



中國長遠控股有限公司 China Fortune Holdings Limited

(Incorporated in Bermuda with limited liability,
carrying on business in Hong Kong as CFH Limited)

(於百慕達註冊成立之有限公司，以CFH Limited之名稱於香港進行業務)

Stock Code 股份代號: 0110

年報 Annual Report

2018

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Corporate Profile 公司簡介

China Fortune Holdings Limited (“China Fortune” or the “Group”), formerly named Fortune Telecom Holdings Limited, mainly sells and distributes mobile phones and digital products in the People’s Republic of China (the “PRC”). The Group was established in Hong Kong in 1992. It was first listed on the GEM Board of the Stock Exchange of Hong Kong Limited (Stock code: 8040) on 16 February 2000, and successfully transferred to the Main Board (Stock code: 110) on 26 January 2004. The Group has a strong shareholder background and well operational and professional management team.

In 2007, the Group acquired Zhuhai Reminda Telecom Equipment Company Limited which was a company selling mobile phones and telecommunication equipments in the PRC.

In 2009, the Group acquired a Strontium mining site in the PRC, as its first step in entering the natural resource industry.

The corporate culture of the Group rests on the integration of the West and the East, modern and traditional management philosophy, with an aim to build up a “Continuous Learning Enterprise”. The corporate spirit of China Fortune focuses on “Human Enterprise”. Under the leadership of its aspiring and energetic management, China Fortune’s staff will team up and move towards the Group’s goal of ranking as one of the largest and best wireless communication and data products and services providers in the region.

中國長遠控股有限公司（「中國長遠」或「本集團」）（前稱長遠電信網絡集團有限公司）主要在中華人民共和國（「中國」）出售及分銷移動電話和數碼產品。本集團於一九九二年在香港成立，首先於二零零零年二月十六日在香港聯合交易所有限公司創業板上市（股份代號：8040），並於二零零四年一月二十六日成功轉至主板上市（股份代號：110）。本集團擁有強大之股東背景及盡職之專業管理團隊。

於二零零七年，本集團收購珠海市雷鳴達通訊設備有限公司，其為一間於中國銷售移動電話及電訊設備之公司。

於二零零九年，本集團收購了中國一家鋇礦場，作為其涉足天然資源行業之第一步。

揉合中西文化、兼收傳統及現代之管理哲學，乃本集團之企業文化，以達致「注重長遠，天天進步」之宗旨。「人為本，企業為家」乃中國長遠之企業精神。在有幹勁及魄力之管理層領導下，中國長遠全體員工定將團結一致，實踐本集團之目標，成為區內最大及最佳之無線通訊及數據產品服務供應商之一。

Corporate Information 公司資料

BOARD OF DIRECTORS

Chairman and Executive Director

Mr. Lau Siu Ying

Executive Directors

Mr. Luo Xi Zhi (Resigned on 17 April 2018)

Mr. Wang Yu

Non-executive Director

Mr. Bao Kang Rong (Appointed on 4 June 2018)

Independent Non-executive Directors

Mr. Chang Wing Seng, Victor (Retired on 1 June 2018)

Dr. Law Chun Kwan

Mr. Lam Man Kit

Dr. Lo Wai Shun (Appointed on 4 June 2018)

COMPANY SECRETARY

Mr. Fok Wai Ming, Eddie (Resigned on 3 April 2018)

Mr. So Chi Kai (Appointed on 3 April 2018)

AUDIT COMMITTEE

Mr. Lam Man Kit (Committee Chairman)

(Appointed as Chairman on 4 June 2018)

Mr. Chang Wing Seng, Victor (Retired on 1 June 2018)

Dr. Law Chun Kwan

Dr. Lo Wai Shun (Appointed on 4 June 2018)

REMUNERATION COMMITTEE

Mr. Lam Man Kit (Committee Chairman)

(Appointed as Chairman on 4 June 2018)

Mr. Chang Wing Seng, Victor (Retired on 1 June 2018)

Mr. Lau Siu Ying

Dr. Law Chun Kwan

Dr. Lo Wai Shun (Appointed on 4 June 2018)

NOMINATION COMMITTEE

Mr. Lau Siu Ying (Committee Chairman)

Mr. Wang Yu

Mr. Chang Wing Seng, Victor (Retired on 1 June 2018)

Dr. Law Chun Kwan

Mr. Lam Man Kit

Dr. Lo Wai Shun (Appointed on 4 June 2018)

REGISTERED OFFICE

Clarendon House, 2 Church Street

Hamilton HM11, Bermuda

HONG KONG HEAD OFFICE

Room 1505-07, Tower A, Regent Centre

63 Wo Yi Hop Road, Kwai Chung

Hong Kong

董事會

主席兼執行董事

劉小鷹先生

執行董事

羅習之先生 (於二零一八年四月十七日辭任)

王 愚先生

非執行董事

鮑康榮先生 (於二零一八年六月四日獲委任)

獨立非執行董事

鄭永勝先生 (於二零一八年六月一日退任)

羅振坤博士

林文傑先生

勞維信博士 (於二零一八年六月四日獲委任)

公司秘書

霍偉明先生 (於二零一八年四月三日辭任)

蘇子佳先生 (於二零一八年四月三日獲委任)

審核委員會

林文傑先生 (委員會主席)

(於二零一八年六月四日獲委任為主席)

鄭永勝先生 (於二零一八年六月一日退任)

羅振坤博士

勞維信博士 (於二零一八年六月四日獲委任)

薪酬委員會

林文傑先生 (委員會主席)

(於二零一八年六月四日獲委任為主席)

鄭永勝先生 (於二零一八年六月一日退任)

劉小鷹先生

羅振坤博士

勞維信博士 (於二零一八年六月四日獲委任)

提名委員會

劉小鷹先生 (委員會主席)

王 愚先生

鄭永勝先生 (於二零一八年六月一日退任)

羅振坤博士

林文傑先生

勞維信博士 (於二零一八年六月四日獲委任)

註冊辦事處

Clarendon House, 2 Church Street

Hamilton HM11, Bermuda

香港總辦事處

香港

葵涌和宜合道63號

麗晶中心A座1505-07室

Corporate Information

公司資料

CHINA HEAD OFFICE

Room 9008, Yong Xin Building
887 Huai Hai Zhong Road
Huangpu District
Shanghai, PRC

SHANGHAI OFFICE

Room 328, Xin Mao Lou
2 Tai Zhong Nan Lu
Waigaoqiao Free Trade Zone
Shanghai, PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited
Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

BDO Limited

LEGAL ADVISORS

As to Hong Kong law:
Franki Ho & Associates

As to Bermuda law:
Conyers Dill & Pearman

PRINCIPAL BANKERS

Bank of China
China Construction Bank
China Merchants Bank
ICBC (Asia)

CORPORATE WEBSITES

www.fortunetele.com
www.chinafortune.com

STOCK CODE

110

中國總辦事處

中國上海
黃浦區
淮海中路887號
永新大廈9008室

上海辦事處

中國上海
外高橋保稅區
台中南路2號
新質樓328室

主要股份登記及過戶處

Codan Services Limited
Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

股份登記及過戶處香港分處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心22樓

核數師

香港立信德豪會計師事務所有限公司

法律顧問

就香港法律而言：
何樂昌律師行

就百慕達法律而言：
Conyers Dill & Pearman

主要往來銀行

中國銀行
中國建設銀行
招商銀行
工銀亞洲

公司網站

www.fortunetele.com
www.chinafortune.com

股份代號

110

Business Structure 業務架構



Corporate Milestones

企業里程碑

FEB
18

The former trading arm of the Group – Express Fortune Limited (“EFL”) was founded by Mr. Lau Siu Ying and his brothers in Hong Kong.

劉小鷹先生及其兄弟於香港創立長遠有限公司（「長遠」）—本集團前身之貿易旗艦。

1992

1992
94

EFL became one of Nokia's earliest authorised distributors in the PRC.

長遠成為諾基亞最早中國指定代理商之一。

1997

Commenced Fortune Telecom Group's franchise retail business in the PRC.

於中國開展長遠電信集團之專營權零售業務。

2000

FEB
16

Listed on the GEM Board of the Hong Kong Stock Exchange (Stock code: 8040).

於香港聯交所創業板上市（股份代號：8040）。

DEC

A US\$12 million syndicated loan was successfully arranged.

成功安排一項12,000,000美元之銀團貸款。

JUL

Completed the acquisition of 51% shareholdings of Synergy Pacific (Holding) Limited (“Synergy Pacific”).

完成收購長遠智揚（控股）有限公司（「長遠智揚」）之51%股權。

2001

2002

MAY

Fortune Shanghai was acknowledged by Shanghai Waigaoqiao Free Trade Zone Management Committee as one of the best enterprises for commodity sales.

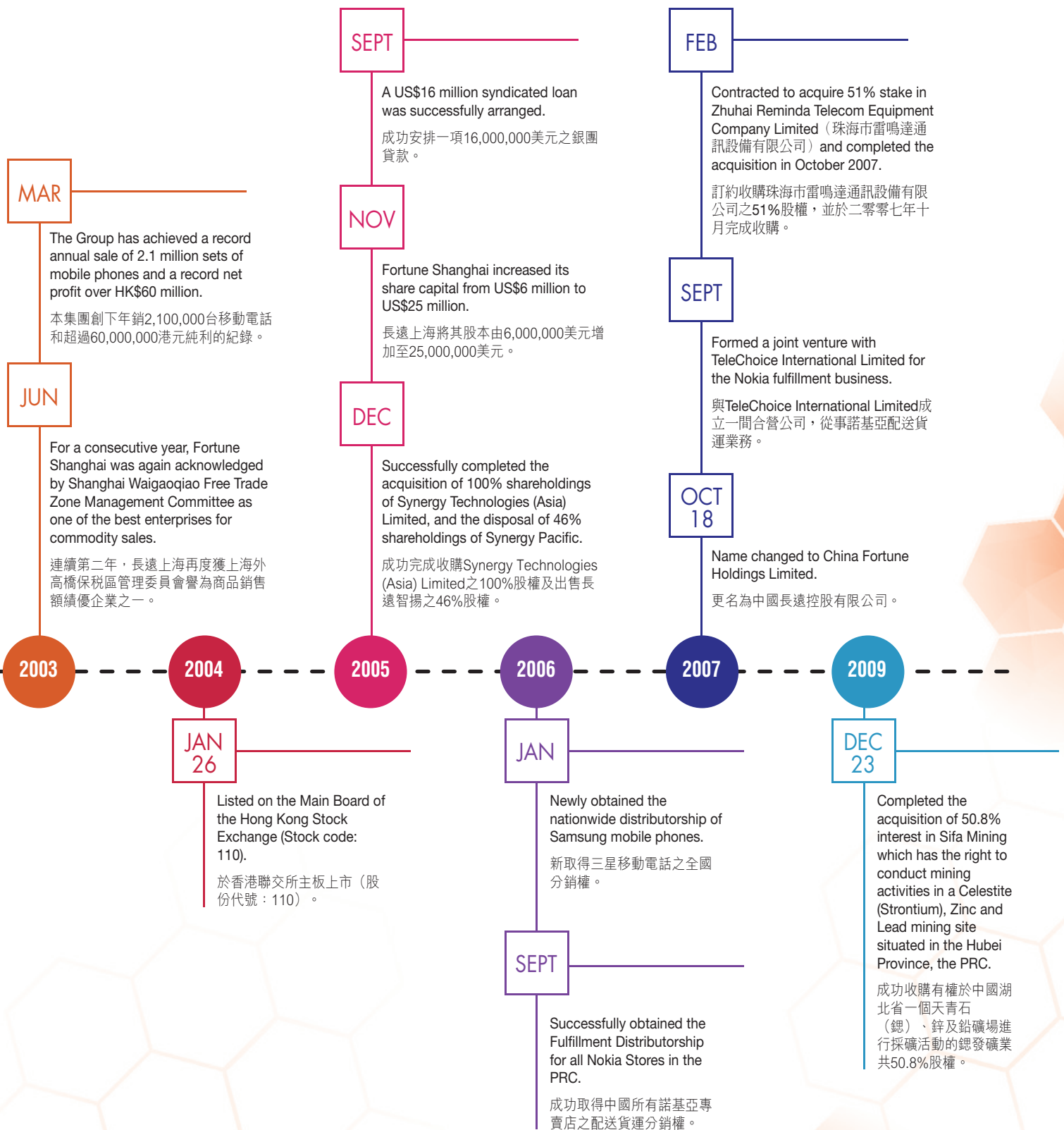
長遠上海獲上海外高橋保稅區管理委員會譽為商品銷售額績優企業之一。

SEPT

A HK\$160 million syndicated loan was successfully arranged.

成功安排一項160,000,000港元之銀團貸款。

Corporate Milestones 企業里程碑



Chairman's Statement

主席報告書



Dear Shareholders,

On behalf of the board of directors (the “Board”) of China Fortune Holdings Limited (the “Company”), I am pleased to present to our shareholders the consolidated results and prospects of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2018.

REVIEW

Looking back to 2018, the world economy maintained a modest growth but its strength has slowed down. As the world’s second largest economy, China’s economy was stable despite with uncertainties. Under the influence of numerous factors such as the trade tensions between China and the USA, resulting in higher volatility in the financial market.

各位股東：

本人謹代表中國長遠控股有限公司（「本公司」）董事會（「董事會」）欣然向各股東提呈本公司及其附屬公司（統稱「本集團」）截至二零一八年十二月三十一日止年度之綜合業績及前景。

回顧

回顧二零一八年，環球經濟縱保持適度增長，但勢頭已有所放緩。中國經濟為全球第二大經濟體，處於平穩態勢，當中也存在不確定因素。在中美貿易局勢緊張等多種因素影響下，金融市場更趨波動。

Chairman's Statement 主席報告書

Although there was growth in the mobile phone market, the competition in the mobile phone retail market was very keen and it affected the Group's performance in this area. Customer's focus is expected to shift gradually from the functionality of mobile phone to the shopping experience and, in this regard, the large mobile telecommunication chain stores have advantages.

In order to diversify the business of the Group, we have been actively looking for opportunities which will further enhance the shareholders' value. Since we have been in the mobile phone industry for decades, and the potential for mobile phone related business development is surely enormous and sustainable. The Group would continue to strengthen its major business area including big data, mobile phone operating system and mobile internet.

OPERATIONAL PERFORMANCE

In 2018, all staff team up and move towards the Group's goal of ranking as one of the largest and best wireless communication and data products and service providers in the region. The Group's revenue for the year ended 31 December 2018 increased by approximately 28 times to approximately HK\$216.1 million when compared with the year ended 31 December 2017. Profit for the year attributable to owners of the Company amounted to HK\$7.8 million when compared with loss attributable to owners of the Company of HK\$111.7 million for the year ended 31 December 2017.

OUTLOOK AND PROSPECT

The world becomes even more and more challenging nowadays, so as the mobile phone industry in China. As China is one of the strongest countries in terms of economic performance, and with its huge internal consumption and room for expansion. Although there is keen competition in the industry, development potential is still enormous. The Group will continue to strengthen our existing relationship with the leading manufacturer to look for further cooperation opportunities.

雖然移動電話市場有所增長，惟移動電話零售市場的競爭仍然非常激烈，並影響本集團於此範疇的表現。預期客戶的焦點將由移動電話的功能逐步轉移至購物體驗，就此，大型手機電訊連鎖店具備優勢。

本集團為使業務得以多元化發展，一直積極物色將進一步提升股東價值之商機。由於本集團已從事移動電話行業數十載，加上移動電話相關業務擁有龐大可持續發展潛力，本集團將會繼續鞏固主要業務範疇，包括大數據、移動電話操作系統及移動互聯網。

營運表現

於二零一八年，全體員工團結一致，邁向本集團之目標，問鼎區內最大且最佳之無線通訊以及數據產品及服務供應商之一。截至二零一八年十二月三十一日止年度，本集團之收益較截至二零一七年十二月三十一日止年度增加約28倍至約216,100,000港元。本公司擁有人應佔年度溢利為7,800,000港元，而截至二零一七年十二月三十一日止年度本公司擁有人應佔虧損則為111,700,000港元。

展望及前景

現時，全球環境及中國移動電話行業所面對的挑戰日益加劇。中國擁有龐大內部消費和增長空間，故躋身世界經濟強國之一。儘管業內競爭激烈，但仍有巨大發展潛力。本集團將會不斷加強與領先製造商的現有關係，爭取更多合作機會。

Chairman's Statement

主席報告書

Apart from strengthening our current principal business in the mobile phone business, the Group has entered into a joint venture agreement to engage in blockchain technology business during 2018. The Group are optimistic about the future prospects of blockchain technology and its application across the global communities as blockchain technology is safer, more usable, more efficient and smarter than traditional technologies. In view of the growing of blockchain technology market, the Group will put more emphasis on the implementation of blockchain technology business and its potential uses across various industries and customers using such powerful innovation.

Looking into 2019, we expect the growth momentum to continue from our businesses, particularly from an associate of our Group, which features services like trading of mobile phone industry including trading in second-hand mobile phones and provision of marketing services through an online platform which connects the mobile phone manufactures, telecom operators with physical retail stores.

In 2019, the Group will continue to actively seek and grasp market opportunities and increase the depth and breadth of our sources of revenue in order to generate satisfactory returns for shareholders on a continuous basis.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to all staff members and management team for their dedication and contribution, and to our shareholders and business partners for their support. Looking forward, the Group will keep a closer watch on changes in the market and seize development opportunities that can generate maximum value for the Company and its shareholders.

Lau Siu Ying

Chairman and Chief Executive Officer

Hong Kong, 26 March 2019

除加強本集團目前主營之移動電話業務外，本集團已於二零一八年訂立合營協議，以參與經營區塊鏈技術業務。區塊鏈技術無論在安全、應用、效率及智能方面，均比傳統技術更勝一籌，本集團因而對區塊鏈技術之前景，以及日後在全球社區獲得廣泛應用感到樂觀。鑑於區塊鏈技術市場日益發展，本集團對於落實執行區塊鏈技術業務、其用於各行各業之龐大潛力，以至客戶利用此項強大之嶄新技術等各方面將更為重視。

展望二零一九年，本集團預期業務增長將保持動力，尤其是本集團之聯營公司，該公司透過連接擁有實體零售店之移動電話製造商及電訊營運商之線上平台，提供移動電話買賣行業服務，包括二手移動電話買賣及提供市場推廣服務。

於二零一九年，本集團將繼續積極尋求及把握市場機會，並增加本集團收益來源之深度及闊度，從而持續為股東創造理想回報。

致謝

本人謹代表董事會衷心感謝全體員工及管理層團隊的不懈努力與寶貴貢獻，同時對股東及業務夥伴之支持致以謝忱。展望未來，本集團將更密切關注市場變化，把握發展機遇，為本公司及股東創優增值。

劉小鷹

主席兼首席執行官

香港，二零一九年三月二十六日

Management Discussion and Analysis

管理層討論與分析

REVIEW AND OUTLOOK

Revenue

For the year ended 31 December 2018, the Group recorded total revenue of HK\$216.1 million, which was approximately HK\$208.7 million or 28 times higher than the revenue of HK\$7.4 million reported in 2017. The increase in Group's revenue was primarily attributable to the increase in revenue from mobile phone trading business in PRC.

The Group's revenue was entirely derived from mobile phone trading business in China in both reporting years. During the year ended 31 December 2018, revenue contribution from Zhejiang was HK\$133.8 million representing 61.9% of the total revenue of the Group, whereas Shanghai contributed HK\$80.5 million or 37.3% of the total revenue of the Group.

The increase in revenue was attributable to expansion of the Group's mobile phone wholesale business network in various PRC cities, such as Zhejiang, Shanghai and Chongqing, higher demand and growth in the mobile phone market due to customers expected to focus in 4G era mobile phone for shopping experience etc., which benefit the Group's performances in this area and the revenue was increased significantly.

Gross profit and gross profit margin

The Group's gross profit increased by approximately 6.4 times, from HK\$0.3 million for the year ended 31 December 2017 to HK\$2.1 million for the year ended 31 December 2018. The increase of gross profit was attributable to the significant increase in Group's performance on mobile phone trading business.

回顧及前景

收益

截至二零一八年十二月三十一日止年度，本集團錄得總收益216,100,000港元，較於二零一七年呈報之收益7,400,000港元增加約208,700,000港元或28倍。本集團收益增加乃主要由於中國移動電話貿易業務之收益增加所致。

本集團於兩個報告年度之收益全部均來自中國移動電話貿易業務。截至二零一八年十二月三十一日止年度，來自浙江之收益貢獻為133,800,000港元，相當於本集團總收益之61.9%，而來自上海之收益貢獻為80,500,000港元或本集團總收益之37.3%。

收益增加乃主要由於本集團於中國各城市（如浙江、上海及重慶）擴大移動電話批發業務網絡、預期客戶因購物體驗等原因而集中於4G年代移動電話導致移動電話市場需求及增長增加，其有利於本集團於該範疇之表現及收益大幅增加。

毛利及毛利率

本集團之毛利由截至二零一七年十二月三十一日止年度之300,000港元增加約6.4倍至截至二零一八年十二月三十一日止年度之2,100,000港元。毛利增加乃由於本集團之移動電話貿易業務表現大幅上升所致。

Management Discussion and Analysis

管理層討論與分析

Although there was significant growth in the mobile phone trading business during the year ended 31 December 2018, the competition in the mobile phone retail market was very keen, as a result, the Group's gross profit margin was decreased from 3.9% for the year ended 31 December 2017 to 1.0% for the year ended 31 December 2018. Such decrease was mainly due to the increased bargaining power from telecommunications chain stores and mobile carriers which purchasing mobile phone.

Other income

Other income was approximately HK\$0.9 million for the year ended 31 December 2018, representing a decrease of HK\$0.1 million or 11.7% when compared to HK\$1.0 million for the year ended 31 December 2017. The decrease was mainly due to decrease of interest income and other miscellaneous income.

Other gains and losses

We had a net loss of HK\$38.2 million in 2017 and a net gain of HK\$23.0 million in 2018. For the year ended 31 December 2018, the net gain consisted of recovery of bad debts of HK\$14.1 million, write back of interest payables of HK\$11.9 million, an impairment loss recognised in respect of inventories of HK\$1.2 million and fair value loss on financial assets at fair value through profit or loss of HK\$0.5 million.

Selling and distribution costs

Selling and distribution costs were approximately HK\$11 thousand for the year ended 31 December 2018, representing a decrease of approximately HK\$0.4 million or 97.3% when compared to HK\$0.4 million for the year ended 31 December 2017. The decrease was mainly due to the decrease of staff costs and rental expenses during the current year.

Administrative expenses

Administrative expenses amounted to HK\$14.9 million when compared to the last year of HK\$14.7 million, which was maintained at a similar level.

儘管截至二零一八年十二月三十一日止年度之移動電話貿易業務大幅增長，惟移動電話零售市場之競爭非常激烈，因此，本集團之毛利率由截至二零一七年十二月三十一日止年度之3.9%減少至截至二零一八年十二月三十一日止年度之1.0%。該減少乃主要由於購買移動電話之電訊連鎖店及移動運營商之議價能力上升所致。

其他收入

截至二零一八年十二月三十一日止年度之其他收入約為900,000港元，較截至二零一七年十二月三十一日止年度之1,000,000港元減少100,000港元或11.7%。該減少乃主要由於利息收入及其他雜項收入減少所致。

其他收益及虧損

本集團於二零一七年之虧損淨額為38,200,000港元，而於二零一八年之收益淨額為23,000,000港元。截至二零一八年十二月三十一日止年度，收益淨額包括收回壞賬14,100,000港元、應付利息撤回11,900,000港元、就存貨確認之減值虧損1,200,000港元及按公平值計入損益之財務資產之公平值虧損500,000港元。

銷售及分銷成本

截至二零一八年十二月三十一日止年度之銷售及分銷成本約為11,000港元，較截至二零一七年十二月三十一日止年度之400,000港元減少約400,000港元或97.3%。該減少乃主要由於本年度之員工成本及租金開支減少所致。

行政費用

行政費用為14,900,000港元，與去年之14,700,000港元維持於相若水平。

Management Discussion and Analysis

管理層討論與分析

Finance costs

During the year ended 31 December 2018, no finance costs was recorded while HK\$1.2 million of finance costs was recorded during the year ended 31 December 2017. The decrease of finance costs was due to the waiver of debt assignments entered during the current year. For details, please refer to Note 27 to the consolidated financial statements.

Impairment loss recognised in respect of mining right

During the year ended 31 December 2017, owing to the re-assessment on the valuation of mining right, an impairment loss on mining right of HK\$174.6 million and an impairment loss on related plant and equipment of HK\$9.0 million were recognised, while no such impairment during the year ended 31 December 2018. For details, please refer to Note 18 to the consolidated financial statements.

Share of results of associates

For the year ended 31 December 2018, our share of results of associates was a loss of HK\$0.7 million (2017: loss of HK\$6 thousand), mainly because of a loss on disposal of an investment held by an associate during the current year. As the performance of the associate was unpromising, the Group shared net losses of approximately HK\$0.7 million from the results of the associates during the current year as compared to share of net losses of HK\$6 thousand for the year ended 31 December 2017.

Income tax (expense)/credit

As set out in Note 11 to the consolidated financial statements, income tax expense amounted to HK\$0.1 million for the year ended 31 December 2018, as compared to income tax credit amounted to HK\$41.1 million in last year. The turnaround of income tax represented an offset of HK\$41.1 million deferred tax credit associated with the impairment loss in respect of mining right in last year, no such income tax credit in current year.

融資成本

截至二零一八年十二月三十一日止年度，並無錄得融資成本，而截至二零一七年十二月三十一日止年度錄得融資成本1,200,000港元。融資成本減少乃因於本年度進行之債務轉讓豁免所致。有關詳情請參閱綜合財務報表附註27。

就採礦權確認之減值虧損

截至二零一七年十二月三十一日止年度，由於重估採礦權估值，已確認採礦權減值虧損174,600,000港元及相關廠房及設備之減值虧損9,000,000港元，而截至二零一八年十二月三十一日止年度並無有關減值。有關詳情請參閱綜合財務報表附註18。

分佔聯營公司之業績

截至二零一八年十二月三十一日止年度，本集團分佔聯營公司之業績虧損為700,000港元（二零一七年：虧損6,000港元），主要由於本年度出售一間聯營公司持有之投資之虧損所致。由於該聯營公司之表現並不理想，本集團於本年度自聯營公司之業績分佔虧損淨額約700,000港元，而截至二零一七年十二月三十一日止年度分佔虧損淨額約6,000港元。

所得稅（開支）／抵免

誠如綜合財務報表附註11所載，截至二零一八年十二月三十一日止年度之所得稅開支為100,000港元，而去年為所得稅抵免41,100,000港元。由所得稅抵免轉變為開支乃因於去年抵銷與採礦權之減值虧損相關之遞延稅項抵免41,100,000港元，而於本年度並無有關所得稅抵免。

Management Discussion and Analysis

管理層討論與分析

Profit/(loss) for the year attributable to owners of the Company

As a result of the factors set out above, the Group's share of profit amounted to HK\$7.8 million for the year ended 31 December 2018, as compared to HK\$111.7 million of loss for the year attributable to owners of the Company in last year.

Earnings/(loss) per share

The basic earnings per share was HK0.85 cents as compared to the basic loss per share of HK12.25 cents in last year. The diluted earnings per share was HK0.85 cents for the year ended 31 December 2018, while no diluted loss per share was presented as the effect of all potential ordinary shares is anti-dilutive for the year ended 31 December 2017.

Financial assets at fair value through profit or loss

As at 31 December 2018, the Group held various unlisted equity investments and unlisted fund investment engaged in developing mobile devices and operating system, manufacturing and distribution of mobile devices in different jurisdictions and engaged in different business.

The investments in unlisted equity investments and unlisted fund investment are measured at cost less impairment as at 31 December 2017 because the range of reasonable fair values estimates is so significant that the directors of the Group are of the opinion that fair value of the investments cannot be measured reliably. The unlisted equity investments and unlisted fund investment were reclassified at financial assets as fair value through profit or loss as at 1 January 2018 as the Group considers these investments to be strategic in nature.

Inventories

Inventories decreased by 95.5% from HK\$2.1 million as at 31 December 2017 to HK\$95 thousand as at 31 December 2018 primarily due to an impairment loss on inventories of HK\$1.2 million was recognised. The Group will continue to apply strict policy in inventory control in the future.

本公司擁有人應佔年內溢利／（虧損）

由於上文所載之因素，截至二零一八年十二月三十一日止年度，本集團分佔之溢利為7,800,000港元，而去年為本公司擁有人應佔年內虧損111,700,000港元。

每股盈利／（虧損）

每股基本盈利為0.85港仙，而去年為每股基本虧損12.25港仙。截至二零一八年十二月三十一日止年度之每股攤薄盈利為0.85港仙，惟由於截至二零一七年十二月三十一日止年度之所有潛在普通股均具反攤薄效應，故並無呈列每股攤薄虧損。

按公平值計入損益之財務資產

於二零一八年十二月三十一日，本集團持有各項非上市股權投資及非上市基金投資，該等投資於不同司法權區從事開發移動設備及操作系統、製造及分銷移動設備及從事不同業務。

於二零一七年十二月三十一日，於非上市股權投資及非上市基金投資之投資乃按成本減減值計量，原因為合理公平值估計範圍極大，故本集團董事認為該等投資之公平值無法可靠地計量。於二零一八年一月一日，非上市股權投資及非上市基金投資重新分類為按公平值計入損益之財務資產，原因為本集團認為該等投資之性質為策略性。

存貨

存貨由二零一七年十二月三十一日之2,100,000港元減少95.5%至二零一八年十二月三十一日之95,000港元，主要由於確認存貨減值虧損1,200,000港元所致。本集團將於未來繼續應用嚴格存貨監控政策。

Management Discussion and Analysis

管理層討論與分析

Trade and other receivables

Trade and other receivables of the Group increased by 233.7% from approximately HK\$12.6 million as at 31 December 2017 to approximately HK\$42.2 million as at 31 December 2018, primarily due to (i) the growth of the Group's business and (ii) an increase in prepayments to suppliers. No impairment loss on prepayments paid to suppliers was recognised during the year ended 31 December 2018, while an impairment loss on prepayments paid to suppliers of HK\$24.9 million was recognised for the year ended 31 December 2017.

Cash and cash equivalents

The total cash and cash equivalents amounted to HK\$26.6 million as at 31 December 2018 as compared to HK\$18.4 million as at 31 December 2017, without any deposit pledged to banks. The Group is financed by a combination of its equity capital, cash flow generated from its operation. During the year, there was no material change in the funding and treasury policy of the Group. The Group considers there is no material potential currency exposure as the majority of its revenue and expenses are derived and incurred in Renminbi in the PRC. It is the treasury policy of the Group to manage its foreign currency exposure whenever its financial impact is material to the Group.

Trade and other payables

The trade and other payables of the Group increased by 51.3% from approximately HK\$25.8 million as at 31 December 2017 to approximately HK\$39.0 million as at 31 December 2018, primarily due to an increase in other payables to third parties along with its business growth.

Other borrowings

As at 31 December 2017, the Group's other borrowings amounted to HK\$14.9 million, while no other borrowings as at 31 December 2018. For details, please refer to Note 27 to the consolidated financial statements.

應收貿易賬款及其他應收賬款

本集團之應收貿易賬款及其他應收賬款由二零一七年十二月三十一日之約12,600,000港元增加233.7%至二零一八年十二月三十一日約42,200,000港元，主要由於以下各項所致：(i)本集團之業務增長及(ii)向供應商之預付款項增加。截至二零一八年十二月三十一日止年度，並無就向供應商支付之預付款項確認減值虧損，而截至二零一七年十二月三十一日止年度則確認已向供應商支付之預付款項減值虧損為24,900,000港元。

現金及現金等價物

於二零一八年十二月三十一日之現金及現金等價物總額為26,600,000港元，而二零一七年十二月三十一日為18,400,000港元，並無任何存款質押予銀行。本集團同時透過股本、經營業務所得現金流等方式籌集資金。年內，本集團融資及庫務政策並無重大變動。本集團認為，由於本集團收益及開支大部分來自中國並均以人民幣作出及產生，故此並無重大潛在貨幣風險。本集團之庫務政策為管理對本集團有重大財務影響之外幣風險。

應付貿易賬款及其他應付賬款

本集團之應付貿易賬款及其他應付賬款由二零一七年十二月三十一日約25,800,000港元增加51.3%至二零一八年十二月三十一日約39,000,000港元，主要由於應付第三方之其他應付賬款因業務增長而增加所致。

其他借貸

於二零一七年十二月三十一日，本集團之其他借貸總額為14,900,000港元，而於二零一八年十二月三十一日並無其他借貸。有關詳情請參閱綜合財務報表附註27。

Management Discussion and Analysis

管理層討論與分析

Liquidity and gearing ratio

The net asset value of the Group attributable to owners of the Company as at 31 December 2018 amounted to HK\$40.6 million or HK\$0.04 per share when compared to HK\$31.4 million or HK\$0.03 per share as at 31 December 2017. As at 31 December 2018, the Group had net current assets of approximately HK\$12.6 million when compared to net current liabilities of HK\$10.6 million as at 31 December 2017. As at 31 December 2018, the Group had a current ratio of 1.2 times (31 December 2017: 0.8 times). The gearing ratio of the Group, defined as the ratio of the total long term liabilities to the shareholder's equity, was 0.43 and N/A as at 31 December 2018 and 2017.

Capital commitments

As at 31 December 2018, the Group had capital expenditure contracted for but not provided in the financial statements in respect of leasehold improvements amounted to HK\$0.2 million (31 December 2017: HK\$1.4 million).

Contingent liabilities

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

Material acquisitions and disposals of subsidiaries or associates

During the year ended 31 December 2018 and 2017, the Group did not have any material acquisitions and disposals of subsidiaries or associates.

Significant investments held by the Group

During the year ended 31 December 2018 and 2017, the Group did not make any significant investments.

流動資金及資產負債比率

於二零一八年十二月三十一日，本公司擁有人應佔之本集團資產淨值為40,600,000港元或每股0.04港元，而於二零一七年十二月三十一日為31,400,000港元或每股0.03港元。於二零一八年十二月三十一日，本集團之流動資產淨值為約12,600,000港元，而於二零一七年十二月三十一日流動負債淨額為10,600,000港元。於二零一八年十二月三十一日，本集團之流動比率為1.2倍（二零一七年十二月三十一日：0.8倍）。於二零一八年及二零一七十二月三十一日，本集團之資產負債比率（界定為長期負債總額與股東權益之比率）為0.43及不適用。

資本承擔

於二零一八年十二月三十一日，本集團就有關租賃裝修已訂約但未於財務報表中計提資本開支為200,000港元（二零一七年十二月三十一日：1,400,000港元）。

或然負債

於二零一八年十二月三十一日，本集團並無任何或然負債或擔保（二零一七年十二月三十一日：無）。

重大收購及出售附屬公司或聯營公司

截至二零一八年及二零一七年十二月三十一日止年度，本集團並無任何重大收購及出售附屬公司或聯營公司。

本集團持有之重大投資

截至二零一八年及二零一七年十二月三十一日止年度，本集團並無作出任何重大投資。

Management Discussion and Analysis

管理層討論與分析

Employees and remuneration policies

As at 31 December 2018, the Group has in total 25 employees as compared to 15 employees as at 31 December 2017. Employees were remunerated according to the nature of their job duties and market trend. The Group provided staff welfare and fund contribution to its employee in accordance with the prevailing regulations in the PRC and Hong Kong. There was no material change in the remuneration policy, bonus scheme and share option scheme during the year. The Group has a share option scheme under which the Company may grant share options to the participants, including directors and employees, to subscribe for shares of the Company.

OPERATIONAL REVIEW

Market Overview

According to the statistics released by the Ministry of Industry and Information Technology of the People's Republic of China ("MIIT"), there were more than 1.6 billion subscribers to mobile phone services in the PRC as at the end of 2018. While there are continuing intense competitions among the major mobile phone manufacturers in the PRC, they are trying to cut the distribution layers by directly supplying to the provincial distributors and leading retailers with a view to increase their profitability. Because of this, leading vendors have developed multi-channel distribution models which include "national distribution", "provincial distribution", "direct to retail" and "direct to operator".

On the other hand, mobile carriers are key participants in the mobile phone industry chain. The restructuring of mobile carriers in past years and the issuance of 4G licenses have led to more intense competition among the mobile carriers. By cooperating with retailers, especially large mobile telecommunication chain stores, the mobile carriers can benefit from the retailers' in-depth understanding of customer behaviors and spending preferences. Through such cooperation, the customers will experience more professional, convenient and integrated customer services. Thus, large mobile telecommunications chain stores are expected to become the main sales channel for the mobile carriers for their bundled mobile phones.

僱員及薪酬政策

於二零一八年十二月三十一日，本集團聘用合共25名僱員，而於二零一七年十二月三十一日為15名僱員。僱員薪酬按彼等之職責性質及市場趨勢而定。本集團根據中國及香港之現行規例向僱員提供員工福利及退休金供款。年內，薪酬政策、花紅計劃及購股權計劃並無重大變更。本集團已制訂購股權計劃，據此，本公司可向參與者（包括董事及僱員）授出可認購本公司股份之購股權。

營運回顧

市場概覽

根據中華人民共和國工業和信息化部（「工業和信息化部」）發佈之統計數據，於二零一八年底，中國之移動電話服務用戶人數超過16億人。隨着競爭不斷加劇，中國各大移動電話製造商正試圖通過直接向省級分銷商及主要零售商供貨而減少分銷層數，以增強盈利能力。因此，大廠商已創出多渠道分銷模式，包括「全國分銷」、「省級分銷」、「直達零售」及「直達營運商」。

另一方面，移動運營商為移動電話行業鏈的主要參與者。移動運營商於過去數年進行重組，並發行4G牌照，導致移動運營商之間的競爭更為激烈。移動運營商透過與零售商合作，特別是大型移動電訊連鎖店，可受惠於零售商對客戶習慣及消費喜好的深入了解。透過有關合作，客戶可體驗更專業、便捷及一體化的客戶服務。因此，預期大型移動電訊連鎖店會成為移動運營商銷售其捆綁式移動電話的主要渠道。

Management Discussion and Analysis

管理層討論與分析

Looking back at 2018, on the eve of the launch of 5G, the smartphone market became more mature, the international trade conflicts escalated, and the overall economic development was overshadowed with uncertainties.

Business Review

Mobile Phone Business

The Group was involved in the business of trading, wholesale and retail of mobile phones and telecom equipments in China. As for the PRC market, its economy grew steadily in 2018. Yet, the continuous development of mobile phone market business model intensifying competition in the retail industry and the uncertainties arising from the emerging US-China trade war presented challenges the development of the Group's operations and performance.

Customers focus is expected to gradually shift from the functionality of mobile phone to the shopping experience. Customers will normally require services such as function presentations, digital phone books synchronization and pre-installing software, etc, in purchasing a mobile phone. In the 4G era, the convergence of mobile telecommunications and the Internet also led to rapid development of value-added business which requires the retail channels to advance from a pure sales platform to an integrated service platform. In this regard, the large mobile telecommunication chain stores have advantages.

回顧二零一八年，於推出5G前夕，智能電話市場更為成熟，國際貿易衝突升級，而整體經濟發展受不確定因素所籠罩。

業務回顧

移動電話業務

本集團於中國參與移動電話及電訊設備之貿易、批發及零售業務。就中國市場而言，其經濟於二零一八年穩定增長。然而，移動電話市場業務模式之持續發展令零售業之競爭日趨激烈，且中美貿易戰日益緊張所導致之不明朗因素對本集團之業務發展及表現帶來挑戰。

預計客戶之焦點將由移動電話的功能逐漸移向購物體驗。客戶購買移動電話時一般需要功能展示、數碼電話賬簿同步及預設軟件等服務。在4G年代，移動電訊及互聯網覆蓋亦帶動增值業務發展加快，有關業務要求零售渠道由純粹銷售平台進化至綜合服務平台，就此而言，大型移動電訊連鎖店享有優勢。

Management Discussion and Analysis

管理層討論與分析

Mining Business

The Group has once commenced mining site exploitation system in our Strontium mining site since 2010. After the expiration of a 5-year mining operating permit on 25 September 2012, Sifa Mining obtained a renewed mining operating permit for 2 years (the “2-year Permit 2012-2014”) from the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部) (“MLR”), under which Sifa Mining was allowed to carry out exploration activities only, but not exploitation activities. The 2-year Permit 2012-2014 was expired on 25 September 2014.

On 27 April 2015, a mining operating permit was granted by MLR for a term of 2 years from 25 September 2014 to 25 September 2016 under which a restriction was added that no exploitation activities were allowed but only exploration activities. Such restriction imposed on the renewed mining permit was basically the same as the previous mining permit which was approved by MLR in 2012 whilst the application for mining exploitation permit is a continuing process.

In the course of applying for further extension after expiry on 25 September 2016, the Department of Land and Resources of Hubei Province of the PRC (the “DLR”) issued an announcement (the “DLR Announcement”) published on 29 December 2017 in respect of the deadline of application for renewal of the expired mining operating permit.

In the DLR Announcement, the DLR informed the owners of the expired mining operating permits to furnish the application procedures for the renewal before 28 February 2018. If the owners fail to do so, they are responsible to deregister the mining operating permits before 31 March 2018 by themselves or the DLR will de-register the permits instead. The Group was unable to furnish the application before the deadline and therefore, instructed the Group’s lawyers to clarify with the DLR the Group’s situation as to whether the Group would be allowed to submit a new application for the mining operating permit in future.

