發行股份總數約 1.53%。該等股份由 New Seres CEFC Investment Fund LP 直接持有，前者由其普通合夥人 New Seres International Asset Management (Cayman) Limited 擁有 50% 權益，而 New Seres International Asset Management (Cayman) Limited 由新絲綢之路投資有限公司擁有 50% 權益。新絲綢之路投資有限公司由其有限合夥人上海承羿企業管理合夥企業(有限合夥)擁有 60% 權益，而上海承羿企業管理合夥企業(有限合夥)由姜先生(作為有限合夥人)直接擁有 20% 權益。
- These shares are held by All Divine Limited, which is wholly owned by Mr. Hubert Tien. By virtue of the SFO, Mr. Hubert Tien is deemed to be interested in the 9,000,000 shares under the SFO
- 該等股份由田曉勃先生全資擁有的 All Divine Limited 持有。根據證券及期貨條例，田曉勃先生被視為於 9,000,000 股股份中擁有權益。

Save as disclosed above, as at 31 December 2018, none of the Directors or chief executive of the Company have or are deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were notifiable 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 under such provisions of the SFO), or recorded in the register required to be maintained by the Company under Section 352 of the SFO, or as otherwise notifiable to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一八年十二月三十一日，本公司董事及主要行政人員概無於本公司及其任何相聯法團(定義見證券及期貨條例第 XV 部)的股份、相關股份及債權證中擁有須根據證券及期貨條例第 XV 部第 7 及 8 分部知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉)，或記錄於須根據證券及期貨條例第 352 條存置的登記冊的權益及淡倉，或須根據標準守則知會本公司及聯交所的權益及淡倉。

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

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

主要股東及其他人士於股份、相關股份及債權證的權益及淡倉

於二零一八年十二月三十一日，就本公司任何董事或主要行政人員所知或獲告知，於本公司股份及相關股份擁有5%或以上權益而記錄於須根據證券及期貨條例第336條存置的登記冊的法團或人士（本公司董事及主要行政人員除外）詳情如下：

Long positions in Shares of the Company

於本公司股份的好倉

Name 姓名／名稱	Capacity/nature of interest 身份／權益性質	Number of ordinary shares held 所持普通股數目	Approximate percentage of interests 概約權益百分比
New Seres CEFC Investment Fund LP	Beneficial owner (Note 1) 實益擁有人（附註1）	860,120,000	50.89%
New Seres International Asset Management (Cayman) Limited	Interest in controlled corporation (Note 2) 受控法團權益（附註2）	860,120,000	50.89%
New Seres Investment Co., Ltd.* (新絲綢之路投資有限公司)	Interest in controlled corporation (Note 3) 受控法團權益（附註3）	860,120,000	50.89%
Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承翬企業管理 合夥企業（有限合夥）)	Interest in controlled corporation (Note 4) 受控法團權益（附註4）	860,120,000	50.89%
Shanghai Chengyi Business Consulting Company Limited* (上海承翬商務諮詢有限公司)	Interest in controlled corporation (Note 5) 受控法團權益（附註5）	860,120,000	50.89%

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Name 姓名／名稱	Capacity/nature of interest 身份／權益性質	Number of ordinary shares held 所持普通股數目	Approximate percentage of interests 概約權益百分比
CEFC Shanghai Financial Services Co., Ltd.* (上海華信金融服務有限公司)	Interest in controlled corporation (Note 6) 受控法團權益 (附註6)	860,120,000	50.89%
Shanghai CEFC Financial Holding Co., Ltd.* (上海市華信金融控股有限公司)	Interest in controlled corporation (Note 7) 受控法團權益 (附註7)	860,120,000	50.89%
CEFC China Energy 中國華信能源有限公司	Interest in controlled corporation (Note 8) 受控法團權益 (附註8)	860,120,000	50.89%
CEFC China Energy Investment Fund Co., Ltd.* (上海能源基金投資有限公司)	Interest in controlled corporation (Note 9) 受控法團權益 (附註9)	860,120,000	50.89%
China CEFC International Equity Investment Co., Ltd.* (中國華信國際股權投資有限公司)	Interest in controlled corporation (Note 10) 受控法團權益 (附註10)	860,120,000	50.89%
Shanghai Zhong'an United Investment Fund Co., Ltd.* (上海中安聯合投資基金股份有限公司)	Interest in controlled corporation (Note 11) 受控法團權益 (附註11)	860,120,000	50.89%
Wisely Inc Limited 永事利有限公司	Interest in controlled corporation (Note 12) 受控法團權益 (附註12)	860,120,000	50.89%
Shanghai Huaxin Group (Hongkong) Limited 上海華信集團(香港)有限公司	Interest in controlled corporation (Note 13) 受控法團權益 (附註13)	860,120,000	50.89%

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Name 姓名／名稱	Capacity/nature of interest 身份／權益性質	Number of ordinary shares held 所持普通股數目	Approximate percentage of interests 概約權益百分比
Shanghai CEFC International Group* (上海華信國際集團) 有限公司	Interest in controlled corporation (Note 14) 受控法團權益 (附註 14)	860,120,000	50.89%
Mr. Su Weizhong 蘇衛忠先生	Interest in controlled corporation (Note 15) 受控法團權益 (附註 15)	860,120,000	50.89%
Ms. Yi Qianru Yi Qianru 女士	Deemed interest of spouse and interest in controlled corporation (Note 16) 被視作為配偶的權益及 受控法團權益 (附註 16)	860,120,000	50.89%
Ms. Han Wenjing 韓雯靜女士	Deemed interest of spouse and interest in controlled corporation (Note 17) 被視作為配偶的權益及 受控法團權益 (附註 17)	860,120,000	50.89%
Mr. Li Yong 李勇先生	Interest in controlled corporation (Note 18) 受控法團權益 (附註 18)	860,120,000	50.89%
Ms. Feng Qiuling 馮秋菱女士	Deemed interest of spouse and interest in controlled corporation (Note 19) 被視作為配偶的權益及 受控法團權益 (附註 19)	860,120,000	50.89%
Ms. Tin Yuen Sin Carol 田琬善女士	Beneficial owner and interest in controlled corporation (Note 20) 實益擁有人及受控法團權益 (附註 20)	114,362,000	6.77%

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Name 姓名／名稱	Capacity/nature of interest 身份／權益性質	Number of ordinary shares held 所持普通股數目	Approximate percentage of interests 概約權益百分比
Favor Way Investments Limited	Beneficial owner (Note 20) 實益擁有人(附註20)	110,000,000	6.51%
Hua Zhen 華珍	Beneficial owner 實益擁有人	87,000,000	5.15%

Notes:

1. New Seres CEFC Investment Fund LP is an exempted limited liability partnership registered in the Cayman Islands on 20 January 2017.
2. New Seres International Asset Management (Cayman) Limited is the general partner of New Seres CEFC Investment Fund LP, and is owned as to 50% by New Seres Investment Co., Ltd* (新絲綢之路投資有限公司) and 50% by CEFC Shanghai Financial Services Co. Ltd.* (上海華信金融服務有限公司).
3. New Seres Investment Co., Ltd* (新絲綢之路投資有限公司) is owned as to 40% by Mr. Guo and 60% by Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承昇企業管理合夥企業(有限合夥)).
4. Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承昇企業管理合夥企業(有限合夥)) is owned, amongst others, as to 1% by Shanghai Chengyi Business Consulting Company Limited* (上海承昇商務諮詢有限公司), 10% by Mr. Guo, 33% by Mr. Jiang TQ and 20% by Mr. Jiang MS.
5. Shanghai Chengyi Business Consulting Company Limited* (上海承昇商務諮詢有限公司) is owned as to 80% by Mr. Guo and 20% by Mr. Jiang TQ, and is the general partner of Shanghai Chengyi Corporate Management Partnership (Limited Partnership)* (上海承昇企業管理合夥企業(有限合夥)).
6. CEFC Shanghai Financial Services Co., Ltd* (上海華信金融服務有限公司) is owned as to 100% by Shanghai CEFC Financial Holdings Co., Ltd* (上海市華信金融控股有限公司).
7. Shanghai CEFC Financial Holdings Co., Ltd* (上海市華信金融控股有限公司) is owned as to approximately 87.67% by CEFC China Energy Company Limited* (中國華信能源有限公司), approximately 6.17% by Mr. Su Weizhong, approximately 4.93% by Mr. Zheng Xiongbin and approximately 1.23% by Shanghai Zhong'an United Investment Fund Co., Ltd.* (上海中安聯合投資基金股份有限公司).
8. CEFC China Energy Company Limited* (中國華信能源有限公司) is owned as to 99.05% by CEFC China Energy Investment Fund Co., Ltd* (上海能源基金投資有限公司).
9. CEFC China Energy Investment Fund Co., Ltd* (上海能源基金投資有限公司) is owned as to 100% by China CEFC International Equity Investment Co., Ltd.* (中國華信國際股權投資有限公司).

附註：

1. New Seres CEFC Investment Fund LP 為一家於二零一七年一月二十日在開曼群島註冊的獲豁免有限責任合夥。
2. New Seres International Asset Management (Cayman) Limited 為 New Seres CEFC Investment Fund LP 的普通合夥人，並分別由新絲綢之路投資有限公司及上海華信金融服務有限公司擁有 50% 權益。
3. 新絲綢之路投資有限公司由郭先生擁有 40% 權益，由上海承昇企業管理合夥企業(有限合夥)擁有 60% 權益。
4. 上海承昇企業管理合夥企業(有限合夥)由(其中包括)上海承昇商務諮詢有限公司擁有 1% 權益，由郭先生擁有 10% 權益，由蔣先生擁有 33% 權益，及由姜先生擁有 20% 權益。
5. 上海承昇商務諮詢有限公司分別由郭先生擁有 80% 權益及蔣先生擁有 20% 權益，及為上海承昇企業管理合夥企業(有限合夥)的普通合夥人。
6. 上海華信金融服務有限公司由上海市華信金融控股有限公司擁有 100% 權益。
7. 上海市華信金融控股有限公司由中國華信能源有限公司擁有約 87.67% 權益，由蘇衛忠先生擁有約 6.17% 權益，由鄭雄斌先生擁有約 4.93% 權益，及由上海中安聯合投資基金股份有限公司擁有約 1.23% 權益。
8. 中國華信能源有限公司由上海能源基金投資有限公司擁有 99.05% 權益。
9. 上海能源基金投資有限公司由中國華信國際股權投資有限公司擁有 100% 權益。

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10. China CEFC International Equity Investment Co., Ltd.* (中國華信國際股權投資有限公司) is owned as to 80% by Shanghai Zhong'an United Investment Fund Co., Ltd.* (上海中安聯合投資基金股份有限公司).
 11. The beneficial shareholders of Shanghai Zhong'an United Investment Fund Co., Ltd.* (上海中安聯合投資基金股份有限公司) are Mr. Su Weizhong (owned as to approximately 50%), Mr. Li Yong (owned as to approximately 49%) and Mr. Zheng Xiongbin (owned as to approximately 1%).
 12. Wisely Inc Limited (永事利有限公司) is the limited partner of New Seres CEFC Investment Fund LP and is owned as to 100% by Shanghai Huaxin Group (Hongkong) Limited (上海華信集團(香港)有限公司).
 13. Shanghai Huaxin Group (Hongkong) Limited 上海華信集團(香港)有限公司 is owned as to 85.74% by Shanghai CEFC International Group Co. Ltd.* (上海華信國際集團有限公司) and as to 14.26% by Gain Sun Ventures Limited.
 14. Shanghai CEFC International Group Co. Ltd.* (上海華信國際集團有限公司) is owned as to 54.14% by CEFC China Energy Company Limited* (中國華信能源有限公司), as to 32.41% by Shanghai CEFC Financial Holding Co., Ltd.* (上海市華信金融控股有限公司) and as to 13.45% by China CEFC International Equity Investment Co., Ltd.* (中國華信國際股權投資有限公司).
 15. Mr. Su Weizhong holds 50% shares in Shanghai Zhong'an United Investment Fund Co., Ltd.* (上海中安聯合投資基金股份有限公司).
 16. Ms. Yi Qianru is the spouse of Mr. Guo, the Chairman of the Board and an executive director of the Company and is therefore deemed to be interested in the Shares held by Mr. Guo.
 17. Ms. Han Wenjing is the spouse of Mr. Jiang TQ and is therefore deemed to be interested in the Shares held by Mr. Jiang TQ.
 18. Mr. Li Yong holds 49% shares in Shanghai Zhong'an United Investment Fund Co., Ltd.* (上海中安聯合投資基金股份有限公司).
 19. Ms. Feng Qiuling is the spouse of Mr. Li Yong and is therefore deemed to be interested in the Shares held by Mr. Li Yong.
 20. Based on the disclosure of interests of Ms. Tin Yuen Sin Carol ("Ms. Tin") filed on 28 November 2016, these 114,362,000 Shares are owned as to (i) 4,362,000 Shares beneficially by Ms. Tin; and (ii) 110,000,000 Shares through Favor Way Investments Limited, a company wholly-owned by Ms. Tin. Ms. Tin is the director of Delta Wealth Finance Limited, a wholly-owned subsidiary of the Company. By virtue of the SFO, Ms. Tin is deemed to be interested in the 114,362,000 shares under the SFO.
10. 中國華信國際股權投資有限公司由上海中安聯合投資基金股份有限公司擁有80%權益。
 11. 上海中安聯合投資基金股份有限公司的實益股東為蘇衛忠先生(擁有約50%)、李勇先生(擁有約49%)及鄭雄斌先生(擁有約1%)。
 12. 永事利有限公司為New Seres CEFC Investment Fund LP的有限合夥人，並由上海華信集團(香港)有限公司擁有100%權益。
 13. 上海華信集團(香港)有限公司由上海華信國際集團有限公司擁有85.74%權益及Gain Sun Ventures Limited擁有14.26%。
 14. 上海華信國際集團有限公司由中國華信能源有限公司擁有54.14%權益，由上海市華信金融控股有限公司擁有32.41%權益，及由中國華信國際股權投資有限公司擁有13.45%。
 15. 蘇衛忠先生持有上海中安聯合投資基金股份有限公司50%的股份。
 16. Yi Qianru女士為本公司董事會主席兼執行董事郭先生的配偶，因而被視為於郭先生所持有的股份中擁有權益。
 17. 韓雯靜女士為蔣先生的配偶，因而被視為於蔣先生所持有的股份中擁有權益。
 18. 李勇先生持有上海中安聯合投資基金股份有限公司49%的股份。
 19. 馮秋菱女士為李勇先生的配偶，因而被視為於李勇先生所持有的股份中擁有權益。
 20. 根據田琬善女士(「田女士」)於二零一六年十一月二十八日提交的權益披露，該等114,362,000股股份由(i) 田女士實益擁有4,362,000股股份；及(ii) 透過田女士全資擁有的公司Favor Way Investments Limited擁有110,000,000股股份。田女士為本公司全資附屬公司Delta Wealth Finance Limited的董事。根據證券及期貨條例，田女士被視為於114,362,000股股份中擁有權益。

* For identification purpose only

* 僅供識別用途

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

除上文所披露者外，於二零一八年十二月三十一日，董事並不知悉有任何其他人士或實體(本公司董事及主要行政人員除外)於本公司、其集團成員公司或相聯法團的股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露、或記錄於須根據證券及期貨條例第336條所存置的登記冊或另行知會本公司及聯交所的權益或淡倉。

EMOLUMENT POLICY

The Remuneration Committee was established for reviewing and determining the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, the time devoted to the Group and the performance of the Group. The Directors may also receive options to be granted under a share option scheme. The Company has conditionally adopted a share option scheme. The details of the share option scheme are set out in the paragraph headed "Share Option Scheme" below.

SHARE OPTION SCHEME

The share option scheme enables the Company to grant options to any full-time or part-time employee of the Company or any member of the Group (the "Eligible Participant") as incentives or rewards for their contributions to the Group. The Company conditionally adopted a share option scheme (the "Scheme") on 22 November 2013 whereby the Board was authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the shares of the Company to the Eligible Participant. The Scheme remains effective following the Company's transfer of listing from GEM to the Main Board subject to certain immaterial amendments to the Scheme and has been implemented in full compliance with the requirements of Chapter 17 of the Listing Rules. The Scheme will be valid and effective for a period of ten years commencing from its adoption date.

As at the date of this report, the total number of shares available for issue under the Scheme is 60,000,000 shares, representing 3.55% of the issued share capital of the Company. The maximum number of shares that may be granted by the Company to any one Eligible Participant shall not exceed 1% of the issued share capital of the Company from time to time.

薪酬政策

薪酬委員會的成立是為了檢討及釐定董事的酬金及薪酬待遇而參考了彼等的職責、工作量、對本集團付出的時間及於本集團的表現。董事亦可能收取根據購股權計劃將授出的購股權。本公司有條件採納購股權計劃。購股權計劃之詳情載於下文「購股權計劃」一段。

購股權計劃

購股權計劃使本公司可向本公司或本集團任何成員公司之任何全職或兼職僱員（「合資格參與者」）授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。本公司於二零一三年十一月二十二日有條件採納購股權計劃（「該計劃」），據此，董事會獲授權可全權酌情，依照該計劃之條款授出可認購本公司股份之購股權予合資格參與者。該計劃於本公司自GEM轉板至主板上市後繼續有效（惟須對該計劃作出若干非重大修訂），並完全遵照上市規則第17章的規定實施。該計劃由其採納日期起十年期內一直有效及生效。

於本報告日期，根據該計劃可供發行之股份總數為60,000,000股，佔本公司已發行股本之3.55%。本公司可向任何一名合資格參與者授出之獎勵股份最多不超過本公司實時已發行股本之1%。

Directors' Report

董事報告書

Upon acceptance of an option (the "Option") to subscribe for shares granted pursuant to the Scheme, the Eligible Participant shall pay HK\$1.00 to the Company as consideration for the grant. The Option will be offered for acceptance for a period of 21 days from the date on which the Option is granted. The subscription price for the shares subject to Options will be a price determined by the Board and notified to the Eligible Participant and shall be the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Option, which must be a day on which trading of shares take place on the Stock Exchange (the "Trading Day"); (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a share.

The Company shall be entitled to issue options, provided that the total number of shares which may be issued upon exercise of all options to be granted under the Scheme does not exceed 10% of the shares in issue from the date of listing of the shares on the Main Board of the Stock Exchange. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules, provided that the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the shares in issue at the time. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. Since the adoption of the Scheme and during the year, no share option has been granted, exercised, lapsed or cancelled, and as at 31 December 2018, no share options under the Scheme were outstanding.

於接納根據該計劃授出可認購股份之購股權（「購股權」）後，合資格參與者須支付1.00港元予本公司，作為獲授購股權之代價。購股權之接納期為授出購股權當日起計21日期間。購股權之股份認購價將由董事會釐定，並知會該合資格參與者，價格須為下列各項之最高者：(i) 於授出購股權日期（必須為股份於聯交所進行買賣之日（「交易日」））聯交所每日報價表所載之股份收市價；(ii) 於緊接授出購股權當日前五個交易日聯交所每日報價表所載之股份平均收市價；及(iii) 股份面值。

本公司獲賦予權利發行購股權，惟根據該計劃將予授出之所有購股權獲行使後，可予發行之股份總數不得超過聯交所主板上市日期已發行股份之10%。待獲股東批准及根據上市規則發出通函後，本公司可隨時更新此上限，惟於根據本公司全部購股權計劃將予授出之所有未獲行使而尚待行使購股權獲行使後，可發行之股份總數不得超過當時已發行股份之30%。購股權可按該計劃條款，於董事會所釐定之期間內隨時行使，惟不得超出授出購股權日期起計十年（惟須受提早終止條文所規限）。自採納該計劃起年內，概無購股權授出、行使、失效或註銷及於二零一八年十二月三十一日，概無根據該計劃未行使之購股權。

CONTINUING CONNECTED TRANSACTION

During the year, the Group had the following continuing connected transaction which is subject to reporting and annual review requirements under Chapter 14A of the Listing Rules:

Lease Agreement with Tactic Ally

On 13 December 2017, the Company entered into a lease agreement with Tactic Ally Limited ("Tactic Ally"), pursuant to which the Company agreed to lease the office unit situated at Suite 2101, 21st Floor, Convention Plaza Office Tower, 1 Harbour Road, Wanchai, Hong Kong (the "Property") from Tactic Ally for a term of three years commencing on 13 December 2017 at a monthly rental of HK\$586,000 (inclusive of government rate but exclusive of air-conditioning and management charges) (the "Lease Agreement"). The Company shall pay the air-conditioning and management charges directly to the management office of the Property.

Tactic Ally is a wholly-owned subsidiary of Shanghai Huaxin Group (Hongkong) Limited which in turn controls New Seres CEFC Investment Fund LP, the controlling shareholder of the Company holding 860,120,000 shares, representing approximately 50.9% of the total issued share capital of the Company.

Summary of the transaction is as follows:

持續關連交易

年內，本集團曾進行下列持續關連交易，有關交易須遵守上市規則第14A章項下的年度審核規定：

與策聯訂立之租賃協議

於二零一七年十二月十三日，本公司與策聯有限公司（「策聯」）訂立租賃協議，據此本公司同意自策聯租賃香港灣仔港灣道1號會展廣場辦公大樓21樓2101室之一個辦公室單位（「該物業」），租期自二零一七年十二月十三日起為期三年，每月租金586,000港元（包括政府差餉，但不包括空調費及管理費）（「租賃協議」）。本公司須向該物業之管理辦公室直接支付空調費及管理費。

策聯為上海華信集團（香港）有限公司之全資附屬公司，而後者控制New Seres CEFC Investment Fund LP。New Seres CEFC Investment Fund LP為本公司控股股東，持有860,120,000股股份（佔本公司已發行股本總額之約50.9%）。

該交易之簡述如下：

Date of agreement 協議日期	Lessee 承租人	Lessor 出租人	Location of the premise 物業地點	Term 期限	2018 Annual Cap	
					二零一八年 年度上限 HK\$'000 千港元	2018 Actual 二零一八年實際 HK\$'000 千港元
13 December 2017 二零一七年 十二月十三日	The Company 本公司	Tactic Ally 策聯	Suite 2101, 21st Floor, Convention Plaza Office Tower, 1 Harbour Road, Wanchai, Hong Kong 香港灣仔港灣道 1號會展廣場 辦公大樓21樓2101室	13 December 2017 to 12 December 2020 二零一七年十二月十三日 至二零二零年 十二月十二日	6,800	6,717

Directors' Report

董事報告書

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transaction. The Company also confirms that during the year under review it has followed its policies and guidelines in determining the pricing and the terms of the continuing connected transaction.

The independent non-executive Directors had reviewed and confirmed that the Lease Agreement was entered into in the ordinary and usual course of business of the Company and on normal commercial terms which are fair and reasonable, and in the interests of the Company and the shareholders as a whole. The Directors also confirm the auditor has confirmed the matters set out in rule 14A.56 of the Listing Rules regarding the continuing connected transactions for the year ended 31 December 2018.

RELATED PARTY TRANSACTIONS

The significant related party transactions entered into by the Group during the year are set out in note 33 to the consolidated financial statements and include transaction that constitute continuing connected transaction for which the disclosure requirements in accordance with Chapter 14A under the Listing Rules have been complied.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors (except Mr. WANG Zhou who could not be contacted to make the confirmation), or their respective associates (as defined in the Listing Rules) has engaged in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report. The Company has maintained a sufficient public float in compliance with the Listing Rules.

本公司確認此持續關聯交易已遵守上市規則第14A章之相關的披露要求。本公司亦確認，已遵從其政策及指引，審核本年度之持續關聯交易的價格及條款。

獨立非執行董事已審議及確認，租賃協議乃於本公司之一般及日常業務過程中按一般商業條款訂立，屬公平合理，並符合本公司及股東的整體利益。董事亦確認，核數師已確認截至二零一八年十二月三十一日止年度之上市規則第14A.56條（有關持續關連交易）所載事項。

關聯方交易

本集團於年內訂立的關連方交易載於綜合財務報表附註33，並包括構成持續關連交易且已遵守上市規則第十四A章的披露規定之交易。

董事於競爭業務之權益

於年內，概無董事（除了王洲先生無法與其聯繫以進行確認外）或彼等各自之任何聯繫人士（定義見上市規則）於與本集團業務直接或間接構成或可能構成競爭之業務中擁有權益。

足夠公眾持股量

按照本公司可公開取得之資料，並就董事所知，於本報告日期，本公司最少25%已發行股本總額由公眾持有。本公司已遵守上市規則維持足夠公眾持股量。

CORPORATE GOVERNANCE

A report detailed corporate governance report is set out in pages 29 to 46 in this annual report.

AUDITOR

The consolidated financial statements for the year ended 31 December 2018 have been audited by BDO Limited, who shall retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of BDO Limited as auditor of the Company will be proposed at the forthcoming AGM.

企業管治

詳細企業管治報告載於本年報第29至46頁。

核數師

截至二零一八年十二月三十一日止年度之綜合財務報表已由香港立信德豪會計師事務所有限公司審核，彼將退任並合乎資格且願於即將舉行的股東週年大會上膺選連任。續聘香港立信德豪會計師事務所有限公司為本公司核數師的決議案將於即將舉行的股東週年大會上提呈。

By order of the Board
CEFC Hong Kong Financial Investment Company Limited
GUO Lin
Chairman

承董事會命
香港華信金融投資有限公司
郭林
主席

28 March 2019

二零一九年三月二十八日

Independent Auditor's Report

獨立核數師報告



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TO THE SHAREHOLDERS OF CEFC HONG KONG FINANCIAL INVESTMENT COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

致香港華信金融投資有限公司全體股東

(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of CEFC Hong Kong Financial Investment Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 98 to 228, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

意見

吾等已完成審核刊載於第98頁至第228頁香港華信金融投資有限公司「貴公司」及其附屬公司（統稱「貴集團」）的綜合財務報表，其中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全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括重大會計政策概要。

吾等認為，綜合財務報表已根據由香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）真實而公平地反映 貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並認為綜合財務報表乃按照香港《公司條例》之披露要求妥為編製。

意見基準

吾等已根據香港會計師公會頒佈的香港核數準則（「香港核數準則」）進行審核。吾等於該等準則項下的責任於本報告「核數師就審核綜合財務報表的責任」一節進一步闡述。根據香港會計師公會頒佈的「專業會計師道德守則」（「守則」），吾等獨立於 貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲取的審核憑證充足及適當地為吾等的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

Valuation of Inventories

Refer to notes 5(c), 9 and 18 to the consolidated financial statements

The Group has inventories of approximately HK\$9.0 million as at 31 December 2018. Inventories are carried at lower of cost and net realisable value. The assessment of the net realisable value of inventories is primarily based on significant management estimates relating to the future market conditions, selling price and assumptions. Accordingly, the valuation of inventories is considered to be a key audit matter of our audit. Management concluded that no impairment is necessary for the Group's inventories for the year ended 31 December 2018.

