



2018
年度報告
ANNUAL
REPORT

鑫網易商集團有限公司
FORTUNET E-COMMERCE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立的有限公司)
(Stock Code 股份代號: 1039)

C R E A T I N G A G L O B A L

“virtual and intelligent commerce
and finance platform for asset
management, credit payment and
settlement”



打 造 一 個
全 球 化

虛擬資產管理、授信支付和清
結算的智能商業金融平台



GROUP INTRODUCTION 集團介紹

Fortunet e-Commerce Group Limited (HK01039; Hong Kong Stock Exchange's website: <http://www.hkex.com.hk>, the "Company" and its subsidiaries (collectively the "Group")), together with COB International, UnionPay Merchant, China Mobile, Bank of China and China Eastern Airlines formed a joint venture to develop a global "Digital Point Business Ecosystem Alliance" (the "Changyo Platform") and to create a new blue ocean of a brand new, sustainable and recyclable digital-points ecosystem by applying digital points as financial assets.

由鑫網易商集團(HK01039；香港聯交所鏈接 <http://www.hkex.com.hk>，「本公司」及其附屬公司統稱「本集團」)聯合建銀國際、銀聯商務共同發起，特邀中國移動、中國銀行以及東方航空共同組建一間合營企業，正在全力打造面向全球的「數字積分商業生態聯盟」(簡稱「暢由平台」)，將通過積分撬動金融資產新藍海，打造一個全新的、可持續的、可循環的數字積分生態系統。



目錄

CONTENTS

Corporate Information	公司資料	2
Chairman's Statement	主席報告	6
Management Discussion and Analysis	管理層討論及分析	9
Directors and Senior Management	董事及高級管理層	27
Directors' Report	董事會報告	32
Corporate Governance Report	企業管治報告	44
Independent Auditor's Report	獨立核數師報告	56
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	63
Consolidated Statement of Financial Position	綜合財務狀況表	65
Consolidated Statement of Changes in Equity	綜合權益變動表	67
Consolidated Cash Flow Statement	綜合現金流量表	69
Notes to the Financial Statements	財務報表附註	72
5-Year Financial Summary	五年財務摘要	174



Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Cheng Jerome (*Chairman*)
Mr. Yuan Weitao

Non-Executive Director

Mrs. Guo Yan

Independent Non-Executive Directors

Mr. Wong Chi Keung
Mr. Chan Chi Keung, Alan
Mr. Liu Jialin

COMPANY SECRETARY

Mr. Chan Chi Keung, Billy

AUDIT COMMITTEE

Mr. Wong Chi Keung (*Chairman*)
Mr. Chan Chi Keung, Alan
Mr. Liu Jialin

REMUNERATION COMMITTEE

Mr. Liu Jialin (*Chairman*)
Mr. Cheng Jerome
Mr. Wong Chi Keung

NOMINATION COMMITTEE

Mr. Cheng Jerome (*Chairman*)
Mr. Wong Chi Keung
Mr. Chan Chi Keung, Alan

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
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P.O. Box 1586
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Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1001-1009, 10/F, Sun Hung Kai Centre
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Hong Kong

董事

執行董事

Cheng Jerome 先生 (*主席*)
袁偉濤先生

非執行董事

郭燕女士

獨立非執行董事

黃之強先生
陳志強先生
劉嘉凌先生

公司秘書

陳志強先生

審核委員會

黃之強先生 (*主席*)
陳志強先生
劉嘉凌先生

薪酬委員會

劉嘉凌先生 (*主席*)
Cheng Jerome 先生
黃之強先生

提名委員會

Cheng Jerome 先生 (*主席*)
黃之強先生
陳志強先生

主要股份過戶登記處

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Cayman Islands

香港主要營業地點

香港
灣仔港灣道30號
新鴻基中心10樓1001-1009室

PRINCIPAL BANKERS

Bank of China
China Construction Bank
Bank of Communications
The Hong Kong and Shanghai Banking Corporation

AUDITORS

KPMG

LEGAL ADVISOR

MinterEllison LLP

STOCK CODE

1039

HONG KONG SHARE REGISTRAR

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Shops 1712-1716, 17th Floor, Hopewell Centre
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COMPANY'S WEBSITE

<http://www.fortunetecomm.com>

INVESTOR RELATIONSHIP

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主要往來銀行

中國銀行
中國建設銀行
交通銀行
香港上海滙豐銀行

核數師

畢馬威會計師事務所

法律顧問

銘德有限法律責任合夥律師事務所

股份代號

1039

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔皇后大道東 183 號
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公司網址

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投資者關係

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BRAND INTRODUCTION OF THE CHANGYOU PLATFORM

暢由平台品牌簡介

The Digital Point Ecosystem Alliance operational platform ("Changyou") was jointly initiated by the Group, CCB International and China UnionPay, with investment from Bank of China, China Mobile and China Eastern Airlines. The Changyou platform will make use of the large points resources of the six founding shareholders to integrate its respective digital points, which are virtual assets that have broad application prospects. The Changyou platform also aims to employ advanced technology such as big data and blockchain to build the "Digital Point Business Ecosystem Alliance" and "Virtual Asset Circulation and Settlement System" which will be available globally. Through the continuous global expansion of the platform, digital points will certainly be an important carrier of asset virtualization of internet digital inclusive financing. The digital points as virtual assets will bring brand new experience for the Group and its customers on assets trading with high efficiency, high level of security, intelligence and low cost, as well as settlement and preservation. Changyou symbolizes the internet technology entering into a new phase and is one of the platforms which demonstrates the future of financial industry ecosystems.

暢由是由鑫網易商集團聯合建銀國際、銀聯商務共同發起，特邀中國銀行、中國移動、以及東方航空共同投資的數字積分生態聯盟運營平台。該平台將依托六大創始股東的龐大積分資源體，有效匯聚數字積分這一具有廣闊應用前景的虛擬資產，運用大數據和區塊鏈等先進科技手段，打造面向全球的「數字積分商業生態聯盟」和「虛擬資產流通結算體系」。通過暢由平台持續地全球化延展，數字積分必將成為互聯網數字普惠金融虛擬資產化的重要載體。數字積分虛擬資產將給我們帶來高效率、高安全性、智能化和低成本的資產交易以及結算保存的全新體驗。暢由是互聯網走向的標誌，也是未來金融商業生態的示範平台。





暢由



FUTURE'S EDUCATE

CHAIRMAN'S STATEMENT
主席報告



In 2018, attributable to the professionalism, innovation and cooperation across various departments of the Group, the Changyou platform was successfully promoted, and the Group successfully completed its transformation. The Group, as a new economy company, now aims to focus on the development of advanced blockchain technology and big data, and the technical department of the Group has been committed to enhancing the technical capacities of the Changyou platform, developing blockchain applications, constructing e-wallet packages, optimising APP user experience, improving its financial services scenarios, and further improving the processing power, timeliness and data accuracy of its big data platform, so as to ensure a faster, safer and better user experience. Moreover, through providing more accurate business recommendations, the Group is able to improve user engagement and activeness, and further improve the efficiency of its marketing campaigns.

In addition, the success of the Changyou platform is inseparable from the successful promotion work of the business development unit and the marketing department of the Group, which have brought the Changyou brand to a wider range of users.

In the past year, the business development department of the Group has been strongly promoting products of the four major business units or "consumption scenarios" – finance, travel, retail and entertainment, guiding both vendors and platform users to place orders on the Changyou platform. On the basis of comprehensive resources of the four business units, the business development department has established customer special service space through exclusive channels to start bilateral cooperation. The business development department further expanded customer preferential measures and differentiated services, eventually improving sales performance of the Group. Additionally, it also expanded the exchanges of digital points from upstream source enterprises and explored various downstream consumption scenarios, thus improving the liquidity of digital points exchanged on the Changyou platform. Moreover, combined with the marketing needs of shareholders and the business development department, the Changyou platform strives to achieve the integration of products and services from different industries. During the reporting period, Changyou's business development department has successfully brought extraordinary results – approximately 30 million registered users – to the platform.



於二零一八年，在本集團各部門的專業和創新精神及合作下，暢由平台得到成功推廣，本集團成功完成其轉型。作為一間新經濟公司，本集團現專注於開發先進的區塊鏈技術及大數據，而本集團的技術團隊則致力於提升暢由平台的技術能力、開發區塊鏈應用、構建電子錢包方案、優化應用程式的用戶體驗、改善其金融服務場景，以及進一步提高其大數據平台的處理能力、時效性及數據準確性，從而確保更快、更安全及更滿意的用戶體驗。此外，本集團透過提供更精確的業務建議，提高用戶參與度及積極性以及進一步提高其營銷活動的效率。

此外，暢由平台的成功離不開本集團業務開發單位及市場部的成功推廣工作，為暢由品牌吸引更多用戶。

去年，本集團業務開發部一直在大力推廣四個主要業務單位或「消費場景」—金融、出行、零售及娛樂，引導賣方及平台用戶於暢由平台下單。在四個業務單位的綜合資源之基礎上，業務開發部通過專屬渠道建立客戶特殊服務空間以開展雙方合作。業務開發部進一步擴大客戶優惠措施及差異化服務，最終改善本集團的銷售表現。此外，其亦擴大上游源企業的數字積分交換及探索各種下游消費場景，從而提高暢由平台數字積分交換的流動性。再者，暢由平台結合股東及業務開發部的營銷需要，努力實現不同行業產品及服務的整合。於報告期內，暢由業務開發部成功為平台帶來了非凡的業績—註冊用戶達約3,000萬。

Chairman's Statement 主席報告

Targeting at both business-to-business (B2B) and business-to-consumer (B2C) business models, the marketing department of the Group has been enhancing the brand value of Changyou through promotional and marketing activities, brand building and public relations with both businesses and target platform users, thus contributing to the business development, strengthening the long-term value of the company, and bringing new users into the platform.

The most important step is to cultivate the habits of end users. During the year, the marketing department initiated a key brand marketing campaign titled "Uncover the Power of Points". In both online (such as Changyou Mall, Lucky 666, lottery draw and E-coupons) and offline scenarios (such as Xishiqu), a series of points consumption and entertainment consumption scenarios were initiated, and the core value of "creating value for each point" has been successfully built in consumers and increasingly influenced them to attach more importance to the value of digital points. Through various we-media channels such as WeChat service account, WeChat subscription account and Tik Tok account, the Group has been actively reaching out to many potential users, carrying out multi-dimensional trainings for users, and in particular implementing vertical promotion and marketing activities aiming to grow the Group's entertainment and media business, all of which has contributed to enhancing the popularity of Changyou platform.

By order of the board

Fortunet e-Commerce Group Limited

Cheng Jerome

Chairman

15 March 2019

本集團市場部將暢由的市場定位為企業對企業(B2B)及企業對消費者(B2C)的商業模式，通過促銷和營銷活動、品牌建設商業與目標平台用戶之間的公共關係提升暢由的品牌價值，從而助長業務發展、增強本公司的長期價值，並為平台帶來新用戶。

培養終端用戶對積分的使用習慣為最重要的一步。年內，市場部推出重點品牌營銷專案「看見積分的力量」。在線上(如暢由商城、幸運666、抽獎、電子券)和線下(如西十區)佈局一系列積分消費及娛樂消費場景，成功在消費者心中建立起「為每一分創造價值」的核心價值，潛移默化令彼等更為重視數字積分的價值。透過諸如微信服務號、微信訂閱號、抖音賬號等自媒體渠道，本集團主動接觸眾多潛在用戶，進行多維度用戶圈養，及專門針對文娛業務進行精準的垂直領域推廣傳播以促進本集團媒體及媒體業務的增長，為暢由平台打響知名度作出重要貢獻。

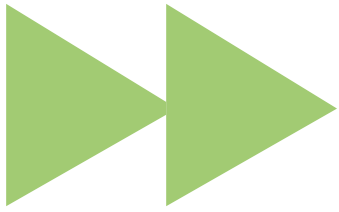
承董事會命

鑫網易商集團有限公司

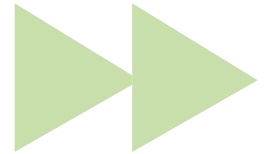
主席

Cheng Jerome

二零一九年三月十五日



MANAGEMENT DISCUSSION
AND ANALYSIS
管理層討論及分析



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group has successfully capitalised on its many years of experience in the e-commerce business, which has enabled the Group to grasp the unique opportunity and enter into the digital points business segment and industry. The establishment of the “Changyou” (“暢由”) digital point business ecosystem alliance (the “**Changyou Alliance**”) and the launch of the “Changyou” electronic trading platform in September 2017 symbolises the beginning of the Group’s new journey.

Given the rapid development of the business of Changyou (the “**Digital Point**” business), the Group has decisively switched its focus in the second half of 2018 to further expand the Changyou platform as its core business. The Group has been focusing its resources on “Changyou” and striving to create a global platform for trading digital assets that provides users with a variety of services such as issuance, circulation, trading, payment, settlement and storage, eventually building a new retail business ecosystem dedicated to the future.

The Changyou Alliance is a universal alliance where digital points are integrated and realised freely among alliance members. The Group established the Changyou Alliance along with other well-known and leading companies (the “**Business Partners**”) in various industries, including Bank of China, China Mobile and China Eastern Airlines, and developed an electronic trading platform, Changyou, which aims to integrate the resources of digital membership points and achieve full connectivity with the user system, settlement system and overall management system of the Business Partners so as to establish a diverse and comprehensive strategic partnership.

As at the end of December 2018, the Changyou platform had approximately 30 million registered users, and up to 11,000 million digital points were exchanged. The Changyou platform has more than 10,000 stock keeping units and more than 30 types of entertainment and services. The Changyou platform has partnered with more than 100 service providers to provide its users with a wide range of entertainment, travel, financial related and other products and services. For the financial year ended 31 December 2018, the Changyou Alliance business recorded a revenue of approximately RMB50.3 million, as compared with the total revenue from this business segment of RMB0.94 million for the period since its launch in September 2017 to 31 December 2017, which evidenced the recognition from users and the market. The Changyou Alliance is currently increasing its number of users and expanding the scope and variety of products, services and business or consumption scenarios and continuously improving its business model in order to achieve strong growth in the Digital Point business. In 2018, 85.6% of our total revenue of the Digital Point business was generated from the retail consumption scenario. The Digital Point business also generates advertising revenue for the Group, which accounts for approximately 9.5% of the total revenue of the Digital Point business.

業務回顧

本集團已成功利用其於電子商貿業務的多年經驗，使本集團把握獨特機遇及進軍數字積分業務分部及行業。「暢由」數字積分商業生態聯盟（「暢由聯盟」）及於二零一七年九月推出「暢由」電子交易平台標誌著本集團新旅程的開始。

鑑於暢由業務（「數字積分」業務）的快速發展，本集團已於二零一八年下半年果斷地轉移重點至進一步擴大暢由平台作為其核心業務。本集團一直專注「暢由」的資源並致力於創建交易數字資產的全球平台，為用戶提供各種服務（例如發行、流通、交易、支付、結算及存儲），最終建立為未來服務的新零售業務生態系統。

暢由聯盟是一個聯盟成員數字積分可在彼此之間自由整合及變現的全球聯盟。本集團與各行業知名及領先的公司（「業務夥伴」）（包括中國銀行、中國移動及中國東方航空公司）建立暢由聯盟並開發一款電子交易平台暢由，旨在整合數字會員積分的資源及在業務夥伴的用戶體系、結算體系及整體管理體系之間實現全面鏈接，以建立多元化及全面的戰略夥伴關係。

於二零一八年十二月底，暢由平台擁有約3,000萬註冊用戶及最高11,000百萬數字積分獲交換。暢由平台擁有超過10,000庫存單位及超過30種娛樂及服務。暢由平台與超過100個服務供應商合作，向其用戶提供一系列娛樂、出行、金融相關及其他產品及服務。截至二零一八年十二月三十一日止財政年度，暢由聯盟業務錄得收入約人民幣50.3百萬元，而此業務分部自二零一七年九月上線起至二零一七年十二月三十一日止期間錄得總收入人民幣0.94百萬元，這表明得到用戶及市場的高度認可。暢由聯盟目前用戶不斷增加，產品及服務類別日趨豐富，商業模式或消費場景日益完善，以達至數字積分業務強勁增長。於二零一八年，數字積分業務總收入的85.6%來自零售消費場景。數字積分業務亦為本集團產生廣告收入，佔數字積分業務總收入約9.5%。

The gross merchandise volume (“**GMV**”) of the Digital Point business amounted to approximately RMB174 million for the year ended 31 December 2018 (2017: approximately RMB3 million), representing a significant increase of approximately RMB171 million (approximately 57 times) over the same period of last year. The Group is currently negotiating with a number of potential business partners to further enhance the Changyou platform and expand its business scope to other sectors.

On 31 January 2019, Pointsea Company Limited (“**PCL**”), an indirect non-wholly owned subsidiary of the Company, entered into subscription agreements with certain investors (collectively, the “**Investors**”) in relation to the allotment and issue of shares in PCL (the “**Subscriptions**”). The aggregate amount of proceeds raised from the Subscriptions amounted to RMB300 million, which is intended to be utilised for, among other things, the further development and expansion of the Changyou business of the Group. The subscription price payable for the Subscriptions was determined after arm’s length negotiations between PCL and the Investors on the basis of the pre-money valuation of US\$500 million (approximately RMB3,424 million), given that the initial capital injection in PCL was only RMB200 million. Further details in relation to the Subscriptions are disclosed in the Company’s announcement dated 31 January 2019 and the Company’s supplemental announcement dated 14 February 2019, respectively.

As at the date of this report, the Subscriptions by two out of three Investors was completed in March 2019, with gross proceeds of RMB200,000,000. The details of the intended use of proceeds from the Subscriptions are set out on page 22 of this report.

Digital Points Business

The Changyou platform was launched in September 2017 and has been continuously increasing its number of platform users and expanding the scope and variety of products, services, business models and consumption scenarios available on the Changyou platform. The launch of the Changyou platform marks the smooth integration between the user system, the point settlement system and the technical infrastructure of the Business Partners. Changyou can rely on the Business Partners, each of which has an enormous user base, to promote and provide various products and services on the Changyou platform.

Through the Changyou platform, users may purchase, interchange and redeem its digital membership points from various partnership entities and industries globally. These digital points may be converted into virtual assets and credit on the Changyou platform, which can then be used for the purchase and consumption of merchandise, games and entertainment, financial services and other commercial transactions.

With the unique attributes of the digital points business model, high-quality equity assets are able to be tokenised such that the digital points earned by customers through different channels can be exchanged globally in the form of virtual assets or credits and used in four major consumption scenarios – retail, entertainment, travel and finance – or other business transactions, and can thus attract more customers for the Changyou platform.

截至二零一八年十二月三十一日止年度，數字積分業務線上線下交易總額（「**線上線下交易總額**」）達約人民幣174百萬元（二零一七年：約人民幣3百萬元），較去年同期大幅增加約人民幣171百萬元（約57倍）。本集團正與若干潛在業務夥伴磋商以進一步提升暢由平台並擴大其業務範圍至其他行業。

於二零一九年一月三十一日，本公司間接非全資附屬公司分海有限公司（「**分海**」）與若干投資者（統稱為「**投資者**」）訂立關於配發及發行分海股份（「**認購事項**」）的認購協議。認購事項所得款項總額為人民幣3億元，擬用於（其中包括）本集團暢由業務的進一步發展及擴展。認購事項的認購價及由分海與投資者經過公平協商後釐定，投前估值為5億美元（約為人民幣34.24億元）（更多內容請參考本公司日期為二零一九年一月三十一日的公佈及二零一九年二月十四日的補充公佈），其中分海初始註冊資金僅為人民幣2億元。



認購事項已於二零一九年三月由三名投資者中的兩名完成，所得款項總額為人民幣200,000,000元。認購事項所得款項擬定用途之詳情載於本報告第22頁。

數字積分業務

暢由平台於二零一七年九月上線，平台用戶不斷增加、產品及服務類別日趨豐富、商業模式及消費場景日益完善。暢由平台的上線，標誌著暢由已打通與業務夥伴的用戶體系、積分結算體系及技術基礎設施的順利整合。暢由可憑藉業務夥伴各自擁有的龐大用戶基礎，推廣和提供暢由平台上的各類產品和服務。

通過暢由平台，用戶可從全球各合作夥伴實體及行業購買、互換及兌換暢由數字會員積分。該等數字積分可在暢由平台上轉換成虛擬資產及信用，以用於購買及消費商品、遊戲及娛樂、金融服務及其他商業交易。

憑藉數字積分業務模式的獨有屬性，可通證化的優質股權資產，令客戶透過不同渠道賺取的數字積分以虛擬資產或信用的形式在全球自由兌換並應用於四個主要消費場景—零售、娛樂、出行及金融—或其他商業交易，因而可為暢由平台吸引更多的客戶。



Retail

The Group currently offers the sale and purchase of merchandise on the Changyou platform, including physical goods and virtual assets such as electronic gift cards and coupons. Through the all-round cooperation with Business Partners who offer rewards incentive services to customers, the Changyou platform continues to efficiently introduce broader categories of products and services to its platform users, and at the same time continuously improve the uniqueness of such categories on the platform. The platform has also enhanced its customer loyalty and its points-based attributes by leveraging the rewards incentives model and constantly enhancing consumption scenarios where platform users may use points or cash for transactions.

The Group has developed a partnership model of “Seller Recruitment + Partner Connection” to establish alliances with mainland-based well-known specialised and social e-commerce platforms which also offer rewards and incentive services. These alliances bring in a variety of products such as maternity and child products, beauty and personal care products as well as overseas products, and is dedicated to enriching merchandise categories which can be consumed by platform users through the exchange of digital points accumulated by such users. Moreover, the immediate settlement of incentive rewards after customer consumption on the platform can also largely increase user traffic to the Business Partners, which are beneficial to both the Changyou platform and its Business Partners.

零售

本集團目前在暢由平台上提供商品買賣，包括實物貨物及虛擬資產（例如電子禮品卡及優惠券）。透過與向客戶提供獎勵激勵服務的業務夥伴全面合作，暢由平台有效地為其平台用戶帶來各種類別產品及服務，同時持續改善平台產品及類別的獨特性。平台亦透過利用激勵模式提高其客戶忠誠度及其積分情況及持續豐富平台用戶交易中可使用積分或現金的消費場景獎勵。

本集團已制定「賣方招募+合夥聯繫」的合夥模式，以成立亦可提供獎勵及激勵服務的大陸知名專業及社交電商平台的聯盟。該等聯盟帶來各種產品，例如孕婦及嬰兒用品、化妝及個人護膚產品以及海外產品及致力於豐富商品類別，以令平台用戶透過交換相關用戶累積的數字積分予以消費。此外，客戶在平台上消費後立即結算激勵獎勵亦大幅增加業務夥伴的用戶流量，這有益於平台及其業務夥伴。

Cooperation with other e-commerce platforms will further expand the database of the Changyou platform and allow the platform to better understand users' needs and habits. Through the cooperation with other e-commerce platforms, the platform has been accumulating user transaction attributes and data regarding customer preference, thus optimising the selection of products and services, the operating model and the target positioning of the Changyou platform. The platform can effectively attract users through its different channels, resources and marketing policies and drive cash consumption and improve its procurement capabilities.

Meanwhile, the Group is also committed to enhancing its self-operated points mall business. With the large amount of user data and experience of its partnership alliances, Changyou's points mall is able to continuously optimise its selection of products and services. With the increase in the number of platform users and vendors, the Group continues to find new products for the points mall, develop unique channels to sell items from various other brands, and create unique merchandise categories, such as the mobile phone top-up, gas card top-up as well as the video streaming platforms, among other consumption scenarios. As such, the points mall is able to bring users a more comprehensive and intimate consumer experience and improve user engagement.

The Group earns commission or the price difference of the procurement and sale of the products or services as profit for the transactions under this consumption scenario.

Games and Entertainment

To further make the Changyou platform available to a wider customer base, the Group has also developed five major segments within the games and entertainment consumption scenario, including:

- (i) Self-developed games: The Group offers self-developed online games. For instance, "Quiz King" was launched when the World Cup tournament started, which was well received by the public;
- (ii) External games: The Changyou platform is connected with the "1768" game platform, enabling users to purchase games with Changyou points, which generates revenue for the Group;
- (iii) Direct top-up: Partnered with other game platforms, the Changyou platform provides direct top-up services to facilitate account top-up using Changyou points for external games;

與其他電商平台合作將進一步擴大暢由平台的數據庫及讓平台更好地了解用戶的需求及喜好。透過與其他電商平台合作，平台已累積關於客戶偏好的用戶交易情況及數據，因而優化暢由平台的產品及服務選擇、營運模式及目標定位。平台可透過其不同渠道、資源及營銷政策有效地吸引用戶，並帶動現金消費及提高購貨能力。

同時，本集團亦致力於提高其自營積分商城業務。憑藉大量用戶數據及合夥聯盟體驗，暢由積分商城能夠持續優化其產品及服務選擇。隨著平台用戶及賣方數量增加，本集團一直為積分商城物色新產品，開發獨一無二的渠道銷售各種其他品牌的產品並設立特殊商品類別（例如移動手機充值、加油卡充值以及視頻流媒體平台），其中包括消費場景。因此，積分商城能夠為用戶帶來更全面及親切體貼的消費體驗及改善用戶參與度。

本集團可賺取採購及銷售產品或服務的佣金或差價作為此消費場景下交易的溢利。

遊戲及娛樂

為了進一步讓暢由平台擁有更多的客戶基礎，本集團亦已開發遊戲及娛樂消費場景中的五大主要分部，包括：

- (i) 自主開發遊戲：本集團提供自行研發線上遊戲，例如當世界杯賽開始時推出的「競猜王」，廣受歡迎；
- (ii) 外部遊戲：暢由平台聯繫「1768」遊戲平台，用戶可使用暢由積分購買遊戲，從而為本集團產生收入；
- (iii) 直接充值：暢由平台與其他遊戲平台合作，提供使用暢由積分直接充值服務，便利外部遊戲賬戶充值；

Management Discussion and Analysis

管理層討論及分析

(iv) WeChat mini program: Focused on the huge user traffic brought by the WeChat mini program, Changyou's mini program Changyou Helper was launched to acquire more users, promote Changyou's new products and boost platform revenue; and

(v) Self-operated online claw crane game machine: Targeted at the recent popular trend of online claw crane game machines, the Group officially launched its self-operated online claw crane game machine in conjunction with one of the Business Partners in December, and carried out operational activities to help the Group generate revenue.

With the development of a variety of functional, entertaining and operational segments under the games and entertainment consumption scenario, the Group successfully generated increased user traffic for the Changyou platform, thus further driving its popularity among users.

Platform users can use their Changyou digital points to pay for the games which generates revenue for the Group, and the respective Business Partners will pay to Changyou once the digital points are utilised and redeemed on the game platforms of such Business Partners.

Travel and Related Services

As the living standards continue to improve in China, the demand for travel is increasing day by day. The Group has also closely followed the market trend and provided users with five major segments within this consumption scenario including flight reservation, hotel room and tourist attraction tickets bookings, duty-free goods, points rewards and food, enriching the application of the digital points and thereby increasing its value.

At present, the Group is cooperating with a well-known airline based in China to launch a cross-platform integration system that aims to make the points accumulated on the Changyou platform more useful in meeting various needs of platform users during their travel.

Finance Services

The Group collaborates with its business partners and third party payment service providers in order to include different forms of integrated payment services on the Changyou platform. E-finance has become an indispensable part of our society. As a pioneer in the use of digital points, the Changyou platform has also created five major segments in the financial services consumption scenario to fully take into consideration users' needs for online payment and asset management:

(iv) 微信小程序：專注於微信小程序帶來的巨大用戶流量，推出暢由的小程序暢由助手，以獲得更多用戶，推廣暢由新產品及帶動平台收入；及

(v) 自營線上娃娃機：針對線上娃娃機遊戲近期流行趨勢，本集團連同一名業務夥伴於十二月正式上線其自營線上娃娃機，並開展營運活動以幫助本集團產生收入。

隨著遊戲及娛樂消費場景下各種功能性、娛樂性及操作性分部的發展，本集團成功為暢由平台帶來用戶流量，從而進一步帶動其在用戶之間的受歡迎程度。

平台用戶可使用暢由數字積分支付可為本集團帶來收入的遊戲，及各業務夥伴將於數字積分於有關業務夥伴的遊戲平台使用及兌換時向暢由付款。

出行及相關服務

由於中國的生活水平持續改善，出行需求日益旺盛。本集團亦密切追隨市場趨勢及提供用戶五大消費場景，包括機票預訂、酒店及旅遊景點門票預訂、免稅商品、積分獎勵及膳食，豐富用戶數字積分的應用及從而增加其價值。

現時，本集團正與一家知名中國航線合作推出跨平台整合系統，旨在令在暢由平台上累積的數字積分在滿足平台用戶出行時的不同需求時更有用。

金融服務

本集團與其業務夥伴及第三方支付服務供應商展開合作，將不同形式的整合支付服務納入暢由平台。電子金融已成為當今社會必不可少的一部分。作為數字積分使用的先鋒，暢由平台亦已於金融服務場景中設計五個主要分部，以全面顧及用戶對在線支付及資產管理的需求：

- (i) Changyou payment business: The Group offers points consumption services and points cashier output services, including QR code payment services with special merchants and UnionPay merchants;
- (ii) Points operations solution as an agent: Surrounding the core services of the Changyou platform, the Group provides points account, points-based consumption, points-based marketing and other loyalty management operation services and system services, which cover many sectors including finance, urban rail transit, home life and sports;
- (iii) Consumer finance: Through cooperation with licensed consumer finance platforms, banks and other institutions, the Group is integrated with more than 30 partner products in providing loan product recommendation services and credit card recommendation services for platform users, and allows payment by instalment for products and services on the Changyou platform;
- (iv) Asset management business: The Group selects financial products and services ranging from insurance, funds, wealth management and smart investment advisory services, and established the "Time Accumulation" system which provides platform users with a points-based value-added investment portfolio; and
- (v) Changyou Cashier: This enhances the Changyou payment and cashier services by building on the combined services of points accommodation, cash, payment by instalment and e-wallets and connecting the transaction channels of banks and third-party payment agencies, which ensures the smooth, stable and secure payment methods for transactions on the Changyou platform. This can also facilitate platform users to have better flexibility to use their digital points for wide variety of goods and services.
- (i) 暢由支付業務：本集團提供積分消費服務及積分收款輸出服務，包括特別商戶及銀聯商戶的二維碼支付服務；
- (ii) 作為代理的積分營運解決方案：本集團圍繞暢由平台的核心服務，提供積分賬戶、積分消費、積分營銷及其他忠誠度管理營運服務及系統服務，涵蓋眾多領域，包括金融、城市軌道交通、家庭生活及體育運動；
- (iii) 消費金融：透過與持牌消費金融平台、銀行及其他機構通力合作，本集團整合超過30種合夥產品、為平台用戶提供貸款產品推薦服務及信用卡推薦服務及允許就暢由平台的產品及服務使用分期付款；
- (iv) 資產管理業務：本集團從保險、基金、財富管理至智能投資顧問服務挑選金融產品及服務並建立「時光積」系統以為平台用戶提供積分投資增值組合；及
- (v) 暢由收銀台：透過打造積分累加、現金、分期付款及電子錢包的合併服務，鏈接銀行及第三方付款機構的交易渠道，提升暢由的支付及出納服務，確保暢由平台交易順利、穩定及安全支付方式。這亦可促進平台用戶更靈活地將其數字積分用於各種產品／服務。

The Group earns revenue through commission and rebates based on the amount of the transactions from the business under this consumption scenario.

本集團根據交易金額從此消費場景下的業務佣金及回扣中賺取收入。

As at 31 December 2018, there were a total of 289 staff engaged in the Digital Point business.

於二零一八年十二月三十一日，數字積分業務聘用合共289名員工。

e-Commerce Business

The Group started the e-Commerce business in March 2015, initially through the operations of a business-to-business platform which set up a direct path between overseas suppliers, distributors and domestic retailers in the PRC. However, although the e-commerce business segment generated revenue for the Group, this business segment had been reporting a gross loss for at least the three financial years ended 31 December 2017. The e-commerce industry has become increasingly competitive in recent years, resulting in a negative profit margin for the Group due to strong competitors who dominate the market in the e-commerce industry. In light of the above, the Group decided to focus on business opportunities with potential growth. The Group began to scale down the e-Commerce business segment since the first quarter of 2017, and the business segment had ceased operations from 30 June 2018, which allows the Group to focus its resources on the development of the Changyou platform. However, the Group will continue to maintain the electronic distribution platform, www.ccigmall.com, of the e-Commerce business segment and will explore other future business prospects if and when suitable opportunities arise. In addition to the electronic distribution platform, the operational office, electronic hardware and technical infrastructure used for the e-Commerce business segment, such as computer units, servers, data storage and other hardware devices, are also suitable and appropriate for the Changyou platform, and as such will be integrated and utilised for the Digital Point business. Further, the Group had arranged for those staff with the relevant expertise and experience and previously engaged in the e-Commerce business segment to be internally transferred to the Digital Point business.

For the year ended 31 December 2018, revenue from the Group's e-Commerce business segment amounted to approximately RMB0.66 million, represents a decrease of 99.5% as compared with the corresponding period in 2017.

FINANCIAL REVIEW

Revenue

The Group recorded a consolidated revenue of approximately RMB51.0 million (2017: approximately RMB167.6 million), representing a decrease of approximately 69.6% as compared to 2017.

Revenue from the Digital Point business was approximately RMB50.3 million for the year ended 31 December 2018 (2017: approximately RMB0.94 million), representing approximately 98.7% (2017: approximately 0.6%) of the Group's total revenue.

Revenue from the Group's e-Commerce business segment was approximately RMB0.66 million for the year ended 31 December 2018 (2017: approximately RMB134.0 million), representing approximately 1.3% (2017: approximately 80.0%) of the Group's total revenue.

電子商貿業務

本集團於二零一五年三月開始電子商貿業務，初始透過營運企業對企業平台。該企業對企業模式為海外供應商、分銷商、中國國內零售商之間建立直接渠道。然而，儘管電子商貿業務為本集團帶來收入，該業務分部至少於截至二零一七年十二月三十一日止三個財政年度錄得毛虧。電子商貿行業近年來競爭日益激烈，由於強大的競爭對手主導電子商貿行業市場，導致本集團錄得負利潤率。鑑於上文所述，本集團決定專注於具有增長潛力的商機。本集團自二零一七年第一季度開始縮減電子商貿業務分部，且該業務分部自二零一八年六月三十日終止營運，讓本集團將其資源專注於開發暢由平台。然而，本集團將繼續維持電子商貿業務分部的電子分銷平台(www.ccigmall.com)，且如出現合適的機會，將探索未來其他商機。除電子分銷平台外，用於電子商貿業務分部的營運辦公室、電子硬件及技術基礎設施(如計算機組件、服務器、數據存儲及其他硬件設備)亦適用於暢由平台，因此將由數字積分業務加以整合及使用。此外，本集團已安排具備相關專業知識及經驗以及先前從事電子商貿業務分部的員工內部轉移至數字積分業務。

截至二零一八年十二月三十一日止年度，本集團電子商貿業務分部錄得收入約人民幣0.66百萬元，較二零一七年同期減少99.5%。

財務回顧

收入

本集團錄得綜合收入約人民幣51.0百萬元(二零一七年：約人民幣167.6百萬元)，較二零一七年減少約69.6%。

數字積分業務於截至二零一八年十二月三十一日止年度的收入為約人民幣50.3百萬元(二零一七年：約人民幣0.94百萬元)，佔本集團總收入的約98.7%(二零一七年：約0.6%)。

本集團電子商貿業務分部於截至二零一八年十二月三十一日止年度的收入為約人民幣0.66百萬元(二零一七年：約人民幣134.0百萬元)，佔本集團總收入的約1.3%(二零一七年：約80.0%)。

The decrease in total revenue of the Group was mainly due to the cessation of the operation of e-Commerce business segment since 30 June 2018 and the disposal of axle business in April 2017.

Gross loss

Gross loss for the year ended 31 December 2018 amounted to approximately RMB8.1 million, as compared with the gross loss of approximately RMB7.6 million for the year ended 31 December 2017. The gross loss was mainly due to the gross loss of approximately RMB8.3 million generated from the Digital Point business.

Other income

Other income of the Group for the year ended 31 December 2018 was approximately RMB2.9 million (2017: approximately RMB2.7 million). A details breakdown of the factors contributing to the other income of the Group is disclosed in note 5 of the financial statements as disclosed in this report.

Impairment losses

Impairment losses of the Group for the year ended 31 December 2018 was approximately RMB26.5 million (2017: approximately RMB68.3 million), which mainly represents the impairment losses on loans to third parties and impairment losses on the value added tax refundable on the e-Commerce business segment.

Selling and distribution expenses

Selling and distribution expenses of the Group for the year ended 31 December 2018 increased to approximately RMB113.1 million (2017: approximately RMB48.3 million). The increase was mainly due to the increase in sales and promoting activities for “Changyou” platform in 2018, including the marketing expenses to attract and maintain customers’ loyalty and their participation and consumption of the products and services provided on the “Changyou” platform.

Administrative expenses

The Group’s administrative expenses for the year ended 31 December 2018 decreased to approximately RMB85.8 million (2017: approximately RMB113.4 million). The decrease was mainly attributable to the cessation of the operation of e-Commerce business since 30 June 2018 and disposal of axle business in April 2017.

Research and development costs

Research and development costs of the Group for the year ended 31 December 2018 decreased to approximately RMB49.3 million (2017: approximately RMB54.2 million). The research and development costs were relatively stable in 2018.

本集團總收入減少主要由於自二零一八年六月三十日終止電子商貿業務分部的經營及於二零一七年四月出售車橋業務所致。

毛虧

截至二零一八年十二月三十一日止年度，毛虧為約人民幣8.1百萬元，而截至二零一七年十二月三十一日止年度為毛虧約人民幣7.6百萬元。毛虧主要由於數字積分業務產生毛虧約人民幣8.3百萬元所致。

其他收入

截至二零一八年十二月三十一日止年度，本集團的其他收入達約人民幣2.9百萬元（二零一七年：約人民幣2.7百萬元）。貢獻本集團其他收入的因素的詳細分類於本報告所披露財務報表附註5中披露。

減值虧損

截至二零一八年十二月三十一日止年度，本集團的減值虧損達約人民幣26.5百萬元（二零一七年：約人民幣68.3百萬元），主要為向第三方貸款減值虧損及電子商貿業務分部可退還增值稅減值虧損。

銷售及分銷開支

截至二零一八年十二月三十一日止年度，本集團的銷售及分銷開支增至約人民幣113.1百萬元（二零一七年：約人民幣48.3百萬元）。增加主要由於於二零一八年，「暢由」平台銷售及推廣活動增加所致，包括用於吸引及維持客戶忠誠度以及參與就消費「暢由」平台所提供產品及服務的營銷開支。

行政開支

截至二零一八年十二月三十一日止年度，本集團的行政開支減至約人民幣85.8百萬元（二零一七年：約人民幣113.4百萬元）。減少主要歸因於自二零一八年六月三十日終止電子商貿業務分部的經營及於二零一七年四月出售車橋業務。

研發成本

截至二零一八年十二月三十一日止年度，本集團的研發成本減至約人民幣49.3百萬元（二零一七年：約人民幣54.2百萬元）。研發成本於二零一八年保持相對穩定。

Finance income/costs

The Group incurred finance income of approximately RMB17.1 million for the year ended 31 December 2018, while the Group incurred finance cost of approximately RMB4.8 million for the year ended 31 December 2017. The finance income was mainly attributable to the increase in the net foreign exchange gain of approximately RMB1.5 million (2017: net foreign exchange loss approximately RMB16.0 million), the decrease in total borrowing costs of approximately RMB11.4 million for the year ended 31 December 2018 (2017: approximately RMB19.3 million) and net off with the decrease in fair value on the derivative components of the Convertible Bonds (as defined below) of approximately RMB26.4 million (2017: approximately RMB32.4 million).