採礦業務

本集團自二零一零年以來曾經於旗下鋇礦場開展礦場開採系統。於五年期採礦許可證於二零一二年九月二十五日屆滿後，鋇發礦業獲中華人民共和國國土資源部（「國土資源部」）授予為期兩年的經重續採礦許可證（「二零一二年至二零一四年兩年期許可」），據此，鋇發礦業僅獲准進行勘探活動而不得進行開採活動。二零一二年至二零一四年兩年期許可已於二零一四年九月二十五日到期。

於二零一五年四月二十七日，國土資源部授出採礦許可證，由二零一四年九月二十五日至二零一六年九月二十五日為期兩年，該採礦許可證項下新增一項限制，即概不准進行開採活動，惟僅可進行勘探活動。對經重續採礦許可證施加的該項限制與國土資源部於二零一二年批准之先前採礦許可證基本相同，而採礦許可證之申請是一個連續過程。

於二零一六年九月二十五日屆滿後申請進一步延長之過程中，中國湖北省國土資源廳（「國土資源廳」）於二零一七年十二月二十九日就申請重續已屆滿採礦許可證之最後期限發出公佈（「國土資源廳公佈」）。

於國土資源廳公佈中，國土資源廳已通知已屆滿採礦許可證之擁有人須於二零一八年二月二十八日前提出重續之申請程序。倘擁有人未能如期完成申請程序，彼等須於二零一八年三月三十一日前自行註銷採礦許可證，否則國土資源廳將代其註銷許可證。本集團未能於最後期限前提出申請，因此本集團律師已獲指示與國土資源廳就本集團是否獲准於未來提交採礦許可證之新申請澄清本集團之情況。

Management Discussion and Analysis

管理層討論與分析

Despite great efforts to ascertain with the DLR by the Group's lawyers, the Group had been unable to receive a clear and favourable reply in this regard. As a result and prudent measure, a full impairment of the mining right of HK\$174.6 million and related plant and equipment of HK\$9.0 million had been made whilst all the related deferred tax liabilities of HK\$41.1 million had been derecognised in the profit or loss for the year ended 31 December 2017.

Despite the fact that the above mining right will no longer have any bearing on the financials of the Group for the year ended 31 December 2018, the Directors strived to pursue the ultimate stance of the DLR in respect of the above mining right in the interests of the Shareholders.

During the year ended 31 December 2018, the Group, through its lawyer, has tried to approach DLR by telephone calls and resubmission of the letter sent in February 2018 for the clarification of the Group's situation. However, DLR did not make reply to the Group's enquiries. The Group's lawyers have come to the opinion that the mining right has already expired and will be unable to be renewed and hence be deregistered eventually. For the avoidance of doubt, such opinion will not affect the financial statements of the Group for the year ended 31 December 2018.

Prepayments to suppliers and related legal proceedings

For the year ended 31 December 2017, an impairment loss of HK\$24.9 million was recognised for the prepayments in the total sum of HK\$33.7 million made to two mobile phone suppliers, one in Guangzhou and another one in Chongqing by a subsidiary of the Group in Shanghai.

The said subsidiary commenced arbitral proceedings and, on 14 January 2019, has obtained the final arbitral award of, amongst others, HK\$19.8 million, being the prepayment against the Chongqing supplier. In the course of such arbitral proceedings, a sum of HK\$7.9 million has been repaid by such supplier whilst enforcement proceedings will be commenced against such supplier.

儘管本集團律師已作出重大努力向國土資源廳確定，惟本集團一直未能就此收到清晰及有利之回覆。因此，為審慎起見，已就採礦權174,600,000港元及相關廠房及設備9,000,000港元計提全額減值撥備，而全部相關遞延稅項負債41,100,000港元已於截至二零一七年十二月三十一日止年度之損益中取消確認。

儘管上述採礦權將不會再對本集團截至二零一八年十二月三十一日止年度之財務造成任何影響，惟鑑於股東之利益，董事仍致力尋求國土資源廳對上述採礦權之最終立場。

於截至二零一八年十二月三十一日止年度，本集團已嘗試透過其律師以電話接觸國土資源廳及再次提交已於二零一八年二月寄發之函件，以釐清本集團之情況。然而，國土資源廳並未回應本集團之查詢。本集團律師認為，採礦權已屆滿及將無法重續，因此將最終被註銷。為免生疑問，有關意見將不會影響本集團截至二零一八年十二月三十一日止年度之財務報表。

預付供應商款項及相關法律訴訟

截至二零一七年十二月三十一日止年度，已就本集團於上海之一間附屬公司向兩名移動電話供應商（一名於廣州及另一名於重慶）作出之預付款項總額33,700,000港元確認減值虧損24,900,000港元。

上述附屬公司已展開仲裁程序，並已於二零一九年一月十四日獲得最終仲裁裁決（其中包括）19,800,000港元（即針對重慶供應商之預付款項）。於有關仲裁程序之過程中，該供應商已償還7,900,000港元，且將對該供應商展開強制執行程序。

Management Discussion and Analysis 管理層討論與分析

The said subsidiary also commenced legal proceedings for recovery of the prepayment of HK\$14.8 million against the Guangzhou supplier in the People's Court in Guangzhou, China. After three hearings, the outcome has yet to be determined.

No impairment was made in respect of these two prepayments for the year ended 31 December 2018.

Prospects and Outlook

In the coming year, the Group expects the uncertainties in the PRC economies, in particular those arising from the ongoing US-China trade conflict, will continue to affect consumption and retail segment. Affected adversely by the external uncertainties such as trade dispute between the PRC and the US, the economic growth of the PRC is likely to slow. However, the continued economic growth in the PRC is fuelled by a high internal consumption. As the world's biggest handset market, there were more than 1.6 billion handset subscribers in the PRC with an increase of over 90 million subscribers in 2018 which benefit from preferential mobile internet traffic policies. There were around 1 billion 4G users among the total subscribers, and forecasted to increase much further in the near future. On the other hand, there were more than 1.1 billion mobile Internet users which implies that there are huge business opportunities in both mobile application and mobile commerce. China has the world's largest 4G network and continues to strive for further expansion. With a goal to add new 4G base stations last year to improve signal coverage in buildings, elevators, and other indoor space, as well as on railways and expressway. Since the Group has been in the related mobile phone industry for decades, big data, mobile phone operating system and mobile internet would be surely the key business areas that the Group is interested in. As the technology for 5G telecommunications networks matured and was ready for takeoff demand for related equipment has remained robust. Blockchain technology is another area that the Group is pursuing. The Group is actively looking for further opportunities which will further enhance the shareholders' value.

上述附屬公司亦已就收回預付款項14,800,000港元於中國廣州人民法院針對廣州供應商展開法律程序。於三次聆訊後，結果仍尚未確定。

截至二零一八年十二月三十一日止年度，概無就該兩筆預付款項作出減值。

前景及展望

來年，本集團預期中國經濟之不明朗因素（尤其是持續中美貿易衝突所帶來之不明朗因素）將繼續影響消費及零售業務。受中美貿易糾紛等外界不明朗因素影響，中國經濟增長可能會放緩。然而龐大內銷為中國經濟帶來持續增長動力。作為全球最大移動電話市場，中國移動電話用戶人數超過16億人，受惠於移動網絡流量優惠政策，於二零一八年增加超過90,000,000名用戶。用戶總數中有大約10億名4G用戶，且預料將於不久將來進一步大幅增長。另一方面，移動電話互聯網用戶人數已超過11億人，反映移動電話應用程式及移動商務市場商機龐大。中國擁有世界上最大之4G網絡，並繼續致力進一步擴展，去年目標為增設4G基站以改善於樓宇、升降機及其他室內空間以及鐵路及高速公路之訊號覆蓋。由於本集團已從事相關移動電話行業數十載，大數據、移動電話操作系統及移動互聯網勢將為本集團矢志發展之業務重點。由於5G通訊網絡日趨成熟及準備推出，故對相關設備之需求維持強勁。區塊鏈科技為本集團現正追求之另一範疇。本集團正積極物色將進一步提升股東價值之其他商機。

Directors and Senior Management Profile

董事及高級管理人員簡介

DIRECTORS

Executive Directors

Mr. LAU Siu Ying, aged 55, is the founder, Chairman and Chief Executive Officer of the Company since 1992. Mr. Lau has extensive working experiences in the telecommunications industry for over 25 years and has established solid business contacts in both Hong Kong and the PRC. Mr. Lau is responsible for directing the Group's overall business policy and strategies as well as overseeing the Group's business development in Hong Kong and the PRC. Prior to setting up his business, Mr. Lau worked for Hutchison Whampoa Group for approximately 5 years, in charge of the business development of the telecommunications in the PRC. Mr. Lau holds a bachelor degree in Business Administration from the Chinese University of Hong Kong and a master degree of science in Information Technology from the National University of Ireland, Dublin.

Mr. Lau is currently the trustee in New Asia College of the Chinese University of Hong Kong and the Board Councilor of China Mobile Communications Association. In the aspects of social and economic activities, Mr. Lau is devoted to promoting economic and educational development. He served as the vice president of the Hong Kong Association of Jieyang, the honorary president of Shanghai Chaoshan Chamber of Commerce, Hong Kong and Macau Director of the Dongguan City Youth Federation and the vice president of Hong Kong Island Chaoren Association Limited.

Mr. WANG Yu, aged 53, joined the Group in April 2006 and was appointed as an Executive Director of the Company in November 2009. Mr. Wang is the General Manager of a subsidiary of the Company and in-charge of the mining business segment of the Company. Mr. Wang graduated from Xi'an Jiaotong University with a master degree and a bachelor degree in Computer Science. Mr. Wang has more than 10 years working experiences in channel and distribution management on computer products and mobile phones with local and multinational companies in the PRC. Prior to joining the Group, Mr. Wang was a General Manager of a listed company in the PRC focusing on IT business.

董事

執行董事

劉小鷹先生，55歲，自一九九二年起為本公司創辦人、主席兼首席執行官。劉先生已從事電訊行業逾25年，於行內取得豐富經驗，且於香港及中國建立穩固業務聯繫。劉先生負責制定本集團之整體業務政策及策略，並監督本集團於香港及中國之業務發展。劉先生在建立其個人事業之前，曾於和記黃埔集團工作約5年，主要負責於中國電訊市場之業務發展。劉先生持有香港中文大學工商管理學士學位及位於都柏林的愛爾蘭國立大學資訊科技碩士學位。

劉先生現任香港中文大學新亞書院之校董，並為中國移動通訊聯合會常務理事。在社會和經濟活動方面，劉先生熱心推動經濟及教育發展；他歷任香港揭陽同鄉會副會長、上海潮汕商會名譽會長、東莞市青年聯合會港澳常委及香港區潮人聯會副會長。

王愚先生，53歲，於二零零六年四月加盟本集團，並於二零零九年十一月獲委任為本公司執行董事。王先生為本公司一附屬子公司之總經理，負責本公司之採礦業務。王先生畢業於西安交通大學，持有電腦科學碩士及學士學位。王先生在中國之本地及跨國公司之電腦產品及移動電話渠道分銷管理方面積逾10年工作經驗。於加盟本集團前，王先生曾在中國一間上市公司出任總經理，主要負責資訊科技業務。

Directors and Senior Management Profile 董事及高級管理人員簡介

Non-executive Director

Mr. BAO Kang Rong, aged 55, was appointed as an Non-executive Director of the Company in June 2018. Mr. Bao holds a bachelor degree in mathematical economic management from Shanghai Normal University and an executive master of business administration from China Europe International Business School. Mr. Bao has vast experience in business management and telecommunications business development and is currently one of the partners of Eagle Funds (老鷹基金), which was incorporated in the People's Republic of China in 2012 focusing on investments in Mobile Internet, Internet of Things and Internet+industry. Furthermore, Mr. Bao is the director of Shanghai Communications Industry Association (上海通信行業協會), the Vice Chairman of Shanghai Communications Manufacturing Industry Association (上海通信製造業協會), a member of Shanghai Youth Federation (上海青年聯合會) and a member of Shanghai Young Entrepreneurs Association (上海青年企業家協會).

Independent Non-executive Directors

Dr. LAW Chun Kwan, aged 53, was appointed as an Independent Non-executive Director of the Company in June 2012. Dr. Law has extensive working experience in various business fields including advertising, telecommunications, information technology and real estate development in both Hong Kong and the PRC. Dr. Law is presently engaged in real estate development business in the PRC. Dr. Law holds a bachelor degree of social science from the Chinese University of Hong Kong, a master degree of e-business and a doctorate degree of business administration in information systems from the Edith Cowan University, Western Australia.

非執行董事

鮑康榮先生，55歲，於二零一八年六月獲委任為本公司非執行董事。鮑先生取得上海師範大學數學經濟管理學士學位，及取得中歐國際工商學院高級管理人員工商管理碩士學位。鮑先生於工商管理及電信業務發展方面擁有豐富經驗，彼現為老鷹基金的合夥人之一，老鷹基金於二零一二年於中華人民共和國註冊成立，專注於移動互聯網、物聯網和互聯網+行業投資。此外，鮑先生為上海通信行業協會主任、上海通信製造業協會副會長、上海青年聯合會會員及上海青年企業家協會會員。

獨立非執行董事

羅振坤博士，53歲，於二零一二年六月獲委任為本公司之獨立非執行董事。羅博士於中港多個行業上擁有豐富經驗，其中包括廣告、電訊、資訊科技及房地產開發等。羅博士現從事中國房地產開發業務。羅博士持有香港中文大學社會科學學士學位，以及位於西澳州的Edith Cowan University的電子商業碩士學位及工商管理博士（資訊系統）學位。

Directors and Senior Management Profile 董事及高級管理人員簡介

Mr. LAM Man Kit, aged 43, is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lam graduated with a bachelor degree of Business Administration from the University of Hong Kong. Mr. Lam has worked in an international audit firm and various public and private companies in Hong Kong, with over 20 years of financial, accounting and auditing experiences. Mr. Lam has worked in the finance department of the Company from 2007 to 2013, with his last position as company secretary and financial controller of the Company. Mr. Lam is a company secretary of Mayer Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1116), and a company secretary of Fuguiniao Co., Ltd., a company listed on the Stock Exchange (Stock Code: 1819).

Dr. LO Wai Shun, aged 58, was appointed as an Independent Non-executive Director of the Company in June 2018. Dr. Lo holds a bachelor degree in sciences and a master degree in philosophy from The Chinese University of Hong Kong, and a doctorate degree in Physics from Brown University, United States of America ("U.S.A."). He is also Adjunct Professor of The Chinese University of Hong Kong and Visiting Professor of Peking University (School of Innovation and Entrepreneurship). Dr. Lo is currently a general partner of DL Capitals, an angel investment fund focusing on disruptive and exponential technologies and has over 20 years of extensive experience in various business fields including intellectual property commercialization, business models innovation and technology transfer. Dr. Lo had served as a non-executive director for various listed companies in Hong Kong from 2000 to 2005.

林文傑先生，43歲，為特許公認會計師公會資深會員及香港會計師公會會員。林先生畢業於香港大學，取得工商管理學士學位。林先生曾於一所國際審計事務所及香港多家公眾及私營公司工作，並於財務、會計及審計範疇擁有超過20年經驗。林先生曾於二零零七年至二零一三年在本公司財務部工作，其最後出任職位為本公司之公司秘書及財務總監。林先生為聯交所上市公司美亞控股有限公司（股份代號：1116）公司秘書及聯交所上市公司富貴鳥股份有限公司（股份代號：1819）公司秘書。

勞維信博士，58歲，於二零一八年六月獲委任為本公司獨立非執行董事。勞博士持有香港中文大學理學學士學位及哲學碩士學位，以及美利堅合眾國（「美國」）布朗大學物理學博士學位。彼亦為香港中文大學兼任教授及北京大學（創新及創業學院）客座教授。勞博士現為點亮資本（專注於破壞性及指數性技術之天使投資基金）之普通合夥人，並於多個業務範疇（包括知識產權商業化、商業模式創新及技術轉讓）擁有逾20年豐富經驗。自二零零零年至二零零五年，勞博士曾擔任多家香港上市公司之非執行董事。

Directors and Senior Management Profile 董事及高級管理人員簡介

COMPANY SECRETARY

Mr. FOK Wai Ming, Eddie resigned as the Group Financial Controller and Company Secretary of the Company on 3 April 2018.

Mr. SO Chi Kai, has been appointed as the Company Secretary of the Company in April 2018. Mr. So is also the Financial Controller of the Group and the authorised representative of the Company. Mr. So holds a degree of Bachelor of Arts (Honors) in Accountancy from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants. Mr. So has worked in an international audit firm and various public and private companies in Hong Kong. In addition, Mr. So has extensive professional and senior managerial experience in financial reporting, financial management and company secretarial matters.

公司秘書

霍偉明先生於二零一八年四月三日辭任本公司之集團財務總監及公司秘書。

蘇子佳先生已於二零一八年四月獲委任為本公司之公司秘書。蘇先生亦為本集團財務總監及本公司之授權代表。蘇先生持有香港理工大學會計（榮譽）文學士學位。彼為香港會計師公會會員。蘇先生曾任職於一間國際審計公司以及多間公眾及私營香港公司。此外，蘇先生於財務申報、財務管理及公司秘書事宜方面擁有豐富的專業及資深管理經驗。

Corporate Governance Report

企業管治報告書

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high standards of corporate governance with a view to assuring the integrity, transparency and quality of disclosure to protect the interests of all shareholders. The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

During the year ended 31 December 2018, the Company has complied with most of the Code Provisions of the CG Code, except for the deviations as stated in paragraph headed "Chairman and Chief Executive Officer" and "Re-election of Directors".

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure the business activities and decision making processes are regulated in a proper and prudent manner.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company during the year under review.

Having made specific enquiry with all Directors, each of whom has confirmed that he has complied with the required standard as set out in the Model Code for the year ended 31 December 2018. The Model Code also applies to other specified senior management of the Group.

企業管治常規

董事會致力維持高度企業管治，務求確保所披露資料之完整性、透明度及質素，從而保障所有股東之利益。本公司之企業管治常規以香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「企業管治守則」）之原則及守則條文（「守則條文」）為依據。

截至二零一八年十二月三十一日止年度，本公司一直遵循企業管治守則之大部分守則條文，惟與「主席及首席執行官」及「重選董事」兩段有所偏離。

董事會將不斷檢討及改善本公司之企業管治常規及標準，確保業務運作及決策程序獲得適當及審慎規管。

董事之證券交易

回顧年內，本公司已就其董事進行之證券交易採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。

向全體董事作出特定查詢後，各董事已確認於截至二零一八年十二月三十一日止年度內一直遵守標準守則所載之必守標準。本集團其他指定高級管理人員亦適用標準守則。

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS

Overall accountability

Members of the Board are individually and collectively accountable to the shareholders for the success and sustainable development of the Company. The Board provides direction and approval in relation to matters concerning the Company's business strategies, policies and plans whilst the day-to-day business operations are delegated to the executive management. The Board is accountable to the shareholders and in discharging its corporate accountability, every Director of the Company is required to pursue excellence in the interests of the shareholders and fulfill his fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements.

Board composition

The Board currently comprises two Executive Directors, one Non-executive Director and three Independent Non-executive Directors of whom all are independent as defined under the Listing Rules. Independent Non-executive Directors constitute more than one-third of the Board. The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that all Independent Non-executive Directors are independent. To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among the members of the Board. Brief biographical particulars of the Directors are set out on pages 22 to 24.

Re-election of directors

All Non-executive Directors of the Company are not appointed for a specific term as stipulated under the provision A.4.1 of the CG Code but are subject to retirement by rotation in accordance with the Company's Bye-laws. In accordance with the relevant provisions in the Bye-laws of the Company, if the appointment of Directors is made by the Board, the Directors so appointed must stand for election by the shareholders at the first annual general meeting following their appointments and all Directors, except the Chairman, must stand for re-election by the shareholders by rotation. Separate resolutions are proposed for the election of each director.

董事會

整體問責

董事會成員個別及共同就本公司之成功及持續發展向股東負責。董事會指導及審批本公司業務策略、政策及規劃等事宜，日常業務運作則委派行政管理人員處理。董事會向股東負責，而履行其企業問責時，本公司各董事須竭誠盡心以股東利益行事，並按照符合法定規定之標準應用必要水平之技能，謹慎盡忠地履行其受信責任。

董事會組成

董事會現時成員包括兩名執行董事、一名非執行董事及三名獨立非執行董事，而後者全部均為上市規則所界定之獨立人士。獨立非執行董事構成董事會超過三分之一人數。本公司已收到各獨立非執行董事根據上市規則第3.13條所載之獨立地位指引就其獨立性所發出之年度確認書，且認為全體獨立非執行董事均具獨立地位。據本公司所深知，董事會成員之間並無財務、業務、家屬或其他重大／相關關係。董事之簡歷載於第22至24頁。

重選董事

本公司所有非執行董事之委任並無根據企業管治守則第A.4.1條之規定指定任期，惟彼等須根據本公司之公司細則輪流退任。根據本公司之公司細則相關條文，倘董事由董事會委任，則獲委任之董事必須於獲委任後首屆股東週年大會上由股東推選，而除主席外，所有董事必須輪流接受股東重選。推選每名董事均以獨立決議案提呈。

Corporate Governance Report

企業管治報告書

Nomination of directors

The Nomination Committee is authorised by the Board to determine the policy for the nomination of Directors, to set out the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship.

Board responsibilities and delegation

The Board collectively determines the overall strategies of the Company, monitors performance and the related risks and controls in pursuit of the strategic objectives of the Company. Day-to-day management of the Company is delegated to the Executive Directors or the officer in charge of each division and function who is required to report back to the Board. Functions reserved to the Board and those delegated to management are reviewed periodically. All Board members have separate and independent access to the senior management, and are provided with full and timely information about the conduct of the business and development of the Company, including monthly reports and recommendations on significant matters. Should separate independent professional advice be considered necessary by the Directors or any Board Committee, independent professional services would be made available to the Directors or such Board Committee upon request. The Board has delegated some of its functions to the Board Committees, details of which are set out below. Matters specifically reserved for the Board include approval of financial statements, dividend policy, significant changes in accounting policies, material contracts, significant appointments such as Company Secretary and external auditor, terms of reference of Board Committees, as well as major corporate policies.

To implement the strategies and plans approved by the Board, Executive Directors and senior management meet on a regular basis to review the performance of the Group and make financial and operational decisions. The Company has arranged appropriate insurance cover on directors and officers liability for its directors and officers.

Details of the responsibilities, membership, attendance and activities during the year of each Board Committee are set out on pages 31 to 36.

提名董事

提名委員會由董事會授權釐定提名董事之政策，制定推選及推薦董事提名人所採納之提名手續、程序及條件。

董事會之責任及授權

董事會共同決定本公司之整體政策，監察表現及相關風險，並為達成本公司策略目標作出監控。執行董事或各部門及功能主管人員獲委派處理本公司日常管理，並須向董事會匯報。董事會保留之職能及委派予管理層之職能會定期檢討。全體董事會成員可個別及獨立接觸高級管理層，並獲提供有關本公司業務及發展之全面即時資料，包括有關重大事宜之每月報告及推薦建議。倘若董事或任何董事委員會認為有必須取得個別獨立專業意見，則彼等可提出要求而獲提供獨立專業服務。董事會已委派其部分職能予董事委員會，有關詳情載於下文。特定保留予董事會處理之事宜包括審批財務報表、股息政策、會計政策重大變動、重大合約、重大任命（例如公司秘書及外聘核數師）、董事委員會職權範圍以及主要公司政策。

為執行經董事會審批之策略及計劃，執行董事及高級管理層會定期會面，檢討本集團表現，並作出財務及營運決定。本公司已為其董事及高級人員安排合適之董事及高級人員責任保險。

各個董事委員會於年內之責任、成員、會議出席及活動詳情載於第31至36頁。

Corporate Governance Report

企業管治報告書

Board meetings and attendance

The Board meets regularly to review the financial and operating performance of the Company and to discuss future strategy. Seven Board meetings were held in 2018. At the Board meetings, the Board reviewed significant matters including the Company's annual and interim financial statements, proposals for final and interim dividends (if any), annual report and interim report. At least 14 days' notice is given to all Directors for all regular Board meetings and all Directors are given the opportunity to include matters for discussion in the agenda. All minutes of the Board meetings are kept by the Company Secretary and are available to all Directors for inspection. During the year, the Chairman of the Company has held a meeting with all the Independent Non-executive Directors without other Executive Directors presented.

The attendance record of each Director at Board meetings in 2018 is set out below:

董事會會議及出席情況

董事會定期開會以審閱本公司之財務及營運表現，並商討未來策略。二零一八年曾舉行七次董事會會議。於董事會會議上，董事會審閱重大事宜，包括本公司之年度及中期財務報表、末期及中期股息（如有）建議、年報及中期報告。全體董事就所有定期董事會會議獲發最少十四天通知，並有機會於議程中加入欲商討事宜。所有董事會會議記錄由公司秘書存置，並可供全體董事查閱。年內，本公司主席已與全體獨立非執行董事舉行一次會議，其他執行董事於會上一概避席。

於二零一八年，各董事出席董事會會議之記錄載列如下：

Directors	董事	Attendance/ Number of Meetings 出席/ 會議次數
Executive Directors	執行董事	
Mr. Lau Siu Ying (<i>Chairman</i>)	劉小鷹先生 (主席)	7/7
Mr. Luo Xi Zhi (<i>resigned on 17 April 2018</i>)	羅習之先生 (於二零一八年四月十七日辭任)	1/2
Mr. Wang Yu	王愚先生	7/7
Non-executive Director	非執行董事	
Mr. Bao Kang Rong (<i>appointed on 4 June 2018</i>)	鮑康榮先生 (於二零一八年六月四日獲委任)	4/4
Independent Non-executive Directors	獨立非執行董事	
Mr. Chang Wing Seng, Victor (<i>retired on 1 June 2018</i>)	鄭永勝先生 (於二零一八年六月一日退任)	2/2
Dr. Law Chun Kwan	羅振坤博士	7/7
Mr. Lam Man Kit	林文傑先生	5/7
Dr. Lo Wai Shun (<i>appointed on 4 June 2018</i>)	勞維信博士 (於二零一八年六月四日獲委任)	4/4

Corporate Governance Report

企業管治報告書

Chairman and chief executive officer

Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual but Mr. Lau Siu Ying currently assumes both roles of the Chairman and the Chief Executive Officer of the Company.

Provision A.4 of the CG Code states that all directors should be subject to re-election at regular intervals. However, Mr. Lau Siu Ying, being the Chairman of the Board, does not need to retire by rotation.

Mr. Lau Siu Ying has been in charge of the overall management of the Company since its incorporation. As a result, although he does not need to retire by rotation and assumes both roles of the Chairman and the Chief Executive Officer of the Company, the Board considers that such arrangement at the Group's current stage of development can facilitate the execution of the Group's business strategies and maximise the effectiveness of its operations. Nevertheless, through the supervision from the Board including the Independent Non-executive Directors, the interests of the shareholders should be adequately and fairly considered.

Directors' continuing professional development

Each newly appointed director is provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under the relevant statutes, laws, rules and regulations.

Directors' training is an ongoing process. During the year, Directors are provided with monthly 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, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

主席及首席執行官

企業管治守則第A.2.1條規定主席及首席執行官之職能應予區分，不應由同一人兼任，惟劉小鷹先生現時兼任本公司主席兼首席執行官之職位。

企業管治守則第A.4條訂明所有董事應定期重選連任。然而，董事會主席劉小鷹先生不必輪流退任。

劉小鷹先生自本公司註冊成立以來一直負責本公司之整體管理。因此，儘管彼不需輪流退任，並兼任本公司主席兼首席執行官兩職，惟董事會認為此安排於本集團現發展階段可配合本集團業務策略之執行，並可將業務發揮至最大效益。然而，在董事會（包括獨立非執行董事）之監察下，股東利益應已充分及公平地考慮。

董事持續專業發展

每名新委任董事獲提供必要迎新程序及資料，確保彼對本公司之營運及業務以及對彼在相關章程、法律、規則及法規下之責任有正確認知。

董事培訓乃一項持續程序。年內，董事獲提供有關本公司表現、狀況及前景之每月更新，以便董事會整體及各名董事履行其職責。此外，全體董事獲鼓勵參與持續專業發展，對其知識及技能溫故知新。本公司向董事提供有關上市規則及其他不時適用監管規定之最新發展資料，確保合規及提高良好企業管治常規之認知。

Corporate Governance Report

企業管治報告書

BOARD COMMITTEES

The Board has established three committees to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities. Sufficient resources are provided to enable the Board Committees to undertake their specific roles. The respective role, responsibilities and activities of each Board Committee are set out below:

Remuneration committee

The principal role of the Remuneration Committee is to determine and review the remuneration packages of individual executive directors and senior management, including salaries, bonuses, share options and other plans. The Remuneration Committee reviews and approves the management's remuneration proposals with reference to the Board's corporate goals and objectives and considers salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group, so as to align management incentives with shareholders' interests.

The Remuneration Committee currently comprises three Independent Non-executive Directors and an Executive Director. The Chairman of the Remuneration Committee is Mr. Lam Man Kit, an Independent Non-executive Director, whom has been appointed as Remuneration Committee Chairman on 4 June 2018. The Company Secretary of the Company serves as the secretary of the committee. Minutes for the meetings are sent to the committee members within a reasonable time after the meetings. The full terms of reference are available on the Company's website and The Stock Exchange of Hong Kong Limited's website.

董事委員會

董事會已成立三個委員會，負責監督本公司事務之特定範疇，並協助執行董事會責任。董事委員會會獲提供足夠資源履行其特定職責。各董事委員會之相關角色、責任及活動載列如下：

薪酬委員會

薪酬委員會之主要角色為釐定及審閱個別執行董事及高級管理人員之薪酬待遇，包括薪金、花紅、購股權及其他計劃。薪酬委員會參照董事會之企業目標及目的審閱及審批管理人員之薪酬建議，並考慮可資比較公司支付之薪金、投放之時間及責任，以及本集團其他部門之僱用情況，以期聯繫管理層獎勵與股東利益。

薪酬委員會現時由三名獨立非執行董事及一名執行董事組成。薪酬委員會主席為獨立非執行董事林文傑先生，彼已於二零一八年六月四日獲委任為薪酬委員會主席。本公司之公司秘書出任委員會秘書。會議之會議記錄將於會議後之合理時間內發送予委員會成員。完整之職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

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企業管治報告書

The composition of the Remuneration Committee during the year as well as the meeting attendance of the committee members are as follows:

薪酬委員會於年內之組成及各委員會成員出席會議之情況如下：

Membership and Attendance

成員及出席情況

Members	成員	Attendance/ Number of Meetings 出席/ 會議次數
Independent Non-executive Directors		
Mr. Lam Man Kit (<i>Chairman</i>) (<i>appointed as Chairman on 4 June 2018</i>)	獨立非執行董事 林文傑先生 (主席) (於二零一八年六月四日獲委任為主席)	2/2
Mr. Chang Wing Seng, Victor (<i>retired on 1 June 2018</i>)	鄭永勝先生 (於二零一八年六月一日退任)	1/1
Dr. Law Chun Kwan	羅振坤博士	2/2
Dr. Lo Wai Shun* (<i>appointed on 4 June 2018</i>)	勞維信博士* (於二零一八年六月四日獲委任)	0/0
Executive Director		
Mr. Lau Siu Ying	執行董事 劉小鷹先生	2/2

* No Remuneration Committee meeting was held after Dr. Lo Wai Shun was appointed as an Independent Non-executive Director on 4 June 2018.

* 於勞維信博士於二零一八年六月四日獲委任為獨立非執行董事後，概無舉行薪酬委員會會議。

Two meetings were held in the year in which the Remuneration Committee reviewed the remuneration policies and approved the salaries and bonuses of the Executive Directors and senior management. The Remuneration Committee has communicated with the Chairman of the Company about proposals relating to the remuneration packages of other Executive Directors and senior management.

薪酬委員會於年內曾舉行兩次會議，會上已審閱薪酬政策，並審批執行董事及高級管理人員之薪金及花紅。薪酬委員會已與本公司主席就其他執行董事及高級管理人員之薪酬待遇建議進行溝通。

Details of directors' emoluments and retirement benefits are disclosed on page 180. Remuneration payable to members of senior management is disclosed on page 206. Share options granted under the Company's share option plan are disclosed on pages 199 to 200.

董事酬金及退休福利詳情於第180頁披露。應付高級管理層成員之薪酬於第206頁披露。根據本公司購股權計劃授出之購股權於第199至200頁披露。

Corporate Governance Report

企業管治報告書

Audit committee

The Audit Committee reviews financial information of the Group, monitors the effectiveness of the external audit and oversees the appointment, remuneration and terms of engagement of the Company's external auditor, as well as their independence. The Audit Committee is also responsible for reviewing the financial reporting process and the system of internal controls and risk management. The Board also delegated corporate governance functions to the Audit Committee, including the review and monitoring of (a) the development and review of the Company's policies and practices on corporate governance and recommendations; (b) the training and continuous professional development of directors and senior management; (c) the Company's policies and practices on compliance with legal and regulatory requirements; (d) the code of conduct of the Company; and (e) the Company's policies and practices on corporate governance and its compliance with the CG Code and disclosures in the Corporate Governance Report. The full terms of reference setting out the committee's authority and its role and responsibilities are available on the Company's website and The Stock Exchange of Hong Kong Limited's website.

The Audit Committee currently consists of three Independent Non-executive Directors, with one of whom having the relevant professional qualifications and expertise. The Chairman of the Audit Committee is Mr. Lam Man Kit, an Independent Non-executive Director, whom has been appointed as Audit Committee Chairman on 4 June 2018. The Company Secretary acts as secretary of the Audit Committee. Sufficient resources are made available to the Audit Committee when independent legal or professional advice is required.

The Audit Committee meets at least twice a year. The external auditors of the Company are invited to the meetings, take part in the discussions and answer questions from the committee members. By invitation of the Audit Committee, other Directors and senior executives may also attend the meetings.

審核委員會

審核委員會審閱本集團之財務資料，監察外部審核之效能，以及監督本公司外聘核數師之委任、薪酬、委聘條款及其獨立性。審核委員會亦負責審閱財務報告程序，以及內部監控及風險管理制度。董事會亦向審核委員會委派企業管治職能，包括審閱及監察(a)本公司有關企業管治之政策及常規之發展及審閱，並提供推薦建議；(b)董事及高級管理人員之培訓及持續專業發展；(c)本公司遵循法定及監管規定之政策及常規；(d)本公司之行為守則；及(e)本公司之企業管治、遵循企業管治守則及企業管治報告書之披露之政策及常規。載列委員會權力以及其角色及職責之完整職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

審核委員會現時由三名獨立非執行董事組成，其中一人具備相關專業資格及知識。審核委員會主席為獨立非執行董事林文傑先生，彼已於二零一八年六月四日獲委任為審核委員會主席。公司秘書出任審核委員會秘書。審核委員會獲提供足夠資源在有需要時取得獨立法律或專業意見。

審核委員會每年最少舉行兩次會議。本公司之外聘核數師獲邀出席會議，參與討論及回答委員會成員提問。其他董事及高級行政人員亦可於審核委員會邀請時出席會議。

Corporate Governance Report

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The Audit Committee held two meetings in the year. The Company Secretary prepared full minutes of the audit committee meetings with details of discussions and decisions reached. The draft and final versions of minutes were sent to all committee members within a reasonable time after each meeting.

The composition of the Audit Committee during the year as well as the meeting attendance of the committee members are as follows:

Membership and Attendance

審核委員會於年內曾舉行兩次會議。公司秘書已編製審核委員會會議之完整會議記錄，記錄討論詳情及達成之決定。會議記錄草稿及定稿已於各會議後之合理時間內發送予全體委員會成員。

審核委員會於年內之組成及各委員會成員出席會議之情況如下：

成員及出席情況

Members	成員	Attendance/ Number of Meetings 出席/ 會議次數
Independent Non-executive Directors		
Mr. Lam Man Kit (<i>Chairman</i>) (<i>appointed as Chairman on 4 June 2018</i>)	獨立非執行董事 林文傑先生 (主席) (於二零一八年六月四日 獲委任為主席)	2/2
Mr. Chang Wing Seng, Victor (<i>retired on 1 June 2018</i>)	鄭永勝先生 (於二零一八年六月一日退任)	1/1
Dr. Law Chun Kwan	羅振坤博士	2/2
Dr. Lo Wai Shun (<i>appointed on 4 June 2018</i>)	勞維信博士 (於二零一八年六月四日獲委任)	1/1

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During the year, the Audit Committee has discussed with the external auditor their independence and the nature and scope of the audit; reviewed the interim and annual financial statements of the Group, particularly judgmental areas, before submission to the Board; reviewed the effectiveness of the internal control system of the Group, findings and management's response; reviewed the Group's adherence to the code provisions in the CG Code. The Audit Committee recommended the Board to adopt the interim and annual financial statements for 2018. The Audit Committee has also performed the aforesaid corporate governance duties as delegated to it by the Board.

Nomination committee

The Nomination Committee is authorised by the Board to determine the policy for the nomination of Directors, to set out the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship. The Nomination Committee is also responsible for reviewing the structure, size and composition of the Board, and assessing the independence of Independent Non-executive Directors.

The Nomination Committee currently comprises five members, a majority of whom are Independent Non-executive Directors and is chaired by the Chairman of the Board. The Company Secretary of the Company serves as secretary of the Nomination Committee. Minutes for the meetings are sent to the Nomination Committee members within a reasonable time after the meetings. The full terms of reference are available on the Company's website and The Stock Exchange of Hong Kong Limited's website.

年內，審核委員會已與外聘核數師討論其獨立性，以及審核性質及範圍；在呈交董事會前審閱本集團之中期及年度財務報表，尤其判斷範圍；審閱本集團內部監控制度之效能、結果及管理層回應；審閱本集團遵守企業管治守則之守則條文之情況。審核委員會建議董事會採納二零一八年之中期及年度財務報表。審核委員會亦已履行董事會向其委派之上述企業管治職責。

提名委員會

提名委員會由董事會授權釐定提名董事之政策，制定推選及推薦董事提名人所採納之提名手續、程序及條件。提名委員會亦負責審閱董事會之架構、規模及組成，以及評估獨立非執行董事之獨立性。

提名委員會現時由五名成員組成，大部分為獨立非執行董事，並由董事會主席出任其主席。本公司之公司秘書出任提名委員會秘書。會議之會議記錄於各會議後之合理時間內發送予提名委員會成員。完整之職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

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The composition of the Nomination Committee during the year as well as the meeting attendance of the committee members are as follows:

提名委員會於年內之組成及各委員會成員出席會議之情況如下：

Membership and Attendance

成員及出席情況

Members	成員	Attendance/ Number of Meetings 出席/ 會議次數
Executive Directors		
Mr. Lau Siu Ying (<i>Chairman</i>)	劉小鷹先生 (主席)	2/2
Mr. Wang Yu	王愚先生	2/2
Independent Non-executive Directors		
Mr. Chang Wing Seng, Victor (<i>retired on 1 June 2018</i>)	鄭永勝先生 (於二零一八年六月一日退任)	1/1
Dr. Law Chun Kwan	羅振坤博士	2/2
Mr. Lam Man Kit	林文傑先生	2/2
Dr. Lo Wai Shun* (<i>appointed on 4 June 2018</i>)	勞維信博士* (於二零一八年六月四日獲委任)	0/0

* No Nomination Committee meeting was held after Dr. Lo Wai Shun was appointed as an Independent Non-executive Director on 4 June 2018.

* 於勞維信博士於二零一八年六月四日獲委任為獨立非執行董事後，概無舉行提名委員會會議。

Two meetings were held in the year, in which members of the Nomination Committee reviewed the structure, size and composition of the Board and discussion of appointment of non-executive directors.

提名委員會於年內曾舉行兩次會議，會上各成員已審閱董事會之架構、規模及組成，並討論非執行董事之任命。

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BOARD DIVERSITY POLICY

The Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged the responsibilities for preparing the financial statements which give a true and fair view of the affairs of the Company and its subsidiaries. The auditors are responsible to form an independent opinion, based on their audits, on the Group's financial statements and express their opinions.

The responsibilities of the external auditor with respect to the financial statements for the year ended 31 December 2018 are set out in the Independent Auditor's Report on pages 74 to 82.

AUDITOR'S REMUNERATION

BDO Limited was re-appointed as the Company's external auditors by the shareholders at the Annual General Meeting on 1 June 2018, until the conclusion of the next Annual General Meeting. They are primarily responsible for providing audit services in connection with the financial statements of the Group for the year ended 31 December 2018. During the year, the fees charged to the accounts of the Group for BDO Limited's statutory audit services amounted to HK\$950,000. In addition, HK\$98,000 was charged for non-audit service, which was for interim review service.

董事會多元化政策

董事會採納多元化政策，當中載列董事會達致多元性之方向。為達致可持續的均衡發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

董事就財務報表須承擔之責任

董事知悉須負責編製真實公允地反映本公司及其附屬公司狀況之財務報表。核數師須負責根據其審核對本集團之財務報表達致並發表獨立意見。

外聘核數師就截至二零一八年十二月三十一日止年度之財務報表須承擔之責任載於第74至82頁之獨立核數師報告。

核數師酬金

香港立信德豪會計師事務所有限公司已於二零一八年六月一日舉行之股東週年大會上獲股東續聘為本公司外聘核數師，任期至下屆股東週年大會結束為止。香港立信德豪會計師事務所有限公司主要負責就本集團截至二零一八年十二月三十一日止年度之財務報表提供核數服務。年內，就香港立信德豪會計師事務所有限公司之法定核數服務而在本集團賬目中扣除之費用為950,000港元，並就中期審閱服務之非核數服務已被扣除98,000港元。

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COMPANY SECRETARY

Mr. FOK Wai Ming, Eddie resigned as the Group Financial Controller and Company Secretary of the Company on 3 April 2018.

Mr. SO Chi Kai ("Mr. SO"), has been appointed as the Group Financial Controller and Company Secretary of the Company ("Company Secretary") on 3 April 2018 and is responsible for overseeing the Group's financial reporting, financial management and company secretarial matters.

The Company Secretary is mainly responsible for assisting the Chairman of the Board and its committees to prepare agendas for meetings and to prepare and disseminate meeting material to the Directors and committees' members in a timely and comprehensive manner; ensuring every Director complies with the Board's policy and procedures, and all applicable rules and regulations; and ensuring accurate records of Board/committee meeting proceedings, discussions and decisions are recorded. According to Rule 3.29 of the Listing Rules, Mr. SO has taken no less than 15 hours of relevant professional training during the year. His biography is set out on page 25 of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Group's existing corporate governance framework and the significant risks of the Group were summarized as follows:

Goals and Objectives

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring the implementation of an effective risk management and internal control systems.