Our response:

- Observing the Group's inventory count to identify whether there is any damaged or obsolete inventory;
- Testing the accuracy of the ageing profile of individual inventory item on a sample basis by checking to the underlying procurement correspondence;
- Assessing the subsequent usage and the net realisable value of inventory items on a sample basis using historic margins and current market condition; and
- Assessing the basis for the inventory provisions, the consistency of provisioning in line with policy and the rationale for the recording of specific provisions.

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核本期綜合財務報表中最重要的事項。吾等在整體審核綜合財務報表及就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

存貨估值

參閱綜合財務報表附註5(c)、9及18

於二零一八年十二月三十一日，貴集團擁有存貨約9,000,000港元。該等存貨按成本與可變現淨值兩者中孰低者列賬。存貨的可變現淨值評估主要基於與未來市場狀況、售價及假設有關的重要管理層估計。因此，存貨估值被視為吾等審核的關鍵審核事項之一。管理層認為，貴集團截至二零一八年十二月三十一日止年度的存貨毋需減值。

吾等之回應：

- 觀察 貴集團存貨盤點以確定是否有任何損壞或過時存貨；
- 透過檢查相關採購資料，以抽樣方式測試個別存貨項目庫齡之準確性；
- 以抽樣方式採用過往毛利及現時市況評估存貨項目的後續使用及可變現資產淨值；及
- 評估存貨撥備基準、撥備計提與政策的一致性及其特定撥備的記賬依據。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Recoverability of Trade and Bills Receivables and Loans and Interest Receivables

Refer to notes 5(b), 9, 19 and 20 to the consolidated financial statements

As at 31 December 2018, the Group's trade and bills receivables and loans and interest receivables amounted to approximately HK\$18.5 million and HK\$105.3 million respectively, representing significant balances recorded in the consolidated statement of financial position of the Group.

Management performed credit evaluations for the Group's customers and assessed expected credit losses ("ECLs") of trade and bills receivables and loans and interest receivables. These assessments were focused on the customers' settlement history and their current ability to pay, and took into account information specific to respective customer as well as pertaining to the economic environment in which the customers operated. All of these assessments involved significant judgements of management.

We identified this area as a key audit matter because management made subjective judgements in assessing the credit standing of the Group's customers and the estimation of ECLs of trade and bills receivables and loans and interest receivables.

Our response:

- Understanding, evaluating and validating the key controls over credit risk management performed. Those key controls were related to credit standing of each customer, identification of events that triggered the provision for impairment of trade and bills receivables and loans and interest receivables and estimation of the ECLs;
- Obtaining management's assessment of ECLs of trade and bills receivables and loans and interest receivables and assessing the reasonableness of the key underlying information referenced by management. Where impairment provision was individually made, we checked and assessed whether the impairment provision was properly supported by considering available forward-looking information, the debtors' aging analysis, settlement history and history of bad debt losses;

關鍵審核事項 (續)

貿易應收款項及應收票據以及應收貸款及應收利息的可收回性

參閱綜合財務報表附註5(b)、9、19及20

於二零一八年十二月三十一日，貴集團貿易應收款項及應收票據以及應收貸款及應收利息分別為約18,500,000港元及105,300,000港元，即於貴集團綜合財務狀況表列賬之重大結餘。

管理層對貴集團的客戶進行信貸評估並評估貿易應收款項及應收票據以及應收貸款及利息的預期信貸虧損（「預期信貸虧損」）。該等評估專注於客戶的歷史付款記錄及其當前的支付能力，並考慮客戶及其經營所處經濟環境的特定信息。所有該等評估涉及管理層重大判斷。

吾等確認該領域為關鍵審核事項，原因為管理層對貴集團客戶的信貸等級評估、貿易應收款項及應收票據以及應收貸款及利息的預期信貸虧損估計作出主觀判斷。

吾等之回應：

- 了解、評估及核實所進行的信貸風險管理之關鍵控制。該等關鍵控制措施與每名客戶的信貸質素、識別觸發貿易應收款項及應收票據以及應收貸款及利息減值撥備的事件及對預期信貸虧損的估計有關；
- 獲取管理層對貿易應收款項及應收票據以及應收貸款及利息的預期信貸虧損評估，並評估管理層所參考的關鍵相關資料的合理性。倘作出單獨減值撥備，吾等檢驗及評估減值撥備是否經考慮可獲得的前瞻性資料、債務人的賬齡分析、結算歷史及壞賬虧損歷史後受到適當支持；

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獨立核數師報告

KEY AUDIT MATTERS (Continued)

Recoverability of Trade and Bills Receivables and Loans and Interest Receivables (Continued)

Refer to notes 5(b), 9, 19 and 20 to the consolidated financial statements (Continued)

Our response: (Continued)

- Reviewing cash received subsequent to year end on a sample basis to obtain evidence of the collectability on trade and bills receivables and loans and interest receivables;
- Testing on a sample basis, the accuracy of ageing profile of trade and bills receivables and loans and interest receivables by checking to the underlying sales invoices and agreements; and
- Assessing the adequacy of the Group's disclosures regarding trade and bills receivables and loans and interest receivables, the related risks such as credit risk.

Impairment Assessment of Non-current Assets

Refer to notes 5(d), 5(f), 14, 15, 16 and 17 to the consolidated financial statements

As at 31 December 2018, the Group's non-current assets principally comprised property, plant and equipment, payments for leasehold land held for own use under operating lease, goodwill and intangible asset.

Impairment losses for non-current assets for the year ended 31 December 2018 are significant in the context of the Group's consolidated financial statements.

關鍵審核事項 (續)

貿易應收款項及應收票據以及應收貸款及應收利息的可收回性 (續)

參閱綜合財務報表附註5(b)、9、19及20 (續)

吾等之回應：(續)

- 抽樣檢討年底後已收現金及第三方資料以取得貿易應收款項及應收票據以及應收貸款及應收利息可收回性的憑證；
- 透過核查相關銷售發票及合約，對貿易應收款項及應收票據以及應收貸款及應收利息賬齡情況的準確性進行抽樣測試；及
- 評估 貴集團有關貿易應收款項及應收票據以及應收貸款及應收利息，以及相關風險（如信貸風險）披露的充分性。

非流動資產減值評估

參閱綜合財務報表附註5(d)、5(f)、14、15、16及17

於二零一八年十二月三十一日，貴集團的非流動資產主要包括物業、廠房及設備、於經營租賃下持作自用的租賃土地付款、商譽及無形資產。

截至二零一八年十二月三十一日止年度，非流動資產減值虧損對於 貴集團的綜合財務報表而言屬重要的。

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獨立核數師報告

KEY AUDIT MATTERS (Continued)

Impairment Assessment of Non-current Assets

(Continued)

Refer to notes 5(d), 5(f), 14, 15, 16 and 17 to the consolidated financial statements (Continued)

Management assessed whether there was any impairment of the carrying values of goodwill and intangible asset with indefinite useful life and other non-current assets as at 31 December 2018 using value-in-use ("VIU") calculation and fair value less cost of disposal ("FVL COD") respectively for each smallest identifiable group of assets that generate independent cash flows (a cash-generating unit). Preparing the VIU and FVL COD calculations require management to exercise significant judgement and critical accounting estimate, particularly in relation to the determination of valuation techniques and the selection of inputs like growth rates and discount rates. The Group also worked closely with an independent external valuer to establish and determine the appropriate techniques and inputs.

We identified impairment of non-current assets as a key audit matter because the carrying values of these assets are material to the consolidated financial statements and also because of the significant management judgement and estimation required in assessing potential impairment which could be subject to error or potential management bias.

The recoverable amount of goodwill and intangible asset and other non-current assets are determined by management based on VIU and FVL COD calculations, and concluded that no provision for impairment was necessary for these non-current assets as at 31 December 2018.

Our response:

- Understanding and assessing the appropriateness of the valuation methodologies used by the management and key assumptions adopted for valuations based on our knowledge of the businesses and industries;
- Assessing the objectivity, capability, and competence of independent external valuer by considering its qualifications, relevant experience and relationship with the Group;

關鍵審核事項 (續)

非流動資產減值評估 (續)

參閱綜合財務報表附註5(d)、5(f)、14、15、16及17 (續)

管理層就獨立產生現金流量的各個最小可識別資產組別(現金產生單位)分別採用使用價值(「使用價值」)計算方法及公平值減出售成本(「公平值減出售成本」)，評估商譽、具無限期可使用年期之無形資產及其他非流動資產於二零一八年十二月三十一日的賬面值是否存在任何減值。編製使用價值及公平值減出售成本計算方法需要管理層作出重大判斷及關鍵會計估計，尤其是關於釐定估值技術及選擇輸入數據(例如增長率及折現率)。貴集團亦與外部獨立估值師緊密合作，以建立及釐定適當的技術及輸入數據。

由於非流動資產的賬面值對綜合財務報表而言屬重要，在評估潛在減值時亦需要管理層作出重大判斷及估計，其中可能存在錯誤或潛在的管理層偏頗的情況，因此吾等將非流動資產減值確認為 貴集團關鍵審核事項。

商譽、無形資產及其他非流動資產的可收回金額由管理層根據使用價值及公平值減出售成本計算方法釐定，並得出結論，於二零一八年十二月三十一日毋須就該等非流動資產作出減值撥備。

吾等之回應：

- 根據吾等於業務及行業方面的知識，了解及評估管理層所使用估值方法及就估值所採納的關鍵假設的合適性；
- 通過考慮外部獨立估值師之資歷、相關經驗及與 貴集團的關係，評估其客觀性、能力及資質；

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獨立核數師報告

KEY AUDIT MATTERS (Continued)

Impairment Assessment of Non-current Assets

(Continued)

Refer to notes 5(d), 5(f), 14, 15, 16 and 17 to the consolidated financial statements (Continued)

Our response: (Continued)

- Checking, on a sample basis, the accuracy and relevance of the input data used and the reasonableness of the key assumptions used in the valuations;
- Engaging a valuation expert to assist us in assessing the VIU and FVL COD calculations, including whether the discount rate applied in the VIU calculation were within the range adopted by other companies in the same industry;
- Challenging the reasonableness of key assumptions in the cash flow projection;
- Comparing the actual results for the current year with management's estimates in their VIU calculation in the previous year in order to assess the historical accuracy of the management's forecasting process;
- Performing sensitivity analysis on the discount rate applied and other key assumptions adopted by management to assess what changes thereto, either individually or collectively, would result in a different conclusion being reached and assessing whether there were any indicators of management bias in the selection of key assumptions; and
- Assessing the adequacy of the disclosures on the impairment assessment in the consolidated financial statements.

關鍵審核事項 (續)

非流動資產減值評估 (續)

參閱綜合財務報表附註5(d)、5(f)、14、15、16及17 (續)

吾等之回應：(續)

- 抽樣檢查於估值中所使用輸入數據的準確性及相關性以及所用關鍵假設的合理性；
- 委聘一名估值專家，以協助吾等評估使用價值及公平值減出售成本計算方法，包括使用價值計算所應用的折現率是否屬於相同行業內其他公司所採納的範圍；
- 對現金流預測中關鍵假設的合理性提出質詢；
- 將本年度的實際結果與上一年管理層使用價值計算的估計進行比較，以評估管理層預測程序的準確性；
- 對管理層應用的折現率及採納的其他關鍵假設進行敏感度分析，以評估當中什麼變動個別或共同導致形成不同的結論，並評估在選擇關鍵假設中是否存在管理層出現偏頗的跡象；及
- 評估於綜合財務報表中進行減值評估披露的充分性。

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獨立核數師報告

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.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

年報的其他資料

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

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

審核綜合財務報表時，吾等的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或吾等於審核過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等須報告該事實。於此方面，吾等沒有任何報告。

董事就綜合財務報表須承擔的責任

董事負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》之披露要求編製真實及公平的綜合財務報表，以及董事認為就編製不存在由於欺詐或錯誤而導致重大錯誤陳述的綜合財務報表而言屬必要的內部監控。

在編製綜合財務報表時，董事負責評估 貴集團的持續經營能力，披露（如適用）與持續經營有關的事項，並使用持續經營會計基準（除非董事擬將 貴集團清盤、終止業務，或別無其他選擇）。

董事亦負責監督 貴集團財務申報程序。審核委員會協助董事履行彼等監管 貴集團財務申報程序的責任。

Independent Auditor's Report

獨立核數師報告

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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

核數師就審核綜合財務報表的責任

吾等的目標為合理確定整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有吾等意見的核數師報告。根據委聘條款，吾等僅向閣下（作為整體）報告，除此之外本報告別無其他目的。吾等不會就本報告內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能擔保根據香港核數準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港核數準則進行審核時，吾等運用專業判斷，於整個審核過程中保持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。

Independent Auditor's Report

獨立核數師報告

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

(Continued)

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

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

核數師就審核綜合財務報表的責任 (續)

- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，吾等需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂吾等的意見。吾等的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表（包括資料披露）的整體列報、架構及內容，以及綜合財務報表是否已中肯反映相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

吾等就（其中包括）審核工作的計劃範圍及時間安排及重大審核發現，包括吾等於審核期間識別出內部監控的任何重大缺陷與審核委員會溝通。

Independent Auditor's Report

獨立核數師報告

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

(Continued)

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

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

BDO Limited

Certified Public Accountants

Wong Kwok Wai

Practising Certificate Number P06047

Hong Kong, 28 March 2019

核數師就審核綜合財務報表的責任 (續)

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施（如適用）與審核委員會溝通。

吾等從與審核委員會溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

香港立信德豪會計師事務所有限公司

執業會計師

黃國偉

執業證書編號：P06047

香港，二零一九年三月二十八日

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收入	7	203,892	325,445
Cost of sales	銷售成本		(161,412)	(229,856)
Gross profit	毛利		42,480	95,589
Other income and gains	其他收入及收益	7	4,661	3,508
Selling and distribution expenses	銷售及分銷費用		(26,551)	(39,245)
Administrative expenses	行政開支		(82,729)	(73,085)
Finance costs	融資成本	8	(39)	(642)
Loss before income tax	除所得稅前虧損	9	(62,178)	(13,875)
Income tax credit/(expense)	所得稅抵免／(開支)	11	2,146	(1,757)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度虧損		(60,032)	(15,632)
Other comprehensive income, net of tax, attributable to owners of the Company	本公司擁有人應佔其他全面收益(除稅後)			
Item that may be reclassified subsequently to profit or loss:	可於其後重新分類至損益的項目：			
Exchange (loss)/gain on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌(虧損)／收益		(1,388)	1,652
Total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年度全面收益總額		(61,420)	(13,980)
Loss per share attributable to owners of the Company	本公司擁有人應佔每股虧損	13		
Basic and diluted loss per share (HK cents)	每股基本及攤薄虧損(港仙)		(3.55)	(1.11)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	23,465	27,198
Payments for leasehold land held for own use under operating lease	15	1,661	1,806
Deposits	21	–	5,000
Goodwill	16	87,656	87,656
Intangible asset	17	800	800
Loans and interest receivables	20	4,901	–
Deferred tax assets	28	5,333	1,511
		123,816	123,971
Current assets			
Inventories	18	9,007	9,313
Trade and bills receivables	19	18,548	52,789
Loans and interest receivables	20	100,438	148,881
Deposits, prepayments and other receivables	21	19,896	17,260
Tax recoverable		–	2,216
Pledged bank deposits	22	3,314	6,596
Cash and bank balances	23	152,597	164,736
		303,800	401,791
Current liabilities			
Trade and bills payables	24	20,273	37,395
Accruals, other payables and receipts in advance	25	18,893	39,469
Contract liabilities	26	2,031	–
Interest-bearing borrowings	27	218	325
Provision for taxation		2,930	1,868
		44,345	79,057
Net current assets		259,455	322,734
Total assets less current liabilities		383,271	446,705

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Interest-bearing borrowings	計息借貸	27	853	374
Net assets	資產淨值		382,418	446,331
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人 應佔權益			
Share capital	股本	29	16,900	16,900
Reserves	儲備	30	365,518	429,431
Total equity	權益總額		382,418	446,331

On behalf of the Board
代表董事會

Guo Lin

郭林

Director

董事

Hubert Tien

田曉勃

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	Merger reserve	Statutory reserve	Translation reserve	Retained earnings/ (Accumulated losses)	Total
		股本	股份溢價	合併儲備	法定儲備	換算儲備	保留盈利/ (累計虧損)	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(note 30(a))	(note 30(b))	(note 30(c))	(note 30(d))		
			(附註30(a))	(附註30(b))	(附註30(c))	(附註30(d))		
At 1 January 2017	於二零一七年一月一日	8,300	188,404	2,988	2,982	419	61,059	264,152
Loss for the year	年度虧損	-	-	-	-	-	(15,632)	(15,632)
Other comprehensive income	其他全面收益							
- Exchange gain on translation of financial statements of foreign operations	- 換算海外業務財務報表的匯兌收益	-	-	-	-	1,652	-	1,652
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	1,652	(15,632)	(13,980)
Profit appropriation to reserve	撥往儲備的溢利	-	-	-	198	-	(198)	-
Issuance of shares	發行股份	8,600	187,559	-	-	-	-	196,159
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	16,900	375,963	2,988	3,180	2,071	45,229	446,331
Adjustment on adoption of HKFRS 9 (note 2.1)	經採納香港財務報告準則第9號作出調整 (附註2.1)	-	-	-	-	-	(2,493)	(2,493)
Restated balance at 1 January 2018	於二零一八年一月一日的重列餘額	16,900	375,963	2,988	3,180	2,071	42,736	443,838
Loss for the year	年度虧損	-	-	-	-	-	(60,032)	(60,032)
Other comprehensive income	其他全面收益							
- Exchange loss on translation of financial statements of foreign operations	- 換算海外業務財務報表的匯兌虧損	-	-	-	-	(1,388)	-	(1,388)
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	(1,388)	(60,032)	(61,420)
Profit appropriation to reserve	撥往儲備的溢利	-	-	-	164	-	(164)	-
At 31 December 2018	於二零一八年十二月三十一日	16,900	375,963	2,988	3,344	683	(17,460)	382,418

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

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash flows from operating activities			
Loss before income tax		(62,178)	(13,875)
Adjustments for:			
Bank interest income	7	(295)	(121)
Interest expenses	8	39	642
Amortisation of payments for leasehold land held for own use under operating lease	9	54	54
Depreciation of property, plant and equipment	9	4,980	2,955
Gain on disposals of property, plant and equipment	9	(20)	(4)
Net gain on financial assets at fair value through profit or loss	7	–	(2,320)
Provision for impairment on inventories	9	–	1,519
Written off of trade receivables	9	464	–
Reversal of expected credit loss on trade receivables	9	(232)	–
Reversal of expected credit loss on loans and interest receivables	9	(55)	–
Impairment on loans and interest receivables	9	–	165
Forfeiture of deposit related to the possible acquisition of companies	9	5,000	–
Operating loss before working capital changes		(52,243)	(10,985)
Decrease in inventories		14	6,545
Decrease in trade and bills receivables		32,769	11,318
Decrease/(increase) in loans and interest receivables		41,743	(68,581)
(Increase)/decrease in deposits, prepayments and other receivables		(3,638)	7,805
Decrease in financial assets at fair value through profit or loss		–	22,208
Decrease in trade and bills payables		(15,875)	(14,218)
(Decrease)/increase in accruals, other payables and receipts in advance		(20,350)	12,541
Increase in contract liabilities		2,031	–
Cash used in operations		(15,549)	(33,367)
Income tax refunded/(paid)		1,624	(3,810)
Net cash used in operating activities		(13,925)	(37,177)

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

	Note	2018	2017
	附註	二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Cash flows from investing activities	來自投資活動的現金流量		
Purchases of property, plant and equipment	購置物業、廠房及設備	(1,105)	(16,565)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	-	47
Decrease in pledged bank deposits	已抵押銀行存款減少	3,076	1,426
Interest received	已收利息	295	121
Deposits paid for acquisitions of subsidiaries	收購附屬公司所付按金	-	(5,000)
Net cash generated from/(used in) investing activities	投資活動產生/(所用)現金淨額	2,266	(19,971)
Cash flows from financing activities	來自融資活動的現金流量		
Interest paid	已付利息	(39)	(642)
Proceeds of interest-bearing borrowings	計息借貸所得款項	-	44,247
Repayments of interest-bearing borrowings	償還計息借貸	(292)	(44,501)
Proceeds from issuance of shares	發行股份所得款項	-	204,680
Share issue expenses	股份發行開支	-	(8,521)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生現金淨額	(331)	195,263
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額	(11,990)	138,115
Cash and cash equivalents at beginning of the year	年初現金及現金等值項目	164,736	27,144
Effect of foreign exchange rates, net	匯率影響淨額	(149)	(523)
Cash and cash equivalents at end of the year	年末現金及現金等值項目	152,597	164,736
Analysis of balances of cash and cash equivalents	現金及現金等值項目之結餘分析		
Cash and bank balances as stated in the consolidated statement of financial position	於綜合財務狀況表載列之現金及銀行結存	23	164,736

Notes to the Financial Statements

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

CEFC Hong Kong Financial Investment Company Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 19 June 2013. The address of the registered office and principal place of business of the Company is disclosed in the section headed “Corporate Information” in the annual report. The Company’s shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited.

The parent of the Company is New Seres CEFC Investment Fund LP (“New Seres”), an exempted limited liability partnership registered in Cayman Islands, and the ultimate controlling party of the Company is Shanghai Zhong’an United Investment Fund Co., Ltd.

The Company is an investment holding company and its subsidiaries (together the “Group”) are principally engaged in manufacturing and trading of apparels and provision of money lending services.

The financial statements for the year ended 31 December 2018 were approved for issue by the board of directors on 28 March 2019.

1. 一般資料

香港華信金融投資有限公司（「本公司」）於二零一三年六月十九日在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處以及主要營業地點地址披露於本年報「公司資料」一節。本公司的股份於聯交所主板上市。

本公司的母公司為New Seres CEFC Investment Fund LP（「New Seres」），乃一間於開曼群島註冊之獲豁免有限合夥人，及本公司的最終控股方為上海中安聯合投資基金股份有限公司。

本公司為一間投資控股公司及連同其附屬公司（統稱為「本集團」）主要從事服裝的製造及貿易及提供貸款融資服務。

截至二零一八年十二月三十一日止年度的財務報表已於二零一九年三月二十八日由董事會核准刊發。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018

In the current year, the Group has applied the new/revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are first effective and relevant for the Group’s financial statements for the annual period beginning on 1 January 2018.

2. 採納香港財務報告準則 (「香港財務報告準則」)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效

於本年度，本集團已應用由香港會計師公會（「香港會計師公會」）頒佈並於二零一八年一月一日開始的年度期間首次生效及與本集團財務報表相關的新訂／經修訂香港財務報告準則。

HKFRS 9	Financial Instruments	香港財務報告準則第9號	金融工具
HKFRS 15	Revenue from Contracts with Customers	香港財務報告準則第15號	來自與客戶合約的收益
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)	香港財務報告準則第15號的修訂本	來自與客戶合約的收益（對香港財務報告準則第15號的澄清）
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration	香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及預付代價

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments

(i) Classification and measurement of financial instruments

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment; and (3) hedge accounting. The adoption of HKFRS 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 HKFRS 9 on the opening balance of retained earnings as of 1 January 2018 as follows:

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具

(i) 金融工具的分類及計量

香港財務報告準則第9號於二零一八年一月一日或之後開始的年度期間取代了香港會計準則第39號金融工具：確認及計量，合併金融工具會計處理的所有三個方面：(1)分類及計量；(2)減值；及(3)對沖會計處理。自二零一八年一月一日起採納香港財務報告準則第9號已導致本集團會計政策及於綜合財務報表所確認的金額產生變動。

下表概述過渡至香港財務報告準則第9號對於二零一八年一月一日保留溢利期初結餘的影響（扣除稅項）如下：

		HK\$'000 千港元
Retained earnings	保留盈利	
Retained earnings as at 31 December 2017	於二零一七年十二月三十一日的保留盈利	45,229
Increase in expected credit losses (“ECLs”) in trade receivables and loans and interest receivables	貿易應收款項及應收貸款及應收利息的預計信貸虧損 (「預計信貸虧損」) 增加	(2,493)
Restated retained earnings as at 1 January 2018	於二零一八年一月一日的重列保留盈利	42,736

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

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

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

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(i) 金融工具的分類及計量 (續)

香港財務報告準則第9號貫徹香港會計準則第39號有關財務負債確認、分類及計量規定，惟以公平值計量且變動計入當期損益 (「以公平值計量且變動計入當期損益」) 的財務負債除外，該負債信貸風險變動應佔的公平值變動金額於其他全面收益確認，除非會導致或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認財務資產及財務負債的規定。然而，其取消先前就持有至到期財務資產、貸款及應收款項及可供出售財務資產的財務資產的香港會計準則第39號類別。採納香港財務報告準則第9號對本集團有關財務負債的會計政策並無重大影響。香港財務報告準則第9號對本集團財務資產分類及計量的影響載列如下。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

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

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

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(i) 金融工具的分類及計量 (續)

根據香港財務報告準則第9號，除若干貿易應收款項（根據香港財務報告準則第15號，貿易應收款項並無包括重大融資成分）外，實體於初次確認時須按公平值加交易成本（倘為並非以公平值計量且變動計入當期損益的財務資產）計量財務資產。財務資產分類為：(i) 按攤銷成本計量的財務資產；(ii) 按公平值列入其他全面收益（「按公平值列入其他全面收益」）的財務資產；或(iii) 以公平值計量且變動計入當期損益。根據香港財務報告準則第9號，財務資產的分類一般基於兩個準則：(i) 受管理財務資產的業務模式；及(ii) 其合約現金流量特徵（「僅支付本金及利息」準則，亦稱為「僅支付本金及利息標準」）。根據香港財務報告準則第9號，嵌入式衍生工具毋須與主體財務資產分開列示。取而代之，混合式金融工具須整體評估分類。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 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.