Taxation

No income tax expenses was recorded for the year ended 31 December 2018 (2017: income tax credit of approximately RMB47.2 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, cash and cash equivalents of the Group were approximately RMB97.4 million (as at 31 December 2017: approximately RMB393.0 million). As compared to 2017, cash and cash equivalents decreased by approximately RMB295.6 million, mainly due to net cash outflow arising from operating activities of approximately RMB245.8 million (2017: approximately RMB150.7 million), net cash outflow arising from investing activities of approximately RMB25.7 million (2017: approximately RMB38.4 million) and net cash outflow from financing activities of approximately RMB30.1 million (2017: net cash inflow of approximately RMB512.1 million).

Convertible Bonds

On 7 December 2017, the Company and Chance Talent Management Limited (“**Chance Talent**”) entered into a subscription agreement, pursuant to which the Company shall issue US\$10 million 13% secured convertible bonds (“**Convertible Bonds**”) to Chance Talent Management Limited (“**Chance Talent**”), an indirect wholly-owned special purpose vehicle of CCB International (Holding) Limited. The Convertible Bonds bear an interest at 13% per annum and will mature on 3 June 2019. The issuance of Convertible Bonds was completed on 20 December 2017. The US\$10 million payable by Chance Talent for the subscription of the convertible bonds was satisfied by way of off-setting the aggregate outstanding amount of US\$10 million payable by the Company under the previous convertible bonds issued by the Company to Chance Talent in June 2015. Accordingly, no proceeds arose from the issue of the Convertible Bonds. During the year ended 31 December 2018, the Company partially redeemed the Convertible Bonds in the aggregate amount of US\$3.3 million. The total outstanding Convertible Bonds as at 31 December 2018 was US\$6.7 million.

融資收益／成本

本集團於截至二零一八年十二月三十一日止年度產生的融資收益為約人民幣17.1百萬元，而本集團於截至二零一七年十二月三十一日止年度錄得融資成本約人民幣4.8百萬元。融資收益主要歸因於截至二零一八年十二月三十一日止年度匯兌收益淨額增加約1.5百萬元(二零一七年：匯兌虧損淨額約人民幣16.0百萬元)，借款成本總額減少約人民幣11.4百萬元(二零一七年：約人民幣19.3百萬元)及扣除可換股債券(定義見下文)的衍生工具部分公平值減少約人民幣26.4百萬元(二零一七年：約32.4百萬元)。

稅項

截至二零一八年十二月三十一日止年度並無錄得所得稅開支(二零一七年：所得稅抵免約人民幣47.2百萬元)。

流動資金及財務資源

於二零一八年十二月三十一日，本集團的現金及現金等值項目約為人民幣97.4百萬元(於二零一七年十二月三十一日：約人民幣393.0百萬元)。與二零一七年相比，現金及現金等值項目減少約人民幣295.6百萬元，主要由於經營活動產生現金流出淨額約人民幣245.8百萬元(二零一七年：約人民幣150.7百萬元)、投資活動產生現金流出淨額約人民幣25.7百萬元(二零一七年：約人民幣38.4百萬元)及融資活動現金流出淨額約人民幣30.1百萬元(二零一七年：現金流入淨額約人民幣512.1百萬元)所致。

可換股債券

於二零一七年十二月七日，本公司與Chance Talent Management Limited (“**Chance Talent**”) (建銀國際(控股)有限公司間接全資擁有的特別目的公司)訂立認購協議，據此，本公司發行10百萬美元13%有抵押可換股債券(「**可換股債券**」)予Chance Talent。可換股債券按年利率13%計息及將於二零一九年六月三日到期。發行可換股債券已於二零一七年十二月二十日完成。Chance Talent就認購可換股債券應付之10百萬美元已由本公司根據本公司先前於二零一五年六月發行予Chance Talent之可換股債券須支付的尚未支付總額10百萬美元，以抵銷方式償付。因此，發行可換股債券並無產生任何所得款項。於截至二零一八年十二月三十一日止年度，本公司贖回總額為3.3百萬美元的部分有抵押可換股債券。於二零一八年十二月三十一日的未償還有抵押可換股債券為6.7百萬美元。

Placing

On 12 December 2016, the Company entered into a placing agreement with a placing agent, pursuant to which the Company agreed to place, through the placing agent, a maximum of 291,218,000 shares of the Company to independent placees at a price of HK\$1.98 per share (the “**Placing**”). As at 31 December 2018, the actual use of the proceeds from the Placing, which was completed on 6 January 2017, was as follows:

配售事項

於二零一六年十二月十二日，本公司與配售代理訂立配售協議，據此，本公司同意透過配售代理向獨立承配人按價格每股 1.98 港元配售最多 291,218,000 股股份（「**配售事項**」）。於二零一八年十二月三十一日，配售事項（已於二零一七年一月六日完成）的所得款項實際用途如下：

Usage 用途	Original use of the proceeds from the Placing	Revised use of the proceeds from the Placing (as previously disclosed in the annual report of the Company for the year ended 31 December 2017)	Actual use of the proceeds from the Placing since 6 January 2017, being the date of completion of the Placing
	配售事項原先 所得款項用途 (approximate) RMB (million) (概約) 人民幣 (百萬元)	經修訂配售事項 所得款項用途 (如本公司截至 二零一七年十二月 三十一日止年度 的年報先披露) (approximate) RMB (million) (概約) 人民幣 (百萬元)	自二零一七年 一月六日(即配售 事項完成日期) 配售事項所得 款項實際用途 (approximate) RMB (million) (概約) 人民幣 (百萬元)
To fund the general working capital of the Group other than the Digital Point business for the year ended 31 December 2017 截至二零一七年十二月三十一日止年度用作本集團除數字積分業務外之一般營運資金	53	53	53
To fund the Company's subscription of 50.1% in the issued share capital of Treasure Ease Holdings Limited 用作本公司認購寶怡控股有限公司已發行股本 50.1%	40	40	40
To partially fund the working capital requirement for operating the Digital Point business for the year ended 31 December 2017, which includes (a) capital expenditure (such as acquisition of information system hardware, software, establishment of technological platform and construction of engine rooms); and (b) operating expense requirement (such as marketing expenses, human resources expenses and office rent) 用作截至二零一七年十二月三十一日止年度營運數字積分業務的營運資金需求，包括(a)資本開支(如購買資訊系統硬件、軟件、建立技術平台、以及興建工程室)；及(b)營運開支需求(如營銷開支、人力資源開支及辦公室租金)	31	76	76
To fund (a) the capital expenditure for the year ended 31 December 2018; and (b) the operating expense for developing and operating the Changyou Digital Point Business Ecosystem Alliance business (Note) (a) 用作截至二零一八年十二月三十一日止年度的資本開支；及(b) 用作開發並營運暢由數字積分商業生態聯盟業務的營運開支(附註)	377	229	221
For interest-bearing instrument to allow flexibility in the Company's financial and treasury management 用於有利息工具以使公司的財務和資金管理具有靈活性	-	47	47
To fund the repurchase of shares of the Company 用作購回本公司股份	-	9	9
For the repayment of secured loan 用作償還抵押貸款	-	47	47
Total 總計	501	501	493

Management Discussion and Analysis 管理層討論及分析

Note:

The detailed breakdown for the capital expenditure for the financial year ended 31 December 2018 and the operating expense for developing and operating the Digital Point business are as follows:

附註：

有關截至二零一八年十二月三十一日止財政年度資本開支；及用於開發及營運數字積分業務的營運開支的詳情載列如下：

Usage 用途		Revised use of the proceeds from the Placing (as previously disclosed in the announcement of the Company dated 22 August 2018) 經修訂配售事項所得款項 用途(如本公司日期為 二零一八年八月二十二日 的公佈先前披露) (approximate) RMB (million) (概約) 人民幣(百萬元)	Actual use of the proceeds from the Placing since 6 January 2017 自二零一七年一月六日 起配售事項所得款項 實際用途 (approximate) RMB (million) (概約) 人民幣(百萬元)
To fund the fixed expenses (comprising salaries and other administrative expenses) for the recruitment and retention of personnel and management and for the development of the "Changyou" platform for the year ended 31 December 2018	用作截至二零一八年十二月三十一日止年度招聘及挽留人才以及管理開發「暢由」平台的固定開支(包括薪金及其他行政開支)	120	120
To fund promotional and marketing activities to attract and maintain customers' loyalty and their participation and consumption of the products and services provided on the "Changyou" platform for the year ended 31 December 2018	用作截至二零一八年十二月三十一日止年度進行促銷及營銷活動以吸引及維持顧客忠誠度以及彼等參與及消費「暢由」平台所提供的產品及服務	104	97
To fund the capital expenditure of the Digital Point business for the year ended 31 December 2018	用作截至二零一八年十二月三十一日止年度數字積分業務之資本開支	5	4
Total	總計	229	221

Update on the use of proceeds from the Placing

The total balance of the unutilised proceeds from the Placing was approximately RMB8 million as at 31 December 2018 ("Unutilised Proceeds"). The Group intends that the Unutilised Proceeds will be substantially used to fund the continued development and operations of the Digital Point business of the Group for the year ending 31 December 2019 as follows:

有關配售事項所得款項用途之最新資料

於二零一八年十二月三十一日，配售事項的未動用所得款項總額約為人民幣8百萬元(「未動用所得款項」)。截至二零一九年十二月三十一日止年度，本集團計劃將未動用所得款項主要用於撥付本集團數字積分業務的持續發展及營運，有關資料如下：

Intended Use and Expected Timeline

擬定用途及預期時間表

		Amount of the Unutilised Proceeds as at 31 December 2018 於二零一八年十二月三十一日的未動用所得款項金額 (approximate) RMB (million) (概約) 人民幣(百萬元)
To fund promotional and marketing activities to attract and maintain customers' loyalty and their participation and consumption of the products and services provided on the "Changyou" platform for the year ending 31 December 2019	用作截至二零一九年十二月三十一日止年度進行促銷及營銷活動以吸引及維持顧客忠誠度以及彼等參與及消費「暢由」平台所提供的產品及服務	7
To fund the capital expenditure of the Digital Point business of the Group for the year ending 31 December 2019	用作截至二零一九年十二月三十一日止年度數字積分業務之資本開支	1
Total	總計	8

Issue of Warrants

On 26 March 2018, the Company and Century Investment (Holding) Limited (“CIH”), the substantial shareholder of the Company, entered into a subscription agreement, pursuant to which the Company shall issue 298,000,000 warrants (“Warrants”) to CIH at a subscription price of HK\$0.01 per Warrant. The Company received the subscription price of HK\$2,980,000. The Warrants were issued on 18 September 2018. The net proceeds from the issue of Warrants of approximately HK\$1,480,000 was fully utilised for the development of the “Changyou” platform during the year ended 31 December 2018. None of the Warrants were exercised during the year ended 31 December 2018.

The Company has not requested CIH to exercise the Warrants, instead the Company chose to enter into agreements with Investors in relation to the allotment and issue of shares in PCL, to provide financing resources to PCL for further development and expansion of the “Changyou” business of the Group. The Company is of the view that (i) the Subscriptions can fully reflect the pre-money valuation of PCL of US\$500 million (approximately RMB3,424 million) which shows a market recognition of the ability of Changyou platform in terms of both operating and execution, and recognition of the professional team in Changyou business; (ii) the continuous support provided by CIH to the operations of Changyou platform to improve the Company’s financial performance and CIH will exercise the subscription rights of the Warrants when the Company is in need of financial resources to cope with the uncertainties in raising funds by the Group for the development and expansion of “Changyou” business in future.

Share options

On 7 August 2018, the Company granted 72,000,000 share options to Cheng Jerome, the chairman and an executive director of the Company. No option was exercised during the year ended 31 December 2018.

發行認股權證

於二零一八年三月二十六日，本公司與本公司主要股東Century Investment (Holding) Limited (「CIH」) 訂立認購協議，據此，本公司按認購價每份認股權證0.01港元發行298,000,000份認股權證(「認股權證」)予CIH。本公司收到認購價2,980,000港元。認股權證於二零一八年九月十八日發行。發行認股權證的所得款項淨額約1,480,000港元悉數用作於截至二零一八年十二月三十一日止年度開發「暢由」平台。於截至二零一八年十二月三十一日止年度，概無行使認股權證。

本公司並未請求CIH行使認股權證，反而選擇與投資者就配發及發行分海股份訂立協議，以為進一步發展及擴大本集團「暢由」業務向分海提供財務資源。本公司認為(i)認購事項可悉數反映分海投前估值為5億美元(約人民幣34.24億元)，顯示暢由平台在營運及執行方面的能力得到市場認可，以及對暢由業務專業團隊的認可；(ii) CIH向暢由平台的經營提供持續支持以改善本公司的財務表現及CIH將在本公司需要財務資源時行使認股權證的認購權以處理本集團未來就「暢由」業務的發展及擴張籌資時的不確定因素。

購股權

於二零一八年八月七日，本公司授出72,000,000份購股權予本公司主席及執行董事Cheng Jerome。於截至二零一八年十二月三十一日止年度，概無行使購股權。

Management Discussion and Analysis 管理層討論及分析

Subscriptions of PCL's shares

As mentioned in the section of Business Review in this report, on 31 January 2019, PCL entered into subscription agreements with Investors in relation to the allotment and issue of shares in PCL. The Group intends to use the proceeds from the Subscriptions as follows:

認購分海股份

如本報告業務回顧一節所述，於二零一九年一月三十一日，分海與投資者就配發及發行分海股份訂立認購協議。本集團擬將認購事項所得款項用作如下用途：

Intended Use and Expected Timeline 擬定用途及預期時間表	Amount 金額 (approximate) (概約) RMB (million) 人民幣(百萬元)
To fund the fixed expenses (comprising salaries and other administrative expenses) for the recruitment and retention of personnel and management and for the development of "Changyou" platform in 2019 and 2020	用作於二零一九年及二零二零年招聘及挽留人才以及管理及開發「暢由」平台的固定開支(包括薪金及其他行政開支) 120
To fund promotional and marketing activities to attract and maintain customers' loyalty and their participation and consumption of the products and services provided on the "Changyou" platform in 2019 and 2020	用作於二零一九年及二零二零年進行促銷及營銷活動以吸引及維持顧客忠誠度以及彼等參與及消費「暢由」平台所提供的產品及服務 80
For the repayment of the unsecured term loan facility advanced from the Company by August 2019	於二零一九年八月前償還本公司墊付的無抵押定期貸款融資 88
To fund the registered capital of any direct or indirect wholly foreign owned enterprise of PCL in 2019 and 2020	用作於二零一九年及二零二零年分海任何直接或間接外資企業的註冊資本 3
To fund the general working capital of PCL and its subsidiaries in 2019 and 2020	用作於二零一九年及二零二零年分海及其附屬公司的一般營運資金 9
Total	總計 <hr/> 300

Net assets

As at 31 December 2018, net current assets of the Group amounted to approximately RMB80.1 million (as at 31 December 2017: approximately RMB408.7 million). As at 31 December 2018, the current ratio (being total current assets divided by total current liabilities) of the Group was approximately 1.91 (as at 31 December 2017: approximately 12.99).

As at 31 December 2018, total assets of the Group were approximately RMB177.4 million (as at 31 December 2017: approximately RMB451.6 million) and total liabilities were approximately RMB87.9 million (31 December 2017: approximately RMB119.2 million). The debt ratio as at 31 December 2018 (being total liabilities divided by total assets) was 0.50 as compared to 0.26 as at 31 December 2017.

資產淨值

於二零一八年十二月三十一日，本集團的流動資產淨值約為人民幣80.1百萬元(於二零一七年十二月三十一日：約人民幣408.7百萬元)。於二零一八年十二月三十一日，本集團的流動比率(即總流動資產除以總流動負債)約為1.91(於二零一七年十二月三十一日：約12.99)。

於二零一八年十二月三十一日，本集團的總資產約為人民幣177.4百萬元(於二零一七年十二月三十一日：約人民幣451.6百萬元)，總負債約為人民幣87.9百萬元(於二零一七年十二月三十一日：約人民幣119.2百萬元)。於二零一八年十二月三十一日，負債比率(即總負債除以總資產)為0.50，而於二零一七年十二月三十一日則為0.26。

Borrowings

As at 31 December 2018, the Group had total borrowings (which consisted of convertible bonds) of approximately RMB44.4 million (as at 31 December 2017: approximately RMB85.1 million). The gearing ratio as at 31 December 2018 (being total borrowing divided by total equity) was approximately 0.50 (as at 31 December 2017: approximately 0.26).

Trade and other receivables

Trade and other receivables of the Group as at 31 December 2018 were approximately RMB67.1 million (as at 31 December 2017: approximately RMB49.6 million). The increased in the balance was mainly due to the increased in trade receivables of the Group. A detailed breakdown of the factors contributing to the trade and other receivables of the Group is disclosed in note 17 of the financial statements as disclosed in this report.

Inventories

The inventory balance of the Group as at 31 December 2018 was approximately RMB0.48 million (as at 31 December 2017: approximately RMB0.09 million). The Digital Points business and the e-Commerce business of the Group required minimal inventory level.

Trade and other payables

Trade and other payables of the Group as at 31 December 2018 were approximately RMB43.5 million (as at 31 December 2017: approximately RMB34.1 million). The increase was mainly due to increased in trade payable of the Group. A detailed breakdown of the factors contributing to the trade and other payables of the Group is disclosed in note 20 of the financial statements as disclosed in this report.

Pledged assets

As at 31 December 2018, the Group did not have pledged assets (as at 31 December 2017: Nil).

Contingent liabilities

As at 31 December 2018, the Group had no significant contingent liabilities (as at 31 December 2017: Nil).

Capital commitment

As at 31 December 2018, the Group had no contracted capital commitments which were not provided in the financial statements (as at 31 December 2017: Nil).

借款

於二零一八年十二月三十一日，本集團的借款總額(包括可換股債券)約為人民幣44.4百萬元(於二零一七年十二月三十一日：約人民幣85.1百萬元)。於二零一八年十二月三十一日，資產負債比率(即借款總額除以權益總額)約為0.50(於二零一七年十二月三十一日：約0.26)。

貿易及其他應收款項

本集團於二零一八年十二月三十一日的貿易及其他應收款項約為人民幣67.1百萬元(於二零一七年十二月三十一日：約人民幣49.6百萬元)。結餘增加主要由於本集團貿易應收款項增加所致。造成本集團貿易及其他應收款項的因素的詳細分類於本報告所披露財務報表附註17中披露。

存貨

本集團於二零一八年十二月三十一日的存貨結餘約為人民幣0.48百萬元(於二零一七年十二月三十一日：約人民幣0.09百萬元)。本集團數字積分業務及電子商貿業務需要最低存貨水平。

貿易及其他應付款項

本集團於二零一八年十二月三十一日的貿易及其他應付款項約為人民幣43.5百萬元(於二零一七年十二月三十一日：約人民幣34.1百萬元)。增加主要由於本集團貿易應付款項增加所致。造成本集團貿易及其他應對款項的因素的詳細分類於本報告所披露財務報表附註20中披露。

已抵押資產

於二零一八年十二月三十一日，本集團並無抵押資產(於二零一七年十二月三十一日：無)。

或然負債

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

資本承擔

於二零一八年十二月三十一日，本集團並無已訂約但未於財務報表作出撥備的資本承擔(於二零一七年十二月三十一日：無)。

Management Discussion and Analysis 管理層討論及分析

Employees and remuneration policy

As at 31 December 2018, the Group had 303 employees (as at 31 December 2017: 283 employees). For the year ended 31 December 2018, total staff costs were approximately RMB133.5 million (2017: approximately RMB87.1 million).

During the year, the Group also provided internal training, external training and correspondence courses for its staff in order to promote self improvement and enhancement of skills relevant to work. The remuneration of the Directors was determined with reference to their position, responsibilities and experience and prevailing market conditions.

Foreign exchange risk

The business of the Group is mainly located in the PRC and most of the transactions are denominated in Renminbi. Most of the assets and liabilities of the Group are computed in Renminbi. As at 31 December 2018, the Group's net foreign currency liabilities amounted to approximately RMB37.2 million (as at 31 December 2017: net foreign currency assets of approximately RMB183.3 million). During the year ended 31 December 2018, the Group did not utilise any future contracts, currency borrowings and otherwise to hedge against its foreign exchange risk. However, the Group will continue to monitor the risk exposures and will consider to hedge against material currency risk if required.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held nor material acquisitions or disposals of subsidiaries during the year ended 31 December 2018 and there was no plan authorised by the board of directors of the Company (the "Board") for other material investments or additions of capital assets as at the date of this report.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

On 20 December 2017, the Company issued the Convertible Bonds with face value of US\$10 million to Chance Talent. The Convertible Bonds bear interest at 13% per annum and will mature on 3 June 2019. As at 31 December 2018, the Convertible Bonds with face value of US\$6.7 million were still outstanding. As at the date of this report, Century Investment (Holding) Limited pledged its 154,691,176 ordinary shares in the Company (the "Charged Shares") in favour of Chance Talent to secure the obligation of the Company under the Convertible Bonds. The Charged Shares represent approximately 8.54% of the issued share capital of the Company as at the date of this report.

僱員及薪酬政策

於二零一八年十二月三十一日，本集團有303名僱員（於二零一七年十二月三十一日：283名僱員）。截至二零一八年十二月三十一日止年度，總員工成本約為人民幣133.5百萬元（於二零一七年：約人民幣87.1百萬元）。

於年內，本集團亦為其員工提供內部培訓、外部培訓及函授課程，以提倡自我改進及增強其與工作相關的技能。董事之酬金乃參考其職務、責任、經驗及當前市況而釐定。

外匯風險

本集團的業務主要位於中國，而大部分交易以人民幣計值。本集團的大部分資產和負債均以人民幣計值。於二零一八年十二月三十一日，本集團的外幣負債淨額約為人民幣37.2百萬元（於二零一七年十二月三十一日：外幣資產淨值約人民幣183.3百萬元）。截至二零一八年十二月三十一日止年度，本集團並無使用任何遠期合約、貨幣借款及以其他方式對沖本集團的外匯風險。然而，本集團會繼續監察所承受的風險，並會考慮於有需要時對沖重大貨幣風險。

持有的重大投資、附屬公司的重大收購及出售，以及未來作重大投資或購入資本資產的計劃

本集團於截至二零一八年十二月三十一日止年度並未持有任何其他重大投資，亦未進行有關附屬公司的任何重大收購或出售。於本報告日期，本集團亦無任何經獲本公司董事會（「董事會」）批准作其他重大投資或購入資本資產的計劃。

控股股東抵押股份

於二零一七年十二月二十日，本公司已向Chance Talent發行面值為10,000,000美元的可換股債券。該可換股債券均按年利率13%計息，並將於二零一九年六月三日期到期。於二零一八年十二月三十一日，面值6.7百萬美元的可換股債券仍未償還。於本報告日期，Century Investment (Holding) Limited已以Chance Talent為受益人抵押其154,691,176股本公司普通股（「已抵押股份」），以擔保本公司於可換股債券下的責任。已抵押股份佔於本報告日期本公司已發行股本約8.54%。

DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31 December 2018 (2017: Nil).

PROSPECTS

In 2019, the Group will continue to focus on (i) the continual development of the four consumption scenarios of the Changyou platform, namely retail, games and entertainment, travel and related services and finance services; (ii) the implementation and promotion of the digital equity asset trading business in relation to the Changyou platform, in particular to promote the “dual-aspect” development of the expansion and enhancement of the source of and access to digital points and the variety of consumption scenarios; and (iii) the development of value-added business models, namely the advertisement, big data usage and blockchain technology and loan services in order to realise the securitisation of assets of shareholders and partners of the Changyou Alliance to create a global platform for the issuance, circulation, payment, trading, settlement and storage of securitised assets.

Retail

The Group currently offers the sale and purchase of merchandise on the Changyou platform, including physical goods and virtual assets such as electronic gift cards and coupons. As the retail segment is a fundamental business unit of the Changyou platform, the Group aims to further enrich the categories of products and services available for its platform users.

Games and Entertainment

The Group will continue to create different and distinctive content to attract more users to the Changyou platform. In addition to optimising its self-developed mini games, the Group will also introduce high-quality games from other developers into the Changyou platform by way of acquisition or collaborative development with such developers.

Travel and Related Services

The Group is currently in collaboration with its business partners in the Changyou Alliance and provides services such as flight reservations, hotel bookings, bookings for tourist attractions and other services on the Changyou platform. The Group aims to collaborate with other online travel service providers and related service providers to widen the variety of travel and related services offered on the Changyou platform.

Finance Services

The Group collaborates with its business partners and third party payment service providers in order to include different forms of integrated payment services on the Changyou platform. At the same time, the Group will continue to diversify the types of insurance, investment and other financial products recommended to Changyou platform users.

股息

董事會並不建議就截至二零一八年十二月三十一日止年度派發任何末期股息(二零一七年：零)。

展望

於二零一九年，本集團將繼續專注於(i)繼續發展暢由平台的四大消費場景，即零售、遊戲及娛樂、出行及相關服務以及金融服務；(ii)實施及推廣與暢由平台相關的數字股權資產交易業務，尤其是推進擴大及提高數字積分來源及取用以及各種消費場景的「雙面」發展；及(iii)發展增值業務模式，即廣告、大數據使用及區塊鏈技術以及貸款服務，以實現股東及暢由聯盟夥伴的資產證券化，打造面向全球的證券化資產的發行、流通、支付、交易、結算和存儲。

零售

本集團目前在暢由平台上提供商品買賣，例如實物貨物及虛擬資產(包括電子禮品卡及優惠券)。由於零售板塊是暢由平台的核心業務單元，本集團的目標是進一步豐富平台用戶可獲得的產品及服務種類。

遊戲及娛樂

本集團將繼續打造出不同及獨特的內容以吸引更多用戶至暢由平台。除優化其自主開發的小遊戲外，本集團亦將透過收購或與其他開發商展開合作，將該等開發商的優質遊戲引進暢由平台。

出行及相關服務

本集團目前在暢由聯盟與其業務夥伴展開合作，在暢由平台上提供機票預訂、酒店預訂及旅遊景點預訂及其他服務。本集團旨在與其他線上出行服務供應商及相關服務供應商合作以拓闊暢由平台所提供出行及相關服務的多樣性。

金融服務

本集團與其業務夥伴及第三方支付服務供應商展開合作，以將不同形式的整合支付服務納入暢由平台。同時，本集團將繼續多元化向暢由平台用戶提供的保險、投資及其他金融產品的類型。

Digital asset trading business

The Group is vigorously developing its digital asset trading business. Through cooperation with multipurpose card issuers, payment institutions and technology companies and other business resources, the Group aims to create a consumer-to-consumer (“C2C”) trading platform where consumers are free to trade in various equity assets, thereby greatly enhancing the liquidity of digital card vouchers and membership rights to meet the demands of end users and promotes the “dual-aspect” development of the source of and access to digital points and the expansion and enhancement of consumption scenarios. The trading platform business has also created a new business model for merchants to expand their markets and find its target users while reducing costs.

Value-added services

The Group will rely on the activities and transactions of the exchange of digital points by users of Changyou platform to (i) obtain information on consumer behaviour and attributes to maximise the revenue from the value-added services; (ii) utilise the comprehensive mass data of the trading platform and consumption scenarios for precision marketing and combine user attributes and transaction big data to accurately target the characteristics and appeals of platform users and provide advertising space for merchants with one-stop online advertising solutions to develop precise and creative strategies and monitor its effects through data analysis, etc.; and (iii) use the trading platform and consumption scenarios to discover user funding needs and match different risk level users to relevant and suitable capital cost products and institutions.

The Group endeavours to create a digital points commercial ecosystem which will make a significant impact and become one of the leading companies to bring commercial transactions into an era of intelligent internet.

數字資產交易業務

本集團積極開發其數字資產交易業務。透過與不同多用途卡發行方、支付機構及技術公司以及其他業務資源合作，本集團旨在構建消費者對消費者（「C2C」）交易平台，客戶可自由買賣各種股權資產，從而大幅度提高數字卡優惠券的流動性及會員權益以及滿足終端用戶的需求；及推動數字積分來源及取用以及擴大及提高消費場景的「雙面」發展。交易平台業務亦為商戶建立新的業務模式，以擴大其市場及物色目標用戶，同時降低成本。

增值服務

本集團將依靠暢由平台用戶交換數字積分的活動及交易以(i)取得關於客戶行為的資料及致力於最大化增值服務的收益；(ii)利用交易平台及消費場景的全面大數據，以作出精確營銷以及合併用戶情況及交易大數據，以準確瞄準平台用戶的特徵及要求及為商戶提供一站式線上廣告解決方案的廣告空間，以透過數據分析等制定精簡及有創意的策略並監控其效果；及(iii)使用交易平台及消費場景發掘用戶資金需求及匹配不同的風險水平用戶與相關及合適的資金成本產品及機構。

本集團致力於構建影響重大的數字積分商業生態聯盟及成為帶領商業交易進入智能互聯網時代的公司之一。

Directors and Senior Management

董事及高級管理層

The biographical details of Directors and senior management of the Company during the year under review, and as at the date of this report, are set out below:

EXECUTIVE DIRECTORS

Mr. Cheng Jerome, aged 66, was appointed as the chairman and the executive director on 25 March 2015. He joined Beijing Century Fortunet Technology Co., Ltd (北京世紀鑫網科技有限公司) (“OPCo”) a subsidiary of the Company since 25 March 2015, in December 2014 and previously served as the chief information officer of OPCo till December 2015. Mr. Cheng graduated from University Paris 7 with a DEA (D’Etudes approfondies) French degree in information technology in 1986. He has working experience of over 24 years in the IT industry, serving the AXA Group and Oracle Corporation, both of which are among the Top 500 worldwide fortune companies. From 1986 to 1994, Mr. Cheng served the AXA Group successively as network engineer and architect, head of network architecture team and head of information technology system performance.

From 1998 to 2008, Mr. Cheng worked for BEA Systems, Inc., a company specialized in enterprise infrastructure software products which was acquired by Oracle Corporation in 2008, as principal consulting engineer in BEA France, as managing consulting engineer in BEA France, as pre-sales consulting manager in BEA APAC region and as senior manager of BEA Technology Centre in Beijing, China.

In June 2008, Mr. Cheng joined Oracle Systems Hong Kong Limited as the senior manager of soft development and served as Principal Solution Architect of Oracle Fusion Middleware world wide architecture team from May 2010 to December 2014.

Mr. Yuan Weitao, aged 52, was appointed as the executive director on 25 March 2015. He joined OPCo in September 2014 and currently serves as a director and executive vice president of OPCo, and a director of each of Century Investment (Holding) Limited (“CIH”), a substantial shareholder of the Company, and Century East, a non-wholly owned subsidiary of CIH. Mr. Yuan graduated from Tsinghua University with a bachelor’s degree in engineering in 1989 and a master’s degree in engineering in 1992. He has working experience of over 20 years in international trade, telecommunications and media industries. Mr. Yuan joined China National Electronics Import & Export Company (中國電子進出口總公司), administered by the Ministry of Mechanical Electronic Devices of the People’s Republic of China, after his graduation and worked in its overseas subsidiary as a marketing manager in 1994. Mr. Yuan joined CIH as vice president in 1999 and was responsible for project development and external cooperation of CIH.

於回顧年度及於本報告日期，本公司董事及高級管理層的履歷詳情載列如下：

執行董事

Cheng Jerome先生，66歲，於二零一五年三月二十五日獲委任為主席兼執行董事。彼於二零一四年十二月加入北京世紀鑫網科技有限公司(「OPCo」)，自二零一五年三月二十五日起由本公司擁有之附屬公司)及曾任OPCo 首席信息官至二零一五年十二月為止。Cheng 先生於一九八六年畢業於巴黎第七大學，獲授信息技術碩士學位。彼於信息技術行業擁有逾24年工作經驗，曾任職於安盛集團及甲骨文股份有限公司(均為財富世界500 強公司)。於一九八六年至一九九四年，Cheng 先生任職於安盛集團，先後擔任網絡工程師及架構師、網絡架構團隊主管及信息技術系統表現主管。

於一九九八年至二零零八年，Cheng 先生任職於BEA Systems, Inc. (該公司專門從事企業基建軟件產品，於二零零八年被甲骨文股份有限公司收購)，擔任BEA法國主要顧問工程師、BEA法國管理顧問工程師、BEA亞太地區售前顧問經理及中國北京BEA技術中心高級經理。

於二零零八年六月，Cheng 先生加入甲骨文香港有限公司，擔任軟件開發高級經理，及於二零一零年五月至二零一四年十二月擔任Oracle Fusion Middleware 全球架構團隊的主要解決方案架構師。

袁偉濤先生，52歲，於二零一五年三月二十五日獲委任為執行董事。彼於二零一四年九月加入OPCo及現任OPCo董事及執行副總裁，並為Century Investment (Holding) Limited(「CIH」)(本公司主要股東)及Century East(CIH 的非全資附屬公司)的董事。袁先生畢業於清華大學，於一九八九年獲工程學學士學位及於一九九二年獲工程學碩士學位。彼於國際貿易、通信及媒體行業擁有逾20年工作經驗。畢業後，袁先生加入由中華人民共和國機械電子設備部主管的中國電子進出口總公司，並於一九九四年於其海外附屬公司擔任營銷經理。袁先生於一九九九年加入CIH，擔任副總裁並負責CIH項目開發及外部合作。

Directors and Senior Management 董事及高級管理層

Mr. Yuan has been the general manager of Beijing United Online Technology Co. Ltd (北京聯合在綫科技有限公司), a subsidiary of China Mobile Communications Corporation (中國移動通信集團公司) (“**China Mobile**”), in 2000; a vice-president and the representative of the China office of CMBSat which was a subsidiary of Echostar, one of the US leading satellite television operators, in 2006; and a vice general manager of CSMM, a subsidiary of China Telecommunications Corporation (中國電信集團公司), from 2010 to August 2014.

NON-EXECUTIVE DIRECTORS

Mrs. Guo Yan, aged 46, was appointed as the non-executive director on 25 March 2015. She has working experience of over 17 years in the IT industry. She has experience in the management of IT sales and operation of over 15 years. She has led numerous information/communications technology projects and has extensive experience particularly in the new mobile internet business model. Mrs. Guo graduated in testing technology and instruments (檢測技術與儀器) from Xi'dian University in 1994 and obtained a postgraduate diploma in astronomical instruments and methods (天文儀器與方法) from the Chinese Academy of Science in 1997. From 1997 to 2014, Mrs. Guo worked for Huawei Technologies Co., Ltd (華為技術有限公司) as a senior client manager of eastern China region, a director of mobile system division of China region, a director of the IT purchasing division of the China region. Mrs. Guo also participated in the market development of China Mobile in Shanghai as a team leader and acted as a project manager in the project of the IT centralized purchasing bid of China United Network Communications Corporations Limited (中國聯合通信有限公司) (“**China Unicom**”).

袁先生於二零零零年擔任中國移動通信集團公司(「**中國移動**」)附屬公司北京聯合在綫科技有限公司總經理；於二零零六年擔任美國領先衛星電視運營商Echostar附屬公司CMBSat中國辦事處副總裁及代表；以及於二零一零年至二零一四年八月擔任中國電信集團公司附屬公司CSMM副總經理。

非執行董事

郭燕女士，46歲，於二零一五年三月二十五日獲委任為非執行董事。彼於IT行業擁有逾17年工作經驗。彼於管理IT銷售及經營方面擁有逾15年經驗。彼曾主導若干信息／通信技術項目，尤其對新移動網絡業務模式擁有豐富經驗。郭女士於一九九四年畢業於西安電子科技大學檢測技術與儀器專業並於一九九七年自中國科學院獲得天文儀器與方法研究生文憑。自一九九七年至二零一四年，郭女士就職華為技術有限公司，歷任華東地區高級客戶經理、中國地區移動系統部主任、中國地區IT採購部主任。郭女士亦以小組領導的身份參與中國移動上海的市場開發及於中國聯合通信有限公司(「**中國聯通**」)IT集中採購投標項目擔任項目經理。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Chi Keung, aged 64, was appointed as the independent non-executive director on 25 March 2015. Mr. Wong obtained a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and CPA Australia and an associate member of the Institute of Chartered Secretaries and Administrators and the Chartered Institute of Management Accountants. Mr. Wong is also a responsible officer for asset management and advising on securities for CASDAQ International Capital Market (HK) Company Limited under the SFO. Mr. Wong has over 35 years of experience in finance, accounting and management. Mr. Wong was an executive director, the deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited (now known as Yuexiu Property Company Limited), a company listed on the Main Board of the Stock Exchange (stock code: 123) for over ten years. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited (stock code: 214), Asia Standard International Group Limited (stock code: 129), Century City International Holdings Limited (stock code: 355), Nickel Resources International Holdings Company Limited (formerly known as China Nickel Resources Holdings Company Limited) (stock code: 2889), China Ting Group Holdings Limited (stock code: 3398), Golden Eagle Retail Group Limited (stock code: 3308), Paliburg Holdings Limited (stock code: 617), Regal Hotels International Holdings Limited (stock code: 78), TPV Technology Limited (stock code: 903), Yuan Heng Gas Holdings Limited (stock code: 332) and Zhuguang Holdings Group Company Limited (stock code: 1176), all of which are companies listed on the Stock Exchange. Mr. Wong was also an independent non-executive director of PacMos Technologies Holdings Limited (now known as PacRay International Holdings Limited) (stock code: 1010), ENM Holdings Limited (stock code: 128), Heng Xin China Holdings Limited (stock code: 8046) and China Shanshui Cement Group Limited (stock code: 691).