The Board acknowledged that the risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

公司秘書

霍偉明先生於二零一八年四月三日辭任本公司之集團財務總監及公司秘書。

蘇子佳先生（「蘇先生」）已於二零一八年四月三日獲委任為本公司之集團財務總監及公司秘書（「公司秘書」），負責監察本集團之財務申報、財務管理及公司秘書事宜。

公司秘書主要負責協助董事會主席及其委員會主席適時全面地編製會議議程及編製會議文件並發送予董事及委員會成員；確保各董事遵守董事會政策及程序及所有適用規定及規則；以及確保準確記錄董事會／委員會會議的會議程序、討論及決策。根據上市規則第3.29條，蘇先生於年內已參與不少於15個小時的相關專業培訓。彼之履歷載於本年報第25頁。

風險管理及內部監控框架

本集團之現有企業管治框架及本集團之重大風險概述如下：

目標及目的

董事會負責評估及釐定本集團達成策略目標時所願意承擔的風險性質及程度，並確保實施有效風險管理及內部監控系統。

董事會確認風險管理及內部監控系統旨在管理而非消除未能達成業務目標之風險，且就避免重大錯誤陳述或損失而言，僅能提供合理而非絕對之保證。

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Main features of the risk management and internal control systems

The Group's risk governance structure and the main responsibilities are summarised below:

Board

- To evaluate and determine the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring the implementation of an effective risk management and internal control systems;
- To oversee the Group's risk management and internal control systems on an ongoing basis;
- To perform an annual review to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions; and
- To oversee the management/responsible party ("responsible management") in the design, implementation and monitoring of the risk management and internal control systems.

Management

- To design, implement and monitor the risk management and internal control systems;
- To perform risks identification assessment which might threaten the strategic objectives set;
- To review the risk and risk level and advise on any matters which might be raised by employees and the Group;
- To assist external consultant to analysis and appraise the adequacy and efficiency of the Group's risk management and internal control systems; and
- To coordinate all the risks management and activities process and in compliance with Listing Rules and report periodically to the Board.

風險管理及內部監控系統之主要特點

本集團之風險管治架構及主要責任概述如下：

董事會

- 評估及釐定於達致本集團之策略目標時所願意承擔之風險之性質及程度，並確保落實有效之風險管理及內部監控系統；
- 持續監督本集團之風險管理及內部監控系統；
- 進行年度檢討，以確保本集團之會計、內部審核及財務申報職能之資源、員工資歷及經驗、培訓課程及預算之充足性；及
- 監管管理層／責任方（「負責管理層」）設計、實施及監察風險管理及內部監控系統。

管理層

- 設計、實施及監察風險管理及內部監控系統；
- 對可能威脅策略目標設定之風險進行風險識別評估；
- 審查風險及風險水平，並就可能由僱員及本集團提出之任何事項提出建議；
- 協助外聘顧問分析及評估本集團風險管理及內部監控系統之充分性及有效性；及
- 協調所有風險管理及活動流程，並遵照上市規則之規定及定期向董事會匯報。

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Process Used to Identify, Evaluate and Manage Significant Risks

The processes used to identify, evaluate and manage significant risks by the Group were summarized as follows:

Risk Identification

- Identified the risks through discussion with the management. Risk Assessment Questionnaire was used to document the risk identified by the responsible parties.

Risk Assessment

- Identified the existing controls and analysing risks in terms of consequence and likelihood in the context of those controls. The risk analysis considered the range of potential consequences and how likely those consequences were to occur. Consequence and likelihood might be combined to produce an estimated level of risk.

Risk Response

- Categorised the risks into low risk, medium risk and high risks;
- Determined the strategy to handle the risk; and
- Developed the risk register and internal control audit plan and determined the frequency of review and control testing on key controls.

Risk Monitoring and Reporting

- On-going communication of monitoring results to the Audit Committee which enables it to assess control of the Group and the effectiveness of risk management during the year, including:
 - Risk questionnaires completed by the management, risk register and internal audit plan; and
 - Fact finding report with recommendations on the review and testing of internal controls on certain operating cycles and areas.

用於識別、評估及管理重大風險之流程

本集團用於識別、評估及管理重大風險之流程概述如下：

風險識別

- 透過與管理層討論識別風險。風險評估問卷乃用於記錄責任方所識別之風險。

風險評估

- 確定現有監控並於該等監控過程中分析風險後果及可能性。風險分析考慮潛在後果範圍以及發生該等後果之可能性。後果及可能性可能予以合併，以得出估計風險水平。

風險應對

- 將風險分類為低風險、中等風險及高風險；
- 釐定處理風險之策略；及
- 制定風險登記及內部監控審核計劃以及釐定有關主要監控之檢討及監控測試頻率。

風險監察及匯報

- 持續向審核委員會傳達監察結果，使其能夠於年內對本集團之監控及風險管理成效進行評估，包括：
 - 由管理層完成之風險問卷、風險登記及內部審核計劃；及
 - 事實調查報告，當中載有就有關若干營運週期及範圍之內部監控檢討及測試作出之推薦建議。

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Internal Audit Function

With the assistance of the external consultant, the Group's internal audit function is performed by the management of the Company, including analysing and appraising the adequacy and effectiveness of the Group's risk management and internal control systems.

The Company has engaged an external consultant to assist the Company to:

- Perform the risk assessment based on management evaluation on identified area and report the findings and recommendations to the management; and
- Conduct various agreed upon reviews on material controls and perform testing of internal controls on certain operating cycles and areas in accordance with the Company's Internal Control Audit Plan.

The Company's considering the recommendations on the internal audit findings identified by the external consultant and expects to complete the implementation of the aforesaid recommendations within 6 months.

During the year, the Board conducted an annual review on the effectiveness of the Company's risk management and internal control systems. The Board concluded that the risk management and internal control systems of the Company were adequate and effective during the year.

INSIDE INFORMATION

With respect to procedures and internal controls for handling and dissemination of inside information, the Company is fully aware of its obligations under the new Part XIVA of the Securities and Futures Ordinance, Chapter 571 and the Listing Rules. The Board has adopted a policy which contains the guideline to the Directors and officers of the Company to ensure that the inside information of the Company is to be disseminated to public in an equal and timely manner in accordance with the applicable laws and regulations.

內部審核職能

在外部顧問之協助下，本集團之內部審核職能由本公司管理層履行，包括分析及評估本集團風險管理及內部監控系統是否充足且具成效。

本公司已委聘外部顧問以協助本公司：

- 根據管理層對已識別範圍之評估進行風險評估並向管理層匯報調查結果及推薦建議；及
- 對重大監控進行各項協定檢討，並根據本公司之內部監控審核計劃對若干營運週期及範圍進行內部監控測試。

本公司正考慮就外聘顧問所識別之內部審核發現作出之推薦建議，並預期將於6個月內完成實施上述推薦建議。

年內，董事會對本公司之風險管理及內部監控系統之成效進行年度檢討。董事會之結論為本公司於年內之風險管理及內部監控系統屬充足及有效。

內幕消息

就處理及發佈內幕消息之程序及內部監控而言，本公司完全了解其於證券及期貨條例（第571章）新第XIVA部及上市規則項下之義務。董事會已採納載有對董事及本公司高級人員之指引之政策，以確保本公司內幕消息將根據適用法律及法規以平等及及時之方式向公眾人士發佈。

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CODE OF CONDUCT

The Company is committed to high standard of business ethics and integrity. A code of conduct is enforced on all employees of the Group. The employees at all levels are expected to act in an honest, diligent and responsible manner. No personal gifts or other forms of advantages from any person or organisation doing business with the Group can be accepted by any employee. Business partners and customers are reminded from time to time that our policy forbids any employee or agent of the Group from accepting any gift from them.

COMMUNICATION WITH SHAREHOLDERS

The Company considers effective communication with shareholders is essential to enable them to have a clear assessment of the Group's performance as well as accountability of the board of directors. Major means of communication with shareholders of the Company are as follows:

Information disclosure on company website

The Company endeavours to disclose all material information about the Group to all interested parties as widely and timely as possible. The Company maintains a company website at www.fortunetele.com where important information about the Group's activities and corporate matters such as annual reports and interim reports to shareholders, announcements, business development and operations, corporate governance practices and other information is available for review by shareholders and other stakeholders. When announcements are made through the website of The Stock Exchange of Hong Kong Limited, the same information will be made available on the Company's website.

行為守則

本公司致力維持高度廉正之業務操守，並對本集團全體僱員實施行為守則，冀各級僱員以誠懇、勤奮及負責任之態度工作。任何僱員一概不得接受任何與本集團業務有往來之人士或機構之個人禮品或其他形式之利益。業務夥伴及客戶應不時緊記，本公司之政策禁止本集團任何僱員或代理接受彼等之任何禮品。

與股東溝通

本公司認為與股東進行有效溝通至關重要，可讓彼等清晰評估本集團之表現及董事會之間責任。與本公司股東溝通之主要渠道如下：

於公司網站披露資料

本公司致力向所有權益相關人士，儘可能適時披露所有關於本集團之重要資料。本公司設有公司網站(www.fortunetele.com)，股東及其他權益關涉者可於網站內閱覽關於本集團業務活動及公司事宜之重要資料，例如致股東之年報及中期報告、公佈、業務發展及營運、企業管治常規及其他資料。本公司透過香港聯合交易所有限公司網站作出公佈時，亦會於本公司網站登載相同資料。

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General meetings with shareholders

The Company's annual general meeting provides a useful platform for direct communication between the Board and shareholders. Separate resolutions are proposed on each substantially separate issue at the general meetings.

The 2018 annual general meeting ("2018 AGM") was held on 1 June 2018. The attendance record of the Directors at the 2018 AGM is set out below:

Directors	董事	Attendance/ Number of general meetings 出席/ 股東大會次數
Executive Directors	執行董事	
Mr. Lau Siu Ying (<i>Chairman</i>)	劉小鷹先生 (<i>主席</i>)	1/1
Mr. Luo Xi Zhi (<i>resigned on 17 April 2018</i>)	羅習之先生 (<i>於二零一八年四月十七日辭任</i>)	0/0
Mr. Wang Yu	王愚先生	1/1
Non-executive Director	非執行董事	
Mr. Bao Kang Rong* (<i>appointed on 4 June 2018</i>)	鮑康榮先生* (<i>於二零一八年六月四日獲委任</i>)	0/0
Independent Non-executive Directors	獨立非執行董事	
Mr. Chang Wing Seng, Victor (<i>retired on 1 June 2018</i>)	鄭永勝先生 (<i>於二零一八年六月一日退任</i>)	0/1
Dr. Law Chun Kwan	羅振坤博士	1/1
Mr. Lam Man Kit	林文傑先生	1/1
Dr. Lo Wai Shun* (<i>appointed on 4 June 2018</i>)	勞維信博士* (<i>於二零一八年六月四日獲委任</i>)	0/0

* No general meeting was held after Mr. Bao Kang Rong and Dr. Lo Wai Shun was appointed as an Non-executive Director and Independent Non-executive Director, respectively on 4 June 2018.

The Company's external auditor also attended the 2018 AGM.

股東大會

本公司之股東週年大會提供一個有效平台，讓董事會與股東直接溝通。於股東大會上會就各項大致上獨立之事項提呈獨立決議案。

二零一八年股東週年大會（「二零一八年股東週年大會」）已於二零一八年六月一日舉行。董事出席二零一八年股東週年大會之紀錄載列如下：

* 於鮑康榮先生及勞維信博士於二零一八年六月四日獲分別委任為非執行董事及獨立非執行董事後，概無舉行股東大會。

本公司之外聘核數師亦有出席二零一八年股東週年大會。

Corporate Governance Report

企業管治報告書

Investor relations

The Company recognises its responsibility to explain its activities to those with a legitimate interest and to respond to their questions. Questions received from the general public and individual shareholders are answered promptly. In all cases, great care is taken to ensure that no price-sensitive information is disclosed selectively.

Shareholders' rights

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirement under Paragraph O of the CG Code:

Convening of a special general meeting on requisition by shareholders

Pursuant to clause 58 of the Company's bye-laws, a special general meeting may be convened by the Board upon requisition by any shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the head office address of the Company, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two (2) months after the receipt of such written requisition. Pursuant to clause 59 of the Company's bye-laws, the Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business.

If within twenty one (21) days of the receipt of such written requisition, the Board fails to proceed to convene such special general meeting, the shareholder shall do so pursuant to the provisions of Section 74(3) of the Companies Act 1981 of Bermuda (the "Act").

投資者關係

本公司確認其有責任向擁有合法權益之人士解釋業務活動，並回應彼等之問題。本公司會從速解答一般公眾及個別股東提出之問題。在各情況下，本公司會審慎處理，確保不會選擇性地披露任何股價敏感資料。

股東權利

下文載列根據企業管治守則O段下之強制性披露要求須予披露之本公司股東若干權利概要：

應股東請求召開股東特別大會

根據本公司之公司細則第58條，倘持有不少於本公司已發行股本（附有於本公司任何股東大會上之投票權）及證券十分之一之股東提出請求，則董事會可召開股東特別大會。股東須將書面請求寄往本公司之總辦事處地址，向本公司董事會或公司秘書提出請求。該書面請求須列明股東之持股資料、其聯絡詳情及有關任何指定事務／事項之建議及其支持文件。

董事會須於接獲有關書面請求後兩(2)個月內舉行該股東大會。根據本公司之公司細則第59條，本公司須送達所需之股東大會通告，當中註明會議舉行時間、地點及將於會上考慮之決議案內容以及該事項之一般性質。

倘董事會未能於接獲該書面請求後二十一(21)日內召開該股東特別大會，則根據百慕達一九八一年公司法（「公司法」）第74(3)條之條文，該股東可召開該大會。

Corporate Governance Report

企業管治報告書

Procedures for putting forward proposals at general meetings by shareholders

Shareholders are requested to follow the Act for including a resolution at an annual general meeting of the Company ("AGM"). The requirements and procedures are set out below:

- (i) Pursuant to section 79 of the Act, shareholder(s) holding (i) not less than one-twentieth of the total voting rights of all shareholders having the right to vote at the general meeting; or (ii) not less than 100 shareholders, can submit a written request stating the resolution intended to be moved at the AGM or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.
- (ii) The written request/statements must be signed by the shareholder(s) concerned and deposited at the Company's registered office and/or principal office in Hong Kong, for the attention of the Company Secretary, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.
- (iii) Pursuant to section 80 of the Act, if the written request is in order, the Company Secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM or the statement will not be circulated for the general meeting.

股東於股東大會上提出建議之程序

倘股東擬於本公司股東週年大會（「股東週年大會」）上提呈決議案，必須依循公司法進行。有關要求及程序載列如下：

- (i) 根據公司法第79條，持有(i)有權於股東大會上投票之所有股東總投票權不少於二十分之一；或(ii)不少於100名股東之股東可提交書面要求，列明擬於股東週年大會上動議之決議案，亦可就將於特定股東大會上處理之任何擬提呈決議案或事項中所述事宜提交不超過1,000字之陳述書。
- (ii) 相關股東必須簽署書面要求／陳述書，並將之送交本公司之註冊辦事處及／或香港主要辦事處，註明公司秘書收啟。如屬須發出決議案通知之情況，該書面要求／陳述書須在該股東週年大會舉行前不少於六個星期送達；如屬任何其他情況，則須在股東大會舉行前不少於一個星期送達。
- (iii) 根據公司法第80條，倘書面要求適當，公司秘書會要求董事會(i)將決議案載入股東週年大會議程；或(ii)傳閱股東大會陳述，惟相關股東須支付董事會所釐定合理金額之費用，以撥付本公司按照法定要求向全體登記股東送達決議案通知及／或向彼等傳閱相關股東提呈之陳述而錄得之開支。相反，倘請求書無效或有關股東未能存入足夠款項以撥付本公司為上述目的而錄得的開支，則相關股東將獲告知此結果，而建議之決議案將不會納入股東週年大會議程，或有關陳述將不會就股東大會而傳閱。

Corporate Governance Report 企業管治報告書

(iv) If a shareholder, who is duly qualified to attend and vote at the general meeting convened to deal with appointment/election of director(s), wishes to propose a person (other than the shareholder himself/herself) for election as a director at that meeting, he/she can deposit a written notice at the Company's registered office and/or its principal office in Hong Kong, for the attention of the Company Secretary, not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting. In order for the Company to inform all Shareholders of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by rule 13.51(2) of the Listing Rules, and be signed by the shareholder concerned and that person indicating his/her willingness to be elected.

Procedures for directing shareholders' enquiries to the board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

The Company Secretary
China Fortune Holdings Limited
Room 1505-07, Tower A, Regent Centre, 63 Wo Yi Hop Road,
Kwai Chung, Hong Kong
Email: info@chinafortune.com
Tel No.: +852 2422 0811
Fax No.: +852 2428 0988

The Company Secretary shall forward the shareholders' enquiries and concerns to the Board and/or relevant board committees of the Company, where appropriate, to answer the shareholders' questions.

(iv) 如股東（彼符合適當資格出席就處理董事委任／選舉事宜召開之股東大會並於會上投票）有意於該大會上提名人士（該股東本人除外）參選董事職位，則可於股東大會日期前不少於七(7)個整日但不多於十四(14)個整日，向本公司之註冊辦事處及／或香港主要辦事處送交書面通知，註明公司秘書收啟。為讓本公司知會全體股東有關建議，上述書面通知必須列明擬參選董事職位之人士之全名、上市規則第13.51(2)條規定之履歷詳情及獲推選人士之參選意向，並由相關股東及該名人士簽署。

向董事會轉達股東查詢之程序

股東可隨時以書面方式透過公司秘書，向董事會提出查詢及表達意見。公司秘書之聯絡詳情如下：

香港葵涌
和宜合道63號麗晶中心A座1505-07室
中國長遠控股有限公司
公司秘書
電郵：info@chinafortune.com
電話號碼：+852 2422 0811
傳真號碼：+852 2428 0988

在適當的情況下，公司秘書會將股東之查詢及意見轉交董事會及／或本公司相關之董事委員會，以解答股東之提問。

Environmental, Social and Governance Report

環境、社會及管治報告

China Fortune Holdings Limited (the “Company”) is pleased to present the Environmental, Social, and Governance (“ESG”) Report (the “ESG Report”) for the year ended 31 December 2018 (the “Reporting Period”).

This ESG report is prepared with reference to the Appendix 27 – Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The information disclosed in this report is derived from the result of internal statistics and analysis of the Group’s internal management systems.

The Group is committed to fulfilling its environmental and social obligations while striving for economic growth and creating value for the Company’s shareholders. We focus on strategic priorities in terms of maintaining a peaceful natural environment, creating a harmonized working environment and sustaining an ethical business environment. Through this ESG report, we hope to continually refine our corporate strategy for sustainable business growth, and deliver long-term value for our stakeholders.

SCOPE OF THIS REPORT

The Company is an investment holding company. The principal activities of the Group are distribution and trading of mobile phones and related accessories, development of marketing and after-sales service network (“Mobile Phone Business”) and mining and processing of celestite, zinc and lead minerals (“Mining Business”). Since there were minimal activities in the mining business, this report only covers China Fortune Holdings Limited, Fortune (Shanghai) International Trading Co., Ltd and Zhejiang Aoying Information Technology Co., Ltd..

中國長遠控股有限公司(「本公司»)欣然呈列截至二零一八年十二月三十一日止年度(「報告期»)之環境、社會及管治(「環境、社會及管治»)報告(「環境、社會及管治報告»)。

本環境、社會及管治報告乃參考香港聯合交易所有限公司證券上市規則附錄二十七—環境、社會及管治報告指引(「環境、社會及管治報告指引»)而編製。本報告所披露之資料來自本集團內部管理系統之內部統計與分析之結果。

於努力達致經濟增長及為本公司股東創造價值之同時，本集團致力履行其環境及社會義務。我們所專注的策略性重點為維護平靜自然環境、創造一個和諧工作環境及維持正直營商環境。透過本環境、社會及管治報告，我們希望繼續改善我們的可持續業務增長策略，並為持份者帶來長期價值。

本報告之範圍

本公司為投資控股公司。本集團之主要業務為分銷及買賣移動電話及相關配件、發展市場推廣及售後服務網絡(「移動電話業務»),以及天青石、鋅及鉛礦石的開採及加工業務(「採礦業務»)。由於採礦業務進行極少量活動，故本報告僅涵蓋中國長遠控股有限公司、長遠(上海)國際貿易有限公司及浙江澳英信息科技有限公司。

Environmental, Social and Governance Report

環境、社會及管治報告

STAKEHOLDERS ENGAGEMENT

The Group continues to maintain the relationships and communicate with its key stakeholders. We have identified our employees, customers, investors, shareholders, suppliers and communities at large as our key stakeholder groups. In daily business, we communicate with different key stakeholders through various channels such as conferences, electronic platforms and public events so as to understand the concerns of various stakeholders. To formulate the operational strategies and ESG measures, the Group takes into account the expectations of stakeholders and strives to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community.

STAKEHOLDERS' FEEDBACK

We value your feedback on this report. If you have any feedback or suggestions, please contact us at info@chinafortune.com.

A. THE ENVIRONMENTAL

Our strategy towards the environment is to minimize the impact on the environment with sustainable operations. We place strong emphasis on environmental protection by maximizing the efficiency of resources and reducing pollution. Our sustainable practices encourage employees to be more considerate of the environment by savings on energy consumption and use of materials so that impact on the environment and natural resources can be minimized.

A1. Emissions

Given the nature of our businesses, we do not contribute directly to greenhouse gas ("GHG") emission, discharges into water and land nor the generation of hazardous and non-hazardous waste. However, we recognised that consumption of electricity, paper and petrol at workplaces and by motor vehicles account for our major indirect GHG emissions.

持份者參與

本集團與其主要持份者繼續維持關係及溝通。我們已將僱員、客戶、投資者、股東、供應商及整個社區識別為主要持份者組別。於日常業務中，我們透過會議、電子平台及公共活動等不同渠道與不同主要持份者溝通，從而了解各持份者關注之事宜。為制訂營運策略及環境、社會及管治措施，本集團考慮持份者之期望，並致力透過與持份者互相合作提升其表現，從而為社區創造更大價值。

持份者意見

我們重視閣下對本報告之意見。如閣下有任何意見或建議，請透過info@chinafortune.com與我們聯絡。

A. 環境

我們對環境的策略為盡量以可持續營運減低對環境的影響。我們透過盡量提升資源效益及減少污染而強調環保。我們的可持續發展實踐鼓勵僱員藉節省能源消耗及物料使用而更關愛環境，從而將對環境及天然資源之影響減至最低。

A1. 排放物

鑑於我們的業務性質，我們並無直接排放溫室氣體（「溫室氣體」）、向水及土地排污或產生有害及無害廢棄物。然而，我們確認工作場所及汽車之電力、紙張及汽油消耗為主要間接溫室氣體排放。

Environmental, Social and Governance Report

環境、社會及管治報告

GHG Emissions

During the year, the Group's total greenhouse gas emissions reduced approximately 9.12 tonnes from 42.94 tonnes in 2017 to 33.82 tonnes in 2018. The detailed summary of GHG emission for the year is shown as below:

Scope of GHG 溫室氣體範圍	CO ₂ Emission (Tonnes) 二氧化碳排放(噸)		Intensity – tonnes per square feet of gross floor area 密度 – 噸/每平方呎樓面面積	
	2018	2017	2018	2017
Scope 1 – Electricity consumption 範圍1 – 電力消耗	28.44	39.31	0.00500	0.00691
Scope 2 – Petrol consumption 範圍2 – 汽油消耗	3.33	1.47	0.00081	0.00036
Scope 3 – Paper Consumption 範圍3 – 紙張消耗	2.05	2.16	0.00032	0.00038
Total GHG emissions 溫室氣體總排放量	33.82	42.94	0.00613	0.00765

Notes:

1. Petrol consumption: according to purchase volume of gasoline and diesel of company vehicle;
2. Electricity consumption: according to electricity bills received by the Company;
3. Paper consumption: according to purchase volume of paper.

溫室氣體排放

年內，本集團之溫室氣體總排放量由二零一七年之42.94噸減少約9.12噸至二零一八年之33.82噸。年內溫室氣體排放之詳細概要列示如下：

附註：

1. 汽油消耗：根據為公司汽車購買之汽油及柴油容量計算；
2. 電力消耗：根據本公司收到之電費單計算；
3. 紙張消耗：根據紙張購買量計算。

Environmental, Social and Governance Report

環境、社會及管治報告

To reduce the energy consumption and the amount of carbon emission, we have implemented a number of measures to mitigate such consumption and emission. We reinforced our management of energy conservation in our offices through the ventilation system with a stabilized room temperature at 25 degrees Celsius, as well as reminding employees to turn off any computers, printers, light and other office equipment that are not being used. We try to use daylight wherever possible, and choose energy efficient equipment during procurement. We encourage our employees to travel by public transport to reduce carbon footprint. We advocate a green lifestyle by growing plants in the office. Awareness of environmental protection among our staff was raised through the promotion of green office culture.

Relevant important laws and regulations including the “Energy Conservation Law” and “Environmental Protection Law of the People’s Republic of China” are strictly complied with.

Non-hazardous Waste

The Group generates no hazardous waste in our operation. Non-hazardous wastes from the Group’s operation is mainly the paper waste. During the year, the consumption volume generated by the Group is shown as below:

Category of Non-hazardous waste 無害廢棄物類別	Quantity (Tonnes) 數量 (噸)		Intensity – Tonnes per square feet of gross floor area 密度 – 噸 / 每平方呎樓面面積	
	2018	2017	2018	2017
Paper Waste 紙張廢棄物	0.43	0.45	0.00007	0.00008

The Group has implemented paperless processing in its internal communications. In order to reduce paper consumption, we encourage employees to use duplex printing and copying. And therefore led to a drop of 0.02 tonnes of total paper waste in 2018.

為減少能源消耗及碳排放量，我們已實施一系列措施減少有關消耗及排放。我們透過調整辦公室的通風系統，將室溫控制在攝氏25度，並提醒僱員於不使用時關掉任何電腦、打印機、燈光及其他辦公室設備，以加強管理節約能源。我們於可行情況下嘗試採用日光，並於採購時選擇具能源效益的設備。我們鼓勵僱員乘坐公共交通工具，以減少碳足跡。我們藉於辦公室內種植植物而提倡綠色生活。我們透過宣傳綠色辦公室文化提高員工的環保意識。

我們嚴格遵守相關主要法律及規例，包括「節約能源法」及「中華人民共和國環境保護法」。

無害廢棄物

本集團之營運並無產生有害廢棄物。本集團營運產生之無害廢棄物主要為紙張廢棄物。年內，本集團產生之消耗量列示如下：

本集團已於其內部溝通實施無紙化處理。為減少紙張消耗，我們鼓勵僱員使用雙面打印及影印。因此，二零一八年紙張廢棄物總量下跌0.02噸。

Environmental, Social and Governance Report

環境、社會及管治報告

A2. Use of Resources

Energy saving tips and guidelines are in place as a direction on the efficient use of resources throughout daily operations. Our strategy is to reduce resources used in daily office operation, through wise use of energy and water, wastage and paper consumption, as well as promoting the practice of recycle, reuse, reduce, and replace. We recognise the importance of transitioning our operations to bring upon more sustainable options.

Use of Resources

資源使用

Fuel Efficiency 燃料效益

We are committed to replacing old vehicles with more fuel-efficient vehicles.
我們致力將舊汽車更換為更具燃料效益的汽車。

We encourage employees to use telephone conference whenever possible to reduce the carbon footprint of business travel.
我們鼓勵僱員於可行情況下使用電話會議，以減少差旅的碳足跡。

Materials 物料

We encourage to use automatic pencil leads and ball pen refills.
我們鼓勵使用自動鉛筆芯及更換原子筆筆芯。

We encourage employees to bring their own water bottles instead of using paper cups.
我們鼓勵僱員自備水瓶以取代紙杯。

We promote wise use of toilet paper.
我們推動明智使用廁紙。

We advocate the use of double sided printed to reduce paper wastage.
我們提倡雙面打印以減少浪費紙張。

Water 水

We make sure there is no leakage of taps to conserve water.
我們確保水龍頭並無漏水以節約用水。

A2. 資源使用

我們設有節約能源提示及指引，以於日常營運中指導有效使用資源。我們的策略為透過明智地使用能源及水、廢物及紙張消耗，以及推動循環再造、廢物重用、減少使用及替代使用習慣而減少日常辦公室運作所使用的資源。我們認同改變我們的營運以帶來更可持續選擇的重要性。

Environmental, Social and Governance Report

環境、社會及管治報告

Use of Resources

資源使用

Energy 能源

We maintain the room temperature at 25 degree Celsius to conserve energy.
我們將室溫設定為攝氏25度以節約能源。

We keep the air ventilation system off if the room is vacant.
我們於房間無人時關掉通風系統。

We encourage employees to save energy by turning off lights and electronics when not in use.
我們鼓勵僱員節約能源，並於不使用時關掉燈光及電源。

We remind employees to turn off lights, computers, printers and other office equipment after work.
我們提醒僱員於下班後關掉燈光、電腦、打印機及其他辦公室設備。

We keep track on the power consumption record and take measures when there is significant increase in consumption.
我們監察電力消耗記錄及於出現重大消耗增加時採取措施。

Resources

資源

We encourage employees to reuse plastic bags, recycle glass bottles and aluminum cans.
我們鼓勵僱員重用膠袋、回收玻璃瓶及鋁罐。

Recycling of printer cartridges and toners is implemented.
我們已實施回收打印機墨盒及碳粉盒。

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Energy consumption

During the year, the Group's consumption in petrol and electricity were:

Energy Type 能源類別	Quantity 數量		Unit 單位	Intensity – Tonnes per square feet of gross floor area 密度 – 噸 / 每平方呎樓面面積	
	2018	2017		2018	2017
Petrol 汽油	1,412.70	620.92	litre 公升	0.34	0.15
Electricity 電力	45,145.50	62,392.70	kWh 千瓦時	7.93	10.97

能源消耗

年內，本集團之汽油及電力消耗為：

Due to business purpose the petrol consumption during the reporting period has been increased approximately 791.78 litre compared to that in 2017. Regarding the electricity consumption, the Group has reduced 17,247.2 kWh, from 62,392.7 kWh in 2017 to 45,145.5 kWh in 2018.

鑑於業務用途，報告期內之汽油消耗已較二零一七年增加約791.78公升。就電力消耗而言，本集團已由二零一七年之62,392.7千瓦時減少17,247.2千瓦時至二零一八年之45,145.5千瓦時。

Water consumption and use of packaging materials

The Group's water consumption is minimal and no issue in sourcing water for the group's operation had been noted in the reporting period.

耗水及包裝材料使用

本集團之耗水量極低，且於報告期內並無注意到就本集團之營運採購水的問題。

Besides, due to the nature of business, the Group did not involve any use of packaging material and hence the disclosure is not applicable to the Group.

此外，鑑於業務性質，本集團並無涉及使用任何包裝材料，因此，有關披露不適用於本集團。

A3. The Environment and Natural Resources

Since our core operations are confined to the office environment, we do not make significant impact on the environment and natural resources. Still, adhering to our policy, we will review in due course to seek for continual improvement, if any.

A3. 環境及天然資源

由於我們的核心營運局限於辦公室環境內，我們並無對環境及天然資源造成重大影響。然而，根據我們的政策，我們將於適當時候進行檢討，以作持續改善（如有）。

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環境、社會及管治報告

B. SOCIAL

B1. Employment

We believe that our employees are valuable assets to the company. In order to build a harmonized working environment, we recognise the importance of fostering a supportive workplace for employees to grow with the company together.

We firmly believe in the principle of equal opportunity for all employees and this is addressed in the staff handbook as our employment policy. We ensure that our recruitment, promotion, compensation, training and dismissal practices are on a fair and equal basis. We do not tolerate any discrimination based on race, religion, sex, marital status, age, national origin, or other considerations deemed inappropriate by local laws. We strictly comply with relevant local laws and regulations relating to hiring, compensation, dismissal, working hours, rest periods and diversity.

We respect and protect the legal rights of employees by abiding to the local laws and regulations including “Labour Law of the People’s Republic of China” and “Labour Contract Law of the People’s Republic of China”, as well as “Employment Ordinance” in Hong Kong.

B2. Health and Safety

Safety always comes first throughout the operation and is the basis of success. Our health and safety approach is to minimize occupational hazards and provide a safe working environment. We have set up procedures for our employees to follow in case of typhoons and severe rainstorms to ensure their safety during the journey from and to work. Access to and egress from workplace is maintained unblocked. First aid box with emergency contact is in place. We did not find any work fatality cases during the reporting period.

B. 社會

B1. 僱傭

我們相信我們的僱員為本公司之寶貴資產。為構建和諧工作環境，我們認同營造一個給予僱員支持的工作環境相當重要，以讓僱員與本公司一起成長。

我們堅信為所有僱員提供平等機會的原則，並已於員工手冊內列明我們的僱傭政策。我們確保招聘、晉升、薪酬、培訓及解僱慣例乃按公平及平等基準進行。我們絕不容忍因種族、宗教、性別、婚姻狀況、年齡、國籍或當地法律視為不恰當的其他因素的任何歧視行為。我們嚴格遵守有關招聘、薪酬、解僱、工時、假期及多元化方面的相關當地法律及規例。

我們透過遵守當地法律及規例，包括「中華人民共和國勞動法」及「中華人民共和國勞動合同法」以及香港「僱傭條例」而尊重及保障僱員的法定權利。

B2. 健康與安全

安全一直是營運過程中的首要考量，並為成功之本。我們的健康與安全方針為將職業性危害減至最低，並提供安全工作環境。我們已制定在颱風及暴雨下的程序，為員工提供指引，確保他們安全往返工作地點，而進入及離開工作地點不受阻撓。我們設有急救箱及緊急聯絡電話。我們於報告期內並無任何因工死亡事故。

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Apart from physical health, we also take care of the mental health of our employees as well. Paid annual leaves higher than the statutory requirement are offered to enhance the work-life balance. In addition, we have lunch gathering during special festivals such as the winter solstice and the Christmas Eve. We arrange birthday parties for our employees to maintain their spirit in a pleasant working environment.

In order to comply with the “Employees’ Compensation Ordinance” and “Regulation on Work-Related Injury Insurances”, all employees are covered by insurance against any accidents.

B3. Development and Training

The Group encourages continuous learning within our employees and puts emphasis on their holistic development. All new joiners are required to undergo an induction briefing regarding corporate culture, company’s policy and procedure, health and safety, basic knowledge about the Group’s operation and system. Measures on professional training, enhancing leadership and talent team building are available for employees to achieve their personal goals while growing with the Group.

A performance appraisal is in place to review the employees’ performance annually. This provides an opportunity between the company and the employees to communicate so that we can meet employees’ expectations and objectives.

除身體健康外，我們亦關懷僱員的心理健康。我們提供較法定規定更高之有薪年假，以提升工作生活平衡。此外，我們於冬至及聖誕節前夕等特別節日舉行午餐聚會。我們為僱員安排生日派對，以於愉快的工作環境維持士氣。

為遵守「僱員補償條例」及「工傷保險條例」，我們已為所有僱員投購涵蓋任何意外的保險。

B3. 發展及培訓

本集團鼓勵僱員持續學習，並著重他們的整體發展。所有新入職者均須接受有關企業文化、公司政策及程序、健康與安全、有關本集團營運及系統之基本知識之入職簡介。我們向僱員提供專業培訓、提升領導才能及人才隊伍建設措施，以於與本集團共同成長之同時達成個人目標。

我們設有表現評估以每年審閱僱員的表現。此舉提供本公司與僱員溝通之機會，從而令我們可達成僱員期望及目標。

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B4. Labour Standards

Child and forced labour are strictly prohibited in the workplace. Stringent hiring procedures and processes are enforced to verify the legal proof of age before commencement of work. The Group has strictly complied with the Labour Contract Law of PRC, the Hong Kong employment laws and other relevant laws and regulations to avoid child or forced labour and other potential irregularities. We do not adopt any kind of forced labour including prison labour as supplier. During the reporting period, we did not find any issues with child and forced labour.

B5. Supply Chain Management

One of our procurement principles towards sustainability is to ensure that our procurement system can manage any environmental and social risks in the supply chain. In order to maintain sustainability as well as quality, our strategy is to build a long-term relationship with suppliers. We continue to monitor the existing suppliers' performances to ensure their quality and performance is up to our standard. New suppliers have to undergo assessment and evaluation before being adopted.

Green procurement has been our procurement approach. In the process of sourcing materials, we require that components used by the suppliers be in full compliance with environmental protection requirements, in accordance with national and industry standards.

B4. 勞工準則

我們於工作場所內嚴禁童工或強制勞工。我們執行嚴格招聘程序及流程，以於開工前核實法定年齡證明文件。本集團已嚴格遵守中國勞動合同法、香港僱傭條例及其他相關法例及法規，以避免童工或強制勞工及其他潛在違規行為。我們並不接納任何形式的強制勞工（包括犯人勞工）作為供應商。於報告期內，我們並無發現任何童工或強制勞工事宜。

B5. 供應鏈管理

我們達致可持續發展的其中一項採購原則為確保我們的採購系統可管理於供應鏈內的任何環境及社會風險。為維持可持續發展及質素，我們的策略為與供應商建立長期關係。我們不斷監察現有供應商的表現，以確保其質素及表現符合我們的標準。新供應商於獲採用前須接受評核及評估。

綠色採購一直為我們的採購方針。於採購物料過程中，我們要求供應商採用的部件根據國家及業內標準全面符合環保規定。

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B6. Product/service Responsibility

Product and service

Quality is the key component to take shape of customer satisfaction. With regard to product quality, we ensure that all products should comply with national standards including China Compulsory Certification (CCC) in terms of testing certificates issued by accredited laboratory.

We value customers' feedback, as this is the driving force for our continual improvement. Once a complaint is received, we will take prompt actions to investigate the issue and carry out remedial action plans.

Customer privacy

Customer information is treated as confidential data in the Group. Only core staff of relevant department are granted permissions to access according to different hierarchy and locations. The Group has the right to executive disciplinary actions on employees who violate the rules stipulated in the employee handbook.

B6. 產品／服務責任

產品及服務

質素為令客戶滿意的關鍵所在。就產品質素而言，我們確保所有產品應符合國家標準，包括就認可實驗室發出之測試證書遵守中國強制性認證(CCC)。

我們重視客戶的意見，此乃我們不斷改善的推動力。一旦接獲投訴，我們將及時採取行動以調查事件及實施補救行動計劃。

客戶私隱

本集團將客戶資料視作機密資料。僅相關部門的核心員工獲准根據職級及地點進行查閱。本集團有權對違反僱員手冊所載規則的僱員採取紀律處分。

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Intellectual property

The Group endeavours to protect intellectual rights by different measures. We actively monitor any infringement in terms of counterfeit goods across the country with people's court and public bodies. In addition, we renew the registration of any expiring trademarks and patents based on the need of our business. We strictly abide by relevant laws and regulations, including the "Copyright Law of the People's Republic of China" and "Trademark Law of the People's Republic of China".

Advertising and labelling

Systematic review and approval process is in place before advertisement launch to the market to safeguard accurate presentation and protect customers. Appropriate safety warnings are attached on the product packaging for consumers' information.

We are in accordance with relevant laws and regulations including "Advertising Law of People's Republic of China" and "Law of the People's Republic of China on the Protection of Consumer Rights and Interests". There are no breaches of laws and regulations relating to health and safety, advertising, labelling and privacy matters in connection with our products and services provided during the reporting period.

知識產權

本集團透過不同措施致力保障知識產權。我們與人民法院及公共機構於全國共同積極監察任何侵犯知識產權的假貨。此外，我們根據業務需要更新任何到期商標及專利註冊。我們嚴格遵守相關法律及規例，包括「中華人民共和國著作權法」及「中華人民共和國商標法」。

廣告及標籤

我們於向市場推出廣告前進行系統性審閱及批准程序，以確保準確陳述及保障客戶。產品包裝上已貼上適當安全警告，以供客戶參考。

我們遵守相關法律及規例，包括「中華人民共和國廣告法」及「中華人民共和國消費者權益保護法」。我們於報告期內提供的產品及服務概無違反有關健康與安全、廣告、標籤及私隱事宜的法律及規例。

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B7. Anti-corruption

Anti-corruption is the cornerstone of the business and sustainability, which at the same time the most material topics rated by our stakeholders. Stringent policies are stipulated in the employee handbook in relation to compliance with the “Prevention of Bribery Ordinance”, such as soliciting or accepting any advantages in the business operations, to ensure employees’ actions abide by our internal regulations. Procedures are established to minimize corruption risks related to bribery, extortion, fraud and money laundering in the business operation. Internal control mechanism is in place for monitoring. We did not have any concluded legal cases regarding corrupt practices during the reporting period.

B8. Community Investment

As a corporate citizen, we are responsible for driving a positive impact to the community. We create job opportunities and promote economic growth in the local communities through our business and operation. We encourage employees to participate actively in voluntary services during their leisure time to help people in need. We are under the process of formulating a policy on community engagement.

B7. 反貪污

反貪污為業務及可持續發展的基石，其同時為持份者所評定的最重要議題。僱員手冊內已訂定有關遵守「防止賄賂條例」的嚴格政策，如於業務營運中索取或接受任何利益，以確保僱員的行為遵守內部規例。我們已制定程序以盡量減低於業務營運中有關賄賂、勒索、欺詐及洗黑錢之貪污風險。我們已設立內部監控機制以作監察。於報告期內，我們並無任何有關貪污行為的已審結法律案件。

B8. 社區投資

作為企業公民，我們有責任推動社區正面發展。透過我們的業務及營運，我們於當地社區創造就業機會及促進經濟增長。我們鼓勵僱員於空閒時間積極參與志願服務，以協助有需要人士。我們正在制定社區參與政策。

Directors' Report

董事會報告書

The directors present their annual report and audited consolidated financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries and principal associates are set out in notes 41 and 42 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of comprehensive income on page 83 of the annual report.

No interim dividend was declared during the year. The directors do not recommend the payment of a final dividend.

PLANT AND EQUIPMENT

Details of movements during the year in the plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 28 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

In the opinion of the directors, the Company's reserves available for distribution to shareholders as at 31 December 2018 and 31 December 2017 consisted of contributed surplus and accumulated profits were nil.

