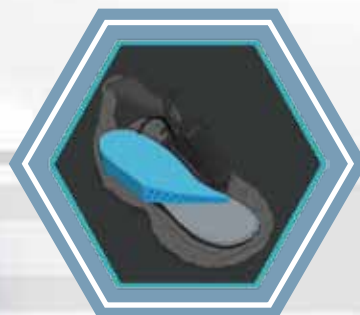
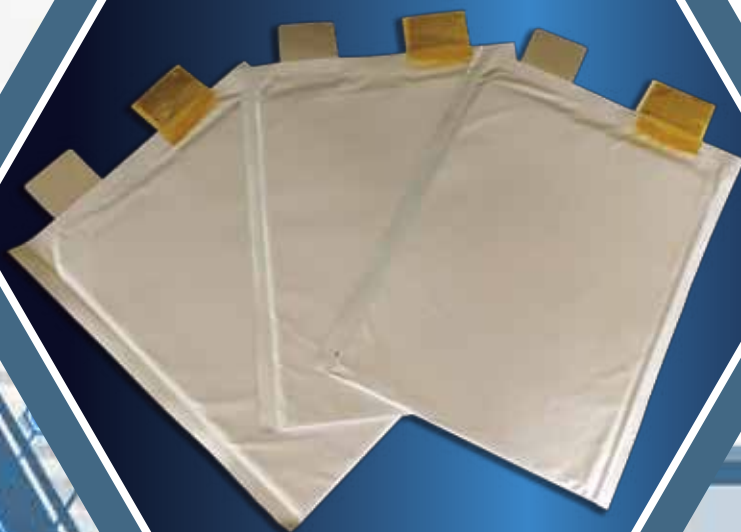


# boree

寶峰時尚

2018  
年度報告  
ANNUAL REPORT

Carbon-based Batteries



[www.baofengmodern.com](http://www.baofengmodern.com)  
Stock Code :1121



寶峰時尚國際控股有限公司  
(於開曼群島註冊成立的有限公司)  
股份代號 :1121

Baofeng Modern International Holdings Company Limited  
(Incorporated in the Cayman Islands with limited liability)

## BOARD OF DIRECTORS

### Executive Directors

Mr. ZHENG Jingdong (Chairman)  
Mr. LEUNG Tsz Chung (Vice-chairman)

### Non-Executive Director

Ms. LIN Weihuan

### Independent Non-Executive Directors

Ms. AN Na  
Mr. CHEN Shaohua  
Professor ZHAO Jinbao

## BOARD COMMITTEES

### Audit Committee

Mr. CHEN Shaohua (Chairperson)  
Professor ZHAO Jinbao  
Ms. AN Na

### Remuneration Committee

Ms. AN Na (Chairperson)  
Professor ZHAO Jinbao  
Mr. CHEN Shaohua

### Nomination Committee

Professor ZHAO Jinbao (Chairperson)  
Mr. CHEN Shaohua  
Ms. AN Na

## COMPANY SECRETARY

Mr. IP Pui Sum

## AUTHORISED REPRESENTATIVES

Mr. ZHENG Jingdong  
Mr. LEUNG Tsz Chung

## STOCK CODE

01121

## 董事會

### 執行董事

鄭景東先生（主席）  
梁子冲先生（副主席）

### 非執行董事

林煒歡女士

### 獨立非執行董事

安娜女士  
陳少華先生  
趙金保教授

## 董事委員會

### 審核委員會

陳少華先生（主席）  
趙金保教授  
安娜女士

### 薪酬委員會

安娜女士（主席）  
趙金保教授  
陳少華先生

### 提名委員會

趙金保教授（主席）  
陳少華先生  
安娜女士

## 公司秘書

葉沛森先生

## 授權代表

鄭景東先生  
梁子冲先生

## 股份代號

01121

## Corporate Information

### 公司資料

#### COMPANY WEBSITE

www.baofengmodern.com

#### HEAD OFFICE IN THE PRC

Huoju Industrial Zone  
Jiangnan Town  
Licheng District  
Quanzhou City  
Fujian Province  
PRC

#### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 504, 5/F  
OfficePlus @Sheung Wan  
93-103 Wing Lok Street  
Sheung Wan  
Hong Kong

#### REGISTERED OFFICE

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

#### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited  
Royal Bank House – 3rd Floor  
24 Shedden Road, P. O. Box 1586  
Grand Cayman KY1-1110  
Cayman Islands

#### HONG KONG SHARE REGISTRAR

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

#### AUDITORS

Confucius International CPA Limited

#### PRINCIPAL BANKERS

Bank of China (Hong Kong)  
China Construction Bank

#### 公司網站

www.baofengmodern.com

#### 中國總部

中國  
福建省  
泉州市  
鯉城區  
江南鎮  
火炬工業區

#### 香港主要營業地點

香港  
上環  
永樂街93-103號  
協成行上環中心  
5樓504室

#### 註冊辦事處

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

#### 開曼群島主要股份過戶登記處

SMP Partners (Cayman) Limited  
Royal Bank House – 3rd Floor  
24 Shedden Road, P. O. Box 1586  
Grand Cayman KY1-1110  
Cayman Islands

#### 香港證券登記處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

#### 核數師

天健國際會計師事務所有限公司

#### 主要往來銀行

中國銀行(香港)  
中國建設銀行

# Content

## 目錄

Corporate Information	公司資料	1
Five-Year Financial Summary	五年財務概要	4
Chairman's Statement	主席報告書	5
Management Discussion and Analysis	管理層討論及分析	8
Corporate Governance Report	企業管治報告	16
Environmental, Social and Governance Report	環境、社會及管治報告	33
Biographical Details of Directors	董事履歷詳情	49
Report of the Directors	董事會報告	52
Independent Auditor's Report	獨立核數師報告	68
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	76
Consolidated Statement of Financial Position	綜合財務狀況表	77
Consolidated Statement of Changes in Equity	綜合權益變動表	79
Consolidated Statement of Cash Flows	綜合現金流量表	80
Notes to the Consolidated Financial Statements	綜合財務報表附註	82

# Five-Year Financial Summary

## 五年財務概要

For the year ended 31 December  
截至十二月三十一日止年度

		2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年
<b>Profitability data</b> (RMB million)	<b>盈利能力數據</b> (人民幣百萬元)					
Revenue	收益	164.5	125.5	215.8	171.7	196.8
Gross profit	毛利	39.5	28.5	75.3	42.9	19.1
Loss for the year	年內虧損	(275.3)	(435.4)	(317.6)	(25.7)	(31.2)
<b>Profitability ratios (%)</b>	<b>盈利能力比率(%)</b>					
Gross profit margin	毛利率	24.0%	22.7%	34.9%	25.0%	9.7%
Net loss margin	淨虧損率	(167.4)%	(346.9)%	(147.2)%	(15.0)%	(15.8)%
<b>Assets and liabilities data</b> (RMB million)	<b>資產及負債數據</b> (人民幣百萬元)					
Non-current assets	非流動資產	441.9	705.3	1,417.0	1,597.4	129.5
Current assets	流動資產	128.8	110.4	117.6	870.4	1,243.3
Current liabilities	流動負債	251.9	294.1	224.8	821.7	278.5
Non-current liabilities	非流動負債	4.8	108.2	466.5	517.1	3.1
Shareholders' equity	股東權益	313.9	413.4	843.4	1,129.0	1,091.2
<b>Asset and working capital data</b>	<b>資產及營運資金數據</b>					
Current asset ratios (%)	流動資產比率(%)	22.6%	13.5%	7.7%	35.3%	90.6%
Current ratios (time)	流動比率(倍)	0.5x	0.4x	0.5x	1.1x	4.5x
Gearing ratios (%)	負債比率(%)	44.7%	49.0%	44.6%	54.2%	20.3%

# Chairman's Statement

## 主席報告書

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Baofeng Modern International Holdings Company Limited ("Baofeng Modern" or the "Company"), I am pleased to present the financial report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2018.