獨立非執行董事

黃之強先生，64歲，於二零一五年三月二十五日獲委任為獨立非執行董事。黃先生自澳洲阿德雷德大學取得工商管理碩士學位。彼為香港會計師公會、英國特許公認會計師公會及澳洲會計師公會資深會員、英國特許秘書及行政人員學會及英國特許管理會計師公會會員。黃先生亦為證券及期貨條例下之註冊負責人員，為卡斯達克國際資本市場（香港）有限公司提供資產管理，就證券提供意見。黃先生於財務、會計及管理方面積逾三十五年之經驗。黃先生曾擔任越秀投資有限公司（現稱越秀地產股份有限公司，於聯交所主板上市的公司，股份代號：123）執行董事、副總經理、集團財務總監及公司秘書超過十年。彼亦為滙漢控股有限公司（股份代號：214）、泛海國際集團有限公司（股份代號：129）、世紀城市國際控股有限公司（股份代號：355）、鎳資源國際控股有限公司（前稱中國鎳資源控股有限公司）（股份代號：2889）、華鼎集團控股有限公司（股份代號：3398）、金鷹商貿集團有限公司（股份代號：3308）、百利保控股有限公司（股份代號：617）、富豪酒店國際控股有限公司（股份代號：78）、冠捷科技有限公司（股份代號：903）、元亨燃氣控股有限公司（股份代號：332）及珠光控股集團有限公司（股份代號：1176）的獨立非執行董事及審核委員會成員，該等公司均為聯交所上市公司。黃先生亦曾任弘茂科技控股有限公司（股份代號：1010）、安寧控股有限公司（股份代號：128）、恒芯中國控股有限公司（股份代號：8046）及中國山水水泥集團有限公司（股份代號：691）的獨立非執行董事。

Directors and Senior Management

董事及高級管理層

Mr. Chan Chi Keung, Alan, aged 55, was appointed as the independent non-executive director on 25 March 2015. He is a member of the audit committee and the nomination committee of the Company. Mr. Chan is a qualified solicitor admitted in England and Wales in October 1991 and in Hong Kong in February 1992. Mr. Chan practiced corporate and commercial law for more than two decades. He is presently the senior general counsel of Imperial Pacific International (CNMI) LLC, a subsidiary of Imperial Pacific International Holdings Limited, a company listed on the main board of the Stock Exchange (stock code:1076), which owns an exclusive casino gaming license in Saipan, Commonwealth of Northern Mariana Islands. He is an independent non-executive director and a member of each of the audit committee, the remuneration committee and the nomination committee of Cornerstone Financial Holdings Limited (formerly known as Focus Media Network Limited), a company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8112) and an independent non-executive director, the chairman of the remuneration committee and a member of the audit committee of BOSA Technology Holdings Limited, a company listed on Growth Enterprise Market of the Stock Exchange (stock code: 8140). Previously, Mr. Chan held a number of regional general counsel roles with international corporations, including legal vice president for NagaCorp Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3918), head of legal services of The Hong Kong Jockey Club and the Greater China Legal Counsel for Sun Microsystems. He was also an independent non-executive director, chairman of the remuneration committee and a member of each of the audit committee and nomination committee of L&A International Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8195) from 25 September 2014 to 19 October 2015. Mr. Chan obtained a bachelor of science degree in civil engineering from the Aston University of Birmingham, England and a bachelor of laws degree in China Law from the China University of Political Science and Law in Beijing, China. Mr. Chan is a registered civil celebrant in Hong Kong and served as a board director (and former chairman) of Theatre Space Foundation Limited, a theatrical drama performance charitable institution. He is a director of the Hong Kong Chiu Chow Chamber of Commerce Limited; and was a council member of the China Overseas Friendship Association, Beijing, China (中華海外聯誼會理事); a committee member by Special Appointment of the Eighth Zhuhai Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議珠海市第八屆委員會特聘委員).

陳志強先生，55歲，於二零一五年三月二十五日獲委任為獨立非執行董事。彼為本公司審核委員會及提名委員會成員。陳先生於一九九一年十月取得英國及威爾斯的事務律師資格及於一九九二年二月取得香港的事務律師資格。陳先生已從事公司法及商業法的執業超過二十年。彼現為Imperial Pacific International (CNMI) LLC的高級總法律顧問，該公司為博華太平洋國際控股有限公司（於聯交所主板上市的公司，股份代號：1076）的附屬公司，擁有北馬里亞納塞班的獨家娛樂場牌照。彼為基石金融控股有限公司（前稱為Focus Media Network Limited）（於聯交所創業板上市的公司，股份代號：8112）獨立非執行董事及審核委員會、薪酬委員會及提名委員會成員以及人和科技控股有限公司（於聯交所創業板上市的公司，股份代號：8140）獨立非執行董事、薪酬委員會主席及審核委員會成員。陳先生曾於大型國際企業擔任多個區域總顧問職位，包括金界控股有限公司（於聯交所主板上市的公司，股份代號：3918）的法律副總裁、香港賽馬會的法律事務主管以及Sun Microsystems大中華法律顧問。彼亦於二零一四年九月二十五日至二零一五年十月十九日擔任樂亞國際控股有限公司（於聯交所創業板上市的公司，股份代號：8195）獨立非執行董事、薪酬委員會主席以及審核委員會及提名委員會成員。陳先生取得英國伯明翰阿士頓大學(Aston University) 頒授的土木工程理學士學位以及中國北京中國政法大學頒授的中國法律法學學士學位。陳先生為香港註冊婚姻監禮人、劇場空間基金有限公司（一家戲劇表演慈善機構）董事會董事（及前任主席）、香港潮州商會有限公司董事、中華海外聯誼會理事、中國人民政治協商會議珠海市第八屆委員會特聘委員。

Mr. Liu Jialin, aged 56, was appointed as the independent non-executive director of the Company on 1 April 2017. Mr. Liu also serves as the independent non-executive director of China Merchants Securities Co., Ltd (stock code: 6099) and Far East Horizon Limited (stock code: 3360). Mr. Liu has been the managing director of Cinda International Asset Management Limited since February 2011. From 1992 to 2007, Mr. Liu worked for Morgan Stanley group of companies and once served as a member of the Management Committee and Asia Executive Committee as well as a Managing Director in the Fixed Income Division in Hong Kong. Mr. Liu has over 20 years of experience in finance and securities industry. Mr. Liu obtained a bachelor's degree in science majoring in physics from Peking University and a master's degree in science majoring in physics from Massachusetts Institute of Technology.

MANAGEMENT TEAM

Mr. Mak Hing Keung, Thomas, aged 56, is the chief financial officer of the Company. Mr. Mak holds a Bachelor degree of Commerce from Queen's University, Canada. Mr. Mak is a member of the Chartered Professional Accountants of Canada, a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Hong Kong Business Accountants Association. Mr. Mak has many years corporate finance and accounting experience in Hong Kong and overseas. Prior joining the Group, Mr. Mak was the chief financial officer and company secretary in various Main Board listed and private companies. Mr. Mak worked for an investment bank and Listing Division of the Stock Exchange respectively. Mr. Mak has also worked for an international accounting firm in Hong Kong, Singapore and Canada for over seven years. Mr. Mak is currently an Independent Non-executive Director of Tao Heung Holdings Limited (stock code: 573), a company listed on the Main Board, since 1 March 2007. He was also appointed as a member of both Audit Committee and Remuneration Committee of Tao Heung Holdings Limited on 9 June 2007.

Mr. Chan Chi Keung, Billy, aged 45, is the financial controller, company secretary, and one of the authorised representatives of the Company. He graduated from Hong Kong Baptist University with an Honours Degree with major in Accounting. He is a fellow member of the Association of Chartered Certified Accountants. He is an independent non-executive director, the chairman of the audit committee and a member of each of the nomination committee and the remuneration committee of Boill Healthcare Holdings Limited (stock code: 1246). Mr. Chan has over 20 years' experience in auditing, accounting and financial management. He had worked in South China Media Group for 15 years from December 1999 to May 2015 and his latest position was the deputy financial controller. He had worked in South China Land Limited (formerly named as Capital Publications Limited, stock code: 8155) from January 2004 to June 2008 as the qualified accountant and company secretary.

劉嘉凌先生，56歲，於二零一七年四月一日獲委任為本公司的獨立非執行董事。劉先生亦擔任招商證券股份有限公司(股份代號：6099)及遠東宏信有限公司(股份代號：3360)獨立非執行董事。劉先生自二零一一年二月起擔任信達國際資產管理有限公司董事總經理。自一九九二年至二零零七年，劉先生任職於摩根士丹利集團公司，並曾擔任管理委員會及亞洲執行委員會成員和香港固定收入部門董事總經理。劉先生於金融及證券行業擁有逾20年經驗。劉先生持有北京大學物理學專業理學學士學位及麻省理工學院物理學專業理學碩士學位。

管理層團隊

麥興強先生，56歲，為本公司首席財務官。麥先生持有加拿大皇后大學的商學士學位。麥先生為加拿大特許會計師公會會員，並為香港會計師公會資深會員及香港商界會計師協會會員。麥先生擁有多年的香港及海外公司融資及會計經驗。加入本集團前，麥先生曾任多間主板上市及私人公司之首席財務官及公司秘書。麥先生曾分別於投資銀行及聯交所上市科工作，亦曾在香港、新加坡及加拿大的國際會計師事務所工作逾七年。彼自二零零七年三月一日起至今一直擔任稻香控股有限公司(一間主板上市公司，股份代號：573)的獨立非執行董事。彼亦於二零零七年六月九日獲委任為稻香控股有限公司審核委員會及薪酬委員會之成員。

陳志強先生，45歲，為本公司之財務總監、公司秘書及授權代表之一。彼畢業於香港浸會大學，獲會計榮譽學位。彼為特許公認會計師公會資深會員。彼為保集健康控股有限公司(股份代號：1246)的獨立非執行董事、審核委員會主席，以及薪酬委員會及提名委員會成員。陳先生於審核、會計及財務管理擁有逾20年經驗。自一九九九年十二月至二零一五年五月，彼於南華傳媒集團工作15年，而彼離任時職位為財務副總監。自二零零四年一月至二零零八年六月，彼曾於南華置地有限公司(前稱資本出版有限公司，股份代號：8155)擔任合資格會計師及公司秘書。

Directors' Report

董事會報告

The Board is pleased to present the annual report and the audited financial statements of the Group for the year ended 31 December 2018.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 21 May 2008 under The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (“**Companies Law**”) with limited liability. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 24 September 2010.

During the financial year ended 31 December 2016, the Group formed a series of joint ventures with the respective subsidiaries of CCB International (Holdings) Limited, China UnionPay Merchant Services Company Limited, China Mobile (Hong Kong) Group Limited, Bank of China Group Investment Limited and China Eastern Airlines Corporation Limited, the joint venture companies which now form part of the Group. For further details of the formation of the joint ventures, please refer to the announcements of the Company dated 22 June 2016, 25 July 2016, 30 August 2016, 13 September 2016, 29 November 2016, 7 December 2016 and 30 June 2017, respectively.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 15 to the financial statements.

RESULTS AND DISTRIBUTION

The results of the Group for the year ended 31 December 2018 are set out in the financial statements on pages 63 to 64. The Board does not recommend the payment of any final dividend for the year ended 31 December 2018.

FINANCIAL STATEMENTS

The summary of the results, assets and liabilities of the Group for the year ended 31 December 2018 is set out on pages 63 to 173.

RESERVES

Movements in the reserves of the Group during the year ended 31 December 2018 are set out on page 68.

SHARE CAPITAL

Changes in share capital of the Company for the year ended 31 December 2018 are set out in note 24(c) to the financial statements.

董事會欣然提呈本集團截至二零一八年十二月三十一日止年度的年報及經審核財務報表。

一般資料

本公司於二零零八年五月二十一日在開曼群島根據開曼群島法例第22章公司法(一九六一年第三號法例，經綜合及修訂)(「**公司法**」)註冊成立為有限公司。本公司股份於二零一零年九月二十四日在香港聯合交易所有限公司(「**聯交所**」)主板上市。

截至二零一六年十二月三十一日止財政年度，本集團與建銀國際(控股)有限公司、銀聯商務股份有限公司、中國移動(香港)集團有限公司、中銀集團投資有限公司及中國東方航空股份有限公司各自的附屬公司組建一系列合營企業，合營公司現組成本集團的一部分。有關組建合營企業的進一步詳情，請參閱本公司日期分別為二零一六年六月二十二日、二零一六年七月二十五日、二零一六年八月三十日、二零一六年九月十三日、二零一六年十一月二十九日、二零一六年十二月七日及二零一七年六月三十日的公佈。

主要業務

本公司的主要業務為投資控股，其附屬公司的主要業務詳情載於財務報表附註15。

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的業績載於第63至64頁的財務報表內。董事會並不建議就截至二零一八年十二月三十一日止年度派付任何末期股息。

財務報表

本集團於截至二零一八年十二月三十一日止年度的業績、資產及負債概要載於第63至173頁。

儲備

本集團於截至二零一八年十二月三十一日止年度內之儲備變動載於第68頁。

股本

本公司股本截至二零一八年十二月三十一日止年度之變動載於財務報表附註24(c)。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company (the "Articles") or the laws of the Cayman Islands which would oblige the Company to offer new shares to existing shareholders on a pro-rata basis.

SHARE OPTION SCHEME

Pursuant to the resolutions in writing passed by all shareholders of the Company on 28 June 2010, the Company approved and adopted a share option scheme for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group (the "Share Option Scheme").

During the year ended 31 December 2018, 72,000,000 share options were granted to Cheng Jerome, the chairman and an executive director of the Company, under the Share Option Scheme and no share options lapsed or were exercised or cancelled. As at 31 December 2018, the number of outstanding share options is 147,000,000.

As at the date of this report, the total number of shares of the Company available for issue under the Share Option Scheme was 115,313,027 shares of the Company, which represented approximately 6.37% of the shares of the Company in issue. The Share Option Scheme became effective on 24 September 2010 and the options issued pursuant to the Share Option Scheme will expire no later than 10 years from the date of grant of the option. Under the Share Option Scheme, the Board may grant options to any employees, directors, advisors, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries to subscribe shares of the Company.

For any options granted to Directors, chief executives or substantial shareholders of the Company, options to be granted shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of options). The number of shares issued and to be issued in respect of options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the total shares of the Company in issue at any point in time, without prior approval from the shareholders.

The amount payable on acceptance of an option is HK\$1.00, which will be payable on or before a prescribed acceptance date. In relation to any options granted under the Share Option Scheme, the exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

優先購買權

根據本公司之組織章程細則(「細則」)或開曼群島法例，並無載列有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

購股權計劃

根據本公司全體股東於二零一零年六月二十八日通過的書面決議案，本公司批准及採納一項購股權計劃以允許本集團向所選定參與者授出購股權作為其對本集團作出貢獻的鼓勵或獎賞(「購股權計劃」)。

截至二零一八年十二月三十一日止年度，72,000,000份購股權根據購股權計劃授予本公司主席及執行董事Cheng Jerome及概無購股權已失效或獲行使或註銷。於二零一八年十二月三十一日，未行使購股權數目為147,000,000份。

於本報告日期，根據購股權計劃可發行的本公司股份總數為115,313,027股本公司股份，佔本公司已發行股份約6.37%。購股權計劃於二零一零年九月二十四日生效，根據購股權計劃授出的購股權將於授出日期起計不超過十年後屆滿。根據購股權計劃，董事會可授出購股權予董事會全權認為將會或已對本公司或其任何附屬公司作出貢獻的任何僱員、董事、顧問、諮詢人、供應商、客戶、代理及有關其他人士以認購本公司股份。

任何授予本公司之董事、最高行政人員或主要股東的購股權，均須經獨立非執行董事(不包括身為購股權建議承授人的任何獨立非執行董事)批准。未經股東事先批准，於任何一年內，因行使已授予或可授予任何人士的購股權而已發行及可予發行之股份數目，不得超過於授出當時本公司已發行股份數目的1%。

接納每份購股權時的應付款項為1.00港元，該款項將於規定的接納日期或之前支付。就任何根據該計劃授出的購股權而言，行使價由董事釐定，不得低於下列三者中之最高者：(i)授出當日本公司股份的收市價；(ii)於緊接授出日期前五個營業日股份的平均收市價；及(iii)本公司股份的面值。

The Share Option Scheme does not contain any minimum period(s) for which an option must be held before it can be exercised. However, at the time of granting of the options, the Board may specify any such minimum period(s).

Unless otherwise terminated by the Board or the shareholders in a general meeting in accordance with the terms of the Share Option Scheme, the Scheme shall be valid and effective for a period of 10 years from the date on which it became unconditional which was 24 September 2010, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme. The remaining life of the Share Option Scheme is approximately 1.5 years.

As at 31 December 2018, options to subscribe for 147,000,000 ordinary shares of the Company were outstanding, details of which are set out below and in the note 22 to the financial statements:

購股權計劃並無載列購股權可獲行使前須持有的任何最短期限。然而，於授出購股權時，董事會可具體規定任何有關最短期限。

除非經董事會或股東在股東大會上遵照購股權計劃的條款另行終止，否則該計劃的有效期為十年，由成為無條件的二零一零年九月二十四日起計算，該期間結束後不會再授出或提呈購股權，惟若為使十年期屆滿前授出的任何仍然有效的購股權得以行使，或根據購股權計劃的條文可能另有規定，購股權計劃的條文將繼續具有十足效力。購股權計劃的餘下有效期約為1.5年。

於二零一八年十二月三十一日，可認購本公司147,000,000股普通股的購股權未行使，其詳情載於下文及財務報表附註22。

Name		Outstanding	Granted during	Lapsed during	Exercised	Outstanding
		as at	the year ended	the year ended	during the year	as at
		1 January	31 December	31 December	31 December	31 December
		2018	2018	2018	2018	2018
		於二零一八年	於截至	於截至	於截至	於二零一八年
		一月一日	二零一八年	二零一八年	二零一八年	十二月三十一日
姓名		未行使	十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日
			止年度已授出	止年度失效	止年度獲行使	未行使
Mr. Cheng Jerome	Cheng Jerome 先生	15,000,000	72,000,000	-	-	87,000,000
Mr. Yuan Weitao	袁偉濤先生	15,000,000	-	-	-	15,000,000
Mrs. Guo Yan	郭燕女士	15,000,000	-	-	-	15,000,000
Others	其他	30,000,000	-	-	-	30,000,000
Total	總計	75,000,000	72,000,000	-	-	147,000,000

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2018, the aggregate sales attributable to the Group's five largest customers comprised approximately 17.3% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 9.4% of the Group's total sales. During the year ended 31 December 2018, the aggregate purchases attributable to the Group's five largest suppliers were approximately 73.0% of the Group's cost of sales and the purchases attributable to the Group's largest supplier were approximately 18.5% of the Group's cost of sales.

So far as is known to the Directors, none of the Directors, their associates or substantial shareholders (which own more than 5% of the Company's issued share capital) has any interest in the share capital of any of the five largest customers and suppliers of the Group.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group's business is built on a customer-oriented culture. The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards and high quality products and services to its customers. During the year under review, there was no material and significant dispute between the Group and its suppliers and/or customers.

DONATIONS

The Group did not make any charitable and other donations during the year under review (2017: RMB Nil).

PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2018, the Group held property, plant and equipment of approximately RMB9.4 million. Details of the movements are set out in note 12 to the financial statements.

主要供應商及客戶

於截至二零一八年十二月三十一日止年度內，本集團五大客戶應佔銷售總額佔本集團銷售總額約17.3%，而本集團最大客戶應佔銷售額則佔本集團銷售總額約9.4%。於截至二零一八年十二月三十一日止年度內，本集團五大供應商應佔採購總額佔本集團銷售成本約73.0%，而本集團最大供應商應佔採購額則佔本集團銷售成本約18.5%。

據董事所知，概無董事、彼等之聯繫人士或主要股東（擁有本公司已發行股本5%以上之人士）於本集團的五大客戶及五大供應商中擁有任何股本權益。

與僱員、供應商及客戶之關係

本集團深知僱員為寶貴資產。本集團提供具有競爭力之薪酬待遇以吸引及激勵僱員。本集團定期檢討僱員之薪酬待遇並作出必要調整以符合市場標準。

本集團業務植根於以客為本之文化。本集團亦深信與其供應商及客戶維持良好關係對實現其當前及長遠目標至關重要。為保持於行業內之市場競爭力，本集團致力於不斷為客戶提供高標準優質產品及服務。於回顧年度內，本集團與其供應商及／或客戶並無重大及嚴重分歧。

捐贈

本集團於回顧年度內並無作出任何慈善及其他捐贈（二零一七年：人民幣零元）。

物業、廠房及設備

於二零一八年十二月三十一日，本集團擁有物業、廠房及設備約人民幣9.4百萬元。變動之詳情載於財務報表附註12。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 December 2018, the Company bought back a total of 2,556,000 shares of the Company in May and June 2018 under the general mandate granted to the Directors in the annual general meetings of the Company held on 29 May 2017 and 29 May 2018, respectively. As at the date of this report, all the repurchased shares had been cancelled. The total consideration paid to buy back these shares was approximately HK\$2.3 million. Details of those transactions are as follows:

Month of buy-back	Number of shares bought back	Price per shares		Aggregate price HK\$
		Highest HK\$	Lowest HK\$	
May	715,000	1.02	0.98	717,980
June	1,841,000	1.07	0.71	1,615,800

Save for the share repurchases as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the shares of the Company during the year ended 31 December 2018.

DIRECTORS

During the year ended 31 December 2018 and as at the date of this report, the Board comprised the following directors:

Executive Directors

Mr. Cheng Jerome (*Chairman*)
Mr. Yuan Weitao

Non-Executive Director

Mrs. Guo Yan

Independent Non-Executive Directors

Mr. Wong Chi Keung
Mr. Chan Chi Keung, Alan
Mr. Liu Jialin

In accordance with article 84 of the Articles, each of Mr. Liu Jialin and Mr. Chan Chi Keung, Alan will retire from the office of Director by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

購買、出售或贖回本公司股份

於截至二零一八年十二月三十一日止年度，本公司根據於二零一七年五月二十九日及二零一八年五月二十九日舉行之本公司股東週年大會上授予董事的一般授權，於二零一八年五月及六月購回總計2,556,000股本公司股份。於本報告日期，所有購回股份均已註銷。為購回此等股份而支付的總代價約為2.3百萬港元。該等交易的詳情如下：

購回月份	購回股份 數目	每股價格		總價 港元
		最高 港元	最低 港元	
五月	715,000	1.02	0.98	717,980
六月	1,841,000	1.07	0.71	1,615,800

除上文所披露購回股份外，本公司或其任何附屬公司概無於截至二零一八年十二月三十一日止年度內購買、出售或贖回本公司任何股份。

董事

於截至二零一八年十二月三十一日止年度及於本報告日期，董事會包括下列董事：

執行董事

Cheng Jerome 先生 (*主席*)
袁偉濤先生

非執行董事

郭燕女士

獨立非執行董事

黃之強先生
陳志強先生
劉嘉凌先生

按照細則第84條，劉嘉凌先生及陳志強先生各自將在即將召開的股東週年大會上輪值退任董事，合資格並願意參加重選連任。

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors and non-executive Director has entered into a service agreement with the Company for a term of three years commencing from 25 March 2018, and each of the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing from 25 March 2018, except that Mr. Liu Jialin entered into a service agreement with the Company for a term of three years commencing from 1 April 2017.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

CONFIRMATION OF INDEPENDENCE

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Based on the contents of such confirmation, the Company considers that all three independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

DIRECTORS' REMUNERATION

The remuneration committee of the Company (the "Remuneration Committee") considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. Details of Directors' remuneration are set out in note 9 to the financial statements.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 27 to 31 of this report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "Connected Transactions" below and the section headed "Material Related Party Transactions" in note 27 to the financial statements, there was no transaction, arrangement or contract of significance in relation to the Group to which the Company or any of its subsidiaries was a party to and in which a Director or an entity connected with such Director is or was materially interested in, whether directly or indirectly, subsisting at the end of the financial year ended 31 December 2018 or at any time during the financial year ended 31 December 2018.

董事服務合約

各執行董事及非執行董事已與本公司訂立服務協議，由二零一八年三月二十五日起計為期三年，而各獨立非執行董事已與本公司訂立委任函件，而任期由二零一八年三月二十五日起計為期三年，除劉嘉凌先生與本公司訂立自二零一七年四月一日起計為期三年的服務協議外。

擬於即將召開的股東週年大會上膺選連任的董事概無與本集團任何成員公司訂立任何本集團可於一年內毋須賠償(法定賠償除外)而予以終止的合約。

獨立性確認書

本公司已接獲各獨立非執行董事根據聯交所證券上市規則(「上市規則」)第3.13條發出的年度獨立性確認書。根據有關確認的內容，本公司認為所有三名獨立非執行董事均為獨立人士及彼等已符合上市規則第3.13條載列的具體獨立性指引。

董事薪酬

本公司薪酬委員會(「薪酬委員會」)考慮並向董事會建議本公司支付董事的薪酬及其他福利。薪酬委員會定期審核所有董事的薪酬，以確保董事的薪酬及補償水平適當。董事薪酬之詳情載列於財務報表附註9。

董事及高級管理層履歷

董事及本集團高級管理層的履歷詳情載於本報告第27至31頁。

董事於交易、安排及重大合約之權益

除下文「關連交易」一節及財務報表附註27「重大關聯方交易」一節所披露者外，本公司或其任何附屬公司概無訂立與本集團有關，本公司董事或與該董事相關連的實體在其中直接或間接擁有重大利益且於截至二零一八年十二月三十一日止財政年度結束時或於截至二零一八年十二月三十一日止財政年度內任何時間仍然有效的任何交易、安排及重大合約。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors held any interests in any competing business against the Company or any of its jointly controlled entities and subsidiaries for the year ended 31 December 2018.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PERMITTED INDEMNITY PROVISIONS

During the year ended 31 December 2018 and up to the date of this report, there were no permitted indemnity provisions in force for the benefit of any Director (whether made by the Company or otherwise) or any director of an associated company of the Company (if made by the Company).

The Company has arranged for appropriate and sufficient insurance coverage on directors' liabilities in respect of legal actions taken against its directors arising out of corporate activities.

SUBSIDIARIES

Details of the major subsidiaries of the Company as at 31 December 2018 are set out in note 15 to the financial statements.

董事於競爭業務之權益

截至二零一八年十二月三十一日止年度，概無董事於同本公司或其任何共同控制實體及附屬公司存在競爭的業務中擁有任何權益。

董事購買股份或債券之權利

於回顧年度內任何時間，概無向任何董事或彼等各自配偶或未成年子女授予透過購買本公司股份或債券的方式獲得權益的權利，彼等亦無行使任何該等權利；本公司、其控股公司或其任何附屬公司或同系附屬公司亦無參與任何安排，致使董事可購入任何其他法人團體的該等權利。

許可彌償條文

截至二零一八年十二月三十一日止年度及直至本報告日期，概無以任何董事（無論是由本公司或以其他方式作出）或本公司任何關聯公司的任何董事（倘由本公司作出）利益作出的有效許可彌償條文。

本公司已安排適合及充足保險，以覆蓋董事就企業活動期間產生對董事所提出法律訴訟的責任。

附屬公司

本公司主要附屬公司於二零一八年十二月三十一日的詳情載於財務報表附註15。

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the interests and short positions of the Directors or chief executives of the Company or their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

本公司董事及最高行政人員於股份、相關股份及債券中的權益及淡倉

於二零一八年十二月三十一日，本公司董事或最高行政人員或彼等各自的聯繫人士於本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)的任何權益及淡倉(包括根據證券及期貨條例的有關條文被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益及淡倉，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益及淡倉，如下：

Name of Director 董事姓名		Number of underlying Shares comprised in options 包括在購股權內的相關股份數目	Approximate percentage of Shares in issue (note 3) 佔已發行股份的概約百分比 (附註3)	Notes 附註
Mr. Cheng Jerome	Cheng Jerome 先生	87,000,000	4.80%	1
Mr. Yuan Weitao	袁偉濤先生	15,000,000	0.83%	2
Mrs. Guo Yan	郭燕女士	15,000,000	0.83%	2

Notes:

- This represents the interest in the underlying Shares of the Share Option Scheme adopted on 28 June 2010 to be allotted and issued upon the exercise of the 15,000,000 options granted on 3 October 2016 and the 72,000,000 options granted on 4 May 2018.
- These represent interest in the underlying Shares of the Share Option Scheme adopted on 28 June 2010 to be allotted and issued upon the exercise of the options granted on 3 October 2016.
- The approximate percentage is based on a total of 1,810,953,272 issued Shares of the Company as at 31 December 2018.

附註：

- 這指於根據於二零一零年六月二十八日採納的購股權計劃於二零一六年十月三日授出的15,000,000份購股權及於二零一八年五月四日授出的72,000,000份購股權獲行使時將予配發及發行的相關股份中的權益。
- 這指於根據於二零一零年六月二十八日採納的購股權計劃於二零一六年十月三日授出的購股權獲行使時將予配發及發行的相關股份中的權益。
- 概約百分比按於二零一八年十二月三十一日本公司合共1,810,953,272股已發行股份計算。

Saved as disclosed above, as at 31 December 2018, none of the Directors and the chief executives of the Company or their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一八年十二月三十一日，本公司董事或最高行政人員或彼等各自的聯繫人士概無於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉(包括根據證券及期貨條例的有關條文被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2018, to the best of the Director's knowledge, the following persons (other than the Directors and chief executives of the Company) had or deemed or taken to have interests and short positions of 5% or more in the shares of the Company which would fall to be disclosed under provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in the Shares and underlying Shares of our Company

主要股東

於二零一八年十二月三十一日，據董事所深知，於本公司股份中擁有或被視作擁有根據證券及期貨條例第XV部第2及3分部之條文須予披露或根據證券及期貨條例第336條須存置之登記冊內記錄之5%或以上權益及淡倉的人士（不包括本公司董事及最高行政人員）如下：

本公司股份及相關股份的好倉

Name of substantial shareholder	Nature of Interest	Interest in Shares	Approximate percentage of shareholding (note 7)	Notes
主要股東名稱	權益性質	股份權益	百分比(附註7)	附註
Century Investment (Holding) Limited ("CIH") Century Investment (Holding) Limited (「CIH」)	Beneficial interest 實益權益	896,885,818	49.53%	1
Starr International Foundation Starr International Foundation	Interest of controlled corporations 受控法團權益	224,710,691	12.41%	3
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Interest of controlled corporations 受控法團權益	197,929,351	10.93%	2
China Construction Bank Corporation 中國建設銀行股份有限公司	Interest of controlled corporations 受控法團權益	197,929,351	10.93%	2
Beijing Enterprises Real Estate (HK) Limited 北控置業(香港)有限公司	Beneficial interest 實益權益	151,515,000	8.37%	4
Yang Liu 劉央	Interest of controlled corporations 受控法團權益	148,400,000	8.19%	5
Taiping Trustees Limited 太平信託有限公司	Beneficial interest 實益權益	138,888,000	7.67%	6

Notes:

1. CIH is wholly owned by Ms. Pun Tang. CIH currently holds 598,885,818 Shares (being approximately 33.07% of the total shareholding of the Company), and will hold a further 298,000,000 Shares upon the exercise of the Warrants in full.
2. A charge over the 154,691,176 Shares held by CIH had been created in favour of Chance Talent Management Limited. Chance Talent Management Limited is wholly owned by CCBI Investments Limited, which is in turn wholly owned by CCB International (Holdings) Limited. CCB International (Holdings) Limited is wholly owned by CCB Financial Holdings Limited, which is in turn wholly owned by CCB International Group Holdings Limited. CCB International Group Holdings Limited is wholly owned by China Construction Bank Corporation, which is owned as to 57.11% by Central Huijin Investment Limited.

附註：

1. CIH由Pun Tang女士全資擁有。CIH現在持有598,885,818股股份(佔本公司總股權約33.07%)，並且在行使全部認股權證後將再進一步持有298,000,000股股份。
2. 對CIH持有154,691,176股股份作出以Chance Talent Management Limited為受益人的押記。Chance Talent Management Limited由CCBI Investments Limited全資擁有，CCBI Investments Limited由建銀國際(控股)有限公司全資擁有。建銀國際(控股)有限公司由建行金融控股有限公司全資擁有，建行金融控股有限公司由建行國際集團控股有限公司全資擁有。建行國際集團控股有限公司由中國建設銀行股份有限公司全資擁有，中國建設銀行股份有限公司由中央匯金投資有限責任公司擁有57.11%。

3. *Starr Investments Cayman II, Inc. and Starr Investments Cayman V, Inc. are the beneficial owners of Shares as to 6.34% and 6.07% respectively. Starr Investments Cayman II, Inc. is wholly owned by Starr International Cayman, Inc., which is in turn wholly owned by Starr Insurance and Reinsurance Limited. Starr Insurance and Reinsurance Limited and Starr Investments Cayman V, Inc. are wholly owned subsidiaries of Starr International Investments Limited, which is in turn wholly-owned by Starr International Company Inc. Starr International Company Inc. is wholly owned by Starr International AG, which is wholly-owned by Starr International Foundation, a charitable foundation established in Switzerland.*
 4. *Beijing Enterprises Real Estate (HK) Limited is wholly owned by 北京北控置業有限責任公司, which is in turn wholly owned by Beijing Enterprises Group Company Limited. Beijing Enterprises Group Company Limited is wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality.*
 5. *Riverwood Asset Management (Cayman) Limited, Atlantis Investment Management (Ireland) Limited and Atlantis Investment Management (Hong Kong) Limited are the beneficial owners of Shares. Riverwood Asset Management (Cayman) Limited is wholly owned by Yang Liu. Investment Management (Ireland) Limited and Atlantis Investment Management (Hong Kong) Limited are wholly owned by Atlantis Capital Holdings Limited, which is in turn wholly owned by Yang Liu.*
 6. *Taiping Trustees Limited is the beneficial owner of Shares. The ultimate controlling shareholder of Taiping Trustees Limited is China Taiping Insurance Group Limited, which is ultimately controlled by the State Council of the PRC.*
 7. *The approximate percentage is based on a total of 1,810,953,272 issued shares of the Company as at 31 December 2018.*
3. *Starr Investments Cayman II, Inc. 及 Starr Investments Cayman V, Inc. 為分別擁有 6.34% 及 6.07% 股份的實益擁有人。Starr Investments Cayman II, Inc. 由 Starr International Cayman, Inc. 全資擁有。Starr International Cayman, Inc. 由 Starr Insurance and Reinsurance Limited 全資擁有。Starr Insurance and Reinsurance Limited 及 Starr Investments Cayman V, Inc. 為 Starr International Investments Limited 的全資附屬公司。Starr International Investments Ltd. 由 Starr International Company Inc. 全資擁有。Starr International Company Inc. 由 Starr International AG 全資擁有。Starr International AG 由 Starr International Foundation (於瑞士成立的慈善基金) 全資擁有。*
 4. *北控置業(香港)有限公司由北京北控置業有限責任公司全資擁有, 北京北控置業有限責任公司由北京控股集團有限公司全資擁有。北京控股集團有限公司由北京市人民政府國有資產監督管理委員會全資擁有。*
 5. *Riverwood Asset Management (Cayman) Limited、Atlantis Investment Management (Ireland) Limited 及 西京投資管理(香港)有限公司為股份的實益擁有人。Riverwood Asset Management (Cayman) Limited 由劉央全資擁有。Atlantis Investment Management (Ireland) Limited 及 西京投資管理(香港)有限公司由 Atlantis Capital Holdings Limited 全資擁有, 而 Atlantis Capital Holdings Limited 由劉央全資擁有。*
 6. *太平信託有限公司為股份的實益擁有人。太平信託有限公司的最終控股股東為中國太平保險集團有限責任公司, 其由中國國務院最終控制。*
 7. *概約百分比基於二零一八年十二月三十一日本公司全部已發行股份合共 1,810,953,272 股計算。*

SUFFICIENCY OF PUBLIC FLOAT

Based on information available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float throughout the year ended 31 December 2018.

RETIREMENT SCHEME

The Group operates a Mandatory Provident Fund Scheme (“MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, each of the employer and employee are required to make contributions of 5% of the employees' relevant income to the scheme, subject to a cap of monthly relevant income of HK\$30,000. Contributions made to the scheme are vested immediately.

The employees of the subsidiaries in the PRC participate in the retirement schemes operated by the local authorities. The subsidiaries are required to contribute a certain percentage of their salaries to these schemes to pay the benefits. The only obligation of the Group in respect to these schemes is the required contributions under the schemes. For the year ended 31 December 2018, the Group's total contributions to the retirement schemes charged in the income statement amounted to approximately RMB12.2 million (2017: approximately RMB3.9 million). Details of the Group's retirement scheme and the basis of calculation are set out in note 7(b) to the financial statements.

公眾持股量充足

根據本公司可獲得的資料及董事所知, 於截至二零一八年十二月三十一日止年度, 本公司始終維持充足的公眾持股量。

退休計劃

本集團根據香港強制性公積金計劃條例為受香港僱傭條例管轄的司法權區的受聘僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受託人管理的定額供款退休計劃。根據強積金計劃, 僱主及其僱員各自須按僱員相關收入的5%向計劃供款, 最高為每月相關收入的30,000港元。計劃供款即時歸屬。

於中國的附屬公司僱員均參與由有關當局設立的退休計劃。附屬公司須按僱員薪金某個百分比向該等計劃供款以支付福利。本集團對該等計劃的唯一責任為根據計劃作出所需供款。截至二零一八年十二月三十一日止年度, 本集團對退休計劃的總供款約人民幣12.2百萬元(二零一七年: 約人民幣3.9百萬元)自收益表中扣除。有關本集團的退休金計劃及計算基準載於財務報表附註7(b)。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company therefore strives to attain and maintain effective corporate governance practices and procedures. Throughout the year ended 31 December 2018 and save as disclosed in this report, the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules. The Group's principal corporate governance practices are set out on pages 44 to 54 of this report.

CONNECTED TRANSACTIONS

On 26 March 2018, the Company (as the issuer) and Century Investment (Holding) Limited ("CIH") (as the subscriber) entered into a warrant subscription agreement, pursuant to which the Company conditionally agreed to issue, and CIH conditionally agreed to subscribe for, 298,000,000 Warrants at the subscription price of HK\$0.01 per Warrant payable by CIH to the Company. For further details of the transaction, please refer to the Company's announcements dated 26 March 2018 and 27 June 2018, respectively, and the Company's circular dated 5 July 2018. The Warrants were issued on 18 September 2018. The net proceeds from the issue of Warrants of approximately HK\$1,480,000 was fully utilised for the development of the Changyou platform during the year ended 31 December 2018. None of the Warrants were exercised during the year ended 31 December 2018.

On 21 June 2018, the Company (as lender) and Pointsea Company Limited ("PCL") (an indirect non-wholly owned subsidiary of the Company) (as borrower) entered into a facility agreement, pursuant to which the Company conditionally agreed to grant the loan facility of up to HK\$100 million to PCL for the purpose of development the Digital Point business and for capital expenditure and general working capital of PCL and its subsidiaries. For further details of the transaction, please refer to the Company's announcement dated 21 June 2018. As at 31 December 2018, facility was fully drawn down by PCL.

RELATED PARTY TRANSACTIONS

None of the related party transactions set out in the section headed "Material Related Party Transactions" in note 27 to the financial statements constitutes connected transactions or continuing connected transactions of the Company which is required to be disclosed under the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

企業管治常規守則

本公司承諾建立良好企業管治常規及程序以加強投資者信心及本公司之間責性及透明度。因此，本公司致力達到及保持有效的企業管治常規及程序。除本報告所披露者外，截至二零一八年十二月三十一日止整個年度內，本公司已遵守上市規則附錄14所載的企業管治守則及企業管治報告（「企業管治守則」）的守則條文。本集團的主要企業管治常規載於本報告第44至54頁。

關連交易

於二零一八年三月二十六日，本公司（作為發行人）與Century Investment (Holding) Limited（「CIH」）（作為認購人）訂立認股權證認購協議，據此，本公司有條件同意發行及CIH有條件同意認購298,000,000份認股權證，CIH應按認購價每份認股權證0.01港元付款予本公司。有關交易的進一步詳情，請參閱本公司日期分別為二零一八年三月二十六日及二零一八年六月二十七日的公佈以及本公司日期為二零一八年七月五日的通函。認股權證已於二零一八年九月十八日發行。發行認股權證的所得款項淨額約1,480,000港元已悉數用作於截至二零一八年十二月三十一日止年度開發暢由平台。於截至二零一八年十二月三十一日止年度，概無行使認股權證。

於二零一八年六月二十一日，本公司（作為貸方）與本公司非全資附屬公司分海有限公司（「分海」）（作為借方）訂立融資協議，據此，本公司有條件同意授出貸款融資至多100百萬港元予分海以供開發數字積分業務及用作分海及其附屬公司的資本開支及一般營運資金。有關交易的進一步詳情，請參閱本公司日期為二零一八年六月二十一日的公佈。於二零一八年十二月三十一日，分海已悉數提取融資。

關聯方交易

概無載於財務報表附註27「重大關聯方交易」一節的關聯方交易構成須根據上市規則予以披露的本公司關連交易或持續關連交易。董事確認，本公司已根據上市規則第14A章遵守披露規定。

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 23 May 2019 to Tuesday, 28 May 2019, both days inclusive, during which period no transfer of shares will be registered. In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Tuesday, 28 May 2019, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 22 May 2019.