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(i) 金融工具的分類及計量 (續)

當財務資產同時符合以下條件，且並無指定以公平值計量且變動計入當期損益，則該財務資產按攤銷成本計量：

- 該財務資產由一個旨在通過持有財務資產收取合約現金流量的業務模式所持有；及
- 該財務資產的合約條款於特定日期產生的現金流量，而該現金流量符合僅支付本金及利息標準。

倘債務投資同時符合以下條件，且並非指定以公平值計量且變動計入當期損益，則該債務投資以按公平值計入其他全面收益的方式計量：

- 該債務投資由一個旨在通過收取合約現金流量及銷售財務資產的業務模式所持有；及
- 該財務資產的合約條款於特定日期產生的現金流量，而該現金流量符合僅支付本金及利息標準。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 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 Group has no financial asset classified as FVOCI or FVTPL during the year. The Group’s 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.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(i) 金融工具的分類及計量 (續)

於初次確認並非持作買賣用途的股本投資時，本集團不可撤回地選擇於其他全面收益中呈列投資公平值的後續變動。該選擇乃按投資逐項作出。所有其他上述並非分類為攤銷成本計量或按公平值計入其他全面收益的財務資產，均分類為以公平值計量且變動計入當期損益。此包括所有衍生財務資產。於初次確認時，本集團不可撤回地指定財務資產（於其他方面符合按攤銷成本計量或按公平值計入其他全面收益的規定）為以公平值計量且變動計入當期損益，前提是有關指定可消除或大幅減少會計錯配發生。

本年度本集團並無按公平值計入其他全面收益或以公平值計量且變動計入當期損益而分類的財務資料。本集團按攤銷成本的財務資產其後採用實際利率法計量。利息收入、外匯盈虧及減值於損益中確認。終止確認的任何收益於損益確認。

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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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

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

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

Financial assets	Original classification under HKAS 39	New classification under HKFRS 9	Carrying amount	Carrying amount
			as at 1 January 2018 under HKAS 39	as at 1 January 2018 under HKFRS 9
財務資產	根據香港會計準則 第39號原有類別	根據香港財務報告準則 第9號的新類別	根據香港會計準則 第39號於二零一八年 一月一日賬面值	根據香港財務報告準則 第9號於二零一八年 一月一日的賬面值
			HK\$'000	HK\$'000
			千港元	千港元
Deposits and other receivables 按金及其他應收款項	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	19,559	19,559
Trade and bills receivables 貿易應收款項及應收票據	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	52,789	52,150
Loans and interest receivables 應收貸款及利息	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	148,881	147,027
Pledged bank deposits 已抵押銀行存款	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	6,596	6,596
Cash and cash equivalents 現金及現金等值項目	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	164,736	164,736

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(i) 金融工具的分類及計量 (續)

下表概述本集團於二零一八年一月一日各類財務資產根據香港會計準則第39號原有計量類別及根據香港財務報告準則第9號的新計量類別：

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group’s impairment model by replacing the HKAS 39 “incurred loss model” to the “expected credit losses model”. HKFRS 9 requires the Group to recognised ECL for trade receivables, financial assets at amortised costs, contract assets and debt investment at FVOCI earlier than HKAS 39. Cash and cash equivalents are subject to ECL model but the impairment is immaterial for the current year.

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

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.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(ii) 財務資產減值

採納香港財務報告準則第9號更改了本集團的減值模式，將由香港會計準則第39號「已產生虧損模式」替換為「預期信貸虧損模式」。香港財務報告準則第9號規定本集團以較香港會計準則第39號為先就貿易應收款項、按攤銷成本計量的財務資產、合約資產及按公平值計入其他全面收益的債務投資確認預期信貸虧損。現金及現金等值項目須受預期信貸虧損模式所規限，惟本年度的減值並不重大。

根據香港財務報告準則第9號，虧損撥備按以下其中一項基準計量：(1)12個月預期信貸虧損：其為於報告日期後12個月內發生的潛在違約事件導致的預期信貸虧損；及(2)存續期預期信貸虧損：此乃於金融工具預計年期內所有可能的違約事件產生的預期信貸虧損。

預期信貸虧損的計量

預期信貸虧損乃基於根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額。該差額其後按資產原有實際利率相近的差額貼現。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Measurement of ECLs (Continued)

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

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

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(ii) 財務資產減值 (續)

預期信貸虧損的計量 (續)

本集團已選用香港財務報告準則第9號簡化法計量貿易應收款項及應收票據撥備及根據存續期預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就其他按攤銷成本計量的財務資產而言，預期信貸虧損基於12個月預期信貸虧損計算。12個月預期信貸虧損為於報告日期後12個月內可能發生之金融工具違約事件而導致之預期信貸虧損，是存續期預期信貸虧損之一部分。然而，如信貸風險自產生以來大幅上升，則有關撥備將根據存續期預期信貸虧損計算。於釐定財務資產之信貸風險是否自初步確認後大幅增加，以及於估計預期信貸虧損時，本集團考慮相關且毋須不必要成本或工作即可獲得之合理支持資料。此包括根據本集團歷史經驗及知情信貸評估並包括前瞻性資料之定量及定性資料及分析。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Measurement of ECLs (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs.

Stage 1: Financial assets for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2: Financial assets for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3: Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(ii) 財務資產減值 (續)

預期信貸虧損的計量 (續)

按攤銷成本計量的財務資產，在一般方法下可能會發生減值，並且它們在以下階段分類用於預期信貸虧損計量。

第一階段：財務資產自初始確認以來信貸風險未大幅上升，且其虧損撥備相等於12個月預期信貸虧損。

第二階段：財務資產自初始確認後信貸風險大幅上升，但並非信貸減值財務資產且其虧損撥備相等於存續期預期信貸虧損。

第三階段：於報告日期信貸減值的財務資產(但不是購買或原始信貸減值)，其虧損撥備相等於存續期預期信貸虧損。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Measurement of ECLs (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. Unless the Group has reasonable and supportable information that demonstrates otherwise.

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) the financial asset is more than 90 days past due.

The maximum period considered when estimating ECL 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.

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(ii) 財務資產減值 (續)

預期信貸虧損的計量 (續)

倘逾期超過30日，則本集團假設財務資產的信貸風險大幅上升，除非本集團有合理且可支持的資料可證明有其他情況。

本集團認為財務資產於下列情況下為違約：(1) 借款人大可能在本集團無追索權採取行動（例如：變現抵押）（如持有）的情況下向本集團悉數支付其信貸義務；或(2) 財務資產逾期超過90日。

於估計預期信貸虧損時所考慮的最長期間為本集團面臨信貸風險的最長合約期間。

預期信貸虧損呈列

按攤銷成本計量的財務資產虧損撥備從資產的賬面值總額中扣減。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Impact of the ECL model

(a) Impairment of trade and bills receivables

As mentioned above, the Group applies the HKFRS 9 simplified approach to measure ECLs which adopts a lifetime ECLs for all trade and bills receivables. To measure the ECLs, trade and bills receivables have been grouped based on shared credit risk characteristics and the days past due. Management has closely monitored the credit qualities and collectability of the trade and bills receivables.

The increase in loss allowance for trade and bills receivables upon the transition to HKFRS 9 as of 1 January 2018 were HK\$639,000. The loss allowance for trade and bills receivables decreased by HK\$232,000 during year ended 31 December 2018.

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(ii) 財務資產減值 (續)

預期信貸虧損模式的影響

(a) 貿易應收款項及應收票據減值

如上文所述，本集團採用香港財務報告準則第9號簡化法以計量預期信貸虧損，其就所有貿易應收款項及應收票據採納存續期預期信貸虧損。為計量預期信貸虧損，貿易應收款項及應收票據已根據共同信貸風險特徵及逾期天數分類。管理層密切監察貿易應收款項及應收票據的信貸質素及可收回性。

於二零一八年一月一日過渡至香港財務報告準則第9號時貿易應收款項及應收票據的虧損撥備增加639,000港元。截至二零一八年十二月三十一日止年度貿易應收款項及應收票據的虧損撥備減少232,000港元。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Impact of the ECL model (Continued)

(b) Impairment of loans and interest receivables

The Group's loans and interest receivables are considered not having significant increase in credit risk, and the impairment loss recognised at 1 January 2018 and during the year ended 31 December 2018 was therefore limited to 12-month ECLs. When there have been a significant increase in credit risk, the impairment loss will be based on lifetime ECLs.

The increase in impairment loss for loans and interest receivables upon the transition to HKFRS 9 as of 1 January 2018 were HK\$1,854,000. The impairment loss for loans and interest receivables decreased by HK\$55,000 during year ended 31 December 2018.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(ii) 財務資產減值 (續)

預期信貸虧損模式的影響 (續)

(b) 應收貸款及利息減值

本集團的應收貸款及利息被視為並無大幅上升的信貸風險，因此，於二零一八年一月一日及截至二零一八年十二月三十一日止年度確認的減值虧損限制於12個月預期信貸虧損。倘信貸風險大幅上升，則減值虧損將基於存續期預期信貸虧損計算。

於二零一八年一月一日過渡至香港財務報告準則第9號時應收貸款及利息的減值虧損增加1,854,000港元。截至二零一八年十二月三十一日止年度，應收貸款及利息的減值虧損減少55,000港元。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Impact of the ECL model (Continued)

(c) Impairment of other financial assets

Other financial assets at amortised cost of the Group includes other receivables and deposits.

Management has closely monitored the credit qualities and collectability of other financial assets at amortised cost and considers the ECL is immaterial impairment on 1 January 2018 and for year ended 31 December 2018.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(ii) 財務資產減值 (續)

預期信貸虧損模式的影響 (續)

(c) 其他財務資產減值

本集團按攤銷成本計量的其他財務資產包括其他應收款項及按金。

管理層密切監察按攤銷成本計量的其他財務資產的信貸質素及可收回性，並認為於二零一八年一月一日及截至二零一八年十二月三十一日止年度的預期信貸虧損微不足道。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 9 – Financial Instruments (Continued)

(iii) Transition

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

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第9號 – 金融工具 (續)

(iii) 過渡安排

本集團已應用香港財務報告準則第9號的過渡性條文，以使香港財務報告準則第9號全面獲採納而毋須重列比較資料。因此，新預期信貸虧損規則產生的調整並無於二零一七年十二月三十一日的綜合財務狀況表中反映，惟於二零一八年一月一日的綜合財務狀況表中確認。其指採納香港財務報告準則第9號產生的財務資產與財務負債的賬面值差異於二零一八年一月一日的保留盈利及儲備確認。因此，二零一七年呈列的資料並不反映香港財務報告準則第9號的規定，惟反映香港會計準則第39號的規定。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

HKFRS 15 Revenue from Contracts with Customers (“HKFRS 15”)

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

The Group has adopted HKFRS 15 using the cumulative effect method without practical expedients. The Group has recognised the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings at the date of initial application (that is, 1 January 2018). As a result, the financial information presented for 2017 has not been restated.

The transition to HKFRS 15 had no impact on the opening balances of retained profits.

The following tables summarised the impact of adopting HKFRS 15 on the Group’s consolidated statement of financial position as at 31 December 2018 and its consolidated statement of cash flows for the current year for each of the line items affected. There was no material impact on the Group’s consolidated statement of statement of comprehensive income and consolidated statement of cash flow for the year ended 31 December 2018.

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第15號來自與客戶合約的收益 (「香港財務報告準則第15號」)

香港財務報告準則第15號取代香港會計準則第11號「建築合約」、香港會計準則第18號「收益」及相關詮釋。香港財務報告準則第15號建立一個五步模式，以將客戶合約收益列賬。根據香港財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務作交換而有權獲得的代價金額確認。

本集團已採用累計影響法採納香港財務報告準則第15號（無可行權宜方法）。本集團已將初次應用香港財務報告準則第15號的累計影響確認為於初次應用日期（即二零一八年一月一日）對保留盈利期初結餘的調整。因此，二零一七年呈列的財務資料並未重新呈列。

過渡至香港財務報告準則第15號並無對保留盈利的期初結餘造成影響。

下表概述採納香港財務報告準則第15號對本集團於二零一八年十二月三十一日的綜合財務狀況表及本年度其綜合現金流量表就受影響的各項目的影響。本集團截至二零一八年十二月三十一日止年度的綜合全面收益表及綜合現金流量表概無受到重大影響。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

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

Impact on the consolidated statement of financial position as of 31 December 2018 (increase/(decrease)):

		As reported	Adjustment	Amount without application of HKFRS 15
		如申報 HK\$'000 千港元	調整 HK\$'000 千港元	未計應用香港財務報告準則第15號之金額 HK\$'000 千港元
Current liabilities	流動負債			
Accruals, other payables and receipts in advance	預提費用、其他應付款項及預收款項	18,893	2,031	20,924
Contract liabilities	合約負債	2,031	(2,031)	-

Impact on the consolidated statement of cash flows for the year ended 31 December 2018 (increase/ (decrease)):

		As reported	Adjustment	Amount without application of HKFRS 15
		如申報 HK\$'000 千港元	調整 HK\$'000 千港元	未計應用香港財務報告準則第15號之金額 HK\$'000 千港元
Operating activities	經營活動			
Decrease in accruals, other payables and receipts in advance	預提費用、其他應付款項及預收款項減少	(20,350)	2,031	(18,319)
Increase in contract liabilities	合約負債增加	2,031	(2,031)	-

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第15號來自與客戶合約的收益 (「香港財務報告準則第15號」)(續)

於二零一八年十二月三十一日的綜合財務狀況表的影響 (增加／(減少)):

截至二零一八年十二月三十一日對綜合現金流量表的影響 (增加／(減少)):

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

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

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

Nature of the goods, satisfaction of performance obligations and payment terms

商品或服務的質、履約義務的履行及付款條件

Customers obtain control when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the products. There is generally only one performance obligation. Invoices are usually payable from 10 to 180 days.

Right of return

Some of the Group’s contracts with customers from the sale of goods provides customers a right of return (a right to be refunded in cash).

客戶於獲交付及驗收貨品時取得控制權。因此，收入於客戶驗收產品時獲確認。一般只有一項履約義務。發票通常於10至180日支付。

退還權

本集團與客戶有關銷售貨品的若干合約讓客戶有退貨權（獲退還現金的權利）。

Nature of change in accounting policy and impact on 1 January 2018

於二零一八年一月一日的會計政策變動性質及影響

Right of return

Under HKAS 18, revenue for these contracts was recognised when a reasonable estimate of the returns could be made, provide that all other revenue recognition criteria are met. If a reasonable estimate could not be made, such revenue would be deferred until the return period lapsed or a reasonable estimate could be made.

Under HKFRS 15, right of return gives rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred. In addition, a refund liability and a right to recover returned goods assets are recognised.

Impact:

Accumulated experience is used to estimate such returns at the time of sale. Because of the large size and low value of each individual product, the amount of products return were immaterial. It is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Therefore, no refund liability for goods return was recognised. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. As a result, no accounting impact arose for refunds while applying HKFRS 15.

退還權

根據香港會計準則第18號，此等合約之收入於可作出合理退還估計時確認，惟須符合所有其他收入確認標準。倘無法作出合理估計，則有關收入遞延至退還期失效或可作出合理估計為止。

根據香港財務報告準則第15號，退還權產生可變代價。可變代價於合約開始時估計，並受限制，直至有關不明朗因素其後解決為止。對可變代價施加限制增加遞延收入金額。此外，亦確認退款負債及收回退貨資產權。

影響：

銷售時使用累計經驗來估算有關退款。由於產品規模大及單個產品價值低，退貨的金額微不足道。很可能不會發生已確認累計收入的重大撥回。因此，未確認退貨退款負債。於各個報告日期重新評估該假設的有效性與估計退款金額。因此，應用香港財務報告準則第15號對退款不會產生會計影響。

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效（續）

香港財務報告準則第15號來自與客戶合約的收益（「香港財務報告準則第15號」）（續）

有關本集團的新重大會計政策及過往會計政策變動的詳情載列如下：

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

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

香港財務報告準則第15號來自與客戶合約的收益 (「香港財務報告準則第15號」)(續)

Nature of the goods, satisfaction of performance obligations and payment terms

商品或服務的質、履約義務的履行及付款條件

Nature of change in accounting policy and impact on 1 January 2018

於二零一八年一月一日的會計政策變動性質及影響

Advances received from customers

Generally, the Group receives short-term advances from its customers.

已收客戶墊款

一般而言，本集團向其客戶收取短期墊款。

Advances received from customers

Prior to the adoption of HKFRS 15, the Group presented these advances as receipts in advance in the consolidated statement of financial position.

Upon the adoption of HKFRS 15, reclassifications have been made from deposits received to contract liabilities for the outstanding balance of advances from customers.

Impact:

As of 1 January 2018, no contract liabilities had been recognised since the amount was immaterial.

已收客戶墊款

於採納香港財務報告準則第15號之前，本集團於綜合財務狀況表將該等墊款呈列為預收款項。

於採納香港財務報告準則第15號後，就客戶墊款之未償還結餘從已收按金重新分類至合約負債。

影響：

於二零一八年一月一日，並無確認合約負債，因為金額微不足道。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Adoption of new/revised HKFRSs – effective 1 January 2018 (Continued)

Amendments HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

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

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

2.2 New/revised HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ⁴

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.1 採納新訂／經修訂香港財務報告準則 – 於二零一八年一月一日生效 (續)

香港財務報告準則第15號的修訂本 – 來自與客戶合約的收益 (澄清香港財務報告準則第15號)

香港財務報告準則第15號的修訂本包括澄清確定履約義務；應用委託人及代理人；知識產權許可；及過渡規定。

採納該等修訂對該等財務報表並無影響，因為本集團先前並未採納香港財務報告準則第15號，並已於本年度（其第一年）作出澄清。

2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則

下列新訂／經修訂香港財務報告準則已頒佈但尚未生效，而本集團亦無提早採納。本集團現時擬於該等變動生效之日採用該等變動。

香港財務報告準則第16號	租賃 ¹
香港（國際財務報告詮釋委員會）– 詮釋第23號	所得稅不確定性 ¹
香港財務報告準則第9號的修訂本	負值補償的預付特點 ¹
香港會計準則第28號的修訂本	於聯營公司及合營企業的長期權益 ⁴

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs in issue but not yet effective (Continued)

Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, Business Combinations ¹
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 11, Joint Arrangements ¹
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 12, Income Taxes ¹
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 23, Borrowing Costs ¹
HKFRS 17 Amendments to HKFRS 10 and HKAS 28	Insurance Contracts ³ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 1 and HKAS 8	Definition of material ²
Amendments to HKFRS 3	Definition of business ²

- 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 The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred / removed. Early application of the amendments of the amendments continue to be permitted.

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)

香港財務報告準則二零一五年至二零一七年週期的年度改進	香港財務報告準則第3號，業務合併 ¹
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港財務報告準則第11號的修訂本，共同安排 ¹
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港會計準則第12號，所得稅 ¹
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港會計準則第23號，借貸成本 ¹
香港財務報告準則第17號	保險合約 ³
香港財務報告準則第10號及香港會計準則第28號的修訂本	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
香港會計準則第1號及香港會計準則第8號的修訂本	重大的定義 ²
香港會計準則第3號的修訂本	業務的定義 ²

- ¹ 於二零一九年一月一日或之後開始的年度期間生效
- ² 於二零二零年一月一日或之後開始的年度期間生效。
- ³ 於二零二一年一月一日或之後開始的年度期間生效。
- ⁴ 該等修訂本原訂於二零一七年一月一日或之後開始的年度期間生效。有關生效日期現已延遲／刪除。繼續允許提前應用有關修訂本。

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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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

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

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第16號 – 租賃

香港財務報告準則第16號由生效當日起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過12個月的所有租賃確認資產及負債，除非相關資產為低價值資產則作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債的現金還款分類為本金部分及利息部分，並於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃的情況下，將於選擇權期間內作出的付款。此會計處理方法與承租人會計法顯著不同，因後者根據原準則香港會計準則第17號分類為經營租賃的租賃。

就出租人會計處理而言，香港財務報告準則第16號大致繼承香港會計準則第17號的出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同會計處理。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 – Leases (Continued)

The total operating lease commitment of the Group in respect of rented premises as at 31 December 2018 amounted to HK\$9,398,000. The directors anticipate that the adoption of HKFRS 16 would not result in significant impact on the Group’s result but expect that the above operating lease commitments will be recognised as right-of-use assets and lease liabilities in the Group’s financial statements.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at FVOCI if specified conditions are met – instead of at FVTPL.

2. 採納香港財務報告準則 (「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第16號 – 租賃 (續)

於二零一八年十二月三十一日，本集團就租賃物業的經營租賃承擔總額為約9,398,000港元。董事預期採納香港財務報告準則第16號將不會對本集團的業績產生重大影響，惟預期上述經營租賃承擔將於本集團的財務報表內確認為使用權資產及租賃負債。

香港財務報告準則第9號的修訂本 – 具有負補償的預付款功能

此等修訂本澄清，倘符合指定條件，具有負補償的預付款功能的財務資產可按攤銷成本或透過其他全面收益按公平值列賬的方式計量 – 而非按以公平值計量且變動計入當期損益的方式計量。

Notes to the Financial Statements

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New/revised HKFRSs in issue but not yet effective (Continued)

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, “Income Taxes”, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

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

Save as discussed above, other than HKFRS 16 and HK(IFRIC) – Int 23, all new standards, amendments to standards and interpretations issued but not effective are not likely to have significant impact on the Group’s consolidated financial statements.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)

香港 (國際財務報告詮釋委員會) – 詮釋第 23 號 – 所得稅不確定性

該詮釋透過就如何反映所得稅會計處理的不確定性影響提供指引，為香港會計準則第 12 號「所得稅」的規定提供支持。

根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更好預測不確定性因素的解決方式。實體亦須假設稅務機關將會檢討其有權檢討的金額，並在作出上述檢討時完全知悉所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。否則，釐定稅項涉及的不確定性因素採用「最可能金額」或「預期值」法兩者中能更好預測不確定性因素解決方式的方法來反映。

就上文所述，除香港財務報告準則第 16 號及香港 (國際財務報告詮釋委員會) – 詮釋第 23 號外，已頒佈但尚未生效的所有新訂準則、準則的修訂本及詮釋不太可能會對綜合財務報表造成重大影響。

Notes to the Financial Statements

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. BASIS OF PREPARATION

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

The financial statements have been prepared under historical cost convention.

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

The financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

3. 編製基準

財務報表乃按所有適用的香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（下文統稱「香港財務報告準則」）以及香港公司條例的披露規定編製。此外，財務報表包括香港聯合交易所有限公司證券上市規則規定的適用披露。

財務報表乃按歷史成本法編製。

務請注意，編製財務報表時採用會計估計及假設。儘管該等估計乃基於管理層對現況及行動的最佳理解及判斷而作出，惟實際結果最終可能與該等估計不同。涉及較高程度的判斷或複雜的範疇，或涉及對財務報表而言屬重大的假設及估計的範疇於附註5披露。

財務報表以本公司的功能貨幣港元（「港元」）呈列。除另有指明外，所有金額均調整至最接近的千位數。

4. 重大會計政策概要

編製財務報表所採納的重大會計政策概述如下。除另有訂明者外，該等政策均於所有呈列年度貫徹應用。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

4.1 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. 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.

4. 重大會計政策概要 (續)

4.1 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的財務報表。公司間的交易、集團內公司間結餘及未變現溢利於編製綜合財務報表時悉數對銷。未變現虧損的交易亦予以對銷，除非交易有證據顯示所轉讓資產出現減值，在此情況下則於損益中確認虧損。

於年內收購或出售附屬公司的業績乃自收購日期起至出售日期止（如適用）於綜合全面收益表入賬。如有需要，本集團會調整附屬公司的財務報表，使其會計政策與本集團其他成員公司所採用者一致。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

4.1 Business combination and basis of consolidation *(Continued)*

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

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.

4. 重大會計政策概要 *(續)*

4.1 業務合併及綜合基準 *(續)*

收購附屬公司或業務採用收購法列賬。一項收購的成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行的股權於收購當日的公平值總額計量。所收購可識別資產及所承擔負債則主要按收購當日公平值計量。本集團先前所持被收購方的股權以收購當日公平值重新計量，而所產生的收益或虧損則於損益內確認。本集團可按逐筆交易基準選擇以被收購方的可識別資產淨值公平值或應佔比例計算代表目前於附屬公司擁有權益的非控股權益。所有其他非控股權益均按公平值計量，惟香港財務報告準則另行規定則作別論。所產生的收購相關成本列作開支，除非有關成本乃因發行股本工具而產生，在此情況下，有關成本從權益中扣除。

收購方將予轉讓的任何或然代價均按收購日期的公平值確認。倘其後代價調整僅於計量期間（最長為收購日期起計十二個月）內因取得有關於收購日期的公平值的新資料而產生時，方會通過商譽確認。分類為資產或負債的或然代價的所有其他其後調整均於損益確認。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Business combination and basis of consolidation (Continued)

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

4.2 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.

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

4. 重大會計政策概要 (續)

4.1 業務合併及綜合基準 (續)

倘本集團失去附屬公司的控制權，出售損益乃按下列兩者的差額計算：(i) 所收取代價的公平值與任何保留權益的公平值的和，與(ii) 該附屬公司的資產（包括商譽）及負債與任何非控股權益過往的賬面值。先前就該附屬公司於其他全面收益確認的款額按出售相關資產或負債時所規定的相同方式列賬。

4.2 附屬公司

附屬公司指本公司能夠行使控制權的被投資公司。倘以下三項元素存在，則本公司控制被投資公司：對被投資公司擁有權力、就被投資公司的可變回報承受風險或擁有權利及能夠使用其權力影響該等可變回報。當有事實及情況表明任何該等控制元素可能存在變動時，則重估控制權。

於本公司的財務狀況表中，於附屬公司的權益乃按成本減去減值虧損（如有）列賬。附屬公司的業績由本公司按已收及應收股息基準入賬。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("CGU") that are expected to benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4.15), and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value-in-use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

4. 重大會計政策概要 (續)

4.3 商譽

倘可識別資產及負債的公平值高於所付代價的公平值、於被收購方的任何非控股權益的金額以及收購方先前於被收購方持有的股本權益的收購日期公平值的總額，則超出部分於重估後於收購日期在損益表確認。

商譽乃按成本減去減值虧損計量。就減值測試而言，收購產生的商譽分配予預期會受惠於收購協同效益的各相關現金產生單位（「現金產生單位」）。現金產生單位是其產生的現金流入基本上獨立於其他資產或資產組別的現金流入的最小可識別資產組合。獲分配商譽的現金產生單位會每年透過將其賬面值與其可收回金額（見附註4.15）作比較而進行減值測試及於有跡象顯示該單位可能出現減值時進行減值測試。

就於財政年度內進行收購所產生的商譽而言，獲分配商譽的現金產生單位會於該財政年度結束前進行減值測試。當現金產生單位的可收回金額少於該單位賬面值時，減值虧損會首先分配至撇減該單位獲分配的任何商譽的賬面值，繼而基於該單位內各資產的賬面值按比例分配至該單位的其他資產。然而，分配至各項資產的虧損將不會令到獨立資產的賬面值減至低於其公平值減出售成本（如可計量）或其使用價值（如可釐定）（以較高者為準）。商譽的任何減值虧損於損益確認，而不會於往後期間撥回。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Foreign currencies

Transactions entered into by the group entities in currencies other than the functional currency (i.e. the currency of the primary economic environment in which it operates) 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 at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as translation reserve.