In 2018, the Group continued to focus on the development and improvement of do-it-yourself ("DIY") automated vending system, the key machine for the Online-to-Offline ("O2O") business model, for the sales and distribution of own branded automated customized graphene-based slippers ("Graphene-based Slippers") and the fourth generation of the DIY automated vending system was developed during the year. Besides, due to (i) delay of placing orders by some overseas customers at the end of 2017, some orders of the Original Equipment Manufacturer ("OEM") business were delayed to the first half of 2018; (ii) orders from new customers; and (iii) increase in orders from existing customers, the sales of OEM business during the year increased. As a result, the Group recorded an increase in revenue of approximately RMB39.0 million or 31.1% to approximately RMB164.5 million in 2018. The gross profit margin of the Group slightly increased to 24.0% in 2018, which was mainly attributable to the effective cost control during second half of the year.

In the coming year, the Group would continue to focus on the development and improvement of DIY automated vending system. The Group expected that the fourth generation of the DIY automated vending system will be launched in the second quarter of 2019. Besides, by utilizing the resources of distributors, the Group targets to cooperate with young people's favorite brands or brands with numerous stores by placing DIY automated vending system in cooperative stores. In such a way, we can provide customers an interesting on-site customization DIY shopping experience to design their favorite slippers. This cross-over cooperation can reduce the selling cost, penetrate and expand the People's Republic of China ("PRC") market rapidly and most important of all, can foster the popularity of our brand. Besides, the Group developed graphene-based shoes for pregnant women in 2018 and now under discussion with hospitals for cooperation and targeted to launch to the market in the coming year.

各位尊敬的股東：

本人謹代表寶峰時尚國際控股有限公司（「寶峰時尚」或「本公司」）董事（「董事」）會（「董事會」）提呈本公司及其附屬公司（統稱「本集團」）截至二零一八年十二月三十一日止年度的財務報告。

於二零一八年，本集團繼續專注於銷售及分銷自有品牌自動售賣私人訂制之石墨烯拖鞋（「石墨烯拖鞋」）的自助（「DIY」）自動售貨系統（為線上線下（「O2O」）業務模式的主要機器）的開發及改進，並且已於年內開發第四代DIY自動售貨系統。此外，由於(i)於二零一七年底，一些海外客戶延遲下訂單，部分原設備製造商（「OEM」）業務的訂單被推遲至二零一八年上半年；(ii)新客戶訂單；及(iii)現有客戶訂單的增加，年內OEM業務的銷售上升。因此，本集團於二零一八年錄得收益上升約人民幣39,000,000元或31.1%至約人民幣164,500,000元。本集團的毛利率於二零一八年輕微增加至24.0%，主要是由於下半年有效控制成本所致。

未來一年，本集團將繼續專注於開發及改進DIY自動售貨系統。本集團預期第四代DIY自動售貨系統將於二零一九年第二季度推出。此外，利用分銷商資源，本集團通過把DIY自動售貨系統放置於合作商店內，致力與年輕人喜歡的品牌或擁有多家店鋪的品牌合作。憑這種方式，我們可以為客戶提供有趣的現場定制DIY購物體驗以讓他們設計喜愛的拖鞋。這一交互合作可以降低銷售成本，快速打入及擴大中華人民共和國（「中國」）市場及最重要的是可以促進我們品牌的普及。此外，本集團於2018年已開發石墨烯孕婦鞋及正在與醫院討論合作，且計劃於來年推出市場。

## Chairman's Statement

### 主席報告書

Moreover, the Group would continue to develop and launch different types of graphene application products. The development stage of the graphene deodorizing and sterilizing chips for air purifiers and air conditioners ("Sterilizing Chips") had been completed and the Sterilizing Chips were launched in the PRC market in the first half of 2018. For the overseas market, the Group already sent samples to an overseas well-known producer of air conditioning system for testing and recognition. After all the tests are completed, the Sterilizing Chips would be launched in the overseas market through cooperation with this producer. For the PRC market, as the PRC government tightened the environmental protection and control and the public pays more attention to the environmental protection, the Board believed that there would be a great demand for environmental protection products like air purifiers. Besides, the recognition from the above-mentioned overseas well-known producer of air conditioning system would be a strong evidence of the superior quality of our Sterilizing Chips, therefore the Board believed that the revenue of Sterilizing Chips from PRC market would increase in the coming year.