AUDITORS

The consolidated financial statements for the year ended 31 December 2018 have been audited by KPMG who shall retire at the forthcoming annual general meeting of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint KPMG as auditor of the Company.

By order of the Board

Cheng Jerome
Chairman

Hong Kong, 15 March 2019

暫停辦理股東過戶登記

本公司將自二零一九年五月二十三日(星期四)至二零一九年五月二十八日(星期二)(包括首尾兩天)暫停辦理股東過戶登記,在此期間暫停股份過戶。為確定股東是否有權出席本公司將於二零一九年五月二十八日(星期二)舉行之應屆股東週年大會及於會上投票,所有股份過戶文件連同有關股票證書必須不遲於二零一九年五月二十二日(星期三)下午四時三十分交回本公司香港股份過戶登記處香港中央證券登記有限公司,地址為香港皇后大道東183號合和中心17樓1712-1716室。

核數師

截至二零一八年十二月三十一日止年度的綜合財務報表已由執業會計師畢馬威會計師事務所審核。畢馬威會計師事務所須於本公司應屆股東週年大會上告退。本公司將於應屆股東週年大會上提呈一項決議案以再度委任畢馬威會計師事務所為本公司的核數師。

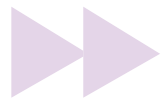
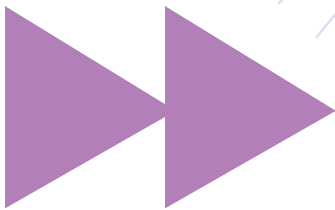
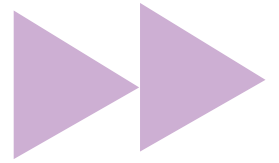
承董事會命

主席
Cheng Jerome

香港,二零一九年三月十五日



CORPORATE
GOVERNANCE REPORT
企業管治報告



Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Company's shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for shareholders.

Save as disclosed in this report, the Company had complied with the CG Code as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2018.

THE BOARD

The Board consists of six Directors, two of whom are executive Directors, one of whom is a non-executive Director and three of whom are independent non-executive Directors. The functions and duties conferred on the Board include convening shareholders' meetings and reporting on the work of the Board to the shareholders at shareholders' meetings as may be required by applicable laws, implementing resolutions passed at shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and applicable laws. The management team is delegated with the authorities and responsibilities by the Board for the day-to-day management and operations of the Group. The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company. The composition of the Board is well balanced with the directors having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The executive Directors, non-executive Director and independent non-executive Directors bring a variety of experience and expertise to the Company.

企業管治常規

本公司承諾建立良好的企業管治常規及程序，冀能成為一家具透明度及問責性的機構，以開放態度向公司股東負責。董事會致力於遵守企業管治原則並已採納良好的企業管治常規，以符合法律及商業準則，專注於例如內部監控、公平披露及向所有股東負責等領域，以確保本公司所有業務之透明度及問責性。本公司相信，有效的企業管治是為股東創造更多價值之基礎。董事會將繼續不時檢討及改善本集團之企業管治常規，以確保本集團由有效董事會領導以為股東帶來最大回報。

除本報告所披露者外，於截至二零一八年十二月三十一日止年度本公司已遵守上市規則附錄14所載的企業管治守則。

董事會

董事會由六名董事組成，即兩名執行董事、一名非執行董事及三名獨立非執行董事。董事會之功能及職責包括根據適用法律之可能規定召開股東大會並於會上向股東報告董事會之工作，實施股東大會上通過之決議案，釐定本公司之業務計劃及投資計劃，制定本公司之年度預算及最終賬目，制定本公司之股息及花紅分派建議以及行使細則及適用法律賦予董事會之其他權力、功能及職責。董事會授予管理層團隊授權及責任負責本集團之日常管理及經營。董事會定期會面，以檢討本公司之財務及經營表現，並審議及批准本公司之總體策略及政策。董事會之成員各有所長，而董事對於本集團所從事業務均具備充分行業知識、豐富的企業及策略規劃經驗及／或專門技術。執行董事、非執行董事及獨立非執行董事為本公司帶來不同的經驗及專門技術。

The composition of the Board during the year ended 31 December 2018 and up to the date of this report is set out below:

Executive Directors

Mr. Cheng Jerome (*Chairman*)
Mr. Yuan Weitao

Non-Executive Director

Mrs. Guo Yan

Independent Non-Executive Directors

Mr. Wong Chi Keung
Mr. Chan Chi Keung, Alan
Mr. Liu Jialin

The biographical details of the current Board members are set out under the section headed “Directors and Senior Management” on pages 27 to 31 of this report. The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

During the year ended 31 December 2018, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise, and the independent non-executive directors represented over one-third of the Board.

The Company has received an annual confirmation of independence from each of its independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company considers that all three independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

All Directors have separate and independent access to the Company’s management team to fulfill their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company’s expense. All Directors also have access to the company secretary of the Company (“**Company Secretary**”) who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notices in advance of the meetings. Minutes of Board meetings and meetings of Board committees, which record in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the Company Secretary and are open for inspection by Directors.

截至二零一八年十二月三十一日止年度內及截至本報告日期止，董事會的組成如下：

執行董事

Cheng Jerome 先生(主席)
袁偉濤先生

非執行董事

郭燕女士

獨立非執行董事

黃之強先生
陳志強先生
劉嘉凌先生

現有董事會成員的履歷詳情載於本報告第27至31頁的「董事及高級管理層」一節。董事名單(按類別劃分)亦根據上市規則不時於本公司發出之所有企業通訊中予以披露。根據上市規則，各獨立非執行董事已在所有企業通訊中列明。

截至二零一八年十二月三十一日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事，而其中至少一位獨立非執行董事具備適當之專業資格，或會計或相關之財務管理專長之規定，且獨立非執行董事人數佔董事會三分之一以上。

根據上市規則第3.13條，本公司已從各位獨立非執行董事接獲年度獨立確認書。根據有關確認書之內容，本公司認為，三位獨立非執行董事均為獨立，且彼等符合上市規則第3.13條所載有關獨立性之特定指引。

所有董事可個別及獨立地與本公司的管理層團隊接洽以履行彼等之職責，並可於提出合理的要求後在適當的情況下尋求獨立專業意見，費用由本公司支付。所有董事亦可與公司秘書接洽，而本公司之公司秘書(「**公司秘書**」)乃負責確保董事會的程序及一切適用規則和規例獲得遵循。議程及隨附的董事會/委員會文件可於會議召開前事先給予合理通知下分發予董事/董事委員會成員。董事會會議及董事委員會會議的記錄詳細記錄董事會所考慮的事項及達致的決定，包括董事所提出的任何事項或發表的反對意見，概由公司秘書存檔，並可供董事查閱。

The Company has arranged for appropriate and sufficient insurance coverage on directors' liabilities in respect of legal actions taken against its directors arising out of corporate activities.

The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company.

There is no other relationship between members of the Board and the Chairman.

Each of the executive Directors and the non-executive Director has entered into a service agreement with the Company for a term of three years commencing from 25 March 2018, and each of the independent non-executive Directors has entered into a letter of appointment with the Company and is appointed for a term of three years commencing from 25 March 2018, except that Mr. Liu Jialin entered into a service agreement with the Company for a term of three years commencing from 1 April 2017.

In accordance with article 84 of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. In accordance with article 84 of the Articles, each of Mr. Liu Jialin and Mr. Chan Chi Keung, Alan will retire from the office of Director by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Chairman and Chief Executive Officer

Prior to 16 June 2015, the roles and duties of the Chairman and the Chief Executive Officer of the Company were carried out by different individuals and have been clearly defined in writing. Mr. Cheng Jerome has been the Chairman of the Board since 25 March 2015 and Mr. Lai Fengcai had been the Chief Executive Officer until his resignation on 16 June 2015. The positions of Chairman and Chief Executive Officer had been held by separate persons in order to preserve independence and a balance of views and judgement. With the support of the management team, the Chairman is responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board and is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval.

Since the resignation of Mr. Lai Fengcai as Chief Executive Officer on 16 June 2015, the position of Chief Executive Officer has not been filled up. The Company is in the process of identifying a suitable candidate to assume the role as Chief Executive Officer of the Company.

本公司已安排適合及充足保險，以覆蓋董事就企業活動期間產生對董事所提出法律訴訟的責任。

董事會定期會面，以檢討本公司之財務及經營表現，並審議及批准本公司之總體策略及政策。

董事會成員與主席之間並無其他關係。

各執行董事及非執行董事已與本公司訂立服務協議，自二零一五年三月二十五日起計為期三年，及每位獨立非執行董事已與本公司訂立委聘書，其委任自二零一五年三月二十五日起計為期三年，除劉嘉凌先生與本公司訂立自二零一七年四月一日起計為期三年的服務協議外。

根據細則第84條，於每次股東週年大會上，當時之三分之一董事（倘數目並非三之倍數，則為最接近之數目，惟不得少於三分之一）須輪值告退，惟各董事均須最少每三年輪值退任一次。按照細則第84條，劉嘉凌先生及陳志強先生各自將在即將召開的股東週年大會上依章輪值退任董事，合資格並願意參加重選連任。

主席及行政總裁

於二零一五年六月十六日前，本公司的主席及行政總裁的角色及職責由不同人士擔任，並以書面清楚界定。Cheng Jerome先生已自二零一五年三月二十五日起擔任董事會主席，而賴鳳彩先生曾任行政總裁直至其於二零一五年六月十六日辭任。主席及行政總裁的職位由不同人士擔任，以保持獨立性及作出判斷時有平衡意見。在管理層團隊協助下，主席確保董事能適時收到充分、完整及可靠資料及有關董事會會議上提出之事宜之適當簡介。行政總裁主要負責實行董事會批准及授權的目標、政策及策略。彼須負責本公司日常管理及運作。行政總裁亦負責發展策略計劃及制訂組織架構、監控系統及內部程序及流程供董事會批准。

自賴鳳彩先生於二零一五年六月十六日辭任行政總裁以來，行政總裁職位尚無填補。本公司現正物色擔任本公司行政總裁職務之合適人選。

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

The Directors keep abreast of the responsibilities as a director of the Company and of the conduct, business activities and development of the Company. Every newly appointed Director will receive a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Directors also participated in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. They were involved in relevant training courses at the Company's expenses. All Directors also read materials in relation to regular update to statutory requirements, Listing Rules and other relevant topics related to a listed company.

BOARD COMMITTEES

As an integral part of sound corporate governance practices, the Board has established the following Board committees to oversee the particular aspects of the Group's affairs. Each of these committees comprises independent non-executive Directors who are being invited to join as members.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 24 September 2010 in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and monitor the Company's financial reporting and internal control principles of the Company and to provide advice and comments to the Board. The members meet regularly with the external auditors and the Company's management team for the review, supervision and discussion of the Company's financial reporting and internal control procedures and ensure that management has discharged its duty to have an effective internal control and risk management system. During the year 2018, the Audit Committee consists of three members, namely Mr. Wong Chi Keung, Mr. Liu Jialin and Mr. Chan Chi Keung, Alan, of whom were all independent non-executive Directors. Mr. Wong Chi Keung, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

The Audit Committee held two meetings during the year under review to review the financial results of the Group and significant issues on the financial reporting and compliance procedures, internal control and risk management systems.

董事的持續專業發展

董事須時刻了解身為本公司董事的職責並遵守本公司的行為操守、跟進業務活動及本公司發展。每名新任董事將於首次接受委任時獲得正式、全面及專門為其設計的入職培訓，以確保彼等對本公司業務及運作均有適當理解，並充分知悉於上市規則及任何相關法定要求項下董事的職責及責任。

董事亦已參與適當的持續專業發展以發展及更新其知識及技能，從而確保彼等對董事會的貢獻為知情及相關。彼等參加相關培訓課程，費用由本公司支付。全體董事亦閱讀有關定期更新的法定規定、上市規則及上市公司所涉其他相關主題的材料。

董事委員會

作為優良企業管治常規的重要構成部分，董事會已成立以下的董事委員會，以監察本集團特定範疇的事務。各委員會的成員皆由獲邀加入委員會的獨立非執行董事組成。

審核委員會

本公司審核委員會（「審核委員會」）於二零一零年九月二十四日按照上市規則第3.21及3.22條成立，並備有符合企業管治守則的書面職權範圍。審核委員會的主要職責為審核及監督本公司的財務申報及本公司的內部監控原則，並向董事會提供建議及意見。成員定期與外部核數師及本公司管理層團隊進行會晤，以審核、監督及討論本公司的財務申報及內部監控程序，並確保管理層履行其職責建立有效的內部監控及風險管理系統。於二零一八年度，審核委員會由三名成員，即黃之強先生、劉嘉凌先生及陳志強先生（均為獨立非執行董事）組成。黃之強先生具備適當的專業資格及會計事宜經驗，故獲委任為審核委員會主席。

審核委員會於回顧年度已召開兩次會議，審閱本集團的財務業績及有關財務申報及合規程序、內部監控及風險管理系統的重要事宜。

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2018, including the accounting principles and practices adopted by the Group, the selection and appointment of the external auditors and the effectiveness of the systems of risk management and internal control of the Group.

CORPORATE GOVERNANCE FUNCTIONS

During the year under review, the Audit Committee was also responsible for determining the policy for the corporate governance of the Company performing the corporate governance duties as below:

- to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of the Directors and management team;
- to review the adequacy and effectiveness of the systems of risk management and internal control of the Group;
- to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);
- to develop, review and monitor the relevant code of conduct and compliance manual (if any) applicable to employees and directors of the Group; and
- to review the Group's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 24 September 2010 with written terms of reference in compliance with the CG Code. During the year 2018, the Remuneration Committee was chaired by Mr. Liu Jialin with two Directors, namely Mr. Cheng Jerome and Mr. Wong Chi Keung, as members. The principal responsibilities of the Remuneration Committee are to formulate and recommend remuneration policy to the Board, make recommendations to the Board on the Company's policy and structure for all Directors' and management team's remunerations, approve and review management's proposals with reference to the Board's corporate goals and objectives and make recommendations to the Board on the remuneration of non-executive Directors of the Company. The Board expects the Remuneration Committee to exercise independent judgment and ensure that executive Directors do not participate in the determination of their own remunerations.

The Remuneration Committee held one committee meeting during the year under review to review and made recommendation to the Board on the remuneration policy and structure of the Company and remuneration packages of Directors.

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的綜合財務報表(包括本集團採納的會計原則及常規)、甄選及委任外部核數師及本集團風險管理及內部監控制度的有效性。

企業管治功能

於回顧年度，審核委員會亦負責制定本公司企業管治政策，履行以下企業管治職責：

- 制定及審閱本集團之企業管治政策及常規及向董事會作出推薦意見；
- 審閱及監察董事及管理層團隊之培訓及持續專業發展；
- 檢討本集團風險管理及內部監控制度的足夠性及有效性；
- 審閱及監察本集團遵守法定及監管規定之政策及常規(如適用)；
- 制定、審閱及監察適用於本集團僱員及董事之相關操守守則及合規手冊(如有)；及
- 審閱本集團是否已遵守企業管治守則及企業管治報告之披露規定。

薪酬委員會

薪酬委員會乃按照企業管治守則的規定於二零一零年九月二十四日成立，並備有書面職權範圍。於二零一八年度，薪酬委員會由劉嘉凌先生擔任主席，兩名董事，即Cheng Jerome先生及黃之強先生為成員。薪酬委員會的主要職責為制定薪酬政策並向董事會提供意見；就本公司所有董事及管理層團隊的全體薪酬政策及架構向董事會提供意見；參考董事會訂立的企業方針及目標而批准及檢討管理層的建議及就本公司非執行董事的薪酬向董事會提供意見。董事會預期薪酬委員會行使獨立判斷並確保執行董事並不參與釐定彼等本身的薪酬。

於回顧年度，薪酬委員會已召開一次會議，檢討本公司薪酬政策及架構以及董事之薪酬待遇並就此向董事會提供推薦意見。

NOMINATION COMMITTEE

The nomination committee of the Company (the “**Nomination Committee**”) was established on 24 September 2010. During the year 2018, the chairman was Mr. Cheng Jerome, an executive Director, with two Directors, namely Mr. Wong Chi Keung and Mr. Chan Chi Keung, Alan, as members. The Nomination Committee is responsible for determining the policy for the nomination of Directors, reviewing the structure, size and composition of the Board, making recommendation to the Board on selection of candidates for directorships, appointment and reappointment of Directors and Board succession and assessing the independence of independent non-executive Directors.

The Company adopts the board diversity policy and recognises board diversity as the key element for the achievement of its strategic goals and sustainable development. In considering the composition and diversity of the Board, the Company takes into account a number of factors from various aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All decisions regarding appointment of members of the Board will be based on the candidates’ meritocracy having regard to a set of objective standards that take into account the benefits of board diversity.

Selection of candidates will be based on a set of diversity criteria, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be made with reference to the candidates’ merits and contributions to the Board.

The Nomination Committee held one meeting during the year under review to review the structure, size and composition of the Board and the independence of the independent non-executive Directors.

NUMBER OF MEETINGS AND DIRECTORS’ ATTENDANCE

The individual attendance record of each Director at the meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee and the general meeting of the Company during the year ended 31 December 2018 is set out below:

		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會	Remuneration Committee Meeting 薪酬委員會	Nomination Committee Meeting 提名委員會	Annual General Meeting 股東週年大會	Extraordinary Ordinary Meeting 股東特別大會
<i>Executive Directors</i>	<i>執行董事</i>						
Mr. Cheng Jerome	Cheng Jerome先生	6/6	不適用	1/1	1/1	1/1	3/3
Mr. Yuan Weitao	袁偉濤先生	6/6	不適用	不適用	不適用	1/1	3/3
<i>Non-executive Director</i>	<i>非執行董事</i>						
Mrs. Guo Yan	郭燕女士	6/6	不適用	不適用	不適用	0/1	0/3
<i>Independent non-executive Directors</i>	<i>獨立非執行董事</i>						
Mr. Wong Chi Keung	黃之強先生	6/6	2/2	1/1	1/1	1/1	3/3
Mr. Chan Chi Keung, Alan	陳志強先生	6/6	2/2	不適用	1/1	0/1	3/3
Mr. Liu Jialin	劉嘉凌先生	5/6	1/2	1/1	不適用	0/1	3/3

提名委員會

本公司提名委員會(「**提名委員會**」)於二零一零年九月二十四日成立。於二零一八年，主席為本公司執行董事Cheng Jerome先生，而其他兩名成員為董事黃之強先生及陳志強先生。提名委員會負責釐定提名董事之政策、審核董事會的結構、規模和構成；就甄選董事職務候選人、委任、重新委任董事及董事會的繼任事宜向董事會提供意見，並評估獨立非執行董事的獨立性。

本公司採納董事會成員多元化政策，並認為董事會成員多元化乃實現本公司策略目標及可持續發展的關鍵因素。於考慮董事會的構成及多元化時，本公司考慮多方面因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及服務任期。所有有關委任董事會成員之決定均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

甄選人選將基於一系列多元化標準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及服務任期。最終決定將參考人選的長處及可為董事會提供的貢獻而作決定。

於回顧年度，提名委員會已召開一次會議，檢討董事會的結構、規模及構成以及獨立非執行董事的獨立性。

會議及董事出席次數

截至二零一八年十二月三十一日止年度，各位董事出席董事會、審核委員會、薪酬委員會、提名委員會會議以及本公司股東大會的個人出席記錄載列如下：

CODE PROVISIONS IN CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

Deviation with Code Provision

Code Provision A.6.7 of the CG Code provides that independent non-executive directors and non-executive directors should attend general meetings of the Company. Mrs. Guo Yan, Mr. Liu Jialin and Mr. Chan Chi Keung, Alan were not able to attend the annual general meeting of the Company held on 29 May 2018 due to their other engagement in other commitments. Mrs. Guo Yan was not able to attend the extraordinary general meeting of the Company held on 7 August 2018 due to her other engagement in other commitments.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct for securities transactions. Specific enquiries have been made with all Directors, and each Director has declared and confirmed that, during the year ended 31 December 2018, they were in compliance with the Model Code.

COMPANY SECRETARY

Mr. Chan Chi Keung, Billy, the Company Secretary, is a full time employee of the Group and has the knowledge of the Company's day-to-day affairs. He also serves as the secretary of the Audit Committee, the Nomination Committee and the Remuneration Committee as organised by the board from time to time. During the year ended 31 December 2018, the Company Secretary complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biographical details of the Company Secretary is set out in the section headed "Directors and Senior Management" on page 31 in this report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements for the financial year ended 31 December 2018 which give a true and fair view of the state of affairs of the Company and of the Group at that date and of the Group's results and cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the applicable statutory requirements and accounting standards. The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report".

AUDITORS' REMUNERATION

During the year ended 31 December 2018, the remuneration paid or payable to the Group's auditors, KPMG, in respect of their audit and non-audit services are RMB2,580,000 and RMB Nil, respectively.

企業管治守則守則條文及企業管治報告

偏離守則條文

企業管治守則之守則條文第A.6.7條規定獨立非執行董事及非執行董事須出席本公司股東大會。郭燕女士、劉嘉凌先生及陳志強先生因彼等其他從事其他職務未能出席本公司於二零一八年五月二十九日舉行的股東週年大會。郭燕女士因彼從事其他職務未能出席本公司於二零一八年八月七日舉行的股東特別大會。

遵守董事進行證券交易的標準守則

本公司已採納標準守則作為其進行證券交易的行為守則。已向全體董事作出具體查詢且各董事已宣稱及確認，彼等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。

公司秘書

陳志強先生為公司秘書，為本集團全職僱員及了解本公司的日常事務。彼亦擔任董事會不時舉辦的審核委員會、提名委員會及薪酬委員會的秘書。於截至二零一八年十二月三十一日止年度，公司秘書遵守上市規則第3.29條項下的相關專業培訓規定。公司秘書的履歷詳情載於本報告第31頁的「董事及高級管理層」一節。

董事對財務報表的責任

董事知悉彼等就編製截至二零一八年十二月三十一日止財政年度財務報表的責任，財務報表應如實反映本公司及本集團於該日的事務狀況及本集團截至該日期止年度的業績及現金流量，並根據適用的法定規定及會計準則按持續經營基準妥為編製。有關本公司外聘核數師對財務報表所承擔之申報責任的聲明，已載於「獨立核數師報告」內。

核數師薪酬

截至二零一八年十二月三十一日止年度，已付或應付本集團核數師畢馬威會計師事務所的核數及非核數服務薪酬分別為人民幣2,580,000元及人民幣零元。

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining sound and effective internal control and risk management systems in order to safeguard the Group's assets and shareholders' interests, and review and monitor the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that internal control and risk management systems in place are adequate. The Company has established written policies and procedures applicable to all operating units to ensure the effectiveness of internal controls. The Company also has a process of identifying, evaluating, and managing the significant risks to the achievement of its operational objective. This process is subject to continuous improvement and has been in place since 24 September 2010 and up to the date of this report. The day-to-day operation is entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company carries out reviews on the effectiveness of the internal control and risk management systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

The risk management framework includes identifying significant risks in the Group's operation environment and evaluating the impacts of those risks on the Group's business; developing necessary measures to manage those risks; and monitoring and reviewing the effectiveness of such measures. The implementation of risk management framework of the Group was assisted by the Group's internal audit function so that the Group could ensure new and emerging risks relevant to the Group's operation are promptly identified by the management, assess the adequacy of action plans to manage these risks and monitor and evaluate the effectiveness of the action plans. These are on-going processes and the Audit Committee reviews periodically the Group's risk management systems.

The Audit Committee reported to the Board the implementation of the Group's risk management and internal control policy which, among other things, included the determination of risk factors, evaluation of risk level the Group could take and effectiveness of risk management measures. Based on the reports from internal audit function and the Audit Committee, the Board believes that the existing internal control and risk management systems are adequate and effective.

PROCEDURES FOR SHAREHOLDERS TO REQUISITION AND CONVENE AN EXTRAORDINARY GENERAL MEETING (INCLUDING PROPOSING A RESOLUTION AT AN EXTRAORDINARY GENERAL MEETING)

- Any two or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "**Eligible Shareholders**") shall at all times have the right, by a written requisition signed by the Eligible Shareholders concerned (the "**Requisition**"), to require the Board to convene an extraordinary general meeting, and to put any resolution so requisitioned to vote at such extraordinary general meeting.

內部監控及風險管理

董事會負責維持健全有效的內部監控及風險管理制度，以保障本集團資產及股東利益，並定期檢討及規管本公司內部監控及風險管理系統之效率，以確保足夠內部監控及風險管理系統。本公司已制定適用於所有營運單位的書面政策及程序，確保內部監控的效率。本公司亦有識別、評估及管理重大風險的程序以達成其營運目標。該程序須不斷改善，並自二零一零年九月二十四日起及直至本報告日期始終使用。日常營運則委託個別部門，對其本身部門的行為及表現進行問責，並須嚴格遵守董事會制定的政策。本公司不時進行內部監控及風險管理系統效率的審閱，確保其能夠符合及應對靈活及不時轉變之經營環境。

風險管理框架包括識別本集團營運環境中的重大風險及評估該等風險對本集團業務的影響；制訂必要的措施以管理該等風險；及監控及檢討該等措施的有效性。本集團風險管理框架的執行獲本集團內部審核職能的協助，從而本集團可確保管理層即時識別與本集團營運有關的新萌發的風險，評估行動計劃的充足性以管理該等風險以及監控及評估該等行動計劃的有效性。該等計劃乃持續的過程，且審核委員會定期檢討本集團的風險管理系統。

審核委員會向董事會匯報本集團執行風險管理及內部監控政策的情況，當中(其中包括)包括釐定風險因素，評估本集團可承受的風險水平及風險管理措施的有效性。基於來自內部審核職能及審核委員會的報告，董事會相信，現有內部監控系統及風險管理系統乃充分有效。

股東要求及召開股東特別大會(包括於股東特別大會上提呈決議案)程序

- 任何兩位或以上於遞呈要求日期持有不少於本公司繳足股本(賦有於本公司股東大會上投票權)十分之一的股東(「**合資格股東**」)於任何時候有權透過經相關合資格股東簽署之書面要求(「**書面要求**」)要求董事會召開股東特別大會，並提呈所要求之任何決議案於股東特別大會上表決。

- Eligible Shareholders who wish to requisition the Board to convene an extraordinary general meeting for the purpose of proposing a resolution at the extraordinary general meeting must deposit the Requisition at the principal place of business of the Company in Hong Kong at Room 1001-1009, 10/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.
- The Requisition must state clearly the names of the Eligible Shareholders concerned, specify the objects of the meeting, and be signed by the Eligible Shareholders concerned. The Eligible Shareholders must prove their shareholdings in the Company to the satisfaction of the Company.
- The Company will check the Requisition and verify the identities and the shareholdings of the Eligible Shareholders with the Company's branch share registrar. If the Requisition is found to be proper and in order and in compliance with the memorandum and articles of association of the Company, the Board will within 21 days of the date of deposit of the Requisition, duly proceed to convene an extraordinary general meeting to be held within a further 21 days, for the purpose of putting any resolution(s) proposed by the Eligible Shareholders to vote at such extraordinary general meeting. However, if the Requisition has been verified as not in order and not in compliance with the memorandum and articles of association of the Company, the Eligible Shareholders concerned will be advised of this outcome and accordingly, the Board will not convene an extraordinary general meeting and will not put any resolution(s) proposed by the Eligible Shareholders to vote at any such extraordinary general meeting or any other general meeting of the Company.
- If within 21 days of the date of deposit of the Requisition, the Board has not advised the Eligible Shareholders that the Requisition is not in order and not in compliance with the memorandum and articles of association of the Company, and the Board has failed to proceed to convene an extraordinary general meeting, the Eligible Shareholders themselves (or any one or more of the Eligible Shareholders who holds more than one-half of the total voting rights of all the Eligible Shareholders who signed the Requisition) may proceed to convene the extraordinary general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Board in accordance with the memorandum and articles of association of the Company, provided that the extraordinary general meeting so convened must be held before the expiration of three months from the date of deposit of the Requisition. All reasonable expenses incurred by the Eligible Shareholders concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholders concerned by the Company.
- 有意向董事會提出書面要求召開股東特別大會藉以於股東特別大會上提呈決議案的合資格股東必須將書面要求交回本公司於香港的主要營業地點，地址為香港灣仔港灣道30號新鴻基中心10樓1001-1009室。
- 書面要求必須載明相關合資格股東的姓名，闡明大會的目的，並由相關合資格股東簽署。合資格股東必須證明彼等於本公司的股權，令本公司信納。
- 本公司將核查書面要求，而合資格股東的身份及股權將由本公司股份過戶登記分處核實。倘書面要求被證實適當及合理，並符合本公司組織章程大綱及細則，董事會將於遞呈日期起21日內，安排於下一個21日內召開股東特別大會，以於該股東特別大會上提呈合資格股東建議的任何決議案進行投票表決。然而，倘書面要求被證實為不合理，且不符合本公司的組織章程大綱及細則，相關合資格股東將獲告知此結果，而董事會據此將不會召開股東特別大會，且將不會於有關股東特別大會或本公司任何其他股東大會上提呈合資格股東建議的任何決議案進行投票表決。
- 倘於書面要求日期起21日內，董事會並無告知合資格股東書面要求不合理及不符合本公司組織章程大綱及細則，且董事會未有召開股東特別大會，合資格股東本人（或任何一位或以上持有簽署書面要求的全部合資格股東的總投票權一半以上的合資格股東）可按盡可能接近董事會根據本公司組織章程大綱及細則召開股東大會的方式，召開股東特別大會，惟所召開的股東特別大會必須於書面要求日期起三個月屆滿前舉行。相關合資格股東因董事會未有召開大會而合理產生的所有開支，將由本公司向相關合資格股東作出償付。

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of maintaining a clear, timely and effective communication with the shareholders of the Company and investors. The Board also recognises that effective communication with its investors is critical in establishing investors' confidence and attracting new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure the investors and the shareholders of the Company will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the Company's website at www.fortunetecomm.com. Further, shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong. The Board maintains regular dialogues with institutional investors and analysts from time to time to keep them informed of the Group's strategy, operations, management and plans. The Directors and members of various board committees will attend the annual general meeting of the Company and answer any questions raised. The resolution of every important proposal will be proposed at general meetings separately.

The chairman of general meetings of the Company would explain the procedures for conducting a poll before proposing a resolution for voting. The poll results will be announced at general meetings and published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications.

During the year under review, there was no change to the constitutional documents of the Company. Shareholders, investors and the media can make enquiries to the Company through the following means:

Telephone number: (852) 2776 8500
By post: Room 1001-1009,
10/F, Sun Hung Kai Centre,
30 Harbour Road,
Wanchai, Hong Kong
Attention: Mr. Chan Chi Keung, Billy
By email: ir@fortunet.com.hk

與股東的聯繫

董事會深明與本公司股東及投資者保持明確、及時和有效的聯繫之重要性。董事會亦深知與投資者之有效溝通，乃建立投資者信心及吸引新投資者之關鍵。因此，本集團致力於保持高透明度，以確保本公司投資者及股東通過刊發之年報、中期報告、公佈及通函，得到準確、清晰、完整而及時的本集團資料。本公司亦在公司網站 www.fortunetecomm.com 刊登全部企業通訊。另外，本公司股東可向董事會發出其查詢及關注事項，並註明送至本公司的香港主要營業地點。董事會與機構投資者及分析員不時保持溝通，讓彼等得悉本集團的策略、營運、管理及計劃。董事及各董事委員會成員均將出席本公司股東週年大會及解答問題。股東大會上，各項重要議案須以獨立決議案方式提呈。

本公司股東大會主席會於以投票方式表決一項決議案之前解釋進行投票的程式。投票的結果將於大會上宣佈，並將分別在聯交所及本公司的網站上公佈。此外，本公司定期與機構投資者、財務分析師及財務媒體會晤，並即時發佈有關本公司任何重大進程之資料，從而透過雙向及高效之聯繫促進本公司之發展。

於回顧年度，本公司的章程文件並無變動。股東投資者及媒體可透過下列方式向本公司作出查詢：

電話：(852) 2776 8500
郵遞：香港灣仔港灣道30號
新鴻基中心10樓
1001-1009室
致：陳志強先生
電郵：ir@fortunet.com.hk



FINANCIAL
財務報告

Independent Auditor's Report

獨立核數師報告



**Independent auditor's report to the shareholders of
Fortunet e-Commerce Group Limited**
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Fortunet e-Commerce Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 63 to 173, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致鑫網易商集團有限公司
(於開曼群島註冊成立之有限公司)
股東的獨立核數師報告

意見

本核數師(以下簡稱「我們」)已審核列載於第63至第173頁的鑫網易商集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告核數師就審計綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「守則」)以及開曼群島任何與我們對綜合財務報表的審計有關的道德要求，我們獨立於貴集團，並已履行該等規定及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

KEY AUDIT MATTERS

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

Loss allowance for trade and other receivables

Refer to Note 17 to the consolidated financial statements and the accounting policies in Note 2(k)(i).

The Key Audit Matter

At 31 December 2018, the Group's gross trade and other receivables totalled RMB137,700,000. Loss allowance of RMB70,635,000 was recorded.

Management measured loss allowance at an amount equal to expected credit losses ("ECLs"). ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

We identified loss allowance for trade and other receivables as a key audit matter because trade and other receivables and loss allowance are material to the Group and the recognition of ECLs is inherently subjective and requires the exercise of significant management judgement.

How the matter was addressed in our audit

Our audit procedures to assess the loss allowance for trade and other receivables included the following:

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls over the credit control, the trade and other receivables collection process and making loss allowances for trade and other receivables;
- Obtaining an understanding on the key data and assumptions of the ECL model adopted by the management, including the historical default data, ageing of debtor balances, credit terms, recent settlement patterns and forecast of future economic conditions;

關鍵審計事項

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

貿易及其他應收款項的虧損撥備

請參閱綜合財務報表附註 17 以及附註 2(k)(i) 的會計政策。

關鍵審計事項

於二零一八年十二月三十一日，貴集團貿易及其他應收款項總額為人民幣 137,700,000 元，錄得虧損撥備人民幣 70,635,000 元。

管理層按等於預期信貸虧損（「預期信貸虧損」）的金額計量虧損撥備。預期信貸虧損為信貸虧損的可能性加權估計。信貸虧損按所有預期現金虧空（即根據合約應付貴集團現金流與貴集團預期收取的現金流之間的差額）的現值計量。

我們把貿易及其他應收款項虧損撥備列為關鍵審計事項，因為貿易及其他應收款項及虧損撥備對貴集團屬重大及確認預期信貸虧損本身具有主觀性及須行使重大管理判斷。

我們的審計如何處理該事項

我們就評估貿易及其他應收款項虧損撥備的審計程序包括以下程序：

- 了解及評估有關信貸、貿易及其他應收款項收回程序及就貿易及其他應收款項作出虧損撥備的主要內部監控的設計、實施及運營有效性；
- 了解管理層採納的預期信貸虧損模式的主要數據及假設，包括歷史違約數據、應收賬款的結餘的賬齡、信貸條款、近期結算模式及未來經濟狀況的預測；

KEY AUDIT MATTERS (CONTINUED)

- Assessing the reasonableness of management's estimates on loss allowance by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information;
- Assessing whether items were correctly categorised in the trade and other receivables ageing report by comparing a sample of individual items with the relevant underlying documentation;
- Assessing the assumptions and estimates made by management for the assessment of loss allowances for trade and other receivables by performing a retrospective review of the historical accuracy of these assumptions and estimates, including historical default data and estimated loss rates; and
- Assessing the disclosures in the consolidated financial statements in relation to the loss allowances for trade and other receivables with reference to the requirements of the prevailing accounting standards.

關鍵審計事項 (續)

- 透過檢查管理層形成有關判斷所使用的資料評估管理層對虧損撥備估計的合理性，包括測試歷史違約數據及評估歷史虧損率是否根據當前經濟狀況及前瞻性資料妥善調整；
- 比較單個項目樣本與相關文件，評估貿易及其他應收款項賬齡報告中的項目是否準確分類；
- 透過追溯審閱管理層就評估貿易及其他應收款項虧損撥備所作假設及估計的準確性評估該等假設及估計，包括歷史違約數據及估計虧損率；及
- 參考現行會計準則的規定，評估綜合財務報表中有關貿易及其他應收款項虧損撥備的披露。

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

綜合財務報表及其核數師報告以外的資料

董事須對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們以為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的批露規定編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

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

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

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, 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 judgement and maintain professional scepticism throughout the audit. We also:

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

核數師就審計綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

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

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

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

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

核數師就審計綜合財務報表須承擔的責任(續)

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

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部監控的任何重大缺陷。

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wan Chi Yau, Charles.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 March 2019

核數師就審計綜合財務報表須承擔的責任(續)

從與審計委員會溝通的事項中，我們確定對本期綜合財務報表的審計最為重要之事項，因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某一事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計專案合夥人是溫梓佑。

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈8樓

二零一九年三月十五日

Consolidated Statement of Profit or Loss

綜合損益表

for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi ("RMB")) (以人民幣(「人民幣」)列示)

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Note) (附註)
Revenue	收入	4	50,977	167,632
Cost of sales	銷售成本		(59,068)	(175,216)
Gross loss	毛損	4(b)	(8,091)	(7,584)
Other income	其他收益	5	2,851	2,673
Selling and distribution expenses	銷售及分銷開支		(113,071)	(48,317)
Administrative expenses	行政開支		(85,833)	(113,368)
Research and development costs	研發成本		(49,300)	(54,229)
Impairment losses	減值虧損	6	(26,504)	(68,329)
Loss from operations	經營虧損		(279,948)	(289,154)
Finance income/(costs)	融資收益/(成本)	7(a)	17,137	(4,812)
Loss arising from changes in fair value on held-for-trading investments	持作交易用途之投資公平值 變動產生的虧損	18	(1,085)	-
Gain on disposal of subsidiaries	出售附屬公司收益		-	141,495
Loss before taxation	除稅前虧損	7	(263,896)	(152,471)
Income tax	所得稅	8	-	(47,210)
Loss for the year	年內虧損		(263,896)	(199,681)
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司權益股東		(69,167)	(66,413)
Non-controlling interests	非控股權益		(194,729)	(133,268)
Loss for the year	年內虧損		(263,896)	(199,681)
Loss per share	每股虧損			
Basic (RMB)	基本(人民幣)	11(a)	(0.038)	(0.037)
Diluted (RMB)	攤薄(人民幣)	11(b)	(0.043)	(0.047)

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2(c).