4. 重大會計政策概要 (續)

4.4 外幣

集團實體功能貨幣（即其經營所在主要經濟環境的貨幣以外的貨幣進行的交易按進行交易時的通行匯率入賬。外幣貨幣資產及負債按報告期末通行的匯率換算。以外幣計值按公平值列賬的非貨幣項目按釐定公平值當日通行的匯率重新換算。以外幣按歷史成本計算的非貨幣項目不會重新換算。

結算貨幣項目以及換算貨幣項目產生的匯兌差額於其產生期間內於損益確認。重新換算按公平值列賬的非貨幣項目產生的匯兌差額計入期內損益，惟重新換算已於其他全面收益確認的收益及虧損所涉及的非貨幣項目產生的差額則除外，在此情況下，匯兌差額亦於其他全面收益確認。

於綜合入賬時，海外業務的收支項目按年內的平均匯率換算為本集團的呈列貨幣（即港元），惟匯率於期內大幅波動的情況則除外，在此情況下，使用與進行交易時通行的匯率相若的匯率。海外業務的所有資產及負債按報告期末通行的匯率換算。所產生的匯兌差額（如有）於其他全面收益確認，並於權益內累計為換算儲備。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Foreign currencies (Continued)

On disposal of a foreign operation, the cumulative exchange differences recognised in the translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost less their estimated residual value over their estimated useful life, using straight-line method as follows:

Buildings	20 years
Leasehold improvements	4 to 5 years, or over the lease terms, whichever is shorter
Machinery	10 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	4 to 5 years

The assets' estimated residual values, estimated useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at the end of each reporting date.

4. 重大會計政策概要 (續)

4.4 外幣 (續)

出售海外業務時，換算儲備內確認該業務截至出售日期止的累計匯兌差額乃重新分類至損益，作為出售損益的一部分。

4.5 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及任何減值虧損後列賬。物業、廠房及設備項目的成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

折舊乃按下列年率，於其估計可使用年期以直線法計提，以撇銷有關成本減其剩餘價值：

樓宇	二十年
租賃物業裝修	四至五年，或租賃期滿（以較短者為準）
機器	十年
傢俬、裝置及汽車	三至五年
辦公室設備	四至五年

資產的估計剩餘價值、估計可使用年期及折舊方法最少於各報告期末進行檢討及在適當時進行調整。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Property, plant and equipment (Continued)

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

4.6 Payments for leasehold land held for own use under operating lease

Payments for leasehold land held for own use under operating lease 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 straight-line method as an expense.

4.7 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.

4. 重大會計政策概要 (續)

4.5 物業、廠房及設備 (續)

因廢棄或出售而產生的損益，按出售相關資產所得款項與其賬面值的差額釐定，並於損益中確認。

期後成本僅會在項目相關的未來經濟利益可能會流入本集團及能可靠地計量項目成本時，方會計入資產賬面值或確認為獨立資產。維護及保養等所有其他成本均於其產生的期間自損益扣除。

4.6 於經營租賃下持作自用的租賃土地付款

於經營租賃下持作自用的租賃土地付款指用以收購承租人佔用物業長期權益的預付款。該等預付款乃按成本列賬，並作為開支按租期以直線法攤銷。

4.7 租賃

倘租賃條款列明擁有權的絕大部分風險及回報轉讓予承租人，則該租賃分類為融資租賃。所有其他租賃均列作經營租賃。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Leasing (Continued)

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

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

4.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

4. 重大會計政策概要 (續)

4.7 租賃 (續)

本集團作為承租人

按融資租賃持有的資產初步按其公平值或(如較低)最低租金的現值確認為資產。相關租賃承擔乃列作負債。租金可根據資本及利息分析。利息部分按租期自損益扣除，並予以計算以使其於租賃負債中佔有固定比例。資本部分則扣除結欠出租人的餘額。

根據經營租賃，應付的總租金按租期以直線法在損益中確認。已收租金優惠於租期內確認為總租金開支的組成部分。

4.8 無形資產

單獨收購之無形資產於首次確認時按成本計量。於業務合併中收購之無形資產之成本為其於收購日之公平值。無形資產之可使用年期可評估為有限期或無限期。

具無限使用年期之無形資產每年會個別或在現金產生單位級別作減值測試。該等無形資產並不予以攤銷。具無限年期的無形資產的可使用年期於每年檢討，以釐定無限可使用年期的評估是否繼續可靠。倘不再可靠，則可使用年期的評估自此起由按無限年期更改為有限年期。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A 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.

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.

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. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策)

(i) 財務資產

以公平值計量且變動計入當期損益 (「以公平值計量且變動計入當期損益」) 的財務資產 (並無重大融資部份的貿易應收款項除外) 初步按公平值加上與其收購或發行直接相關的交易成本計量。並無重大融資部份的貿易應收款項初步按交易價格計量。

所有以常規方式購買及銷售的財務資產於交易日 (即本集團承諾購買或出售資產當日) 確認。常規買賣指規定於一般由市場規例或慣例確立的期間內交付資產的財務資產買賣。

為收取合約現金流量而持有，且現金流量僅為支付本金及利息之資產按攤銷成本計量。其後攤銷成本計量的該財務資產採用實際利率法計量。利息收入、外匯盈虧及減值於損益確認。終止確認的任何收益於損益確認。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets

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

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

For all other financial assets measured at amortised cost, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

4. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(ii) 財務資產的減值虧損

本集團確認虧損撥備，涉及貿易應收款項及應收票據及按攤銷成本計量的財務資產的預期信貸虧損。預期信貸虧損按以下方式之一計量：(1) 12個月預期信貸虧損：報告日期後12個月內可能發生的違約事件而導致的預期信貸虧損；及(2) 存續期預期信貸虧損：在金融工具的預期期限內所有可能發生的違約事件而導致的預期信貸虧損。於估計預期信貸虧損時考慮的最長期間為本集團面臨信貸風險的最長合約期間。

本集團已選用香港財務報告準則第9號簡化法將貿易應收款項及應收票據的虧損撥備進行計量，並已根據存續期預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸損失經驗計算的撥備矩陣，並按與債務人相關的前瞻性因素及經濟條件調整。

就按攤銷成本計量的財務資產而言，本集團計量相等於12個月預期信貸虧損的虧損撥備，除非信貸風險自初始確認後大幅增加，則本集團確認存續期預期信貸虧損。對是否確認存續期預期信貸虧損的評估，乃根據初始確認後發生違約的可能性或違約風險是否大幅增加而定。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

4. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(ii) 財務資產的減值虧損 (續)

(i) 信貸風險大幅增加

在評估自初始確認以來金融工具信貸風險是否大幅增加時，本集團會比較截至報告日期金融工具發生違約的風險與截至初始確認日期金融工具發生違約的風險。於作出此項評估時，本集團考慮合理及可靠的定量及定性資料，包括過往經驗及無需付出不必要的成本或努力即可取得的前瞻性資料。

尤其是，在評估自初始確認以來信貸風險是否顯著增加時，將考慮以下資料：

- 金融工具的外部 (倘有) 或內部信用評級的實際或預期顯著惡化；
- 外部市場信貸風險指標顯著惡化，如信用利差、債務人信用違約掉期價格大幅增加；

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

(i) Significant increase in credit risk (Continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

4. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(ii) 財務資產的減值虧損 (續)

(i) 信貸風險大幅增加 (續)

- 業務、財務或經濟狀況現有或預測的不利變動，可能導致債務人償債能力大幅下降；
- 債務人經營業績實際或預期出現顯著惡化；
- 債務人的監管、經濟或技術環境出現實際或預期的重大不利變動，可能導致債務人償債能力大幅下降。

無論上述評估結果如何，本集團假設，於合約付款逾期超過30日時，信貸風險已自初始確認起大幅增加，除非本集團有合理及可靠資料證明可予收回則當別論。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(ii) 財務資產的減值虧損 (續)

(i) 信貸風險大幅增加 (續)

儘管如此，倘一項債務工具於報告日期被釐定為信貸風險較低，則本集團假設該項債務工具的信貸風險自初始確認起並無顯著增加。在下列情況下，一項債務工具被釐定為具有較低的信貸風險，倘i)該債務工具違約風險較低；ii) 借款人近期具充分償付合約現金流量負債的能力；及iii)長遠而言經濟及業務狀況的不利變動未必會降低借款人償付合約現金流量負債的能力。倘一項債務工具的內部或外部信貸風險評級為國際通用的「投資評級」，則本集團認為該債務工具的信貸風險較低。

本集團定期監控用於識別信貸風險是否大幅增加的標準有效性，並適當對其作出修訂，以確保該標準能在款項逾期前識別信貸風險的大幅增加。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

4. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(ii) 財務資產的減值虧損 (續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或從外界來源獲得的資料顯示債務人不大可能悉數向債權人（包括本集團）還款（未計及本集團所持任何抵押品）時發生。

不論上文為何，本集團均認為，已於一項財務資產逾期超過90日後發生違約，惟本集團有合理及可靠資料來顯示更加滯後的違約標準更為恰當。

(iii) 發生信貸減值的財務資產

當發生一個或多個事件對一項財務資產的估計未來現金流量有不利影響時，則該項財務資產已發生信貸減值。一項財務資產已發生信貸減值的證據包括關於以下事件的可觀察數據：

- 發行人或借款人出現重大財務困難；

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

(iii) Credit-impaired financial assets (Continued)

- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

4. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(ii) 財務資產的減值虧損 (續)

(ii) 違約定義 (續)

- 違反合約，例如拖欠或逾期事件；
- 由於與借款人財務困難相關的經濟或合約原因，借款人的貸款方已向借款人授予貸款方原本不會考慮的特許權；或
- 借款人可能破產或進行其他財務重組。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade and bills receivables from sales of apparels, when the amounts are over one/two year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

4. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(ii) 財務資產的減值虧損 (續)

(iv) 撇銷政策

當有資料顯示交易對手方陷入嚴重財務困難及並無實際可收回預期 (例如當交易對手方被清盤或已進入破產程序時或 (就服裝銷售之貿易應收款項及應收票據而言) 該等款項已逾期一年/兩年以上時 (以較早發生者為準))，本集團會把該財務資產撇銷。在適當時考慮法律意見之後，已經撇銷的財務資產仍可能受本集團的收回程序下的強制行動所規限。任何後續收回均於損益中確認。

(iv) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損 (即違約時虧損大小) 及違約時風險敞口之函數。違約概率及違約虧損之評估乃基於歷史數據按照前瞻性資料作出調整。預期信貸虧損的估計反映以發生相關違約風險的金額作為加權數值而確定的公平概率加權金額。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables where the corresponding adjustment is recognised through a loss allowance account.

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. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(ii) 財務資產的減值虧損 (續)

(iv) 預期信貸虧損之計量及確認 (續)

一般而言，預期信貸虧損為根據合約應付本集團至所有合約現金流量與本集團預期收取之所有現金流量之間的差額（按初始確認時釐定之實際利率貼現）。

本集團通過調整所有金融工具的賬面值於損益確認彼等之減值收益或虧損，惟貿易應收款項及應收票據除外，此種情況下透過虧損撥備賬確認相應調整。

信貸減值的財務資產利息收入按財務資產的攤銷成本（即賬面值總額減虧損撥備）計算。並無信貸減值的財務資產利息收入按賬面值總額計算。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

4.9A 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 amortised costs are initially measured at fair value, net of directly attributable costs incurred, and subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

The Group's financial liabilities at amortised cost include trade and bills payable, accruals and other payables and interest-bearing borrowings.

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. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(iii) 財務負債

本集團按照產生負債之目的將其財務負債分類。按攤銷成本列賬的財務負債初次會按公平值扣除所產生的直接應計成本計量，且其後按攤銷成本採用實際利息法計量。相關利息開支於損益中確認。

本集團按攤銷成本列賬的財務負債包括貿易應付款項及應付票據、預提費用及其他應付款項以及計息借貸。

當負債終止確認以及透過攤銷程序時，收益或虧損在損益中確認。

(iv) 實際利率法

實際利率法乃計算財務資產或財務負債的攤銷成本及於有關期間分配利息收入或利息開支的方法。實際利率乃於財務資產或負債的預計有效年期或（如適用）較短期間內準確貼現估計未來現金收入或付款的利率。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9A Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the the accounting policy set out in 4.9A(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

(vi) Derecognition

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

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

4. 重大會計政策概要 (續)

4.9A 金融工具 (自二零一八年一月一日應用的會計政策) (續)

(v) 金融擔保合約

金融擔保合約指規定發行人須支付特定款項以償付持有人因指定債務人未能根據債務工具的原先或經修訂條款支付到期款項產生的虧損的合約。本集團發行而未被指定為以公平值計量且變動計入當期損益的金融擔保合約乃初次按其公平值減發行金融擔保合約而直接產生的交易成本予以確認。於初始確認後，本集團按：(i) 虧損撥備的金額，即根據4.9A(ii)載列的會計政策原則計量的預期信貸虧損撥備；及(ii) 初步確認的金額減（如適用）根據香港財務報告準則第15號原則確認的累計攤銷的較高者計量。

(vi) 終止確認

凡收取財務資產所帶來的未來現金流量的合約權利期間屆滿，或財務資產經已轉讓，而轉讓符合香港會計準則第9號規定的終止確認準則，則本集團終止確認該財務資產。

當有關合約中訂明的責任獲解除、註銷或屆滿時，則會終止確認財務負債。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9B Financial instruments (accounting policies applied until 31 December 2017)

The group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. Accordingly, the comparative financial information provided continues to be accounted for in accordance with the group's previous accounting policy.

(i) Financial assets

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 FVTPL

These assets include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

4. 重大會計政策概要 (續)

4.9B 金融工具 (自二零一七年十二月三十一日應用的會計政策)

本集團追溯應用香港財務報告準則第9號，但選擇不重述比較資料。因此，已提供的比較財務資料繼續根據本集團過往的會計政策列賬。

(i) 財務資產

本集團於初次確認時按照收購資產之目的對其財務資產進行分類。以公平值計量且變動計入當期損益的財務資產初次按公平值計量，而所有其他財務資產則初次按公平值加收購該財務資產直接發生的交易成本計量。常規財務資產買賣於交易日確認或終止確認。常規買賣指根據合約條款要求在規例或有關市場慣例下訂立的時限內交付資產的財務資產買賣。

以公平值計量且變動計入當期損益的財務資產

該資產包括持作交易的財務資產及於初始確認時被指定為以公平值計量且變動計入當期損益的財務資產。財務資產如以短期賣出為目的而購買，則分類為持作交易。衍生工具亦分類為持作交易，惟被指定作為實際對沖工具或金融擔保合約則除外。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9B Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(i) Financial assets (Continued)

Financial assets at FVTPL (Continued)

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset 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.

Financial assets may be designated upon initial recognition as at FVTPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which is managed and its performance evaluated on a fair value basis according to a documented management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

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

4. 重大會計政策概要 (續)

4.9B 金融工具 (自二零一七年十二月三十一日應用的會計政策) (續)

(i) 財務資產 (續)

以公平值計量且變動計入當期損益的財務資產 (續)

倘一項合約包括一項或多項內含衍生工具，整體混合式合約可被指定為以公平值計量且變動計入當期損益的財務資產，惟倘內含衍生工具不會對現金流量造成重大變動或明顯禁止分開內含衍生工具的情況除外。

倘符合以下條件，則可於初次確認時將財務資產指定為以公平值計量且變動計入當期損益：(i) 該分類消除或大幅減少按不同基準計量資產或確認其盈虧所導致的不一致入賬方法；(ii) 該等資產為根據明文規定的管理政策按公平值基準管理及評估表現的財務資產組別的一部分；或(iii) 財務資產包括需獨立列賬的內含衍生工具。

於初次確認後，以公平值計量且變動計入當期損益的財務資產按公平值計量，公平值產生變動時於當期損益內確認。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9B 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.

Cash and cash equivalents

Cash and cash equivalents, including cash and bank balances, comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4. 重大會計政策概要 (續)

4.9B 金融工具 (自二零一七年十二月三十一日應用的會計政策) (續)

(i) 財務資產 (續)

貸款及應收款項

該等資產是指在活躍市場中沒有報價、回收金額固定或可確定的非衍生財務資產。該等資產主要於向客戶(貿易債務人)提供貨物及服務過程中產生，同時亦包括其他類別的合約貨幣資產。於初次確認後，該等資產以實際利率法按攤銷成本減去任何已識別減值虧損入賬。

現金及現金等值項目

現金及現金等值項目(包括現金及銀行結存)由以下項目組成：手頭現金及活期存款，以及可隨時轉換為已知金額的現金且不存在重大價值變動風險的其他短期高流動性投資。就現金流量呈報而言，現金及現金等值項目包括須按要求償還的銀行透支，其為本集團現金管理的組成部分。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9B Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(ii) Impairment loss on financial assets

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

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

An impairment loss on loans and interest receivables 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. 重大會計政策概要 (續)

4.9B 金融工具 (自二零一七年十二月三十一日應用的會計政策) (續)

(ii) 財務資產的減值虧損

於各報告期末，本集團會評估是否有財務資產存在減值的任何客觀證據。倘因初次確認資產後發生的一項或多項事件導致存在客觀減值證據，而該項事件對財務資產的估計未來現金流量所造成的影響能夠可靠估計，則該財務資產出現減值。減值證據可包括：

- 債務人的重大財政困難；
- 違約，例如拖欠或到期未付利息或本金款項；
- 由於債務人的財政困難而向債務人發出特別許可；及
- 債務人有可能陷入破產或其他財務重組。

當有客觀證據顯示資產發生減值，會在損益確認貸款及應收款項的減值虧損，減值額按資產賬面值與按原實際利率折現的估計未來現金流量現值的差額計量。財務資產賬面值透過使用撥備賬目予以撇減。倘財務資產的任何部分被認定為無法收回，會於相關財務資產的撥備賬目將該部分撇銷。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9B 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 amortised costs are initially measured at fair value, net of directly attributable costs incurred.

The Group's financial liabilities at amortised cost include trade and bills payables, accruals and other payables and interest-bearing borrowings.

(a) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, net of transaction costs incurred. Interest-bearing borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans using the effective interest method.

Interest-bearing borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of each reporting period.

(b) Other financial liabilities

All other financial liabilities are recognised initially at their fair value, net of directly attributable transaction costs incurred and subsequently measured at amortised cost, using the effective interest method.

4. 重大會計政策概要 (續)

4.9B 金融工具 (自二零一七年十二月三十一日應用的會計政策) (續)

(iii) 財務負債

本集團按照產生負債之目的將其財務負債分類。按攤銷成本列賬的財務負債初次會按公平值扣除所產生的直接應計成本計量。

本集團按攤銷成本列賬的財務負債包括貿易應付款項及應付票據、預提費用及其他應付款項以及計息借貸。

(a) 計息借貸

計息借貸最初按公平值減交易成本後確認。計息借貸其後按攤銷成本列賬，所得款項（扣除交易成本後）與贖回價值之間的任何差額以實際利率法於貸款期間在損益內確認。

計息借貸分類為流動負債，惟本集團有權無條件將債務償還日期延至各報告期末後至少十二個月。

(b) 其他財務負債

所有其他財務負債初步按公平值減直接應佔交易成本確認，其後以實際利率法按攤銷成本計量。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9B Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(iv) Effective interest method

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

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

4. 重大會計政策概要 (續)

4.9B 金融工具 (自二零一七年十二月三十一日應用的會計政策) (續)

(iv) 實際利率法

實際利率法乃計算財務資產或財務負債的攤銷成本及於有關期間分配利息收入或利息開支的方法。實際利率乃於財務資產或負債的預計有效年期或(如適用)較短期間內準確貼現估計未來現金收入或付款的利率。

(v) 金融擔保合約

金融擔保合約指規定發行人須支付特定款項以償付持有人因指定債務人未能根據債務工具的原先或經修訂條款支付到期款項產生的虧損的合約。本集團發行而未被指定為以公平值計量且變動計入當期損益的金融擔保合約乃初次按其公平值減發行金融擔保合約而直接產生的交易成本予以確認。於初始確認後，本集團按(i)根據香港會計準則第37號撥備、或然負債及或然資產釐定的金額；及(ii)初次確認金額減(視情況而定)根據香港會計準則第18號收益確認的累計攤銷兩者間的較高者計量。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9B Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(vi) Derivative financial instruments

Derivative financial instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value. Derivatives that are not designated as hedging instruments are accounted for as financial assets or financial liabilities at fair value through profit or loss. Gains or losses arising from changes in fair value are taken directly to profit or loss for the year.

(vii) Derecognition

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

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

4.10 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.

4. 重大會計政策概要 (續)

4.9B 金融工具 (自二零一七年十二月三十一日應用的會計政策) (續)

(vi) 衍生金融工具

獨立合約內或獨立於混合金融工具的衍生金融工具，於訂立衍生工具合約當日初步按公平值確認，其後按公平值重新計量。並無指定為對沖工具的衍生工具會作為以公平值計量且變動計入當期損益的財務資產或財務負債入賬。公平值變動產生的收益或虧損直接計入年內損益。

(vii) 終止確認

凡收取財務資產所帶來的未來現金流量的合約權利期間屆滿，或財務資產已經轉讓，而轉讓符合香港會計準則第39號規定的終止確認準則，則本集團終止確認該財務資產。

當有關合約中訂明的責任獲解除、註銷或屆滿時，則會終止確認財務負債。

4.10 存貨

存貨初次按成本確認，其後按成本或可變現淨值兩者孰低者確認。成本包括所有採購成本、轉換成本及使存貨到達目前地點及狀態所產生的其他成本。成本乃採用加權平均法釐定。可變現淨值按日常業務過程中的估計售價減估計完工成本及銷售所必需的估計費用計算。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.11 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

4.12A Revenue recognition (accounting policies applied from 1 January 2018)

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

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

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

4. 重大會計政策概要 (續)

4.11 股本

普通股乃分類為權益。股本乃採用已發行股份的面值釐定。

與發行股份相關的任何交易成本乃自股份溢價（扣除任何相關所得稅利益）中扣除，惟僅限於直接來自權益交易的遞增成本。

4.12A 收入確認（自二零一八年一月一日應用的會計政策）

來自與客戶合約的收益乃於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價，不包括代表第三方收集的該等款項。收入不包括增值稅及其他營業稅，並經扣除任何貿易折扣。

資產之控制權可於一段時間內或於某一時點轉移，取決於合約之條款與適用於合約之法律規定。倘本集團在履約過程中滿足下列條件，資產之控制權於一段時間內發生轉移：

- 客戶同時收到且消耗由本集團履約所帶來之所有利益；
- 於本集團履約時創建或增強由客戶控制之資產；或
- 並無產生對本集團有替代用途之資產，且本集團就累計至今已完成履約部分擁有可強制執行之付款權利。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12A Revenue recognition (accounting policies applied from 1 January 2018) (Continued)

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.

Customers obtain control of the apparel products when the goods are delivered to and have regarded been as accepted. Revenue is thus recognised upon when the customers received the apparel products. There is generally only one performance obligation. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Sales are made with a credit term from 10 to 180 days, which is consistent with market practice. As a consequence, the Group does not adjust any of the transaction prices for the time value of money as no significant financing component is deemed present and the sales are made with the credit term.

Some of the Group's contracts with customers from the sale of apparel products provides customers a right of return. These rights of return allow the returned goods to be refund in cash. The right of return gives rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred. In addition, a refund liability and a right to recover returned goods assets are recognised. Since the amount of return of goods is immaterial, no adjustments have been made to opening balances at 1 January 2018 in regard to change in accounting policy.

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

4. 重大會計政策概要 (續)

4.12A 收入確認 (自二零一八年一月一日應用的會計政策) (續)

倘貨品或服務的控制權於一段時間內轉移，收入於合約期間內參照已完成履約責任之進度予以確認。否則，收入於客戶獲得貨品或服務控制權之某一時點確認。

客戶於獲交付及視作已驗收貨品時取得服裝產品的控制權。因此，收入於客戶收取收產品時獲確認。一般只有一項履約義務。發售通常於10至180日支付。本集團預計就任何合約而言，在向客戶轉移承諾貨物至客戶付款之間的期限不會超過一年。銷售的信貸期為10至180天，這符合市場慣例。因此，本集團並未就款項的時間價值調整任何交易價格，因為並無認為存在重大融資成分且銷售乃按信貸期進行。

本集團與客戶有關銷售服裝產品的若干合約讓客戶有退貨權。該等退還權允許退還的貨品以現金退還。退還權產生可變代價。可變代價在合約開始時估計並受到約束，直到隨後解決相關之不確定性。可變代價之約束之應用增加了將被遞延之收入金額。此外，退款負債及可收回退貨權資產已確認。由於退貨的金額微不足道，並無就會計政策變動調整二零一八年一月一日的期初結餘。

利息收入乃就尚未償還本金按時間基準計及適用利率累計。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12A Revenue recognition (accounting policies applied from 1 January 2018) (Continued)

Sample income is recognised upon the samples are delivered and the customer has accepted and obtained control the samples.

Subcontracting income is recognised upon the subcontracting goods are delivered and the customer has accepted and obtained control the goods.

Contract liabilities are obligations to transfer goods or services to customer for which the Company has received consideration, or for which an amount of consideration is due from the customer.

Contract assets are rights to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditional on something in addition to the passage of time.

4.12B Revenue recognition (accounting policies applied until 31 December 2017)

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of return, discounts, rebate and sales related taxes.

Sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold. Normally, risk is transferred upon dispatch of goods.

4. 重大會計政策概要 (續)

4.12A 收入確認 (自二零一八年一月一日應用的會計政策) (續)

樣品收入於樣品交付及客戶驗收並取得樣品的控制權後確認。

分包收入於分包貨品交付及客戶驗收並取得貨品的控制權後確認。

合約負債為本公司向客戶轉讓已收取代價或應收客戶代價金額的貨品或服務的責任。

合約資產為收取交換本公司已向客戶轉讓的貨品或服務的代價權利，惟該權利須待時間流逝以外的條件達成後方可作實。

4.12B 收入確認 (截至二零一七年十二月三十一日應用的會計政策)

收入按已收或應收代價的公平值計算，乃指於日常業務過程中就所提供貨物及服務應收的款項，扣除退貨、折扣、回扣及銷售相關稅項。

銷售貨品的收入於所有權的重大風險及回報轉移至客戶時確認，惟本集團不再對所售貨品保有與所有權相關的管理權，亦不再擁有實際控制權。通常，風險於貨品發出時轉移。

Notes to the Financial Statements

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12B Revenue recognition (accounting policies applied until 31 December 2017) (Continued)

Interest income is recognised and accrued using the effective interest method.

Sample income is recognised on the transfer of significant risks and rewards of ownership to the customer. This is usually taken at the time when the samples are delivered and the customer has accepted the samples.

4.13 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.