董事謹提呈截至二零一八年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其主要附屬公司及主要聯營公司之主要業務載於綜合財務報表附註41及42。

業績及分派

本集團截至二零一八年十二月三十一日止年度之業績載於本年報第83頁之綜合全面收入表。

年內概無宣派任何中期股息。董事並不建議派付末期股息。

廠房及設備

本集團年內廠房及設備之變動詳情載於綜合財務報表附註17。

股本

本公司之股本詳情載於綜合財務報表附註28。

本公司之可供分派儲備

董事認為，本公司於二零一八年十二月三十一日及二零一七年十二月三十一日可用以分派予股東之儲備（包括實繳盈餘及累計溢利）為零。

Directors' Report 董事會報告書

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIRECTORS

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

Executive directors:

Mr. Lau Siu Ying (*Chairman*)
Mr. Luo Xi Zhi (*resigned on 17 April 2018*)
Mr. Wang Yu

Non-executive director:

Mr. Bao Kang Rong (*appointed on 4 June 2018*)

Independent Non-executive directors:

Mr. Chang Wing Seng, Victor (*retired on 1 June 2018*)
Dr. Law Chun Kwan
Mr. Lam Man Kit
Dr. Lo Wai Shun (*appointed on 4 June 2018*)

In accordance with bye-law 86(2) and bye-law 87 of the Company's bye-laws, Mr. Bao Kang Rong, Dr. Lo Wai Shun and Mr. Wang Yu shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election, respectively.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

根據百慕達一九八一年公司法(經修訂),本公司之實繳盈餘(如有)可用以分派。然而,在下列情況下,本公司不得以實繳盈餘宣派或派發股息或作出分派:

- (a) 於付款後無法或將無法支付到期之負債;或
- (b) 資產之可變現價值因而少於負債與已發行股本及股份溢價賬之總和。

董事

本公司於本年度及直至本報告日期止之董事如下:

執行董事:

劉小鷹先生(主席)
羅習之先生(於二零一八年四月十七日辭任)
王愚先生

非執行董事:

鮑康榮先生(於二零一八年六月四日獲委任)

獨立非執行董事:

鄭永勝先生(於二零一八年六月一日退任)
羅振坤博士
林文傑先生
勞維信博士(於二零一八年六月四日獲委任)

根據本公司之公司細則之細則第86(2)條及細則第87條,鮑康榮先生、勞維信博士及王愚先生將分別於應屆股東週年大會上任滿告退,惟符合資格並願重選連任。

擬於應屆股東週年大會上重選連任之董事概無與本公司或其任何附屬公司訂立於一年內不可由本集團毋須補償(法定補償除外)而終止之服務合約。

Directors' Report 董事會報告書

The term of office of each of the non-executive director and independent non-executive directors is the date up to his retirement by rotation in accordance with the Company's by-laws.

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

At 31 December 2018, the interests and short positions of the directors, the chief executive and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (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 as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Ordinary shares of HK\$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Mr. Lau Siu Ying ("Mr. Lau") 劉小鷹先生 (「劉先生」)	Held by a discretionary trust (Note) 全權信託持有 (附註)	188,300,013	20.52%
	Beneficial owner 實益擁有人	267,996,285	29.20%
		456,296,298	49.72%

各非執行董事及獨立非執行董事之任期直至根據本公司之公司細則須輪席告退之日止。

董事及行政總裁於股份及相關股份之權益

於二零一八年十二月三十一日，董事、行政總裁及彼等聯繫人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）之股份及相關股份中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及香港聯合交易所有限公司（「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而當作或視作擁有之權益及淡倉）；或須記入本公司根據證券及期貨條例第352條存置之登記冊的權益及淡倉；或須根據有關上市公司董事進行證券交易之標準守則（「標準守則」）知會本公司及聯交所的權益及淡倉如下：

本公司每股面值0.10港元之普通股

Directors' Report 董事會報告書

Note:

These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust, the beneficiaries of which include Mr. Lau, his spouse and his children.

The interest disclosed above represents long positions in the shares and underlying shares of the Company or its associated corporations.

Save as disclosed above, none of the directors, chief executives nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations as defined in the SFO at 31 December 2018.

附註：

該等股份由在英屬處女群島註冊成立之公司Future 2000 Limited持有，而該公司由受益人為劉先生、其配偶及其子女的全權信託持有。

上文所披露之權益指本公司或其相聯法團之股份及相關股份的好倉。

除上文披露者外，董事、行政總裁或彼等之聯繫人於二零一八年十二月三十一日概無擁有本公司或其任何相聯法團（定義見證券及期貨條例）之任何股份或相關股份之權益或淡倉。

Directors' Report

董事會報告書

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 29 to the consolidated financial statements. The following table discloses movements in the Company's share options during the year ended 31 December 2018:

購股權

本公司購股權計劃之詳情載於綜合財務報表附註29。下表披露本公司購股權於截至二零一八年十二月三十一日止年度之變動：

	Date of grant	Exercise period	Exercise price per share	Outstanding at beginning of the year	Exercised during the year	Lapsed during the year	Outstanding at end of the year
	授出日期	行使期	每股行使價 HK\$ 港元	年初尚未行使	年內行使	年內失效	年末尚未行使
Category I – Directors							
第I類 – 董事							
Mr. Lau 劉先生	12.7.2013 二零一三年 七月十二日	12.7.2013 to 11.7.2018 二零一三年七月十二日至 二零一八年七月十一日	0.255	8,000,000	-	(8,000,000)	-
Mr. Luo Xi Zhi (Note 1) 羅習之先生(附註1)	12.7.2013 二零一三年 七月十二日	12.7.2013 to 11.7.2018 二零一三年七月十二日至 二零一八年七月十一日	0.255	1,000,000	-	(1,000,000)	-
Mr. Wang Yu 王愚先生	12.7.2013 二零一三年 七月十二日	12.7.2013 to 11.7.2018 二零一三年七月十二日至 二零一八年七月十一日	0.255	1,000,000	-	(1,000,000)	-
Mr. Chang Wing Seng, Victor (Note 2) 鄭永勝先生(附註2)	12.7.2013 二零一三年 七月十二日	12.7.2013 to 11.7.2018 二零一三年七月十二日至 二零一八年七月十一日	0.255	1,500,000	-	(1,500,000)	-
Total for directors 董事總計				11,500,000	-	(11,500,000)	-
Category II – Employees							
第II類 – 僱員							
Employees 僱員	12.7.2013 二零一三年 七月十二日	12.7.2013 to 11.7.2018 二零一三年七月十二日至 二零一八年七月十一日	0.255	100,000	-	(100,000)	-
Category III – Consultants							
第III類 – 顧問							
Consultants 顧問	12.7.2013 二零一三年 七月十二日	12.7.2013 to 11.7.2018 二零一三年七月十二日至 二零一八年七月十一日	0.255	300,000	-	(300,000)	-
Total for all categories 所有類別總計				11,900,000	-	(11,900,000)	-

Directors' Report 董事會報告書

Notes:

1. Mr. Luo Xi Zhi resigned as executive director of the Company on 17 April 2018.
2. Mr. Chang Wing Seng, Victor retired as independent non-executive director of the Company on 1 June 2018.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme disclosed above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors, their spouses or children under the age of 18 had any rights to subscribe for the securities of the Company or had exercised any such rights during the year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 37 to the consolidated financial statements headed "Related Parties Disclosures" and the Sections headed "Connected Transactions" and "Continuing Connected Transactions" in this report, no transactions, arrangements or contracts of significance to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, either directly or indirectly subsisted at the end of the year ended 31 December 2018 or at any time during the Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed as at 31 December 2018.

附註：

1. 羅習之先生於二零一八年四月十七日辭任本公司執行董事。
2. 鄭永勝先生於二零一八年六月一日退任本公司獨立非執行董事。

購買股份或債券之安排

除上文披露之購股權計劃外，於年內任何時間本公司、其控股公司或任何附屬公司概無參與任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。董事、彼等之配偶或未滿18歲之子女於年內概無擁有任何可認購本公司證券之權利，亦不曾行使任何該等權利。

董事於交易、安排或合約之權益

除綜合財務報表附註37「關連人士之披露」及本報告「關連交易」及「持續關連交易」兩節所披露者外，概無本公司或其任何控股公司、附屬公司或同系附屬公司為訂約方，且董事或與董事有關連之實體直接或間接於當中擁有重大權益之重大交易、安排或合約於截至二零一八年十二月三十一日止年度結束時或於期內任何時間存續。

管理合約

於二零一八年十二月三十一日，概無已訂立或存續之有關本公司全部或任何重大部分業務之管理及行政之合約。

Directors' Report

董事會報告書

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as at 31 December 2018, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Ordinary shares of HK\$0.10 each of the Company

Name of substantial shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
主要股東姓名	身份	所持已發行普通股數目	佔本公司已發行股本之百分比
Mr. Lau 劉先生	Held by a discretionary trust (Note 1)	188,300,013	20.52%
	全權信託持有 (附註1)		
	Beneficial owner	267,996,285	29.20%
	實益擁有人		
		456,296,298	49.72%
Mr. Lee Wai, Timothy 李偉先生	Held by controlled entity (Note 2)	188,300,013	20.52%
	受控制實體持有 (附註2)		

Notes:

- These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust. The beneficiaries of the discretionary trust include Mr. Lau, his spouse and his children.
- Under the SFO, Mr. Lee Wai, Timothy is deemed to have interests in the shares of the Company as he is entitled to exercise more than one-third of the voting power at general meetings of Future 2000 Limited.

主要股東

按照本公司根據證券及期貨條例第336條所存置之主要股東名冊列示，於二零一八年十二月三十一日，本公司獲悉下列股東在本公司已發行股本中擁有相關權益。

本公司每股面值0.10港元之普通股

Name of substantial shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
主要股東姓名	身份	所持已發行普通股數目	佔本公司已發行股本之百分比
Mr. Lau 劉先生	Held by a discretionary trust (Note 1)	188,300,013	20.52%
	全權信託持有 (附註1)		
	Beneficial owner	267,996,285	29.20%
	實益擁有人		
		456,296,298	49.72%
Mr. Lee Wai, Timothy 李偉先生	Held by controlled entity (Note 2)	188,300,013	20.52%
	受控制實體持有 (附註2)		

附註：

- 該等股份由在英屬處女群島註冊成立之公司 Future 2000 Limited 持有，而該公司由一項全權信託持有。該全權信託之受益人包括劉先生、其配偶及其子女。
- 根據證券及期貨條例，由於李偉先生有權於 Future 2000 Limited 之股東大會上行使三分之一以上投票權，故彼被視為於本公司股份擁有權益。

Directors' Report

董事會報告書

CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the independent non-executive directors are independent.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2018:

- (1) The aggregate sales attributable to the Group's five largest customers and the largest customer represent approximately 69% and 37%, respectively, of the Group's total revenue;
- (2) The aggregate purchases attributable to the Group's five largest suppliers and the largest supplier represent approximately 70% and 23%, respectively, of the Group's total purchase.

At no time during the year did a director, an associate of a director or a shareholder of the Company which to the knowledge of the directors, own more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest suppliers and customers.

獨立性確認

本公司已收到各獨立非執行董事按照聯交所證券上市規則（「上市規則」）第3.13條就其獨立性而提交之年度確認函。本公司認為，所有獨立非執行董事均屬獨立人士。

優先購買權

本公司之公司細則或百慕達法例並無有關本公司須按比例向現有股東發售新股份的優先購買權條文。

購買、出售或贖回本公司之上市證券

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

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：

- (1) 本集團向五大客戶及最大客戶所作出之銷售總額分別約佔本集團收入總額之69%及37%；
- (2) 本集團向五大供應商及最大供應商所作出之採購總額分別約佔本集團採購總額之70%及23%。

於年內任何時間，董事、其聯繫人或據董事所知擁有本公司已發行股本5%以上之本公司股東，概無擁有本集團任何五大供應商及客戶之實益權益。

Directors' Report

董事會報告書

CORPORATE GOVERNANCE

Save as disclosed in the Corporate Governance Report on pages 26 to 46 of this annual report, the Company has complied throughout the year with the Code on Corporate Governance Practices and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules which were then in force during the respective periods.

Detailed information on the Company's corporate governance practices is also set out in the Corporate Governance Report.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee having regard to the Company's operating results, individual performance and comparable market statistics.

The Group has a share option scheme under which the Company may grant share options to the participants, including directors and employees, to subscribe for shares of the Company, details of the scheme is set out in note 29 to the consolidated financial statements.

KEY RISKS AND UNCERTAINTIES

The Board acknowledges its responsibility for the effectiveness of the internal control and risk management systems of the Group, which are designed to manage the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement or loss.

企業管治

除本年報第26至46頁之企業管治報告書所披露者外，本公司於年內一直遵從於相關時期當時生效之上市規則附錄14所載之企業管治常規守則及企業管治守則。

本公司企業管治常規之詳細資料亦載於企業管治報告書內。

酬金政策

本集團之僱員酬金政策由薪酬委員會制定，以僱員之表現、資歷及才幹為基準。

本公司董事之酬金由薪酬委員會經考慮本公司之經營業績、個人表現及可資比較市場數據而釐定。

本集團設有一項購股權計劃，據此本公司可向董事及僱員等參與者授出購股權，以認購本公司股份，計劃詳情載於綜合財務報表附註29。

主要風險及不明朗因素

董事會知悉其維持本集團內部監控及風險管理系統有效性之責任。該等系統旨在管理未能達成業務目標之風險，並針對重大失實陳述或損失提供合理保證。

Directors' Report

董事會報告書

Business Risk

The Group's business risks include rapid change in the general market conditions, downturn pressure on the overall economy of the PRC and price competition from other market players. The Board is responsible for the overall management of the business and review of material business decisions involving material risks exposures from time to time.

Financial Risk

The Board monitors closely the Group's currency risk, interest rate risk, credit risk, and liquidity risk. The Board also reviews monthly management accounts, capital structure and key operating data of the Group.

Compliance Risk

The Board monitor and ensure that the Group is in compliance with the applicable laws, rules and regulations. The Group engages professionals from time to time to keep abreast of the latest developments in the regulatory environment, including legal, financial, environmental and operational developments. The Group also adopts a strict policy in prohibiting any unauthorised use or dissemination of confidential or inside information.

The Board has reviewed the effectiveness of the Group's internal control and risk management systems covering business, financial and compliance risks of the Group and is satisfied that such systems are effective and adequate for the current operations of the Group.

SOCIAL RESPONSIBILITIES AND SERVICES AND ENVIRONMENTAL POLICY

The Group is committed to the long-term sustainability of its businesses and the communities with which it engages. The Group pursues this business approach by managing its business prudently and executing management decisions with due care and attention. The Group keeps on reviewing environmental issues in its operations from time to time.

For details, please refer to section headed "Environmental, Social and Governance Report" on pages 47 to 59 of this annual report.

業務風險

本集團之業務風險包括整體市場狀況之急劇變化、中國整體經濟之下行壓力及其他市場對手之價格競爭。董事會負責業務整體管理及不時檢討涉及重大風險之重大業務決策。

財務風險

董事會密切監察本集團之貨幣風險、利率風險、信貸風險及流動資金風險。董事會亦審閱本集團之每月管理賬目、資本架構及主要營運數據。

合規風險

董事會監察並確保本集團遵守適用法律、規則及法規。本集團不時委聘專業人員以緊貼監管環境之最新發展，包括法律、財務、環境及營運發展。本集團亦採取嚴格政策，禁止任何未經授權使用或發佈機密資料或內幕消息。

董事會已審閱本集團內部監控及風險管理系統之有效性，涵蓋本集團之業務、財務及合規風險，並信納該等系統就本集團之現時營運而言屬有效及充足。

社會責任與服務及環境政策

本集團致力於業務及經營所在社區之長期可持續發展。本集團之業務經營方針為審慎管理業務並盡責專注地執行管理決策。本集團持續不時檢討其營運之環境事宜。

有關詳情請參閱本年報第47至59頁之「環境、社會及管治報告」一節。

Directors' Report

董事會報告書

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2018.

RELATED PARTY TRANSACTIONS

Details of related party transactions during the year ended 31 December 2018 are set out in note 37 of this annual report. The related party disclosures as set out in note 37 of this annual report do not fall under the definition of "connected transactions" or "continuing connected transactions" under Chapter 14A of the Listing Rules during the year ended 31 December 2018.

CONNECTED TRANSACTIONS

The connected transactions undertaken by the Group during the year ended 31 December 2018 are as follows:

1. On 10 May 2018, Chongqing Yuanjia Communication Equipment Company Limited ("Chongqing Yuanjia"), a 51% owned subsidiary of the Company, entered into the Purchase Agreement I with Chongqing Supplier I. Pursuant to the Purchase Agreement I, Chongqing Supplier I agreed to sell, and Chongqing Yuanjia agreed to purchase 53,000 mobile devices at the total consideration of RMB19.9 million (equivalent to approximately HK\$23.2 million). Completion of the Purchase Agreement I has taken place on 1 June 2018.

審核委員會審閱

審核委員會已審閱本集團採納之會計原則及政策，並與管理層討論本集團之風險管理、內部監控及財務申報事宜。審核委員會已審閱本集團截至二零一八年十二月三十一日止年度之經審核綜合財務報表。

關連人士交易

截至二零一八年十二月三十一日止年度之關連人士交易詳情載於本年報附註37。截至二零一八年十二月三十一日止年度，載於本年報附註37之關連人士披露事項並非上市規則第14A章項下界定之「關連交易」或「持續關連交易」。

關連交易

截至二零一八年十二月三十一日止年度，本集團進行之關連交易如下：

1. 於二零一八年五月十日，重慶遠嘉通信設備有限公司（「重慶遠嘉」）（本公司持有51%權益之附屬公司）與重慶供應商I訂立購買協議I。根據購買協議I，重慶供應商I同意出售而重慶遠嘉同意購買53,000台移動裝置，總代價為人民幣19,900,000元（相當於約23,200,000港元）。購買協議I已於二零一八年六月一日落實完成。

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2. On 15 June 2018, Chongqing Yuanjia entered into the Purchase Agreement II with Chongqing Supplier II. Pursuant to the Purchase Agreement II, Chongqing Supplier II agreed to sell, and Chongqing Yuanjia agreed to purchase 95,000 mobile devices at the total consideration of RMB50.4 million (equivalent to approximately HK\$58.8 million). Completion of the Purchase Agreement II has taken place on 15 June 2018.

CONTINUING CONNECTED TRANSACTIONS

On 20 July 2018, Chongqing Yuanjia and Chongqing Supplier I and Chongqing Supplier II entered into the Master Agreement, pursuant to which Chongqing Supplier I and Chongqing Supplier II agreed to, among other things, supply the mobile devices, and Chongqing Yuanjia agreed to be supplied the mobile devices for a term commencing on 20 July 2018 and ending on 31 December 2020 (both dates inclusive).

The principal terms of the Master Agreement are as below:

Date: 20 July 2018
Parties: Chongqing Supplier I and Chongqing Supplier II as sellers Chongqing Yuanjia as buyer
Duration: From 20 July 2018 to 31 December 2020

The following sets out the Proposed Annual Caps under the Master Agreement:

For the period from 20 July 2018 to 31 December 2018:	RMB60,000,000
For the year ending 31 December 2019:	RMB120,000,000
For the year ending 31 December 2020:	RMB120,000,000

2. 於二零一八年六月十五日，重慶遠嘉與重慶供應商II訂立購買協議II。根據購買協議II，重慶供應商II同意出售而重慶遠嘉同意購買95,000台移動裝置，總代價為人民幣50,400,000元（相當於約58,800,000港元）。購買協議II已於二零一八年六月十五日落實完成。

持續關連交易

於二零一八年七月二十日，重慶遠嘉與重慶供應商I及重慶供應商II訂立主協議，據此，重慶供應商I及重慶供應商II同意（其中包括）供應移動裝置，而重慶遠嘉同意獲供應移動裝置，為期自二零一八年七月二十日起至二零二零年十二月三十一日止（包括首尾兩日）。

主協議之主要條款如下：

日期：二零一八年七月二十日
訂約方：重慶供應商I及重慶供應商II
（作為賣方）重慶遠嘉（作為買方）
期限：二零一八年七月二十日至二零二零年十二月三十一日

下表載列主協議之建議年度上限：

二零一八年七月二十日至二零一八年十二月三十一日	期間：	人民幣60,000,000元
截至二零一九年十二月三十一日止年度：		人民幣120,000,000元
截至二零二零年十二月三十一日止年度：		人民幣120,000,000元

Directors' Report 董事會報告書

For the year ended 31 December 2018, the aggregate amount of the continuing connected transactions of purchase mobile phone by Chongqing Yuanjia from Chongqing Supplier II was approximately RMB385,000 including 16% value-added tax (equivalent to approximately HK\$459,000).

Chongqing Supplier I and Chongqing Supplier II have given credit period to Chongqing Yuanjia of 60 days after the issue of the value-added tax invoices, despite the usual credit period of less than 30 days in the mobile trading industry. Furthermore, Chongqing Supplier I and Chongqing Supplier II have given Chongqing Yuanjia the exclusive rights to distribute their own brand mobile devices nationwide in PRC exclusively.

The Directors (including the independent non-executive Directors) consider that the terms of the Master Agreement and the transactions contemplated thereunder are fair and reasonable, and it is in the interest of the Group and the Shareholders as a whole to enter into the Master Agreement and the transactions contemplated thereunder.

The Company has engaged the auditor of the Company to report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

截至二零一八年十二月三十一日止年度，重慶遠嘉向重慶供應商II購買移動電話之持續關連交易總額約為人民幣385,000元（包括16%的增值稅）（相等於約459,000港元）。

儘管移動裝置買賣行業之除賬期通常少於30日，惟重慶供應商I及重慶供應商II給予重慶遠嘉之除賬期為發出增值稅發票後60日。此外，重慶供應商I及重慶供應商II已給予重慶遠嘉獨家權利，在中國各地獨家分銷彼等之自家品牌移動裝置。

董事（包括獨立非執行董事）認為，主協議及據其擬進行之交易之條款屬公平合理，而訂立主協議及據其擬進行之交易符合本集團及股東整體之利益。

本公司已委聘本公司核數師根據香港核證委聘準則第3000號（經修訂）「審核或審閱歷史財務資料以外之核證委聘」並參考香港會計師公會頒佈之實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團之持續關連交易作出報告。核數師已根據上市規則第14A.56條發出無保留意見函件，當中載有其有關持續關連交易之發現及結論。本公司已向聯交所提供核數師函件副本。

Directors' Report 董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

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

EVENTS AFTER THE REPORTING PERIOD

No material significant events occurred after the reporting period.

AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

APPRECIATION

The Group would like to express its appreciation to all the staff for their outstanding contribution towards the Group's development. The Board wishes to sincerely thank the management for their dedication and diligence, and they are the key factors for the Group to continue its success in future. Also, the Group wishes to extend its gratitude for the continued support from its shareholders, customers, and business partners. The Group will continue to deliver sustainable business development, so as to meet its business objectives for 2019 and realise higher values for its shareholders and other stakeholders.

On behalf of the Board

Lau Siu Ying
CHAIRMAN

Hong Kong, 26 March 2019

足夠公眾持股量

本公司於截至二零一八年十二月三十一日止年度內一直維持足夠的公眾持股量。

申報期後事項

申報期後概無發生重大事項。

核數師

本公司將於股東週年大會上提呈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之決議案。

致謝

本集團謹此衷心感謝全體員工為本集團發展所付出的卓越貢獻。董事會在此對管理層勤懇的奉獻及付出致以衷心感謝，彼等為確保本集團未來取得持續成功的關鍵。此外，本集團亦對各股東、客戶及業務夥伴的持續支持深表謝意。本集團將繼續致力於業務的可持續增長，以達成其於二零一九年的業務目標，並為其股東及其他持份者實現更高價值。

代表董事會

劉小鷹
主席

香港，二零一九年三月二十六日

Independent Auditor's Report

獨立核數師報告



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

香港干諾道中111號
永安中心25樓

TO THE MEMBERS OF CHINA FORTUNE HOLDINGS LIMITED

中國長遠控股有限公司

(incorporated in Bermuda with limited liability)

致中國長遠控股有限公司列位股東

(於百慕達註冊成立之有限公司)

QUALIFIED OPINION

We have audited the consolidated financial statements of China Fortune Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 83 to 218, 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, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, 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 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.

保留意見

本核數師行已審核載列於第83至218頁中國長遠控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）之綜合財務報表，包括於二零一八年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，除本報告「保留意見之基準」一節所述事宜之可能影響外，綜合財務報表根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則真實而公允地反映 貴集團於二零一八年十二月三十一日之綜合財務狀況以及其於截至該日止年度之綜合財務表現及其綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR QUALIFIED OPINION

1. The mining activities related assets and liability

In our audit of the Group's consolidated financial statements for the year ended 31 December 2016, the Group's mining operating permit was expired during the year. Up to the date of our audit report of 30 March 2017, the Group was preparing for the application of renewal for a mining operating permit. There was no sufficient appropriate audit evidence for us to assess the appropriateness of the assumptions used by the directors in assessing the recoverable amounts of the Group's mining right and related plant and equipment, and the carrying amount of the related deferred tax liability ("the mining activities related assets and liability") as at 31 December 2016. Limitations on our work on the carrying amounts of the mining activities related assets and liability as at 31 December 2016 remained unresolved in our audit of the Group's consolidated financial statements for the year ended 31 December 2017. Any adjustment to the carrying amounts of the mining right and related plant and equipment as at 31 December 2016 would have consequential impact on their related impairment losses of HK\$174,589,000 and HK\$8,965,000 respectively recognised for the year ended 31 December 2017, and on the related deferred tax liability of HK\$41,116,000 fully derecognised for the year then ended. As a result, we were unable to satisfy ourselves as to whether the impairment losses recognised and the derecognition of the related deferred tax liability for the year ended 31 December 2017 were appropriately estimated.

Our audit opinion on the consolidated financial statements for the year ended 31 December 2018 is modified for the possible effect of our audit scope limitation in 2017 on the comparability of the related 2018 figures and the 2017 figures in the consolidated statement of comprehensive income for the year ended 31 December 2018.

保留意見之基準

1. 採礦業務相關資產及負債

於吾等對 貴集團截至二零一六年十二月三十一日止年度之綜合財務報表進行之審核中， 貴集團之採礦許可證已於該年度內屆滿。直至吾等之審核報告日期二零一七年三月三十日， 貴集團正準備申請重續採礦許可證。概無充分適當審核憑證供吾等評估董事於評估 貴集團於二零一六年十二月三十一日之採礦權及相關廠房及設備可收回金額及相關遞延稅項負債賬面值（「採礦業務相關資產及負債」）可收回金額時所用假設之適當性。吾等就採礦業務相關資產及負債於二零一六年十二月三十一日之賬面值進行工作之限制於吾等對 貴集團截至二零一七年十二月三十一日止年度之綜合財務報表進行之審核中仍未解決。對採礦權及相關廠房及設備於二零一六年十二月三十一日之賬面值作出任何調整將對截至二零一七年十二月三十一日止年度分別確認之相關減值虧損174,589,000港元及8,965,000港元以及悉數取消確認截至該日止年度之相關遞延稅項負債41,116,000港元構成相應影響。因此，吾等未能信納截至二零一七年十二月三十一日止年度就已確認之減值虧損及取消確認相關遞延稅項負債是否已妥為估計。

吾等對截至二零一八年十二月三十一日止年度之綜合財務報表發表非無保留審核意見，原因為吾等於二零一七年之審核範圍限制對截至二零一八年十二月三十一日止年度之綜合全面收入表內之相關二零一八年數字與二零一七年數字之可比性之可能影響。

Independent Auditor's Report 獨立核數師報告

2. Prepayments to suppliers

In our audit of the Group's consolidated financial statements for the year ended 31 December 2016, we were unable to obtain the financial information regarding two suppliers to assess the recoverability of the Group's prepayments to them amounted to HK\$33,688,000 at 31 December 2016. Impairment loss of HK\$24,903,000 on the aforesaid prepayments was recognised in profit or loss for the year ended 31 December 2017. Due to the limitation on our work as at 31 December 2016 as stated above remained unresolved in our audit of 2017 financial statements, any adjustment to the carrying amount of the prepayments as at 31 December 2016 would have consequential impact on the amount of impairment loss recognised in the year ended 31 December 2017. As a result, we were unable to satisfy ourselves as to whether the amount of impairment loss recognised for the year ended 31 December 2017 was appropriately estimated.

Our audit opinion on the consolidated financial statements for the year ended 31 December 2018 is modified for the possible effect of our audit scope limitation in 2017 on the comparability of the related 2018 figures and the 2017 figures in the consolidated statement of comprehensive income for the year ended 31 December 2018.

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

2. 向供應商支付之預付款項

於吾等對 貴集團截至二零一六年十二月三十一日止年度之綜合財務報表進行之審核中，吾等未能取得有關兩名供應商之財務資料以評估於二零一六年十二月三十一日 貴集團向其支付之預付款項 33,688,000 港元之可收回性。上述預付款項之減值虧損 24,903,000 港元於截至二零一七年十二月三十一日止年度之損益內確認。鑑於上文所述，吾等於二零一六年十二月三十一日之工作限制於吾等對二零一七年財務報表進行之審核中仍未解決，故對二零一六年十二月三十一日之預付款項賬面值作出之任何調整將對截至二零一七年十二月三十一日止年度確認之減值虧損金額構成相應影響。因此，吾等未能信納截至二零一七年十二月三十一日止年度確認之減值虧損金額是否已妥為估計。

吾等對截至二零一八年十二月三十一日止年度綜合財務報表發表非無保留審核意見，原因為吾等於二零一七年之審核範圍限制對截至二零一八年十二月三十一日止年度之綜合全面收入表內之相關二零一八年數字與二零一七年數字之可比性之可能影響。

吾等已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審核。吾等在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則（「守則」），吾等獨立於 貴集團，並已履行守則中的其他專業道德責任。吾等相信，吾等所獲得的審計憑證能充足及適當地為吾等的保留意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審核事項

關鍵審核事項為根據吾等的專業判斷，認為於吾等審核本期間之綜合財務報表時最為重要之事項。該等事項在吾等審核整體綜合財務報表及達致意見時進行處理。吾等不會對該等事項提供單獨意見。

Key audit matters

關鍵審核事項

How the matter was addressed in our audit

吾等之審核如何處理有關事項

Revenue recognition relating to sales of goods

有關貨品銷售之收益確認

Please refer to Notes 4 and 8 to the consolidated financial statements
請參閱綜合財務報表附註4及8

The Group's revenue was derived from sales of mobile phones.
貴集團之收益來自移動電話銷售。

Our procedures on the revenue recognition relating to sales of goods included:
吾等就有關貨品銷售之收益確認進行之程序包括：

- (i) Inspecting sales and purchase agreements, on a sample basis, to understand the terms of delivery and assess whether management recognised the related revenue in accordance with the Group's accounting policies, with reference to the requirements of the prevailing accounting standards;
- (i) 抽樣檢查買賣協議，以了解交付條款及評估管理層是否根據貴集團之會計政策並參考過往會計準則之規定確認有關收益；
- (ii) assessing, on a sample basis, whether sales transactions recorded during the financial year had been recognised properly by inspecting the transactions selected with relevant underlying documentations;
- (ii) 抽樣評估於財政年度入賬之銷售交易是否妥為確認，方式為以相關文件檢查所選定之交易；

Independent Auditor's Report

獨立核數師報告

Key audit matters

關鍵審核事項

Revenue recognition relating to sales of goods

有關貨品銷售之收益確認

Management inspected the contract terms and determined the amount of revenue recognised during the year is dependent on the point in time when control of the goods is transferred to the customer, generally when the goods are delivered to and the risks of obsolescence and loss have been transferred to customer.

管理層檢查合約條款，並釐定年內確認之收益金額是否視乎貨品轉讓予客戶之時間點（一般為貨品交付予客戶以及過時及損失之風險轉移至客戶時）而定。

We identified the recognition of revenue as a key audit matter because of its significance to the Group and errors in the recognition of revenue could have a material impact on the Group's results.

吾等將收益確認識別為關鍵審核事項乃由於其對 貴集團之重要性以及收益確認誤差可對 貴集團之業績造成重大影響。

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.

How the matter was addressed in our audit

吾等之審核如何處理有關事項

- (iii) assessing, on a sample basis, whether sales transactions before and after the financial year end had been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentations; and
- (iii) 抽樣評估財政年度末前後之銷售交易是否已於適當期間確認，方式為以相關文件比較所選定之交易；及
- (iv) reviewing if there are any significant adjustments to revenue during the reporting period, understanding the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentations.
- (iv) 審閱報告期內之收益有否作出任何重大調整，了解有關調整之理由，並以相關文件比較調整詳情。

年報內之其他資料

董事須對其他資料負責。其他資料包括 貴公司年報所載的資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

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。

Independent Auditor's Report 獨立核數師報告

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

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 Hong Kong Financial Reporting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinances 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 in this regard.

在吾等審核綜合財務報表時，吾等的責任為閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況存在重大不符，或可能存在重大錯誤陳述。倘基於吾等已進行之工作，吾等之結論為該等其他資料存在重大錯誤陳述，則吾等須報告有關事實。就此而言，吾等並無報告。

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》之披露規定編製，及真實公允地列報綜合財務報表，並落實其認為編製該等綜合財務報表所必要之內部監控，以使編製綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

於編製綜合財務報表時，董事須負責評估 貴集團持續經營之能力、披露（如適用）有關持續經營之事宜，並使用持續經營基準之會計處理方法，除非董事擬將 貴集團清盤或終止經營或除此以外別無實際可行之替代方案。

董事亦須負責監察 貴集團之財務報告程序。審核委員會則就此協助董事履行彼等之職責。

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

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

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

核數師就審核綜合財務報表須承擔之責任

吾等的目標為合理核證整體而言綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含審核意見的核數師報告。本報告僅根據吾等之委聘條款為閣下（作為整體）而編製，並無其他用途。吾等並不就本報告的內容對任何其他人士承擔任何義務或負上任何責任。

合理核證屬高層次的核證，但不能保證根據香港審計準則進行的審核工作總能發現所存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

吾等根據香港審計準則進行審核的工作之一為運用專業判斷，在整個審核過程中抱持職業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致重大錯誤陳述的風險，因應這些風險設計及執行審核程序，以及獲得充足及適當的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重大錯誤陳述的風險比未能發現由於錯誤而導致重大錯誤陳述的風險更高。
- 了解與審核有關的內部控制，以設計適合當時情況的審核程序，但並非旨在對貴集團內部監控的有效性發表意見。

Independent Auditor's Report 獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估所用會計政策是否恰當，以及董事所作出的會計估計和相關披露是否合理。
- 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，總結是否有可能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。倘若吾等總結認為有重大不確定因素，吾等須在核數師報告中提請注意綜合財務報表內的相關披露資料，或倘相關披露不足，則發表非無保留意見。吾等的結論是基於截至核數師報告日期所獲得的審核憑證。然而，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、架構和內容，以及綜合財務報表是否已公允地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恰當的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督和執行集團審核工作。吾等須為吾等的審核意見承擔全部責任。

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.

吾等就（其中包括）審核工作的計劃範圍和時間以及重大審核發現（包括吾等在審核過程中發現內部控制的任何重大缺失）與審核委員會進行溝通。

Independent Auditor's Report 獨立核數師報告

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

BDO Limited

Certified Public Accountants

Choi Man On

Practising Certificate Number: P02410
Hong Kong, 26 March 2019

吾等亦向審核委員會提供吾等已遵守有關獨立性之相關道德規定之聲明，並與審核委員會就可被合理視為會影響吾等獨立性之所有關係及其他事項以及（如適用）有關保障措施進行溝通。

就與董事溝通之事項而言，吾等釐定該等事項為於審核本期間之綜合財務報表時最重要之事項，因此為關鍵審核事項。除非法律或法規不允許公開披露有關事項，或在極罕見之情況下，吾等因合理預期有關溝通造成之負面後果會超過產生的公眾利益而決定不應在報告中溝通該事項，否則吾等會於核數師報告中描述該等事項。

香港立信德豪會計師事務所有限公司
執業會計師

蔡文安

執業證書號碼：P02410
香港，二零一九年三月二十六日

Consolidated Statement of Comprehensive Income

綜合全面收入表

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 HK\$'000 千港元	2017 HK\$'000 千港元
Revenue	收益	8	216,104	7,436
Cost of sales	銷售成本		(213,966)	(7,147)
Gross profit	毛利		2,138	289
Other income	其他收入		917	1,039
Other gains and losses	其他收益及虧損	9	22,984	(38,245)
Selling and distribution costs	銷售及分銷成本		(11)	(400)
Administrative expenses	行政費用		(14,928)	(14,718)
Finance costs	融資成本	10	-	(1,208)
Impairment loss recognised in respect of mining right	就採礦權確認之減值虧損		-	(174,589)
Share of results of associates	分佔聯營公司之業績	18	(647)	(6)
Profit/(loss) before income tax	除所得稅前溢利／(虧損)	12	10,453	(227,838)
Income tax (expense)/credit	所得稅(開支)／抵免	11	(148)	41,116
Profit/(loss) for the year	年度溢利／(虧損)		10,305	(186,722)
Other comprehensive income that may be subsequently transferred to profit or loss	其他全面收入，可於其後轉撥至損益			
Exchange differences arising on translation from functional currency to presentation currency	由功能貨幣換算成呈列貨幣而產生之匯兌差異		(80)	6,258
Total comprehensive income for the year	年度全面總收入		10,225	(180,464)
Profit/(loss) for the year attributable to:	應佔年度溢利／(虧損)：			
Owners of the Company	本公司擁有人		7,799	(111,714)
Non-controlling interests	非控制性權益		2,506	(75,008)
			10,305	(186,722)
Total comprehensive income for the year attributable to:	應佔年度全面總收入：			
Owners of the Company	本公司擁有人		5,916	(105,255)
Non-controlling interests	非控制性權益		4,309	(75,209)
			10,225	(180,464)
EARNINGS/(LOSS) PER SHARE	每股盈利／(虧損)			
Basic	基本	16	0.85 cents 仙	(12.25) cents 仙
Diluted	攤薄		0.85 cents 仙	N/A 不適用

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

	Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Non-current Assets 非流動資產			
Plant and equipment	17	5,709	42
Mining right	18	–	–
Investments in associates	19	498	1,145
Financial assets at fair value through profit or loss	20	5,350	–
Available-for-sale investments	20	–	2,449
Club memberships	21	877	888
		12,434	4,524
Current Assets 流動資產			
Inventories	22	95	2,098
Trade and other receivables			
	23	42,182	12,641
Amount due from an associate	37(a)	–	2,382
Amount due from a non-controlling shareholder of a subsidiary	24	3,435	3,616
Financial assets at fair value through profit or loss	20	536	–
Held-for-trading investments	20	–	1,251
Cash and cash equivalents	25	26,563	18,364
		72,811	40,352
Current Liabilities 流動負債			
Trade and other payables			
	26	39,039	25,804
Amount due to a related party	37(b)	6,493	165
Amounts due to non-controlling shareholders of subsidiaries	24	8,296	3,671
Tax payables		6,415	6,409
Other borrowings	27	–	14,878
		60,243	50,927
Net Current Assets/(Liabilities)		12,568	(10,575)
Total Assets less Current Liabilities		25,002	(6,051)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

		Notes	2018	2017
		附註	HK\$'000	HK\$'000
			千港元	千港元
Capital and Reserves	資本及儲備			
Share capital	股本	28	91,778	91,778
Reserves	儲備		(51,191)	(60,369)
Equity attributable to owners of the Company	本公司擁有人應佔權益		40,587	31,409
Non-controlling interests	非控制性權益		(33,151)	(37,460)
			7,436	(6,051)
Non-current Liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	30	–	–
Government grant	政府補助	31	5,700	–
Amount due to a related party	應付一名關連人士之款項	37(b)	11,866	–
			17,566	–
			25,002	(6,051)

On behalf of the Board

代表董事會

Mr. Lau Siu Ying
劉小鷹先生
CHAIRMAN
主席

Mr. Wang Yu
王愚先生
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

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Special reserve	Translation reserve	Statutory funds	Share option reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	特別儲備	換算儲備	法定基金	購股權儲備	其他儲備	累計虧損	總額	非控制性權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note i)	(Note i)	(Note ii)	(Note iii)	(Note iv)	(Note v)	(Note vi)	(Note vi)	(Note vi)	(Note vi)	(Note vi)
		(附註i)	(附註i)	(附註ii)	(附註iii)	(附註iv)	(附註v)	(附註vi)	(附註vi)	(附註vi)	(附註vi)	(附註vi)
At 1 January 2017	於二零一七年一月一日	83,206	395,962	2,481	62,370	30,132	991	-	(468,479)	106,663	37,749	144,412
Loss for the year	年度虧損	-	-	-	-	-	-	-	(111,714)	(111,714)	(75,008)	(186,722)
Exchange differences arising on translation from functional currency to presentation currency	由功能貨幣換算至呈列貨幣而產生之匯兌差異	-	-	-	6,459	-	-	-	-	6,459	(201)	6,258
Total comprehensive income for the year	年度全面總收入	-	-	-	6,459	-	-	-	(111,714)	(105,255)	(75,209)	(180,464)
Issue of ordinary shares (Note 28)	發行普通股 (附註28)	8,572	21,429	-	-	-	-	-	-	30,001	-	30,001
At 31 December 2017	於二零一七年十二月三十一日	91,778	417,391	2,481	68,829	30,132	991	-	(580,193)	31,409	(37,460)	(6,051)
At 1 January 2018 as originally presented	於二零一八年一月一日 (按原先呈列)	91,778	417,391	2,481	68,829	30,132	991	-	(580,193)	31,409	(37,460)	(6,051)
Initial application of HKFRS 9 (Note 2a)	首次應用香港財務報告準則第9號 (附註2a)	-	-	-	79	-	-	-	1,369	1,448	-	1,448
Restated at 1 January 2018	於二零一八年一月一日重列	91,778	417,391	2,481	68,908	30,132	991	-	(578,824)	32,857	(37,460)	(4,603)
Profit for the year	年度溢利	-	-	-	-	-	-	-	7,799	7,799	2,506	10,305
Exchange differences arising on translation from functional currency to presentation currency	由功能貨幣換算至呈列貨幣而產生之匯兌差異	-	-	-	(1,883)	-	-	-	-	(1,883)	1,803	(80)
Total comprehensive income for the year	年度全面總收入	-	-	-	(1,883)	-	-	-	7,799	5,916	4,309	10,225
Imputed interest on the loan from a related party (Note 37(b)(ii))	來自一名關連人士之貸款之估算利息 (附註37(b)(ii))	-	-	-	-	-	-	1,814	-	1,814	-	1,814
Lapse of share options (Note 29)	購股權失效 (附註29)	-	-	-	-	-	(991)	-	991	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	91,778	417,391	2,481	67,025	30,132	-	1,814	(570,034)	40,587	(33,151)	7,436

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

Notes:

- (i) The share premium represents the amount subscribed for share capital in excess of nominal value.
- (ii) The special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for their acquisition at the time of the group reorganisation in 1999.
- (iii) The translation reserve represents gains/losses arising on retranslating the net assets/liabilities of foreign operations into presentation currency.
- (iv) The statutory funds are required by the relevant laws applicable to the Group's subsidiaries established in the People's Republic of China (the "PRC") and can be utilised to offset the prior years' losses of the PRC subsidiaries.
- (v) The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in Note 4 to the consolidated financial statements.
- (vi) Other reserve represents the imputed interest portion calculated by the effective interest method on the loan from a related party which was provided on interest-free.