附註：本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選的過渡方法，並無重列可比較資料。見附註2(c)。

The notes on pages 72 to 173 form part of these financial statements.

第72頁至173頁附註為本財務報表之一部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in RMB) (以人民幣列示)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Note) (附註)
Loss for the year	年內虧損	(263,896)	(199,681)
Other comprehensive income for the year (after tax):	年內其他全面收益(除稅後):		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目:		
– Exchange differences on translation of financial statements into presentation currency	– 換算財務報表至呈列貨幣的匯兌差額	3,511	–
Total comprehensive income for the year	年內全面收益總額	(260,385)	(199,681)
Attributable to:	以下人士應佔:		
Equity shareholders of the Company	本公司權益股東	(65,656)	(66,413)
Non-controlling interests	非控股權益	(194,729)	(133,268)
Total comprehensive income for the year	年內全面收益總額	(260,385)	(199,681)

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2(c).

附註：本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選的過渡方法，並無重列可比較資料。見附註2(c)。

The notes on pages 72 to 173 form part of these financial statements.

第72頁至173頁附註為本財務報表之一部分。

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
(Expressed in RMB) (以人民幣列示)

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Note) (附註)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	9,396	8,805
Intangible assets	無形資產	13	-	-
Goodwill	商譽	14	-	-
			9,396	8,805
Current assets	流動資產			
Inventories	存貨	16	482	94
Trade and other receivables	貿易及其他應收款項	17	67,065	49,646
Held-for-trading investments	持作交易用途之投資	18	3,062	-
Pledged bank deposits	已抵押銀行存款		-	30
Cash and cash equivalents	現金及現金等值項目	19	97,420	392,994
			168,029	442,764
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	20	43,478	34,096
Convertible bonds	可換股債券	21	44,435	-
			87,913	34,096
Net current assets	流動資產淨值		80,116	408,668
Total assets less current liabilities	總資產減流動負債		89,512	417,473
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	21	-	85,075
NET ASSETS	資產淨值		89,512	332,398

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2(c).

附註：本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選的過渡方法，並無重列可比資料。見附註2(c)。

The notes on pages 72 to 173 form part of these financial statements.

第72頁至173頁附註為本財務報表之一部分。

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
(Expressed in RMB) (以人民幣列示)

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Note) (附註)
CAPITAL AND RESERVES	資本及儲備	24		
Share capital	股本		117,812	117,978
Reserves	儲備		228,171	276,162
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額		345,983	394,140
Non-controlling interests	非控股權益		(256,471)	(61,742)
TOTAL EQUITY	權益總額		89,512	332,398

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2(c).

附註：本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選的過渡方法，並無重列可比較資料。見附註2(c)。

Approved and authorised for issue by the board of directors on 15 March 2019.

於二零一九年三月十五日獲董事會批准及授權刊發。

Cheng Jerome
Cheng Jerome
Director (Chairman)
董事(主席)

Yuan Weitao
袁偉濤
Director
董事

The notes on pages 72 to 173 form part of these financial statements.

第72頁至173頁附註為本財務報表之一部分。

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
(Expressed in RMB) (以人民幣列示)

Attributable to equity shareholders of the Company

本公司權益股東應佔

		Share capital	Share premium	Capital reserve	Surplus reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	盈餘儲備	其他儲備	累計虧損	合計	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 24(c))	(Note 24(e)(i))	(Note 24(e)(ii))	(Note 24(e)(iv))	(Note 24(e)(iv))	(Note 24(e)(iv))	(Note 24(e)(iv))	(Note 24(e)(iv))	(Note 24(e)(iv))
		(附註24(c))	(附註24(e)(i))	(附註24(e)(ii))	(附註24(e)(iv))	(附註24(e)(iv))	(附註24(e)(iv))	(附註24(e)(iv))	(附註24(e)(iv))	(附註24(e)(iv))
Balance at 1 January 2017	於二零一七年一月一日之結餘	108,209	1,021,270	238,055	149,020	(4,810)	(1,336,737)	175,007	(88,394)	86,613
Changes in equity for 2017:	二零一七年之權益變動:									
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	-	-	-	(66,413)	(66,413)	(133,268)	(199,681)
Effect on equity arising from capital injections from non-controlling equity shareholders into subsidiaries	非控股權益股東向附屬公司注資對股權的影響	-	-	-	-	-	-	-	159,920	159,920
Issuance of shares	發行股份	10,404	252,482	-	-	-	-	262,886	-	262,886
Purchase of own shares	購入自身股份									
- par value paid	- 已付面值	(635)	-	-	-	-	-	(635)	-	(635)
- premium paid	- 已付溢價	-	(8,205)	-	-	-	-	(8,205)	-	(8,205)
Effect on equity arising from disposal of subsidiaries	出售附屬公司對股權的影響	-	-	(226,982)	(149,020)	7,703	368,299	-	-	-
Equity-settled share-based transaction (Note 22)	權益結算以股份為基礎之交易 (附註22)	-	-	31,500	-	-	-	31,500	-	31,500
		9,769	244,277	(195,482)	(149,020)	7,703	368,299	285,546	159,920	445,466
Balance at 31 December 2017 (Note)	於二零一七年十二月三十一日之結餘 (附註)	117,978	1,265,547	42,573	-	2,893	(1,034,851)	394,140	(61,742)	332,398

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2(c).

附註：本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選的過渡方法，並無重列可比資料。見附註2(c)。

The notes on pages 72 to 173 form part of these financial statements.

第72頁至173頁附註為本財務報表之一部分。

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
(Expressed in RMB) (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔						Non-	Total	
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Exchange reserve 匯兌儲備	Other reserve 其他儲備	Accumulated losses 累計虧損	Total 合計	controlling interests 非控股權益	equity 總權益
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(Note 24(c)) (附註24(c))	(Note 24(e)(i)) (附註24(e)(i))	(Note 24(e)(ii)) (附註24(e)(ii))	(Note 24(e)(iii)) (附註24(e)(iii))	(Note 24(e)(iv)) (附註24(e)(iv))	(Note 24(e)(iv)) (附註24(e)(iv))	(Note 24(e)(iv)) (附註24(e)(iv))	(Note 24(e)(iv)) (附註24(e)(iv))	(Note 24(e)(iv)) (附註24(e)(iv))
Balance at 1 January 2018	於二零一八年一月一日之結餘	117,978	1,265,547	42,573	-	2,893	(1,034,851)	394,140	(61,742)	332,398
Changes in equity for 2018:	二零一八年之權益變動：									
Loss for the year	本年度虧損	-	-	-	-	-	(69,167)	(69,167)	(194,729)	(263,896)
Other comprehensive income	其他全面收益	-	-	-	3,511	-	-	3,511	-	3,511
Total comprehensive income	全面收益總額	-	-	-	3,511	-	(69,167)	(65,656)	(194,729)	(260,385)
Issuance of warrants (Note 24(c))	發行認股權證(附註24(c))	-	-	1,290	-	-	-	1,290	-	1,290
Purchase of own shares (Note 24(c)(ii))	購入自身股份(附註24(c)(ii))									
- par value paid	- 已付面值	(166)	-	-	-	-	-	(166)	-	(166)
- premium paid	- 已付溢價	-	(1,758)	-	-	-	-	(1,758)	-	(1,758)
Equity-settled share-based transaction (Note 22)	權益結算以股份為基礎之交易(附註22)	-	-	18,133	-	-	-	18,133	-	18,133
		(166)	(1,758)	19,423	-	-	-	17,499	-	17,499
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	117,812	1,263,789	61,996	3,511	2,893	(1,104,018)	345,983	(256,471)	89,512

The notes on pages 72 to 173 form part of these financial statements.

第72頁至173頁附註為本財務報表之一部分。

Consolidated Cash Flow Statement

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
(Expressed in RMB) (以人民幣列示)

		Note	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Note) (附註)
		附註		
Operating activities	經營活動			
Loss before taxation	除稅前虧損		(263,896)	(152,471)
Adjustments for:	就以下各項作出調整：			
Depreciation and amortisation	折舊及攤銷	7(c)	3,445	16,987
Impairment losses	減值虧損	6	26,504	68,329
Write-down of inventories	存貨撇減	16(b)	-	8,989
Finance (income)/costs	融資(收入)/成本	7(a)	(17,137)	4,812
Loss arising from changes in fair value on held-for-trading investments	持作交易用途投資公平值 變動產生的虧損	18	1,085	-
Interest income	利息收入	5	(2,714)	(4,011)
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備 虧損淨額	5	9	2,563
Gain on disposal of subsidiaries	出售附屬公司收益		-	(141,495)
Equity-settled share-based payment expenses	權益結算以股份為 基礎的付款開支	7(b)	18,133	31,500
Changes in working capital:	營運資金變動：			
Increase in inventories	存貨增加		(388)	(951)
Increase in trade and other receivables	貿易及其他應收款項增加		(20,254)	(7,773)
Increase in trade and other payables	貿易及其他應付款項增加		9,382	22,806
Cash used in operations	經營所用現金		(245,831)	(150,715)
Income tax paid	已付所得稅		-	-
Net cash used in operating activities	經營活動所用現金淨額		(245,831)	(150,715)

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2(c).

附註：本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選的過渡方法，並無重列可比資料。見附註2(c)。

The notes on pages 72 to 173 form part of these financial statements.

第72頁至173頁附註為本財務報表之一部分。

Consolidated Cash Flow Statement 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
(Expressed in RMB) (以人民幣列示)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Note) (附註)
Investing activities	投資活動		
Payments for purchase of property, plant and equipment	購置物業、廠房及設備的付款	(4,049)	(9,067)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	4	1,426
Proceeds from disposal of subsidiaries, net of cash disposal of	出售附屬公司的所得款項，扣除出售的現金	–	(401)
Payments for held-for-trading investments	持作交易用途投資之付款	(4,147)	–
Loans to third parties	貸款予第三方	(17,554)	(49,605)
Collection of loan from a third party	自第三方收取貸款還款	–	15,224
Decrease in pledged bank deposits	已抵押銀行存款減少	30	–
Interest received	已收取利息	58	4,011
Net cash used in investing activities	投資活動所用現金淨額	(25,658)	(38,412)

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2(c).

附註：本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選的過渡方法，並無重列可比資料。見附註2(c)。

The notes on pages 72 to 173 form part of these financial statements.

第72頁至173頁附註為本財務報表之一部分。

Consolidated Cash Flow Statement 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
(Expressed in RMB) (以人民幣列示)

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Note) (附註)
	Note 附註			
Financing activities		融資活動		
Proceeds of new bank and other loans		新增銀行及其他貸款之所得款項	-	60,429
Repayment of bank and other loans		償還銀行及其他貸款	-	(54,505)
Proceeds from the issuance of shares, net of transaction costs		發行股份所得款項，扣除交易成本	-	506,670
Capital injections from non-controlling equity shareholders		非控股權益股東注資	-	159,920
Purchase of own shares		購入自身股份	(1,924)	(8,840)
Proceeds from the issuance of warrants, net of transaction costs		發行認股權證所得款項（扣除交易成本）	1,290	-
Payments for the redemptions of convertible bonds		贖回可換股債券付款	(21,994)	-
Repayment of secured notes		償還有抵押票據	-	(137,747)
Finance costs paid		已付融資成本	(7,480)	(13,866)
Net cash (used in)/generated from financing activities		融資活動(所用)/產生現金淨額	(30,108)	512,061
Net (decrease)/increase in cash and cash equivalents		現金及現金等值項目(減少)/增加淨額	(301,597)	322,934
Cash and cash equivalents at 1 January		於一月一日之現金及現金等值項目	392,994	90,002
Effect of foreign exchange rate changes		匯率變動之影響	6,023	(19,942)
Cash and cash equivalents at 31 December		於十二月三十一日之現金及現金等值項目	97,420	392,994

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2(c).

附註：本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選的過渡方法，並無重列可比較資料。見附註2(c)。

The notes on pages 72 to 173 form part of these financial statements.

第72頁至173頁附註為本財務報表之一部分。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

1 CORPORATE INFORMATION

Fortunet e-Commerce Group Limited (the “Company”) was incorporated in the Cayman Islands on 21 May 2008 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 24 September 2010. The consolidated financial statements of the Company for the year ended 31 December 2018 comprise the Company and its subsidiaries (collectively referred to as the “Group”).

Upon the cessation of the e-commerce business during the current year, the principal activities of the Group are the development and operation of an electronic trading platform to facilitate awards earned by customers of loyalty programmes of other companies to be exchanged globally in the form of virtual assets and credits for consumption of merchandises, games, services and other commercial transactions.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

1 公司資料

鑫網易商集團有限公司(「本公司」)根據開曼群島法例第二十二章公司法(一九六一年法例三(經綜合及修訂))於二零零八年五月二十一日在開曼群島註冊成立為獲豁免有限公司。本公司股份於二零一零年九月二十四日在香港聯合交易所有限公司(「聯交所」)上市。本公司截至二零一八年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)。

於本年度終止電子商貿業務後，本集團主要活動為開發及經營電子交易平台以協助客戶自其他公司的忠誠度計劃所獲獎賞能以虛擬資產及授信方式於全球兌換並於商品、遊戲、服務及其他商業交易中使用。

2 重大會計政策

(a) 合規聲明

該等財務報表已根據所有適用香港財務報告準則(「香港財務報告準則」)編製，其條款包括香港會計師公會(「香港會計師公會」)頒佈的所有適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋，香港公認會計原則和香港公司條例的適用披露規定。該等財務報表亦符合聯交所證券上市規則(「上市規則」)的適用披露條文。本集團採用的重大會計政策於下文披露。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Statement of compliance (continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2018 comprise the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for held-for-trading investments (see Note 2(f)) and derivative financial instruments (see Note 2(g)) which are stated at their fair values.

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

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

2 重大會計政策 (續)

(a) 合規聲明 (續)

香港會計師公會已頒佈多項首次生效或可供本集團於本會計期間提前採納的新訂及經修訂香港財務報告準則。附註2(c)提供初次應用該等發展造成的會計政策任何變動的資料，惟以該等財務報表所反映的彼等與本集團當前及過往會計期間相關者為限。

(b) 財務報表編製基準

於截至二零一八年十二月三十一日止年度的綜合財務報表包括本集團。

編製財務報表以歷史成本為計量基準，惟持作交易用途之投資(見附註2(f))及衍生金融工具(見附註2(g))乃按其公平值列賬。

編製符合香港財務報告準則的財務報表時，管理層須作出判斷、估計及假設，有關判斷、估計及假設會影響政策的應用及資產、負債、收入及開支的呈報金額。該等估計及相關假設乃基於過往經驗及其他被認為合理的因素，從該基準判斷得出的資產及負債的賬面值價值可能與其他來源得出的賬面值並不一致。實際結果可能與該等估計不同。

該等估計及相關假設按持續基準審閱。會計估計的修訂如只影響該修訂期，則於該修訂期內確認；修訂如影響本期間及未來期間，則於修訂期間及未來期間確認。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements (continued)

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

For the year ended 31 December 2018, the Group had incurred net loss of RMB263,896,000 and net cash used in operating activities of RMB245,831,000. Notwithstanding of the above, based on a cash flow forecast of the Group for the twelve months ending 31 December 2019 prepared by the management, the directors of the Company are of the opinion that the Group would have adequate funds to meet its liabilities as and when they fall due at least twelve months from the end of the reporting period. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

(c) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- (i) HKFRS 9, *Financial instruments*
- (ii) HKFRS 15, *Revenue from contracts with customers*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, except for the amendments to HKFRS 9, *Prepayment features with negative compensation*, which have been adopted at the same time as HKFRS 9.

2 重大會計政策(續)

(b) 財務報表的編製基準(續)

管理層應用香港財務報告準則時所作出對財務報表有重大影響之判斷及估計不明朗因素之主要來源於附註3討論。

截至二零一八年十二月三十一日止年度，本集團產生虧損淨額人民幣263,896,000元及經營活動所用現金淨額人民幣245,831,000元。儘管上述，根據管理層編製的本集團截至二零一九年十二月三十一日止十二個月的現金流量預測，本公司董事認為本集團將有充足資金於報告期末起計至少十二個月履行其到期負債。因此，本公司董事認為按持續經營基準編製綜合財務報表乃屬適合。

(c) 會計政策的變動

香港會計師公會已頒佈多項新訂香港財務報告準則及香港財務報告準則的修訂，該等新訂準則及修訂在本集團當前的會計期間首次生效。其中，以下準則發展與本集團的財務報表有關：

- (i) 香港財務報告準則第9號，*金融工具*
- (ii) 香港財務報告準則第15號，*客戶合約收入*

本集團並無應用任何在當前會計期間尚未生效的新訂準則或詮釋，惟除香港財務報告準則第9號的修訂本，*預付賬款特性及負補償*外，其與香港財務報告準則第9號同時採用。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(i) **HKFRS 9, *Financial instruments*, including the amendments to HKFRS 9, *Prepayment features with negative compensation***

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The adoption of HKFRS 9 does not have a significant impact on the opening balance of equity at 1 January 2018. Comparative information continues to be reported under HKAS 39.

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

2 重大會計政策(續)

(c) 會計政策的變動(續)

(i) 香港財務報告準則第9號，*金融工具*，包括香港財務報告準則第9號的修訂本，*預付賬款特性及負補償*

香港財務報告準則第9號取代香港會計準則第39號，*金融工具：確認及計量*。此準則載列確認及計量金融資產、金融負債及若干有關買賣非金融項目的合同的要求。

本集團根據過渡要求追溯應用香港財務報告準則第9號至於二零一八年一月一日存在的項目。採納香港財務報告準則第9號並無對二零一八年一月一日權益期初結餘造成重大影響。可比較資料根據香港會計準則第39號繼續呈報。

有關過往會計政策變動的性質及影響以及過渡方法的進一步詳情載列如下：

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(i) HKFRS 9, *Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation* (continued)

a. Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“FVOCI”) and at fair value through profit or loss (“FVPL”). These supersede HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The measurement categories and carrying amounts for each class of the Group’s financial assets under HKFRS 9 are the same as those under HKAS 39 at 1 January 2018.

For an explanation of how the Group classifies and measures financial assets and recognises related gains and losses under HKFRS 9, see respective accounting policy notes in Notes 2(f), 2(g), 2(k)(i), 2(m), 2(n) and 2(r).

2 重大會計政策(續)

(c) 會計政策的變動(續)

(i) 香港財務報告準則第9號，*金融工具，包括香港財務報告準則第9號的修訂本，預付賬款特性及負補償*(續)

a. 金融資產和金融負債的分類

香港財務報告準則第9號將金融資產分為三個主要類別：按攤銷成本計量，按公平值計入其他全面收益(「按公平值計入其他全面收益」)及按公平值計入損益(「按公平值計入損益」)。這取代了香港會計準則第39號的類別，即持有至到期投資、貸款及應收款項、可供出售金融資產和按公平值計入損益的金融資產。香港財務報告準則第9號之金融資產分類乃根據管理金融資產的業務模式及其合約現金流量特徵釐定。根據香港財務報告準則第9號，嵌入於主合約的金融衍生工具而其主合約屬於該準則範圍內的金融資產並不會與主合約分離。相反，該混合衍生工具會作為一整體分類評估。

本集團於香港財務報告準則第9號項下各類別的金融資產的計量類別及賬面值與於二零一八年一月一日根據香港會計準則第39號作出者相同。

有關本集團根據香港財務報告準則第9號如何分類及計量金融資產及確認相關收益及虧損，請參閱附註2(f)、2(g)、2(k)(i)、2(m)、2(n)及2(r)各自所載會計政策。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(i) HKFRS 9, *Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation* (continued)

a. Classification of financial assets and financial liabilities (continued)

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

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 January 2018.

b. Credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit loss” (“ECL”) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost (including cash and cash equivalents, and trade and other receivables).

For further details on the Group’s accounting policy for accounting for credit losses, see Note 2(k)(i).

2 重大會計政策(續)

(c) 會計政策的變動(續)

(i) 香港財務報告準則第9號，*金融工具，包括香港財務報告準則第9號的修訂本，預付賬款特性及負補償*(續)

a. 金融資產和金融負債的分類(續)

所有金融資產及金融負債的計量類別維持相同。首次應用香港財務報告準則第9號並無影響於二零一八年一月一日所有金融負債的賬面值。

於二零一八年一月一日，本集團並無指定或取消指定任何按公平值計入損益的金融資產或金融負債。

b. 信貸虧損

香港財務報告準則第9號以「預期信貸虧損」(「預期信貸虧損」)模式取代香港會計準則第39號的「已產生虧損」模式。預期信貸虧損模式要求持續計量與金融資產有關的信貸風險，因此會較香港會計準則第39號的「已產生虧損」會計模式更早確認預期信貸虧損。

本集團應用新的預期信貸虧損模式於按攤銷成本計量的金融資產(包括現金及現金等值項目、以及貿易及其他應收款項)。

有關本集團有關信貸虧損會計法的會計政策之進一步詳情，請參閱附註2(k)(i)。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(i) HKFRS 9, *Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation* (continued)

b. Credit losses (continued)

The adoption of HKFRS 9 does not have a significant impact on the opening balance of equity at 1 January 2018 as compared with that recognised under HKAS 39, and accordingly, no additional ECLs has been recognised by the Group at 1 January 2018.

c. Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained earnings as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.
- The assessment of the determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of HKFRS 9 by the Group).

2 重大會計政策(續)

(c) 會計政策的變動(續)

(i) 香港財務報告準則第9號，*金融工具，包括香港財務報告準則第9號的修訂本，預付賬款特性及負補償*(續)

b. 信貸虧損(續)

相比香港會計準則第39號項下確認的結餘，採納香港財務報告準則第9號並無對二零一八年一月一日權益之期初結餘造成重大影響，因此，本集團於二零一八年一月一日並無確認額外預期信貸虧損。

c. 過渡

因採納香港財務報告準則第9號而引致的會計政策變動已追溯應用，惟下文所述者除外：

- 有關比較期間的資料並無重列。於二零一八年一月一日，因採納香港財務報告準則第9號而引致的金融資產賬面值差額，於保留盈利確認。因此，已呈列的二零一七年資料繼續根據香港會計準則第39號報告，未必可與本期間的資料比較。
- 就釐定所持金融資產的業務模式評估按於二零一八年一月一日(即本集團首次應用香港財務報告準則第9號的日期)已存在的事實及情況為基準而作出。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(i) HKFRS 9, *Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation* (continued)

c. Transition (continued)

- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

(ii) HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Group has elected to use the cumulative effect transition method and there is no impact to the opening balance of equity at 1 January 2018 on the initial application of HKFRS 15. Comparative information has not been restated and continues to be reported under HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

2 重大會計政策(續)

(c) 會計政策的變動(續)

(i) 香港財務報告準則第9號，*金融工具*，包括香港財務報告準則第9號的修訂本，*預付賬款特性及負補償*(續)

c. 過渡(續)

- 於首次應用日期，倘評估自初始確認後判斷信貸風險是否顯著增加會涉及不必要的成本或工作，則確認該金融工具整個存續期的預期信貸虧損。

(ii) 香港財務報告準則第15號，*客戶合約收入*

香港財務報告準則第15號建立一個確認客戶合約收入及部分成本之綜合框架。香港財務報告準則第15號取代香港會計準則第18號，*收入*，當中涵蓋自銷售貨品及提供服務產生之收入，以及香港會計準則第11號，*建築合同*，當中指明建築合同之會計處理。

香港財務報告準則第15號亦引入額外的定性及定量披露要求，旨在幫助財務報表使用者了解客戶合約收益及現金流量的性質、金額、時間及不確定性。

本集團已選擇使用累計影響過渡法且於初次應用香港財務報告準則第15號時對二零一八年一月一日並無影響。對比資料未經重列並繼續根據香港會計準則第18號予以呈報。在香港財務報告準則第15號許可範圍內，本集團僅對於二零一八年一月一日之前尚未完成的合約採用新規定。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(ii) HKFRS 15, Revenue from contracts with customers (continued)

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

a. Timing of revenue recognition

Previously, revenue arising from provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

- A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- B. 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;

2 重大會計政策(續)

(c) 會計政策的變動(續)

(ii) 香港財務報告準則第15號，客戶合約收入(續)

有關過往會計政策變動的性質及影響的詳情載列如下：

a. 確認收入的時間

先前，提供服務產生的收入於一段時間內確認，而貨品一般於風險及所有權回報已轉移至客戶時確認。

根據香港財務報告準則第15號，收入於客戶取得合約中已約定貨物或服務的控制權時確認。香港財務報告準則第15號確認三項情況，其中已約定貨物或服務的控制權被視為時間上轉移：

- A. 當客戶同時接收及耗用由實體的表現(由實體進行)所提供的利益時；
- B. 當實體的表現創造或增加一項資產(例如在建工程)時，客戶的控制權作為所創造或增加的資產；

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(ii) HKFRS 15, Revenue from contracts with customers (continued)

a. Timing of revenue recognition (continued)

- C. 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 good or service 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 is considered in determining when the transfer of control occurs.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from sales of goods and rendering of services (see Notes 2(v)(i) and 2(v)(ii)).

2 重大會計政策(續)

(c) 會計政策的變動(續)

(ii) 香港財務報告準則第15號，客戶合約收入(續)

a. 確認收入的時間(續)

- C. 當實體的表現並無創造對實體而言可替代使用的一項資產，及該實體對於迄今完成的表現具有可強制執行的付款權。

倘合約條款及實體活動並不屬於該三項情況中任何一項，則根據香港財務報告準則第15號，實體於單一時點(即控制權轉移時)銷售該貨物或服務時確認收入。擁有權風險及回報的轉移僅於確定何時發生控制權轉移時將予考慮的指標之一。

採納香港財務報告準則第15號並無對本集團確認銷售貨品及提供服務的收入產生重大影響(見附註2(v)(i)及2(v)(ii))。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(ii) HKFRS 15, Revenue from contracts with customers (continued)

- b. Presentation of contract assets and liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue (see Note 2(v)) before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The adoption of HKFRS 15 does not have a significant impact on the presentation of assets and liabilities at 1 January 2018, and accordingly, no adjustment has been made in this regard.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

2 重大會計政策(續)

(c) 會計政策的變動(續)

(ii) 香港財務報告準則第15號，客戶合約收入(續)

- b. 合約資產及負債的列報

根據香港財務報告準則第15號，應收款項僅於本集團擁有無條件權利收取代價時確認。倘本集團在擁有無條件向客戶收取合約內承諾商品及服務代價的權利前確認相關收入，則收取代價的權利歸類入合約資產。類似地，倘在本集團確認相關收入前，客戶已支付代價，或者根據合約要求應當支付代價且該代價的支付已經到期，則應確認合約負債，而非應付賬款。對於與客戶簽訂一份單一合約，應以合約資產淨額或合約負債淨額列報。對於與客戶簽訂的多份合約，不相關合約的合約資產與合約負債不能以淨額列報。

採納香港財務報告準則第15號對二零一八年一月一日的資產及負債的列報並無重大影響，因此，並無就此作出調整。

(d) 附屬公司及非控股權益

附屬公司指受本集團控制的實體。當本集團從參與某實體之業務獲得或有權獲得可變回報，及有能力對實體行使其權力而影響其回報，則本集團控制該實體。評估本集團是否有權力時，只考慮具體權利(由本集團及其他人士持有)。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity interests in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those equity interests which would result in the Group as a whole having a contractual obligation in respect of those equity interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's equity interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative equity interests, but no adjustments are made to goodwill and no gain or loss is recognised.

2 重大會計政策(續)

(d) 附屬公司及非控股權益(續)

於附屬公司的投資由控制開始當日至控制終止當日綜合計入綜合財務報表。集團內公司間的交易結餘及交易，與任何因集團內公司間交易而產生的現金流量和未變現溢利均在編製綜合財務報表時全數對銷。集團內公司間交易所產生的未變現虧損以處理未變現收益的同樣方式對銷，惟僅會在無減值跡象的情況下進行。

非控股權益指附屬公司不直接或間接歸屬於本公司的股本權益，而本集團與該等股本權益的持有人並無就此協定任何附加條款使本集團整體就有關股本權益而負有符合金融負債定義的合約性義務。本集團可在逐次企業合併基礎上選擇按其公平值或非控股權益享有附屬公司可識別淨資產的份額計量任何非控股權益。

在綜合財務狀況表內，非控股權益在權益內與歸屬於本公司權益股東的權益分開列報。於本集團業績的非控股權益，在綜合損益及其他全面收益表內分別按年度損益總額及全面收益總額分配予非控股權益與本公司權益股東的形式列報。

本集團將附屬公司中不導致喪失控制權的權益變動作為權益交易核算，據此，本集團會在綜合權益中調整控制性權益和非控股權益的金額以反映其相對權益的變動，但不會調整商譽，也不會確認任何損益。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire equity interests in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any equity interests retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)), unless the investment is classified as held-for-sale.

(e) Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interests in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses (see Note 2(k)(ii)). Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(k)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2 重大會計政策(續)

(d) 附屬公司及非控股權益(續)

當本集團喪失對附屬公司的控制權時，會當作出售於該附屬公司的全部股本權益核算，有關損益在損益內確認。在喪失控制權之日在前附屬公司中保留的任何股本權益按公平值確認(見附註2(f))，該金額會視為金融資產初始確認的公平值或(如適用)於聯營公司或合營企業的投資初始確認的成本。

在本公司的財務狀況表內，除非於附屬公司的投資分類為持作出售，否則以成本減去減值虧損(見附註2(k)(ii))列值。

(e) 商譽

商譽指：

- (i) 所轉讓代價的公平值、在被收購方的任何非控股權益金額以及本集團之前在被收購方中持有的股本權益的公平值的總額，超過
- (ii) 於收購日計量被收購方的可識別資產和負債的淨公平值的金額。

倘(ii)大於(i)，則該超出的金額即時作為議價購買收益在損益內確認。

商譽按成本減累計減值虧損(見附註2(k)(ii))列賬。業務合併產生的商譽會分配予每一個預期能從業務合併協同效應獲益的現金產生單位或現金產生單位組，並每年進行減值測試(見附註2(k)(ii))。

於年內出售現金產生單位後，購買商譽的任何應佔金額計入計算出售之損益。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 25(e). These investments are subsequently accounted for as follows.

(A) Policy applicable from 1 January 2018

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss in accordance with the policy set out in Note 2(v)(iv).

2 重大會計政策(續)

(f) 其他股本證券投資

除於附屬公司、聯營公司及合營企業的投資外，本集團有關股本證券投資的政策如下。

股本證券投資於本集團承諾購買／出售該投資當日確認／終止確認。該等投資初步按公平值加上直接應佔交易成本(惟按公平值計入損益且交易成本直接於損益內確認的該等投資除外)列賬。有關本集團如何釐定金融工具之公平值的說明，見附註25(e)。該等投資其後列賬如下：

(A) 自二零一八年一月一日起適用的政策

於股本證券的投資分類作按公平值計入損益，除非該股本投資並非以買賣目的而持有及初始確認投資時本集團選擇指定該投資為按公平值計入其他全面收益(不可劃轉)，以致公平值其後變動於其他全面收益確認。該選擇乃以個別工具基準作出，但僅可於該投資從發行人角度而言符合權益定義時作出。倘作該選擇，則其他全面收益中累計的金額維持於公平值儲備(不可劃轉)中，直至出售投資為止。於出售時，於公平值儲備(不可劃轉)中累計的金額轉至保留盈利，並不透過損益重新歸入。來自股本證券投資的股息不論其是否分類作按公平值計入損益或按公平值計入其他全面收益，均根據附註2(v)(iv)所載政策於損益中確認。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Other investments in equity securities (continued)

(B) Policy applicable prior to 1 January 2018

Investments in securities held for trading were classified as financial assets measured at FVPL. Any attributable transaction costs were recognised in profit or loss as incurred. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in profit or loss.

Investments which were not held for trading or held-to-maturity were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments were recognised in profit or loss in accordance with the policy set out in Note 2(v)(iv). When the investments were derecognised or impaired, the cumulative gain or loss recognised in equity was reclassified to profit or loss.

(g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(x)).

2 重大會計政策(續)

(f) 其他股本證券投資(續)

(B) 於二零一八年一月一日前適用的政策

於持作買賣股本證券的投資被分類為按公平值計入損益計量之金融資產。任何應佔交易成本會於發生時在損益確認。相關公平值會在各報告期末重新計量，而任何因此產生的收益或虧損均會在損益確認。

不屬持作交易用途或持有直至到期的投資被分類為可供出售金融資產。相關公平值會於各報告期末重新計量，而任何因此產生之收益或虧損均會在其他全面收益內確認並分別於權益之公平值儲備(可劃轉)中累計。股權投資的股息收入根據附註2(v)(iv)所載政策在損益內確認。當投資終止確認或減值時，已於權益確認之累計收益或虧損會重新分類至損益。

(g) 衍生金融工具

衍生金融工具初始按公平值確認。於各報告期末，公平值會重新計量。重新計量至公平值時產生的損益立即在損益中確認。

(h) 物業、廠房及設備

物業、廠房及設備按成本扣減累計折舊及減值虧損列值(見附註2(k)(ii))。

自行建造物業、廠房及設備項目的成本包括材料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的初步估計成本(如適用)，以及適當比例的生產成本及借款費用(見附註2(x))。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment (continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight line method over their estimated useful lives as follows:

	<i>Estimated useful lives</i>
Plant and buildings and leasehold improvements	3-20 years
Machinery and equipment	5-10 years
Motor vehicles and other equipment	3-5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the estimated useful life of an asset and its residual value, if any, are reviewed annually.

(i) Intangible assets (other than goodwill)

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(k)(ii)).

2 重大會計政策(續)

(h) 物業、廠房及設備(續)

報廢或出售物業、廠房及設備項目產生的損益，按出售所得款項淨額與該項目賬面值之間的差額予以確定，並在報廢或出售當日在損益中確認。

各項物業、廠房及設備在扣除其估計殘值(如有)後，採用直線法在其估計可使用年期內按足以撇銷其成本的折舊率折舊，年率如下：

	<i>估計可使用年期</i>
廠房及樓宇及租賃裝修	3至20年
機器及設備	5至10年
汽車及其他設備	3至5年

倘物業、廠房及設備項目的各組成部分具有不同使用年限，則在各部分間合理分配該項目的成本，且按各部分單獨計提折舊。本集團每年對資產的估計可使用年期和殘值(如有)進行覆核。

(i) 無形資產(商譽除外)

研發活動費用於其產生期間確認為開支。

本集團收購的無形資產按成本減累計攤銷(倘估計可使用年期為有限)及減值虧損列值(見附註2(k)(ii))。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (other than goodwill) (continued)

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Domain name	5 years
Exclusive income right	3 years

Both the period and method of amortisation are reviewed annually.

(j) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2 重大會計政策(續)

(i) 無形資產(商譽除外)(續)

具有有限可使用年期之無形資產的攤銷乃於資產估計可使用年內以直線法在損益中扣除。以下具有有限可使用年期之無形資產自其可供使用之日起攤銷及彼等的估計可使用年期如下：

域名	5年
獨家收入權	3年

每年對攤銷年期及方法進行審閱。

(j) 租賃資產

倘本集團釐定安排附帶權利於經協定期間使用一項特定資產或多項資產以換取付款或一系列付款，則該項安排(包括一項交易或一系列交易)屬於或包含租賃。有關釐定乃按對安排本質的評估進行，而不論該項安排是否具有租賃的法律形式。

(i) 租予本集團的資產類別

對於本集團以租賃持有的資產，如有關租賃將擁有權的絕大部分風險及回報轉移至本集團，有關資產則分類為根據融資租賃持有。並無將擁有權的絕大部分風險及回報轉移至本集團的租賃則分類為經營租賃。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets (continued)

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

- (A) Policy applicable from 1 January 2018

The Group recognises a loss allowance for ECLs on financial assets measured at amortised cost (including cash and cash equivalents, and trade and other receivables).

Financial assets measured at fair value, including equity securities measured at FVPL are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

2 重大會計政策(續)

(j) 租賃資產(續)

(ii) 經營租賃費用

倘本集團根據經營租賃擁有資產的使用權，則除非有較租賃資產產生的利益模式更具代表性的另一基準，否則根據租賃支付的款項，會於租賃期涵蓋的會計期間內，分期等額於損益表確認。已收租賃優惠於損益表確認為已繳租金淨值總額的組成部分。或然租金於其產生的會計期間自損益扣除。

(k) 信貸虧損及資產減值

(i) 金融工具信貸虧損

- (A) 自二零一八年一月一日起適用的政策

本集團就按攤銷成本計量的金融資產(包括現金及現金等值項目、以及貿易及其他應收款項)的預期信貸虧損確認虧損損益。

按公平值計的金融資產，包括按公平值計入損益計量的股本證券，毋須進行預期信貸虧損評估。

預期信貸虧損的計量

預期信貸虧損為信貸虧損可能性的加權估計。信貸虧損按所有預期現金差額(即根據合約應付本集團的現金流量與及本集團預期收取的現金流量之間的差額)的現值計量。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

- (A) Policy applicable from 1 January 2018 (continued)

Measurement of ECLs (continued)

The expected cash shortfalls of trade and other receivables and contract assets are discounted using the effective interest rate determined at initial recognition on an approximation thereof where the effect of discounting is material.