4. 重大會計政策概要 (續)

4.12B 收入確認 (截至二零一七年十二月三十一日應用的會計政策) (續)

利息收入使用實際利息法確認及計算。

樣品收入當所有權的重大風險及回報轉移至客戶時確認。這通常是在樣品交付及客戶接納樣品之時確認。

4.13 所得稅

年度的所得稅包括當期稅項及遞延稅項。

當期稅項乃根據日常業務的溢利或虧損，就所得稅而言對毋須課稅或不可扣減的項目作出調整，按報告期末已制定或大致上制定的稅率計算。

遞延稅項乃就財務報告目的的資產與負債的賬面值與就稅務目的之相應數值的暫時差異確認。除不影響會計或應課稅溢利的商譽和已確認資產與負債外，就所有應課稅暫時差異確認遞延稅項負債。倘有應課稅溢利，可供動用扣減的暫時差異予以抵銷，則確認相應的遞延稅項資產。遞延稅項乃按適用於資產或負債的賬面值獲變現或結算的預期方式及於各報告期末已制定或大致上制定的稅率計量。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.13 Income taxes (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised 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.

4.14 Employee benefit

(i) Defined contribution retirement plan

The Group's entities incorporated in Hong Kong manages a defined contribution Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee for those employees who are eligible to participate in the MPF scheme. The Group makes contributions based on a percentage of the eligible employees' salaries funded by the Group and are charged to profit or loss as they become payable in accordance with the rules of the MPF scheme.

4. 重大會計政策概要 (續)

4.13 所得稅 (續)

遞延稅項負債乃於投資附屬公司產生應課稅暫時性差額時確認，惟倘本集團能夠控制暫時性差額的撥回且該暫時性差額在可預見將來將不可能撥回者則除外。

所得稅於損益確認，惟倘其與其他全面收益確認的項目有關，則該等稅項亦於其他全面收益確認；或倘其與直接於權益確認的項目有關，則該等稅項亦直接於權益確認。

4.14 僱員福利

(i) 界定供款退休計劃

於香港註冊成立的集團實體管理一項界定供款強制性公積金計劃（「強積金計劃」），該界定供款計劃由獨立信託人為合資格參與強積金計劃的僱員進行管理。本集團按合資格僱員薪金的百分比以集團本身資源作出供款，有關供款於應付時根據強積金計劃規則在損益扣除。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.14 Employee benefit (Continued)

(i) Defined contribution retirement plan (Continued)

The Group's entities established in the People's Republic of China, excluding Hong Kong and Macau (the "PRC") make monthly contributions to a state-sponsored defined contribution scheme for the local staff. The contributions are made at a specific percentage on the standard salary pursuant to laws of the PRC and relevant regulation issued by local social security authorities.

In addition, the Group's entities incorporated in the United States of America (the "USA") make monthly contributions to a defined contribution scheme under the relevant federal program for the local staff. The Group makes contributions based on a percentage of the local staff's funded by the Group and are charged to profit or loss as they become payable in the rules of the scheme.

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(ii) 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.

4. 重大會計政策概要 (續)

4.14 僱員福利 (續)

(i) 界定供款退休計劃 (續)

於中華人民共和國（不包括香港及澳門）（「中國」）成立的集團實體每月為當地職工向國家籌辦界定供款計劃作出供款。供款乃根據中國法例及地方社會保障主管部門頒佈的有關規例按標準薪金的指定百分比作出。

此外，於美利堅合眾國（「美國」）成立的集團實體每月為當地職工向聯邦政府所設機制下的界定供款計劃作出供款。本集團按當地職工薪金的百分比以集團本身資源作出供款，有關供款於應付時根據計劃規則在損益扣除。

對界定供款退休計劃的供款在僱員提供服務時於損益確認為開支。

(ii) 短期僱員福利

短期僱員福利是指預計在僱員提供了相關服務的年度報告期末後十二個月以前將全數結付的僱員福利（離職福利除外）。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.14 Employee benefit (Continued)

(ii) Short-term employee benefits (Continued)

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

4.15 Impairment of other assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, payments for leasehold land held for own use under operating lease, intangible assets and interests in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs 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.

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.

4. 重大會計政策概要 (續)

4.14 僱員福利 (續)

(ii) 短期僱員福利 (續)

僱員放年假的權利於僱員獲得假期時確認。本集團就截至報告日期止僱員已提供的服務而產生的年假的估計負債作出撥備。

病假及產假等非累積性帶薪休假直至告假時方予確認。

4.15 其他資產減值

於各報告期末，本集團檢討物業、廠房及設備、於經營租賃項下持作自用的租賃土地的付款、無形資產以及於附屬公司之權益的賬面值，以釐定是否有跡象顯示該等資產已出現減值虧損，或先前確認的減值虧損不復存在或可能已減少。

倘資產的可收回金額（即公平價值減銷售成本與使用價值兩者的較高者）估計少於其賬面值，則該項資產的賬面值將降至其可收回金額。減值虧損乃即時確認為開支。

倘減值虧損其後撥回，則資產賬面值將提高至其修訂後的估計可收回金額，惟受限於經提高的賬面值不得超過往年該項資產在無已確認減值虧損的情況下原應釐定的賬面值。撥回的減值虧損乃即時確認為收入。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.15 Impairment of other assets (Continued)

Value in use is based on the estimated future cash flows expected to be derived from the asset or CGU (see note 4.3), 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.

4.16 Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.17 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.

4. 重大會計政策概要 (續)

4.15 其他資產減值 (續)

使用價值乃根據預期將自資產或現金產生單位(見附註4.3)的估計未來現金流量釐定，按使用可反映金錢時間值的現行市場評估以及對資產或現金產生單位屬特定風險的稅前貼現率貼現。

4.16 借貸成本

直接用於收購、建造或生產合資格資產(須經過一段相當長的時間方可達到預定用途或可供銷售的資產)的借貸成本均資本化為該等資產成本的一部分。在特定借貸撥作該等資產支出前暫時用作投資所賺取的收入須自資本化的借貸成本中扣除。所有其他借貸成本於產生期間於損益內確認。

4.17 撥備及或然負債

當本集團因過去事項而須承擔法定或合約義務，而所需要付出的經濟效益可以可靠估計時，便為未確定時間或金額的負債確認撥備。

如果經濟利益需要外流的可能性不大，或不能對數額作出可靠估計，則有關義務會作為或然負債披露，惟若經濟利益外流的可能性極低則作別論。如有可能產生的義務，其存在僅能以一個或數個未來事項的發生或不發生來證實，亦披露為或然負債，除非經濟利益外流的可能性極低則作別論。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 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.
- (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.

4. 重大會計政策概要 (續)

4.18 關聯方

- (a) 倘適用下列情況，該名人士或該名人士的近親家屬成員便被視為與本集團有關聯：
- (i) 對本集團有控制權或共同控制權；
 - (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。
- (b) 倘適用下列情況，該實體便被視為與本集團有關聯：
- (i) 該實體及本集團屬同一集團的成員（即各母公司、附屬公司及同系附屬公司互相關聯）。
 - (ii) 一個實體為另一實體的聯繫人士或合營企業（或為某一集團的成員的聯繫人士或合營企業，而該另一實體為此集團的成員）。
 - (iii) 兩個實體皆為相同第三方的合營企業。
 - (iv) 一個實體為第三實體的合營企業及另一實體為第三實體的聯繫人士。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Related parties (Continued)

(b) (Continued)

- (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 parent of the Group.

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.

4. 重大會計政策概要 (續)

4.18 關聯方 (續)

(b) (續)

- (v) 該實體為本集團或與本集團有關聯的實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受(a)部所識別的人士控制或共同控制。
- (vii) 於(a)(i)所識別對實體有重大影響的人士，或是實體（或實體的母公司）高級管理人員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

某一人士的近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該名人士影響的有關家屬成員並包括：

- (i) 該名人士的子女及配偶或家庭伴侶；
- (ii) 該名人士的配偶或家庭伴侶的子女；及
- (iii) 該名人士或該名人士的配偶或家庭伴侶的受供養人。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except bank interest income, unallocated finance costs, and unallocated corporate expenses, which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segment.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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:

4. 重大會計政策概要 (續)

4.19 分部報告

本集團根據向執行董事匯報的用作決定有關本集團業務單位的資源分配及檢討該等單位之表現的定期內部財務資料，而識別其經營分部及編製分部資料。在向執行董事匯報的內部財務資料內的業務單位乃根據本集團主要產品及服務項目釐定。

本集團根據香港財務報告準則第8號用作申報分部業績的計量政策與其根據香港財務報告準則編製的財務報表內採用者相同，惟於釐定經營分部的經營業績時並無計入銀行利息收入、未分配融資成本以及非直接歸屬於任何經營分部業務活動之未分配企業開支。

5. 重要會計判斷及估算不確定因素的主要來源

估計及判斷須持續評估，並基於過往經驗及其他因素，包括在有關情況下相信為對未來事件的合理預期。

本集團就未來作出估計及假設。得出的會計估計顧名思義甚少相等於相關實際結果。具有重大風險導致下個財政年度內資產與負債的賬面值出現重大調整的估計及假設討論如下：

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(a) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes, timing of payment of related taxes and interpretation of relevant tax regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

(b) Impairment of receivables

The impairment allowances for trade and bills receivables and other receivables are based on assumptions about risk of default and expected credit loss rates. The Group adopts judgement in making these assumption and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, existing market conditions including forward-looking estimates at end of reporting period.

5. 重要會計判斷及估算不確定因素的主要來源 (續)

(a) 所得稅

本集團在多個司法權區須繳納所得稅。於釐定所得稅的全球撥備、相關稅額付款時間及對相關稅法之解釋時須作出重大判斷。若干交易及計算方式均難以確定最終稅項。本集團根據估計額外稅項是否到期，就預計稅項確認負債。倘該等事項最終稅項結果與最初錄得的款額有所差異，有關差額將影響作出有關釐定期間的所得稅及遞延稅項撥備。

此外，倘很可能有未來應課稅溢利，可供動用扣減的暫時差異予以抵銷，則確認相應的遞延稅項資產。這要求就若干交易的稅務處理作出重大判斷，並要求評估未來有足夠的應課稅溢利以供收回遞延稅項資產的可能性。

(b) 應收款項減值

貿易應收款項及應收票據以及其他應收款項的減值撥備以有關違約風險及預期信貸虧損率的假設為基礎。本集團已於作出該等假設及選擇計算該等減值虧損之輸入值時採用判斷，大致上以可用客戶歷史數據、現行市況（包括於報告期末之前瞻性估計）為基礎。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(c) Impairment of inventories

Management of the Group reviews the inventories at each reporting date, and makes provision for impairment of obsolete, slow-moving and impaired items. Management estimates the net realisable value for such inventories based primarily on the expected future market conditions and the estimated selling price. The Group makes provision for impairment if the net realisable value is below the carrying amount.

(d) Impairment of non-financial assets (excluding goodwill)

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset or the CGU. This requires an estimation of the value-in-use of the CGU to which the asset is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

Intangible asset with indefinite useful life is tested for impairment at least annually, and whenever there is an indication that they may be impaired in accordance with the relevant accounting policies. The recoverable amount of the Group's intangible asset has been determined based on value-in-use calculations. This calculation requires the use of judgment and estimates on future operating cash flows and discount rates adopted. Where the actual cash flows are different from the original estimates, a material change in the amount of impairment may arise. At 31 December 2018, the carrying amount of intangible asset was approximately HK\$800,000 (2017: HK\$800,000). No impairment loss has been recognised during the year ended 31 December 2018.

5. 重要會計判斷及估算不確定因素的主要來源 (續)

(c) 存貨減值

本集團管理層於各報告日審閱存貨，並對過時、滯銷及減值項目作出減值撥備。管理層主要根據預期未來市況及估計售價估計該等存貨的可變現淨值。本集團對可變現淨值低於賬面值的項目作出減值撥備。

(d) 非財務資產減值（不包括商譽）

本集團於各報告期末評估是否存在顯示資產可能出現減值的跡象。倘存在任何有關跡象，本集團則會對資產或現金產生單位的可收回金額作出估計，當中須對資產獲分配的現金產生單位的使用價值作出估計。估計使用價值需要本集團就來自現金產生單位的預期未來現金流量作出估計，並選擇合適的貼現率以計算該等現金流量的現值。估計未來現金流量及／或所採用的貼現率的變動將導致過往作出的估計減值撥備需作出調整。

具無限期使用年期之無形資產至少每年以及根據有關會計政策有減值跡象時進行減值測試。本集團無形資產之可收回金額根據使用價值計算釐定。該計算須對未來經營現金流及所採納貼現率進行判斷及估計。若實際現金流不同於原估計，則減值金額可能產生重大變動。於二零一八年十二月三十一日，無形資產之賬面值為約800,000港元（二零一七年：800,000港元）。截至二零一八十二月三十一日止年度並無確認減值虧損。

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財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(e) Estimated useful lives of property, plant and equipment

In determining the useful lives of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is made based on the experience of the Group with similar assets that are used in a similar way. Depreciation charge is revised if the estimated useful lives of items of property, plant and equipment are different from the previous estimation. Estimated useful lives are reviewed, at the end of each reporting period, based on changes in circumstances.

(f) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGUs to which goodwill has been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate.

5. 重要會計判斷及估算不確定因素的主要來源 (續)

(e) 物業、廠房及設備的估計可使用年期

於釐定物業、廠房及設備的可使用年期時，本集團須考慮多種因素，例如資產的預期用途、預期實質磨損、資產的保養及維護、以及動用資產的法律或類似限制。資產的可使用年期的估計乃按本集團於用途相近的類似資產的經驗而作出。倘物業、廠房及設備項目的估計可使用年期與過往的估計不同，則會修訂折舊費用。於各報告期末，估計可使用年期乃按情況改變進行審閱。

(f) 商譽減值

釐定商譽是否減值須要估計獲分配有關商譽的現金產生單位的使用價值。計算使用價值須要董事對預期可自現金產生單位獲得的未來現金流量以及適合的貼現率作出估計。

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財務報表附註

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

6. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. During the year, the Company has identified design, manufacture and trading of apparels and provision for money lending services as the reportable operating segments.

Each of these operating segments is managed separately as each of them requires different business strategies.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain cash and bank balances and cash and other corporate assets not attributable to the reportable segments;
- all liabilities are allocated to operating segments other than certain interest-bearing borrowings and other corporate liabilities not attributable to the reportable segments; and
- segment results represent the profit or loss incurred or earned by each segment without allocation of certain other income, certain administrative expenses, such as the Group's headquarter rental expenses and forfeiture of deposits, and certain finance costs.

6. 分部資料

經營分部乃本集團從事可賺取收益及引致開支的商業活動的一個組成部分，本集團的最高營運決策人獲提供及定期審閱以作為分部資源分配及表現評估的內部管理呈報資料為基礎而確定經營分部。年內，本公司已確定服裝設計、製造及貿易以及提供貸款融資服務為其可呈報經營分部。

該等經營分部各自單獨進行管理，因為彼等各自需要不同的業務策略。

為監控分部的表現及於分部之間的資源分配：

- 所有資產均分配至經營分部，不包括若干現金及銀行結餘以及不屬於可呈報分部的現金及其他公司資產；
- 所有負債均分配至經營分部，不包括若干計息借貸以及不屬於可呈報分部的其他公司負債；及
- 分部業績指各分部賺取或產生的溢利或虧損，未計分配若干其他收入、若干行政開支（如本集團總部的租金開支及沒收存款）及若干財務成本。

Notes to the Financial Statements

財務報表附註

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

6. SEGMENT INFORMATION (Continued)

The segment information provided to the executive directors for the reportable segments during the year is as follows:

6. 分部資料 (續)

年內向執行董事提供的可報告分部之分部資料如下：

		Design, manufacture and trading of apparels 服裝設計、 製造及貿易 HK\$'000 千港元	Money lending services 貸款融資 服務 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度			
Revenue from external customers	來自外部客戶的收入	187,041	16,851	203,892
Segment (loss)/profit	分部(虧損)/溢利	(31,616)	8,706	(22,910)
<i>Reconciliation</i>	對賬			
Bank interest income	銀行利息收入			295
Unallocated corporate expenses	未分配企業支出			(39,524)
Finance costs	融資成本			(39)
Loss before tax	除稅前虧損			(62,178)
At 31 December 2018	於二零一八年十二月三十一日			
Segment assets	分部資產	103,300	219,724	323,024
Other corporate assets	其他公司資產			104,592
Total assets	總資產			427,616
Segment liabilities	分部負債	40,119	2,930	43,049
Other corporate liabilities	其他公司負債			2,149
Total liabilities	總負債			45,198
Other segment information	其他分部資料			
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度			
Depreciation and amortisation	折舊及攤銷	(1,723)	(1,099)	(2,822)
Written off of trade receivables	貿易應收款項撇銷	(464)	-	(464)
Reversal of ECL	貿易應收款項預計信貸 虧損撥回	232	-	232
Reversal of ECL	應收貸款及應收利息預計信貸 虧損撥回	-	55	55
Capital expenditure	資本開支	1,719	-	1,719

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財務報表附註

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

6. SEGMENT INFORMATION (Continued)

6. 分部資料 (續)

		Design, manufacture and trading of apparels 服裝設計、 製造及貿易 HK\$'000 千港元	Money lending services 貸款融資 服務 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Year ended 31 December 2017	截至二零一七年 十二月三十一日止年度			
Revenue from external customers	來自外部客戶的收入	309,068	16,377	325,445
Segment (loss)/profit	分部(虧損)/溢利	(4,356)	10,368	6,012
<i>Reconciliation</i>	對賬			
Bank interest income	銀行利息收入			121
Unallocated corporate expenses	未分配企業支出			(19,366)
Finance costs	融資成本			(642)
Loss before tax	除稅前虧損			(13,875)
At 31 December 2017	於二零一七年十二月三十一日			
Segment assets	分部資產	163,565	252,920	416,485
Other corporate assets	其他公司資產			109,277
Total assets	總資產			525,762
Segment liabilities	分部負債	69,651	2,323	71,974
Other corporate liabilities	其他公司負債			7,457
Total liabilities	總負債			79,431
Other segment information	其他分部資料			
Year ended 31 December 2017	截至二零一七年 十二月三十一日止年度			
Depreciation and amortisation	折舊及攤銷	(1,881)	(916)	(2,797)
Fair value gain on financial assets at FVTPL	以公平值計量且變動計入當期 損益的財務資產之公平值收益	-	2,320	2,320
Provision for impairment on inventories	存貨減值撥備	(1,519)	-	(1,519)
Impairment on loans and interest receivables	應收貸款及應收利息減值	-	(165)	(165)
Capital expenditure	資本開支	832	5,496	6,328

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財務報表附註

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

6. SEGMENT INFORMATION (Continued)

The Company is an investment holding company and the principal places of the Group's operations are in the PRC (including Hong Kong). Management determines the Group is domiciled in Hong Kong, the PRC, which is the Group's principal operating location.

The Group's revenue from external customers is divided into the following geographical areas:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
The USA	美國	162,309	252,852
Canada	加拿大	–	30,259
Hong Kong	香港	37,207	36,398
Others	其他地區	4,376	5,936
		203,892	325,445

Geographical location of external customers is based on the location at which the customers are domiciled.

The principal non-current assets held by the Group are located in the PRC (including Hong Kong).

Revenue from each of the major customers which accounted for 10% or more of the Group's revenue for the year is set out below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶甲	88,819	106,915
Customer B	客戶乙	28,316	N/A 不適用*
Customer C	客戶丙	25,534	N/A 不適用*

* Accounted for less than 10% of the Group's revenue

As at 31 December 2018, 7% (2017: 2%) of the Group's trade receivables was due from these customers.

6. 分部資料 (續)

本公司為一間投資控股公司，而本集團營運的主要地點位於中國（包括香港）。管理層將中國香港定為本集團居籍所在地，香港亦為本集團的主要經營地點。

本集團來自外部客戶的收入按以下地區劃分：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
The USA	美國	162,309	252,852
Canada	加拿大	–	30,259
Hong Kong	香港	37,207	36,398
Others	其他地區	4,376	5,936
		203,892	325,445

外部客戶的地理位置是根據客戶居籍地劃分。

本集團持有的主要非流動資產均位於中國（包括香港）。

來自年內佔本集團收入10%或以上的各主要客戶的收入載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶甲	88,819	106,915
Customer B	客戶乙	28,316	N/A 不適用*
Customer C	客戶丙	25,534	N/A 不適用*

* 所佔不足本集團收入10%

於二零一八年十二月三十一日，該等客戶的結欠額佔本集團貿易應收款項的7%（二零一七年：2%）。

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財務報表附註

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7. REVENUE, OTHER INCOME AND GAINS

Revenue represents the interest income from loans receivables, sales of apparels, net of returns, discounts and sales related taxes. Further details regarding the Group's principal activities are disclosed in note 6.

The Group's sale of goods revenue from contracts with customers recognised at a point in time, interest income from loans receivables and other income and gains are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收入		
Sale of goods	銷售貨品	187,041	309,068
Interest income from loans receivables	應收貸款及應收利息的利息收入	16,851	16,377
		203,892	325,445
Other income and gains	其他收入及收益		
Gain on disposals of property, plant and equipment	出售物業、廠房及設備的收益	20	4
Bank interest income	銀行利息收入	295	121
Subcontracting income	加工收入	2,264	-
Net gain on financial assets at fair value through profit or loss	以公平值計量且變動計入當期損益的財務資產淨收益	-	2,320
Sundry income	雜項收益	2,082	1,063
		4,661	3,508

The performance obligation of sale of goods is satisfied upon dispatch of the apparels products and payment is generally due within 10-180 days from delivery. Some contracts provide customers with a right of return which give rise to variable consideration subject to constraint.

7. 收入、其他收入及收益

收入指應收貸款及應收利息的利息收入、服裝銷售，並已減去退貨、折扣及與銷售有關的稅項。有關本集團主要業務的進一步詳情披露於附註6。

本集團從與客戶在某一時點確認的合約收取產生的銷售貨品收入、應收貸款的利息收入及其他收入及收益如下：

銷售貨品的履約責任於分發服裝產品後履行，且一般須於交付後的10-180日內到期作出付款。部分合約為客戶提供退還權，在受約束條件下產生可變代價。

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財務報表附註

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

7. REVENUE, OTHER INCOME AND GAINS (Continued) 7. 收入、其他收入及收益 (續)

With the adoption of HKFRS 15 from 1 January 2018, the disaggregation of the Group's revenue from contracts with customers are as follows:

自二零一八年一月一日採納香港財務報告準則第15號起，本集團來自與客戶合約的收益之分類如下：

		Design, Manufacturing and trading of apparels 服裝設計、 製造及貿易
		HK\$'000 千港元
Geographical markets	地區市場	
The USA	美國	162,309
Hong Kong	香港	20,356
Others	其他	4,376
Total revenue from contracts with customers	來自與客戶合約的 收益總額	187,041

The following table provides information about trade and bills receivables and contract liabilities from contracts with customers.

下表提供有關與客戶合約的貿易應收款項及應收票據及合約負債的資料。

		31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一七年 一月一日 HK\$'000 千港元
Trade and bills receivables (note 19)	貿易應收款項及應收票據 (附註19)	18,548	52,150
Contract liabilities (note 26)	合約負債 (附註26)	2,031	-

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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

7. REVENUE, OTHER INCOME AND GAINS (Continued)

The Group has applied the practical expedient to its sales contracts of apparels products and therefore no information are disclosed for revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for apparels production that had an original expected duration of one year or less.