附註：

- (i) 股份溢價指認購股本金額超出面值之款項。
- (ii) 特別儲備指所收購附屬公司之股份面值與本公司於一九九九年進行集團重組時就收購所發行之股份面值間之差額。
- (iii) 換算儲備指因海外業務之資產／負債淨額重新換算為呈列貨幣而產生之收益／虧損。
- (iv) 法定基金指適用於本集團在中華人民共和國（「中國」）成立之附屬公司之有關法例所規定之儲備，並可用於抵銷該等中國附屬公司過往年度之虧損。
- (v) 購股權儲備包括已授出但尚未行使之購股權之公平值，詳情於綜合財務報表附註4就以股份為基礎付款之交易之會計政策進一步闡述。
- (vi) 其他儲備指就免息提供之來自一名關連人士之貸款以實際利率法計算之估算利息部分。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit/(loss) before income tax	除所得稅前溢利／(虧損)	10,453	(227,838)
Adjustments for:	調整：		
Interest expenses	利息開支	-	1,207
Interest income	利息收入	(45)	(156)
Fair value loss on held-for-trading investments	持作買賣投資之公平值虧損	-	102
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之公平值虧損	519	-
Impairment loss recognised in respect of mining right	就採礦權確認之減值虧損	-	174,589
Impairment loss recognised in respect of inventories	就存貨確認之減值虧損	1,221	-
Impairment loss recognised in respect of prepayments paid to suppliers	就向供應商支付之預付款項確認之減值虧損	-	24,903
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損	23	1,627
Impairment loss recognised in respect of available-for-sale investments	就可供出售投資確認之減值虧損	-	2,614
Impairment loss recognised in respect of plant and equipment	就廠房及設備確認之減值虧損	-	8,965
Reversal of impairment loss recognised in respect of prepayment paid to a supplier	就向一名供應商支付之預付款項確認之減值虧損撥回	(363)	-
Share of results of associates	分佔聯營公司之業績	647	6
Recovery of bad debts	收回壞賬	(14,083)	-
Recovery of write down of inventories	存貨撇減撥回	(155)	(516)
Write back of trade payables	應付貿易賬款撇回	(3)	-
Write back of interest payables	應付利息撇回	(11,922)	-
Depreciation of plant and equipment	廠房及設備之折舊	211	331
Loss on disposal of plant and equipment	出售廠房及設備虧損	-	37

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量		
Decrease/(increase) in inventories	存貨減少／(增加)	(13,497)	(14,129)
(Increase)/decrease in trade and other receivables	應收貿易賬款及其他應收賬款 (增加)／減少	882	(385)
Increase/(decrease) in trade and other payables	應付貿易賬款及其他應付賬款 增加／(減少)	(29,706)	1,086
Tax paid	已繳稅項	25,267	(13,267)
		(47)	-
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(17,101)	(26,695)
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	45	156
Net cash inflow for acquisition of a subsidiary	收購一間附屬公司之現金流入淨額	260	-
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之財務資產	(1,550)	-
Proceed from disposal of plant and equipment	出售廠房及設備所得款項	-	6
Purchase of plant and equipment	購買廠房及設備	(13)	(6)
Decrease/(increase) in amount due from an associate	應收一間聯營公司款項 減少／(增加)	2,382	(2,382)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	投資活動所得／(所用)現金淨額	1,124	(2,226)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
Increase in amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控制性股東之款項增加	4,809	419
Advance from a related party	來自一名關連人士之墊款	34,145	-
Repayment to a related party	償還一名關連人士之款項	(14,291)	(1,131)
Proceeds from issue of ordinary shares	發行普通股所得款項	-	30,001
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得現金淨額	24,663	29,289
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	8,686	368
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初之現金及現金等價物	18,364	16,000
Effect of foreign exchange rate changes	匯率變動之影響	(487)	1,996
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等價物	26,563	18,364
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結存	26,563	18,364

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL

The Company is an exempted company with limited liability incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended). The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate holding company is Future 2000 Limited, a company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The functional currency of the Company is Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) for the convenience of the shareholders, as the Company is listed in Hong Kong.

The Company is an investment holding company. The principal activities of the Group are distribution and trading of mobile phones and related accessories, development of marketing and after-sales service network and mining and processing of celestite, zinc and lead minerals. The activities of its principal subsidiaries and principal associates are set out in Notes 41 and 42 to the consolidated financial statements, respectively.

1. 一般事項

本公司為根據百慕達一九八一年公司法（經修訂）在百慕達註冊成立之受豁免有限公司。本公司之股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之母公司及最終控股公司為於英屬處女群島註冊成立之公司Future 2000 Limited。本公司之註冊辦事處及主要營業地點之地址在年報「公司資料」一節內披露。

本公司之功能貨幣為人民幣（「人民幣」）。由於本公司乃於香港上市，為方便股東，綜合財務報表會以港元（「港元」）呈列。

本公司為投資控股公司。本集團之主要業務為分銷及買賣移動電話及相關配件、發展市場推廣及售後服務網絡，以及天青石、鋅及鉛礦石的開採及加工業務。其主要附屬公司及主要聯營公司之業務分別載於綜合財務報表附註41及42。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(a) Adoption of new/revised HKFRSs – effective on 1 January 2018

The Group has adopted the following amendments to HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018.

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)

2. 採用香港財務報告準則（「香港財務報告準則」）

(a) 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

本集團已採納香港會計師公會（「香港會計師公會」）頒佈之下列香港財務報告準則（包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）之修訂，該等修訂與其業務有關及於二零一八年一月一日或之後開始之年度期間生效。

二零一四年至二零一六年週期香港財務報告準則之年度改進	香港財務報告準則第1號之修訂，首次採納香港財務報告準則
二零一四年至二零一六年週期香港財務報告準則之年度改進	香港會計準則第28號之修訂，於聯營公司及合營企業之投資
香港財務報告準則第2號之修訂	以股份為基礎付款交易之分類及計量
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約收益
香港財務報告準則第15號之修訂	來自客戶合約收益（香港財務報告準則第15號之澄清）

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, removing transition provision exemptions relating to accounting periods that had already passed and were therefore no longer applicable.

The adoption of these amendments has no impact on these financial statements as the periods to which the transition provision exemptions related have passed.

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKAS 28, Investments in Associates and Joint Ventures

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 28, Investments in Associates and Joint Ventures, clarifying that a Venture Capital organisation’s permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

The adoption of these amendments has no impact on these financial statements as the Group is not a venture capital organisation.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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）

二零一四年至二零一六年週期香港財務報告準則之年度改進—香港財務報告準則第1號之修訂，首次採納香港財務報告準則

根據年度改進過程頒佈的該等修訂對現時並不明確的多項準則作出微細及不急切的修改。其中包括對香港財務報告準則第1號之修訂，首次採用香港財務報告準則，該修訂刪去了與已結束因而不適用會計期間有關之過渡條文豁免。

採納該等修訂並無對該等財務報表構成影響，原因為與過渡條文豁免有關的期間已經結束。

二零一四年至二零一六年週期香港財務報告準則之年度改進—香港會計準則第28號之修訂，於聯營公司及合營企業之投資

根據年度改進過程頒佈的該等修訂對現時並不明確的多項準則作出微細及不急切的修改。其中包括對香港會計準則第28號，於聯營公司及合營公司投資之修訂，該修訂澄清風險資本機構可選擇按公平值計量聯營公司或合營企業時，可對每間聯營公司或合營企業分別作出有關選擇。

採納該等修訂並無對該等財務報表構成影響，原因為本集團並非風險資本機構。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

Amendments to HKFRS 2 – Classification and Measurement of Share-based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The adoption of these amendments has no impact on these financial statements as the Group does not have any cash-settled share-based payment transaction and has no share-based payment transaction with net settlement features for withholding tax.

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.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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2號之修訂—以股份為基礎付款交易之分類及計量

有關修訂訂明歸屬及非歸屬條件對現金結算以股份為基礎付款之計量的影響；因預扣稅責任具有淨額結算特徵之以股份為基礎付款交易；以及使交易類別由現金結算變更為權益結算以股份為基礎付款條款及條件之修訂之會計處理規定。

採納該等修訂並無對該等財務報表構成影響，原因為本集團並無任何現金結算之以股份為基礎付款之交易，亦無以股份為基礎付款之交易就預扣稅而言具有淨額結算特性。

香港財務報告準則第9號—金融工具

(i) 金融工具之分類及計量

香港財務報告準則第9號於二零一八年一月一日或以後開始之年度期間取代香港會計準則第39號金融工具：確認及計量，滙集金融工具會計之所有三個方面：(1) 分類及計量；(2) 減值及(3) 對沖會計。於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出現變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(a) Adoption of new/revised HKFRSs – effective on 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 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 and derivative financial instruments. The impact of HKFRS 9 on the Group’s classification and measurement of financial assets is set out below.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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) 金融工具之分類及計量（續）

香港財務報告準則第9號延續香港會計準則第39號項下財務負債之確認、分類及計量規定，惟指定為按公平值計入損益（「按公平值計入損益」）之財務負債除外，而負債信貸風險變動引致之公平值變動金額於其他全面收入確認，除非會產生或擴大會計錯配則作別論。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之規定。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之香港會計準則第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及衍生金融工具之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之影響載列如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(a) Adoption of new/revised HKFRSs – effective on 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 assets at amortised cost (“amortised costs”); (ii) financial assets 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. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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) 金融工具之分類及計量（續）

根據香港財務報告準則第9號，除若干應收貿易賬款（應收貿易賬款不包括根據香港財務報告準則第15號之重大融資部分）外，實體於初步確認時須按公平值加交易成本（倘為並非按公平值計入損益之財務資產）計量財務資產。財務資產分類為：(i)按攤銷成本（「攤銷成本」）計量之財務資產；(ii)按公平值計入其他全面收入（「按公平值計入其他全面收入」）之財務資產；或(iii)按公平值計入損益。根據香港財務報告準則第9號，財務資產之分類一般基於兩個準則：(i)管理財務資產所依據之業務模式及(ii)其合約現金流量特徵（「僅為本金及利息付款」準則，亦稱為「僅為本金及利息付款標準」）。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 Consolidated Financial Statements

綜合財務報表附註

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

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

(a) Adoption of new/revised HKFRSs – effective on 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 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 be 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. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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) 金融工具之分類及計量（續）

當財務資產同時符合以下條件，且並無指定按公平值計入損益，則該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之業務模式所持有；及
- 該財務資產之合約條款於特定日期產生現金流量，而該現金流量符合僅為本金及利息付款標準。

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

- 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之業務模式所持有；及
- 該財務資產之合約條款於特定日期產生現金流量，而該現金流量符合僅為本金及利息付款標準。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(a) Adoption of new/revised HKFRSs – effective on 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.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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) 金融工具之分類及計量（續）

於初次確認並非持作買賣用途之股本投資時，本集團可不可撤回地選擇於其他全面收入中呈列投資公平值之後續變動。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入之財務資產，均分類為按公平值計入損益。此包括所有衍生財務資產。於初次確認時，本集團可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入之規定）為按公平值計入損益，前提為有關指定可消除或大幅減少會計錯配發生。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 9 – Financial Instruments (Continued)

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

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

FVTPL FVTPL is subsequently measured at fair value. Changes in fair value, dividends and interest income are recognised in profit or loss.

Amortised costs 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. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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) 金融工具之分類及計量（續）

以下會計政策將適用於本集團之財務資產：

按公平值計入損益 按公平值計入損益其後按公平值計量。公平值變動、股息及利息收入均於損益確認。

攤銷成本 按攤銷成本計量之財務資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益確認。終止確認之任何收益於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(a) Adoption of new/revised HKFRSs – effective on 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 as at 1 January 2018 under HKAS 39 根據香港會計準則第39號 於二零一八年一月一日 之賬面值 HK\$'000 千港元	Carrying amount as at 1 January 2018 under HKFRS 9 根據香港財務報告準則第9號 於二零一八年一月一日 之賬面值 HK\$'000 千港元
Trade and other receivables 應收貿易賬款及其他應收賬款	Loans and receivables 貸款及應收賬款	Amortised cost 攤銷成本	12,641	12,641
Amount due from an associate 應收一間聯營公司之款項	Loans and receivables 貸款及應收賬款	Amortised cost 攤銷成本	2,382	2,382
Amount due from a non-controlling shareholder of a subsidiary 應收一間附屬公司一名非控制性股東之款項	Loans and receivables 貸款及應收賬款	Amortised cost 攤銷成本	3,616	3,616
Available-for-sales investments (“Unlisted investments”) 可供出售投資（「非上市投資」）	Available-for-sales investments (note a) 可供出售投資（附註a）	Financial assets at fair value through profit or loss 按公平值計入損益之財務資產	2,449	3,897
Held-for trading investments (“Listed equity investments”) 持作買賣投資（「上市股權投資」）	Held-for trading investments 持作買賣投資	Financial assets at fair value through profit or loss 按公平值計入損益之財務資產	1,251	1,251

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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) 金融工具之分類及計量（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號之新計量類別：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 9 – Financial Instruments (Continued)

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

Note (a):

The balance included unlisted investments of HK\$2,449,000 as at 1 January 2018. At the date of initial application of HKFRS 9, the unlisted investments were reclassified from available-for-sale investments at fair value to financial assets at FVTPL. The investments are not held for trading, but the Group has nevertheless not elected to recognise fair value gains and losses through other comprehensive income. The net fair value gain of HK\$1,369,000 and the exchange difference of HK\$79,000 relating to the investments were reclassified to accumulated losses and translation reserve on 1 January 2018 respectively.

The measurement categories for all financial liabilities remain the same for the Group, the carrying amounts for all liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

(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 (“ECLs”) model”. HKFRS 9 requires the Group to recognised ECL for trade receivables and financial assets at amortised costs earlier than HKAS 39. Cash and cash equivalents are subject to ECL model but the impairment is immaterial for the current period.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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) 金融工具之分類及計量（續）

附註(a)：

該結餘包括於二零一八年一月一日之非上市投資2,449,000港元。於首次採納香港財務報告準則第9號當日，非上市投資由按公平值計量之可供出售投資被重新分類為按公平值計入損益之財務資產。該等投資並非持作買賣，惟本集團仍選擇不於其他全面收入確認公平值收益及虧損。有關該等投資之公平值收益淨額1,369,000港元及匯兌差異79,000港元已分別於二零一八年一月一日重新分類至累計虧損及換算儲備。

本集團所有財務負債之計量分類維持不變，所有負債於二零一八年一月一日之賬面值並無受首次採納香港財務報告準則第9號影響。

(ii) 財務資產減值

採納香港財務報告準則第9號更改本集團之減值模式，將香港會計準則第39號「已產生虧損模式」取代為「預期信貸虧損（「預期信貸虧損」）模式」。香港財務報告準則第9號規定本集團早於香港會計準則第39號就應收貿易賬款及按攤銷成本計量之財務資產確認預期信貸虧損。現金及現金等價物須受預期信貸虧損模式所限，惟減值對本期間而言並不重大。

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綜合財務報表附註

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

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

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

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

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

The Group has elected to measure loss allowances for trade 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.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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）

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個月之預期信貸虧損：其為於報告日期後12個月內發生之可能違約事件導致之預期信貸虧損；及(2)全期預期信貸虧損：其為於金融工具預計年內所有可能之違約事件將產生之預期信貸虧損。

預期信貸虧損之計量

預期信貸虧損乃基於根據合約應付之合約現金流量與本集團預期收取之所有現金流量之間之差額計算。該差額其後按資產原有實際利率相近之差額貼現。

本集團已選用香港財務報告準則第9號簡化法將應收貿易賬款之虧損撥備進行計量，並已根據全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之撥備矩陣，並按與債務人相關之前瞻性因素及經濟環境調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Measurement of ECLs (Continued)

For other debt financial assets, the ECLs are based on the 12-months ECLs. The 12-months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating 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.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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）

預期信貸虧損之計量（續）

就其他債務財務資產而言，預期信貸虧損以12個月之預期信貸虧損計算。12個月之預期信貸虧損為全期預期信貸虧損之一部份，其源自可能在報告日期後之12個月內發生之金融工具違約事件。然而，自發生以來信貸風險顯著增加時，撥備將以全期預期信貸虧損為基準。當釐定財務資產之信貸風險是否自初步確認後大幅增加，並於估計預期信貸虧損時，本集團考慮到相關及無須付出過多成本或努力後即可獲得之合理及可靠資料。此包括根據本集團之過往經驗及已知信貸評估得出定量及定性之資料及分析，並包括前瞻性資料。

本集團假設，倘逾期超過90日，財務資產之信貸風險已大幅增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Measurement of ECLs (Continued)

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 365 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.

Management has concluded that neither the new requirements related to the classification and measurement nor the requirements related to impairment have any impact on the consolidated financial statements of the Company.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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）

預期信貸虧損之計量（續）

本集團認為財務資產於下列情況下為違約：(1) 借款人不可能在本集團無追索權（例如：變現擔保）（如持有）下向本集團悉數支付其信貸義務；或(2) 該財務資產逾期超過365日。

於估計預期信貸虧損時所考慮之最長期間為本集團面臨信貸風險之最長合約期間。

預期信貸虧損之呈列

按攤銷成本計量之財務資產之虧損撥備從資產之賬面總額中扣除。

管理層釐定，有關分類及計量之新規定及有關減值之規定對本公司綜合財務報表並無任何影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Impairment of the ECLs model

a) Impairment of trade receivables

The Group applies the HKFRS 9 simplified approach to measure ECLs which adopts a life time ECLs for all trade receivables and contract assets. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and invoice day aging. On that basis, the loss allowance as at 1 January 2018 was determined as follows:

Not past due	未逾期
Less than 1 month past due	逾期少於1個月
1 to 3 months past due	逾期1至3個月
3 to 6 months past due	逾期3至6個月
6 to 12 months past due	逾期6至12個月
Over 12 months past due	逾期超過12個月

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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）

預期信貸虧損模式之減值

a) 應收貿易賬款之減值

本集團應用香港財務報告準則第9號簡化方式計量預期信貸虧損，即就所有應收貿易賬款及合約資產採納全期預期信貸虧損。應收貿易賬款已根據共同信貸風險之特質以及發票日期賬齡分類，以計量預期信貸虧損。在此基準下，於二零一八年一月一日之虧損撥備釐定如下：

Expected loss rate 預期虧損率 (%)	Gross carrying amount 總賬面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
0.151%	–	–
0.154%	3	–
0.208%	9	–
0.649%	1	–
27.423%	–	–
100.00%	14,135	14,135
	<u>14,148</u>	<u>14,135</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Impairment of the ECLs model (Continued)

a) Impairment of trade receivables (Continued)

Under HKAS 39, the Group has made a provision for impairment loss of trade receivables amounting to HK\$14,135,000 as at 31 December 2017. After applying the expected credit loss rate to gross amount of trade receivables, the management considered that the HKFRS 9 has no significant financial effect on the provision of impairment loss of financial assets recognised in the consolidated financial statements.

b) Impairment of amounts due from a non-controlling shareholder and an associate

The balances are considered to be low risk as the borrowers are considered to be low risk of default and to have a strong capacity to meet its obligations, and therefore the impairment provision is determined based on 12 months expected credit losses. After applying the expected credit loss model, the management considered that no additional impairment provision as at 1 January 2018 is recognised as the additional loss allowance for these financial instruments was immaterial.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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）

預期信貸虧損模式之減值（續）

a) 應收貿易賬款之減值（續）

根據香港會計準則第39號，本集團已於二零一七年十二月三十一日就應收貿易賬款作出14,135,000港元之減值虧損撥備。於對應收貿易賬款總額應用預期信貸虧損率後，管理層認為，香港財務報告準則第9號對綜合財務報表中確認之財務資產減值虧損撥備並無重大財務影響。

b) 應收非控制性股東及一間聯營公司款項之減值

由於借款人被視為擁有低違約風險並具有充分履行其責任之能力，故該等結餘被視為具低風險，因此減值撥備乃根據12個月預期信貸虧損釐定。於應用預期信貸虧損模式後，管理層認為，由於該等金融工具之額外虧損撥備並不重大，故於二零一八年一月一日並無確認額外減值撥備。

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綜合財務報表附註

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

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

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

HKFRS 9 – Financial Instruments (Continued)

(ii) Impairment of financial assets (Continued)

Impairment of the ECLs model (Continued)

c) Impairment of other receivables

The balances are considered to be low risk as the borrowers are considered to have a strong capacity to meet their obligation, and therefore the impairment provision is determined based on 12 months expected credit losses. After applying the expected credit loss model, the management considered that no additional impairment provision as at 1 January 2018 is recognised as the additional loss allowance for these financial instruments was immaterial.

Hedge accounting

Hedge accounting under HKFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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）

預期信貸虧損模式之減值（續）

c) 其他應收賬款之減值

該等結餘被視為屬低風險，原因為借款人被視為具有充分履行其責任之能力，因此，減值撥備乃根據12個月預期信貸虧損而釐定。於應用預期信貸虧損模型後，管理層認為，於二零一八年一月一日並無確認額外減值撥備，原因為該等金融工具之額外虧損撥備並不重大。

對沖會計處理

香港財務報告準則第9號項下之對沖會計處理對本集團並無影響，此乃由於本集團並無在其對沖關係中應用對沖會計處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(a) Adoption of new/revised HKFRSs – effective on 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 reclassifications and 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 accumulated losses 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.

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

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

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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號之過渡性條文，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之重新分類及調整並無於二零一七年十二月三十一日之財務狀況表中反映，惟於二零一八年一月一日之財務狀況表中確認。其指於二零一八年一月一日採納香港財務報告準則第9號產生之財務資產及財務負債之賬面值差額於累計虧損及儲備中確認。因此，二零一七年呈列之資料並不反映香港財務報告準則第9號之規定，惟反映香港會計準則第39號之規定。

以下評估乃根據香港財務報告準則第9號初次應用日期（「初次應用日期」）存在之事實及情況而作出：

- 釐定持有財務資產之業務模式；
- 指定若干財務資產及財務負債按公平值計入損益計量及撤銷原來指定按公平值計入損益計量之若干財務資產及財務負債；及
- 指定並非持有作買賣之股本投資之若干投資為按公平值列入其他全面收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 9 – Financial Instruments (Continued)

(iii) Transition (Continued)

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

HKFRS 15 – Revenue from Contracts with Customers

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 accumulated losses at the date of initial application (that is, 1 January 2018). As a result, the financial information presented for 2017 has not been restated.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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（續）

倘於債務之投資在初次應用日期具有較低之信貸風險，則本集團已假設該資產之信貸風險自其初次確認起並無顯著增加。

香港財務報告準則第15號—來自客戶合約收益

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號已設立五個步驟模型，以將客戶合約所產生收益入賬。根據香港財務報告準則第15號，收益乃按反映實體預期轉移商品及服務予客戶所得代價之金額確認。

本集團已採用累計影響法（並無可行權宜方法）採納香港財務報告準則第15號。本集團已於初次應用日期（即二零一八年一月一日）將初次應用香港財務報告準則第15號之累計影響確認為對累計虧損期初結餘之調整。因此，並無重列二零一七年呈列之財務資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 15 – Revenue from Contracts with Customers (Continued)

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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—來自客戶合約收益（續）

該新準則設立單一收益確認框架。框架之核心原則為實體應確認收益，以說明反映實體預期交換商品及服務所得代價之向客戶轉讓所承諾商品或服務之金額。

香港財務報告準則第15號規定收益確認所應用之五個步驟：

- 第1步： 識別與客戶所訂立之合約
- 第2步： 識別合約之履約責任
- 第3步： 釐定交易價格
- 第4步： 分配交易價格至各履約責任
- 第5步： 於履行各履約責任時確認收益

香港財務報告準則第15號包括對與可能改變目前根據香港財務報告準則採取之方式之特定收益相關事宜之特定指引。該準則亦顯著加強有關收益之定性及定量披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 15 – Revenue from Contracts with Customers (Continued)

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised goods or services in the contract. HKFRS 15 identifies 3 situations in which control of the promised goods or services is regarded as being transferred over time:

- when the customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs;
- when the entity’s performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- when the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity’s activities do not fall into any of these 3 situations, then under HKFRS 15, the entity recognises revenue for the sale of that goods or services at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

Otherwise, the revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation if control of the goods or services transfers over time.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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—來自客戶合約收益（續）

根據香港財務報告準則第15號，收益於客戶獲得合約承諾貨品或服務之控制權時確認。香港財務報告準則第15號識別3種承諾貨品或服務之控制權被視為隨時間轉移之情況：

- 當客戶於實體履約時同時接收及使用實體履約所提供之利益時；
- 當實體履約創造或提升一項於創造或提升資產時由客戶控制之資產（如在建工程）時；或
- 當實體履約並無創造可供實體替代使用之一項資產，且該實體對於迄今已完成之履約付款具可強制執行權時。

倘合約條款及實體業務不屬於任何該3種情況，則根據香港財務報告準則第15號，實體於某一指定時間點（即控制權轉移時）就銷售貨品或服務確認收益。擁有權風險及回報之轉移僅為於釐定控制權轉移何時發生時考慮之其中一項指標。

否則，倘貨品或服務之控制權乃隨時間轉移，則收益參考完成履行履約責任之進度於合約期間確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 15 – Revenue from Contracts with Customers (Continued)

Based on the current assessment of the Group, the adoption of HKFRS 15 has no material impact on the timing and amounts of revenue recognised for contracts with customers. Details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group’s mobile phone business are set out below:

Product/service	Nature of the goods or services, satisfaction of performance obligations and payment terms
產品／服務	貨品或服務性質、履行履約責任及付款條款
Trading of mobile phones 移動電話貿易	Revenue from trading of mobile phones is recognised at the point in time when control of the products is transferred to the customer, generally when the products are delivered to and the risks of obsolescence and loss have been transferred to customer. There is generally only one performance obligation. Invoices are usually payable within 60 days. 來自移動電話貿易之收益於產品控制權轉移至客戶之時間點確認，一般為當產品交付予客戶以及報廢及虧損風險轉移予客戶時。一般僅有一項履約責任。賬單一般於60日內支付。

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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—來自客戶合約收益（續）

根據本集團目前之評估，採納香港財務報告準則第15號不會對來自客戶合約收益之確認時間及金額造成重大影響。有關本集團移動電話業務之新主要會計政策及對先前會計政策之變動性質載列如下：

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

於二零一八年一月一日之會計政策變動性質及影響

Impact

Under HKAS 18, revenue from trading of mobile phones is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer. Under HKFRS 15, revenue is recognised when the products are delivered to and the risks of obsolescence and loss have been transferred to customer.

根據香港會計準則第18號，來自移動電話貿易之收益於貨品擁有權之重大風險及回報已轉移至買方時確認。根據香港財務報告準則第15號，收益於產品交付予客戶以及報廢及虧損風險轉移予客戶時確認。

Therefore, HKFRS 15 did not result in significant impact on the Group’s accounting policies on revenue of trading mobile phones.

因此，香港財務報告準則第15號並無對本集團有關移動電話貿易之收益之會計政策造成重大影響。

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綜合財務報表附註

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

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

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

Amendments to 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.

Revenue for trading of mobile phones generally includes only one performance obligation. The Group has concluded that revenue from trading of mobile phones should be recognised at the point in time when control of the products is transferred to the customer, generally when the products are delivered to and the risks of obsolescence and loss have been transferred to customer.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 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號之修訂—來自客戶合約收益（香港財務報告準則第15號之澄清）

香港財務報告準則第15號之修訂包括澄清對履行義務的辨別；應用委託人及代理人；知識產權許可；及過渡規定。

由於本集團先前並無採納香港財務報告準則第15號，並於本年度首次採納有關澄清，故採納該等修訂對該等財務報表並無任何影響。

移動電話貿易之收益一般僅包括一項履約責任。本集團已釐定，移動電話貿易之收益應於產品之控制權轉移至客戶之時間點確認，一般而言，其乃產品交付予客戶且報廢及虧損之風險已轉移予客戶時。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

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

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 ¹
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
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

以下已頒佈之新訂／經修訂香港財務報告準則可能與本集團之財務報表有關，但尚未生效及未獲本集團提早採納。本集團現擬於其生效日期應用該等變動。

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	所得稅處理的不確定性 ¹
香港財務報告準則第9號之修訂	具有負補償之預付款項特性 ¹
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益 ¹
二零一五年至二零一七年週期香港財務報告準則之年度改進	香港財務報告準則第3號，業務合併之修訂 ¹
二零一五年至二零一七年週期香港財務報告準則之年度改進	香港財務報告準則第11號，共同安排之修訂 ¹
二零一五年至二零一七年週期香港財務報告準則之年度改進	香港會計準則第12號，所得稅之修訂 ¹
二零一五年至二零一七年週期香港財務報告準則之年度改進	香港會計準則第23號，借貸成本之修訂 ¹
香港財務報告準則第3號之修訂	業務之定義 ²
香港會計準則第1號及香港會計準則第8號之修訂	重大之定義 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間資產出售或注入 ³

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綜合財務報表附註

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

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

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ 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 continues to be permitted.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretation, 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 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.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

- ¹ 於二零一九年一月一日或之後開始之年度期間生效
- ² 於二零二零年一月一日或之後開始之年度期間生效
- ³ 該等修訂原定於二零一七年一月一日或之後開始之期間生效。生效日期現已被延遲／移除。提早應用該等修訂繼續獲准許。

香港財務報告準則第16號－租賃

香港財務報告準則第16號於生效日期後將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一租賃會計處理模式並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產。特別是，根據香港財務報告準則第16號，承租人須確認使用權資產（相當於其使用相關租賃資產之權利）及租賃負債（相當於其支付租賃款項之責任）。因此，承租人應對使用權資產之折舊及租賃負債之利息進行確認，並將租賃負債之現金還款分類至本金部分及利息部分，並將其列示於現金流量表中。此外，使用權資產及租賃負債以現值進行初步計量。該計量包括對不可撤銷租賃付款，亦包括將於選擇期內作出之付款（倘承租人合理肯定會行使選擇權延續租賃或行使選擇權終止租賃）。此會計處理方法與根據先前準則（即香港會計準則第17號）分類為經營租賃之租賃之承租人會計處理方法有重大差異。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(b) *New/revised HKFRSs that have been issued but are not yet effective (Continued)*

HKFRS 16 – Leases (Continued)

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.

As at 31 December 2018, the Group’s total future minimum lease payments under non-cancellable operating lease of HK\$723,000 as disclosed in Note 33 to the consolidated financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding lease liability in respect of all the leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirement may result changes in measurement, presentation and disclosure as indicated above.

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.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) *已頒佈但尚未生效之新訂／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）

就出租人會計處理而言，香港財務報告準則第16號大致轉承了香港會計準則第17號之出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同的會計處理。

誠如綜合財務報表附註33所披露，於二零一八年十二月三十一日，本集團於不可撤銷經營租賃項下之未來最低租金付款總額為723,000港元。初步評估顯示此等安排將符合香港財務報告準則第16號項下租賃之定義，因此本集團將確認使用權資產及有關所有該等租賃之相應負債，除非其於應用香港財務報告準則第16號時符合低價值或短期租賃則另作別論。此外，應用新規定可能導致上文所列之計量、呈列及披露出現變動。

香港（國際財務報告詮釋委員會）－詮釋第23號－所得稅處理的不確定性

該詮釋透過就如何反映所得稅會計處理涉及的不確定性因素提供指引，為香港會計準則第12號所得稅之規定提供支持。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HK(IFRIC) – Int 23 – Uncertainty over Income Tax Treatments (Continued)

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

Amendments to 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 fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／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－所得稅處理的不確定性（續）

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，以更佳預測不確定性因素的解決方法。實體亦須假設稅務機關將會查驗其有權檢討的金額，並在作出上述查驗時全面知悉所有相關資料。倘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。倘實體釐定稅務機關不可能會接受一項不確定稅項處理，則採用「最可能金額」或「預期值」兩個方法中能更佳預測不確定性因素解決方式的方法來反映釐定稅項涉及的不確定性因素。

香港財務報告準則第9號之修訂－具有負補償之預付款項特性

該等修訂澄清在符合特別條件下，附帶負補償的可預付財務資產可按攤銷成本或以公平值計入其他全面收益，以非以公平值計入損益計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(b) *New/revised HKFRSs that have been issued but are not yet effective (Continued)*

Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that HKFRS 9 applies to long-term interests (“LTI”) in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

Annual Improvements to HKFRSs 2015–2017 Cycle – Amendments to HKFRS 3, Business Combinations

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

Annual Improvements to HKFRSs 2015–2017 Cycle – Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition-date fair value.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) *已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）*

香港會計準則第28號之修訂－於聯營公司及合營企業之長期權益

該修訂澄清香港財務報告準則第9號應用於構成於聯營公司或合營企業之投資淨額一部分的於聯營公司或合營企業之長期權益（「長期權益」），並規定香港財務報告準則第9號先於香港會計準則第28號減值虧損指引應用於該等長期權益。

二零一五年至二零一七年週期香港財務報告準則之年度改進－香港財務報告準則第3號，業務合併之修訂

於年度改進過程中頒佈的該修訂對現時並不明確的多項準則作出微細及不急切之變動。該等變動包括香港財務報告準則第3號之修訂，其闡明當於業務的一名聯合經營者取得聯合經營的控制權時，則此為分階段達成之業務合併，故此先前持有之股權應重新計量為其收購日期之公平值。

二零一五年至二零一七年週期香港財務報告準則之年度改進－香港財務報告準則第11號，共同安排之修訂

於年度改進過程中頒佈的該修訂對現時並不明確的多項準則作出微細及不急切之變動。該等變動包括香港財務報告準則第11號之修訂，其闡明於參與（但並非擁有共同控制權）為一項業務的聯合經營的一方隨後取得聯合經營之共同控制權時，先前持有之股權不得重新計量至其收購日期之公平值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(b) *New/revised HKFRSs that have been issued but are not yet effective (Continued)*

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 12, Income Taxes

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

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) *已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）*

二零一五年至二零一七年週期香港財務報告準則之年度改進－香港會計準則第12號，所得稅之修訂

於年度改進過程中頒佈的該修訂對現時並不明確的多項準則作出微細及不急切之變動。該等變動包括香港會計準則第12號之修訂，其闡明股息之所有所得稅後果與產生可分派溢利之交易採取一致的方式於損益、其他全面收益或直接於權益內確認。

二零一五年至二零一七年週期香港財務報告準則之年度改進－香港會計準則第23號，借貸成本之修訂

於年度改進過程中頒佈的該修訂對現時並不明確的多項準則作出微細及不急切之變動。該等變動包括香港會計準則第23號之修訂，其闡明為取得合資格資產而專門作出之借貸，於相關合資格資產可用於其擬定用途或進行銷售時仍未償還，則該借貸將成為該實體一般所借資金的一部分並因此計入一般資產池內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(b) *New/revised HKFRSs that have been issued but are not yet effective (Continued)*

Amendments to HKFRS 3 – Definition of a Business

The amendments clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs.

Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) *已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）*

香港財務報告準則第3號之修訂－業務之定義

該等修訂就業務之定義作出澄清及提供進一步指引。該等修訂澄清，就一組完整活動及資產而言，必須至少包括一項投入及一個重要過程共同貢獻創造產出的能力，方會被視為一項業務。一項業務可毋須包括創造產出所需之所有投入及過程而存在。該等修訂取消市場參與者是否能夠收購業務並繼續生產產出之評估。

相反，重點在於所收購之投入及所收購之重要過程是否共同對創造產出之能力作出重大貢獻。該等修訂亦已收窄產出之定義，以集中於向客戶提供之貨品或服務以及來自日常業務之投資收入或其他收入。此外，該等修訂提供指引，以評估所收購之過程是否屬重要，並引入可選公平值集中測試，以准許簡化評估所收購之某組活動及資產是否並非業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

(b) *New/revised HKFRSs that have been issued but are not yet effective (Continued)*

Amendments to HKAS 1 and HKAS 8 – Definition of Material

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. Except as HKFRS 16 described above, the directors of the Company anticipate that the application of other new and amendments to HKFRSs and an interpretation will have no material impact on the Group's financial performance and positions and/or the disclosures to the financial statements of the Group.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) *已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）*

香港會計準則第1號及香港會計準則第8號之修訂—重大之定義

香港會計準則第1號及香港會計準則第8號之修訂提供重大之新定義。新定義說明，倘遺漏、錯誤陳述或隱瞞資料可被合理預期會影響一般用途財務報表之主要使用者基於該等財務報表作出之決定，則有關資料屬重大。該等修訂澄清，重大性將視乎資料之性質或程度。倘資料之錯誤陳述可被合理預期會影響主要使用者作出之決定，則有關錯誤陳述屬重大。

香港財務報告準則第10號及香港會計準則第28號之修訂—投資者與其聯營公司或合營企業之間資產出售或注入

該等修訂澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務的資產，則僅以無關連投資者於合營企業或聯營公司之權益為限確認收益或虧損。

本集團已開始評估採納上述準則及現有準則之修訂對本集團之影響。除上文所述之香港財務報告準則第16號外，本公司董事預期，應用其他新訂香港財務報告準則及其修訂以及詮釋將不會對本集團之財務表現及狀況及／或本集團財務報表之披露事項構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION

(a) Statement of compliance

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 “HKFRSs”) and the provisions of the Hong Kong Companies Ordinance. In addition, these financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basic of measurement

These financial statements have been prepared on the historical cost basis except that certain financial instruments are measured at fair values.

4. SIGNIFICANT ACCOUNTING POLICIES

Business combination and basis of consolidation

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

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

3. 編製基準

(a) 合規聲明

財務報表乃根據所有適用香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（以下統稱為「香港財務報告準則」）以及香港《公司條例》之條文編製。此外，該等財務報表載有聯交所證券上市規則規定之適用披露事項。

(b) 計量基準

該等財務報表根據歷史成本基準編製，惟若干金融工具按公平值計量除外。

4. 主要會計政策

業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司（「本集團」）之財務報表。集團內公司間之交易及結餘及未變現溢利於編製綜合財務報表時悉數抵銷。未變現虧損亦予抵銷，除非交易提供所轉讓資產之減值證明，在此情況下，虧損於損益內確認。

年內收購或出售之附屬公司之業績由收購日期起或至出售日期止（視適用情況而定）列入綜合全面收入表內。在有需要之情況下，附屬公司之財務報表會作出調整，使有關會計政策與本集團其他成員公司所採用者一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and 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 subsidiaries 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. 主要會計政策 (續)

業務合併及綜合基準 (續)

收購附屬公司或業務採用收購法入賬。收購成本按本集團(作為收購方)所轉讓資產、所產生負債以及所發行股本權益於收購日之公平值總額計量。收購之可識別資產及承擔之負債主要按收購日之公平值計量。本集團以往持有被收購方之股本權益按收購日之公平值重新計量,並將因此而產生之收益或虧損於損益內確認。本集團可選擇因應每項交易,按公平值或應佔之被收購方可識別資產淨值比例來計量非控制性權益(即現時於附屬公司之擁有權權益)。除非香港財務報告準則規定按另一計量基準計量,否則所有其他非控制性權益按公平值計量。收購所產生之相關成本列作支出,除非有關成本因發行股本工具而產生,在此情況下,成本自權益內扣除。

由收購方將予轉讓之任何或然代價按收購日之公平值確認,其後對代價之調整僅於調整源自於計量期間(最長為收購日期起計12個月)內所取得有關於收購日之公平值之新資料時,方於商譽內確認。分類為資產或負債之或然代價之所有其他其後調整,均於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

4. 主要會計政策 (續)

業務合併及綜合基準 (續)

倘本集團喪失附屬公司控制權，出售溢利或虧損會按以下兩者之差額計算：(i)已收代價公平值與任何保留權益公平值之總額；及(ii)資產（包括商譽）過往賬面值與附屬公司及任何非控制性權益負債之總額。至於以往於其他全面收入確認而與附屬公司有關之金額，入賬方式與在相關資產或負債已經出售之情況下所用者相同。

收購後，非控制性權益（即目前於附屬公司之擁有權權益）之賬面值為初步確認之金額，另加該非控制性權益其後之應佔權益變動。即使全面收入總額歸屬於有關非控制性權益造成虧絀結餘，全面收入總額仍然歸屬於非控制性權益。

附屬公司

附屬公司為本公司可對其行使控制權的被投資方。倘具備以下三個元素，則本公司控制被投資方：可對被投資方行使權力；承擔或享受被投資方可變回報風險或權利；及可運用其權力影響該等可變回報。如有事實及情況顯示該等控制權元素可能出現變動，則會重新評估控制權。

於本公司財務狀況表內，於附屬公司之投資按成本減減值虧損（如有）列賬。附屬公司之業績由本公司按已收及應收股息入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

In the Company's statement of financial position, investments in associates are carried at cost less impairment losses, if any. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year.