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

預期信貸虧損的計量(續)

倘貼現影響重大，則貿易及其他應收款項以及合約資產的預期現金差額將採用於初步確認時釐定的實際利率或其近似值貼現。

估計預期信貸虧損時所考慮的最長期間為本集團所面臨信貸風險的最長合約期間。

在計量預期信貸虧損時，本集團會考慮在毋需付出過多成本及努力下即可獲得的合理可靠的資料，當中包括有關過去事件、當前狀況及未來經濟狀況預測的資料。

預期信貸虧損按下列其中一種基準計量：

- 12個月的預期信貸虧損：預期因報告日期後12個月內發生的可能違約事件導致的該等虧損；及
- 整個存續期的預期信貸虧損：預期因信貸虧損模式適用的項目於預期存續期內所有可能發生的違約事件導致的該等損失。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

- (A) Policy applicable from 1 January 2018 (continued)

Measurement of ECLs (continued)

Loss allowances for trade and other receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

預期信貸虧損的計量(續)

貿易及其他應收款項及合約資產的虧損撥備一直按相等於整個存續期的預期信貸虧損的金額計量。該等金融資產的預期信貸虧損基於本集團過往信貸虧損經驗(並就債務人的特定因素作出調整)及於報告日期對目前及預期一般經濟狀況的評估採用撥備矩陣估計。

就所有其他金融工具而言，本集團按相等於12個月的預期信貸虧損確認虧損撥備，除非金融工具於初步確認以來的信貸風險大幅增加，在此情況下，虧損撥備按相等於整個存續期預期信貸虧損的金額計量虧損撥備。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

- (A) Policy applicable from 1 January 2018 (continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when 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). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

信貸風險大幅增加

評估金融工具的信貸風險自初步確認以來有否大幅上升時，本集團會比較於報告日期及於初步確認日期評估的金融工具發生違約的風險。作出該重新評估時，本集團認為，倘借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸債務，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。

具體而言，在評估自初步確認以來信貸風險有否大幅增加時，將考慮以下資料：

- 未能在合約到期日支付本金或利息；
- 金融工具的外部或內部信用評級(如可獲得)實際或預期顯著惡化；

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

- (A) Policy applicable from 1 January 2018 (continued)

*Significant increases in credit risk
(continued)*

- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

信貸風險大幅增加(續)

- 債務人經營業績實際或預期顯著惡化；及
- 市場、經濟或法律環境現有或預期變化對債務人履行其對本集團義務的能力造成重大不利影響。

根據金融工具的性质，信貸風險有否大幅增加的評估按個別或整體基準進行。當評估按整體基準進行時，金融工具根據分擔的信貸風險特徵進行分組，如逾期狀況及信貸風險評級。

預期信貸虧損於各報告日期重新計量，以反映自初步確認以來金融工具信貸風險的變化。預期信貸虧損金額的任何變化於損益中確認為減值收益或虧損。本集團確認所有金融工具的減值收益或虧損，並透過虧損撥備賬對其賬面值進行相應調整，惟於按公平值計入其他全面收益計量(可劃轉)之債務證券之投資除外。有關投資之虧損撥備於其他全面收益內確認並於公平值儲備中累計(可劃轉)。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

- (A) Policy applicable from 1 January 2018 (continued)

Basis of calculation of interest income

Interest income recognised in accordance with Note 2(v)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the market, economic or legal environment that have an adverse effect on the debtor.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

利息收入的計算基準

利息收入根據附註2(v)(iii)按金融資產的總賬面值計算，除非金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產估計未來現金流量有不利影響的事件時，金融資產將出現信用減值。

金融資產信貸減值的證據包括以下可觀察事件：

- 債務人出現重大財政困難；
- 違反合約，如違約或拖欠支付本息；
- 借款人可能將會破產或進行其他財務重組；或
- 市場、經濟或法律環境出現重大變動對債務人造成不利影響。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

- (A) Policy applicable from 1 January 2018 (continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

- (B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an “incurred loss” model was used to measure impairment losses on financial assets not classified as at FVPL (eg. trade and other receivables). Under the “incurred loss” model, an impairment loss was recognised only when there was objective evidence of impairment. Objective evidence of impairment included:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

撇銷政策

若日後收回的機會渺茫，本集團會撇銷(部份或全部)金融資產或合約資產的總賬面值。該情況通常出現在本集團釐定客戶並無資產或收入來源可產生足夠的現金流量償還須予撇銷的金額時。

倘先前撇銷的資產其後收回，則於收回的期間內於損益中確認為減值撥回。

- (B) 於二零一八年一月一日之前適用的政策

於二零一八年一月一日之前，「已產生虧損」模式用於計量未分類為按公平值計入損益金融資產(即貿易及其他應收款項、應收貸款及利息以及可供出售投資)的減值虧損。根據「已產生虧損」模式，減值虧損僅在存在減值的客觀證據時重新確認，減值的客觀證據包括：

- 債務人面臨重大財務困難；
- 違反合約，例如違約或拖欠支付本息；

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

(B) Policy applicable prior to 1 January
2018 (continued)

- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence existed, the impairment loss for trade and other receivables and other financial assets carried at amortised cost was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting was material. This assessment was made collectively where these financial assets shared similar risk characteristics, such as similar past due status, and had not been individually assessed as impaired. Future cash flows for financial assets which were assessed for impairment collectively were based on historical loss experience for assets with credit risk characteristics similar to the collective group.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

(B) 於二零一八年一月一日之前適用的
政策(續)

- 債務人有可能破產或進行其他財務重組；及
- 市場、經濟或法律環境有重大變動而對債務人構成不利影響。

就以攤銷成本列賬的貿易及其他應收款項及其他金融資產而言，倘出現任何上述證據，如折現的影響屬重大，減值虧損以資產賬面值與該金融資產的原定實際利率折現預計未來現金流量現值的差額計量。如該等金融資產具備類似的風險特徵，例如類似的逾期情況，則有關評估會同時進行，而不單獨評估為減值。金融資產的未來現金流量會根據與該組被評估資產具有類似信貸風險特徵資產的過往虧損情況一同評估減值。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

(B) Policy applicable prior to 1 January
2018 (continued)

If in a subsequent period the amount of an impairment loss decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through profit or loss. A reversal of an impairment loss was only recognised to the extent that it did not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

When the recovery of trade and other receivables and other financial assets carried at amortised cost was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 應收款項減值(續)

(B) 於二零一八年一月一日之前適用的
政策(續)

倘於其後期間，減值虧損金額減少，且減幅可與確認減值虧損後發生的事件客觀相連，則透過損益表撥回減值虧損。撥回減值虧損僅會在不得導致資產賬面值超過其於過往年度在沒有確認減值虧損情況下原應釐定的數額時確認。

倘按攤銷成本列賬的貿易及其他應收款項及其他金融資產的可收回性被視為可疑但並非微乎其微，則以撥備賬記錄相關減值虧損。倘本集團信納能收回可能性渺茫，則視為不可收回金額會從該等資產之總賬面值中直接撇銷。倘之前自撥備賬中扣除的款項在其後收回，則相關的撥備會被撥回。撥備賬之其他變動及之前直接撇銷而其後收回的款項，均在損益中確認。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets;
- goodwill; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(ii) 其他資產減值

於各報告期末均會審閱內部及外部資料來源，以識別下列資產是否出現減值跡象，或除商譽外，先前確認的減值虧損是否不再存在或可能已經減少：

- 物業、廠房及設備；
- 無形資產；
- 商譽；及
- 本公司財務狀況表中於附屬公司之投資。

如出現任何有關跡象，則會估計資產的可收回金額。此外，就商譽而言，可收回金額每年估計是否存在減值跡象。

- 計算可收回金額

資產的可收回金額以其公平值扣除銷售成本與使用價值二者的較高者為準。於評估使用價值時，估計未來現金流量乃使用反映目前市場對貨幣時間價值的評估及該項資產的特有風險的稅前折現率折現至現值。倘資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)釐定可收回金額。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(ii) 其他資產減值(續)

– 確認減值虧損

倘一項資產或其所屬現金產生單位的賬面值高於其可收回金額，須於損益表確認減值虧損。就現金產生單位確認的減值虧損首先會被分配以減少分配至現金產生單位(或一組單位)的任何商譽的賬面值，其後以按比例減低單位(或一組單位)中其他資產的賬面值，惟該資產的賬面值不可減至低於其個別公平值減銷售成本(如可計量)或使用價值(如可釐定)。

– 減值虧損撥回

就商譽以外的資產而言，倘用於釐定可收回金額的估計出現有利變動，則會撥回減值虧損。有關商譽的減值虧損並無撥回。

減值虧損撥回限於該資產的賬面值，猶如過往年度並無確認該等減值虧損。減值虧損撥回在確認撥回年度計入損益。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(k)(i) and 2(k)(ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(l) Inventories

Inventories are assets which are held for sale in the ordinary course of business.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is 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.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(iii) 中期財務報告及減值

根據上市規則，本集團須就財政年度首六個月編製符合香港會計準則第34號*中期財務報告*規定的中期財務報告。本集團在中期期末應用與財政年度末所應用者相同的減值測試、確認和撥回標準(見附註2(k)(i)及2(k)(ii))。

於中期期間就商譽確認的減值虧損於其後期間並無撥回。即使僅在該中期期間有關之財政年度末才評估減值並確認並無虧損或所確認之虧損較少，也不會撥回減值虧損。

(l) 存貨

存貨為於正常業務過程中持作出售的資產。

存貨以成本與可變現淨值兩者中之較低者列賬。

成本以加權平均成本法計算，其中包括所有採購成本、加工成本及將存貨送達至目前地點及現狀之成本。

可變現淨值乃於日常業務過程中的估計售價，減估計完成成本及進行銷售所需估計成本。

於出售存貨時，該等存貨的賬面值在相關收入確認的期間確認為開支。存貨撇減至可變現淨值的任何金額及存貨的所有虧損，在撇減或出現虧損的期間確認為開支。撥回任何存貨撇減的金額，會於撥回期間確認為已確認為開支之存貨金額減少。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(v)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in Note 2(k)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 2(n)).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 2(v)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(n)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see Note 2(m)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see Note 2(k)(i)).

2 重大會計政策(續)

(m) 合約資產及合約負債

於本集團有無條件權利根據合約所載支付條款收取代價前，合約資產於確認收益時予以確認(見附註2(v))。合約資產根據附註2(k)(i)所載之政策就預期信貸虧損進行評估，並於收取代價的權利成為無條件時重新分類至應收款項(見附註2(n))。

於本集團確認相關收益前，合約負債於客戶支付代價時予以確認(見附註2(v))。倘本集團於確認相關收益時有無條件權利收取代價，則確認合約負債。在該等情況下，將會確認相應應收款項(見附註2(n))。

就與客戶的單一合約而言，會呈列合約資產淨值或合約負債淨額。就多份合約而言，非相關合約的合約資產及合約負債不按淨額基準呈列。

(n) 貿易及其他應收款項

本集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價之權利僅需經過一段時間方成為無條件。倘收益於本集團有無條件權利收取代價前確認，則該金額呈列為合約資產(見附註2(m))。

應收款項按使用實際利率法按攤銷成本減信貸虧損撥備列賬(見附註2(k)(i))。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Convertible bonds

Convertible bonds which do not contain an equity component are accounted for as follows:

At initial recognition the derivative components of the convertible bonds are measured at fair value as derivative financial instruments (see Note 2(g)). Any excess of proceeds over the amount initially recognised as the derivative components are recognised as the host liability components. Transaction costs that relate to the issue of the convertible bonds are allocated to the host liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the host liability components are recognised initially as part of the liabilities. The portion relating to the derivative components are recognised immediately in profit or loss.

The derivative components are subsequently remeasured in accordance with Note 2(g). The host liability components are subsequently carried at amortised cost. Interest expenses recognised in profit or loss on the host liability components are calculated using the effective interest method.

If the bonds are converted, the shares issued are measured at fair value and any differences between the fair value of shares issued and the carrying amounts of the derivative and host liability components are recognised in profit or loss. If the bonds are redeemed, any differences between the amounts paid and the carrying amounts of both components are recognised in profit or loss.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2(x)).

2 重大會計政策(續)

(o) 可換股債券

不含權益部分的可換股債券按以下方式入賬：

初步確認時，可換股債券的衍生部分作為衍生金融工具按公平值計量(見附註2(g))。凡所得款項超過初步確認為衍生工具部分之金額，乃確認為主負債部分。有關發行可換股債券的交易成本，按所得款項的分配比例分配至主負債及衍生工具部分。有關主負債部分之交易成本部分，乃初步確認為負債一部分。有關衍生工具部分之部份則即時於損益確認。

衍生工具部分其後根據附註2(g)重新計量。主負債部分其後按攤銷成本列賬。於損益中就主負債部分確認之利息開支採用實際利息法計算。

倘兌換債券，則已發行股份按公平值計量及已發行股份公平值與衍生工具及主負債部分的賬面值之間的差額於損益確認。倘贖回有關債券，已付金額與兩個部分的賬面值之間的任何差額則於損益確認。

(p) 計息借款

計息借款初步按公平值減應佔交易成本確認。初步確認後，計息借款採用實際利率法以攤銷成本列賬。利息開支根據本集團借款成本的會計政策確認(見附註2(x))。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Trade and other payables

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

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(k)(i).

(s) Employee benefits

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

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Group's contributions to defined contribution retirement plans are charged to profit or loss when incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense or cost of construction in progress not yet transferred to property, plant and equipment.

2 重大會計政策(續)

(q) 貿易及其他應付款項

貿易及其他應付款項初始按公平值確認，其後按攤銷成本列賬，如折現影響不大，則會按成本列賬。

(r) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、銀行及其他金融機構的活期存款以及可隨時轉換為已知金額現金的短期高流通且價值改變風險不大的投資。現金及現金等值項目根據附註2(k)(i)所載政策進行預期信貸虧損評估。

(s) 僱員福利

(i) 短期僱員福利及界定供款退休計劃之供款

薪金、年終花紅、有薪年假、向界定供款退休計劃作出的供款及非現金福利的成本，均在本集團僱員提供有關服務的年度內計提。凡有關的付款或結算被遞延及其具重大影響，則以現值列出該等數額。

本集團對界定供款退休計劃作出的供款於供款時扣自損益，惟已計入尚未確認為支出的存貨成本或尚未轉撥至物業、廠房及設備的在建工程成本的數額除外。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits (continued)

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in capital reserve within equity. The fair value is measured at grant date using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the share options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the share options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of the share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the share option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the share option expires (when it is released directly to retained profits).

2 重大會計政策(續)

(s) 僱員福利(續)

(ii) 以股份為基礎的付款

授予僱員的購股權的公平值確認為僱員成本，而權益內的儲備亦相應增加。購股權公平值於授出日期考慮授出購股權之條款及條件後按二項式期權定價模式計量。倘僱員須於無條件享有購股權權利前達成歸屬條件，考慮到購股權獲歸屬之可能性後，購股權之估計公平值總值於歸屬期內攤分。

本公司會在歸屬期內覆核預期歸屬的購股權數目。由此產生的已於過往年度確認的累計公平值的任何調整會在覆核當年於損益扣除／計入，惟原有僱員開支合資格確認為資產，便會對資本儲備作出相應調整。已確認為開支的數額會在歸屬日作出調整，以反映所歸屬購股權的實際數目(同時對資本儲備作出相應調整)，惟因未能符合與本公司股份市價相關的歸屬條件而被沒收之購股權除外。權益數額在資本儲備確認，直至購股權獲行使(載入就已發行股份於股本確認的金額)或購股權到期(直接轉入保留溢利)時為止。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits (continued)

(iii) Termination benefits

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

(t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to business combinations, or items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2 重大會計政策(續)

(s) 僱員福利(續)

(iii) 終止福利

合約終止補償在下列兩者孰早日確定：本集團不能撤回提供此等福利時；及其確認涉及支付合約終止補償的重組成本時。

(t) 所得稅

年內所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均於損益表內確認，惟與業務合併，或於其他全面收益或直接於權益內確認的項目有關者除外，在此情況下，有關稅項金額分別於其他全面收益或直接於權益內確認。

即期稅項為就年內應課稅收入採用於報告期末已生效或實質已生效的稅率計算的預期應付稅項，並就過往年度的應付稅項作出任何調整。

遞延稅項資產及負債分別自可扣稅及應課稅的暫時差額產生，即資產和負債就財務報告目的而言的賬面值與其稅基之間的差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項抵免產生。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

2 重大會計政策(續)

(t) 所得稅(續)

除若干有限的例外情況外，倘可能有未來應課稅溢利用作抵扣可動用的資產，則所有遞延稅項負債及遞延稅項資產均會予以確認。能支持可確認自可扣稅暫時差額所產生遞延稅項資產的未來應課稅溢利包括因撥回現有應課稅暫時差額而產生的金額；惟此等差額必須與同一稅務機關及同一應課稅實體有關，並預期在可扣稅暫時差額預計撥回的同一期間或遞延稅項資產所產生稅項虧損可向承後或承前結轉的期間內撥回。在釐定現有應課稅暫時差額是否支持確認自未動用稅項虧損和抵免產生的遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅實體有關，並預期在可動用的稅項虧損或抵免的期間內撥回，則予以考慮。

確認遞延稅項資產和負債的有限例外情況為不可扣稅商譽、不影響會計或應課稅溢利的資產或負債的初步確認(前提是其並不屬業務合併的一部分)，以及有關於附屬公司的投資的暫時差額(如屬應課稅差額，則只限於本集團可控制撥回的時間，而且在可見將來不大可能撥回的差額；或如屬可扣稅差額，則只限於很可能在將來撥回的差額)。

已確認的遞延稅項金額按照資產與負債賬面值的預期變現或清償方式，使用報告期末已生效或實質已生效的稅率計算。遞延稅項資產與負債均不作貼現。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Income tax (continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 重大會計政策(續)

(t) 所得稅(續)

本集團會在各報告期末審閱遞延稅項資產的賬面值，並在不可能再獲得足夠的應課稅溢利可抵扣相關稅項利益時予以扣減。倘日後有可能獲得足夠的應課稅溢利可作抵扣，則扣減金額予以撥回。

即期稅項結餘及遞延稅項結餘及其變動額，會各自分開呈報且不予抵銷。倘本公司或本集團有法定強制執行權利以即期稅項資產抵銷即期稅項負債，並且符合以下附帶條件，則即期稅項資產可抵銷即期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 倘為即期稅項資產與負債，本公司或本集團擬按淨額基準結算，或同時變現該資產及清償該負債；或
- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體，此等實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, 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.

Further details of the Group's revenue and other income recognition policies are as follows:

2 重大會計政策(續)

(u) 撥備及或然負債

撥備乃於本集團因過往事件而產生法律或推定責任，而可能需要經濟利益流出以清償責任及能作出可靠估計時確認。倘金錢的時間值屬重大時，撥備乃按預期清償責任的開支的現值列賬。

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會被披露為或然負債，除非經濟利益流出的可能性極微。可能的責任（其存在將僅由一項或以上未來事件的出現或不出現確認）亦作為或然負債披露，惟經濟利益流出的可能性極微者則屬例外。

(v) 收入及其他收入

本集團將其日常業務過程中源自銷售貨品或提供服務的收入分類為收入。

當產品或服務的控制權按目標集團預期有權獲取的承諾代價數額（不包括代表第三方收取的金額）轉移至客戶時，收入予以確認。收入不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

本集團收入及其他收入確認政策的進一步詳情如下：

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

(i) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

In the comparative period, revenue from sales of goods was recognised when the goods were delivered to the customers' premises, which was taken to be the point in time when the customer had accepted the goods and the related risks and rewards of ownership. The change in accounting policy for sales of goods has no impact to opening balances at 1 January 2018 (see Note 2(c)(ii)).

(ii) Service income

Service income from the rendering of services is recognised when the services are rendered, and was recognised on a similar basis in the comparative period under HKAS 18.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 2(k)(i)).

(iv) Dividends

Dividend income from equity investments is recognised when the shareholder's right to receive payment is established.

2 重大會計政策(續)

(v) 收入及其他收入(續)

(i) 銷售貨品

收入乃於客戶擁有並接納貨品時確認。倘產品屬部分履行涵蓋其他貨品及／或服務的合約，則確認的收入金額為合約交易總價的適當比例，乃按相對獨立售價基準在合約約定的所有商品及服務之間分配。

於可資比較期間，銷售貨品的收入在商品運送至客戶地點時確認，即被視為客戶已接納商品及擁有權的相關風險及回報的時刻。銷售貨品會計政策的變動對於二零一八年一月一日的期初結餘無影響(見附註2(c)(ii))。

(ii) 服務收入

來自提供服務的服務收入於提供相關服務後確認及於可資比較期間根據香港會計準則第18號的類似基準確認。

(iii) 利息收入

利息收入於產生時按實際利率法確認。就按攤銷成本計量且並無出現信貸減值的金融資產而言，實際利率適用於資產的賬面總額。就出現信貸減值的金融資產而言，實際利率適用於資產的攤銷成本(即扣除虧損撥備的總賬面值)(見附註2(k)(i))。

(iv) 股息

股本工具的股息收入乃於建立可收取有關款項的股東權利後予以確認。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

(v) Government grants

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

(w) Translation of foreign currencies

Foreign currency transactions are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currency of the entity to which they relate using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the entity initially recognises such non-monetary assets or liabilities.

2 重大會計政策(續)

(v) 收入及其他收入(續)

(v) 政府補貼

倘可合理確定能夠收取政府補貼，而本集團將符合政府補貼所附帶條件，則政府補貼將初步在財務狀況表中確認。補償本集團所產生開支的補貼於產生開支同一期間有系統地於損益表中確認為收入。補償本集團資產成本的補貼，在相關資產賬面值中扣除，其後於該資產的可使用年期內以減少折舊開支方式於損益表確認。

(w) 換算外幣

外幣交易乃按於交易日期適用的外幣匯率換算為其有關的實體的功能貨幣。以外幣計值的貨幣資產及負債乃按於報告期末適用的外幣匯率換算為其有關的實體的功能貨幣。外匯收益及虧損乃於損益表內確認。

以外幣的歷史成本計量的非貨幣資產及負債乃使用於交易日期適用的外幣匯率換算為有關實體的功能貨幣。交易日期為實體初始確認有關非貨幣資產或負債的日期。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Translation of foreign currencies (continued)

The results of operations which have a functional currency other than RMB, the Group's presentation currency, are translated into RMB at the exchange rates approximating the foreign exchange rates at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(y) 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 the key management personnel of the Group or the Group's parent.

2 重大會計政策(續)

(w) 換算外幣(續)

使用本集團功能貨幣人民幣以外之貨幣的業務經營之業績按於交易日期的外匯匯率相若的匯率換算為人民幣。財務狀況表項目按報告期末適用的收市外匯匯率換算為人民幣。因此而產生的兌換差額於其他全面收益確認及獨立於匯兌儲備的權益累算。

(x) 借款成本

收購、興建或生產需長時間方可達致其擬定用途或出售的資產的直接應佔借款成本乃作為該資產的成本一部分予以資本化。其他借款成本乃於其產生期間支銷。

資本化借款成本作為合資格資產的成本的一部分於資產產生開支、產生借款成本及進行使資產達致其擬定用途或出售的必需準備工作期間開始。借款成本的資本化於進行使合資格資產達致其擬定用途或出售的絕大部分活動中止或完成時暫停或不再進行。

(y) 關聯方

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group.
 - (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 employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the 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.

2 重大會計政策(續)

(y) 關聯方(續)

- (b) 倘符合下列任何條件，即實體與本集團有關聯：
- (i) 該實體與本集團屬同一集團之成員公司。
 - (ii) 一家實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
 - (iii) 兩間均為同一第三方的合營企業的實體。
 - (iv) 一家實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關聯之實體就僱員利益設立的離職福利計劃。
 - (vi) 該實體受(a)所識別人士控制或受共同控制。
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
 - (viii) 實體或實體作為集團任何成員公司其中一部分向本公司或本公司的母公司提供主要管理人員服務。

個別人士的近親為在與實體交易時預期會影響該名人士或受到該名人士影響的親屬。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Segment reporting

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

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

3 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Key sources of estimation uncertainty

Notes 14, 22 and 25 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and financial instruments. Other key sources of estimation uncertainty are as follows:

2 重大會計政策(續)

(z) 分部報告

經營分部及於財務報表內所申報的各分部項目的金額乃從定期向本集團最高級行政管理人員提供以就本集團多項業務及多個地理區域進行資源分配及表現評估的財務資料中識別。

個別重大的經營分部並不就財務申報目的而予以合併，除非該等分部具有相似經濟特性，以及就產品及服務性質、生產過程性質、客戶類別或種類、用以分銷產品或提供服務的方式及監管環境的性質方面相似。倘其享有大部分有關條件，並非個別重大的經營分部可予以合併。

3 會計判斷及估計

(a) 估計不確定因素的主要來源

附註14、22及25載列有關與商譽減值、根據股份獎勵計劃授出的股份及金融工具公平值有關的假設及其風險因素之資料。估計不確定因素的其他主要來源如下：

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

3 ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(a) Key sources of estimation uncertainty (continued)

(i) Impairment of tangible and intangible assets

If circumstances indicate that the carrying amount of a tangible or an intangible asset may not be recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised. The carrying amounts of tangible and intangible assets are reviewed periodically or when indications are identified in order to assess whether the recoverable amounts have declined below the carrying amounts. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the asset and could result in additional impairment charge or reversal of impairment in future periods.

3 會計判斷及估計(續)

(a) 估計不確定因素的主要來源(續)

(i) 有形及無形資產的減值

倘有情況顯示無法收回有形及無形資產之賬面值，有關資產可能視為「減值」，並可能確認減值虧損。本集團定期或當發現減值跡象時覆核有形及無形資產之賬面值，藉以評估可收回金額是否下跌至低於賬面值。倘出現上述減值情況，賬面值則會減至可收回金額。可收回金額為公平值減處置成本或使用價值兩者中之較高者。在釐定使用價值時，資產產生的預計未來現金流量貼現至現值，當中須對相關收入水平及經營成本金額作出重要判斷。本集團在釐定與可收回金額相若之合理數額時，使用全部可輕易獲得資料，包括基於合理有據假設之估計以及收入與經營成本款額之預測水平。有關估計之變動可對資產之可收回金額產生重大影響，並可於未來期間引致額外減值開支或作出減值撥回。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

3 ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(a) Key sources of estimation uncertainty (continued)

(ii) Impairment of receivables

The management maintains an loss allowance for receivables for estimated losses resulting from the inability of the debtors to make the required payments. The management bases the estimates on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessments of both current and forecast general economic conditions. If the financial condition of the debtors were to deteriorate, and/or the existing/forecast changes have a negative impact on the general economic conditions, credit losses would be higher than estimated.

(iii) Deferred taxation

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. In determining the amount of deferred tax assets to be recognised, significant judgement is required relating to the timing and level of future taxable profits, after taking into account future tax planning strategies. The amount of deferred tax assets recognised at future dates are adjusted if there are significant changes from these estimates.

3 會計判斷及估計(續)

(a) 估計不確定因素的主要來源(續)

(ii) 應收款項減值

管理層會對因客戶未能作出所需付款的應收款項所產生的估計虧損的呆賬計提撥備。管理層已按歷史信貸虧損經驗作出的估計為基礎，就債務人特定因素及當前及預測整體經濟狀況的評估作出調整。倘債務人的財務狀況惡化，及／或現有／預測變動對整體經濟狀況有負面影響，信貸虧損可能高於估計。

(iii) 遞延稅項

在很有可能未來應課稅溢利以抵扣遞延稅項資產的情況下，應就所有未利用的稅務虧損及可抵扣暫時性差異確認遞延稅項資產。在釐定可予以確認的遞延稅項資產金額時，須根據日後應課稅溢利可能出現的時間及水平以及未來稅項規劃策略作出重大判斷。如此等估計有重大改變，在未來確認的遞延稅項資產的金額會作出調整。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

Upon disposal of the manufacture and sale of axles business in 2017 and the cessation of the e-commerce business during the current year, the principal activities of the Group are the development and operation of an electronic trading platform to facilitate awards earned by customers of loyalty programmes of other companies to be exchanged globally in the form of virtual assets and credits for consumption of merchandises, games, services and other commercial transactions. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

Revenue from contracts with customers within the scope of HKFRS 15

Disaggregated by major products or service lines:

- Revenue from facilitation of digital point business through operation of an electronic platform
- Revenue from trading of goods through operation of an electronic distribution platform
- Sales of axles and related components

香港財務報告準則第15號範圍內的客戶合約收入

按主要產品或服務類別劃分：

- 透過經營電子平台促進數字積分業務的收入
- 透過經營電子分銷平台交易商品的收入
- 銷售車橋及相關部件

Note: The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 (see Note 2(c)(iii)).

4 收入及分部報告

(a) 收入

於二零一七年出售製造及銷售車橋業務及於本年度終止電子商貿業務後，本集團主要活動為開發和經營電子交易平台，以協助客戶自其他公司的忠誠度計劃所獲獎賞能以虛擬資產及授信方式於全球兌換並於商品、遊戲、服務及其他商業交易中使用。有關本集團主要業務的進一步詳情披露於附註4(b)。

(i) 收入劃分

按主要產品或服務類別劃分的客戶合約收入如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (Note) (附註)
50,321	941
656	134,040
–	32,651
50,977	167,632

附註：本集團使用累計影響法首次應用香港財務報告準則第15號。根據該方法，比較資料未予重列及根據香港會計準則第18號編製（見附註2(c)(ii)）。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 4(b).

The Group's customer base is diversified. There was no customer with whom transactions exceeded 10% of the Group's revenue for the year ended 31 December 2018 (2017: three customers of RMB153,512,000). Details of concentrations of credit risk arising from the Group's debtors are set out in Note 25(a).

(b) Segment reporting

The Group manages its businesses by lines of business. In view of the disposal of the manufacture and sale of axles business in 2017 and the cessation of the e-commerce business during the current year, the Group focuses on the development of an electronic trading platform to facilitate awards earned by customers of loyalty programmes of other companies to be exchanged globally in the form of virtual assets and credits for consumption of merchandises, games, services and other commercial transactions, i.e. the "Digital point business". In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following operating segments:

- Digital point business: this segment operates an electronic platform to facilitate awards earned by customers of loyalty programmes of other companies to be exchanged globally in the form of virtual assets and credits for consumption of merchandises, games, services and other commercial transactions.

4 收入及分部報告(續)

(a) 收入(續)

(i) 收入劃分(續)

按收入確認時間劃分客戶合約收入於附註4(b)中披露。

本集團客戶基礎多元化。截至二零一八年十二月三十一日止年度，概無與客戶交易超過本集團收入10%(二零一七年：三名客戶，人民幣153,512,000元)。本集團應收賬款產生的信貸風險集中性之詳情載於附註25(a)。

(b) 分部報告

本集團按業務線管理其業務。鑑於二零一七年出售製造及銷售車橋及於本年度終止經營電子商貿業務，本集團專注於協助客戶自其他公司的忠誠度計劃所獲獎勵能以虛擬資產及授信方式於全球兌換並於商品、遊戲、服務及其他商業交易(即「數字積分業務」)中使用之電子平台發展。呈列如下經營分部，與向本集團之高級管理層作出內部呈報資料之方式一致，以作分配資源及表現評估之用途：

- 數字積分業務：該分部透過營運電子平台協助客戶自其他公司的忠誠度計劃所獲獎勵能以虛擬資產及授信方式於全球兌換並於商品、遊戲、服務及其他商業交易中使用。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

- E-commerce business: this segment trades goods through electronic distribution platform, mobile applications and other related means. The Group ceased the operation of this segment during the year ended 31 December 2018.
- Axle business: this segment manufactures and sells axles and related components to truck manufacturers and after-sales services market. The segment has been disposed of during the year ended 31 December 2017.

No operating segments have been aggregated to form the above reportable segments.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and expenses incurred by those segments. No inter-segment sales have occurred for the years ended 31 December 2018 and 2017. The Group's other operating expenses, such as selling and distribution expenses, administrative expenses, research and development costs, impairment losses, finance (income)/costs, loss arising from changes in fair value on held-for-trading investments, loss arising from changes in fair value on financial liabilities recognised upon the approval for issuing of warrants and gain on disposal of subsidiaries, are not measured under individual segments. The measure used for reporting segment result is gross profit/(loss).

In view of the shift of focus to the digital point business, the most senior executive management consider that the Group's assets and liabilities are not required to be monitored under this segment.

4 收入及分部報告(續)

(b) 分部報告(續)

- 電子商貿業務：該分部透過電子分銷平台、移動應用程式及其他相關方式交易商品。本集團於截至二零一八年十二月三十一日止年度終止該分部的經營。
- 車橋業務：該分部製造及向卡車製造商及維修市場出售車橋及相關零部件。該分部已於截至二零一七年十二月三十一日止年度出售。

並無合計經營分部以構成以上可報告分部。

(i) 分部業績、資產及負債

就評估分部表現及於分部間分配資源而言，本集團最高級行政管理人員按以下基準監察歸屬於各可報告分部的業績：

收入及開支乃參考該等分部產生的收入及該等分部產生的開支而分配至可報告分部。於截至二零一八年及二零一七年十二月三十一日止年度，並無錄得分部間銷售。本集團的其他經營開支(例如銷售及分銷開支、行政開支、研發成本、減值虧損、融資(收益)/成本、持作交易用途之投資公平值變動產生的虧損、於批准發行認股權證時確認金融負債公平值變動產生的虧損及出售附屬公司收益並未於個別分部下計量。就可報告分部所用的計算結果為毛利/(毛虧)。

鑑於重點轉移至數字積分業務，最高級行政管理人員認為本集團於該分部下的資產及負債無須監管。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2018 and 2017 is set out below.

Disaggregated by timing of revenue recognition	按收入確認時間劃分
Point in time	於某個時間點
Over time	隨著時間
Revenue from external customers and reportable segment revenue	來自外部客戶的收入及可報告分部收入
Reportable segment gross (loss)/profit	可報告分部(毛虧)/毛利

Note: The Group has initially applied HKFRS 15 using cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 (see Note 2(c)(ii)).

4 收入及分部報告(續)

(b) 分部報告(續)

(i) 分部業績、資產及負債(續)

於截至二零一八年及二零一七年十二月三十一日止年度，就分配資源及評估分部表現向本集團最高級行政管理人員提供有關本集團可報告分部的資料載列如下。

		2018 二零一八年		Total 總計
Digital point business 數字積分業務 RMB'000 人民幣千元	E-commerce business 電子商貿業務 RMB'000 人民幣千元			RMB'000 人民幣千元
		45,542	656	46,198
		4,779	-	4,779
		50,321	656	50,977
		(8,278)	187	(8,091)

		2017 二零一七年		
Digital point business 數字積分業務 RMB'000 人民幣千元 (Note) (附註)	E-commerce business 電子商貿業務 RMB'000 人民幣千元 (Note) (附註)	Axle business 車橋業務 RMB'000 人民幣千元 (Note) (附註)		Total 總計 RMB'000 人民幣千元 (Note) (附註)
		941	134,040	167,632
		(238)	(2,404)	(7,584)

附註：本集團使用累計影響法首次應用香港財務報告準則第15號。根據該方法，比較資料未予重列及根據香港會計準則第18號編製(見附註2(c)(ii))。

Notes to the Financial Statements
財務報表附註

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

**4 REVENUE AND SEGMENT REPORTING
(CONTINUED)**

(b) Segment reporting (continued)

(ii) Geographic information

All of the revenue of the Group for the years ended 31 December 2018 and 2017 were generated from sales and services to customers in the People's Republic of China (the "PRC"). All of the non-current assets of the Group are either physically located or allocated to operations in the PRC.

5 OTHER INCOME

Interest income	利息收入
Government grants	政府補貼
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損淨額
Others	其他

6 IMPAIRMENT LOSSES

Impairment losses/(reversal of impairment losses) on trade and other receivables (Note 25(a))	貿易及其他應收款項減值虧損/(撥回減值虧損)(附註25(a))
Impairment losses on goodwill (Note 14)	商譽之減值虧損(附註14)
Impairment losses on intangible assets (Note 13)	無形資產之減值虧損(附註13)

4 收入及分部報告(續)

(b) 分部報告(續)

(ii) 地域資料

本集團於截至二零一八年及二零一七年十二月三十一日止年度的所有收入均從向中華人民共和國(「中國」)客戶銷售及服務錄得。本集團所有非流動資產實際上位於中國或被分配在中國營運。

5 其他收益

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
2,714	4,011
146	1,171
(9)	(2,563)
-	54
2,851	2,673

6 減值虧損

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
26,504	(5,684)
-	61,013
-	13,000
26,504	68,329

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/
(crediting):

(a) Finance (income)/costs:

Finance charges on convertible bonds (Note 21)	可換股債券財務費用 (附註21)
Interest on bank and other loans	銀行及其他貸款利息
Finance charges on secured notes	有抵押票據財務費用
Total borrowing costs	借款成本總額
Net foreign exchange (gain)/loss	外匯(收益)／虧損淨額
Changes in fair value on the derivative components of convertible bonds (Note 21)	可換股債券衍生工具部分 公平值變動(附註21)
Gain on redemption of secured notes	贖回有抵押票據之收益
(Gain)/loss on redemptions and extinguishment of convertible bonds	贖回及清償可換股債券之 (收益)／虧損

No borrowing costs have been capitalised for the year ended 31 December 2018 (2017: RMBNil).

(b) Staff costs#:

Salaries, wages and other benefits	薪金、工資及其他福利
Contributions to defined contribution retirement plans	向界定供款退休計劃供款
Equity-settled share-based payment expenses (Note 22)	權益結算以股份為基礎之 付款開支(附註22)

7 除稅前虧損

除稅前虧損經扣除／(計入)以下各項後達致：

(a) 融資(收益)／成本：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
11,385	13,126
-	5,324
-	883
11,385	19,333
(1,494)	16,030
(26,438)	(32,401)
-	(1,228)
(590)	3,078
(17,137)	4,812

截至二零一八年十二月三十一日止年度，並無資本化借款成本(二零一七年：人民幣零元)。

(b) 員工成本#：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
103,246	51,684
12,163	3,905
18,133	31,500
133,542	87,089

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

7 LOSS BEFORE TAXATION (CONTINUED)

(b) Staff costs[#]: (continued)

The employees of the subsidiaries of the Group established in the PRC (excluding Hong Kong) participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at rate 20% of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (excluding Hong Kong), from the above mentioned retirement schemes at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of Hong Kong Dollars ("HK\$") 30,000. Contributions to the MPF Scheme vest immediately.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items:

Cost of inventories [#] (Note 16(b))	存貨成本 [#] (附註 16(b))
Auditor's remuneration	核數師薪酬
Depreciation and amortisation [#] (Notes 12 and 13)	折舊及攤銷 [#] (附註 12 及 13)
Operating lease charges in respect of properties	有關物業的經營租賃費用

7 除稅前虧損(續)

(b) 員工成本[#]: (續)

本集團於中國(不包括香港)成立的附屬公司的僱員參加當地政府機構管理的界定供款退休福利計劃，據此，該等附屬公司必須按介乎僱員基本薪金的20%向有關計劃供款。該等附屬公司的僱員當到達其正常退休年齡時有權根據上述退休計劃享有按中國(不包括香港)平均薪資水平百分比計算的退休福利。

本集團亦根據香港《強制性公積金計劃條例》為在香港《僱傭條例》司法管轄權區內受僱的僱員實行了強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立受託人管理的界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員有關收入的5%向計劃供款，每月有關收入以30,000港元(「港元」)為限。向強積金計劃作出的供款即時歸屬。

除作出上述供款外，本集團並無有關其他退休福利的進一步重大付款債務。

(c) 其他項目：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
58,713	175,109
2,580	2,200
3,445	16,987
11,756	9,992

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

7 LOSS BEFORE TAXATION (CONTINUED)

(c) Other items: (continued)

Cost of inventories includes RMBNil for the year ended 31 December 2018 (2017: RMB6,831,000), relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 7(b) for each of these types of expenses.