After paying continuous effort and capital investment in the past few years, the Group gradually transformed from a traditional manufacturing company to a material technology company and started to diversify our business to environmental protection and energy related field. In light of the above, the Group decided to deploy more resources on the research and development of carbon-based energy storage batteries in second half of 2018 and set up a battery research and development line in first half of 2019. In the future, the Group will focus on the large-scale application of material technology, and further industrialize the research and development results. Carbon-based energy storage materials for batteries are expected to be put into mass production in the coming year. After the scale expansion, the Group would be able to enter the energy storage industry by providing energy storage material, which would become the driving force of higher profit growth for the future.

此外，本集團將繼續研發並推出不同類型的石墨烯應用產品。用於空氣淨化器和空調的石墨烯除臭及殺菌芯片（「殺菌芯片」）已經完成開發階段並已於二零一八年上半年在中國市場推出。就海外市場而言，本集團已向一家海外知名空調系統製造商寄發樣品，以作測試及獲得認證。於所有測試完成後，殺菌芯片將透過與該製造商合作推出海外市場。至於國內市場，由於中國政府加強環境保護和控制，及公眾更加重視環境保護，董事會認為空氣淨化器等環保產品將會有很大的需求。此外，獲得上述海外知名空調系統製造商的認可將成為殺菌芯片質量卓越的有力證據，因此董事會相信殺菌芯片在來年於中國市場的收入會有所增加。

經過過去幾年的不懈努力及資金投入，本集團已逐漸由傳統製造企業轉型為材料科技公司，並開始將業務擴展至環保及能源相關領域。鑒於上文所述，本集團於二零一八年下半年決定投入更多資源研發碳基儲能電池及於二零一九年上半年建立一條電池研發線。未來本集團將專注於材料技術的大規模應用，並進一步實現研發成果的產業化。電池用碳基儲能材料預計將在明年投入量產。於規模擴大後，本集團將能夠通過提供儲能材料進入儲能行業，這將成為未來利潤增長的推動力。

## Chairman's Statement 主席報告書



Last but not the least, on behalf of the Board, I would like to thank our management and all staff for their dedication and contribution to the development of the Group. I would also like to take this opportunity to express my sincere gratitude to our customers, suppliers, business partners and shareholders for their continuous commitment and support.

最後，本人謹代表董事會，向本集團管理層及全體僱員致謝，感謝各位為本集團發展作出的努力和貢獻。本人亦謹此對本集團客戶、供應商、業務夥伴及股東的鼎力支持致以衷心的感謝。

**Zheng Jingdong**  
*Chairman*

Hong Kong, 27 March 2019

主席  
**鄭景東**

香港，二零一九年三月二十七日



# Management Discussion and Analysis

## 管理層討論及分析

During the year, the Group recorded an increase in revenue of approximately RMB39.0 million or 31.1% to approximately RMB164.5 million (2017: RMB125.5 million), which was contributed by the increase in revenue of major operating segments and particularly the increase in revenue of the OEM business. The Group continued to focus on the development and improvement of DIY automated vending system, the key machine for O2O business model, for the sales and distribution of Graphene-based Slippers. Besides, due to (i) delay of placing orders by some overseas customers at the end of last year, some orders of the OEM business were delayed to the first half of 2018; (ii) orders from new customers; and (iii) increase in orders from existing customers, the sales of OEM business during the year increased.

The gross profit margin of the Group slightly increased to 24.0% in 2018 (2017: 22.7%), which was mainly attributable to the effective cost control during second half of the year.