7. 收入、其他收入及收益 (續)

本集團對其服裝產品的銷售合約採用權宜之計，因此並無披露收入資料，從而本集團將可於原預期期限為一年或以下時達致其於合約項下的剩餘履約義務。

8. FINANCE COSTS

8. 融資成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on borrowings	借貸利息	-	565
Interest on margin loan payable	應付孖展貸款利息	-	51
Interest on obligations under finance leases	融資租賃承擔的利息	39	26
		39	642

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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

9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

9. 除所得稅前虧損

除所得稅前虧損乃經扣除／（計入）下列各項後達致：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amortisation of payments for leasehold land held for own use under operating lease	於經營租賃下持作自用的租賃土地付款攤銷	54	54
Auditor's remuneration	核數師酬金	1,200	780
Cost of inventories recognised as expense	已確認為開支的存貨成本	161,412	229,856
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,980	2,955
Foreign exchange (gains)/losses, net	匯兌（收益）／虧損淨額	(506)	502
Gain on disposals of property, plant and equipment	出售物業、廠房及設備的收益	(20)	(4)
Impairment on loans and interest receivables	應收貸款及應收利息減值	-	165
Provision for impairment on inventories	存貨減值撥備	-	1,519
Written off of trade receivables (note 19)	貿易應收款項撇銷（附註19）	464	-
Reversal of ECL on trade receivables (note 19)	貿易應收款項預計信貸虧損撥回（附註19）	(232)	-
Reversal of ECL on loans and interest receivables (note 20)	應收貸款及應收利息預計信貸虧損撥回（附註20）	(55)	-
Forfeiture of deposit related to the possible acquisition of companies	沒收可能收購公司相關的按金	5,000	-
Operating lease charges in respect of land and buildings	土地及樓宇經營租賃費用	14,839	7,464
Employee benefit expense (including directors' emoluments (note 10))	僱員福利開支（包括董事酬金（附註10））		
- Wages and salaries	- 工資及薪金	69,962	76,513
- Pension scheme contribution	- 退休計劃供款		
- defined contribution plans	- 界定供款計劃	3,037	2,608
- Other benefits	- 其他福利	3,045	3,020
		76,044	82,141

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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

10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The emoluments of each of the directors for the years presented are set out below:

Year ended 31 December 2018	截至二零一八年十二月三十一日止年度
<i>Executive directors:</i>	執行董事：
Mr. Guo Lin	郭林先生
Mr. Zhang Yu (appointed on 23 November 2017 and resigned on 9 July 2018)	張宇先生 (於二零一七年十一月二十三日獲委任及於二零一八年七月九日辭任)
Mr. Jiang Mingsheng	姜明生先生
Mr. Wang Zhou (vacated on 8 March 2019)	王洲先生 (於二零一九年三月八日離任)
Mr. Jiang Tianqing	蔣恬青先生
Mr. Hubert Tien	田曉勃先生
Mr. Liu Chun Fai	廖晉輝先生
<i>Independent non-executive directors:</i>	獨立非執行董事：
Mr. Lu Hongbing	呂紅兵先生
Mr. Tang Shu Pui, Simon	鄧澍培先生
Mr. Hon Ming Sang	韓銘生先生
Mr. Wu Fei (appointed on 15 February 2018)	吳飛先生 (於二零一八年二月十五日獲委任)
Total emoluments	酬金總額

10. 董事酬金及五名最高薪人士

(a) 董事酬金

於所列年度每名董事的酬金如下：

Fees	Salaries, allowances and benefits in kind	Pension scheme Contributions	Total
袍金 HK\$'000 千港元	薪金、津貼及實物福利 HK\$'000 千港元	退休計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
-	1,200	17	1,217
-	1,623	11	1,634
-	600	-	600
-	600	-	600
-	600	-	600
-	2,303	18	2,321
-	600	18	618
-	7,526	64	7,590
240	-	-	240
240	-	-	240
240	-	-	240
210	-	-	210
930	-	-	930
930	7,526	64	8,520

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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

10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

10. 董事酬金及五名最高薪人士 (續)

(a) Directors' emoluments (Continued)

(a) 董事酬金 (續)

The emoluments of each of the directors for the years presented are set out below: (Continued)

於所列年度每名董事的酬金如下：

	Fees	Salaries, allowances and benefits in kind	Pension scheme Contributions	Total
	袍金	薪金、津貼及實物福利	退休計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Year ended 31 December 2017				
<i>Executive directors:</i>				
Mr. Guo Lin (appointed on 5 June 2017)		687	-	687
Mr. Zhang Yu (appointed on 23 November 2017)		746	-	746
Mr. Jiang Mingsheng (appointed on 5 June 2017)		343	-	343
Mr. Wang Zhou (appointed on 5 June 2017)		343	-	343
Mr. Jiang Tianqing (appointed on 5 June 2017)		343	-	343
Mr. Hubert Tien		2,015	18	2,033
Mr. Liu Chun Fai		497	18	515
Mr. Chen Gang (retired on 26 May 2017)		199	6	205
Mr. Qu Chengbiao (retired on 26 May 2017)		97	-	97
Mr. Yeung Kwok Leung (appointed on 7 September 2016 and resigned on 5 June 2017)		328	9	337
Mr. Cheng Tze Kit Larry (appointed on 24 November 2016 and resigned on 5 June 2017)		430	9	439
	-	6,028	60	6,088
<i>Independent non-executive directors:</i>				
Mr. Lu Hongbing (appointed on 5 June 2017)	137	-	-	137
Mr. Tang Shu Pui, Simon (appointed on 22 August 2016)	161	-	-	161
Mr. Hon Ming Sang (appointed on 2 November 2016)	161	-	-	161
Mr. Tse Yuen Ming (appointed on 2 November 2016 and resigned on 5 June 2017)	52	-	-	52
	511	-	-	511
Total emoluments	511	6,028	60	6,599

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10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Senior management's emoluments

Senior management includes directors and other senior executives. The analysis of the emoluments for senior management excluding the directors, whose details have been reflected in Note 10(a) for the year is set out below:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	6,136	6,500

The emoluments of the senior management excluding the directors fell within following bands:

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
HK\$500,001 to HK\$1,000,000	500,001 港元至 1,000,000 港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	-
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	1	-
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	-	1

10. 董事酬金及五名最高薪人士 (續)

(b) 高級管理層的酬金

高級管理層包括董事及其他高級行政人員。高級管理層（不包括詳情已反映於附註10(a)的董事）的總薪酬如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	6,136	6,500

高級管理人員的薪酬屬於下列範圍：

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
HK\$500,001 to HK\$1,000,000	500,001 港元至 1,000,000 港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	-
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	1	-
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	-	1

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10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

10. 董事酬金及五名最高薪人士 (續)

(c) Five highest paid individuals

The five highest paid individuals of the Group included 2 (2017: 1) directors for the year whose emoluments are reflected in note 10(a). The analysis of the emoluments of the remaining 3 (2017: 4) highest paid individuals for the year is set out below:

(c) 五名最高薪人士

本年度本集團的五名最高薪人士包括兩名(二零一七年: 一名)董事, 他們的酬金已反映在附註10(a)。其餘三名(二零一七年: 四名)最高薪人士於本年度的酬金分析如下:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	7,074	12,514

Number of non-director highest paid employees whose emoluments fell within the following bands is as follows:

酬金處於以下範圍的非董事最高薪僱員人數如下:

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
HK\$1,500,001 to HK\$2,500,000	1,500,001 港元至 2,500,000 港元	1	-
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	2	2
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	-	1
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元	-	1
		3	4

(d) During the years ended 31 December 2018 and 2017, no director or any of the highest paid individuals waived or agreed to waive any emoluments and there were no emoluments paid by the Group to the directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

(d) 於截至二零一八年及二零一七年十二月三十一日止年度, 概無董事或任何最高薪人士放棄或同意放棄任何酬金, 且本集團概無向董事或任何最高薪人士支付任何酬金, 作為加入本集團或加入後的獎賞, 或離職補償。

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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

11. INCOME TAX (CREDIT)/EXPENSE

11. 所得稅（抵免）／開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current income tax	本年度即期所得稅		
(credited)/charged for the year:	(抵免)／開支：		
Hong Kong profits tax	香港利得稅	953	1,845
PRC enterprise income tax ("EIT")	中國企業所得稅（「企業所得稅」）	725	1,754
Over-provision in respect of prior year	以前年度超額撥備	(2)	-
		1,676	3,599
Deferred tax (note 28)	遞延稅項（附註28）	(3,822)	(1,842)
		(2,146)	1,757

(i) Pursuant to the rules and regulations of the British Virgin Islands ("BVI") and the Cayman Islands, the Group is not subject to any taxation under these jurisdictions.

(ii) Hong Kong profits tax is calculated at 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profit is calculated at 8.25%, which is in accordance with the new two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

(iii) PRC EIT is provided at 25% (2017: 25%) on the estimated assessable profits of the Group's PRC subsidiary for the year.

Under the law of the PRC on EIT, corporate withholding income tax is levied on the foreign investor for the dividends distributed out of the profits generated by the foreign investment enterprises. The Group's applicable withholding income tax rate is 5% (2017: 5%).

(iv) The USA corporate income tax comprises federal income tax calculated at 15% and state and local income tax calculated at various rates on the estimated assessable profits of the Group's subsidiary in the USA.

(i) 根據英屬維爾京群島（「英屬維爾京群島」）及開曼群島的規則和法例，本集團毋須繳納該等司法權區的任何稅項。

(ii) 香港利得稅按本年度在香港產生的估計應課稅溢利的16.5%（二零一七年：16.5%）計算，除根據自二零一八／一九課稅年度起生效的新兩級制利得稅率，合資格實體的首2,000,000港元應課稅溢利按8.25%計稅。

(iii) 中國企業所得稅乃按本集團中國附屬公司本年度的估計應課稅溢利的25%（二零一七年：25%）計提撥備。

根據中國企業所得稅法，對外國投資者就外資企業所產生之溢利分派之股息徵繳企業預扣所得稅。本集團適用之預扣所得稅稅率為5%（二零一七年：5%）。

(iv) 美國企業所得稅包括按本集團於美國的附屬公司的估計應課稅溢利按15%計算的聯邦所得稅以及按不同稅率計算的州及地方所得稅。

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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

11. INCOME TAX (CREDIT)/EXPENSE (Continued)

A reconciliation of income tax (credit)/expense applicable to loss before income tax at the statutory tax rate to the income tax (credit)/expense at the effective tax rate is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(62,178)	(13,875)
Tax calculated at the rates applicable to profits in the tax jurisdictions concerned	以適用於有關稅務司法權區溢利的稅率計算的稅項	(10,176)	3,944
Tax effect of non-deductible expenses/(non-taxable income)	不能扣稅開支／(毋須課稅收入)的稅務影響	4,891	(2,542)
Over-provision in respect of prior year	以前年度超額撥備	(2)	-
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	2,836	-
Others	其他	305	355
Income tax (credit)/expense	所得稅(抵免)／開支	(2,146)	1,757

11. 所得稅(抵免)／開支(續)

按法定稅率計算對除所得稅前虧損適用的所得稅開支，與按實際稅率釐定的所得稅開支的對賬如下：

12. DIVIDENDS

No interim dividend was declared during the year (2017: Nil) and the board of directors of the Company does not recommend the payment of any final dividend for the year ended 31 December 2018 (2017: Nil).

13. LOSS PER SHARE

The calculations of basic loss per share are based on the loss for the year attributable to owners of the Company of approximately HK\$60,032,000 (2017: HK\$15,632,000) and the weighted average of 1,690,000,000 (2017: 1,404,904,110) shares in issue during the year.

Diluted loss per share are the same as the basic loss per share as there were no dilutive potential ordinary shares in existence during the years.

12. 股息

本年度並無宣派中期股息(二零一七年：無)，且本公司董事會不建議派付截至二零一八年十二月三十一日止年度的末期股息(二零一七年：無)。

13. 每股虧損

每股基本虧損乃根據本公司擁有人應佔年度虧損約60,032,000港元(二零一七年：15,632,000港元)及年內已發行股份的加權平均數1,690,000,000股(二零一七年：1,404,904,110股)計算。

因為於年內並無任何潛在可攤薄普通股，故每股攤薄虧損等同每股基本虧損。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	機器	傢俬、裝置及辦公室設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日						
Cost	成本	15,596	5,411	3,609	9,411	1,410	35,437
Accumulated depreciation	累計折舊	(6,405)	(5,384)	(2,216)	(7,737)	(1,104)	(22,846)
Net carrying amount	賬面淨值	9,191	27	1,393	1,674	306	12,591
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	9,191	27	1,393	1,674	306	12,591
Additions	添置	-	11,036	162	4,847	836	16,881
Disposals	出售	-	-	(21)	(2)	(20)	(43)
Depreciation	折舊	(725)	(1,014)	(295)	(765)	(156)	(2,955)
Exchange differences	匯兌差額	592	-	91	19	22	724
Closing net carrying amount	年末賬面淨值	9,058	10,049	1,330	5,773	988	27,198
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						
Cost	成本	16,639	16,744	3,899	14,437	2,122	53,841
Accumulated depreciation	累計折舊	(7,581)	(6,695)	(2,569)	(8,664)	(1,134)	(26,643)
Net carrying amount	賬面淨值	9,058	10,049	1,330	5,773	988	27,198
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	9,058	10,049	1,330	5,773	988	27,198
Additions	添置	-	714	-	1,261	-	1,975
Disposals	出售	-	-	(1)	(186)	-	(187)
Depreciation	折舊	(730)	(2,290)	(204)	(1,516)	(240)	(4,980)
Exchange differences	匯兌差額	(445)	-	(63)	(19)	(14)	(541)
Closing net carrying amount	年末賬面淨值	7,883	8,473	1,062	5,313	734	23,465
At 31 December 2018	於二零一八年十二月三十一日						
Cost	成本	15,785	17,215	3,696	14,297	2,065	53,058
Accumulated depreciation	累計折舊	(7,902)	(8,742)	(2,634)	(8,984)	(1,331)	(29,593)
Net carrying amount	賬面淨值	7,883	8,473	1,062	5,313	734	23,465

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14. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2018, the Group's buildings with net carrying amounts of approximately HK\$4,159,000 (2017: HK\$4,793,000) were pledged to secure the Group's bills payable (note 24).

As at 31 December 2018, the net carrying amounts of the Group's assets under finance leases included in the total amounts of furniture, fixtures and office equipment amounted to HK\$1,060,000 (2017: HK\$662,000).

14. 物業、廠房及設備 (續)

於二零一八年十二月三十一日，賬面淨值約4,159,000港元（二零一七年：4,793,000港元）的本集團的樓宇已被抵押，以擔保本集團的應付票據（附註24）。

於二零一八年十二月三十一日，已計入傢俬、裝置及辦公室設備總額的本集團融資租賃項下資產的賬面淨值為約1,060,000港元（二零一七年：662,000港元）。

15. PAYMENTS FOR LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASE

The lease prepayments of the Group represent the Group's land use right in respect of a land located in the PRC which is held under a medium-term lease. Land use right is pledged to secure the Group's bills payable as at the reporting date (note 24).

15. 於經營租賃下持作自用的租賃土地付款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net carrying amount at 1 January	於一月一日賬面淨值	1,860	1,792
Amortisation	攤銷	(54)	(54)
Exchange differences	匯兌差額	(91)	122
Net carrying amount at 31 December	於十二月三十一日賬面淨值	1,715	1,860
Less: Current portion (note 21)	減：即期部分（附註21）	(54)	(54)
Non-current portion	非即期部分	1,661	1,806

本集團的租賃預付款指本集團就一幅位於中國以中期租約持有的土地的土地使用權。於報告日期，土地使用權已被抵押，以擔保本集團的應付票據（附註24）。

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16. GOODWILL

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost at 1 January and 31 December	於一月一日及十二月三十一日之成本	99,109	99,109
Accumulated impairment loss	累計減值虧損	(11,453)	(11,453)
Carrying amount as at 31 December	於十二月三十一日之賬面值	87,656	87,656

For the purpose of impairment testing, goodwill is allocated to the CGU in relation to the Group's provision of money lending services (the "Money Lending CGU") in Hong Kong.

The recoverable amount of the Money Lending CGU has been determined from value in use calculation based on cash flow projections from formally approved budgets covering a five-year period. The discount rate applied to the cash flow projections is 13.4% (2017: 16.3%). Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 3% (2017: 3%), which does not exceed the long-term growth rate for market in Hong Kong. The discount rate used is pre-tax and reflect specific risks relating to the Money Lending CGU. The growth rate within the five-year period have been based on past experience.

If the discount rate increased to 1%, the recoverable amount of the Money Lending CGU would be approximately equal to its carrying amount. Except for this, any reasonable possible change in the key assumptions used in the value-in-use assessment would not affect the management's view on impairment as at 31 December 2018.

16. 商譽

就減值測試而言，商譽分配至與本集團於香港提供貸款融資服務有關的現金產生單位（「貸款融資服務現金產生單位」）。

貸款融資服務現金產生單位的可收回金額根據涵蓋五年期正式獲批准預算所載現金流量預測計算的使用價值釐定。適用於現金流量預測的貼現率為13.4%（二零一七年：16.3%）。超過五年期的現金流量按估計加權平均增長率3%（二零一七年：3%）推算，該增長率並無超過香港的市場長期增長率。所用貼現率為稅前貼現率，反映與相關貸款融資服務現金產生單位有關的特定風險。五年期增長率按過往經驗而釐定。

如果貼現率增加至1%，則貸款融資服務現金產生單位的可收回金額將約等於其賬面值。除此之外，於使用價值評估中採用的關鍵假設的任何合理的可能變動，均不會影響管理層對於二零一八年十二月三十一日減值的觀點。

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17. INTANGIBLE ASSET

17. 無形資產

Money
lending
license
貸款融資牌照
HK\$'000
千港元

Cost and carrying value	成本及賬面值	
As at 31 December 2017,	於二零一七年十二月三十一日、	
1 January and 31 December 2018	二零一八年一月一日及十二月三十一日	800

The license has a legal life of 1 year but is renewable every year at minimal cost. The directors of the Company are of the opinion that the Group would renew the license continuously and has the ability to do so. Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the license has no foreseeable limit to the period over which the provision of services restricted by license are expected to generate net cash flows for the Group.

As a result, the license is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The license will not be amortised until its useful life is determined to be finite. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired.

For the key assumptions applied in determination of value-in-use calculation of the Money Lending CGU containing the license and the respective sensitivity analysis, please refer to note 16 for details.

牌照之法律年期為1年，但可以最低成本每年續期。本公司董事認為本集團將會持續為牌照續期，並擁有此能力。本集團管理層已進行多項研究，包括產品年期研究、市場、競爭及環境趨勢、以及品牌擴大機遇，該等研究支持牌照年期並無預期限制，而提供該牌照限制之服務可於其年期期間為本集團帶來現金流量淨額。

因此，本集團管理層認為該牌照具有無限使用年期，因為預期該牌照可無限提供現金流入淨額。牌照將不會獲攤銷，直至其使用年期被釐定為有限，或於每年及當顯示其可能獲減值時測試其減值。

有關應用於釐定包含牌照之貸款融資現金產生單位使用價值計算之關鍵假設及各自之敏感度分析之詳情，請參閱附註16。

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財務報表附註

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

18. INVENTORIES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Raw materials and consumables	原料及耗材	2,575	3,266
Work in progress	在製品	742	765
Finished goods	製成品	5,690	5,282
		9,007	9,313

18. 存貨

19. TRADE AND BILLS RECEIVABLES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收款項	15,725	42,613
Less: written off of trade receivables	減：貿易應收款項撇銷	(464)	-
Less: impairment loss	減：減值虧損	(407)	-
		14,854	42,613
Bills receivables	應收票據	3,694	10,176
		18,548	52,789

19. 貿易應收款項及應收票據

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財務報表附註

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

19. TRADE AND BILLS RECEIVABLES (Continued)

Trade receivables are recognised at their original invoice amounts which represented their fair values at initial recognition. The Group's trade receivables are attributable to a number of independent customers with credit terms. Bills receivables are received from independent customers under the ordinary course of business. The Group normally allows a credit period ranging from 10 to 180 days (2017: 10 to 180 days) to its customers. Trade and bills receivables are non-interest bearing.

Ageing analysis of trade receivables based on invoice date and net of loss allowance is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 30 days	0至30日	3,215	6,646
31 to 60 days	31至60日	5,895	10,560
61 to 90 days	61至90日	717	10,024
91 to 180 days	91至180日	2,120	13,623
Over 180 days	超過180日	2,907	1,760
		14,854	42,613

The movements in the loss allowance for impairment on trade receivables are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	於年初	-	777
Impact on initial application of HKFRS 9 (note 2.1(i))	初次應用香港財務報告準則第9號的影響(附註2.1(i))	639	-
Impairment losses, net (note 9)	減值虧損淨額(附註9)	(232)	-
Amount written off as uncollectible	不可收回的已撇銷款項	-	(777)
At end of year	於年末	407	-

19. 貿易應收款項及應收票據 (續)

貿易應收款項按原發票值確認，即該等貿易應收款項於初步確認時的公平值。本集團的貿易應收款項歸於多個具備信貸期的獨立客戶。應收票據為於日常業務過程中自獨立客戶收取。本集團通常准許其客戶介乎10至180天(二零一七年：10至180天)的信貸期。貿易應收款項及應收票據不計息。

根據發票日期的貿易應收款項(扣除撥備)賬齡分析如下：

貿易應收款項減值撥備的變動情況如下：

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財務報表附註

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

19. TRADE AND BILLS RECEIVABLES (Continued)

The Group provided for impairment loss on individual assessment based on the accounting policy stated in note 4.9A (ii) and 4.9B (ii) under HKFRS 9 and HKAS 39 for the year ended 31 December 2018 and 2017 respectively. The Group did not hold any collateral as security over the trade receivables. However, in order to minimise the credit risk of not receiving payments from its customers, the Group has entered into arrangements with a financial institution in the USA and a bank in Hong Kong (which in turn entered into certain arrangement with an insurance company in this connection), and Hong Kong Export Credit Insurance Corporation ("ECIC") (provides Hong Kong exporters with insurance protection against non-payment risks arising from commercial and political events), which offered trade receivable credit protection arrangement against the Group's trade receivables for certain major customers. As at 31 December 2018, trade receivables of approximately HK\$9,439,000 (2017: HK\$16,383,000) were under such arrangements of which if the Group ultimately becomes unable to collect the trade receivables, the Group will be entitled to receive compensation for the trade receivables from the financial institution or the bank.

Impairment under HKFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

19. 貿易應收款項及應收票據 (續)

於截至二零一八年及二零一七年十二月三十一日止年度，本集團分別根據香港財務報告準則第9號附註4.9A (ii)及香港會計準則第39號附註4.9B (ii)所述的會計政策，按個別評估方式就減值虧損作出撥備。本集團並無就貿易應收款項持有任何抵押品。然而，為盡量降低無法自客戶收取款項的信用風險，本集團已與美國一家金融機構及香港一家銀行及香港出口信用保險局（「出口信用保險局」）（就商業及政治事件造成的拒付風險向香港出口商提供保險保障），訂立安排（而該金融機構及銀行則就此與保險公司訂立若干安排），就若干主要客戶而言為本集團的貿易應收款項提供貿易應收款項信用保障安排。於二零一八年十二月三十一日，約9,439,000港元（二零一七年：16,383,000港元）的貿易應收款項受到有關安排保障，據此，如本集團最終未能收回貿易應收款項，本集團將有權獲該金融機構或銀行就有關貿易應收款項給予賠償。

截至二零一八年十二月三十一日止年度於香港財務報告準則第9號項下的減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。該計算反映或然率加權結果、貨幣時間價值及於報告日期可得的有關過往事項、當前狀況及未來經濟狀況預測的合理及可靠資料。

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財務報表附註

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

19. TRADE AND BILLS RECEIVABLES (Continued)

Impairment under HKFRS 9 for the year ended 31 December 2018 (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

For trade receivables under credit protection arrangement:

		Current	Past due				Total
			Less than 3 month	3 to 6 months	6 to 12 months	Over 1 year	
		即期	不超過 3個月	3至6個月	6至12個月	超過1年	總額
ECL rate	預計信貸虧損率	0.5%	1%	1.5%	3.5%	5%	
Gross carrying amount (HK\$'000)	賬面總金額 (千港元)	6,364	2,888	166	-	20	9,438
ECLs (HK\$'000)	預計信貸虧損 (千港元)	32	29	2	-	1	64

For trade receivables without credit protection arrangement:

		Current	Past due				Total
			Less than 3 month	3 to 6 months	6 to 12 months	Over 1 year	
		即期	不超過 3個月	3至6個月	6至12個月	超過1年	總額
ECL rate	預計信貸虧損率	1%	2%	3%	7%	10%	
Gross carrying amount (HK\$'000)	賬面總金額 (千港元)	2,294	291	21	252	2,965	5,823
ECLs (HK\$'000)	預計信貸虧損 (千港元)	23	6	1	17	296	343

19. 貿易應收款項及應收票據 (續)

截至二零一八年十二月三十一日止年度於香港財務報告準則第9號項下的減值 (續)

以下採用撥備矩陣載列有關本集團貿易應收款項的信貸風險資料：

有信用保障安排的貿易應收款項

無信用保障安排的貿易應收款項

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財務報表附註

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

19. TRADE AND BILLS RECEIVABLES (Continued)

Impairment under HKAS 39 for the year ended 31 December 2017

Ageing analysis of trade receivables as at 31 December 2017 that were not impaired under HKAS 39 and based on due dates is as follows:

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	既未逾期亦無減值	26,210
Not more than 90 days past due	逾期不超過90日	7,242
91 days to not more than 180 days past due	逾期91日至不超過180日	5,890
181 days to not more than 1 year past due	逾期181日至不超過一年	2,675
More than 1 year past due	逾期超過一年	596
		42,613

Trade receivables which were neither past due nor impaired related to customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that had a good track record of credit with the Group. Based on past credit history, the directors of the Company believe that no impairment allowance under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered to be fully recoverable.

19. 貿易應收款項及應收票據 (續)

截至二零一七年十二月三十一日止年度根據香港會計準則第39號的減值

於二零一七年十二月三十一日根據香港會計準則第39號並無減值及根據到期日的貿易應收款項賬齡分析如下：

既未逾期亦無減值的貿易應收款項涉及的客户，均並無近期拖欠付款的記錄。

逾期但未減值的貿易應收款項所涉及的幾位客户，在本集團均具有良好信用記錄。根據信用歷史，本公司董事認為毋須就此等結餘作出減值撥備，原因為信貸質素並無出現重大變動，而有關結餘仍被視為可全數收回。

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財務報表附註

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

20. LOANS AND INTEREST RECEIVABLES

20. 應收貸款及應收利息

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current	非即期		
Loans receivables	應收貸款	4,901	–
Current	即期		
Loans receivables	應收貸款	100,190	147,906
Interest receivables	應收利息	2,047	975
Less: impairment loss	減：減值虧損	(1,799)	–
		100,438	148,881
		105,339	148,881

The Group's loans and interest receivables, which arise from the money lending business of providing corporate loans, personal loans and property mortgage loans in Hong Kong, are denominated in HK\$.

As at 31 December 2018, loans and interest receivables of HK\$60,578,000 (2017: HK\$39,716,000) were unsecured while remaining loans and interest receivables of HK\$44,761,000 (2017: HK\$109,165,000) were secured by charges over certain properties in Hong Kong and personal properties such as diamonds and jewelries, and guaranteed by certain independent third parties. The interest rates on all loans receivables are from 2.3% to 36% (2017: 2.3% to 36%) per annum and loans receivables is due within 12 to 60 months and contains repayment on demand clause. The maximum exposure to credit risk at each of the reporting date is the carrying value of the loans and interests receivables mentioned above.

本集團的應收貸款及應收利息以港元計值，產生自於香港提供企業貸款、個人貸款及物業按揭貸款的貸款融資業務。

於二零一八年十二月三十一日，60,578,000港元的應收貸款及應收利息（二零一七年：39,716,000港元）為無抵押，而餘下44,761,000港元的應收貸款及應收利息（二零一七年：109,165,000港元）由質押若干香港物業及個人財產（如鑽石及珠寶）作抵押，並且由若干獨立第三方擔保。全部應收貸款的利率為固定，介乎每年2.3%至36%（二零一七年：2.3%至36%）及應收貸款於12至60個月內到期，並載有須按要求償還條款。於各報告日期的最大信貸風險是上述貸款及應收利息的賬面值。

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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

20. LOANS AND INTEREST RECEIVABLES (Continued)

Before granting loans to outsiders, the Group uses an internal credit assessment process to assess the potential borrower's credit quality and defines credit limits granted to borrowers. Limits attributed to borrowers are reviewed by the management regularly.

As at the reporting date, the Group reviewed its loans and interest receivables for evidence of impairment on both individual and collective basis. The Group recognised impairment loss on individual assessment based on the accounting policy stated in note 4.9A (ii) and 4.9B (ii) respectively under HKFRS 9 and HKAS 39 for the year ended 31 December 2018 and 2017 respectively.