7 除稅前虧損(續)

(c) 其他項目：(續)

於截至二零一八年十二月三十一日止年度內，存貨成本包括與員工成本以及折舊及攤銷開支有關的人民幣零元(二零一七年：人民幣6,831,000元)，有關金額亦已包括在上文或附註7(b)就各類開支單獨披露的各自總額內。

8 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

Deferred taxation (Note 23(a)):
Origination and reversal of temporary differences

遞延稅項(附註23(a))：
暫時性差異的產生及撥回

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

8 所得稅

(a) 綜合損益表內的所得稅為：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-	47,210

(b) 按適用稅率計算的稅項開支與會計虧損之對賬：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss before taxation	(263,896)	(152,471)
Expected tax on loss before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii) and (iii))	(60,833)	(32,720)
Tax effect of non-deductible expenses	12,718	1,952
Tax effect of deductible/(reversal of) temporary differences not recognised for deferred tax	4,665	(1,476)
Tax effect of unused tax losses not recognised	43,450	30,969
Tax effect of write-down of deferred tax assets and reversal of deferred tax liabilities	-	48,485
Income tax	-	47,210

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

8 INCOME TAX (CONTINUED)

(b) Reconciliation between tax expense and accounting loss at applicable tax rates: (continued)

Notes:

- (i) *The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the year ended 31 December 2018 (2017: 16.5%). No provision for Hong Kong Profits Tax has been made, as the Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the year ended 31 December 2018 (2017: RMBNil).*
- (ii) *The Company and the subsidiaries of the Group incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.*
- (iii) *The subsidiaries of the Group established in the PRC (excluding Hong Kong) are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 December 2018 (2017: 25%).*

8 所得稅 (續)

(b) 按適用稅率計算的稅項開支與會計虧損之對賬：(續)

附註：

- (i) 本公司及於香港註冊成立的本集團附屬公司於截至二零一八年十二月三十一日止年度須按16.5% (二零一七年：16.5%)的稅率繳納香港利得稅。由於本公司及本集團於香港註冊成立的附屬公司於截至二零一八年十二月三十一日止年度概無須繳納香港利得稅的應課稅溢利，故並無就香港利得稅計提撥備 (二零一七年：人民幣零元)。
- (ii) 分別於開曼群島及英屬處女群島註冊成立的公司及本集團附屬公司根據各自註冊成立所在國家的規則及法規毋須繳納任何所得稅。
- (iii) 本集團於中國 (不包括香港) 成立的附屬公司於截至二零一八年十二月三十一日止年度須按25% (二零一七年：25%)的稅率繳納中國企業所得稅。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

9 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

9 董事薪酬

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露的董事薪酬如下：

		2018 二零一八年					
		Salaries, allowances and benefits in kind 薪金、津貼 及實物福利	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	Sub-total 小計	Share-based payments 以股份為 基礎的付款	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(Note) (附註)					
Executive directors	執行董事						
Mr. Cheng Jerome	Cheng Jerome 先生	-	381	-	-	381	18,514
Mr. Yuan Weitao	袁偉濤先生	-	828	-	52	880	880
Non-executive director	非執行董事						
Mrs. Guo Yan	郭燕女士	-	263	-	-	263	263
Independent non-executive directors	獨立非執行董事						
Mr. Wong Chi Keung	黃之強先生	-	263	-	-	263	263
Mr. Chan Chi Keung, Alan	陳志強先生	-	263	-	-	263	263
Mr. Liu Jialin	劉嘉凌先生	-	263	-	-	263	263
		-	2,261	-	52	2,313	20,446

Notes to the Financial Statements
財務報表附註

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

9 DIRECTORS' EMOLUMENTS (CONTINUED)

9 董事薪酬(續)

		Directors' fees	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利	Discretionary bonuses 酌情花紅	2017 二零一七年 Retirement scheme contributions 退休計劃供款	Sub-total	Share-based payments 以股份為 基礎的付款	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (Note) (附註)	RMB'000 人民幣千元
Executive directors	執行董事							
Mr. Cheng Jerome	Cheng Jerome先生	-	261	-	-	261	6,438	6,699
Mr. Yuan Weitao	袁偉濤先生	-	767	-	17	784	6,438	7,222
Non-executive director	非執行董事							
Mrs. Guo Yan	郭燕女士	-	261	-	-	261	6,438	6,699
Independent non-executive directors	獨立非執行董事							
Mr. Wong Chi Keung	黃之強先生	-	261	-	-	261	-	261
Mr. Liu Erfei (resigned on 1 April 2017)	劉二飛先生(於二零一七年四月一日辭任)	-	66	-	-	66	-	66
Mr. Chan Chi Keung, Alan	陳志強先生	-	261	-	-	261	-	261
Mr. Liu Jialin (appointed on 1 April 2017)	劉嘉凌先生(於二零一七年四月一日獲委任)	-	193	-	-	193	-	193
		-	2,070	-	17	2,087	19,314	21,401

No emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as compensation for loss of office during the year.

本集團於年內概無向董事支付酬金以吸引彼等加盟本集團或作為加入後的獎勵或離職補償。

Note: These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 2(s)(ii).

附註：該等指根據本公司購股權計劃授予董事的購股權估計價值。該等購股權的價值根據附註2(s)(ii)載列的本集團以股份為基礎之付款交易的會計政策計量。

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed in Note 22.

該等實物福利的詳情(包括授出的購股權主要條款及數目)於附註22披露。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2017: three) are directors whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the remaining three (2017: two) individuals who are not directors are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Discretionary bonuses	酌情花紅
Share-based payments	以股份為基礎之付款
Retirement scheme contributions	退休計劃供款

The emoluments of the three (2017: two) individuals who are not directors and who are among the five highest paid individuals of the Group are within the following bands:

HK\$Nil-HK\$1,000,000	零港元至 1,000,000 港元
HK\$2,000,001-HK\$3,000,000	2,000,001 港元至 3,000,000 港元
HK\$7,000,001-HK\$8,000,000	7,000,001 港元至 8,000,000 港元

10 最高薪酬人士

五名最高薪人士中，其中兩名(二零一七年：三名)為董事，彼等之薪酬於附註9披露。其餘三名(二零一七年：兩名)非董事之人士的薪酬合計如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
5,530	621
-	33
-	12,876
112	34
5,642	13,564

本集團五名最高薪酬人士中非董事的三名人士(二零一七年：兩名)的薪酬介乎以下範圍：

2018 二零一八年 Number of individuals 人數	2017 二零一七年 Number of individuals 人數
1	-
2	-
-	2

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

11 LOSS PER SHARE

(a) Basic loss per share

The basic loss per share for the year ended 31 December 2018 is calculated based on the loss attributable to the equity shareholders of the Company of RMB69,167,000 (2017: RMB66,413,000) and the weighted average of 1,812,096,000 ordinary shares (2017: 1,818,494,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

Issued ordinary shares at 1 January	於一月一日之已發行普通股
Effect of shares issued	已發行股份的影響
Effect of shares repurchased (Note 24(c)(ii))	購回股份的影響 (附註 24(c)(ii))
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股 加權平均數

11 每股虧損

(a) 每股基本虧損

截至二零一八年十二月三十一日止年度，每股基本虧損按本公司權益股東應佔虧損人民幣69,167,000元(二零一七年：人民幣66,413,000元)及年內已發行普通股加權平均數1,812,096,000股(二零一七年：1,818,494,000股普通股)計算如下：

普通股加權平均數：

2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
1,813,509	1,671,615
-	149,440
(1,413)	(2,561)
1,812,096	1,818,494

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

11 LOSS PER SHARE (CONTINUED)

(b) Diluted loss per share

The diluted loss per share is calculated based on the loss attributable to equity shareholders of the Company (diluted) of RMB80,820,000 (2017: RMB88,130,000) and the weighted average number of ordinary shares (diluted) of 1,867,476,000 (2017: 1,883,029,000 ordinary shares) calculated as follows:

(i) Loss attributable to the equity shareholders of the Company (diluted)

11 每股虧損(續)

(b) 每股攤薄虧損

截至二零一八年十二月三十一日止年度每股攤薄虧損乃基於本公司權益股東應佔虧損(攤薄)人民幣80,820,000元(二零一七年: 人民幣88,130,000元)及普通股加權平均數(攤薄)1,867,476,000股(二零一七年: 1,883,029,000股普通股)計算如下:

(i) 本公司權益股東應佔虧損(攤薄)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss attributable to the equity shareholders of the Company	本公司權益股東應佔虧損	(69,167)	(66,413)
After tax effect of effective interest and exchange differences on the liability component of convertible bonds	可換股債券負債部分實際利息及匯兌差額之稅後影響	14,059	9,231
After tax effect of changes in fair value recognised and exchange differences on the derivative components of convertible bonds	可換股債券衍生部分已確認公平值變動及匯兌差額之稅後影響	(25,122)	(34,026)
(Gain)/loss on redemptions and extinguishment of convertible bonds	贖回及清償可換股債券之(收益)/虧損	(590)	3,078
Loss attributable to the equity shareholders of the Company (diluted)	本公司權益股東應佔虧損(攤薄)	(80,820)	(88,130)

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

11 LOSS PER SHARE (CONTINUED)

(b) Diluted loss per share (continued)

(ii) Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares at 31 December
Effect of conversion of convertible bonds

於十二月三十一日之
普通股加權平均數
兌換可換股債券之影響

Weighted average number of ordinary shares (diluted) at 31 December

於十二月三十一日之普通股
加權平均數(攤薄)

The Group's share options granted and warrants issued could potentially dilute basic earnings/(loss) per share in the future, but were not included in the calculation of diluted loss per share because they are antidilutive during the years ended 31 December 2018 and 2017.

11 每股虧損(續)

(b) 每股攤薄虧損(續)

(ii) 普通股加權平均數(攤薄)

2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
1,812,096	1,818,494
55,380	64,535
1,867,476	1,883,029

本集團已授出購股權及已發行認股權證可能於未來潛在攤薄每股基本盈利/(虧損)，惟不會納入每股攤薄虧損之計算中，乃由於其已於截至二零一八年及二零一七年十二月三十一日止年度反攤薄。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

Cost:

At 1 January 2017
Additions
Disposals
Decrease from disposal of subsidiaries

At 31 December 2017

Accumulated depreciation and impairment losses:

At 1 January 2017
Charge for the year
Written back on disposals
Decrease from disposal of subsidiaries

At 31 December 2017

Carrying amount:

At 31 December 2017

Cost:

At 1 January 2018
Additions
Disposals

At 31 December 2018

Accumulated depreciation:

At 1 January 2018
Charge for the year
Written back on disposals

At 31 December 2018

Carrying amount:

At 31 December 2018

成本：

於二零一七年一月一日
添置
出售
出售附屬公司減少

於二零一七年十二月三十一日

累計折舊及減值：

於二零一七年一月一日
年內支出
出售撥回
出售附屬公司減少

於二零一七年十二月三十一日

賬面值：

於二零一七年十二月三十一日

成本：

於二零一八年一月一日
添置
出售

於二零一八年十二月三十一日

累計折舊及減值：

於二零一八年一月一日
年內支出
出售撥回

於二零一八年十二月三十一日

賬面值：

於二零一八年十二月三十一日

12 物業、廠房及設備

賬面值對賬

Plant and buildings and leasehold improvements 廠房及樓宇及租賃裝修 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Motor vehicles and other equipment 汽車及其他設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
78,946	196,356	19,391	294,693
2,889	302	5,876	9,067
-	-	(10,264)	(10,264)
(77,926)	(196,658)	(5,164)	(279,748)
3,909	-	9,839	13,748
(54,237)	(147,652)	(9,834)	(211,723)
(1,985)	(2,830)	(2,414)	(7,229)
-	-	6,275	6,275
53,809	150,482	3,443	207,734
(2,413)	-	(2,530)	(4,943)
1,496	-	7,309	8,805
3,909	-	9,839	13,748
2,285	-	1,764	4,049
-	-	(18)	(18)
6,194	-	11,585	17,779
(2,413)	-	(2,530)	(4,943)
(1,099)	-	(2,346)	(3,445)
-	-	5	5
(3,512)	-	(4,871)	(8,383)
2,682	-	6,714	9,396

Notes to the Financial Statements
財務報表附註

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

13 INTANGIBLE ASSETS

13 無形資產

		Domain name 域名 RMB'000 人民幣千元 (Note (i)) (附註(i))	Exclusive income right 獨家收入權 RMB'000 人民幣千元 (Note (ii)) (附註(ii))	Total 總計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日 二零一七年十二月三十一日、 二零一八年一月一日 及二零一八年十二月三十一日	21,917	13,824	35,741
Accumulated amortisation and impairment losses:	累計折舊及減值虧損：			
At 1 January 2017	於二零一七年一月一日	(8,850)	(4,224)	(13,074)
Charge for the year	年內支出	(5,059)	(4,608)	(9,667)
Impairment losses (Note 6)	減值虧損(附註6)	(8,008)	(4,992)	(13,000)
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、 二零一八年一月一日 及二零一八年十二月三十一日	(21,917)	(13,824)	(35,741)
Carrying amount:	賬面值：			
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	-	-	-

(i) This intangible asset represented the Group's electronic distribution platform, www.CCIGMALL.com, which the Group acquired through the acquisition of an e-commerce business in 2015. In view of the increasing competition within the e-commerce sector, and the slower than expected growth and uncertainties surrounding the future of the Group's own e-commerce business, the Group has written down the carrying amount of the intangible asset to its recoverable amount of RMBNil in 2017. The Group has ceased the e-commerce business during the year ended 31 December 2018.

(i) 此無形資產指本集團的電子分銷平台www.CCIGMALL.com，乃本集團於二零一五年透過收購電子商貿業務收購而來。鑑於電子商貿分部競爭越趨激烈，以及本集團自身電子商貿業務增長較預期緩慢及其未來之不確定性，本集團已於二零一七年將此無形資產的賬面值撇減至其可收回金額人民幣零元。本集團已於截至二零一八年十二月三十一日止年度終止電子商貿業務。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

13 INTANGIBLE ASSETS (CONTINUED)

- (ii) This intangible asset represented an exclusive income right obtained in 2016 from the development of a tailor-made e-commerce platform for a property developer in order to earn revenue from this property developer by assisting its property sales through the platform. In view of the slower than expected progress of the property projects under development by the above property developer, the management of the Group considered such projects may not be developed as planned. The Group has written down the carrying amount of the intangible asset to its recoverable amount of RMBNil in 2017. The directors of the Company confirm that the Group is taking the necessary actions to recover all or part of the consideration paid to the above property developer.

14 GOODWILL

Cost:

At 1 January 2017, 31 December 2017,
1 January 2018 and 31 December 2018

Accumulated impairment losses:

At 1 January 2017
Impairment losses (Note 6)

At 31 December 2017, 1 January 2018 and
31 December 2018

Carrying amount:

At 31 December 2017 and 2018

On 25 March 2015, the Group acquired the 51% equity interests in Century Network Holding Limited ("Century Network") for a consideration of RMB76,392,000. The excess of the cost of the purchase over the net fair value of the identifiable net assets acquired of RMB61,013,000 was recorded as goodwill and allocated to the Century Network's e-commerce business (the "e-commerce CGU").

As mentioned in Note 13, in view of the slower than expected growth of the e-commerce business, the Group has written down the carrying amount of the goodwill to its recoverable amount of RMB Nil in 2017. The Group has ceased the e-commerce business during the year ended 31 December 2018.

13 無形資產(續)

- (ii) 此無形資產指本集團自於二零一六年為一名物業開發商開發定制電子商貿平台所獲之獨家收入權利，以通過該平台協助其物業銷售自該名物業開發商賺取收入。鑑於上述物業開發商開發之物業項目進度較預期緩慢，本集團管理層認為該等項目未必能如預期發展。本集團已於二零一七年將此無形資產的賬面值撇減至其可收回金額人民幣零元。本公司董事確認本集團正為收回全部或部分已付予上述物業開發商代價採取必要行動。

14 商譽

RMB'000
人民幣千元

成本：

於二零一七年一月一日、二零一七年
十二月三十一日、二零一八年一月一日
及二零一八年十二月三十一日

61,013

累計減值虧損：

於二零一七年一月一日
減值虧損(附註6)

-
(61,013)

於二零一七年十二月三十一日、二零一八年
一月一日及二零一八年十二月三十一日

(61,013)

賬面值：

於二零一七年及二零一八年十二月三十一日

-

於二零一五年三月二十五日，本集團以代價人民幣76,392,000元收購Century Network Holding Limited (「Century Network」) 51% 股權。購買成本超出所收購可識別資產淨值的公平淨值的差額人民幣61,013,000元記錄為商譽及分配至Century Network的電子商貿業務(「電子商貿現金產生單位」)。

如附註13所述，鑑於電子商貿業務增長低於預期，本集團已於二零一七年將商譽的賬面值撇減至其可收回金額人民幣零元。本集團已於截至二零一八年十二月三十一日止年度終止電子商貿業務。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

15 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

15 於附屬公司之投資

下表僅載列對本集團業績、資產或負債構成主要影響的附屬公司的詳情。

Name of subsidiaries 附屬公司名稱	Place of establishment/ incorporation 成立/註冊 成立地點	Particulars of registered/issued and paid-up capital 註冊/已發行及 繳足股本詳情	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團的 實際權益	Held by the Company 本公司所持有	Held by subsidiaries 附屬公司 所持有	
Beijing Century Fortunet Network Technology Co., Ltd. *	The PRC	RMB3,000,000	51%	-	100%	Trading of goods through electronic distribution platform, mobile applications and other related means
北京世紀新幹線網絡技術有限公司	中國	人民幣3,000,000元				透過電子分銷平台、移動應用程式及其他相關方式交易商品
Beijing Century Fortunet Technology Co., Ltd. *	The PRC	RMB27,000,000	51%	-	100%	Maintenance of electronic distribution platform and mobile applications
北京世紀鑫網科技有限公司	中國	人民幣27,000,000元				維護電子分銷平台及移動應用程式
Centchain Co., Ltd. ("Centchain") *	The PRC	RMB200,000,000	20%	-	100%	Facilitate digital point business through an electronic platform
世紀暢鏈有限責任公司(「世紀暢鏈」)	中國	人民幣200,000,000元				透過電子平台進行數字積分業務
Century Network	The British Virgin Islands 英屬處女群島	United States Dollar ("USD")1 1美元(「美元」)	51%	51%	-	Investment holding 投資控股
Pointsea Company Limited ("PCL") (Note (i))	The Cayman Islands 開曼群島	RMB200,000,000	20%	-	50%	Investment holding 投資控股
分海有限公司(「分海」)(附註(i))		人民幣200,000,000元				
Pointsea Holdings Company Limited	The British Virgin Islands 英屬處女群島	RMB100,000,000	40%	-	80%	Investment holding 投資控股
分海控股有限公司		人民幣100,000,000元				
Pointsea (Hong Kong) Limited 分海(香港)有限公司	Hong Kong 香港	1 share 1股	20%	-	100%	Investment holding 投資控股

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

15 INVESTMENTS IN SUBSIDIARIES
(CONTINUED)

15 於附屬公司之投資 (續)

Name of subsidiaries 附屬公司名稱	Place of establishment/ incorporation 成立/註冊 成立地點	Particulars of registered/issued and paid-up capital 註冊/已發行及 繳足股本詳情	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團的 實際權益	Held by the Company 本公司所持有	Held by subsidiaries 附屬公司 所持有	
Shanghai Sub-chain Information Technology Co., Ltd. ("Sub-chain") * (Note (ii)) 上海分互鏈信息技術有限公司 (「分互鏈」)(附註(ii))	The PRC 中國	RMB10,000,000 人民幣10,000,000元	-	-	-	Facilitate digital point business through an electronic platform 透過經營電子平台進行數字積分業務
Treasure Ease Holdings Limited ("Treasure Ease")	The British Virgin Islands 英屬處女群島	RMB80,065,000 人民幣80,065,000元	50.1%	50.1%	-	Investment holding 投資控股

* The English translation of the names are for reference only and the official names of these entities are in Chinese.

* 英文譯名僅作參考及此等實體之官方名稱為中文。

Notes:

附註：

(i) The management of the Group considers PCL is a subsidiary of the Group through its power to control the board of directors of PCL.

(i) 本集團管理層認為其控制分海董事會之權力，分海為本集團附屬公司。

(ii) In July 2017, the two individual equity holders (the "Sub-chain's equity holders") of Sub-chain entered into a loan agreement with Centchain, pursuant to which Centchain provided interest-free loans of RMB5,000,000 to each of the Sub-chain's equity holders. The loans are secured by the respective equity interests in Sub-chain held by the Sub-chain's equity holders. Centchain is granted an exclusive and irrevocable option to purchase part or all of the equity interests in Sub-chain held by the Sub-chain's equity holders. The Sub-chain's equity holders entrust all of their respective shareholder rights in Sub-chain to Centchain. Although the Group does not hold any equity interests in Sub-chain, based on the terms of agreements Centchain contracted with the Sub-chain's equity holders, the Group has the current ability to direct Sub-chain's activities that most significantly affect the returns and will receive substantially all of the returns related to Sub-chain's operations and net assets. Accordingly, the directors of the Company consider it is appropriate to account Sub-chain as a subsidiary.

(ii) 於二零一七年七月，分互鏈兩名個別股權持有人(「分互鏈股權持有人」)與世紀暢鏈訂立貸款協議，據此世紀暢鏈各向分互鏈股權持有人提供人民幣5,000,000元免息貸款。貸款由分互鏈股權持有人各自於分互鏈持有之權益作為抵押。世紀暢鏈獲授獨家及不可收回購股權以購買部分或全部分互鏈股權持有人於分互鏈持有之權益。分互鏈股權持有人將彼等各自於分互鏈之股東權利委託予世紀暢鏈。儘管本集團未於分互鏈持有任何股份，惟基於世紀暢鏈與分互鏈股權持有人所訂立之合約條款，本集團擁有指示分互鏈活動(對回報具有重大影響者)之現有能力及將收獲分互鏈營運及資產淨值之大部分回報。因此，本公司董事認為將分互鏈計及為附屬公司屬恰當。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following tables list out the combined financial information of Century Network and its subsidiaries, and Treasure Ease and its subsidiaries, the two sub-groups within the Group, which have material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

15 於附屬公司之投資(續)

下表列出本集團內有重大非控股權益(「非控股權益」)的次集團Century Network及其附屬公司以及Treasure Ease及其附屬公司的合併財務資料。下列財務資料概要為未作出任何公司間對銷前的款項。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Century Network	Century Network		
Revenue	收入	656	134,040
Net loss	虧損淨額	(59,815)	(114,347)
Net loss attributable to NCI	非控股權益應佔虧損淨額	(29,310)	(56,030)
Non-current assets	非流動資產	1,875	2,717
Current assets	流動資產	11,652	40,905
Current liabilities	流動負債	(354,816)	(11,455)
Non-current liabilities	非流動負債	-	(326,959)
Net liabilities	淨負債	(341,289)	(294,792)
Net liabilities attributable to NCI	非控股權益應佔淨負債	(173,758)	(144,448)
Treasure Ease	Treasure Ease		
Revenue	收入	50,321	941
Net loss	虧損淨額	(206,882)	(96,644)
Net loss attributable to NCI	非控股權益應佔虧損淨額	(165,419)	(77,238)
Non-current assets	非流動資產	4,788	2,476
Current assets	流動資產	50,476	161,291
Current liabilities	流動負債	(158,741)	(60,362)
Net (liabilities)/assets	淨(負債)/資產	(103,477)	103,405
Net (liabilities)/assets attributable to NCI	非控股權益應佔淨(負債)/資產	(82,713)	82,706

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

16 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

Merchandises for trading 交易商品
Less: write-down of inventories 減：存貨撇減

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
1,358	1,343
(876)	(1,249)
482	94

(b) The analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

Carrying amount of inventories sold 已售存貨的賬面值
Write-down of inventories 存貨撇減

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
58,713	166,120
-	8,989
58,713	175,109

16 存貨

(a) 綜合財務狀況表的存貨包括：

(b) 已確認為開支及計入綜合損益表的存貨金額分析如下：

Notes to the Financial Statements
財務報表附註

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

17 TRADE AND OTHER RECEIVABLES

17 貿易及其他應收款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	23,979	4,296
Less: loss allowance (see Note 25(a))	減：虧損撥備(見附註25(a))	(3,604)	(3,399)
		20,375	897
Other receivables:	其他應收款項：		
– Loans to third parties	– 貸款予第三方	54,352	31,765
– Others	– 其他	49,592	46,053
Other receivables	其他應收款項	103,944	77,818
Less: loss allowance (see Note 25(a))	減：虧損撥備(見附註25(a))	(67,031)	(40,130)
		36,913	37,688
Financial assets measured at amortised cost	按攤銷成本計量的金融資產	57,288	38,585
Prepayments and deposits	預付款項及按金	9,777	11,061
		67,065	49,646

All of the trade and other receivables, net of loss allowance, are expected to be recovered or recognised as expenses within one year.

所有貿易及其他應收款項(扣除虧損撥備)預期於一年內收回或確認為開支。

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (net of loss allowance), included in trade and other receivables, based on the invoice date, is as follows:

賬齡分析

於報告期末，計入貿易及其他應收款項之貿易應收款項(扣除虧損撥備)基於發票日期的賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 3 months	三個月內	19,518	897
Over 3 months but within 6 months	超過三個月但少於六個月	688	–
Over 6 months	超過六個月	169	–
		20,375	897

Details on the Group's credit policy and credit risk arising from trade and other receivables are set out in Note 25(a).

本集團的信貸政策及貿易及其他應收款項產生的信貸風險之詳情載於附註25(a)。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

18 HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments:	持作交易用途之投資：
- Listed equity securities in Hong Kong	- 香港上市的股本證券
- Unlisted units in investment funds	- 投資基金的非上市單位

Held-for-trading investments are stated at their fair values which have been determined by reference to the published price quotations in active markets. Loss on fair value changes of the held-for-trading investments of approximately RMB1,085,000 has been recognised in profit or loss during the year ended 31 December 2018.

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

Cash at bank and on hand	銀行及手頭現金
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The Group's operations in the PRC (excluding Hong Kong) conduct their businesses in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC (excluding Hong Kong) is subject to the exchange restrictions imposed by the PRC government.

18 持作交易用途之投資

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
2,909	-
153	-
3,062	-

持作交易用途之投資按已參考活躍市場公開報價釐定的公平值呈列。持作交易用途之投資的公平值變動虧損約人民幣1,085,000元已於截至二零一八年十二月三十一日止年度的損益中確認。

19 現金及現金等值項目以及其他現金流資料

(a) 現金及現金等值項目包括：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
97,420	392,994

本集團於中國(不包括香港)的業務營運以人民幣計值。人民幣為不可自由兌換的貨幣及資金匯出中國(不包括香港)須受中國政府實施的外匯限制規管。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

19 現金及現金等值項目以及其他現金流資料(續)

(b) 融資活動產生負債的對賬

下表詳述本集團融資活動所得負債的變動(包括現金及非現金變動)。融資活動所得負債指現金流量或未來現金流量將於本集團綜合現金流量表中分類為融資活動所得現金流量。

		Liability components of convertible bonds	Derivative components of convertible bonds	Total
		可換股債券的負債部分 RMB'000 人民幣千元 (Note 21) (附註21)	可換股債券的衍生工具 RMB'000 人民幣千元 (Note 21) (附註21)	總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	59,031	26,044	85,075
Changes from financing cash flows:	融資現金流量變動：			
Payments for the redemptions of convertible bonds	贖回可換股債券之付款	(21,110)	(884)	(21,994)
Interest paid	已付利息	(7,480)	-	(7,480)
Total changes from financing cash flows	融資現金流量的變動總額	(28,590)	(884)	(29,474)
Other changes:	其他變動：			
Finance costs (Note 7(a))	融資成本(附註7(a))	11,385	-	11,385
Changes in fair value (Note 7(a))	公平值變動(附註7(a))	-	(26,438)	(26,438)
Gain on redemptions and extinguishment of convertible bonds (Note 7(a))	贖回及清償可換股債券的收益(附註7(a))	(590)	-	(590)
Exchange adjustments	匯兌調整	3,127	1,350	4,477
		13,922	(25,088)	(11,166)
At 31 December 2018	於二零一八年十二月三十一日	44,363	72	44,435

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

19 現金及現金等值項目以及其他現金流資料(續)

		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元	Interest payables 應付利息 RMB'000 人民幣千元	Secured notes 有抵押票據 RMB'000 人民幣千元	Liability components of convertible bonds 負債部分 RMB'000 人民幣千元 (Note 21) (附註21)	Derivative components of convertible bonds 衍生工具部分 RMB'000 人民幣千元 (Note 21) (附註21)	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	195,665	13,996	141,161	67,035	48,941	466,798
Changes from financing cash flows:	融資活動現金流量變動：						
Proceeds from new bank and other loans	新增銀行及其他貸款之所得款項	60,429	-	-	-	-	60,429
Repayment of bank and other loans	償還銀行及其他貸款	(54,505)	-	-	-	-	(54,505)
Repayment of secured notes	償還有抵押票據	-	-	(137,747)	-	-	(137,747)
Interest paid	已付利息	-	(2,621)	(2,061)	(9,184)	-	(13,866)
Total changes from financing cash flows	融資活動現金流量總變動	5,924	(2,621)	(139,808)	(9,184)	-	(145,689)
Other changes:	其他變動：						
Finance costs (Note 7(a))	融資成本(附註7(a))	-	5,324	883	13,126	-	19,333
Gain on redemption of secured notes (Note 7(a))	贖回抵押票據之收益(附註7(a))	-	-	(1,228)	-	-	(1,228)
Loss on extinguishment of convertible bonds (Note 7(a))	清償可換股債券之虧損(附註7(a))	-	-	-	(8,051)	11,129	3,078
Changes in fair value (Note 7(a))	公平值變動(附註7(a))	-	-	-	-	(32,401)	(32,401)
Exchange adjustments	匯兌調整	-	-	(1,008)	(3,895)	(1,625)	(6,528)
Disposal of subsidiaries	出售附屬公司	(201,589)	(16,699)	-	-	-	(218,288)
Total other changes	其他總變動	(201,589)	(11,375)	(1,353)	1,180	(22,897)	(236,034)
At 31 December 2017	於二零一七年十二月三十一日	-	-	-	59,031	26,044	85,075

Notes to the Financial Statements
財務報表附註

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

20 TRADE AND OTHER PAYABLES

20 貿易及其他應付款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	貿易應付款項	17,954	1,120
Payables for staff related costs	員工相關成本的應付款項	6,258	8,787
Payables for miscellaneous taxes	應付雜稅	2,782	614
Payables for selling expenses incurred for digital point business	應付數字積分業務應計銷售開支	8,286	14,705
Others	其他	6,467	2,460
		23,793	26,566
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	41,747	27,686
Deposits received from business partner in connection with the Group's digital point business	已收本集團數字積分業務之業務夥伴的按金	1,000	1,000
Advances received from customers	已收客戶墊款	147	154
Others	其他	584	5,256
		43,478	34,096

All of the trade and other payables are expected to be settled or recognised as revenue within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade payables included in trade and other payables, based on the invoice date, is as follows:

所有貿易及其他應付款項預期於一年內結算或確認為收入或按要求償還。

於報告期末，計入貿易及其他應付款項之貿易應付款項基於發票日期的賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 3 months	三個月內	17,536	1,034
3 to 6 months	三至六個月	239	26
Over 6 months	超過六個月	179	60
		17,954	1,120

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

21 CONVERTIBLE BONDS

The Group's convertible bonds are analysed as follows:

21 可換股債券

本集團可換股債券分析如下：

		Liability components	Derivative components	Total
		負債部分 RMB'000 人民幣千元	衍生工具部分 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	67,035	48,941	115,976
Convertible bond issued	已發行可換股債券	59,321	27,449	86,770
Accrued finance charges for the year (Note 7(a))	本年度應計財務費用 (附註 7(a))	13,126	-	13,126
Interest paid	已付利息	(9,184)	-	(9,184)
Exchange adjustments	匯兌調整	(3,895)	(1,625)	(5,520)
Fair value changes on the derivative components (Note 7(a))	衍生工具部分公平值變動 (附註 7(a))	-	(32,401)	(32,401)
Extinguishment of convertible bonds	清償可換股債券	(67,372)	(16,320)	(83,692)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	59,031	26,044	85,075
Accrued finance charges for the year (Note 7(a))	本年度應計財務費用 (附註 7(a))	11,385	-	11,385
Interest paid	已付利息	(7,480)	-	(7,480)
Exchange adjustments	匯兌調整	3,127	1,350	4,477
Fair value changes on the derivative components (Note 7(a))	衍生工具部分公平值變動 (附註 7(a))	-	(26,438)	(26,438)
Redemptions, extinguishment and recognition of convertible bonds	贖回、清償及確認可換股債券	(21,700)	(884)	(22,584)
At 31 December 2018	於二零一八年十二月三十一日	44,363	72	44,435

In June 2015, the Company issued two secured convertible bonds with an aggregate face value of USD10,000,000 (equivalent to approximately RMB61,176,000) to Chance Talent Management Limited ("Chance Talent"), a third party, (together, "CB1"). On the date of issuance, both bonds bore interest at 13% per annum and were to mature in June 2018, where Chance Talent could convert them into the Company's ordinary shares at the respective stipulated conversion prices before their maturity dates.

於二零一五年六月，本公司已向一名第三方 Chance Talent Management Limited (「Chance Talent」) 發行面值總額為 10,000,000 美元 (約等於人民幣 61,176,000 元) 的兩批有抵押可換股債券 (統稱「可換股債券」)。於發行日期，該等債券均按年利率 13% 計息並將於二零一八年六月到期，而 Chance Talent 可在該等債券到期日前按各自指定兌換價兌換該等債券為本公司普通股。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

21 CONVERTIBLE BONDS (CONTINUED)

In December 2017, the Company has extinguished CB1 and issued secured convertible bonds with face value of USD10,000,000 (equivalent to approximately RMB66,066,000) to Chance Talent (“CB2”). On the date of issuance, CB2 bore interest at 13% per annum, were to mature in June 2019 and secured by 109,343,662 ordinary shares in the Company owned by Century Investment (Holding) Limited (“Century Investment”). Chance Talent could convert CB2 into the Company’s ordinary shares at HK\$1.209 per share before the maturity date.

On 4 July 2018, the Company and Chance Talent entered into an agreement to amend the terms of CB2 which constituted significant contract modifications, and accordingly, CB2 has been accounted for as extinguishment of the original financial instrument and the recognition of new financial instrument. Pursuant to this agreement, the Company redeemed a principal amount of USD2,800,000 (equivalent to approximately RMB18,526,000) of CB2 in cash on the same day. In December 2018, the Company has further redeemed a principal amount of USD500,000 (equivalent to approximately RMB3,468,000) of CB2 in cash.

On 13 December 2018, an additional 45,347,514 shares in the Company owned by Century Investment were provided as securities for CB2.

The aggregate difference between the redemptions/extinguishment and recognition and the carrying amounts of CB2 took place in 2018 amounted to a gain of RMB590,000 (2017: loss of RMB3,078,000) which has been recognised in profit or loss during the year.

21 可換股債券(續)

於二零一七年十二月，本公司已清償可換股債券一並發行面值為10,000,000美元(約等於人民幣66,066,000元)的新有抵押可換股債券(「可換股債券二」)予Chance Talent。於發行日期，可換股債券二按年利率13%計息，將於二零一九年六月到期及由Century Investment (Holding) Limited(「Century Investment」)擁有的109,343,662股本公司普通股作抵押。Chance Talent可於到期日前按每股1.209港元將可換股債券二兌換為本公司普通股。

於二零一八年七月四日，本公司與Chance Talent訂立一項協議，以修訂可換股債券二的條款，該修訂構成重大合約修改，可換股債券二已作為清償初始金融工具及確認新金融工具入賬。根據該協議，本公司於同日按現金贖回可換股債券二本金2,800,000美元(約等於人民幣18,526,000元)。於二零一八年十二月，本公司已以現金進一步贖回可換股債券二本金500,000美元(約等於人民幣3,468,000元)。

於二零一八年十二月十三日，Century Investment擁有的其他45,347,514股本公司股份已用作可換股債券二的抵押品。

於二零一八年發生的可換股債券二贖回/清償及確認與其賬面值之間的總差額為收益人民幣590,000元(二零一七年：虧損人民幣3,078,000元)，已於年內損益內確認。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

22 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 28 June 2010 whereby the directors of the Company are authorised, at their discretion, to invite any full-time or part-time employees, executives, officers or directors (including independent non-executive directors) of the Group and any advisors, consultants, agents, suppliers, customers, distributors and such other persons who, in the sole opinion of the directors of the Company, will contribute or have contributed to the Group, to take up share options at HK\$1 to subscribe for ordinary shares in the Company.

On 3 October 2016, 80,000,000 share options were granted to directors of the Company and employees of the Group under the above share option scheme. All of the share options granted will vest after one year from the date of grant and will mature on 2 October 2019. Each share option gives the holder the right to subscribe for one ordinary share in the Company at HK\$1.41 and is settled gross in shares.

On 7 August 2018, 72,000,000 share options were granted to a director of the Company under the above share option scheme. All of the share options granted will vest immediately from the date of grant and will mature on 3 May 2023. Each share option gives the holder the right to subscribe for one ordinary share in the Company at HK\$1.21 and is settle gross in shares.

22 權益結算以股份為基礎的交易

本公司設有於二零一零年六月二十八日獲採納的購股權計劃，據此，本公司董事獲授權按其酌情邀請本集團任何全職或兼職僱員、執行人員、高級職員或董事（包括獨立非執行董事）及本公司董事全權認為將為本集團作出或已作出貢獻的任何諮詢師、顧問、代理、供應商、客戶、分銷商及該等其他人士按1港元接納購股權以認購本公司普通股。

於二零一六年十月三日，80,000,000份購股權根據上述購股權計劃授予本公司董事及本集團僱員。授出的所有購股權將於自授出日期起計的一年後歸屬及將於二零一九年十月二日到期。每份購股權賦予持有人權利以按1.41港元認購本公司一股普通股及以股份全數結算。

於二零一八年八月七日，72,000,000份購股權根據購股權計劃授予本公司一名董事。所有已授出購股權將自授出日期即時歸屬並將於二零二三年五月三日到期。每份購股權賦予持有人權利以按1.21港元認購本公司一股普通股及以股份全數結算。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

**22 EQUITY-SETTLED SHARE-BASED
TRANSACTIONS (CONTINUED)**

**(a) The terms and conditions of the share
options granted are as follow:**

Share options granted to directors:

授予董事的購股權：

– On 3 October 2016

– 於二零一六年十月三日

– On 7 August 2018

– 於二零一八年八月七日

Share options granted to employees:

授予僱員的購股權：

– On 3 October 2016

– 於二零一六年十月三日

Total share options granted

授出的購股權總數

22 權益結算以股份為基礎的交易（續）

(a) 所授購股權的條款及條件如下：

	Number of instruments 工具數目	Vesting condition 歸屬條件	Contractual life of share options 購股權的合約期
	45,000,000	One year from the date of grant 自授出日期起 計的一年	3 years
	72,000,000	No vesting condition 無歸屬條件	4.74 years
	35,000,000	One year from the date of grant 自授出日期起 計的一年	3 years
	152,000,000		

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

22 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) The number and weighted average exercise price of share options are as follows:

Outstanding at the beginning of the year	於年初未行使
Granted during the year	於年內授出
Forfeited during the year	於年內沒收
Outstanding at the end of the year	於年末未行使
Exercisable at the end of the year	於年末可行使

The share options outstanding at 31 December 2018 had a weighted average exercise price of HK\$1.31 (2017: HK\$1.41) and a weighted average remaining contractual life of 2.5 years (2017: 1.8 years).