4. 主要會計政策 (續)

聯營公司

聯營公司乃指投資者可行使重大影響力之實體，且該實體並非附屬公司亦非合營企業權益。重大影響力指參與被投資方之財務及經營決策但並非控制或共同控制該等政策之權力。

聯營公司採用權益法入賬，據此，聯營公司初步按成本確認，其後則為就本集團應佔聯營公司資產淨值之收購後變動對賬面值作出調整，惟超出本集團於聯營公司權益之虧損不予確認，惟有責任補償該等虧損則除外。

本集團與其聯營公司間進行交易所產生之溢利及虧損僅以無關連投資者於聯營公司之權益為限確認。投資者應佔聯營公司於該等交易所產生溢利及虧損，與聯營公司賬面值對銷。倘未變現虧損提供所轉讓資產出現減值之證據，有關虧損即時於損益中確認。

就一間聯營公司所支付超出本集團於所收購可識別資產、負債及或然負債中應佔公平值之溢價會撥充資本，並計入該聯營公司之賬面值中。倘有客觀證據顯示於一間聯營公司之投資經已減值，則會以與非其他非財務資產相同之方式對投資之賬面值進行減值測試。

於本公司之財務狀況表內，聯營公司之投資乃按成本減減值虧損（如有）列賬。本公司按年內已收及應收之股息入賬聯營公司之業績。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

4. 主要會計政策 (續)

收益確認 (自二零一八年一月一日起應用之會計政策)

客戶合約收益於貨品或服務控制權轉移至客戶時，按反映本集團預期就交換該等貨品或服務而有權收取之代價（不包括代表第三方收取之金額）之金額確認。收益不包括增值稅或其他銷售稅項，並經扣除任何貿易折扣。

視乎合約條款與適用於合約的法律，貨品或服務的控制權可能隨時間或於某一時間點轉移。倘本集團履約符合以下各項，則貨品或服務之控制權會隨時間轉移：

- 提供客戶同時接收及消耗之所有利益；
- 創造或提升客戶於本集團履約時控制的資產；或
- 並無創造對本集團具有替代用途的資產及本集團有強制執行權利收取至今已履約部分的款項。

倘貨品或服務控制權隨時間轉移，則參照該履約責任履行至完成的進度於合約期內確認收益。否則，於客戶取得貨品或服務控制權的某一時間點確認收益。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Revenue for trading of mobile phones generally includes only one performance obligation. The Group has concluded that revenue from trading of mobile phones should be recognised at the point in time when control of the products is transferred to the customer, generally when the products are delivered to and the risks of obsolescence and loss have been transferred to customer. In the comparative period, revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which was taken as at the time of delivery and the title is passed to customer.

Commission income is recognised point in time when the goods are delivered to customers.

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

4. 主要會計政策 (續)

收益確認 (自二零一八年一月一日起應用之會計政策) (續)

當合約中包含融資部分，即為客戶轉移貨品或服務超過一年且提供給客戶重大的融資利益時，收益按應收金額的現值計量，使用的貼現率在合約開始時反映在本集團與客戶之間的獨立融資交易中。／當合約包含為本集團提供重大財務利益的融資部分時，根據合約確認的收益包括按實際利率法計算的合約負債所產生的利息開支。對於付款與承諾商品或服務轉讓之間的期限為一年或一年以下的合約，交易價格使用香港財務報告準則第15號的可行權宜方法，不會對重大融資成分的影響進行調整。

移動電話貿易一般僅包括一項履約責任。本集團之結論為來自移動電話貿易之收益應於產品控制權轉移予客戶之時間點確認，一般為當產品交付予客戶以及過時及損失風險轉移予客戶時。於比較期間，來自銷售貨品之收益於擁有權之風險及回報轉移時（被視為交付及所有權轉移至客戶時）確認。

佣金收入於貨品交付予客戶之時間點確認。

利息收入按時間基準就尚未償還之本金按適用利率累計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognised when goods are delivered and title has passed.

Service income is recognised when services are provided.

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

Plant and equipment

Plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses.

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

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method. The principal annual rates used for the current year are as follows:

Leasehold improvements	5%-20% or over the term of the relevant leases, whichever is shorter
Furniture, fixtures and equipment	20%-33%
Motor vehicles	20%-25%

An item of plant and equipment is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

4. 主要會計政策 (續)

收益確認 (應用至二零一七年十二月三十一日之會計政策)

收益按已收或應收代價之公平值計量，指日常業務過程中就已售出貨品及已提供服務應收之款項，並已扣除折扣及銷售相關稅項。

銷售貨品之收益於貨品交付及擁有權轉移時確認。

服務收入於提供服務時確認。

利息收入根據未償還本金按時間基準及適用利率累計。

廠房及設備

廠房及設備 (在建工程除外) 按成本減累計折舊及累計減值虧損列賬。

廠房及設備成本包括其購買價及收購有關項目之直接應佔成本。

廠房及設備項目之折舊根據其估計可使用年期及計入其估計剩餘價值後，以直線法撇銷其成本。本年度所用之主要年率如下：

租賃裝修	5%-20%或有關租期 (以較短者為準)
傢俬、裝置及設備	20%-33%
汽車	20%-25%

倘廠房及設備之賬面值高於其估計可收回金額，則該資產即時撇減至其可收回金額。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plant and equipment (Continued)

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is recognised.

Construction in progress represents plant and equipment under construction or pending installation and is stated at cost less any impairment losses. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. Construction in progress is classified to the appropriate category of plant and equipment when completed and ready for use.

Intangible asset

Club memberships

Club memberships with indefinite life are carried at cost less any subsequent accumulated impairment losses.

Mining right

Mining right is stated at cost less subsequent accumulated amortisation and accumulated impairment losses. Mining right is amortised using the units of production method based on the proven and probable mineral reserves.

4. 主要會計政策 (續)

廠房及設備 (續)

廠房及設備項目於出售時或預期持續使用資產不會產生未來經濟利益時終止確認。終止確認資產時所產生之任何收益或虧損（按出售所得款項淨額與項目賬面值之間的差額計算）於確認項目期間計入損益。

在建工程指興建中或待安裝之廠房及設備，並按成本減任何減值虧損列賬。直至相關資產落成及可作擬定用途前，在建工程不作折舊撥備。在建工程於完成及可供使用時歸入廠房及設備之適當類別。

無形資產

會所會籍

永久會所會籍按成本減任何其後累計減值虧損入賬。

採礦權

採礦權按成本減其後累計攤銷及累計減值虧損列賬。採礦權使用生產單位法按探明及推定礦產儲量攤銷。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible asset (Continued)

Impairment losses on tangible and intangible assets other than goodwill

At the end of reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have reduced. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount 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 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. 主要會計政策 (續)

無形資產 (續)

有形及無形資產 (商譽除外) 之減值虧損

本集團於呈報期結算日審閱其有形及無形資產之賬面值以確定是否有任何跡象顯示該等資產存在減值虧損或先前確認之減值虧損不再存在或可能經已減少。倘出現任何該等跡象，則會估計資產之可收回金額，以釐定減值虧損 (如有) 之程度。此外，使用年期不確定之無形資產須每年及在其出現可能減值之跡象時進行減值測試。倘預計某項資產之可收回金額低於其賬面值，則該項資產之賬面值會扣減至其可收回金額。減值虧損即時確認為支出。

倘減值虧損於日後撥回，則該項資產之賬面值會增加至其可收回金額之經修訂後估值，惟所增加之賬面值不得超過在該項資產於過往年度未確認減值虧損之情況下所釐定之賬面值。撥回之減值虧損即時確認為收入。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision for close down and restoration costs

Close down and restoration costs are provided in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during mine development or during the production phase, based on the net present value of estimated future costs. The cost is capitalised where it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of close down. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision is included in borrowing costs. Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and related assets, and the effect is then recognised in the profit or loss on a prospective basis over the remaining life of the operation. Provision for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are reviewed and revised at the end of each reporting period to reflect changes in conditions.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost, which 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 first-in, first-out 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.

Leasing

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

4. 主要會計政策 (續)

關閉及復墾成本撥備

關閉及復墾成本於有關干擾引起之責任產生之會計期間，按估計未來成本之淨現值計提撥備，而不論該責任是否在煤礦開發期間或在生產階段產生。有關成本於可產生未來利益時撥充資本，而不論復墾活動預計會在經營期限內或是在關閉時產生。資本化成本按經營期限攤銷，撥備淨現值之增加則計入借貸成本。如預計停用及復墾成本出現變動，則撥備及相關資產賬面值將作出調整，屆時所產生影響將於剩餘經營期限內按預測基準於損益內確認。關閉及復墾成本撥備不包括未來干擾事件預期會引起之任何額外責任。成本估計於各呈報期結算日審閱及修正，以反映情況變化。

存貨

存貨初步按成本確認，及其後按成本及可變現淨值之較低者確認。成本包括所有購買成本、將存貨安置在目前位置及環境所產生之轉換成本及其他成本。成本乃按先入先出法計算。可變現淨值指正常業務過程中之估計售價減去完成生產及銷售所需之估計成本後所得之金額。

租賃

如租約條款將擁有權之絕大部分風險及回報轉讓予承租人，該租約會分類為融資租約。所有其他租約一律分類為經營租約。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

4. 主要會計政策 (續)

租賃 (續)

本集團作為承租人

經營租約付款於有關租期內按直線基準確認為開支。作為訂立經營租約誘因之已收及應收利益，亦按租期以直線基準確認為租金開支之扣減。

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易，按交易日期之匯率以各功能貨幣（即該實體經營業務所在主要經濟環境之貨幣）列賬。於呈報期結算日，以外幣計值之貨幣項目按該結算日之匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目產生之匯兌差額於產生期間在損益內確認。

就呈列綜合財務報表而言，本集團實體之資產及負債均按呈報期結算日之匯率換算為本集團之呈列貨幣（即港元），而收入及開支項目則按年度平均匯率換算，除非期內匯率大幅波動，則採用交易日之現行匯率。所產生之匯兌差額（如有）於其他全面收入中確認及累計至權益（換算儲備）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to get 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 the borrowing costs capitalised.

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

Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

4. 主要會計政策 (續)

外幣 (續)

收購海外業務所產生之已收購可識別資產公平值之調整，視為該海外業務之資產及負債，並按呈報期結算日之現行匯率重新換算。產生之匯兌差額於換算儲備內確認。

借貸成本

收購、建設或生產合資格資產（即需要長時間準備方可作擬定用途或銷售之資產）直接應佔之借貸成本會資本化為該等資產之成本之一部分。於特定借貸用作該等資產開支之前，暫時投資所賺得之投資收入會自資本化之借貸成本扣除。

所有其他借貸成本均於產生期間在損益內確認。

政府補助

倘可合理確定能夠收取政府補助且本集團能夠滿足該等政府補助所附帶之條件，則會確認政府補助。補貼本集團開支之補助於開支產生之同一期間以系統化方式於損益內確認為收益。補貼本集團資產成本之補助於相關資產賬面值中扣除，其後於該項資產之可使用年期內以經調低折舊開支之方式於損益內實際確認。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and other PRC state-managed retirement benefit schemes are charged as expenses when employees have rendered services entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

4. 主要會計政策 (續)

退休福利成本

向強制性公積金計劃及其他中國國家管理之退休福利計劃作出之付款於僱員因提供服務而可享有供款時列作開支。

稅項

所得稅開支指現時應付稅項及遞延稅項之總額。

現時稅項按自日常業務產生之損益(已就毋須繳納所得稅或不獲寬減所得稅之項目作出調整)及採用於呈報期結算日已制定或實際已制定之稅率計算。

遞延稅項乃就作財報呈報用途之資產及負債之賬面值之暫時差額及作稅項用途之相應金額而確認。除對會計處理及應課稅溢利並無影響之商譽及已確認資產及負債外，就所有應課稅暫差額確認遞延稅項負債。遞延稅項資產則僅在極可能有應課稅溢利用以動用該等可扣稅暫時差額時，方會就所有可扣減暫時差額加以確認。遞延稅項乃按適用於資產或負債之賬面值變現或結算之預期方式及於各呈報期末已頒佈或大致上頒佈之稅率計量。

遞延稅項負債會就自附屬公司及合營企業之投資產生之應課稅暫時差額而確認，惟倘本集團可控制暫時差額撥回且暫時差額不大可能會於可見將來撥回則除外。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Income taxes are recognised in profit or loss except when they related 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.

Financial instruments

(A) 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 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.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

4. 主要會計政策 (續)

稅項 (續)

所得稅於損益內確認，惟倘稅項與於其他全面收入確認之項目有關，則稅項亦分別於其他全面收入確認或當稅項與於權益直接確認之項目有關，則稅項亦直接於權益確認。

金融工具

(A) 金融工具 (自二零一八年一月一日起應用之會計政策)

(i) 財務資產

財務資產 (並無重大融資部份的應收賬款除外) 首次按公平值加上收購或發行財務資產應佔的直接交易成本計量 (倘屬並非按公平值計入損益的項目)。並無重大融資部份的應收賬款首次按交易價格計量。

財務資產之所有一般買賣都在交易日確認，即本集團承諾購買或出售資產之日期。一般買賣為購買或銷售須按照市場規定或慣例一般確定的期間進行資產交付的財務資產。

債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該項資產之現金流量特點。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

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

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

4. 主要會計政策 (續)

金融工具 (續)

(A) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(i) 財務資產 (續)

債務工具 (續)

攤銷成本：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。按攤銷成本計量之財務資產其後使用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益內確認。取消確認之任何收益於損益內確認。

按公平值計入損益（「按公平值計入損益」）：按公平值計入損益之財務資產包括持作買賣財務資產、初始確認時指定為按公平值計入損益的財務資產或強制規定按公平值計量之財務資產。倘收購目的為於短期內出售或購回，則財務資產分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟指定為有效對沖工具則除外。現金流量並非純粹作本金及利息付款財務資產以按公平值計入損益方式分類及計量，而不論其業務模式如何。儘管如上文所述已對將按攤銷成本分類或按公平值計入其他全面收入的方式分類之債務工具設定標準，惟倘可消除或顯著減少會計錯配，則債務工具可於初始確認時指定為按公平值計入損益。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(i) Financial assets (Continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group has not elect to present subsequent changes in the investment's fair value in other comprehensive income. All equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

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

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

4. 主要會計政策 (續)

金融工具 (續)

(A) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(i) 財務資產 (續)

權益工具

於初始確認並非持作買賣之權益工具時，本集團並無選擇於其他全面收入中呈列投資公平值之其後變動。所有權益工具均分類為按公平值計入損益，而公平值變動、股息及利息收入則於損益確認。

(ii) 財務資產之減值虧損

本集團就按攤銷成本計量之應收貿易賬款及財務資產之預期信貸虧損確認虧損撥備。預期信貸虧損按以下基準計量：(1)12個月預期信貸虧損：為報告日後12個月內之可能違約事件導致之預期信貸虧損；及(2)全期預期信貸虧損：為金融工具之整個預期年期內所有可能違約事件導致之預期信貸虧損。估計預期信貸虧損時考慮之最長期間為本集團須承受信貸風險之最長合約期。

預期信貸虧損乃以概率加權估計之信貸虧損。信貸虧損以所有根據合約應付本集團之合約現金流量與本集團預期收回之所有現金流量之差額計量。差額其後按資產原有實際利率之近似值折讓。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group has elected to measure loss allowances for trade 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 debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

4. 主要會計政策 (續)

金融工具 (續)

(A) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(ii) 財務資產之減值虧損 (續)

本集團已選擇根據香港財務報告準則第9號簡化法計量應收貿易賬款之虧損撥備，並根據全期預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算之撥備矩陣，並按與債務人相關之前瞻性因素及經濟環境調整。

就其他債務財務資產而言，本集團按12個月預期信貸虧損計算預期信貸虧損。然而，自開始以來信貸風險顯著增加時，撥備將以全期預期信貸虧損為基準。

當釐定財務資產之信貸風險自初步確認後有否大幅增加，並於估計預期信貸虧損時，本集團會考慮相關及無須付出過多成本或努力即可獲得之合理及可靠資料。此包括根據本集團之過往經驗及已知信貸評估得出之定量及定性資料及分析，並包括前瞻性資料。

倘某項財務資產逾期超過90天，則本集團假設該財務資產之信貸風險顯著上升。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 365 days past due.

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.

(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.

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

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

4. 主要會計政策 (續)

金融工具 (續)

(A) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(ii) 財務資產之減值虧損 (續)

本集團認為財務資產於下列情況下已出現信貸減值：(1) 借款人不大有可能在本集團無追索權採取行動 (例如變現抵押 (如持有)) 之情況下向本集團悉數履行其信貸義務；或(2) 該財務資產逾期超過365天。

信貸減值之財務資產利息收入乃按財務資產之攤銷成本 (即總賬面值減虧損撥備) 計算。就非信貸減值之財務資產而言，利息收入乃按總賬面值計算。

(iii) 財務負債

本集團視乎財務負債產生之目的將其財務負債分類。按攤銷成本計量之財務負債初步按公平值減所產生之直接應佔成本計量。

按攤銷成本計量之財務負債 (包括應付貿易賬款及其他應付賬款、借貸、若干優先股及本集團發行之可換股貸款票據之債務部分) 其後使用實際利率法按攤銷成本計量。相關利息開支會於損益內確認。

於負債終止確認或進行攤銷時，收益或虧損概於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(A) Financial instruments (accounting policies applied from 1 January 2018) (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) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(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. 主要會計政策 (續)

金融工具 (續)

(A) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(iv) 實際利率法

實際利率法乃計算財務負債之攤銷成本，並於相關期間攤分利息支出之方法。實際利率是指可準確約估計未來現金支出於財務負債之預計年期或較短期間（如適用）貼現之利率。

(v) 權益工具

本公司發行之權益工具乃按已收所得款項扣除直接發行成本入賬。

(vi) 終止確認

當就財務資產之未來現金流量之合約權利屆滿時，或財務資產已轉讓且該轉讓符合香港財務報告準則第9號之終止確認規定，本集團會終止確認該項財務資產。

當相關合約中訂明之責任獲解除、註銷或到期時，會終止確認財務負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(vi) Derecognition (Continued)

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

(B) Financial instruments (accounting policies applied until 31 December 2017)

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.

4. 主要會計政策 (續)

金融工具 (續)

(A) 金融工具 (自二零一八年一月一日起應用之會計政策) (續)

(vi) 終止確認 (續)

倘由於重新磋商財務負債之條款，本集團向債權人發行其自身股本工具以支付全部或部分之財務負債，則已發行之股本工具為已付代價並於抵銷財務負債或其部分日期按彼等之公平值初步確認及計量。倘已發行股本工具之公平值不能可靠計量，則股本工具將計量以反映所抵銷財務負債之公平值。所抵銷財務負債或其部分之賬面值與已付代價之差額於年內損益中確認。

(B) 金融工具 (應用至二零一七年十二月三十一日之會計政策)

本集團於初步確認時視乎收購資產之目的而分類其金融工具。按公平值計入損益的財務資產初步按公平值計量，所有其他財務資產初步按公平值加收購該財務資產直接應佔交易成本計量。按正常途徑買賣之財務資產均以交易日為基準確認及終止確認。正常途徑買賣指買賣財務資產所根據之合約條款規定須按市場規則或慣例普遍確立之時限內交付資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

Financial assets at fair value through profit or loss

These assets represent held for trading financial assets. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

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

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 (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

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

4. 主要會計政策 (續)

金融工具 (續)

(B) 金融工具 (應用至二零一七年十二月三十一日之會計政策) (續)

按公平值計入損益的財務資產

該等資產指持作買賣財務資產。倘收購財務資產的目的為於短期內出售，則財務資產分類為持作買賣。

初步確認後，按公平值計入損益的財務資產按公平值計量，公平值變動於其產生期間的損益確認。

貸款及應收賬款

該等資產為在活躍市場上並無報價而具有固定或可釐定付款之非衍生財務資產。其主要源於向客戶提供貨品及服務 (應收貿易賬款)，並且計及其他類別的合約貨幣資產。於初步確認後，其以實際利率法按攤銷成本減任何已識別減值虧損 (見下文有關財務資產減值虧損之會計政策) 列賬。

可供出售財務資產

該等資產為指定為可供出售或並不包括在財務資產內之其他類別之非衍生工具。於初步確認後，此類資產按公平值列賬，公平值變動則於其他全面收入確認，惟減值虧損及貨幣工具之匯兌收益及虧損則於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

Available-for-sale financial assets (Continued)

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of other reporting period subsequent to initial recognition (see accounting policy on impairment loss on financial assets below).

Impairment loss on financial assets

Financial assets are assessed for indicators of impairment at the end of reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Evidence of impairment could include:

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

4. 主要會計政策 (續)

金融工具 (續)

(B) 金融工具 (應用至二零一七年十二月三十一日之會計政策) (續)

可供出售財務資產 (續)

就在活躍市場並無市場報價且不能可靠計量公平值之可供出售股本投資而言，於初步確認後，在其他呈報期結算日按成本減任何已識別減值虧損（見下文有關財務資產減值虧損之會計政策）計量。

財務資產減值虧損

於呈報期結算日評定財務資產有否減值跡象。倘有客觀證據顯示財務資產之估計未來現金流量因初步確認該財務資產後發生之一項或多項事件而受到影響，則該財務資產會作減值。

減值證據可包括：

- 債務人出現重大財政困難；或
- 違約，如未能繳付或拖欠利息或本金付款；或
- 由於債務人出現財務困難而對債務人作出寬限；或
- 借款人極有可能面臨破產或財務重組。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

For loans and receivables

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

For available-for-sale financial assets

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

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

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

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

4. 主要會計政策 (續)

金融工具 (續)

(B) 金融工具 (應用至二零一七年十二月三十一日之會計政策) (續)

貸款及應收賬款

倘有客觀證據顯示資產出現減值，則會於損益中確認減值虧損，減值虧損金額乃按資產賬面值及按現實際利率貼現之估計未來現金流量現值間之差額計量。財務資產之賬面值透過用撥備賬扣減。倘財務資產有任何部分被釐定為不可收回，其將於相關財務資產之撥備賬中撇銷。

可供出售財務資產

倘公平值下跌構成客觀減值證據，則虧損金額將自權益扣除，並於損益內確認。

如投資公平值之增加客觀上與確認減值虧損後發生之事件相關，則可供出售債務投資之任何減值虧損其後會從損益撥回。

就可供出售股本投資而言，減值虧損後公平值之任何增加均於其他全面收入確認。

至於按成本列賬之可供出售股本投資，減值虧損金額則按資產賬面值與按同類財務資產現行市場回報率折現之估計未來現金流量現值之間之差額計量。減值虧損不會撥回。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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

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

4. 主要會計政策 (續)

金融工具 (續)

(B) 金融工具 (應用至二零一七年十二月三十一日之會計政策) (續)

財務負債

本集團視乎負債產生的目的將財務負債分類。按公平值計入損益之財務負債初步按公平值計量，而按攤銷成本計量之財務負債則初步按公平值扣除所產生的直接應佔成本計量。

按公平值計入損益之財務負債

按公平值計入損益之財務負債包括於初始確認時指定為按公平值計入損益的財務負債。

倘符合以下條件，則財務負債可於初步確認時指定為按公平值計入損益：(i)該指定消除或大幅減少按不同基準計量負債或確認其收益或虧損所導致的不一致入賬方法；(ii)該等負債為根據明文規定的風險管理策略按公平值基準管理及評估表現的財務負債組別的一部分；或(iii)財務負債包括需獨立列賬的嵌入式衍生工具。

初步確認後，按公平值計入損益之財務負債按公平值計量，公平值變動於產生期間在損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

Financial liabilities (Continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, amounts due to related parties and other borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

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

Fair value measurement

The Company uses Binomial Option Pricing Model to measure the fair value of financial instruments that are not traded in an active market. Difference may arise between the fair value at initial recognition (which, in accordance with HKFRS 13 and HKAS 39, is normally the transaction price) and the amount determined at initial recognition using the valuation technique. Any such differences is deferred and not recognised in profit or loss. Amounts deferred are recognised in profit or loss when pricing of equivalent products or the underlying parameters become observable. When the transaction is closed out, the amounts deferred are released.

4. 主要會計政策 (續)

金融工具 (續)

(B) 金融工具 (應用至二零一七年十二月三十一日之會計政策) (續)

財務負債 (續)

按攤銷成本計算之財務負債

按攤銷成本計算之財務負債 (包括應付貿易賬款及其他應付賬款、應付關連人士之款項及其他借貸) 其後採用實際利率法按攤銷成本計量。相關利息開支會於損益內確認。

於負債終止確認或進行攤銷時，收益或虧損概於損益內確認。

公平值計量

本公司採用二項式期權定價模型計量並無於活躍市場進行買賣之金融工具之公平值。初步確認時之公平值 (按照香港財務報告準則第13號及香港會計準則第39號，其通常為交易價格) 與初步確認時採用估值技術所得之數值可能存在差異。任何該等差額均會遞延及不會在損益內確認。當對等產品之定價或相關參數成為可觀察時，遞延金額便會在損益內確認。當交易平倉時，遞延金額乃獲解除。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

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.

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.

Share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

4. 主要會計政策 (續)

金融工具 (續)

(B) 金融工具 (應用至二零一七年十二月三十一日之會計政策) (續)

實際利率法

實際利率法乃計算財務資產或財務負債之攤銷成本及攤分有關期間利息收入或利息開支之方法。實際利率指準確折現財務資產或負債於整段估計可用年期或(倘適用)較短期間之估計未來現金收入或現金支出之利率。

終止確認

本集團於財務資產未來現金流量之合約權利屆滿時，或財務資產經已轉讓，而轉讓符合香港會計準則第39號之終止確認之條件時，終止確認財務資產。

財務負債於有關合約規定之承擔解除、撤銷或到期時終止確認。

以股份為基礎付款之交易

授予僱員之購股權

倘所授出購股權即時歸屬，參考所授出購股權於授出日期之公平值而釐定之所獲服務之公平值，於授出日期全數確認為開支，並於權益(購股權儲備)作相應增加。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

Share-based payment transactions (Continued)

Share options granted to employees (Continued)

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses immediately, with a corresponding increase in equity (share option reserve) when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

4. 主要會計政策 (續)

金融工具 (續)

(B) 金融工具 (應用至二零一七年十二月三十一日之會計政策) (續)

以股份為基礎付款之交易 (續)

授予僱員之購股權 (續)

於購股權獲行使時，過往於購股權儲備內確認之數額會轉撥至股份溢價。倘購股權被沒收或於屆滿日仍未獲行使，則過往於購股權儲備內確認之數額會轉撥至累計虧損。

授予顧問之購股權

為換取貨品或服務而發行之購股權按所獲服務之公平值計量，惟倘公平值不能可靠地計量，則所獲服務參考所授購股權之公平值計量。當本集團取得貨品或交易對手提供服務時，所獲服務之公平值即時確認為開支，權益（購股權儲備）亦相應增加，惟貨品或服務符合資格確認為資產則除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
 - (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.

4. 主要會計政策 (續)

關連人士

- (a) 倘屬以下人士，則該人士或其近親與本集團有關連：
- (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) 倘符合下列任何條件，則實體與本集團有關連：
- (i) 該實體與本集團為同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此互有關連）。
 - (ii) 一間實體為另一間實體之聯營公司或合營企業（或為另一間實體所屬集團之成員公司之聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一間實體為該第三方實體之聯營公司。
 - (v) 該實體乃為本集團或與本集團相關之實體之僱員福利而設之退休福利計劃。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply: (Continued)
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

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. 主要會計政策 (續)

關連人士 (續)

- (b) 倘符合下列任何條件，則實體與本集團有關連：(續)
- (vi) 該實體受(a)段所識別人士控制或共同控制。
 - (vii) (a)(i)段所識別之人士對實體有重大影響力或為該實體（或該實體母公司）主要管理人員成員。
 - (viii) 該實體或其所屬集團之任何成員公司向集團或集團的母公司提供主要管理人員服務。

一名人士之近親指預期於其與實體進行交易時可影響該人士或受該人士影響之家屬成員，包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受養人。

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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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Mining right

The mining right represents the right of Sifa Mining to conduct mining activities in Huangshi City, Hubei Province, the PRC. The mining right is amortised using the units of production method based on the proven and probable mineral reserves.

The latest 2-year mining operating permit, which Sifa Mining was allowed to carry out exploration activities only, but not exploitation activities, had been expired on 25 September 2016. Since then, the Group had been preparing for the application of renewal for a mining operating permit.

Because of the DLR Announcement issued on 21 December 2017 and the legal advice obtained in 2018 as stated in Note 18 to the consolidated financial statements, the directors are of the opinion that there is a material uncertainty on whether the Group will be successful in the application of renewal for the mining operating permit. As a consequent, the directors assumed the Group is unable to obtain the mining operating permit in the impairment assessment of the recoverable amount of the cash-generating unit of the mining business (the "CGU").

5. 估計不確定因素之主要來源

於應用綜合財務報表附註4所述之本集團會計政策時，本公司董事須對無法依循其他途徑即時得知之資產及負債賬面值作出估計及假設。該等估計及相關假設乃根據過往經驗及認為相關之其他因素而作出。實際結果或會與該等估計不同。

估計及相關假設會持續檢討。會計估計之修訂於修訂估計之期間（倘修訂僅影響該期間），或修訂期間及未來期間（倘修訂影響本期間及未來期間）確認。

採礦權

採礦權指錫發礦業於中國湖北省黃石市進行採礦活動之權利。採礦權乃基於探明及推定礦產儲量的生產方法作為單位攤銷。

最新兩年期採礦許可證（錫發礦業僅獲准進行勘探活動而非開採活動）已於二零一六年九月二十五日屆滿。自此，本集團一直準備作重續採礦許可證之申請。

由於綜合財務報表附註18所述之於二零一七年十二月二十一日刊發之國土資源廳公佈及於二零一八年取得之法律意見，董事認為本集團是否將成功申請重續採礦許可證存在重大不確定性。因此，董事已於採礦業務之現金產生單位（「現金產生單位」）之可收回金額之減值評估中假設本集團未能取得採礦許可證。

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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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of trade and other receivables

The measurement of impairment losses under HKFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

6. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of debt, which includes other borrowings and amount due to a related party as disclosed in Notes 27 and 37(b) to the consolidated financial statements, and equity attributable to owners of the Company, comprising issued share capital and various reserves.

5. 估計不確定因素之主要來源 (續)

應收貿易賬款及其他應收賬款之減值

根據香港財務報告準則第9號對所有類別的財務資產進行減值虧損計量須作出判斷，特別是在釐定減值虧損及評估信貸風險的大幅增加時，對未來現金流量及抵押價值的金額及發生的時間的估計。此等估計受多項因素推動，當中有關的變動可能導致須作出不同程度的撥備。

於各報告日期，本集團會將通過對由報告日期至初步確認日期之間的預計年期內發生的違約風險進行比較，以評估自初步確認以來信貸風險是否有顯著增加。本集團就此會考慮相關及毋須付出過度成本或努力而可用的合理及具支持理據的資料，當中包括量化及質化資料以及前瞻性分析。

6. 資本風險管理

本集團之資本管理目標乃保障本集團能持續營運，從而為股東提供回報，同時兼顧其他利益相關者之利益，並維持最佳之資本架構以減低資本成本。

本集團資本架構包含債務（包括綜合財務報表附註27及37(b)所披露之其他借貸及應付一名關連人士之款項）及本公司擁有人應佔權益（包括已發行股本及各項儲備）。

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6. CAPITAL RISK MANAGEMENT (Continued)

The directors of the Company review the capital structure periodically. As part of their review, the directors consider the cost of capital and the risks associates thereto. Based on recommendations of the directors, the Group will maintain its overall capital structure through the payment of dividends, new share issues as well as issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from prior year.

The gearing ratio of the Group at the end of the reporting period was as follows:

Debt	負債
Less: Cash and bank balances	減：現金及銀行結存
Net cash	現金淨額
Equity	權益
Net debt to equity ratio	淨負債對權益比率

6. 資本風險管理 (續)

本公司董事定期檢討資本架構。檢討時，董事考慮資本成本及相關風險。根據董事之推薦建議，本集團將透過派發股息、發行新股份及發行新債務或償還現有債務維持其整體資本架構。

本集團之整體策略與去年維持不變。

本集團於報告期末之資產負債比率如下：

2018	2017
HK\$'000	HK\$'000
千港元	千港元
11,866	14,878
(26,563)	(18,364)
(14,697)	(3,486)
40,587	31,409
N/A 不適用	N/A 不適用

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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. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets	財務資產
Loans and receivables at amortised costs (including cash and cash equivalents)	按攤銷成本計量之貸款及應收賬款(包括現金及現金等價物)
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產
Available-for-sale investments – at cost	可供出售投資 – 按成本
Held-for-trading investments – at fair value	持作買賣投資 – 按公平值
Financial liabilities	財務負債
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market price; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

HKFRS 13 requires disclosures for financial instruments that are measured at fair value by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

7. 金融工具

(a) 金融工具類別

2018 HK\$'000 千港元	2017 HK\$'000 千港元
55,564	25,544
5,886	–
–	2,449
–	1,251
65,533	43,297

財務資產及財務負債之公平值釐定如下：

- 具標準條款及條件並於活躍流動市場買賣之財務資產之公平值乃參考市場報價而釐定；及
- 其他財務資產及財務負債之公平值乃根據公認定價模型按貼現現金流量分析而釐定。

香港財務報告準則第13號規定按以下公平值計量層級之層次披露按公平值計量之金融工具：

- 第1級：相同資產或負債於活躍市場的報價(未經調整)；
- 第2級：第1級範圍內的報價以外的資產或負債可觀察輸入數據(直接或間接)；及
- 第3級：並非基於可觀察市場數據之資產或負債輸入數據。

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7. FINANCIAL INSTRUMENTS (Continued)

7. 金融工具 (續)

(a) Categories of financial instruments (Continued)

(a) 金融工具類別 (續)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

下表提供按公平值列賬之金融工具按公平值層級劃分之分析：

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
At 31 December 2018	於二零一八年 十二月三十一日				
Financial assets at fair value through profit or loss	按公平值計入損益之 財務資產				
– Unlisted equity investments	– 非上市股權投資	–	–	1,619	1,619
– Unlisted fund investment	– 非上市基金投資	–	–	3,731	3,731
– Listed equity investments	– 上市股權投資	536	–	–	536
		536	–	5,350	5,886
At 31 December 2017	於二零一七年 十二月三十一日				
Available-for-sale investments	可供出售投資				
– Unlisted equity investments	– 非上市股權投資	–	–	69	69
– Unlisted fund investment	– 非上市基金投資	–	–	2,380	2,380
Held-for-trading investments	持作買賣投資				
– Listed equity investments	– 上市股權投資	1,251	–	–	1,251
		1,251	–	2,449	3,700

There were no transfers between Level 1 and 2 or into or out of Level 3 during the year.

年內，第1及2級之間概無轉移，亦無轉入或轉出第3級。

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7. FINANCIAL INSTRUMENTS (Continued)

(a) Categories of financial instruments (Continued)

As at 31 December 2018, the fair values of unlisted equity investments and certain unlisted fund investment have been determined by Fuson Appraisal Limited, the independent qualified valuer, which are categorised under Level 3 fair value measurement. The movement of financial instruments under Level 3 of fair value hierarchy is as follows:

At 1 January	於一月一日
Initial adoption of HKFRS 9	首次採納香港財務報告準則第9號
Purchases	購買
Fair value change	公平值變動
Exchange adjustments	匯兌調整
At 31 December	於十二月三十一日

The fair value of financial assets that are grouped under Level 3 is determined by using market approach valuation techniques.

Specific valuation techniques used to value financial instruments include:

- Fund administrators' valuation for unlisted investment fund, these investment funds invest substantially in a basket of investments, such as property development projects carried in Beijing.
- Market value was measured based on the underlying value of the assets and liabilities of the unlisted equity investments.

7. 金融工具 (續)

(a) 金融工具類別 (續)

於二零一八年十二月三十一日，非上市股權投資及若干非上市基金投資之公平值已由獨立合資格估值師富信評估有限公司釐定，並分類為第3級公平值計量項下。公平值層級之第3級項下金融工具變動如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
2,449	2,289
1,448	—
1,550	—
98	—
(195)	160
5,350	2,449

分組至第三級項下之財務資產之公平值乃使用市場法估值技術釐定。

用於評估金融工具之特定估值技術包括：

- 非上市投資基金之基金管理人估值，該等投資基金主要投資於一籃子投資，例如於北京進行之物業發展項目。
- 根據非上市股權投資之資產及負債之相關價值計量市值。

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綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(a) Categories of financial instruments (Continued)

The carrying amounts of the Group's financial instruments carried at other than fair value approximated their fair values as at 31 December 2018 because of the short-term maturities nature.

(b) Financial risk management objectives and policies

The Group's major financial assets included financial assets at fair value through profit or loss, trade and other receivables, amount due from a non-controlling shareholder of a subsidiary and cash and cash equivalents. The Group's major financial liabilities included trade and other payables, amounts due to a related party and non-controlling shareholders of subsidiaries. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk, equity price risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Foreign currency risk

Several subsidiaries of the Group are exposed to foreign currency risk primarily arising from foreign currency bank deposits, other receivables and trade and other payables.

7. 金融工具 (續)

(a) 金融工具類別 (續)

由於短期內到期之性質，本集團並非按公平值列賬之金融工具之賬面值與其於二零一八年十二月三十一日之公平值相若。

(b) 財務風險管理目標及政策

本集團之主要財務資產包括按公平值計入損益之財務資產、應收貿易賬款及其他應收賬款、應收一間附屬公司一名非控制性股東之款項以及現金及現金等價物。本集團之主要財務負債包括應付貿易賬款及其他應付賬款以及應付一名關連人士及附屬公司非控制性股東之款項。該等金融工具之詳情於各相關附註披露。有關該等金融工具之風險包括市場風險（外幣風險及利率風險）、信貸風險、股權價格風險及流動資金風險。下文載列減低此等風險之政策。管理層會管理及監控該等風險，以確保及時並有效地採取適當措施。

市場風險

(i) 外幣風險

本集團多家附屬公司面對外幣風險，主要源自外幣銀行存款、其他應收賬款以及應付貿易賬款及其他應付賬款。

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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. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Foreign currency risk (Continued)

The carrying amounts of the Group's significant monetary assets and liabilities which are denominated in currencies other than the functional currency of the relevant group entities at the end of reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	2,235	20	5,062	2,450

The Group is mainly exposed to the fluctuation of HK\$. The following table details the Group's sensitivity to a 4% (2017: 4%) appreciation in the functional currency of the relevant subsidiaries (RMB) against the above foreign currency. 4% (2017: 4%) represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of reporting period for a 4% (2017: 4%) change in the exchange rates. A strengthening of the functional currency of the relevant subsidiaries against the above foreign currency would give rise to the following impact to the Group's profit/loss for the year, or vice versa.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 外幣風險 (續)

於呈報期結算日，本集團以相關集團實體功能貨幣以外之貨幣計值之重大貨幣資產及負債之賬面值如下：

本集團主要面對港元之匯率波動風險。下表詳列本集團相關附屬公司功能貨幣(人民幣)兌上述外幣升值4%(二零一七年:4%)之敏感度。4%(二零一七年:4%)為管理層對外匯匯率可能出現合理變動之評估。敏感度分析僅包括尚未清償之外幣計值貨幣項目，並於呈報期結算日以匯率4%(二零一七年:4%)之變動調整換算。倘相關附屬公司功能貨幣兌上述外幣升值，將對本集團之年度溢利/虧損產生以下影響，反之亦然。

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綜合財務報表附註

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Foreign currency risk (Continued)

Decrease in profit/ (increase in loss) for the year – HK\$	年度溢利減少/ (虧損增加) – 港元
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In the management's opinion, the above sensitivity analysis is not necessarily representative of the inherent foreign currency risk as the exposure at year end does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is not exposed to fair value interest rate risk in relation to its fixed-rate borrowings (see Note 27 and 37(b) to the consolidated financial statements for details) as they are carried at amortised costs. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group is not exposed to cash flow interest rate risk as the interest rates of borrowings are fixed (see Note 27 and 37(b) to the consolidated financial statements for details).

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 外幣風險 (續)

2018 HK\$'000 千港元	2017 HK\$'000 千港元
292	(97)

管理層認為，由於年終所面對之風險並不反映本年度所面對之風險，故上述敏感度分析並不一定代表固有外幣風險。

(ii) 利率風險

由於定息借貸（詳情見綜合財務報表附註27及37(b)）以攤銷成本列值，故本集團毋須就其定息借貸承擔公平值利率風險。本集團現時並無利率對沖政策。然而，管理層會監控利率風險，並會在有需要時考慮對沖重大利率風險。

由於借貸之利率為固定利率（詳情見綜合財務報表附註27及37(b)），故本集團並無任何現金流量利率風險。

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綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables, amounts due from an associate and a non-controlling shareholder of a subsidiary, and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of trade customers. Normally, the Group does not obtain collateral from customers.