The movements for impairment on loans and interest receivables are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	於年初	-	-
Impact on initial application of HKFRS 9 (note 2.1(ii))	初步應用香港財務報告準則第9號的影響(附註2.1(ii))	1,854	-
Impairment losses, net (note 9)	減值虧損淨額(附註9)	(55)	-
At end of year	於年末	1,799	-

Impairment under HKFRS 9 for the year ended 31 December 2018

Since adoption of HKFRS 9, the Group has measured loss allowances for loans and interest receivables based on 12-month ECLs unless there have been a significant increase in credit risk since origination, then the allowance will be based on lifetime ECLs. The Group has assessed the ECLs on loans and interest receivables based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

20. 應收貸款及應收利息 (續)

向外部人士授出貸款前，本集團使用內部信貸評估程序評估潛在借款人的信貸質素，並釐定給予借款人的信貸限額。給予借款人的貸款限額會由管理層定期檢討。

於報告日期，本集團按個別和集體基準審視應收貸款及利息，以查明是否有任何減值的憑據。於截至二零一八年及二零一七年十二月三十一日止年度，本集團分別，根據香港財務報告準則第9號及香港會計準則第39號，附註4.9A(ii)及4.9B(ii)所述的會計政策確認個別評估的減值虧損。

應收貸款及利息減值的變動如下：

截至二零一八年十二月三十一日止年度於香港財務報告準則第9號項下的減值

自採納香港財務報告準則第9號以來，本集團基於12個月預期信貸虧損計量應收貸款及利息的虧損撥備，除非自信貸風險產生起該風險大幅上升，其後將基於存續期預期信貸虧損作出撥備。本集團基於本集團的過往信貸虧損經驗評估應收貸款及利息的預期信貸虧損，並按債務人特定的前瞻性因素及經濟環境作出調整。

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20. LOANS AND INTEREST RECEIVABLES (Continued)

Impairment under HKAS 39 for the year ended 31 December 2017

As at 31 December 2017, the loans and interest receivables of HK\$165,000 were fully impaired. The individually impaired loans and interest receivables as at 31 December 2017 relate to customer that was in financial difficulties. Based on past credit history, management believes that no impairment allowance under HKAS 39 was necessary in respect of remaining loans and interest receivables as there was no significant change in credit quality and the balances were still considered fully recoverable.

Ageing analysis of loans and interest receivables as at 31 December 2017 that were not impaired under HKAS 39 and based on due dates is as follows:

20. 應收貸款及應收利息 (續)

截至二零一七年十二月三十一日止年度於香港會計準則第39號項下的減值

於二零一七年十二月三十一日，165,000港元的應收貸款及利息已悉數減值。於二零一七年十二月三十一日，個別減值的應收貸款及利息與遇到財務困難的客戶有關。基於過往信貸歷史，管理層相信，由於信貸質素並無重大變動及結餘仍然視為可悉數收回，根據香港會計準則第39號毋須就餘下應收貸款及利息進行減值撥備。

於二零一七年十二月三十一日根據香港會計準則第39號並無減值及根據到期日的應收貸款及應收利息賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	既未逾期亦無減值	147,081
Not more than 3 months past due	逾期不超過三個月	1,800
		<hr/> 148,881

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21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

21. 按金、預付款及其他應收款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current	非流動		
Deposits	按金	-	5,000
Current	非流動		
Prepayments and other receivables, gross	預付款及其他應收款項，總額	11,096	12,053
Less: impairment losses	減：減值虧損	(1,918)	(1,918)
Prepayments and other receivables, net	預付款及其他應收款項，淨額	9,178	10,135
Deposits	按金	10,664	7,071
Payments for leasehold land held for own use under operating lease (note 15)	於經營租賃下持作自用的租賃土地付款（附註 15）	54	54
		19,896	17,260
		19,896	22,260

During the year ended 31 December 2017, deposits of HK\$5,000,000 were paid by the Group under a series of sale and purchase agreements dated on 25 January 2017 and supplement agreements dated 22 December 2017 (collectively "S&P Agreements") between the Group and an independent third party in relation to the acquisitions of entire share capitals of Prior Securities Limited ("Prior Securities") and Prior Asset Management Limited ("Prior Asset"). The considerations for the acquisitions of Prior Securities and Prior Asset will be determined by respective net assets values plus HK\$6,200,000 and HK\$7,000,000 respectively and should not be exceeding a total consideration of HK\$30,900,000. The condition precedent pursuant to the S&P Agreements were not fulfilled or satisfied by 31 July 2018, being the long stop date of the S&P Agreements, therefore, the acquisitions were not completed and the S&P Agreements were automatically terminated. Deposits of HK\$5,000,000 represented payments of non-refundable deposit for the acquisitions were forfeited after the termination of the S&P Agreements.

於截至二零一七年十二月三十一日止年度，本集團根據日期為二零一七年一月二十五日的一系列買賣協議及日期為二零一七年十二月二十二日的補充協議（統稱「買賣協議」）支付按金 5,000,000 港元，買賣協議乃由本集團與一名獨立第三方就收購昇悅證券有限公司（「昇悅證券」）及昇悅資產管理有限公司（「昇悅資產」）的全部股本而訂立。收購昇悅證券及昇悅資產的代價將按各自資產淨值分別加上 6,200,000 港元 7,000,000 港元而釐定，並不得超過總代價 30,900,000 港元。買賣協議項下的先決條件於二零一八年七月三十一日（即買賣協議的最後截止日期）未達成，因此，收購事項未完成及買賣協議自動終止。按金 5,000,000 港元為該等收購事項的不可退還按金付款於買賣協議終止後被沒收。

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21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Other deposits and other receivables mainly represent rental deposits and deposits with suppliers. As at 31 December 2018, deposits and other receivables of the Group have no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied for where there are no comparable companies as at 31 December 2018 was 1-2%.

As at 31 December 2017, other receivables that were neither past due nor impaired related to counterparties for whom there was no recent history of default. The directors of the Company consider that other receivables that were neither past due nor impaired at the reporting date under review are of good credit quality under HKAS 39.

There was no movement in the provision for impairment of prepayments and other receivables during the years ended 31 December 2017 and 2018 respectively.

22. PLEDGED BANK DEPOSITS

As at 31 December 2018, the Group's time deposits of HK\$3,314,000 (2017: HK\$4,522,000) and nil (2017: HK\$2,074,000) were pledged as securities for the Group's bills payables (note 24) and banking facilities respectively. These banking facilities amounting to HK\$12,500,000 as at 31 December 2017, which are also secured by the corporate guarantee of the Company, were expired on 22 March 2018 and have not been utilised before the expiry date. No new banking facilities have been obtained as at the reporting date.

As at 31 December 2018, pledged bank deposits carried interest at average market rates 1.55% (2017: 0.14% to 1.55%) per annum. The carrying amount of the Group's pledged bank deposits are denominated in HK\$ and Renminbi ("RMB").

21. 按金、預付款及其他應收款項 (續)

其他按金及其他應收款項主要指租賃按金及與供應商訂立的按金。於二零一八年十二月三十一日，本集團的按金及其他應收款項並無可識別信貸評級的比較公司，預計信貸虧損通過使用虧損率法，經參考本集團的過往虧損記錄估計。調整損失比率適時反映現有的經濟狀況及未來經濟狀況預測。倘若於二零一八年十二月三十一日概無比較公司，則適用的預期損失比率為1-2%。

於二零一七年十二月三十一日，既未逾期亦無減值的其他應收款項涉及的交易對手，均並無近期拖欠付款的記錄。本公司董事認為，該等既未逾期亦無減值的其他應收款項，於所回顧的報告日期均具備香港會計準則第39號項下的良好信貸質素。

截至二零一七年及二零一八年十二月三十一日止年度，預付款及其他應收款項減值撥備均無發生變動。

22. 已抵押銀行存款

於二零一八年十二月三十一日，本集團的定期存款3,314,000港元（二零一七年：4,522,000港元）及零港元（二零一七年：2,074,000港元）已予抵押，分別作為本集團的應付票據（附註24）及銀行融資的擔保。於二零一七年十二月三十一日，該等12,500,000港元之銀行融資（亦由本公司提供的公司擔保作抵押）已於二零一八年三月二十二日到期，並於到期日前尚未動用。截至報告日期，尚未獲得新的銀行融資。

於二零一八年十二月三十一日，已抵押銀行存款以市場平均利率每年1.55%（二零一七年：0.14%至1.55%）計息。本集團已抵押銀行存款的賬面值以港元及人民幣（「人民幣」）計值。

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23. CASH AND BANK BALANCES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值項目	152,597	164,736

Cash at banks earn interest at floating rates based on daily deposits rates.

As at 31 December 2018, the Group had cash and bank balances and pledged bank deposits denominated in RMB amounting to approximately HK\$6,794,000 (2017: HK\$6,235,000) which were placed with certain banks in the PRC. RMB is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business. The bank balances and pledged deposits with creditworthy banks with no recent history default.

23. 現金及銀行結存

存入銀行的現金按每日存款利率以浮動利率賺取利息。

於二零一八年十二月三十一日，本集團的現金及銀行結存以及以人民幣計價的已抵押銀行存款約為6,794,000港元（二零一七年：6,235,000港元），存到中國境內的若干銀行。人民幣不能自由兌換其他貨幣，從中國匯款到境外亦受到中國政府的外匯管制措施規限。根據中國的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過有權進行外匯業務的銀行將人民幣兌換為其他貨幣。銀行結餘及已抵押按金均在有信貸聲譽的銀行結存，近期並沒有拖欠記錄。

24. TRADE AND BILLS PAYABLES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	貿易應付款項	9,227	23,044
Bills payable	應付票據	11,046	14,351
		20,273	37,395

Credit periods of trade payables normally granted by its suppliers were ranging from 15 to 120 days (2017: from 15 to 120 days).

24. 貿易應付款項及應付票據

供應商給予本集團貿易應付款項的信貸期一般介乎15到120天（二零一七年：15到120天）。

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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

24. TRADE AND BILLS PAYABLES (Continued)

Ageing analysis of trade payables as at the end of the reporting period based on invoice date is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 30 days	0至30日	4,728	11,216
31 to 60 days	31至60日	1,929	2,239
61 to 90 days	61至90日	881	3,075
91 to 180 days	91至180日	981	2,950
Over 180 days	超過180日	708	3,564
		9,227	23,044

Bills payable are normally settled on 180-day (2017: 180-day) credit terms.

24. 貿易應付款項及應付票據 (續)

於報告期間末根據發票日期的貿易應付款項賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 30 days	0至30日	4,728	11,216
31 to 60 days	31至60日	1,929	2,239
61 to 90 days	61至90日	881	3,075
91 to 180 days	91至180日	981	2,950
Over 180 days	超過180日	708	3,564
		9,227	23,044

應付票據通常按180天(二零一七年：180天)的信貸期結付。

25. ACCRUALS, OTHER PAYABLES AND RECEIPTS IN ADVANCE

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Accruals	預提費用	6,405	17,918
Other payables	其他應付款項	12,462	12,653
Receipts in advance	預收款項	26	8,898
		18,893	39,469

25. 預提費用、其他應付款項及預收款項

26. CONTRACT LIABILITIES

		2018 二零一八年 HK\$'000 千港元
Short-term advances from customers:	客戶短期預付款：	
Sale of goods	銷售貨品	2,031

Note: Under the adoption of HKFRS 15, amounts in relation to advances from customers for sale of goods, previously included as "Receipts in advance", have been reclassified to "Contract liabilities" as at 31 December 2018.

26. 合約負債

附註：根據香港財務報告準則第15號後，有關銷售貨品的預收客戶款項先前列作為「預收款項」，已重新分類至於二零一八年十二月三十一日的「合約負債」。

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27. INTEREST-BEARING BORROWINGS

27. 計息借貸

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current portion:			
Obligations under finance leases, secured	32(a)	218	325
Non-current portion:			
Obligations under finance leases, secured	32(a)	853	374
		1,071	699
Interests borne at rates per annum in the range of: – Fixed-rate borrowings	利息按介乎以下範圍之年利率計算： – 定息借貸	4.5% to 至5%	4.5% to 至5%

The carrying amounts of the Group's interest bearing borrowings are denominated in HK\$. Total interest-bearing borrowings due for repayment based on the scheduled repayment dates are as follows:

本集團計息借貸之賬面值以港元計值。基於預定還款日期的應償還計息借貸總額如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	218	325
More than one year, but not exceeding two years	一年以上但不超過兩年	229	176
More than two years, but not exceeding five years	兩年以上但不超過五年	624	198
		1,071	699

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28. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Impairment of trade receivables and loans receivables 貿易應收款項及 應收貸款的減值 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2017	-	742	742
Credited to profit or loss for the year	-	769	769
As at 31 December 2017 and 1 January 2018	-	1,511	1,511
Credited to profit or loss for the year	430	3,392	3,822
As at 31 December 2018	430	4,903	5,333

Deferred tax assets are recognised for tax losses carried forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2018, the Group has unused tax losses of approximately HK\$46,907,000 (2017: HK\$9,158,000) available to offset against future taxable profits of the companies that incurred these losses, in which tax losses approximately of HK\$17,191,000 (2017: Nil) were not recognised as deferred tax assets in the consolidated statement of financial position as the management believes it is not likely that such tax losses would be realised.

These tax losses do not expire under current tax legislation.

28. 遞延稅項

年內遞延稅項資產及負債變動如下：

遞延稅項資產

	Impairment of trade receivables and loans receivables 貿易應收款項及 應收貸款的減值 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2017	-	742	742
Credited to profit or loss for the year	-	769	769
As at 31 December 2017 and 1 January 2018	-	1,511	1,511
Credited to profit or loss for the year	430	3,392	3,822
As at 31 December 2018	430	4,903	5,333

遞延稅項資產乃根據於透過可能產生的未來應課稅溢利變現為相關稅項收益時將稅項虧損結轉而確認。於二零一八年十二月三十一日，本集團的未動用稅項虧損約為46,907,000港元（二零一七年：9,158,000港元），可用作與產生該等虧損之公司未來應課稅溢利抵銷，其中稅項虧損約17,191,000港元（2017年：零港元）未於綜合財務狀況表確認為遞延稅項資產，因為管理層認為該等稅項虧損不大可能變現。

根據當前稅務法，該等稅項虧損並無屆滿。

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28. DEFERRED TAX (Continued)

Deferred tax liabilities

As at 1 January 2017	於二零一七年一月一日	1,073
Charged to profit or loss for the year	自年內損益扣除	(1,073)
As at 31 December 2017, 1 January 2018 and 31 December 2018	於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	-

Under the EIT Law of the PRC, withholding income tax is imposed on dividends declared in respect of profits earned by PRC subsidiary from 1 January 2008 onwards. A lower withholding income tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The applicable rate for the Group is 5% (2017: 5%). In estimating the withholding income taxes on dividends expected to be distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008, the directors have made an assessment based on the factors which included the dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future. As at 31 December 2018, temporary differences relating to the undistributed profits of the PRC subsidiaries for which deferred tax liabilities have not been recognised amounted to approximately HK\$4,626,000 (2017: HK\$2,148,000).

28. 遞延稅項 (續)

遞延稅項負債

Withholding
taxes on
undistributed
profits of PRC
subsidiaries
中國附屬公司
未分配溢利預扣稅
HK\$'000
千港元

根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司按所賺取之溢利而分派的股息須徵收預扣稅。倘中國與外商投資者司法權區間有稅務條約，可能實施較低預扣所得稅。本集團適用稅率為5%（二零一七年：5%）。於估計該等於中國成立的附屬公司就自二零零八年一月一日起產生盈利預計將分派股息之預扣所得稅時，董事已基於包括股息政策及本集團業務於可預見未來所需資金及營運資本水平等因素作出評估。於二零一八年十二月三十一日，有關中國附屬公司的未分派溢利（尚未確認遞延稅項負債）的暫時差額為約4,626,000港元（二零一七年：2,148,000港元）。

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29. SHARE CAPITAL

29. 股本

		Number of ordinary shares at HK\$0.01 each 每股面值0.01港元 普通股數目	Nominal value of ordinary shares 普通股面值 HK\$'000 千港元
Authorised:	法定：		
At 1 January 2017, 31 December 2017 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日 及二零一八年十二月三十一日	10,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2017	於二零一七年一月一日	830,000,000	8,300
Issue of ordinary shares by placement (Note)	通過配售發行普通股(附註)	860,000,000	8,600
At 31 December 2017 and 2018	於二零一七年十二月三十一日 及二零一八年	1,690,000,000	16,900

Note: On 26 January 2017, the Company entered into a subscription agreement (the "Subscription Agreement") with New Seres, pursuant to which New Seres has agreed to subscribe for and the Company has agreed to allot and issue an aggregate of 860,000,000 new shares at a total consideration of HK\$204,680,000 at the price of HK\$0.238 per share. The placement under Subscription Agreement was completed on 2 May 2017.

附註：於二零一七年一月二十六日，本公司與New Seres訂立認購協議（「認購協議」），據此New Seres已同意按每股0.238港元的價格認購及本公司已同意配發及發行合共860,000,000股新股份，代價總額為204,680,000港元。根據認購協議進行的配售已於二零一七年五月二日完成。

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財務報表附註

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

30. RESERVES

(a) Share premium

The share premium account represents the excess of the proceeds received over the nominal value of the Company's shares issued, net of share issue costs.

(b) Merger reserve

Merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired by the Company pursuant to certain reorganisation of the Group and the nominal value of the shares issued by the Company.

(c) Statutory reserve

According to the relevant PRC laws, the subsidiary established in the PRC is required to transfer at least 10% of its net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the subsidiary's registered capital. The transfer of this reserve must be made before the distribution of dividend to the subsidiary's equity owners. The statutory reserve is non-distributable other than upon the liquidation of the subsidiary.

(d) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries. The reserve is dealt with in accordance with the accounting policy set out in note 4.4.

30. 儲備

(a) 股份溢價

股份溢價賬指已收所得款項超出本公司已發行股份面值（扣除股份發行費用）的金額。

(b) 合併儲備

本集團的合併儲備指本公司根據本集團若干重組所收購附屬公司的股本面值與本公司已發行股份面值之間的差額。

(c) 法定儲備

根據相關中國法律，在中國成立的附屬公司須至少將其除稅後純利的10%（根據中國會計規例釐定）撥入法定儲備，直至儲備結餘達到附屬公司註冊資本的50%為止。該儲備的轉撥須在向附屬公司股權擁有人分派股息之前作出。除附屬公司清盤外，法定儲備不得分派。

(d) 換算儲備

換算儲備包括換算海外附屬公司的財務報表所產生的全部匯兌差額。該儲備根據附註4.4載列的會計政策進行處理。

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31. NOTE TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

31. 綜合現金流量表附註

(a) 融資活動產生的負債對賬

		Margin loan payable 應付孖展貸款	Obligations under finance leases 融資租賃承擔 (Note 32(a)) (附註 32(a))	Other interest-bearing bank borrowings 其他計息銀行借貸
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	22,112	637	-
Changes from cash flows:	現金流量變動：			
Proceeds from interest-bearing borrowings	計息借貸所得款項	-	-	44,247
Repayments of interest-bearing borrowings	償還計息借貸	-	(254)	(44,247)
Interest paid	已付利息	(51)	(26)	(565)
Other changes	其他變動			
Interest expenses	利息開支	51	26	565
Additions of property, plant and equipment	添置物業、廠房及設備	-	316	-
Settlement of financial assets at fair value through profit or loss	以公平值計量且變動計入當期損益的財務資產結算	(22,112)	-	-
At 31 December 2017	於二零一七年十二月三十一日	-	699	-
Changes from cash flows:	現金流量變動：			
Repayments of interest-bearing borrowings	償還計息借貸	-	(292)	-
Interest paid	已付利息	-	(39)	-
Other changes	其他變動			
Interest expenses	利息開支	-	39	-
Additions of property, plant and equipment	添置物業、廠房及設備	-	870	-
Cancellation of the obligation under finance lease	取消融資租賃義務	-	(206)	-
At 31 December 2018	於二零一八年十二月三十一日	-	1,071	-

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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

31. NOTE TO CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(b) Major non-cash transaction

During the year, the Group entered into a new finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the lease of HK\$848,000. This new lease arrangement has replaced the previous one in which the fixtures, furniture and office equipment with net carrying amount of HK\$186,000 were returned to the lessor and the related obligations of HK\$206,000 were cancelled by the lessor. The cancellation of previous lease arrangement has been regarded by the Group as disposals of property, plant and equipment.

32. LEASE COMMITMENTS

(a) Finance lease commitments

The Group leased its office equipment under a finance lease with an average lease term of 5 years. The Group's obligation under finance lease is secured by the lessor's title to the leased asset.

Interest rate underlying all obligations under finance lease is fixed at respective contract date at 4.5% - 5.0% (2017: 4.5% - 5.0%) per annum.

31. 綜合現金流量表附註 (續)

(b) 重大非現金交易

於本年度，本集團於開始租賃時就市值總額為848,000港元的物業、廠房及設備訂立新融資租賃安排。此新租賃安排取代先前安排，當中賬面淨值為186,000港元的傢俬、裝置及辦公室設備退還至出租人，且相關義務206,000港元由出租人註銷。先前租賃安排註銷被本集團當作為出售物業、廠房及設備。

32. 租賃承擔

(a) 融資租賃承擔

本集團根據融資租賃（平均租賃年期為五年）租賃其辦公室設備。本集團於融資租賃項下之責任由出租人對租賃資產之擁有權作擔保。

融資租賃項下所有相關責任之年息率於各個合約日期固定為4.5%-5.0%（二零一七年：4.5%-5.0%）。

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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

32. LEASE COMMITMENTS (Continued)

(a) Finance lease commitments (Continued)

Future minimum rental payables are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	266	351
In the second to fifth years	第二至五年	931	400
		1,197	751
Less: Future finance charges	減：未來融資支出	(126)	(52)
Present value of minimum lease payments	最低租賃付款現值	1,071	699

Present value of minimum lease payments included in consolidated statement of financial position is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest-bearing borrowings	計息借貸 – 即期部分		
– Current portion		218	325
Interest-bearing borrowings	計息借貸 – 非即期部分		
– Non-current portion		853	374
		1,071	699

32. 租賃承擔 (續)

(a) 融資租賃承擔 (續)

未來應付最低租金載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	266	351
In the second to fifth years	第二至五年	931	400
		1,197	751
Less: Future finance charges	減：未來融資支出	(126)	(52)
Present value of minimum lease payments	最低租賃付款現值	1,071	699

計入綜合財務狀況表的最低租賃付款現值如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest-bearing borrowings	計息借貸 – 即期部分		
– Current portion		218	325
Interest-bearing borrowings	計息借貸 – 非即期部分		
– Non-current portion		853	374
		1,071	699

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32. LEASE COMMITMENTS (Continued)

(b) Operating lease commitments

Future minimum rental payable under non-cancellable operating lease of the Group in respect of land and buildings are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	4,934	8,332
In the second to fifth years	第二至五年	4,464	4,025
		9,398	12,357

The Group leases certain properties under operating leases. The leases run for an initial period of 1 year to 5 years (2017: 1 year to 5 years). None of these leases include any contingent rentals.

32. 租賃承擔 (續)

(b) 經營租賃承擔

本集團根據不可註銷經營租賃就土地及樓宇應付之未來最低租金載列如下：

根據經營租賃，本集團租賃若干物業。租賃初步為期一至五年（二零一七年：一至五年）。此等租賃概不包括任何或然租金。

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33. RELATED PARTY TRANSACTION

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following significant related party transactions during the year.

(a) Transaction with related party

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Rental expense charged by a fellow subsidiary of New Seres	New Seres 的一間同系 附屬公司收取的租金費用	6,717	343

The directors of the Company are of the view that the transaction was entered in the ordinary and usual course of business of the Company and on normal commercial terms.

(b) Key management personnel remuneration

The Group defines directors as key management personnel and their remuneration are set out in note 10(a).

33. 關聯方交易

除財務報表其他部分詳述之交易外，本集團於本年度進行的主要關聯方交易如下：

(a) 與關聯方進行的交易

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Rental expense charged by a fellow subsidiary of New Seres	New Seres 的一間同系 附屬公司收取的租金費用	6,717	343

本公司董事認為該等交易乃於本公司一般及日常業務過程中按正常商業條款訂立。

(b) 主要管理人員薪酬

本集團將董事界定為主要管理人員，而主要管理人員的薪酬載於附註10(a)。

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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

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

34. 金融工具分類

於報告期末每個金融工具類別的賬面值如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets			
財務資產			
Financial assets at amortised cost (2017: loans and receivables)			
按攤銷成本計量的財務資產 (二零一七年：貸款及應收款項)			
– Trade and bills receivables	– 貿易應收款項及應收票據	18,548	52,789
– Loans and interest receivables	– 應收貸款及應收利息	105,339	148,881
– Deposits and other receivables	– 按金及其他應收款項	17,518	14,559
– Pledged bank deposits	– 已抵押銀行存款	3,314	6,596
– Cash and bank balances	– 現金及銀行結存	152,597	164,736
		297,316	387,561
Financial liabilities			
財務負債			
Financial liabilities at amortised cost			
按攤銷成本計量的財務負債			
– Trade and bills payables	– 貿易應付款項及應付票據	20,273	37,395
– Accruals and other payables	– 預提費用及其他應付款項	18,867	30,571
– Interest-bearing borrowings	– 計息借貸	1,071	699
		40,211	68,665

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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. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets.

(a) Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise mainly from its overseas sale transactions and settlement of its overseas purchases, both of which are primarily denominated in United States Dollars ("US\$") and RMB. These are not the functional currencies of the Group entities to which these transactions relate.

All the Group's foreign exchange structured forward contracts are approved by the executive directors. In addition, the Group will not enter into any additional foreign exchange structured forward contracts unless advance approval by the shareholders has been obtained while the executive directors and their related parties shall abstain from voting. The Group performs analysis for monitoring of the foreign exchange structured forward contracts.

35. 財務風險管理及公平值計量

本集團因在日常業務過程中及投資活動中使用金融工具而承受財務風險。財務風險包括市場風險（包括外幣風險及利率風險）、信貸風險及流動資金風險。

本集團的財務風險管理在董事會緊密合作下由本集團總部協調。財務風險管理總體目標是專注於減少其金融市場風險以確保本集團的短期至中期現金流量。

(a) 外幣風險

外幣風險指金融工具的公平值或未來現金流量因外幣匯率變動而波動之風險。本集團的外幣風險主要來自其海外銷售交易及償付海外購貨，均主要以美元（「美元」）及人民幣計價。該等貨幣並非交易涉及的本集團實體的記賬本位幣。

本集團所有結構性外匯遠期合約均經執行董事核准。此外，除非事先獲得股東批准，否則本集團不會訂立任何額外結構性外匯合約，同時執行董事及其關聯方須就此放棄投票。本集團將為訂立結構性外匯遠期合約進行分析並監察該等合約。

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(a) Foreign currency risk (Continued)

Summary of exposure

As at 31 December 2018, the carrying amounts of the Group's financial assets and liabilities denominated in foreign currencies, i.e. currency other than the functional currency of the respective group entities, are as follows:

		Financial assets 財務資產 HK\$'000 千港元	Financial liabilities 財務負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2018	於二零一八年十二月三十一日			
RMB	人民幣	11	(2,417)	(2,406)
US\$	美元	56,394	(25,450)	30,944
As at 31 December 2017	於二零一七年十二月三十一日			
RMB	人民幣	25	(4,247)	(4,222)
US\$	美元	102,012	(23,627)	78,385

Foreign exchange rate sensitivity analysis

Since HK\$ is pegged to US\$, the Group does not expect any significant movements in HK\$/US\$ exchange rate. The following table illustrates the sensitivity of the Group's loss after tax for the year and equity in regard to a 3% change in RMB exchange rate. The rate is used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible change in foreign exchange rates.