22 權益結算以股份為基礎的交易(續)

(b) 購股權數目及加權平均行使價如下：

2018 二零一八年		2017 二零一七年	
Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of share options 購股權數目
1.41	75,000,000	1.41	80,000,000
1.21	72,000,000		–
	–	1.41	(5,000,000)
1.31	147,000,000	1.41	75,000,000
1.31	147,000,000	1.41	75,000,000

於二零一八年十二月三十一日未行使的購股權的加權平均行使價為1.31港元(二零一七年：1.41港元)及餘下的加權平均合約期為2.5年(二零一七年：1.8年)。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

22 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(c) Fair value of share options and assumptions for share options granted on 7 August 2018

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions

購股權之公平值及假設

Fair value at measurement date	於計量日期的公平值	
Share price	股價	
Exercise price	行使價	
Expected volatility (expressed as volatility used in the modelling under the Binomial Option Pricing Model)	預期波動(表述為於二項期權定價模式項下建模使用的波動性)	
Option life (contractual life used in the modelling under the Binomial Option Pricing Model)	購股權年期(於二項期權定價模式項下建模使用的合約年期)	
Expected dividends	預期股息	
Risk-free interest rate (based on the yields of Hong Kong dollar swap curve)	無風險利率(以港元掉期曲線回報為基礎)	

22 權益結算以股份為基礎的交易(續)

(c) 購股權公平值及於二零一八年八月七日所授出購股權的假設

作為已授出購股權回報所收取的服務之公平值參考所授出購股權的公平值計量。已授出購股權公平值的估計乃根據二項期權定價模式計量。購股權的合約年期用作該模式的一項輸入數據。

Share options granted on 7 August 2018 於二零一八年八月七日授出的購股權

HK\$0.2889 0.2889 港元
HK\$0.70 0.70 港元
HK\$1.21 1.21 港元
69.305%
4.74 years 4.74 年
0.00%
2.011%

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

23 DEFERRED TAX ASSETS AND LIABILITIES

- (a) The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Assets 資產		Liabilities 負債		Total 總計
	Unused tax losses 未動用稅項虧損	Credit loss allowances 信貸虧損撥備	Fair value adjustments on property, plant and equipment, lease prepayments and intangible assets and subsequent depreciation and amortisation 物業、廠房及設備、預付租賃款項及無形資產之公平值調整及其後折舊及攤銷		
遞延稅項產生自：	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
At 1 January 2017 (Charged)/credited to the consolidated statement of profit or loss (Note 8(a))	40,504	9,983	(3,946)		46,541
Decrease from disposal of subsidiaries	(40,504)	(9,983)	3,277		(47,210)
	-	-	669		669
At 31 December 2017, 1 January 2018 and 31 December 2018	-	-	-		-

- (b) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(t), the Group has not recognised deferred tax assets in respect of unused tax losses and temporary differences of RMB468,756,000 at 31 December 2018 (2017: RMB276,296,000), as it is not probable that future taxable profits against which the losses and temporary differences can be utilised will be available in the relevant tax jurisdiction and entity. The unused tax losses at 31 December 2018 will expire on or before 31 December 2023.

23 遞延稅項資產及負債

- (a) 於綜合財務狀況表確認之遞延稅項資產及負債部分及於年內之變動如下：

Deferred tax arising from:	Assets 資產		Liabilities 負債		Total 總計
	Unused tax losses 未動用稅項虧損	Credit loss allowances 信貸虧損撥備	Fair value adjustments on property, plant and equipment, lease prepayments and intangible assets and subsequent depreciation and amortisation 物業、廠房及設備、預付租賃款項及無形資產之公平值調整及其後折舊及攤銷		
遞延稅項產生自：	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
At 1 January 2017 (Charged)/credited to the consolidated statement of profit or loss (Note 8(a))	40,504	9,983	(3,946)		46,541
Decrease from disposal of subsidiaries	(40,504)	(9,983)	3,277		(47,210)
	-	-	669		669
At 31 December 2017, 1 January 2018 and 31 December 2018	-	-	-		-

- (b) 未確認的遞延稅項資產

根據附註2(t)所載會計政策，由於在有關稅務司法權區內，實體不太可能有未來應課稅溢利以抵銷可供動用之稅項虧損及暫時性差額，故本集團於二零一八年十二月三十一日並無就未動用稅項虧損及暫時性差額人民幣468,756,000元(二零一七年：人民幣276,296,000元)確認遞延稅項資產。於二零一八年十二月三十一日，未動用稅項虧損將於二零二三年十二月三十一日或之前屆滿。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

24 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

24 資本、儲備及股息

(a) 權益部分的變動

本集團綜合權益各部分於年初及年末結餘之對賬載於綜合權益變動表。本公司個別部分權益於年初與年末之變動詳情載列如下：

		Share capital 股本 RMB'000 人民幣千元 (Note 24(c)(i)) (附註24(c)(i))	Share premium 股份溢價 RMB'000 人民幣千元 (Note 24(e)(i)) (附註24(e)(i))	Capital reserve 資本儲備 RMB'000 人民幣千元 (Note 24(e)(ii)) (附註24(e)(ii))	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Balance at 1 January 2017	於二零一七年一月一日的結餘	108,209	1,021,270	238,055	(929,581)	437,953
Changes in equity for 2017:	於二零一七年的權益變動：					
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	-	(427,463)	(427,463)
Issuance of shares	發行股份	10,404	252,482	-	-	262,886
Purchase of own shares	購入自身股份					
- par value paid	- 已付面值	(635)	-	-	-	(635)
- premium paid	- 已付溢價	-	(8,205)	-	-	(8,205)
Effect on equity arising from disposal of subsidiaries	出售附屬公司對股權的影響	-	-	(226,982)	226,982	-
Shares granted under the share option scheme (Note 22)	根據購股權計劃授出的股份(附註22)	-	-	31,500	-	31,500
Balance at 31 December 2017	於二零一七年十二月三十一日的結餘	117,978	1,265,547	42,573	(1,130,062)	296,036

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

**24 CAPITAL, RESERVES AND DIVIDENDS
(CONTINUED)**

24 資本、儲備及股息(續)

**(a) Movements in components of equity
(continued)**

(a) 權益部分的變動(續)

		Share capital 股本 RMB'000 人民幣千元 (Note 24(c)) (附註24(c))	Share premium 股份溢價 RMB'000 人民幣千元 (Note 24(e)(i)) (附註24(e)(i))	Capital reserve 資本儲備 RMB'000 人民幣千元 (Note 24(e)(ii)) (附註24(e)(ii))	Exchange reserve 匯兌儲備 RMB'000 人民幣千元 (Note 24(e)(iii)) (附註24(e)(iii))	Accumulated losses 累計虧損 RMB'000 人民幣千元 (Note 24(e)(iv)) (附註24(e)(iv))	Total 總計 RMB'000 人民幣千元 (Note 24(e)(v)) (附註24(e)(v))
Balance at 1 January 2018	於二零一八年一月一日的結餘	117,978	1,265,547	42,573	-	(1,130,062)	296,036
Changes in equity for 2018:	於二零一八年的權益變動						
Loss for the year	年內虧損	-	-	-	-	(75,013)	(75,013)
Other comprehensive income	其他全面收益	-	-	-	3,511	-	3,511
Total comprehensive income	全面收益總額	-	-	-	3,511	(75,013)	(71,502)
Issuance of warrants (Note 24(d))	發行認股權證(附註24(d))	-	-	1,290	-	-	1,290
Purchase of own shares (Note 24(c)(ii))	購入自身股份(附註24(c)(ii))						
- par value paid	- 已付面值	(166)	-	-	-	-	(166)
- premium paid	- 已付溢價	-	(1,758)	-	-	-	(1,758)
Shares granted under the share option scheme (Note 22)	根據購股權計劃授出的股份(附註22)	-	-	18,133	-	-	18,133
		(166)	(1,758)	19,423	-	-	17,499
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	117,812	1,263,789	61,996	3,511	(1,205,075)	242,033

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

**24 CAPITAL, RESERVES AND DIVIDENDS
(CONTINUED)**

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: RMB Nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the year

The directors of the Company did not recommend the payment of a dividend for the year ended 31 December 2017 (2016: RMB Nil).

(c) Share capital

(i) Issued share capital

Authorised:
Ordinary shares of
USD0.01 each

法定：
每股面值0.01美元
之普通股

24 資本、儲備及股息(續)

(b) 股息

(i) 應付本公司權益股東應佔本年度的股息

本公司董事不建議派付截至二零一八年十二月三十一日止年度之末期股息(二零一七年：人民幣零元)。

(ii) 於本年度批准之應付本公司權益股東應佔上一財政年度的股息

本公司董事不建議派付截至二零一七年十二月三十一日止年度之股息(二零一六年：人民幣零元)。

(c) 股本

(i) 已發行股本

2018 二零一八年		2017 二零一七年	
No. of shares 股份數目 '000 千股	USD'000 千美元	No. of shares 股份數目 '000 千股	USD'000 千美元
5,000,000	50,000	5,000,000	50,000

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

**24 CAPITAL, RESERVES AND DIVIDENDS
(CONTINUED)**

(c) Share capital (continued)

(i) Issued share capital (continued)

Ordinary shares of USD0.01 each, issued and fully paid:	已發行及已繳足股款的每股面值0.01美元之普通股：
At 1 January	於一月一日
Shares issued	已發行股份
Shares repurchased (Note 24(c)(ii))	購回股份 (附註24(c)(ii))
At 31 December	於十二月三十一日

(ii) Purchase of own shares

During the year, the Company repurchased its own ordinary shares on the Stock Exchange as follows:

Month/year	年份/月份
May 2018	二零一八年五月
June 2018	二零一八年六月

The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these ordinary shares of USD25,560 (equivalent to approximately RMB166,000). The premium paid on the repurchase of the ordinary shares of HK\$2,135,000 (equivalent to approximately RMB1,758,000) was charged to share premium directly.

24 資本、儲備及股息(續)

(c) 股本(續)

(i) 已發行股本(續)

2018 二零一八年		2017 二零一七年	
No. of shares 股份數目 '000 千股	RMB'000 人民幣千元	No. of shares 股份數目 '000 千股	RMB'000 人民幣千元
1,813,509	117,978	1,671,615	108,209
-	-	151,515	10,404
(2,556)	(166)	(9,621)	(635)
1,810,953	117,812	1,813,509	117,978

(ii) 購入自身股份

於本年度內，本公司已於聯交所購回其自身普通股如下：

Number of shares repurchased 購回股份數目	Highest price paid per share 已付每股最高價格 HK\$ 港元	Lowest price paid per share 已付每股最低價格 HK\$ 港元	Aggregate price paid 合共 已付價格 HK\$'000 千港元
715,000	1.02	0.98	718
1,841,000	1.07	0.71	1,616
2,556,000			2,334

購回股份已予註銷及本公司已發行股本中已相應減去此等普通股之面值25,560美元(約等於人民幣166,000元)。購回普通股之已付溢價2,135,000港元(約等於人民幣1,758,000元)已直接自股份溢價扣除。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

24 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Warrants

On 26 March 2018, the Company entered into a warrant subscription agreement with Century Investment, pursuant to which the Company agreed to issue 298,000,000 unlisted warrants (the "Warrants") at a price of HK\$0.01 per warrant to Century Investment. Each warrant entitles the holder to acquire one ordinary share in the Company at an exercise price of HK\$1.38 per share from a period commencing on the date that is six months after the issue date and ending on the fifth anniversary date of the issue date.

On 18 September 2018, the Company issued the Warrants to Century Investment. The total amount of proceeds, net of transaction costs, of HK\$1,480,000 (equivalent to approximately RMB1,290,000) was credited to the Company's capital reserve account. During the year ended 31 December 2018, no warrants were exercised.

(e) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by Section 34 of the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

(ii) Capital reserve

Capital reserve comprises the follow:

the portion of the grant date fair value of unexercised share options granted to directors of the Company and employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(s)(ii); and

the unexercised portion of the Warrants issued.

24 資本、儲備及股息(續)

(d) 認股權證

於二零一八年三月二十六日，本公司與Century Investment訂立認股權證認購協議，據此，本公司同意按每份認股權證0.01港元的價格發行298,000,000份非上市認股權證(「認股權證」)予Century Investment。每份認股權證賦予持有人權利於發行日期起計六個月至日期起及發行日期第五個週年日止期間按行使價每股1.38港元收購一股普通股。

於二零一八年九月十八日，本公司發行認股權證予Century Investment。所得款項總額扣除交易成本為1,480,000港元(約等於人民幣1,290,000元)，計入本公司資本儲備賬戶。截至二零一八年十二月三十一日止年度，並無行使認股權證。

(e) 儲備之性質及目的

(i) 股份溢價

動用股份溢價賬受開曼群島法例第22章公司法(一九六一年第三項法例，經綜合及修訂)第34條監管。

(ii) 資本儲備

資本儲備包括下列者：

已根據附註2(s)(ii)所述就以股份為基礎之付款採納的會計政策確認的授予本公司董事及本集團僱員的未行使購股權於授出日期的公平值部分；及

已發行認股權證的未行使部分。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

24 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves (continued)

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations which have a functional currency other than RMB into RMB. The reserve is dealt with in accordance with the accounting policy set out in Note 2(w).

In view of the current and future development of the Group's businesses, the directors of the Company consider that the Company will generally generate and expend cash denominated in HK\$. Accordingly, the directors of the Company has determined to change the functional currency of the Company from RMB to HK\$ in 2018.

(iv) Other reserve

The balance of other reserve comprises the difference between the consideration paid and the carrying values of the non-controlling interests acquired by the Group in prior years.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher equity shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

24 資本、儲備及股息(續)

(e) 儲備之性質及目的(續)

(iii) 匯兌儲備

匯兌儲備包括換算功能貨幣為人民幣以外之貨幣的業務經營財務報表為人民幣時產生的所有外匯差額。儲備根據附註2(w)所載會計政策處理。

鑑於本集團業務的目前及未來發展，本公司董事認為本公司將產生及支銷以港元計值的現金。因此，本公司董事已決定於二零一八年將本公司功能貨幣由人民幣變更為港元。

(iv) 其他儲備

其他儲備的結餘包括已付代價與本集團於過往年度所獲得的非控股權益的賬面值之間的差額。

(f) 資本管理

本集團在資本管理上的首要目的是保障本集團能夠持續經營，從而通過與風險水平相應的產品及服務定價以及獲得合理成本的融資繼續為本公司股東提供回報及為其他利益相關者謀求利益。

本集團積極及定期檢討及管理其資本結構，以在盡量提高權益股東回報及借款水平上升之間，以及在穩健的資本狀況的優勢與安全性之間維持平衡，此外亦會就經濟情況改變而調整其資本結構。

本公司及其任何附屬公司概無面臨外界施加的資本要求。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor rather than the industry in which the debtors operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual debtors. At the end of the reporting period, 63.9% (2017: 66.6%) and 93.2% (2017: 99.3%) of the total trade receivables was due from the Group's largest trade debtor and the five largest trade debtors respectively.

Individual credit evaluations are performed on all debtors requiring credit over a certain amount. These evaluations focus on the debtor's past history of making payments when due and current ability to pay, and take into account information specific to the debtor as well as pertaining to the economic environment in which the debtor operates. Trade receivables are due within 90 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from debtors.

25 財務風險管理及金融工具的公平值

本集團於日常業務過程中產生信貸、流動資金、利率及貨幣風險。

本集團所承受風險及本集團為管理該等風險採用之財務風險管理政策及慣例闡述如下。

(a) 信貸風險

信貸風險指交易方將違反其合約責任而導致本集團蒙受財務虧損之風險。本集團的信貸風險主要源自貿易及其他應收款項及合約資產。本集團來自現金及現金等值項目的信貸風險有限，由於交易方為本集團認為具有高信貸評級的銀行及金融機構。

本集團並無就本集團可能面臨的信貸風險提供任何擔保。

貿易及其他應收款項

本集團的信貸風險主要受各債務人的個別情況所影響，而非受債務人經營所在行業影響，故本集團的重大信貸集中風險主要在本集團面臨重大個別債務人風險時產生。於報告期末，貿易應收款項總額的63.9% (二零一七年：66.6%) 及93.2% (二零一七年：99.3%) 分別為應收本集團最大貿易債務人及五大貿易債務人的款項。

本集團對要求一定金額以上信貸額之所有債務人進行個別信貸評估。該等評估注重債務人過往到期付款歷史及當期之付款能力，並計及債務人特定及與債務人經營所在經濟環境有關資料。貿易應收款項一般自開票日期起90天內到期。債務人結餘逾期超過3個月的須結清所有未償還結餘方會獲授任何進一步信貸。一般而言，本集團不從債務人處獲得抵押品。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Trade and other receivables (continued)

The Group measures loss allowances for trade and other receivables and contract assets 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 debtor segments, the loss allowance based on past due status is not further distinguished between the Group's different debtor bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables at 31 December 2018:

Within 3 months	三個月內
Over 3 months but within 6 months	超過三個月但 少於六個月
Over 6 months but within 1 year	超過六個月但 少於十二個月

The expected loss rates are based on actual loss experience adjusted to reflect differences between economic conditions during the period 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.

25 財務風險管理及金融工具的公平值(續)

(a) 信貸風險(續)

貿易及其他應收款項(續)

本集團按相等於使用撥備矩陣計算之整個存續期預期信貸虧損之金額計量貿易及其他應收款項及合約資產之虧損撥備。由於本集團之過往信貸虧損經驗並無就不同債務人分部顯示重大虧損模式差異，根據逾期狀態計算之虧損撥備並無於本集團不同客戶群之間進一步區分。

下表提供有關本集團於二零一八年十二月三十一日就貿易應收款項所面臨之信貸風險及預期信貸虧損之資料：

Expected loss rate	Gross carrying amount	Loss allowance
預期虧損率	賬面總值	虧損撥備
%	RMB'000	RMB'000
%	人民幣千元	人民幣千元
0.5%	19,616	(98)
10%	765	(77)
15%	199	(30)
	20,580	(205)

預期虧損率根據實際虧損經驗作出調整，以反映已取得過往數據期間內之經濟狀況、當前狀況及本集團對應收款之預期年期內之經濟狀況之意見之間之差異。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Comparative information under HKAS 39

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment (see Note 2(k)(i) – Policy applicable prior to 1 January 2018). At 31 December 2017, trade receivables of RMB3,399,000 were determined to be impaired. The ageing analysis of trade debtors that were not considered to be impaired was as follows:

1-30 days past due

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.

Movements in the loss allowance account in respect of trade and other receivables during the year is as follows:

25 財務風險管理及金融工具的公平值(續)

(a) 信貸風險(續)

香港會計準則第39號項下之比較資料

於二零一八年一月一日前，減值虧損僅在出現減值之客觀憑證(見附註2(k)(i)–於二零一八年一月一日前適用之政策)時方會確認。於二零一七年十二月三十一日，貿易應收款項人民幣3,399,000元釐定為減值。被認為無須減值的應收賬款的賬齡分析如下：

2017
二零一七年
RMB'000
人民幣千元

逾期1至30天

897

已逾期但未減值之應收款項與若干獨立客戶有關，該等客戶與本集團有良好往績記錄。根據過往經驗，管理層認為毋須就該等結餘作出虧損撥備，原因是信貸質素並無重大變動，且該等結餘仍被視為可悉數收回。

年內有關貿易及其他應收款項的虧損撥備賬變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Balance at 1 January	於一月一日的結餘	43,529	408,310
Impairment losses recognised/ (reversal of impairment losses) during the year (Note 6)	年內已確認減值虧損/ (減值虧損撥回)(附註6)	26,504	(5,684)
Amounts written off during the year	年內撇銷金額	(93)	(108)
Decrease from disposal of subsidiaries	出售附屬公司減少	-	(358,989)
Exchange adjustments	匯兌調整	695	-
Balance at 31 December	於十二月三十一日的結餘	70,635	43,529

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

The treasury function is centrally managed by the Group, which includes the short term investment of cash surpluses and the raising of funds to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest dates the Group can be required to pay.

25 財務風險管理及金融工具的公平值(續)

(b) 流動資金風險

庫務功能由本集團中央管理，包括現金盈餘的短期投資，以及籌集資金以滿足預期現金需求。本集團的政策是要定期監察流動資金需求及貸款契諾的遵行情況，以確保維持足夠現金儲備，獲主要金融機構承諾提供充裕的融資額度，從而應付短期及長期流動資金需要。

下表列示本集團於報告期末按合約未貼現現金流量(包括使用合約利率或(如屬浮息)於報告期末的現時利率計算的利息付款)計算的非衍生金融負債的剩餘合約期限，以及本集團須償還有關款項的最早日期。

Trade and other payables measured at amortised cost	按攤銷成本計量的貿易及其他應付款項
Convertible bonds – liability components	可換股債券 – 負債部分

2018 二零一八年 Contractual undiscounted cash outflow within 1 year or on demand 一年內 或按要求的 合約未折現 現金流出 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
41,747	41,747
48,882	44,363
90,629	86,110

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

Trade and other payables measured at amortised cost	按攤銷成本計量的貿易及其他應付款項
Convertible bonds – liability components	可換股債券 – 負債部分

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

25 財務風險管理及金融工具的公平值 (續)

(b) 流動資金風險 (續)

2017
二零一七年
Contractual undiscounted cash outflow
合約未折現現金流出

Within 1 year or on demand 一年內或按要求 RMB'000 人民幣千元	More than 1 year but less than 2 years 一年以上但兩年以下 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
27,686	–	27,686	27,686
8,494	69,589	78,083	59,031
36,180	69,589	105,769	86,717

(c) 利率風險

利率風險為金融工具的未來現金流量之公平值將因市場利率的變動而波動的風險。本集團的利率風險主要源自計息借款。浮動利率及固定利率借款分別使本集團承受現金流量利率風險及公平值利率風險。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk (continued)

Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

Fixed rate borrowings: Convertible bonds-liability components	固定利率借款： 可換股債券 — 負債部分
Fixed rate borrowings as a percentage of total borrowings	固定利率借款佔 借款總額百分比

(d) Currency risk

The Group is exposed to currency risk primarily through sales, purchases and borrowings which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD and HK\$. The Group manages this risk as follows:

(i) Recognised assets and liabilities

In respect of receivables, payables and borrowings denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

25 財務風險管理及金融工具的公平值(續)

(c) 利率風險(續)

利率概況

下表詳述本集團於報告期末的借款利率概況。

2018 二零一八年		2017 二零一七年	
Effective interest rate 實際利率 %	RMB'000 人民幣千元	Effective interest rate 實際利率 %	RMB'000 人民幣千元
24.58%	44,363	22.44%	59,031
	100%		100%

(d) 貨幣風險

本集團面對主要因買賣及借款以外幣(即與交易有關業務功能貨幣以外的貨幣)結算的應收款項、應付款項及現金結餘產生貨幣風險。導致該風險的貨幣主要為美元及港元。本集團按以下方式管理該風險：

(i) 已確認資產及負債

就以外幣計值的應收款項、應付款項及借款而言，本集團透過解決短期不平衡狀況的需要按現貨買賣外幣的方式，確保維持其承受的風險於可接受水平。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

(ii) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the end of the reporting period.

25 財務風險管理及金融工具的公平值(續)

(d) 貨幣風險(續)

(ii) 面臨的貨幣風險

下表詳述本集團於報告期末因以有關實體功能貨幣以外之貨幣列值的已確認資產或負債而產生的貨幣風險。為進行列報，有關風險金額採用報告期末即期匯率折算，以人民幣列示。

		2018 二零一八年		2017 二零一七年	
		USD 美元 RMB'000 人民幣千元	HK\$ 港元 RMB'000 人民幣千元	USD 美元 RMB'000 人民幣千元	HK\$ 港元 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等值項目	5,905	1,299	35,755	200,707
Trade and other receivables	貿易及其他應收款項	-	-	-	32,792
Trade and other payables	貿易及其他應付款項	-	-	-	(903)
Convertible bonds	可換股債券	(44,435)	-	(85,075)	-
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額	(38,530)	1,299	(49,320)	232,596

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax and accumulated losses that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

USD	美元
HK\$	港元

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss after tax and accumulated losses measured in the respective functional currencies, translated into RMB at the exchange rates ruling at the end of the reporting period for presentation purposes.

25 財務風險管理及金融工具的公平值(續)

(d) 貨幣風險(續)

(iii) 敏感度分析

下表列示假設所有其他風險變數維持不變，本集團於報告期末因匯率改變而面對的重大風險對本集團除稅後虧損及累計虧損產生的即時變動。

2018 二零一八年		2017 二零一七年	
Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in loss after tax and accumulated losses 除稅後虧損 及累計虧損 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in loss after tax and accumulated losses 除稅後虧損 及累計虧損 增加/(減少) RMB'000 人民幣千元
5% (5%)	1,927 (1,927)	5% (5%)	2,466 (2,466)
5% (5%)	(65) 65	5% (5%)	(11,630) 11,630

上表分析結果為對本集團各實體按相關功能貨幣計量的除稅後虧損及累計虧損各自的即時影響總額，並就呈列按於報告期末的匯率換算為人民幣。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis is performed on the same basis for 2017.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

25 財務風險管理及金融工具的公平值(續)

(d) 貨幣風險(續)

(iii) 敏感度分析(續)

敏感度分析假設已應用匯率變動重新計量本集團所持令本集團於報告期末面對外匯風險的該等金融工具，包括本集團公司間以貸方或借方功能貨幣以外之貨幣結算的應付款及應收款。上述分析與二零一七年採用準則相同。

(e) 公平值計量

(i) 以公平值計量的金融資產及負債

公平值等級

下表呈列於報告期末以經常性基準計量的金融工具公平值，按香港財務報告準則第13號公平值計量所界定公平值等級分為三個等級。公平值等級計量的分類根據估值技術使用的輸入數據可否觀察及重要與否釐定，載列如下：

- 第一級估值：僅利用第一級輸入數據，即相同資產或負債於計量日期在活躍市場的未經調整報價計量公平值。
- 第二級估值：利用第二級輸入數據（即除第一級報價外的可觀察輸入數據）且不使用重要不可觀察輸入數據計量公平值。不可觀察輸入數據指無法從市場數據取得的輸入數據。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

25 財務風險管理及金融工具的公平值(續)

(e) Fair value measurement (continued)

(e) 公平值計量(續)

(i) Financial assets and liabilities measured at fair value (continued)

(i) 以公平值計量的金融資產和負債(續)

Fair value hierarchy (continued)

公平值等級(續)

- Level 3 valuations: Fair value measured using significant unobservable inputs.

- 第三級估值：利用重要不可觀察輸入數據計量公平值。

Recurring fair value measurement

經常性公平值計量

Financial assets:
- Held-for-trading investments (Note 18)

金融資產：
- 持作交易用途之投資(附註18)

Financial liabilities:
- Derivative components of convertible bonds (Note 21)

金融負債：
- 可換股債券的衍生工具部分(附註21)

During the years ended 31 December 2018 and 2017, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Fair value measurements at 31 December 2018 categorised into		Fair value measurements at 31 December 2017 categorised into
於二零一八年十二月三十一日分類為三個等級的公平值計量	於二零一七年十二月三十一日分類為三個等級的公平值計量	
Level 1 第一級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
3,062	-	-
-	72	26,044

於截至二零一八年及二零一七年十二月三十一日止年度，第一級與第二級之間並無轉撥或並無從第三級轉入或轉出。本集團之政策乃為於發生公平值等級間之轉移的報告期之期末確認相關轉移。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Information about Level 3 fair value measurements

Derivative components of convertible bonds
可換股債券的衍生部分

The fair values of the conversion options embedded in the convertible bonds are determined using the binomial lattice model and the significant unobservable input used in the fair value measurement is expected volatility. The fair value measurement is positively correlated to the expected volatility. At 31 December 2018, it is estimated that with all other variables held constant, an increase in the expected volatility by 5% would have increased the Group's net loss by RMB95,000 (2017: RMB951,000), whereas a decrease in the expected volatility by 5% would have decreased the Group's net loss by RMB60,000 (2017: RMB1,125,000).

25 財務風險管理及金融工具的公平值(續)

(e) 公平值計量(續)

(i) 以公平值計量的金融資產及負債(續)

有關第三級公平值計量的資料

Valuation technique 估值技術	Significant unobservable input 重大不可觀察輸入數據	Weighted average 加權平均
Binomial lattice model 二項式點陣法模式	Expected volatility 預期波幅	42.33%

可換股債券嵌入的換股權的公平值乃採用二項式點陣模式釐定，而公平值計量所用之重大不可觀察輸入數據為預期波幅。公平值計量與預期波幅呈正相關關係。於二零一八年十二月三十一日，倘所有其他變數維持不變，預期波幅上升5%將導致本集團虧損淨額增加人民幣95,000元(二零一七年：人民幣951,000元)，而預期波幅下降5%將導致本集團的虧損淨額減少人民幣60,000元(二零一七年：人民幣1,125,000元)。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

25 財務風險管理及金融工具的公平值(續)

(e) Fair value measurement (continued)

(e) 公平值計量(續)

(i) Financial assets and liabilities measured at fair value (continued)

(i) 以公平值計量的金融資產及負債(續)

Information about Level 3 fair value measurements (continued)

有關第三級公平值計量的資料(續)

The movements during the year in the balance of Level 3 fair value measurements are as follows:

第三級公平值計量結餘的年內變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Derivative components of convertible bonds:	可換股債券的衍生工具部分：		
At 1 January	於一月一日	26,044	48,941
Addition through issuance of convertible bond	透過發行可換股債券添加	-	27,449
Changes in fair value recognised in profit or loss during the year	年內於損益確認的公平值變動	(26,438)	(32,401)
Exchange adjustments	匯兌調整	1,350	(1,625)
Redemptions, extinguishment and recognition of convertible bonds	贖回、清償及確認可換股債券	(884)	(16,320)
At 31 December	於十二月三十一日	72	26,044

(ii) Fair values of financial assets and liabilities carried at other than fair value

(ii) 並非按公平值列賬的金融資產及負債的公平值

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2018 and 2017.

於二零一八年及二零一七年十二月三十一日，本集團按成本或攤銷成本列賬的金融工具賬面值與其公平值並無重大差異。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

26 COMMITMENTS

Operating lease commitments

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year	1 年內
After 1 year but within 5 years	超過 1 年但少於 5 年

The Group leases certain office premises under operating leases. None of the leases includes contingent rentals.

27 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the balances disclosed elsewhere in these financial statements, the material related party transactions entered into by the Group during the year are set out below.

(a) Transactions with the equity shareholders of the Company

Details of guarantees provided by an equity shareholder of the Company for the Group's convertible bonds are set out in Note 21.

Details of issuance of warrants to an equity shareholder of the Company are set out in Note 24(d).

26 承擔

經營租賃承擔

於二零一八年十二月三十一日，根據不可撤銷經營租賃應付的未來最低租金總額如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
10,251	15,685
1,457	17,266
11,708	32,951

本集團根據經營租賃租用若干辦公室物業。該等租賃概不包括或然租金。

27 重大關聯方交易

除該等財務報表他處披露的結餘外，由本集團於年內訂立的重大關聯方交易如下。

(a) 與本公司權益股東進行的交易

本公司權益股東就本集團可換股債券提供的擔保的詳情載於附註 21。

向本公司一名股東發行認股權證的詳情載於附註 24(d)。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

27 重大關聯方交易(續)

(b) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the directors of the Company as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follows:

(b) 關鍵管理人員薪酬

關鍵管理人員薪酬(包括附註9所披露支付予本公司董事的金額及附註10所披露若干最高薪酬僱員)如下:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	7,704	4,888
Contributions to defined contribution retirement plans	向界定供款退休計劃供款	83	67
Equity-settled share-based payment expenses (Note 22)	權益結算以股份為基礎之付款開支(附註22)	18,133	19,314
		25,920	24,269

(c) Applicability of the Listing Rules relating to connected transactions

The related party transaction in respect of issuance of warrants to an equity shareholder of the Company above constituted connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section Connected Transactions of the Directors' Report.

The related party transactions in respect of guarantees provided by an equity shareholder of the Company for the Group's convertible bonds are exempted from the disclosure requirements in Chapter 14A of the Listing Rules.

(c) 上市規則有關關連交易的適用性

上文所述向本公司一名股東發行認股權證的關聯方交易構成上市規則第14A章界定的關連交易。上市規則第14A章規定的披露於董事會報告關連交易一節提供。

本公司一名股東就本集團可換股債券提供擔保的關聯方交易豁免遵守上市規則第14A章的披露規定。

Notes to the Financial Statements
財務報表附註

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

28 THE COMPANY'S STATEMENT OF FINANCIAL POSITION

28 本公司財務狀況表

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		2,645	3,470
Investments in subsidiaries	於附屬公司的投資	15	40,113	40,113
Loans to a subsidiary	貸款予一間附屬公司		13,827	42,440
			56,585	86,023
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項		132,564	39,539
Other receivables	其他應收款項		33,858	32,755
Held-for-trading investments	持作交易用途之投資		2,909	–
Cash and cash equivalents	現金及現金等值項目		73,788	226,624
			243,119	298,918
Current liabilities	流動負債			
Amounts due to subsidiaries	應付附屬公司款項		7,053	149
Other payables	其他應付款項		6,183	3,681
Convertible bonds	可換股債券	21	44,435	–
			57,671	3,830
Net current assets	流動資產淨值		185,448	295,088
Total assets less current liabilities	總資產減流動負債		242,033	381,111
Non-current liability	非流動負債			
Convertible bonds	可換股債券	21	–	85,075
NET ASSETS	資產淨值		242,033	296,036
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	24	117,812	117,978
Reserves	儲備		124,221	178,058
TOTAL EQUITY	總權益		242,033	296,036

Approved and authorised for issue by the board of directors on 15 March 2019.

由董事會於二零一九年三月十五日批准及授權刊發。

Cheng Jerome
Director (Chairman)

Yuan Weitao
Director

Cheng Jerome
董事(主席)

袁偉濤
董事

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

29 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 31 January 2019, the Company announced that PCL, an indirect non-wholly owned subsidiary of the Company, entered into separate agreements with three independent parties, pursuant to which PCL will issue an aggregate of 84,109,692 new ordinary shares at a total subscription consideration of RMB300,000,000 to the above investors.

30 COMPARATIVE FIGURES

The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 2(c).

31 IMMEDIATE AND ULTIMATE HOLDING COMPANY

The directors of the Company consider the immediate and ultimate holding company of the Company at 31 December 2018 to be Century Investment, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

29 非調整報告期後事項

於二零一九年一月三十一日，本公司宣佈，本公司間接非全資附屬公司分海與三名獨立人士訂立單獨認購協議，據此，分海將按總認購價人民幣300,000,000元發行合共84,109,692股新普通股予上述投資者。

30 比較數字

本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據所選擇之過渡法，並無重列比較資料。有關會計政策變動之進一步詳情披露於附註2(c)。

31 直接及最終控股公司

本公司董事認為，於二零一八年十二月三十一日，本公司的直接及最終控股公司為Century Investment，該公司於英屬處女群島註冊成立。該實體並無編製可供公眾使用的財務報表。

32 截至二零一八年十二月三十一日止年度已發佈但尚未生效的修訂、新訂準則及詮釋的潛在影響

截至本財務報表刊發日期為止，香港會計師公會已發佈於截至二零一八年十二月三十一日止年度尚未生效的若干修訂、新訂準則及詮釋，其在本財務報表內尚未採用。該等準則包括下列可能與本集團相關者。

	Effective for accounting periods beginning on or after 於下列日期或之後 開始的年度期間生效
HKFRS 16, <i>Leases</i> 香港財務報告準則第16號，租賃	1 January 2019 二零一九年一月一日
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i> 香港(國際財務報告詮釋委員會)第23號，所得稅處理的不確定性	1 January 2019 二零一九年一月一日
Annual Improvements to HKFRSs 2015-2017 Cycle 香港財務報告準則二零一五年至二零一七年週期的年度改進	1 January 2019 二零一九年一月一日

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impact upon the initial adoption of this standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standard is initially applied in the Group's interim financial report for the six months ending 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standard is initially applied in that financial report.

HKFRS 16, Leases

As disclosed in Note 2(j), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

32 截至二零一八年十二月三十一日止年度已發佈但尚未生效的修訂、新訂準則及詮釋的潛在影響(續)

本集團正在評估預期該等修訂、新訂準則及詮釋於首次應用期間的影響。迄今為止本集團已識別香港財務報告準則第16號的若干方面可能對綜合財務報表造成重大影響。有關預期影響的進一步詳情於下文論述。雖然有關香港財務報告準則第16號的評估已經大致完成，但香港財務報告準則第16號於首次採納時的實際影響可能不同，原因是至今完成的評估乃基於本集團現時可得資料作出，而進一步影響可能於該準則於本集團截至二零一九年六月三十日止六個月的中期財務報告中首次應用前確認。本集團亦可能改變其會計政策選擇，包括過渡選擇，直至該等準則於該中期財務報告內首次應用為止。

香港財務報告準則第16號，租賃

如附註2(j)所披露，本集團目前難以將租賃分類為融資租賃及經營租賃並就租賃安排入賬，取決於租賃的分類。本集團作為承租人訂立若干租賃，而其餘則以出租人訂立租賃。

預期香港財務報告準則第16號將不會嚴重影響出租人將彼等於租約項下的權利及義務入賬的方式。然而，一旦採納香港財務報告準則第16號，承租人將不再區分融資租約及經營租約。相反，受實際權益方法的規限，承租人將以與現有融資租約會計處理方法類似的方式將所有租約入賬，即於該租約開始日期，承租人將按未來最低租賃款項的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債結餘所累計的利息開支及使用權資產折舊，而非於租期內按系統基準確認根據經營租約所產生的租賃開支的現有政策。作為實際的權益方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下）及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

(Expressed in RMB unless otherwise indicated) (除另有說明外，以人民幣列示)

**32 POSSIBLE IMPACT OF AMENDMENTS,
NEW STANDARDS AND INTERPRETATIONS
ISSUED BUT NOT YET EFFECTIVE FOR
THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)**

HKFRS 16, Leases (continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. As allowed by HKFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. In addition, the Group plans to elect the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets.

The Group plans to elect to use the modified retrospective approach for the adoption of HKFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019 and will not restate the comparative information. As disclosed in Note 26, at 31 December 2018 the Group's future minimum lease payments under non-cancellable operating leases amounted to RMB11,708,000, the majority of which is payable within 1 year after the reporting date. The initial adoption of HKFRS 16 is not expected to have a significant impact on the opening balance at 1 January 2019.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statements from 2019 onwards.

**32 截至二零一八年十二月三十一日止年度已發佈但
尚未生效的修訂、新訂準則及詮釋的潛在影響
(續)**

香港財務報告準則第16號，租賃(續)

香港財務報告準則第16號將主要影響本集團作為租約承租人就物業、廠房及設備(現時分類為經營租約)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租期內於損益表確認開支的時間。

香港財務報告準則第16號自二零一九年一月一日或之後開始的年度期間生效。倘香港財務報告準則第16號准許，本集團計劃採用可行權宜方法沿用過往有關現有安排屬於或包括租賃之評估。因此，本集團僅會將香港財務報告準則第16號的新租賃定義應用於首次應用日期當日或之後訂立的合約。此外，本集團計劃選擇可行權宜方法，不會將新會計模式應用於短期租賃及低價值資產租賃。

本集團計劃選擇採用經修訂追溯法採納香港財務報告準則第16號，並將首次應用的累計影響確認為於二零一九年一月一日權益期初結餘調整，並將不會重列比較資料。誠如附註26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的日後最低租賃付款達人民幣11,708,000元，其中大部分須於報告日期後一年內支付。預期於首次採納香港財務報告準則第16號後將不會對於二零一九年一月一日的期初結餘造成重大影響。

除確認租賃負債及使用權資產外，本集團預期首次採納香港財務報告準則第16號時作出的過渡調整將不會重大。然而，上述會計政策的預期變動可能對本集團於二零一九年之後的財務報表有重大影響。



鑫網易商集團有限公司
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