In addition, the Group had concentration of credit risk on its liquid funds as 99% (2017: 99%) of bank balances were placed with four (2017: five) banks. However, the credit risk on liquid funds is limited because the counterparties are banks with high credit quality.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險

本集團之信貸風險主要來自其應收貿易賬款及其他應收賬款、應收一間聯營公司及一間附屬公司一名非控制性股東之款項及銀行結餘。管理層設有信貸政策，並持續監察本集團所承擔之該等信貸風險。

就應收貿易賬款及其他應收賬款而言，所有信貸額超過一定金額之客戶均需接受個別信貸評估。有關評估集中於客戶支付到期款項之往績及現時付款之能力，以及考慮客戶之具體資料及客戶營運所在地之經濟環境。本集團會就貿易客戶之財務狀況進行持續信貸評估。本集團通常不會向客戶收取抵押品。

此外，由於本集團99%（二零一七年：99%）銀行存款存放於四間（二零一七年：五間）銀行，故本集團面對集中流動資金信貸風險。然而，由於交易對手為良好信貸質量之銀行，故流動資金之信貸風險屬有限。

本集團按等同於整個有效期之預期信貸虧損之金額計量應收貿易賬款之虧損撥備，其乃使用撥備矩陣進行計算。由於本集團過往信貸虧損並未就不同客戶分部顯示重大不同虧損模式，基於逾期狀態之虧損撥備不會進一步於本集團不同客戶基礎之間進一步區分。

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綜合財務報表附註

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2018:

Not past due	未過期
Less than 1 month past due	過期少於1個月
1 to 3 months past due	過期1至3個月
4 to 6 months past due	過期4至6個月
7 to 12 months past due	過期7至12個月
Over 12 months past due	過期超過12個月

ECLs rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. No impairment for trade receivables is provided as the amount of additional impairment measured under the ECLs model is immaterial.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

下表提供有關於二零一八年十二月三十一日本集團承受之信貸風險及應收貿易賬款之預期信貸虧損資料：

Expected loss rate 預期虧損率 (%)	Gross carrying amount 總賬面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
0.151%	–	–
0.154%	–	–
0.208%	456	1
0.649%	–	–
45.605%	1	–
100.00%	51	51
	<u>508</u>	<u>52</u>

預期信貸虧損率乃按實際虧損經驗計算。該等利率經調整以反映年內經濟狀況與所收集過往數據、目前狀況及本集團按應收款項預計年期認為之經濟狀況之差異。由於按預期信貸虧損模式計算之額外減值金額並不重大，故概無就應收貿易賬款作出減值撥備。

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment. At 31 December 2017, trade receivables of HK\$14,135,000 was determined to be impaired. The aging analysis of trade receivables that were not considered to be impaired was as follows:

Not past due	未過期	–
Less than 1 month past due	過期少於1個月	3
1 to 3 months past due	過期1至3個月	9
4 to 6 months past due	過期4至6個月	1
7 to 12 months past due	過期7至12個月	–
Over 12 months past due	過期超過12個月	–

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

於二零一八年一月一日前，減值虧損僅於客觀減值證據存在時確認。於二零一七年十二月三十一日，應收貿易賬款14,135,000港元被釐定為已減值。並無被視為已減值之應收貿易賬款之賬齡分析如下：

2017
HK\$'000
千港元

並無逾期或減值之應收賬款與近期並無拖欠歷史之多個客戶有關。

已逾期但未減值之應收賬款與若干獨立客戶有關，該等客戶於本集團具有良好往績記錄。根據過往經驗，管理層相信毋須就該等結餘計提減值撥備，原因為信貸質素並無重大變動，且有關結餘仍被視為可悉數收回。

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綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

Balance at 31 December under HKAS 39	根據香港會計準則第39號於十二月三十一日之結餘
Impact of initial application of HKFRS 9	初次應用香港財務報告準則第9號之影響
Adjusted balance at 1 January	於一月一日經調整之結餘
Amounts written off during the year	年內撇銷金額
Impairment losses recognised during the year	年內確認之減值虧損
Recovery of bad debts	收回壞賬
Exchange adjustments	匯兌調整
Balance at 31 December	於十二月三十一日之結餘

The following significant changes in the gross carrying amounts of trade receivables contributed to the decrease in the loss allowance during 2018:

A write-back of trade receivables with a gross carrying amount of HK\$14,083,000 resulted in a decrease in loss allowance of HK\$14,083,000.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

年內有關應收貿易賬款之虧損撥備賬變動如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
14,135	17,998
—	—
14,135	17,998
—	(3,885)
3	18
(14,083)	—
(3)	4
52	14,135

以下應收貿易賬款之賬面總額之重大變動貢獻二零一八年之虧損撥備減少：

賬面總額為14,083,000港元之應收貿易賬款撤回，導致虧損撥備減少14,083,000港元。

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綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group's concentration of credit risk on the trade receivables as at 31 December 2018 included one major counterparties accounting for approximately 90% (2017: included one major counterparties accounting for approximately 100%) of the trade receivables. The Group has closely monitored the recoverability of the advances to these counterparties and taken effective measures to ensure timely collection of outstanding balances. The Group has not obtained collateral from customers.

The Group is exposed to the concentration of geographic risk on revenue which is generated mostly from customers located in the PRC. The Group has closely monitored the business performance of these customers in the PRC.

The amounts due from an associate, a non-controlling shareholder of a subsidiary and other receivables are measured at amortised costs and are considered to have low credit risk because they are considered to have a strong capacity to meet its obligations. They are also subject to the ECLs model and the loss allowances limited to 12 months ECLs. After applying the expected credit loss model, the management considered that loss allowance for these financial instruments was immaterial.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

於二零一八年十二月三十一日，本集團應收貿易賬款之信貸風險集中包括一名佔應收貿易賬款約90%之主要交易對手方（二零一七年：包括一名佔應收貿易賬款約100%之主要交易對手方）。本集團已密切監察向該等交易對手方作出之墊款之可收回情況，並採取有效措施確保及時收回尚未收回之結餘。本集團並無自客戶取得抵押品。

本集團須承擔收益之地域風險集中，有關風險主要來自位於中國之客戶。本集團已密切監察該等中國客戶之業務表現。

應收一間聯營公司之款項、應收一間附屬公司一名非控制性股東之款項及其他應收賬款均按攤銷成本計量，並被視為具有較低信貸風險，原因為其被視為具穩健能力履行其責任。該等項目亦須受預期信貸虧損模型及限於12個月預期信貸虧損之虧損撥備所規限。於應用預期信貸虧損模型後，管理層認為該等金融工具之虧損撥備並不重大。

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Equity price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments quoted in the PRC stock exchange. Management monitors the price risks and will consider hedging the risk exposure should the need arises.

The management considered that the Group's exposure to the equity price risk on financial assets at fair value through profit or loss is not significant. Accordingly, no sensitivity analysis is presented.

Liquidity risk

In the management of 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 recognised of borrowings as well as the cash flows from operating activities.

The following table details the Group's remaining contractual maturity for its derivative and non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

股權價格風險

本集團因投資上市股本證券而承受股價風險。管理層維持風險不一的投資組合以管理此風險。本集團的股價風險主要集中於中國證券交易所報價的股本工具。管理層監察價格風險，並將於有需要時考慮對沖風險。

管理層認為本集團就按公平值計入損益之財務資產承受的股權價格風險並不重大，因此並無呈報敏感度分析。

流動資金風險

管理流動資金風險時，本集團監控並維持管理層視為足夠為本集團營運提供資金之現金及現金等價物，並減輕現金流量波動之影響。管理層會監控借貸之確認情況以及經營活動之現金流量。

下表載列本集團衍生及非衍生財務負債之剩餘合約到期詳情。該表根據財務負債之未貼現現金流量及本集團可能須償還之最早日期編製，包括利息及本金之現金流量。

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table

2018	二零一八年
Non-derivative financial liabilities	非衍生財務負債
Trade and other payables	應付貿易賬款及其他應付賬款
Amount due to a related party	應付一名關連人士之款項
- a director	- 一名董事
- interest-free	- 免息
- fixed rate at imputed interest	- 按推算利息計算之固定利率
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司 非控制性股東之款項

2017	二零一七年
Non-derivative financial liabilities	非衍生財務負債
Trade and other payables	應付貿易賬款及其他應付賬款
Amount due to a related party	應付一名關連人士之款項
- a director	- 一名董事
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司 非控制性股東之款項
Other borrowings	其他借貸
- fixed rate	- 定息

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表

Weighted average effective interest rate (per annum)	On demand or less than 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount as at 31.12.2018
加權平均實際利率 (每年) %	按要求或少於1年 HK\$'000 千港元	多於1年但少於2年 HK\$'000 千港元	多於2年但少於5年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	於二零一八年十二月三十一日之賬面值 HK\$'000 千港元
-	38,878	-	-	38,878	38,878
-	6,493	-	-	6,493	6,493
4.75	-	-	13,680	13,680	11,866
-	8,296	-	-	8,296	8,296
	53,667	-	13,680	67,347	65,533

Weighted average effective interest rate (per annum)	On demand or less than 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount as at 31.12.2017
加權平均實際利率 (每年) %	按要求或少於1年 HK\$'000 千港元	多於1年但少於2年 HK\$'000 千港元	多於2年但少於5年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	於二零一七年十二月三十一日之賬面值 HK\$'000 千港元
-	24,583	-	-	24,583	24,583
-	165	-	-	165	165
-	3,671	-	-	3,671	3,671
8.47	16,138	-	-	16,138	14,878
	44,557	-	-	44,557	43,297

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綜合財務報表附註

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

8. SEGMENT INFORMATION AND REVENUE

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers (the “CODM”) that are used to make strategic decisions.

During the year ended 31 December 2018, the Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group’s reportable segments:

- Mobile phone business
- Mining business

Corporate expenses, corporate assets and corporate liabilities are not allocated to the reportable segments as they are not included in the measure of the segments’ profit or loss, segments’ assets and segments’ liabilities that are used by the CODM for assessment of segment performance.

8. 分部資料及收益

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節

本集團基於由作出策略決定之主要營運決策者（「主要營運決策者」）審閱之報告釐定其營運分部。

截至二零一八年十二月三十一日止年度內，本集團擁有兩個可呈報分部。由於各業務提供不同產品以及服務，並且需要採取不同的業務策略，故此各分部乃分開管理。以下概要描述本集團各個可呈報分部之營運：

- 移動電話業務
- 採礦業務

由於企業支出、企業資產及企業負債並沒有計入主要營運決策者評估分部表現時使用之分部損益、分部資產及分部負債之計量內，故並沒有被分配至各可呈報分部。

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綜合財務報表附註

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

8. SEGMENT INFORMATION AND REVENUE (Continued)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

For the year ended 31 December 2018

Reportable segment revenue from contracts with external customers within scope of HKFRS 15

香港財務報告準則第15號範圍內之來自外界客戶合約的可呈報分部收益

Reportable segment profit

可呈報分部溢利

Depreciation and amortisation

折舊及攤銷

Reversal of impairment loss recognised in respect of prepayment paid to a supplier

就向一名供應商支付之預付款項確認之減值虧損撥回

Impairment loss recognised in respect of trade and other receivables

就應收貿易賬款及其他應收賬款確認之減值虧損

Impairment loss recognised in respect of inventories

就存貨確認之減值虧損

Recovery of bad debts

收回壞賬

Recovery of write down of inventories

存貨撇減撥回

Reportable segment assets

可呈報分部資產

Additions to non-current assets

非流動資產添置

Reportable segment liabilities

可呈報分部負債

8. 分部資料及收益 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之對賬 (續)

截至二零一八年十二月三十一日止年度

Mobile phone business 移動電話業務 HK\$'000 千港元	Mining business 採礦業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
216,104	-	216,104
11,990	(3,238)	8,752
199	-	199
(363)	-	(363)
2	-	2
-	1,221	1,221
(14,083)	-	(14,083)
(155)	-	(155)
72,083	3,643	75,726
5,808	-	5,808
(36,069)	(12,701)	(48,770)

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綜合財務報表附註

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

8. SEGMENT INFORMATION AND REVENUE (Continued)**8. 分部資料及收益 (續)**

(a) *Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)*

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之對賬 (續)

		2018 HK\$'000 千港元
Revenue	收益	
Reportable segment revenue and consolidated revenue	可呈報分部收益及綜合收益	216,104
Profit before income tax	除所得稅前溢利	
Reportable segment profit	可呈報分部溢利	8,752
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之公平值虧損	(519)
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損	(21)
Interest income	利息收入	45
Miscellaneous income	雜項收入	598
Write back of interest payables	應付利息撤回	11,922
Motor vehicle expenses	汽車支出	(116)
Staff costs (including directors' remunerations)	員工成本 (包括董事薪酬)	(5,641)
Rental expenses	租金開支	(634)
Corporate expenses	企業支出	(3,286)
Share of results of associates	分佔聯營公司之業績	(647)
Consolidated profit before income tax	除所得稅前綜合溢利	10,453

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綜合財務報表附註

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

8. SEGMENT INFORMATION AND REVENUE (Continued)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

8. 分部資料及收益 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之對賬 (續)

		2018 HK\$'000 千港元
Assets	資產	
Reportable segment assets	可呈報分部資產	75,726
Unallocated corporate assets	未分配企業資產	
– Investments in associates	– 聯營公司之投資	498
– Financial assets at fair value through profit or loss	– 按公平值計入損益之財務資產	5,886
– Club memberships	– 會所會籍	877
– Cash and cash equivalents	– 現金及現金等價物	1,704
– Others	– 其他	554
Consolidated total assets	綜合資產總值	<u>85,245</u>
Liabilities	負債	
Reportable segment liabilities	可呈報分部負債	48,770
Unallocated corporate liabilities	未分配企業負債	
– Tax payables	– 應付稅項	4,574
– Amount due to a related party (Note 37(b))	– 應付一名關連人士之款項 (附註37(b))	18,359
– Others	– 其他	6,106
Consolidated total liabilities	綜合負債總額	<u>77,809</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. SEGMENT INFORMATION AND REVENUE (Continued)**8. 分部資料及收益 (續)****(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)****(a) 可呈報分部及可呈報分部收益、損益、資產及負債之對賬 (續)**

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		Mobile phone business 移動 電話業務 HK\$'000 千港元	Mining business 採礦業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment revenue from contracts with external customers within scope of HKFRS 15	香港財務報告準則第15號範圍內之來自外界客戶合約的可呈報分部收益	7,436	-	7,436
Reportable segment loss	可呈報分部虧損	(28,815)	(186,993)	(215,808)
Depreciation and amortisation	折舊及攤銷	3	310	313
Loss on disposal of plant and equipment	出售廠房及設備之虧損	37	-	37
Impairment loss recognised in respect of plant and equipment	就廠房及設備確認之減值虧損	-	8,965	8,965
Impairment loss recognised in respect of mining right	就採礦權確認之減值虧損	-	174,589	174,589
Impairment loss recognised in respect of prepayments paid to suppliers	就向供應商支付之預付款項確認之減值虧損	24,903	-	24,903
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損	1,170	457	1,627
Recovery of write down of inventories	存貨撇減撥回	(516)	-	(516)
Reportable segment assets	可呈報分部資產	29,902	5,181	35,083
Reportable segment liabilities	可呈報分部負債	(3,936)	(39,247)	(43,183)

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綜合財務報表附註

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

8. SEGMENT INFORMATION AND REVENUE (Continued)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

8. 分部資料及收益 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之對賬 (續)

		2017 HK\$'000 千港元
Revenue	收益	
Reportable segment revenue and consolidated revenue	可呈報分部收益及綜合收益	7,436
Loss before income tax	除所得稅前虧損	
Reportable segment loss	可呈報分部虧損	(215,808)
Fair value loss on held-for-trading investments	持作買賣投資之公平值虧損	(102)
Impairment loss recognised in respect of available-for-sale investments	就可供出售投資確認之減值虧損	(2,614)
Interest income	利息收入	156
Miscellaneous income	雜項收入	783
Motor vehicle expenses	汽車支出	(144)
Staff costs (including directors' remunerations)	員工成本 (包括董事薪酬)	(5,592)
Rental expenses	租金開支	(636)
Corporate expenses	企業支出	(2,667)
Share of results of associates	分佔聯營公司之業績	(6)
Finance costs	融資成本	(1,208)
Consolidated loss before income tax	除所得稅前綜合虧損	(227,838)
Assets	資產	
Reportable segment assets	可呈報分部資產	35,083
Unallocated corporate assets	未分配企業資產	
– Investments in associates	– 聯營公司之投資	1,145
– Available-for-sale investments	– 可供出售投資	2,449
– Held-for-trading investments	– 持作買賣投資	1,251
– Club memberships	– 會所會籍	888
– Cash and cash equivalents	– 現金及現金等價物	3,508
– Others	– 其他	552
Consolidated total assets	綜合資產總值	44,876

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綜合財務報表附註

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

8. SEGMENT INFORMATION AND REVENUE (Continued)

8. 分部資料及收益 (續)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之對賬 (續)

		2017 HK\$'000 千港元
Liabilities	負債	
Reportable segment liabilities	可呈報分部負債	43,183
Unallocated corporate liabilities	未分配企業負債	
– Tax payables	– 應付稅項	4,574
– Amount due to a related party (Note 37(b))	– 應付一名關連人士之款項 (附註37(b))	165
– Others	– 其他	3,005
		<hr/>
Consolidated total liabilities	綜合負債總額	<hr/> 50,927 <hr/>

(b) Geographical information

During the years ended 31 December 2018 and 2017, the Group's operations and non-current assets are situated in the PRC in which all of its revenue was derived.

(b) 地域資料

於截至二零一八年及二零一七年十二月三十一日止年度，本集團之業務及非流動資產均位於中國，而全部收益均來自中國。

(c) Information about major customer

For the year ended 31 December 2018, revenues from two (2017: two) customers in the mobile phone business of the Group amounted to HK\$80,298,000 and HK\$35,667,000 (2017: HK\$5,692,000 and HK\$983,000) respectively, each of which represent 37% and 17% of the Group's revenue.

(c) 有關主要客戶之資料

截至二零一八年十二月三十一日止年度，本集團移動電話業務兩名（二零一七年：兩名）客戶的收益分別為80,298,000港元及35,667,000港元（二零一七年：5,692,000港元及983,000港元），各佔本集團收益37%及17%。

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綜合財務報表附註

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

8. SEGMENT INFORMATION AND REVENUE (Continued)

(d) Revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Disaggregation of revenue from contracts with customers

Primary geographical market	主要地區市場
PRC	中國
Major product	主要產品
Mobile phone	移動電話
Timing of revenue recognition	收益確認時間
At a point in time	於某一時間點

8. 分部資料及收益 (續)

(d) 收益

於下表內，收益按主要地區市場、主要產品及服務分類及收益確認時間分拆。

客戶合約收益分拆

Trading of mobile phone 買賣移動電話

2018 HK\$'000 千港元	2017 HK\$'000 千港元
216,104	7,436
216,104	7,436
216,104	7,436

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綜合財務報表附註

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

9. OTHER GAINS AND LOSSES

9. 其他收益及虧損

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Exchange (loss)/gain	匯兌(虧損)/收益	(2)	3
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之公平值虧損	(519)	-
Fair value loss on held-for-trading investments	持作買賣投資之公平值虧損	-	(102)
Impairment loss recognised in respect of available-for-sale investments	就可供出售投資確認之減值虧損	-	(2,614)
Impairment loss recognised in respect of plant and equipment	就廠房及設備確認之減值虧損	-	(8,965)
Impairment loss recognised in respect of inventories	就存貨確認之減值虧損	(1,221)	-
Impairment loss recognised in respect of prepayments paid to suppliers	就向供應商支付之預付款項確認之減值虧損	-	(24,903)
Reversal of impairment loss recognised in respect of prepayment paid to a supplier	就向一名供應商支付之預付款項確認之減值虧損撥回	363	-
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損	(23)	(1,627)
Written off of plant and equipment	撇銷廠房及設備	-	(37)
Write back of interest payables	應付利息撤回	11,922	-
Recovery of bad debts	收回壞賬	14,083	-
Others	其他	(1,619)	-
		22,984	(38,245)

10. FINANCE COSTS

10. 融資成本

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interests on other borrowings wholly repayable within five years	須於五年內悉數償還之其他借貸之利息	-	1,208

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

11. INCOME TAX EXPENSE/(CREDIT)

The amount of income tax expense/(credit) in the consolidated statement of other comprehensive income represents:

Current tax – PRC Enterprises Income Tax (“EIT”) – tax for the year	即期稅項—中國企業所得稅（「企業所得稅」）—年度稅項
Deferred tax credit (Note 30)	遞延稅項抵免（附註30）

The Group’s major operations are being carried out through its subsidiaries established in the PRC and subject to the EIT rate of 25% (2017: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

No provision for income tax has been made as the Group did not have any estimated assessable profits during the year ended 31 December 2017.

11. 所得稅開支／（抵免）

綜合其他全面收入表內之所得稅開支／（抵免）金額指：

2018 HK\$’000 千港元	2017 HK\$’000 千港元
148	–
–	(41,116)
148	(41,116)

本集團透過其於中國成立之附屬公司進行主要業務，並須按25%（二零一七年：25%）之企業所得稅稅率納稅，惟優惠稅率適用於該等附屬公司所在城市則除外。

由於本集團於截至二零一七年十二月三十一日止年度並無任何估計之應課稅溢利，故並無作出所得稅撥備。

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綜合財務報表附註

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

11. INCOME TAX EXPENSE/(CREDIT) (Continued)

The income tax expense/(credit) for the year can be reconciled to the profit/(loss) before income tax per the consolidated statement of comprehensive income as follows:

11. 所得稅開支／（抵免）（續）

本年度之所得稅開支／（抵免）與綜合全面收入表之除所得稅前溢利／（虧損）對賬如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit/(loss) before income tax	除所得稅前溢利／（虧損）	10,453	(227,838)
Income tax expense/(credit) at the domestic income tax rate of 25% (2017: 25%) (Note)	按本地所得稅稅率25%（二零一七年：25%）計算之所得稅開支／（抵免）（附註）	2,613	(56,960)
Tax effect of share of results of associates	分佔聯營公司之業績之稅務影響	107	1
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	1,053	9,695
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(5,415)	(972)
Tax effect of tax losses not recognised and utilisation of tax losses and deductible temporary differences	未確認稅項虧損及動用稅項虧損及可扣稅暫時差額之稅務影響	2,482	6,205
Effect of tax concession granted to subsidiary	授予附屬公司稅務優惠之影響	(155)	-
Effect of different tax rates of group entities operating in other jurisdictions	於其他司法權區營運之集團實體不同稅率之影響	(537)	915
Income tax expense/(credit)	所得稅開支／（抵免）	148	(41,116)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

11. INCOME TAX EXPENSE/(CREDIT) (Continued)

At the end of reporting period, the Group had estimated unused tax losses of approximately HK\$182,731,000 (2017: HK\$166,364,000) available for offsetting against future profits. The tax losses are subject to the final assessment by the tax authorities in the respective jurisdictions where the tax losses arising from. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$43,043,000 (2017: HK\$32,071,000) that may be carried forward for a period of five years from their respective year of origination. The remaining unrecognised tax losses may be carried forward indefinitely.

At the end of reporting period, the Group also had deductible temporary differences of approximately HK\$8,854,000 (2017: HK\$8,808,000). No deferred tax asset has been recognised in relation to these deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Note: The domestic income tax rate represents the EIT rate where the Group's operations are substantially based.

11. 所得稅開支／（抵免）（續）

於呈報期末，本集團估計可用作抵扣未來溢利之尚未動用稅項虧損約為182,731,000港元（二零一七年：166,364,000港元）。稅項虧損須待產生稅項虧損的相關司法權區的稅務機關作最後評稅。由於無法預測未來溢利來源，故並無就所估計之尚未動用之稅項虧損確認遞延稅項資產。計入未確認稅項虧損之虧損約為43,043,000港元（二零一七年：32,071,000港元），可自各產生年度起結轉五年。剩下的未確認稅項虧損則可無限期結轉。

於呈報期末，本集團亦有可扣稅暫時差額約8,854,000港元（二零一七年：8,808,000港元）。由於不大可能產生可扣稅暫時差額用以抵銷應課稅溢利，故並無就該等可扣稅暫時差額確認遞延稅項資產。

附註：本地所得稅稅率指本集團大部分業務適用之企業所得稅稅率。

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12. PROFIT/(LOSS) BEFORE INCOME TAX**12. 除所得稅前溢利／（虧損）**

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit/(loss) before income tax is arriving at	除所得稅前溢利／（虧損）		
after charging:	已扣除：		
Auditor's remuneration	核數師酬金	1,134	970
Cost of inventories recognised as expenses	已確認為開支之存貨成本	213,966	7,147
Depreciation of plant and equipment	廠房及設備之折舊	211	331
Staff costs	員工成本		
– directors' emoluments (Note 13)	– 董事酬金（附註13）	3,631	4,253
– salaries and allowances for other staffs	– 其他員工薪金及津貼	3,742	4,199
– retirement benefit scheme contribution (excluding directors)	– 退休福利計劃供款（不包括董事）	267	198
		7,640	8,650
and after crediting:	及已計入：		
Service income from provision of logistics and promotion services	提供物流及宣傳服務之服務收入	–	44
Interest income	利息收入	45	156
Recovery of write down of inventories	存貨撇減撥回	155	516

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13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the eight (2017: seven) directors during the year were as follows:

13. 董事酬金

年內已付或應付予八位(二零一七年:七位)董事各自之酬金如下:

	Lau Siu Ying ("Mr. Lau") 劉小鷹 (「劉先生」)	Luo Xi Zhi 羅習之 (Note 1) (附註1)	Law Chun Kwan 羅振坤	Chang Wing Seng, Victor 鄭永勝 (Note 2) (附註2)	Wong Lit Chor, Alexis 黃烈初 (Note 3) (附註3)	Wang Yu 王愚	Lam Man Kit 林文傑 (Note 4) (附註4)	Bao Kang Rong 鮑康榮 (Note 5) (附註5)	Lo Wai Shun 勞維信 (Note 6) (附註6)	Total
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2018	二零一八年									
Fees	袍金	-	-	100	42	-	100	58	58	358
Salaries and allowances	薪金及津貼	2,769	-	-	-	464	-	-	-	3,233
Retirement benefit scheme contribution	退休福利計劃供款	3	-	-	-	37	-	-	-	40
Total emoluments	酬金總額	2,772	-	100	42	501	100	58	58	3,631
2017	二零一七年									
Fees	袍金	-	-	100	100	75	25	-	-	300
Salaries and allowances	薪金及津貼	3,342	110	-	-	449	-	-	-	3,901
Retirement benefit scheme contribution	退休福利計劃供款	3	13	-	-	36	-	-	-	52
Total emoluments	酬金總額	3,345	123	100	100	485	25	-	-	4,253

Notes:

- Mr. Luo Xi Zhi resigned as the executive director of the Company on 17 April 2018.
- Mr. Chang Wing Seng, Victor retired as the independent non-executive director of the Company on 1 June 2018.
- Mr. Wong Lit Chor, Alexis resigned as the independent non-executive director of the Company on 3 October 2017.
- Mr. Lam Man Kit was appointed as the independent non-executive director of the Company on 3 October 2017.
- Mr. Bao Kang Rong was appointed as the non-executive director of the Company on 4 June 2018.
- Dr. Lo Wai Shun was appointed as the independent non-executive director of the Company on 4 June 2018.

附註:

- 羅習之先生於二零一八年四月十七日辭任本公司執行董事。
- 鄭永勝先生於二零一八年六月一日退任本公司獨立非執行董事。
- 黃烈初先生於二零一七年十月三日辭任本公司獨立非執行董事。
- 林文傑先生於二零一七年十月三日獲委任為本公司獨立非執行董事。
- 鮑康榮先生於二零一八年六月四日獲委任為本公司非執行董事。
- 勞維信博士於二零一八年六月四日獲委任為本公司獨立非執行董事。

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14. EMPLOYEES' EMOLUMENTS

Out of the five individuals with the highest emoluments in the Group, two (2017: two) were directors of the Company whose emoluments are included in the disclosures in Note 13 to the consolidated financial statements above. The emoluments of the remaining three (2017: three) individuals were as follows:

Salaries and allowances	薪金及津貼
Retirement benefit scheme contribution	退休福利計劃供款

Their emoluments were within the following band:

Up to HK\$1,000,000	1,000,000港元以內
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None of the five highest paid individuals waived any emoluments in current and prior years.

During the years ended 31 December 2018 and 2017, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office.

14. 僱員酬金

本集團五位最高薪人士中，其中兩位（二零一七年：兩位）為本公司董事，其酬金載於上文綜合財務報表附註13之披露事項。餘下三位（二零一七年：三位）人士之酬金如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
1,429	1,392
50	54
1,479	1,446

該等僱員之酬金介乎下列範圍：

2018 Number of employees 僱員數目	2017 Number of employees 僱員數目
3	3

於本年度及過往年度內，五位最高薪人士概無放棄收取任何酬金。

截至二零一八年及二零一七年十二月三十一日止年度，本集團概無向五位最高薪人士（包括董事）支付任何酬金，作為招攬彼等加入或在加入本集團時之酬金或作為離職補償。

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15. DIVIDEND

No dividend was paid or proposed during current and prior years, nor has any dividend been proposed since the end of reporting period (2017: Nil).

16. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of earnings/(loss) per share for the year is based on the profit for the year attributable to owners of the Company of HK\$7,799,000 (2017: loss of HK\$111,714,000) and the weighted average number of 917,779,442 (2017: 911,673,645) shares in issue during the year.

(b) Diluted earnings/(loss) per share

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive potential shares for the year ended 31 December 2018.

No diluted loss per share was presented as the effect of all potential ordinary shares is anti-dilutive for the year ended 31 December 2017.

15. 股息

於本年度及過往年度內，概無派付或擬派股息，自呈報期結算日以來亦無擬派任何股息（二零一七年：無）。

16. 每股盈利／（虧損）

(a) 每股基本盈利／（虧損）

年內盈利／（虧損）乃根據本公司擁有人應佔年內溢利7,799,000港元（二零一七年：虧損111,714,000港元）及年內已發行股份之加權平均數917,779,442股（二零一七年：911,673,645股）計算。

(b) 每股攤薄盈利／（虧損）

由於本集團於截至二零一八年十二月三十一日止年度並無攤薄潛在股份，故每股攤薄盈利與每股基本盈利相同。

由於截至二零一七年十二月三十一日止年度之所有潛在普通股均具反攤薄效應，故並無呈列每股攤薄虧損。

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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

17. PLANT AND EQUIPMENT

17. 廠房及設備

		Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		租賃裝修	傢俬、 裝置及設備	汽車	在建工程	總計
		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
COST	成本					
At 1 January 2017	於二零一七年一月一日	4,324	3,135	2,144	6,034	15,637
Exchange adjustments	匯兌調整	307	158	35	489	989
Additions	添加	-	6	-	-	6
Disposal	出售	-	-	(62)	-	(62)
Write-off	撇銷	-	(64)	-	-	(64)
At 31 December 2017	於二零一七年十二月三十一日	4,631	3,235	2,117	6,523	16,506
Exchange adjustments	匯兌調整	(155)	(101)	(25)	(326)	(607)
Additions	添加	5,807	13	-	-	5,820
Write-off	撇銷	-	(6)	-	-	(6)
At 31 December 2018	於二零一八年十二月三十一日	10,283	3,141	2,092	6,197	21,713
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值					
At 1 January 2017	於二零一七年一月一日	1,871	2,630	2,087	-	6,588
Exchange adjustments	匯兌調整	216	151	26	271	664
Provided for the year	年度撥備	229	99	3	-	331
Eliminated on disposal	出售時消除	-	-	(20)	-	(20)
Eliminated on write-off	撇銷時消除	-	(64)	-	-	(64)
Impairment loss	減值虧損	2,315	398	-	6,252	8,965
At 31 December 2017	於二零一七年十二月三十一日	4,631	3,214	2,096	6,523	16,464
Exchange adjustments	匯兌調整	(213)	(102)	(24)	(326)	(665)
Provided for the year	年度撥備	198	13	-	-	211
Eliminated on write-off	撇銷時消除	-	(6)	-	-	(6)
At 31 December 2018	於二零一八年十二月三十一日	4,616	3,119	2,072	6,197	16,004
CARRYING VALUE	賬面值					
At 31 December 2018	於二零一八年十二月三十一日	5,667	22	20	-	5,709
At 31 December 2017	於二零一七年十二月三十一日	-	21	21	-	42

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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

18. MINING RIGHT

18. 採礦權

		HK\$'000 千港元
COST	成本	
At 1 January 2017	於二零一七年一月一日	408,480
Exchange adjustments	匯兌調整	<u>33,120</u>
At 31 December 2017	於二零一七年十二月三十一日	441,600
Exchange adjustments	匯兌調整	<u>(22,080)</u>
At 31 December 2018	於二零一八年十二月三十一日	<u>419,520</u>
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值	
At 1 January 2017	於二零一七年一月一日	239,964
Exchange adjustments	匯兌調整	27,047
Impairment for the year	年內減值	<u>174,589</u>
At 31 December 2017	於二零一七年十二月三十一日	441,600
Exchange adjustments	匯兌調整	<u>(22,080)</u>
At 31 December 2018	於二零一八年十二月三十一日	<u>419,520</u>
CARRYING VALUE	賬面值	
At 31 December 2018	於二零一八年十二月三十一日	<u>–</u>
At 31 December 2017	於二零一七年十二月三十一日	<u>–</u>

The mining right represents the right of Sifa Mining to conduct mining activities in Huangshi City, Hubei Province, the PRC. The mining right was amortised using the units of production method based on the proven and probable mineral reserves.

採礦權指錫發礦業於中國湖北省黃石市進行採礦活動的權利。採礦權乃基於已探明及推定礦產儲量的生產方法作為單位攤銷。

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18. MINING RIGHT (Continued)

Mining exploitation/operating permit

After the expiration of a 5-year mining exploitation permit on 25 September 2012, Sifa Mining obtained twice a renewed mining operating permit for 2 years from the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部) (“MLR”), under which Sifa Mining was allowed to carry out exploration activities only, but not exploitation activities. The latest 2-year mining operating permit was expired on 25 September 2016. Since then, the Group had been preparing for the application of renewal for the mining operation permit.

On 21 December 2017, the Department of Land and Resources of Hubei Province of the People’s Republic of China (the “DLR”) issued an announcement (the “DLR Announcement”) in respect of the deadline of application of renewal for the expired mining operating permit. The DLR instructed the owners of the expired mining operating permits as identified in the DLR Announcement had to furnish the application procedures for the renewal before 28 February 2018. If the owners fail to do so, they were required to de-register the mining operating permits before 31 March 2018 by themselves or the DLR will de-register their permits instead. The Group, through its lawyer, submitted a letter on 8 February 2018 to the DLR for the clarification of the Group’s situation on whether the Group was allowed to extend the renewal application deadline or submit a new application for the mining operating permit in the future.

18. 採礦權 (續)

採礦許可證

五年期採礦許可證於二零一二年九月二十五日屆滿後，鋸發礦業已兩次取得中華人民共和國國土資源部(「國土資源部」)授出為期兩年的經重續採礦許可證。據此，鋸發礦業僅獲准進行勘探活動而非開採活動。最新兩年期採礦許可證已於二零一六年九月二十五日屆滿。自此，本集團正準備申請重續採礦許可證。

於二零一七年十二月二十一日，中華人民共和國湖北省國土資源廳(「國土資源廳」)已就申請重續已屆滿採礦許可證之最後期限發出公佈(「國土資源廳公佈」)。國土資源廳指示，國土資源廳公佈指明之已屆滿採礦許可證之擁有人須於二零一八年二月二十八日前提出重續之申請程序。倘擁有人未能完成申請程序，則彼等須於二零一八年三月三十一日前自行註銷採礦許可證，否則國土資源廳將註銷其許可證。本集團於二零一八年二月八日透過其律師向國土資源廳提交一封函件，以就本集團是否獲准延長重續申請之最後期限或於日後提交新的採礦許可證申請澄清本集團之情況。

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18. MINING RIGHT (Continued)

Mining exploitation/operating permit (Continued)

Up to the date of the 2017 Annual Report, the Group had not received the reply from the DLR and was not able to furnish the application before the deadline. The directors were of the opinion that there was a material uncertainty on whether the Group would be successful in the future application for the mining operating permit because of the DLR Announcement. The directors had factored this into their assessment of the recoverable amount of the Group's mining right and related plant and equipment, and the carrying amount of the related deferred tax liability (the "mining activities related assets and liability") as at 31 December 2017, and on the assumption that the Group could not renew the permit, provided a full impairment of the mining right of HK\$174,589,000 and related plant and equipment of HK\$8,965,000 and derecognised the related deferred tax liability of HK\$41,116,000 in profit or loss during the year ended 31 December 2017.

During the year ended 31 December 2018, the Group, through its lawyer, has tried to approach DLR by telephone calls and resubmission of the letter sent in February 2018 for the clarification of the Group's situation. However, DLR did not make reply to the Group's enquiries. The directors were advised by the lawyer that, in accordance with the rules and regulations in the PRC, the Group has lost its mining right and no longer entitled to any benefit to be derived from the mining right.

18. 採礦權 (續)

採礦許可證 (續)

直至二零一七年年報日期，本集團並未收到國土資源廳之答覆，且未能於最後期限前提出申請。董事認為，本集團日後能否成功申請採礦許可證因國土資源廳公佈而存在重大不確定性。董事於評估本集團於二零一七年十二月三十一日之採礦權及相關廠房及設備可收回金額及相關遞延稅項負債賬面值（「採礦業務相關資產及負債」）時已計及此項因素，並假設本集團未能重續許可證，則就採礦權174,589,000港元及相關廠房及設備8,965,000港元計提全額減值撥備，並於截至二零一七年十二月三十一日止年度於損益中取消確認相關遞延稅項負債41,116,000港元。

截至二零一八年十二月三十一日止年度，本集團已透過其律師嘗試以電話及重新遞交於二零一八年二月發出之函件之方式接觸國土資源廳，以澄清本集團之情況。然而，國土資源廳並無回覆本集團之查詢。董事獲律師告知，根據中國之法規及規例，本集團已失去其採礦權及不再可享有採礦權產生之任何利益。

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18. MINING RIGHT (Continued)

Mining exploitation/operating permit (Continued)

The directors had carefully reassessed and reviewed the recoverable amount of the cash-generating unit of the mining business (the “CGU”) to which the mining right is allocated. As at 31 December 2018, the directors determined the recoverable amount of the CGU should be nil as the directors are of the opinion that the DLR is unlikely to grant the mining operating permit to the Company nor to other market participants, if any. The directors have also considered the fair value of the plant and equipment related to the mining business is minimal as most of them were the infrastructure that attached to the mining site which were not removable and not saleable.

19. INVESTMENTS IN ASSOCIATES

Cost of investments in unlisted associates	於非上市聯營公司之投資成本
Share of post-acquisition reserves	應佔收購後儲備
Exchange adjustments	匯兌調整

Particulars of the associates as at 31 December 2018 and 2017 are set out in Note 42 to the consolidated financial statements.

18. 採礦權 (續)

採礦許可證 (續)

董事已審慎重新評估及審閱獲分配採礦權之採礦業務現金產生單位(「現金產生單位」)之可收回金額。於二零一八年十二月三十一日，董事釐定現金產生單位之可收回金額應為零，原因為董事認為國土資源廳不大可能向本公司或其他市場參與者(如有)授出採礦許可證。董事亦認為採礦業務之相關廠房及設備之公平值極低，原因為大部分廠房及設備為礦場之附屬基礎設施，其不可拆除亦不可出售。

19. 聯營公司之投資

2018 HK\$'000 千港元	2017 HK\$'000 千港元
4,912	4,912
(4,352)	(3,705)
(62)	(62)
498	1,145

於二零一八年及二零一七年十二月三十一日之聯營公司詳情載於綜合財務報表附註42。

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19. INVESTMENTS IN ASSOCIATES (Continued)

- i) Summarised financial information of material associate, adjusted for any difference in accounting policies:

Ever Trillion Investments Limited

Current assets	流動資產
Non-current assets	非流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債

Group's share of net assets of the associate 本集團應佔聯營公司資產淨值

Year ended 31 December	截至十二月三十一日止年度
Revenue	收益
Loss from continuing operation	來自持續經營業務之虧損
Dividend received from associate	自聯營公司收取股息

- ii) Since 2016, the Group discontinued recognition of its share of losses of an associate, Beijing Feiyang, as summarised below:

Unrecognised share of profit/(loss) of associate for the year	未確認分佔聯營公司之年度溢利／(虧損)
Accumulated unrecognised share of loss of associate	累計未確認分佔聯營公司之虧損

19. 聯營公司之投資 (續)

- i) 重大聯營公司之財務資料概要 (已就任何會計政策之差異作調整):

Ever Trillion Investments Limited

2018 HK\$'000 千港元	2017 HK\$'000 千港元
1,166	-
-	2,713
-	(38)
-	-
1,166	2,675
498	1,145
-	-
(1,510)	(13)
-	-

- ii) 自二零一六年以來，本集團已終止確認其分佔聯營公司北京飛鷹之虧損，概述如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
3,156	(2,328)
(3,666)	(6,822)

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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. OTHER FINANCIAL ASSETS

20. 其他財務資產

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Non-current assets (Note a)	非流動資產 (附註a)		
Financial assets at fair value through profit or loss comprise:	按公平值計入損益之財務資產包括：		
Unlisted equity investments	非上市股權投資	1,619	-
Unlisted fund investment	非上市基金投資	3,731	-
		5,350	-
Available-for-sale investments comprise:	可供出售投資包括：		
Unlisted equity investments, at cost	非上市股權投資，按成本	-	14,977
Less: allowance for impairment	減：減值撥備	-	(14,908)
		-	69
Unlisted fund investment, at cost	非上市基金投資，按成本	-	2,380
		5,350	2,449
Current assets (Note b)	流動資產 (附註b)		
Financial assets at fair value through profit or loss comprise:	按公平值計入損益之財務資產包括：		
Listed equity investments in PRC	中國上市股權投資	536	-
Held-for-trading investments comprise:	持作買賣投資包括：		
Listed equity investments in PRC	中國上市股權投資	-	1,251
		536	1,251

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綜合財務報表附註

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

20. OTHER FINANCIAL ASSETS (Continued)

Note a: Both unlisted equity investments and unlisted fund investment were measured at cost less impairment as at 31 December 2017 because the range of reasonable fair values estimates was so significant that the directors of the Group were of the opinion that fair value of the investments could not be measured reliably.

These investments were reclassified as financial assets at fair value through profit or loss on 1 January 2018 under HKFRS. The directors of the Group intend to hold these investments for long term strategic purpose.

Unlisted investments are investments in couple of private entities incorporated in different jurisdictions that engaged in different business.

Note b: The listed equity investments are classified within level 1 of the fair value hierarchy.