35. 財務風險管理及公平值計量 (續)

(a) 外幣風險 (續)

風險概略

於二零一八年十二月三十一日，本集團以外幣（即各集團實體的功能貨幣以外的貨幣）計價的財務資產和負債的賬面值如下：

匯率敏感度分析

由於港元與美元掛鈎，本集團預期港元兌美元的匯率不會發生任何重大變動。下表闡釋本集團的年內除稅後虧損及權益就人民幣匯率發生3%變動的敏感度。匯率乃於向主要管理人員作內部報告外幣風險時採用，為管理層對匯率可能變動之最佳估計。

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(a) Foreign currency risk (Continued)

Foreign exchange rate sensitivity analysis (Continued)

The sensitivity analysis of the Group's exposure to foreign currency risk at the reporting date has been determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial year with all other variables held constant throughout the year. A positive number in the sensitivity analysis below indicates a decrease in loss after tax where HK\$ strengthens against RMB. For a weakening of the HK\$ against RMB, there would be an equal and opposite impact on loss after tax, and the balances below would be negative.

35. 財務風險管理及公平值計量 (續)

(a) 外幣風險 (續)

匯率敏感度分析 (續)

本集團於報告日期所面對外幣風險之敏感度分析乃假設外幣匯率變動百分比於財政年度開始時發生且所有其他變量於整個年度內維持不變而釐定。下文敏感度分析中的正數指示倘港元兌人民幣走強，則除稅後虧損減少。就港元兌人民幣走弱而言，對除稅後虧損將產生等同及相反的影響，而下列結餘將為負數。

		Effect on loss after tax 除稅後虧損之影響	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
If HK\$ strengthens against RMB	如港元兌人民幣升值	60	106
If HK\$ weakens against RMB	如港元兌人民幣貶值	(60)	(106)

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings which are at variable rates (note 27) and the Group's pledged bank deposits and bank balances which were bearing floating interest rate (notes 22 and 23). The Group has not used any derivative to hedge its exposure to interest rate risk. The policies to manage interest rate risk which have been followed by the Group since prior years are considered to be effective.

Interest rate sensitivity analysis

The following table illustrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss after tax for the year and equity, with effect from the beginning of the years. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's floating rate financial instruments held at the end of the reporting period. The analysis has been prepared assuming these financial instruments outstanding at the end of the reporting period were outstanding for the whole year. There is no impact on other components of combined equity in response to the possible change in interest rates.

35. 財務風險管理及公平值計量 (續)

(b) 利率風險

利率風險涉及金融工具的公平值或現金流量因市場利率改變而出現波動之風險。本集團的利率風險主要來自浮息計息借貸（附註27）及本集團的已抵押銀行存款及銀行結存亦附帶浮動利率（附註22及23）。本集團並未使用任何衍生工具對沖其利率風險。本集團自往年起已沿用一套管理利率風險的政策，有關政策被認為有效。

利率敏感度分析

下表列示在所有其他變量維持不變之情況下，本集團之年度除所得稅後虧損及權益對於該等年初生效之合理可能利率變動之敏感度。該等變動乃經觀察現行市況後視為合理可能出現。計算乃根據本集團於報告期末所持有之浮息金融工具進行。分析乃假設於報告期末尚未行使之該等金融工具於全年均無行使而編製。利率之可能變動對合併權益之其他部分並無影響。

		Decrease/(increase) in loss after tax 除稅後虧損減少/(增加)	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Increase by 50 basis points	增加50個基點	32	26
Decrease by 50 basis points	減少50個基點	(32)	(26)

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(c) Credit risk and impairment assessment

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from trade and bills receivables, loans and interest receivables, other receivables, pledged bank deposits and cash and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets except that the credit risks associated with loan receivables is mitigated because they are secured over collaterals. There is no significant changes in the quality of collaterals as a result of deterioration or changes in the collateral policies of the entity during both reporting periods.

In order to minimise credit risk, the Group has developed and maintains the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is based on the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

For financial assets at amortised cost, the exposures to credit risk are monitored such that any outstanding debtors are reviewed and followed up on an ongoing basis. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

35. 財務風險管理及公平值計量 (續)

(c) 信貸風險及減值評估

信貸風險指金融工具之對手方未能按金融工具之條款履行其責任，並導致本集團錄得財務虧損之風險。本集團承受的信貸風險主要來自貿易應收款項及應收票據、應收貸款及利息、其他應收款項、已抵押銀行存款及現金以及銀行結存。本集團並無就與其財務資產有關的信貸風險持有任何抵押品或採取其他信用提升措施，惟與應收貸款有關的信貸風險降低，乃由於其以抵押品作抵押。於兩個報告期間，概無因實體抵押品政策惡化或變動導致抵押品的質素發生重大變動。

為最大限度降低信貸風險，本集團已制定及維持信貸風險等級，以根據信貸違約風險等級將風險評級進行分類。信用評級資料乃根據本集團自有的交易記錄對其主要客戶及其他債務人進行評級。本集團持續監控其風險評級及其交易對手的信用評級，並將所達成的交易總值在經核准交易對手間進行攤分。

就按攤銷成本計量的財務資產而言，本集團對所承受的信貸風險進行監察，並不斷檢討及跟進任何未償還債項。本集團持續監察個別或同類客戶及其他對手方之拖欠情況，並於信貸風險管理中計入該資料。本集團之政策為僅與信譽良好之對手方進行交易。

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(c) Credit risk and impairment assessment

(Continued)

The Group's current credit risk grading framework comprises the following categories:

Internal credit rating 內部信貸評級	Description 說明	Basis for recognising ECL 確認預期信貸虧損的基準
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手方的違約風險較低，且並無任何逾期款項	12-month ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 透過內部或外部資源制定的資料，信貸風險自初始確認以來顯著增加	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – 並未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示有關資產已發生信貸減值	Lifetime ECL – credit-impaired 存續期預期信貸虧損 – 已發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重的財務困難且本集團不認為日後可收回有關款項	Amount is written off 撇銷有關金額

35. 財務風險管理及公平值計量 (續)

(c) 信貸風險 (續)

本集團目前的信貸風險評級框架包括以下類別：

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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. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(c) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

2018	Notes	Internal credit rating	12-month or lifetime ECL 12個月或存續期 預期信貸虧損	Gross carrying amounts
二零一八年	附註	內部信貸評級		總賬面值 HK\$'000 千港元
Trade receivables and bills receivables	19	N/A (Note)	Lifetime ECL (provision matrix)	18,955
貿易應收款項及應收票據	19	不適用(附註)	存續期預期信貸虧損 (撥備矩陣)	18,955
Loans and interest receivables	20	Low risk Loss	12-month ECL Lifetime ECL	105,338 1,800
應收貸款及利息	20	低風險 虧損	12個月預期信貸虧損 存續期預期信貸虧損	105,338 1,800
Deposits and other receivables	21	Low risk Loss	12-month ECL Lifetime ECL	17,518 1,918
按金及其他應收款項	21	低風險 虧損	12個月預期信貸虧損 存續期預期信貸虧損	17,518 1,918
Pledged bank deposits	22	Low risk	12-month ECL	3,314
已抵押銀行存款	22	低風險	12個月預期信貸虧損	3,314
Cash and bank balances	23	Low risk	12-month ECL	152,597
現金及銀行結存	23	低風險	12個月預期信貸虧損	152,597

Note: For trade and bills receivables from sales of apparels, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

附註：就服裝銷售之貿易應收款項及應收票據而言，本集團應用香港財務報告準則第9號的簡化法計量存續期預期信貸虧損之虧損撥備。

35. 財務風險管理及公平值計量 (續)

(c) 信貸風險 (續)

下表詳述本集團財務資產的信貸風險(須進行預期信貸虧損評估)：

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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. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(c) Credit risk and impairment assessment (Continued)

Trade and bills receivables

As set out in note 4.9A, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECLs on these items by using a provision matrix, grouped by past due status. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment for its customers in relation to its sales of apparels because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Trade and bills receivables from sales of apparels of HK\$15,261,000 and HK\$3,694,000 respectively are assessed based on provision matrix within lifetime ECL (not credit impaired). The Group has no debtor credit-impaired as at 31 December 2018.

During the year ended 31 December 2018, impairment allowance on trade receivables from sales of apparels for approximately HK\$407,000 is provided based on the provision matrix.

35. 財務風險管理及公平值計量 (續)

(c) 信貸風險 (續)

貿易應收款項及應收票據

如附註4.9A所載，本集團已應用香港財務報告準則第9號的簡化法計量存續期預期信貸虧損的虧損撥備。除具重大未償還結餘或已發生信貸減值的應收賬款外，本集團使用撥備矩陣釐定該等項目的預期信貸虧損（按逾期狀況分組）。估計虧損率乃基於應收賬款預計年期的歷史可觀察的違約率估計，並在毋須不必要的成本或努力即可獲得之前瞻性資料作出調整。

作為本集團信貸風險管理之一環，本集團利用應收賬款賬的賬齡評核與其客戶服裝銷售有關的減值，乃由於該等客戶包含多名具共同風險特徵的客戶，特徵指客戶按照合約條款支付所有到期款項的能力。服裝銷售的貿易應收款項及應收票據15,261,000港元及3,694,000港元乃分別基於存續期預期信貸虧損（並無發生信貸減值）內的撥備矩陣進行評估。於二零一八年十二月三十一日，本集團並無發生信貸減值的應收賬款。

於截至二零一八年十二月三十一日止年度，服裝銷售的貿易應收款項減值撥備約407,000港元乃根據撥備矩陣計提撥備。

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(c) Credit risk and impairment assessment (Continued)

Loans and interest receivables

The Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on loan and interest receivables based on 12-month ECL, excepted for one loan receivables which was over-due for one year, lifetime ECL was based on for ECL assessment.

The credit risk on loan and interest receivables and loan interest receivables are limited because certain loan receivables are pledged with the properties units in Hong Kong, personal properties of the borrowers and guaranteed by certain independent third parties. Besides, majority of the borrowers of the Group have no historical default record and the directors expect that the general economic conditions will not significantly change for the 12 months after the reporting date.

Deposits and other receivables

The Group measures the impairment loss equal to 12-month ECL of deposits and other receivables. For those balances expected to have significant increase in credit risk since initial recognition, the Group apply lifetime ECL based on aging for classes with different credit risk characteristics and exposures.

35. 財務風險管理及公平值計量 (續)

(c) 信貸風險 (續)

應收貸款及利息

於應用香港財務報告準則第9號後，本集團根據12個月預期信貸虧損就應收貸款及利息進行預期信貸虧損模式下的減值評估（二零一七年：已產生虧損模式），惟已逾期一年之一項應收貸款除外，存續期預期信貸虧損乃基於預期信貸虧損評估釐定。

應收貸款及利息以及應收貸款利息之信貸風險極為有限，乃由於若干應收貸款以香港物業單元、借款人的個人物業及若干獨立第三方作出的擔保作抵押。此外，本集團大部分借款人並無違約歷史記錄，且董事預期於報告日期後未來十二個月整體經濟狀況將不會發生重大變動。

按金及其他應收款項

本集團按12個月預期信貸虧損計量按金及其他應收款項的減值虧損。就自初始確認起預期信貸風險顯著增加之該等結餘而言，本集團根據不同信貸風險特徵及敞口之賬齡類別應用存續期預期信貸虧損。

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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. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(c) Credit risk and impairment assessment

(Continued)

Pledged bank deposits and cash and bank balances

The credit risk on pledged bank deposits and bank balances is limited because the counterparties are banks with sound credit ratings assigned by international credit-rating agencies and the Group considers the credit risk to be insignificant.

The Group is exposed to concentration of credit risk on:

- Trade receivables
- Loans and interest receivables

Concentrations of credit risk are managed by customer/counterparty and by geographical region. The Group had certain concentrations of credit risks as 48% (2017: 52%) of the total trade receivables and loans and interest receivables are due from five of its largest external customers as at 31 December 2018 (2017: five). The directors carry a periodic review on the creditworthiness on these customers and consider the exposure to such credit risk is minimal. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and loans and interest receivables are disclosed in notes 19 and 20 to the financial statements respectively.

Other than above, the Group does not have any other significant concentration of credit risk.

Prior to adoption of HKFRS 9, the Group's management considers that all the financial assets that were not impaired as at the reporting date were of good credit quality, including those that were past due.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

35. 財務風險管理及公平值計量 (續)

(c) 信貸風險 (續)

已抵押銀行存款及銀行結存

已抵押銀行存款及銀行結存的信貸風險非常有限，原因是交易對手方均為由國際信用評級機構授予優良信用評級的銀行且本集團認為信貸風險甚微。

本集團就以下各項承受信貸集中風險：

- 貿易應收款項
- 應收貸款及利息

集中信貸風險按客戶／對手方及地區管理。於二零一八年十二月三十一日，本集團有若干集中信貸風險，佔貿易應收款項以及應收貸款及應收利息總額之48%（二零一七年：52%）乃由其五名（二零一七年：五名）最大外界客戶所結欠。董事就該等客戶之信用度進行定期檢討，並認為該信貸風險不大。本集團來自貿易應收款項及應收票據以及應收貸款及應收利息之信貸風險之進一步量化數據分別於財務報表附註19及20內披露。

除上述者外，本集團並無任何其他重大信貸集中風險。

於採納香港財務報告準則第9號前，本集團管理層認為，於報告日並無減值的所有財務資產具備良好的信貸質素，包括逾期的財務資產。

本集團在過往年度一直沿用該等信貸政策，有關政策被認為有效地將本集團承受的信貸風險限制在適切水平。

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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. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(d) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank facilities.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial instruments, 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 Group can be required to pay.

35. 財務風險管理及公平值計量 (續)

(d) 流動資金風險

為管理流動資金風險，本集團監察及維持管理層視為足夠的現金及現金等值項目水平，以為本集團的營運提供資金，及減低波動對現金流量的影響。管理層監察銀行融資的使用。

下表列出本集團的非衍生金融工具於報告期末的餘下合約到期期限，此乃根據未貼現現金流（包括使用合約利率計算的利息款項，或倘屬浮息借貸，則根據報告日期當日的利率）及本公司可被要求付款的最早日期列示。

		Total contractual amount	Less than one year or repayable on demand	One year or above
		Carrying amount	undiscounted cash flow	
		賬面值	現金流量總額	須按要求償還
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
As at 31 December 2018	於二零一八年十二月三十一日			
Non-derivative financial instruments	非衍生金融工具			
- Trade and bills payables	- 貿易應付款項及應付票據	20,273	20,273	20,273
- Accruals and other payables	- 預提費用及其他應付款項	18,867	18,867	18,867
- Interest-bearing borrowings	- 計息借貸	1,071	1,229	266
		40,211	40,369	39,406
				963

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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. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(d) Liquidity risk (Continued)

		Total contractual amount	Less than one year or repayable on demand	One year or above
	Carrying amount	undiscounted cash flow	repayable on demand	above
	賬面值	現金流量總額	須按要求償還	一年或以上
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
As at 31 December 2017	於二零一七年十二月三十一日			
Non-derivative financial instruments	非衍生金融工具			
- Trade and bills payables	- 貿易應付款項及應付票據	37,395	37,395	-
- Accruals and other payables	- 預提費用及其他應付款項	30,571	30,571	-
- Interest-bearing borrowings	- 計息借貸	699	351	400
		68,665	68,317	400

(e) Fair value measurements recognised in the consolidated statement of financial position

The fair values of trade and bills receivables, loans and interest receivables, deposits and other receivables, pledged bank deposits, cash and bank balances, trade and bills payables, accruals and other payables, current portion of interest-bearing borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of interest-bearing borrowings have been calculated by discounting the expected future cash flows using the rates currently available for instruments on similar terms, credit risk and remaining maturities.

35. 財務風險管理及公平值計量 (續)

(d) 流動資金風險

	Total contractual amount	Less than one year or repayable on demand	One year or above
	Carrying amount	undiscounted cash flow	repayable on demand
	賬面值	現金流量總額	須按要求償還
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
As at 31 December 2017	於二零一七年十二月三十一日		
Non-derivative financial instruments	非衍生金融工具		
- Trade and bills payables	- 貿易應付款項及應付票據	37,395	37,395
- Accruals and other payables	- 預提費用及其他應付款項	30,571	30,571
- Interest-bearing borrowings	- 計息借貸	699	351
		68,665	68,317

(e) 於綜合財務狀況表確認的公平值計量

貿易應收款項及應收票據、應收貸款及應收利息、按金及其他應收款項、已抵押銀行存款、現金及銀行結存、貿易應付款項及應付票據、預提費用及其他應付款項、計息借貸之即期部分之公平值與其賬面值大致相若，原因為該等工具之期限較短。

計息借貸之非即期部分之公平值乃採用現時可供參考類似年期、信貸風險及剩餘期限之工具之息率折讓預期未來現金流量而計算。

Notes to the Financial Statements

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

36. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital using a gearing ratio calculated on the basis of interest-bearing borrowings over total equity. The Group's goal in capital management is to maintain the gearing ratio at a reasonable level. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The gearing ratio is regularly reviewed by senior management. The gearing ratios as at the end of the reporting periods are as follows:

36. 資本管理

本集團的資本管理目標為確保本集團持續經營的能力，並按相應的風險釐定貨物及服務的價格，為股東帶來理想回報。

本集團積極及定期檢討其資本架構，並隨經濟環境轉變作出調整。本集團使用按計息借貸除以權益總額計算的資產負債比率監察資本。本集團的資本管理目標是將資產負債比率維持在合理水平。為了維持或調節該比率，本集團可調整向股東支付的股息金額、發行新股份、向股東退回資本、籌集新債務融資或出售資產以減輕債務。

資產負債比率由高級管理層定期檢討。於報告期末的資產負債比率如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest-bearing borrowings	計息借貸	1,071	699
Total equity	權益總額	382,418	446,331
Gearing ratio	資產負債比率	0.3%	0.2%

37. SUBSEQUENT EVENTS

In addition to those disclosed elsewhere in these financial statements, the Group does not have any material events after 31 December 2018.

37. 報告期後事項

除該等財務報表其他章節內所披露者外，本集團於二零一八年十二月三十一日之後並無任何重大事項。

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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

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

38. 本公司財務狀況表

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Interests in subsidiaries (note (a))	於附屬公司的權益 (附註(a))	63,612	63,612
Deposits	按金	-	5,000
Property, plant and equipment	物業、廠房及設備	7,927	9,689
		71,539	78,301
Current assets	流動資產		
Prepayments	預付款項	2,433	2,026
Amounts due from subsidiaries	應收附屬公司款項	220,336	266,742
Cash and cash equivalents	現金及現金等值項目	88,941	86,072
		311,710	354,840
Current liabilities	流動負債		
Other payables	其他應付款項	1,874	5,944
Amounts due to subsidiaries	應付附屬公司款項	189	189
Interest-bearing borrowing	計息借貸	63	58
		2,126	6,191
Net current assets	流動資產淨值	309,584	348,649
Non-current liabilities	非流動負債		
Interest-bearing borrowing	計息借貸	211	259
Net assets	資產淨值	380,912	426,691
EQUITY	權益		
Share capital	股本	16,900	16,900
Reserves (note (b))	儲備 (附註(b))	364,012	409,791
Total equity	權益總額	380,912	426,691

On behalf of the Board
代表董事會

Guo Lin
郭林
Director
董事

Hubert Tien
田曉勃
Director
董事

Notes to the Financial Statements

財務報表附註

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

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

38. 本公司財務狀況表 (續)

Notes:

附註：

(a) **Subsidiaries**

(a) **附屬公司**

Particulars of the subsidiaries as at the reporting date are set out as follows:

於報告日期附屬公司的詳情載列如下：

Name 名稱	Place/ country of incorporation/ establishment 註冊成立/ 成立的地點/ 國家	Particulars of issued/paid-in capital 已發行/ 已繳股本詳情	Effective interest held by the Company 本公司持有的實際權益		Place of operation and principal activities 營業地點及主要業務
			Direct 直接	Indirect 間接	
Great Entrepreneur Investments Limited	BVI 英屬維爾京群島	4 ordinary shares of US\$ 1 each 4股每股面值1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Transformed Holdings Limited	BVI 英屬維爾京群島	4 ordinary shares of US\$1 each 4股每股面值1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Going Success Holdings Limited	BVI 英屬維爾京群島	1,000 ordinary shares of US\$1 each 1,000股每股面值1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Holly Global Limited	BVI 英屬維爾京群島	100 ordinary shares of US\$ 1 each 100股每股面值1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Best Supreme Investment Limited	BVI 英屬維爾京群島	100 ordinary shares of US\$1 each 100股每股面值1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Victory Leader Holdings Limited	BVI 英屬維爾京群島	1 ordinary shares of US\$1 each 1股每股面值1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Power Visions Holdings Limited	Hong Kong 香港	HK\$1 1港元	100%	–	Investment holding in Hong Kong 於香港投資控股
Runway Global Limited 時尚環球有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	–	100%	Investment holding and trading of apparels in Hong Kong 於香港投資控股及服裝貿易
Jiaxing Runway Global Garment Limited* 時尚環球服飾(嘉興)有限公司*	PRC 中國	US\$2,000,000 2,000,000美元	–	100%	Manufacturing and trading of apparels in the PRC 於中國服裝製造及貿易

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財務報表附註

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

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Subsidiaries (Continued)

Particulars of the subsidiaries as at the reporting date are set out as follows: (Continued)

Name 名稱	Place/ country of incorporation/ establishment 註冊成立/ 成立的地點/ 國家	Particulars of issued/paid-in capital 已發行/ 已繳股本詳情	Effective interest held by the Company 本公司持有的實際權益		Place of operation and principal activities 營業地點及主要業務
			Direct 直接	Indirect 間接	
Runway Fashions, Inc.	USA 美國	1,000 ordinary shares of US\$1 each 1,000股每股面值1美元的 普通股	–	100%	Provision of designing, marketing and advertising services in the USA 於美國提供設計、 市場營銷 及廣告服務
Delta Wealth Finance Limited 融富	Hong Kong 香港	1,000,000 ordinary shares of HK\$1 each 1,000股每股面值1港元 的普通股	–	100%	Provision of money lending services 提供貸款融資服務
Harvest Celebration Limited 豐頌環球有限公司	Hong Kong 香港	1,000 ordinary shares of HK\$1 each 1,000股每股面值1港元 的普通股	–	100%	Investment holding in Hong Kong 於香港投資控股
Smart Dream Limited	BVI 英屬維爾京群島	100 ordinary shares of US\$1 each 100股每股面值1美元 的普通股	–	100%	Investment holding in Hong Kong 於香港投資控股
Glory Kind Corporation Limited	Hong Kong 香港	1,000 ordinary shares of HK\$1 each 1,000股每股面值1港元 的普通股	–	100%	Investment holding in Hong Kong 於香港投資控股
Crystal Idea Investments Limited	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元 的普通股	–	100%	Investment holding in Hong Kong 於香港投資控股
Luxembourg Investment Company 177 S.à r.l.	Luxembourg 盧森堡	12,000 ordinary shares of Euro 1 each 12,000股每股面值1歐元 的普通股	–	100%	Investment holding in Luxembourg 於盧森堡投資控股

38. 本公司財務狀況表 (續)

附註：(續)

(a) 附屬公司 (續)

於報告日期附屬公司的詳情載列如下：
(續)

Notes to the Financial Statements

財務報表附註

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

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Subsidiaries (Continued)

Particulars of the subsidiaries as at the reporting date are set out as follows: (Continued)

Name 名稱	Place/ country of incorporation/ establishment 註冊成立/ 成立的地點/ 國家	Particulars of issued/paid-in capital 已發行/ 已繳股本詳情	Effective interest held by the Company 本公司持有的實際權益		Place of operation and principal activities 營業地點及主要業務
			Direct 直接	Indirect 間接	
CEFCFI (Cayman) Management Limited*	Cayman 開曼群島	1 share of US\$1 each 1股每股面值1美元的普通股	100%	—	Investment holding in Cayman 於開曼群島投資控股
CEFCFI Hong Kong Management Limited*	Hong Kong 香港	1 share of HK\$1 each 1股每股面值1港元的普通股	100%	—	Investment holding in Hong Kong 於香港投資控股
CEFCFI Hong Kong General Partner Limited* 香港華信金投普通合夥人有限公司*	Hong Kong 香港	1 share of HK\$1 each 1股每股面值1港元的普通股	100%	—	Investment holding in Hong Kong 於香港投資控股
CEFCFI Hong Kong Securities Limited*	Hong Kong 香港	1 share of HK\$1 each 1股每股面值1港元的普通股	100%	—	Investment holding in Hong Kong 於香港投資控股
CEFCFI Hong Kong Asset Management Limited* 香港華信金投資產管理有限公司*	Hong Kong 香港	1 share of HK\$1 each 1股每股面值1港元的普通股	100%	—	Investment holding in Hong Kong 於香港投資控股
CEFCFI Hong Kong Futures Limited* 香港華信金投期貨有限公司*	Hong Kong 香港	1 share of HK\$1 each 1股每股面值1港元的普通股	100%	—	Investment holding in Hong Kong 於香港投資控股
CEFCFI Hong Kong Corporate Finance Limited* 香港華信金投財務顧問有限公司*	Hong Kong 香港	1 share of HK\$1 each 1股每股面值1港元的普通股	100%	—	Investment holding in Hong Kong 於香港投資控股

* These companies were newly incorporated or acquired during the year ended 31 December 2018.

wholly foreign owned enterprise

None of the subsidiaries issued any debt securities at the end of the year.

38. 本公司財務狀況表 (續)

附註：(續)

(a) 附屬公司 (續)

於報告日期附屬公司的詳情載列如下：
(續)

* 該等公司於截至二零一八年十二月三十一日止年度新註冊成立或收購。

外商獨資企業

概無附屬公司於年底發行任何債務證券。

Notes to the Financial Statements

財務報表附註

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

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes: (Continued)

(b) Reserves

A summary of the Company's reserves is as follows:

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	188,404	63,583	(16,650)	235,337
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	(13,105)	(13,105)
Issuance of shares	發行股份	187,559	-	-	187,559
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	375,963	63,583	(29,755)	409,791
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	(45,779)	(45,779)
At 31 December 2018	於二零一八年十二月三十一日	375,963	63,583	(75,534)	364,012

Contributed surplus of the Company represents the difference between the net asset value of the subsidiaries acquired pursuant to certain reorganisation of the Group and the nominal value of the share issued by the Company in exchange thereof.

本公司的繳入盈餘指根據本集團若干重組所收購附屬公司的資產淨值與本公司作其交換所發行股份面值的差額。

38. 本公司財務狀況表 (續)

附註：(續)

(b) 儲備

本公司儲備概述如下：



香港華信金融投資有限公司

**CEFC HONG KONG FINANCIAL
INVESTMENT COMPANY LIMITED**

股份代號 Stock Code : 1520