20. 其他財務資產 (續)

附註a：非上市股權投資及非上市基金投資於二零一七年十二月三十一日按成本扣除減值計量，原因為其合理公平值估計範圍過大，本集團董事認為無法可靠地計量該等投資之公平值。

於二零一八年一月一日，該等投資根據香港財務報告準則被重新分類為按公平值計入損益之財務資產。本集團董事擬就長期策略性目的持有該等投資。

非上市投資為於若干於不同司法權區註冊成立及從事不同業務之私營實體之投資。

附註b：上市股權投資分類為公平值層級的第一層。

21. CLUB MEMBERSHIPS

21. 會所會籍

		HK\$'000 千港元
COST	成本	
At 1 January 2017	於二零一七年一月一日	1,368
Exchange adjustments	匯兌調整	16
		<hr/>
At 31 December 2017	於二零一七年十二月三十一日	1,384
Exchange adjustments	匯兌調整	(11)
		<hr/>
At 31 December 2018	於二零一八年十二月三十一日	1,373
		<hr/>
IMPAIRMENT	減值	
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	496
		<hr/>
CARRYING AMOUNT	賬面值	
At 31 December 2018	於二零一八年十二月三十一日	877
		<hr/>
At 31 December 2017	於二零一七年十二月三十一日	888
		<hr/>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. CLUB MEMBERSHIPS (Continued)

Club memberships are stated at cost less any identified impairment loss. For the purpose of impairment testing on club memberships, the recoverable amount has been determined based on fair value less costs to sell which represents the second-hand market price less cost of disposal.

22. INVENTORIES

Inventories comprise finished goods in:

Mobile phones business	移動電話業務
Mining business	採礦業務

Included in the cost of inventories recognised as expense for the year ended 31 December 2018 were recovery of write down of inventories of HK\$155,000 (2017: HK\$516,000) which was caused by the increase in the net realisable value.

21. 會所會籍 (續)

會所會籍按成本減任何已識別減值虧損列賬。檢測會所會籍有否減值時，可收回金額按公平值減銷售成本釐定，亦即二手市場價減出售成本。

22. 存貨

存貨包括製成品：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
95	867
–	1,231
95	2,098

截至二零一八年十二月三十一日止年度之已確認為開支之存貨成本包括由於可變現淨值增加而產生之存貨撇減撥回155,000港元(二零一七年:516,000港元)。

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綜合財務報表附註

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

23. TRADE AND OTHER RECEIVABLES

Trade receivables	應收貿易賬款
Less: accumulated allowance	減：累計撥備
Value-added tax receivables	應收增值稅
Prepayments to suppliers	預付供應商款項
Other receivables and deposits (Note)	其他應收賬款及按金 (附註)
Less: accumulated allowance	減：累計撥備
Trade and other receivables	應收貿易賬款及其他應收賬款

Note: The other receivables of HK\$22,960,000 represented the amount due from an entity controlled by a non-controlling shareholder of a subsidiary as at 31 December 2018. The amount is unsecured, interest-free and repayable within one year.

The Group generally requests for full prepayment from its trade customers but it also allows certain trade customers a credit period of 30 to 90 days. The following is an aged analysis of trade receivables (net of allowance) presented based on the invoice date at the end of reporting period:

0 to 30 days	零至三十日
31 to 90 days	三十一至九十日
91 to 365 days	九十一至三百六十五日

23. 應收貿易賬款及其他應收賬款

2018 HK\$'000 千港元	2017 HK\$'000 千港元
508	14,148
(52)	(14,135)
456	13
259	379
40,122	36,641
32,262	7,847
(30,917)	(32,239)
42,182	12,641

附註：其他應收賬款22,960,000港元指於二零一八年十二月三十一日應收一間附屬公司一名非控制性股東控制之實體之款項。該金額為無抵押、免息及須於一年內償還。

本集團一般要求貿易客戶預付全數款項，但亦給予若干貿易客戶三十至九十日之信貸期。於呈報期末之應收貿易賬款（已扣除撥備）按發票日期呈列之賬齡分析如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
-	3
-	9
456	1
456	13

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綜合財務報表附註

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

23. TRADE AND OTHER RECEIVABLES (Continued)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Limits attributed to customers are reviewed periodically. Majority of the trade receivables that are neither past due nor impaired have no default payment history and good credit rating under the Group's internal credit assessment.

The Group does not hold any collateral over its trade debts. The following is an aged analysis of the carrying amounts of trade debts that were past due at the end of reporting period but for which the Group has not provided for impairment loss because management are of the opinion that the fundamental credit quality of the customers has not deteriorated.

Less than 90 days past due	逾期少於九十日
Over 90 days but less than 365 days past due	逾期超過九十日 但少於三百六十五日

23. 應收貿易賬款及其他應收賬款 (續)

接納任何新客戶前，本集團會評估潛在客戶之信貸質量，然後界定信貸限額，定期檢討授予客戶之限額。根據本集團內部信貸評估，大部分既未逾期亦未減值之應收貿易賬款並無拖欠紀錄且信用等級良好。

本集團並無就貿易債款持有任何抵押品。以下為於呈報期結算日已逾期但因管理層認為客戶之基本信貸質素並未惡化而導致本集團並無作出減值虧損撥備之貿易債款之賬面值賬齡分析。

2018 HK\$'000 千港元	2017 HK\$'000 千港元
-	12
456	1
456	13

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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

23. TRADE AND OTHER RECEIVABLES (Continued)

Movement in the allowance for doubtful debts in respect of trade and other receivables

Balance at beginning of year	年初結餘
Exchange adjustments	匯兌調整
Impairment losses recognised during the year	年內確認之減值虧損
Reversal of impairment loss recognised in respect of prepayment paid to a supplier	就向一名供應商支付之預付款項確認之減值虧損撥回
Recovery of bad debts	收回壞賬
Written off of allowance as uncollectible	將撥備撇銷為不可收回
Balance at end of year	年終結餘

The Group recognised impairment loss on individual assessment based on the accounting policy stated in Note 4 to the consolidated financial statements.

Included in the above allowance for doubtful debts in respect of trade and other receivables is a provision for individually impaired trade and other receivables of HK\$30,969,000 (2017: HK\$46,374,000) with a carrying amount before provision of HK\$73,151,000 (2017: HK\$59,015,000).

The individually impaired trade and other receivables relate to debtors that were in financial difficulties or were in default in both interest and/or principal payments and only a portion of the receivables is expected to be recovered.

23. 應收貿易賬款及其他應收賬款 (續)

有關應收貿易賬款及其他應收賬款呆賬撥備之變動

2018	2017
HK\$'000	HK\$'000
千港元	千港元
46,374	24,028
170	(299)
23	26,530
(363)	—
(14,083)	—
(1,152)	(3,885)
30,969	46,374

本集團根據綜合財務報表附註4所述之會計政策確認個別評估之減值虧損。

上述就應收貿易賬款及其他應收賬款之呆賬撥備包括就已個別減值之應收貿易賬款及其他應收賬款之撥備30,969,000港元(二零一七年: 46,374,000港元), 撥備前賬面值為73,151,000港元(二零一七年: 59,015,000港元)。

已個別減值之應收貿易賬款及其他應收賬款涉及陷入財務困難或拖欠利息及/或本金付款之債務人, 預期僅可收回應收賬款之一部分。

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綜合財務報表附註

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

24. AMOUNTS DUE FROM/TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

The balances are unsecured, interest-free and repayable on demand.

25. CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Group are mainly denominated in RMB and HK\$, which are the functional currencies of the relevant entities of the Group. Included in cash and cash equivalents at 31 December 2018 are the amounts in RMB of approximately RMB21,806,000 (2017: RMB12,380,000) in form of cash on hand and at banks. RMB is not freely convertible into other currencies.

Cash at banks earns interest at floating bank deposit rates.

24. 應收／應付附屬公司非控制性股東之款項

結餘為無抵押、不計息及須按要求償還。

25. 現金及現金等價物

本集團之現金及現金等價物主要以本集團有關實體之功能貨幣人民幣及港元計值。於二零一八年十二月三十一日，現金及現金等價物包括以人民幣計值之手頭及銀行現金約人民幣21,806,000元（二零一七年：人民幣12,380,000元）。人民幣不得自由兌換為其他貨幣。

銀行現金按浮動銀行存款利率賺取利息。

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綜合財務報表附註

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

26. TRADE AND OTHER PAYABLES

The following is an aged analysis of the trade payables presented based on the invoice date at the end of reporting period:

Trade payables:	應付貿易賬款：
Over 90 days	超過九十日
Value-added tax payables	應付增值稅
Prepayments from customers	客戶預付款項
Other payables and accruals (Note)	其他應付賬款及應計費用 (附註)

Note: The other payables of HK\$22,746,000 represented the amount due to an entity controlled by a non-controlling shareholder of a subsidiary as at 31 December 2018. The amount is unsecured, interest-free and repayable within one year.

26. 應付貿易賬款及其他應付賬款

於呈報期末之應付貿易賬款按發票日期呈列之賬齡分析如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
42	204
42	204
18	-
143	1,221
38,836	24,379
39,039	25,804

附註：其他應付賬款22,746,000港元指於二零一八年十二月三十一日應付一間附屬公司一名非控制性股東控制之實體之款項。該金額為無抵押、免息及須於一年內償還。

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27. OTHER BORROWINGS

27. 其他借貸

Secured other borrowings	有抵押其他借貸
– repayable within one year	– 須於一年內償還

2018	2017
HK\$'000	HK\$'000
千港元	千港元
–	14,878

During the year ended 31 December 2018, two subsidiaries of the Group and the lender of the above borrowings entered into a waiver of debt assignments. The lender is also the debtor of one of the above subsidiaries of the Group with the outstanding trade receivables of HK\$14,083,000 being fully impaired in previous years. Under the waiver of debt assignments, all parties agreed that the outstanding trade receivables would be fully set off with other borrowings. The interest payables of HK\$11,922,000 were also waived accordingly. Therefore, a recovery of bad debts of HK\$14,083,000 and write back of interest payables of HK\$11,922,000 were recognised in profit or loss in current year.

At 31 December 2018 and 2017, the Group did not have any banking facilities.

截至二零一八年十二月三十一日止年度，本集團兩間附屬公司與上述借貸之貸方訂立債務轉讓豁免。該名貸方亦為以上其中一間本集團附屬公司之債務人，有關尚未償還應收貿易賬款14,083,000港元已於過往年度完全減值。根據債務轉讓豁免，所有訂約方同意，尚未償還應收貿易賬款將悉數抵銷其他借貸。應付利息11,922,000港元亦已相應獲豁免。因此，收回壞賬14,083,000港元及應付利息撤回11,922,000港元已於本年度之損益內確認。

於二零一八年及二零一七年十二月三十一日，本集團並無任何銀行融資。

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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

28. SHARE CAPITAL

Authorised	法定股本
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股
Issued and fully paid	已發行及繳足股款股本
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股
At beginning of year	於年初
Issue of shares upon placing (Note)	配售後發行股份(附註)
At end of year	於年終

Note: On 1 February 2017, the Company completed a placing and a total of 85,716,000 subscription shares have been placed at the subscription price of HK\$0.35 per subscription share.

28. 股本

Number of ordinary shares 普通股數目		Share capital 股本	
2018 '000 千股	2017 '000 千股	2018 HK\$'000 千港元	2017 HK\$'000 千港元
2,000,000	2,000,000	200,000	200,000
917,779	832,063	91,778	83,206
-	85,716	-	8,572
917,779	917,779	91,778	91,778

附註：於二零一七年二月一日，本公司完成一項配售事項，合共85,716,000股認購股份已按認購價每股認購股份0.35港元配售。

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綜合財務報表附註

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29. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a share option scheme on 28 May 2014 which was effective at the same day and will expire on 28 May 2024. The primary purpose of the Scheme is to provide incentives to directors, eligible employees and other qualified persons who in the opinion of the board of directors has made or will make contributions which are or may be beneficial to the Group as a whole.

Under the Scheme, the directors of the Company may, subject to certain conditions, grant to any directors, employees, suppliers, agents, customers, distributors, business associates or partners, professionals or other advisors of, or consultants or contractors to, any members of the Group or any associated companies who in the opinion of the board of directors has made or will make contributions which are or may be beneficial to the Group as a whole, options to subscribe for shares in the Company at any price but not less than the higher of (i) nominal value of a share, (ii) the closing price of the shares on the Stock Exchange on the day of grant, and (iii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time.

Without prior approval from the Company's shareholders, (i) the total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, and (ii) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

Options granted must be taken up within the time period set out in the offer letter and upon payment of HK\$1 for each lot of share option granted.

29. 以股份為基礎付款之交易

本公司於二零一四年五月二十八日採納一項購股權計劃，該計劃於同日生效，並將於二零二四年五月二十八日屆滿。計劃之主要目的為向董事會認為對本集團整體利益曾作出或將作出屬於或可能屬於貢獻之董事、合資格僱員及其他合資格人士給予獎勵。

根據計劃，在若干條件之限制下，本公司董事可向董事會認為對本集團整體利益曾作出或將作出屬於或可能屬於貢獻之本集團任何成員公司或任何聯營公司之任何董事、僱員、供應商、代理、客戶、分銷商、業務聯繫人或夥伴、專業顧問或其他顧問或諮詢人或承辦商授予可按任何價格認購本公司股份之購股權，惟認購價格不得少於(i)股份面值、(ii)股份於授出日期在聯交所之收市價及(iii)股份於緊接購股權授出日期前五個交易日在聯交所之平均收市價之較高者，而授出之購股權可認購之股份數目最多以本公司不時已發行股本之10%為限。

未經本公司股東事先批准，(i)根據計劃可能授出購股權之相關股份總數，不得超出本公司任何時間已發行股份之10%，及(ii)向任何個人於任何十二個月期間內已授出及將授出購股權之相關已發行及將發行股份數目，不得超出本公司任何時間已發行股份之1%。

購股權須於要約函件內所列之期間內予以接納，並須於接納時就授出之購股權每手支付1港元之費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

29. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

At 31 December 2018, there were no outstanding shares in respect of which options had been granted and remained outstanding under the Scheme (2017: 11,900,000 outstanding share options) as a result of all the options were lapsed during the year.

The following table discloses movement of the Company's share options held by employees and consultants (including directors) during the years ended 31 December 2018 and 2017:

Name	Date of grant	Exercisable period	Exercise price per share	Outstanding at 1.1.2017	Exercised during the year	Outstanding at 31.12.2017	Lapsed during the year	Outstanding at 31.12.2018
名稱	授出日期	行使期	每股行使價 HK\$ 港元	於二零一七年 一月一日 尚未行使	年內行使	於二零一七年 十二月 三十一日 尚未行使	年內失效	於二零一八年 十二月 三十一日 尚未行使
Category I: 第一類: - Directors - 董事	12.7.2013 二零一三年 七月十二日	12.7.2013 to 11.7.2018 二零一三年七月十二日至 二零一八年七月十一日	0.255	11,500,000	-	11,500,000	(11,500,000)	-
Category II: 第二類: - Employees - 僱員	12.7.2013 二零一三年 七月十二日	12.7.2013 to 11.7.2018 二零一三年七月十二日至 二零一八年七月十一日	0.255	100,000	-	100,000	(100,000)	-
Category III: 第三類: - Consultants - 顧問	12.7.2013 二零一三年 七月十二日	12.7.2013 to 11.7.2018 二零一三年七月十二日至 二零一八年七月十一日	0.255	300,000	-	300,000	(300,000)	-
Total for all categories 所有類別總計				11,900,000	-	11,900,000	(11,900,000)	-
Exercisable at the end of the year 於年終可行使				11,900,000		11,900,000		-
Weighted average exercise price 加權平均行使價				HK\$0.255港元	-	HK\$0.255港元	(HK\$0.255)港元	N/A 不適用
Weighted average remaining contractual life at the end of the year 於年終之加權平均餘下合約期				1.53 years年		0.53 year年		N/A 不適用

29. 以股份為基礎付款之交易 (續)

於二零一八年十二月三十一日，由於全部購股權已於年內失效，因此並無根據計劃已授出但仍然尚未行使購股權之相關已發行股份（二零一七年：11,900,000份尚未行使之購股權）。

下表披露截至二零一八年及二零一七年十二月三十一日止年度僱員及顧問（包括董事）所持本公司購股權之變動：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised and movements thereon during the current and prior years:

		Revaluation of mining right arising from acquisition 因收購引致之 採礦權重估 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	39,686
Exchange adjustments	匯兌調整	1,430
Credit to profit or loss for the year (Note 11)	計入年度損益(附註11)	<u>(41,116)</u>
At 31 December 2017 and 2018	於二零一七年及二零一八年 十二月三十一日	<u>-</u>

31. GOVERNMENT GRANT

A government grant of HK\$5,700,000 was awarded to a subsidiary of the Group by the PRC local government agencies as an incentive primarily to encourage and support its business development in local district. Under the terms of this government grant, the grant would be recalled if the subsidiary could not meet certain level of accumulated Value-added tax ("VAT") and EIT payments during a period of three years up to 2021.

30. 遞延稅項負債

下表為於本年度及過往年度內已確認之遞延稅項負債及其變動：

31. 政府補助

本集團之一間附屬公司獲中國當地政府機構授出政府補助5,700,000港元作為獎勵，主要為鼓勵及支持其於當地之業務發展。根據該政府補助之條款，倘該附屬公司於截至二零二一年之三年期間內無法達成若干累計增值稅（「增值稅」）及企業所得稅付款水平，則補助金將被收回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. ACQUISITION

On 18 November 2018, the Group acquired 100% of the equity instruments of 重慶萬創終端實業有限公司 (“Wanchuang”), a company whose principal activity is manufacture and sales of electronic equipment. The acquisition was made with the aims to expand the Group’s existing scale of operation and enlarge the Group’s market presences.

Wanchuang has not commenced business up to 31 December 2018.

The fair value of identifiable assets and liabilities of Wanchung as at the date of acquisition were:

32. 收購事項

於二零一八年十一月十八日，本集團收購重慶萬創終端實業有限公司（「萬創」）之100%股本工具，萬創之主要業務為製造及銷售電子設備。進行收購事項旨在擴充本集團之現有營運規模，並擴大本集團之市場佔有率。

直至二零一八年十二月三十一日，萬創尚未展開業務。

於收購日期，萬創之可識別資產及負債之公平值為：

		Fair value 公平值 HK\$'000 千港元
Leasehold improvements	租賃裝修	5,807
Other receivables	其他應收賬款	114
Cash and cash equivalents	現金及現金等價物	283
Government grant	政府補助	(5,650)
Other payables	其他應付賬款	(531)
		<hr/>
Net identifiable assets acquired	所收購之可識別資產淨值	23
		<hr/>
Consideration for acquisition	收購事項代價	23
		<hr/>
		HK\$'000 千港元
Consideration satisfied by:	代價由以下方式償付：	
– Cash	– 現金	23
		<hr/>
Net cash inflow arising on acquisition	收購事項產生之現金流入淨額	
– Cash consideration	– 現金代價	(23)
– Cash and cash equivalents	– 現金及現金等價物	283
		<hr/>
		260
		<hr/>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

33. OPERATING LEASES

The Group as lessee

During the year, the Group made minimum lease payments of approximately HK\$1,459,000 (2017: HK\$1,467,000) under operating leases.

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable leases in respect of rented premises which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)

Operating lease payments represent rentals payable by the Group for certain of its office properties and common areas in the mining site. Leases are negotiated and rentals are fixed for terms ranging from one to two years (2017: one to two years).

34. CONTINGENT LIABILITIES

At 31 December 2018 and 2017, the Group had no contingent liabilities.

33. 經營租約

本集團作為承租人

年內，本集團根據經營租約支付之最低租金約為1,459,000港元（二零一七年：1,467,000港元）。

於呈報期結算日，本集團根據不可撤回租約而就於下列期間到期之租賃物業須支付之未來最低租金承擔如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
684	895
39	333
723	1,228

經營租約付款指本集團就若干辦公室物業及礦場公用地區應付之租金。租約及租金均按一至兩年（二零一七年：一至兩年）之年期磋商及釐定。

34. 或然負債

於二零一八年及二零一七年十二月三十一日，本集團並無任何或然負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CAPITAL COMMITMENTS

Capital commitments outstanding as at 31 December 2018 and 2017 not provided for in the consolidated financial statements were as below:

Contracted, but not provided for – leasehold improvements	已訂約，但未計提撥備 – 租賃裝修
--	----------------------

36. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the “Scheme”) for all its qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees. Under the rules of the Scheme, the employer and its employees are required to make contributions to the Scheme at rates specified in the rules. The only obligation of the Group with respect to the Scheme is to make the required contributions under the Scheme.

The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a fixed rate of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

35. 資本承擔

於二零一八年及二零一七年十二月三十一日並未於綜合財務報表計提撥備之未償付資本承擔如下：

The Group 本集團	
2018 HK\$'000 千港元	2017 HK\$'000 千港元
205	1,365

36. 退休福利計劃

本集團為所有香港合資格僱員管理強制性公積金計劃（「計劃」）。計劃之資產由受託人控制之基金與本集團資產分開持有。根據計劃之規則，僱主及其僱員須按規則指定之比率向計劃供款。本集團對計劃之唯一責任為根據計劃作出規定供款。

本集團在中國之附屬公司僱員均為中國政府管理之國家管理退休福利計劃成員。該等附屬公司須按薪金成本之固定比率向該退休福利計劃供款，為各項福利提供資金。本集團對該退休福利計劃之唯一責任為作出指定供款。

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綜合財務報表附註

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

37. RELATED PARTIES DISCLOSURES

(a) The balance was unsecured, interest-free and repayable on demand.

(b) Amount due to a related party

Current Liabilities	流動負債
– Mr. Lau (Note i)	– 劉先生 (附註i)
Non-current Liabilities	非流動負債
– Mr. Lau (Note ii)	– 劉先生 (附註ii)

Notes:

- The balance is unsecured, interest-free and repayable on demand.
- On 31 December 2018, Mr. Lau advanced HK\$13,680,000 (equivalent to RMB12,000,000) to the Company which is due on 31 December 2021 and interest-free. The borrowing is carried at amortised cost using an imputed interest rate of 4.75% per annum. The imputed interest portion of HK\$1,814,000 was credited to other reserve under attributable to owners of the Company.

37. 關連人士之披露

(a) 該結餘為無抵押、免息及須按要求償還。

(b) 應付一名關連人士之款項

2018	2017
HK\$'000	HK\$'000
千港元	千港元
6,493	165
11,866	–
18,359	165

附註：

- 結餘為無抵押、免息及須按要求償還。
- 於二零一八年十二月三十一日，劉先生向本公司墊付13,680,000港元（相當於人民幣12,000,000元），其於二零二一年十二月三十一日到期及免息。借貸使用估算利率每年4.75%按攤銷成本入賬。估算利息部份1,814,000港元計入本公司擁有人應佔之其他儲備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. RELATED PARTIES DISCLOSURES (Continued)

(c) Related party transactions

Purchase from an entity controlled by a non-controlling shareholder	向一名非控制性股東控制之實體採購
Commission income received from an entity controlled by a non-controlling shareholder	自一名非控制性股東控制之實體收取之佣金收入

(d) Compensation of key management personnel.

The remuneration of directors and other members of the key management during the year was as follows:

Short-term benefits	短期福利
Post-employment benefits	離職後福利

37. 關連人士之披露 (續)

(c) 關連人士交易

2018 HK\$'000 千港元	2017 HK\$'000 千港元
395	-
272	-

(d) 主要管理人員之薪酬

年內董事及其他主要管理人員成員之酬金如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
4,046	4,638
54	70
4,100	4,708

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綜合財務報表附註

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

38. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

38. 說明綜合現金流量表之附註

Reconciliation of liabilities arising from financing activities:

自融資活動產生之負債對賬：

		Amount due to a related party 應付一名 關連人士之款項 HK\$'000 千港元	Other borrowings 其他借貸 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2018	於二零一八年 一月一日	165	14,878	15,043
Changes from cash flows:	現金流量變動：			
Advance from a related party	來自一名關連人士之 墊款	34,145	-	34,145
Repayment to a related party	償還一名關連人士 款項	(14,291)	-	(14,291)
Total changes from financing cash flows:	融資現金流量變動 總額：	19,854	-	19,854
Other changes:	其他變動：			
Debt assignment (Note 27)	債務轉讓 (附註27)	-	(14,134)	(14,134)
Imputed interest (Note 37(b))	估算利息(附註37(b))	(1,814)	-	(1,814)
Exchange adjustments	匯兌調整	154	(744)	(590)
Total other changes	其他變動總額	(1,660)	(14,878)	(16,538)
At 31 December 2018	於二零一八年 十二月三十一日	18,359	-	18,359

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

38. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

38. 說明綜合現金流量表之附註 (續)

Reconciliation of liabilities arising from financing activities:
(Continued)

自融資活動產生之負債對賬：(續)

		Amount due to a related party 應付一名 關連人士之款項 HK\$'000 千港元	Other borrowings 其他借貸 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2017	於二零一七年 一月一日	1,296	13,762	15,058
Changes from cash flows:	現金流量變動：			
Repayment to a related party	償還一名關連人士 款項	(1,131)	-	(1,131)
Total changes from financing cash flows:	融資現金流量變動 總額：	(1,131)	-	(1,131)
Exchange adjustments	匯兌調整	-	1,116	1,116
At 31 December 2017	於二零一七年 十二月三十一日	165	14,878	15,043

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綜合財務報表附註

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

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司財務狀況表

		Notes	2018	2017
		附註	HK\$'000	HK\$'000
			千港元	千港元
Non-current Asset	非流動資產			
Investments in subsidiaries	於附屬公司之投資		27,413	22,935
Current Assets	流動資產			
Other receivables	其他應收賬款		292	287
Amount due from a subsidiary	應收一間附屬公司之款項		20,641	21,728
Cash and cash equivalents	現金及現金等價物		12	12
			20,945	22,027
Current Liabilities	流動負債			
Other payables	其他應付賬款		2,458	1,460
Amounts due to subsidiaries	應付附屬公司之款項		52,010	49,830
			54,468	51,290
Net Current Liabilities	流動負債淨額		(33,523)	(29,263)
Total Assets less Current Liabilities	總資產減流動負債		(6,110)	(6,328)
Capital and Reserves	資本及儲備			
Share capital	股本	28	91,778	91,778
Reserves	儲備	40	(97,888)	(98,106)
			(6,110)	(6,328)

On behalf of the Board

Mr. Lau Siu Ying
劉小鷹先生
CHAIRMAN
主席

代表董事會

Mr. Wang Yu
王愚先生
DIRECTOR
董事

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綜合財務報表附註

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

40. RESERVES OF THE COMPANY

40. 本公司儲備

		Share premium 股份溢價 HK\$'000 千港元 (Note i) (附註i)	Contributed surplus 實繳盈餘 HK\$'000 千港元 (Note ii) (附註ii)	Translation reserve 換算儲備 HK\$'000 千港元 (Note iii) (附註iii)	Share option reserve 購股權儲備 HK\$'000 千港元 (Note iv) (附註iv)	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	395,962	40,948	38,810	991	(570,932)	(94,221)
Loss for the year	年度虧損	-	-	-	-	(23,404)	(23,404)
Issue of ordinary shares upon share placing	股份配售後發行普通股	21,429	-	-	-	-	21,429
Exchange differences arising on translation	因換算而產生之匯兌差異	-	-	(1,910)	-	-	(1,910)
At 31 December 2017	於二零一七年十二月三十一日	417,391	40,948	36,900	991	(594,336)	(98,106)
Loss for the year	年度虧損	-	-	-	-	(2,170)	(2,170)
Lapse of share options	購股權失效	-	-	-	(991)	991	-
Exchange differences arising on translation	因換算而產生之匯兌差異	-	-	2,388	-	-	2,388
At 31 December 2018	於二零一八年十二月三十一日	417,391	40,948	39,288	-	(595,515)	(97,888)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. RESERVES OF THE COMPANY (Continued)

Notes:

- (i) The share premium represents the amount subscribed for share capital in excess of nominal value.
- (ii) The contributed surplus represents the difference between the consolidated shareholder's funds of the subsidiaries at the date on which they were acquired by the Company, and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation less the amount applied to pay up the 1,000,000 nil paid shares at the time of the group reorganisation.
- (iii) The translation reserve represents gains/losses arising on retranslating the Company's financial statement into presentation currency.
- (iv) The share option reserve comprises the fair value of share options granted which are lapsed during the year 2018, as further explained in the accounting policy for share-based payment transaction in Note 4 to the consolidated financial statements.

40. 本公司儲備 (續)

附註：

- (i) 股份溢價指認購股本金額超出面值之款項。
- (ii) 實繳盈餘為有關附屬公司被本公司收購當日之綜合股東資金與本公司於集團重組時就上述收購而發行股份之面值減用以繳足於集團重組時發行1,000,000股未繳股本股份股款之款項兩者之差額。
- (iii) 換算儲備指因本公司財務報表重新換算為呈列貨幣而產生之收益／虧損。
- (iv) 購股權儲備包括已授出並於二零一八年失效之購股權之公平值，詳情於綜合財務報表附註4就以股份為基礎付款之交易之會計政策進一步闡述。

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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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are incorporated with limited liability, at 31 December 2018 and 2017 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本面值/ 註冊資本之比例		Principal activity 主要業務
			2018	2017	
Express Fortune Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary US\$100 普通股100美元	100%	100%	Investment holding 投資控股
Express Fortune Limited 長遠有限公司	Hong Kong 香港	Ordinary HK\$10 Non-voting deferred HK\$5,000,000 (Note) 普通股10港元 無投票權遞延股份 5,000,000港元 (附註)	100%	100%	Provision of management services 提供管理服務
Fortune (Shanghai) International Trading Co., Ltd. 長遠(上海)國際貿易有限公司	PRC 中國	US\$28,100,000 28,100,000美元	100%	100%	Trading in mobile phones 買賣移動電話
Sifa Mining 錫發礦業	PRC 中國	RMB1,000,000 人民幣1,000,000元	50.8%	50.8%	Exploration and extraction of mining resources 勘探及開採礦產資源
Eagles Fund Technology Investment Limited 老鷹基金科技投資有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	100%	100%	Investment holding 投資控股
Zhuhai Reminda 珠海雷鳴達	PRC 中國	RMB10,000,000 人民幣10,000,000元	51%	51%	Trading in mobile phones 買賣移動電話

41. 主要的附屬公司資料

於二零一八年及二零一七年十二月三十一日之本公司主要附屬公司(均為註冊成立之有限公司)詳情如下:

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

41. 主要的附屬公司資料 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and fully paid share capital/ registered capital 已發行 及繳足股本/ 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本面值/ 註冊資本之比例		Principal activity 主要業務
			2018	2017	
Zhejiang Aoying 浙江澳英	PRC 中國	RMB10,000,000 人民幣10,000,000元	70%	70%	Trading in mobile phones 買賣移動電話
Chongqing Yuanjia 重慶遠嘉	PRC 中國	RMB20,000,000 人民幣20,000,000元	51%	-	Trading in mobile phones 買賣移動電話

Note: The deferred shares carry practically no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective company or to participate in any distribution on winding up.

The Company directly holds the interest in Express Fortune Holdings Limited. All other interests shown above are indirectly held by the Company.

The principal activities are carried out in the place of incorporation/establishment except for Express Fortune Holdings Limited which mainly carries out its business in Hong Kong.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

附註：遞延股份實際上不附帶可收取有關公司之股息或收取有關公司任何股東大會通告或出席股東大會或於會上投票或於清盤時參與分派之權利。

本公司直接持有Express Fortune Holdings Limited權益，而上文所示之所有其他權益均由本公司間接持有。

除Express Fortune Holdings Limited主要在香港從事業務外，上述主要業務均於註冊成立/成立地點經營。

各附屬公司於年終或年內任何時間均無任何債務證券。

上表所列者乃董事認為對本集團之業績或資產淨值有重大影響之本公司附屬公司。董事認為，載列其他附屬公司之詳情會令有關資料過於冗長。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. PARTICULARS OF PRINCIPAL ASSOCIATES

Details of the Group's associates at 31 December 2018 and 2017 are as follows:

Name of associate	Form of business structure	Place of incorporation/ operation	Proportion of nominal value of issued capital/ registered capital held by the Group		Principal activities
聯營公司名稱	業務結構形式	註冊成立/營運地點	本集團持有已發行股本/註冊資本面值之百分比		主要業務
			2018	2017	
北京飛鷹暢遊科技有限公司 ("Beijing Feiying")	Incorporated	PRC	33.5%	20%	Trading in second-hand mobile phones and provision of marketing services
北京飛鷹暢遊科技有限公司 ("北京飛鷹")	註冊成立	中國			買賣二手移動電話及提供市場推廣服務
Ever Trillion Investments Limited	Incorporated 註冊成立	British Virgin Islands 英屬處女群島	42.86%	42.86%	Investment holding 投資控股

43. MATERIAL INTEREST OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, were entered into or subsisted during the financial year.

44. NON-CONTROLLING INTERESTS

黃石鋸發礦業有限公司 ("Sifa Mining"), a 50.8% owned subsidiary, 珠海市雷鳴達通訊設備有限公司 ("Zhuhai Reminda"), a 51% owned subsidiary, 浙江澳英信息科技有限公司 ("Zhejiang Aoying"), a 70% owned subsidiary and 重慶遠嘉通信設備有限公司 ("Chongqing Yuanjia"), a 51% owned subsidiary of the Company, have material non-controlling interests ("NCI"). Summarised financial information in relation to the NCI of Sifa Mining, Zhuhai Reminda, Zhejiang Aoying and Chongqing Yuanjia, before intra-group eliminations, are presented below:

42. 主要的聯營公司資料

於二零一八年及二零一七年十二月三十一日之本集團聯營公司詳情如下：

Proportion of nominal value of issued capital/ registered capital held by the Group		Principal activities
本集團持有已發行股本/註冊資本面值之百分比		主要業務
2018	2017	
33.5%	20%	Trading in second-hand mobile phones and provision of marketing services
		買賣二手移動電話及提供市場推廣服務
42.86%	42.86%	Investment holding 投資控股

43. 董事於交易、安排或合約之重大權益

於本財政年度概無就本公司業務已訂立或存續之本公司為其中訂約方且本公司董事於其中擁有重大權益（不論直接或間接）之重大交易、安排或合約。

44. 非控制性權益

本公司擁有50.8%權益之附屬公司黃石鋸發礦業有限公司（「鋸發礦業」）、擁有51%權益之附屬公司珠海市雷鳴達通訊設備有限公司（「珠海雷鳴達」）、擁有70%權益之附屬公司浙江澳英信息科技有限公司（「浙江澳英」）及擁有51%權益之附屬公司重慶遠嘉通信設備有限公司（「重慶遠嘉」）擁有重大非控制性權益（「非控制性權益」）。有關鋸發礦業、珠海雷鳴達、浙江澳英及重慶遠嘉非控制性權益於進行集團內公司間對銷前之財務資料概要呈列如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. NON-CONTROLLING INTERESTS (Continued)**44. 非控制性權益 (續)****Sifa Mining****銀發礦業**

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	-	-
Profit/(loss) for the year	年度溢利／(虧損)	4,740	(150,797)
Total comprehensive income	全面總收入	8,216	(150,985)
Profit/(loss) allocated to NCI	分配至非控制性權益之 溢利／(虧損)	2,332	(74,193)
Dividends paid to NCI	向非控制性權益支付之股息	-	-
For the year ended 31 December	截至十二月三十一日止年度		
Cash flows generated from/(used in) operating activities	經營活動所得／(所用) 現金流量	79	(2,981)
Cash flows generated from financing activities	融資活動所得現金流量	-	3,103
Net cash inflows	現金流入淨額	79	122
As at 31 December	於十二月三十一日		
Current assets	流動資產	3,643	5,181
Non-current assets	非流動資產	-	-
Current liabilities	流動負債	(67,875)	(77,628)
Net liabilities	負債淨額	(64,232)	(72,447)
Accumulated non-controlling interests	累計非控制性權益	(31,602)	(35,644)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. NON-CONTROLLING INTERESTS (Continued)

Zhuhai Reminda

For the year ended 31 December

Revenue

收益

60

717

Loss for the year

年度虧損

(101)

(1,666)

Total comprehensive income

全面總收入

88

(1,886)

Loss allocated to NCI

分配至非控制性權益之虧損

(50)

(816)

Dividends paid to NCI

向非控制性權益支付之股息

–

–

For the year ended 31 December

截至十二月三十一日止年度

Cash flows (used in)/generated from operating activities

經營活動(所用)/
所得現金流量

(152)

130

As at 31 December

於十二月三十一日

Current assets

流動資產

1,022

1,238

Non-current assets

非流動資產

217

228

Current liabilities

流動負債

(4,859)

(5,174)

Net liabilities

負債淨額

(3,620)

(3,708)

Accumulated non-controlling interests

累計非控制性權益

(1,773)

(1,817)

44. 非控制性權益 (續)

珠海雷鳴達

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
For the year ended 31 December		
Revenue	60	717
Loss for the year	(101)	(1,666)
Total comprehensive income	88	(1,886)
Loss allocated to NCI	(50)	(816)
Dividends paid to NCI	–	–
For the year ended 31 December		
Cash flows (used in)/generated from operating activities	(152)	130
As at 31 December		
Current assets	1,022	1,238
Non-current assets	217	228
Current liabilities	(4,859)	(5,174)
Net liabilities	(3,620)	(3,708)
Accumulated non-controlling interests	(1,773)	(1,817)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. NON-CONTROLLING INTERESTS (Continued)**44. 非控制性權益 (續)****Zhejiang Aoying****浙江澳英**

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
For the year ended 31 December		截至十二月三十一日止年度	
Revenue	收益	133,752	983
Profit for the year	年度溢利	926	3
Total comprehensive income	全面總收入	807	3
Profit allocated to NCI	分配至非控制性權益之溢利	278	1
Dividends paid to NCI	向非控制性權益支付之股息	-	-
For the year ended 31 December		截至十二月三十一日止年度	
Cash flows generated from operating activities	經營活動所得現金流量	131	-
Cash flows used in investing activities	投資活動所用現金流量	(2)	-
Net cash inflows	現金流入淨額	129	-
As at 31 December		於十二月三十一日	
Current assets	流動資產	3,470	3,422
Non-current assets	非流動資產	2	-
Current liabilities	流動負債	(302)	(1,019)
Net assets	資產淨值	3,170	2,403
Accumulated non-controlling interests	累計非控制性權益	243	1

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. NON-CONTROLLING INTERESTS (Continued)

44. 非控制性權益 (續)

Chongqing Yuanjia

重慶遠嘉

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	410	-
Loss for the year	年度虧損	(111)	-
Total comprehensive income	全面總收入	(38)	-
Loss allocated to NCI	分配至非控制性權益之虧損	(54)	-
Dividends paid to NCI	向非控制性權益支付之股息	-	-
For the year ended 31 December	截至十二月三十一日止年度		
Cash flows used in operating activities	經營活動所用現金流量	(10,320)	-
Cash flows generated from investing activities	投資活動所得現金流量	8,170	-
Cash flows generated from financing activities	融資活動所得現金流量	5,700	-
Net cash outflows	現金流出淨額	(3,550)	-
As at 31 December	於十二月三十一日		
Current assets	流動資產	35,692	-
Non-current assets	非流動資產	5,666	-
Current liabilities	流動負債	(27,786)	-
Non-current liabilities	非流動負債	(5,700)	-
Net assets	資產淨值	7,872	-
Accumulated non-controlling interests	累計非控制性權益	(19)	-

45. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

45. 批准綜合財務報表

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 26 March 2019.

綜合財務報表已於二零一九年三月二十六日獲董事會批准及授權刊發。

Financial Summary

財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2014	2015	2016	2017	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	收益	57,587	157,903	110,638	7,436	216,104
Cost of sales	銷售成本	(49,027)	(152,509)	(108,801)	(7,147)	(213,966)
Gross profit	毛利	8,560	5,394	1,837	289	2,138
Other income, gains and losses	其他收入、收益及虧損	4,194	3,071	2,257	903	(1,223)
Selling and distribution costs	銷售及分銷成本	(10,408)	(6,592)	(2,645)	(400)	(11)
Administrative expenses	行政費用	(30,040)	(18,231)	(15,242)	(14,718)	(14,928)
Share of results of associates	分佔聯營公司之業績	(1,369)	(1,986)	(905)	(6)	(647)
Write back of interest payables	應付利息撇回	-	-	-	-	11,922
Recovery of bad debts	收回壞賬	-	-	-	-	14,083
Impairment loss recognised in respect of inventories	就存貨確認之減值虧損	-	-	-	-	(1,221)
Impairment loss recognised in respect of available-for-sale investments	就可供出售投資確認之減值虧損	-	(6,234)	(6,340)	(2,614)	-
Impairment loss recognised in respect of mining right	就採礦權確認之減值虧損	-	-	(84,240)	(174,589)	-
Impairment loss recognised in respect of plant and equipment	就廠房及設備確認之減值虧損	-	-	-	(8,965)	-
Impairment loss recognised in respect of prepayments paid to suppliers	就向供應商支付之預付款項確認之減值虧損	-	-	-	(24,903)	-
Reversal of impairment loss recognised in respect of prepayment paid to a supplier	就向一名供應商支付之預付款項確認之減值虧損撥回	-	-	-	-	363
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損	-	(2,767)	(798)	(1,627)	(23)
Finance costs	融資成本	(1,323)	(1,302)	(1,278)	(1,208)	-
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(30,386)	(28,647)	(107,354)	(227,838)	10,453
Income tax credit/(expense)	所得稅抵免/(開支)	-	-	21,059	41,116	(148)
(Loss)/profit for the year	年度(虧損)/溢利	(30,386)	(28,647)	(86,295)	(186,722)	10,305
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	(24,482)	(23,118)	(49,807)	(111,714)	7,799
Non-controlling interests	非控制性權益	(5,904)	(5,529)	(36,488)	(75,008)	2,506
		(30,386)	(28,647)	(86,295)	(186,722)	10,305

Financial Summary

財務概要

ASSETS AND LIABILITIES

資產及負債

At 31 December

於十二月三十一日

		2014	2015	2016	2017	2018
		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
Total assets	資產總值	402,354	354,834	246,543	44,876	85,245
Total liabilities	負債總額	(119,416)	(111,880)	(102,131)	(50,927)	(77,809)
		282,938	242,954	144,412	(6,051)	7,436
Equity attributable to owners of the Company	本公司擁有人應佔權益	195,872	165,373	106,663	31,409	40,587
Non-controlling interests	非控制性權益	87,066	77,581	37,749	(37,460)	(33,151)
		282,938	242,954	144,412	(6,051)	7,436



中國長遠控股有限公司
China Fortune Holdings Limited