During the year, the Group recorded a net loss of approximately RMB275.3 million (2017: RMB435.4 million), which was mainly attributable to (i) amortisation of intangible assets of approximately RMB77.6 million (2017: RMB128.3 million) and impairment loss on intangible assets of approximately RMB195.1 million (2017: RMB537.3 million); (ii) share-based payment expenses of approximately RMB15.2 million (2017: RMB5.4 million) in relation to the share options granted by the Company on 10 December 2015, 24 June 2016, 16 December 2016 and 19 June 2018; (iii) impairment loss on trade receivables of approximately RMB3.7 million (2017: reversal of impairment loss on trade receivables of RMB0.7 million); (iv) the fair value loss on convertible notes at fair value through profit or loss ("FVTPL") of approximately RMB17.8 million (2017: fair value gain on convertible notes at FVTPL of RMB50.0 million); and (v) the fair value gain on provision for contingent consideration at FVTPL of approximately RMB43.5 million (2017: RMB219.9 million).

年內，受惠於主要經營分部的收益增加，尤其是OEM業務的收益增加，本集團錄得收益上升約人民幣39,000,000元或31.1%至約人民幣164,500,000元（二零一七年：人民幣125,500,000元）。本集團繼續專注於銷售及分銷石墨烯拖鞋的DIY自動售貨系統（為O2O業務模式的主要機器）的開發及改進。此外，由於(i)於去年年底一些海外客戶延遲下訂單，部分OEM業務的訂單被推遲至二零一八年上半年；(ii)新客戶訂單；及(iii)現有客戶訂單的增加，年內OEM業務的銷售上升。

本集團的毛利率於二零一八年輕微增加至24.0%（二零一七年：22.7%），主要是由於下半年有效控制成本所致。

年內，本集團錄得淨虧損約人民幣275,300,000元（二零一七年：人民幣435,400,000元），主要是由於：(i)無形資產攤銷約人民幣77,600,000元（二零一七年：人民幣128,300,000元）及無形資產減值虧損約人民幣195,100,000元（二零一七年：人民幣537,300,000元）；(ii)有關本公司於二零一五年十二月十日、二零一六年六月二十四日、二零一六年十二月十六日及二零一八年六月十九日授出購股權之以股份支付的開支約人民幣15,200,000元（二零一七年：人民幣5,400,000元）；(iii)有關應收貿易賬款減值虧損約人民幣3,700,000元（二零一七年：應收貿易賬款減值虧損撥回人民幣700,000元）；(iv)有關按公平值計入損益（「按公平值計入損益」）之可換股票據的公平值損失約人民幣17,800,000元（二零一七年：按公平值計入損益之可換股票據的公平值收益人民幣50,000,000元）；及(v)按公平值計入損益之或然代價撥備之公平值收益約人民幣43,500,000元（二零一七年：人民幣219,900,000元）。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue by Product Category

		2018	2017	Increase/ (decrease)
		RMB'000	RMB'000	% change
		二零一八年	二零一七年	增加/ (減少)
		人民幣千元	人民幣千元	%變動
Revenue (Boree Products)	收益 (寶人牌產品)	3,463	3,517	(1.5)%
Revenue (Graphene-based Products)	收益 (石墨烯產品)	4,510	2,130	111.7%
Revenue (OEM Business)	收益 (OEM業務)	156,507	119,854	30.6%
<b>Revenue (Total)</b>	<b>收益 (總額)</b>	<b>164,480</b>	<b>125,501</b>	<b>31.1%</b>

#### Boree Products

During the year, the performance of Group's Boree Products kept stable, maintaining similar sales level of RMB3.5 million as compared with last year (2017: RMB3.5 million).

#### 寶人牌產品

年內，本集團寶人牌產品表現穩定，銷售額與去年相比維持類似水平，為人民幣3,500,000元（二零一七年：人民幣3,500,000元）。

#### Graphene-based Products

Revenue of Graphene-based Products amounted to approximately RMB4.5 million (2017: RMB2.1 million) during the year. The trial run of the third generation of the DIY automated vending system was completed during the year. In response to customers' needs and adapt to market changes, the Group continued to focus on the development and improvement of DIY automated vending system, the key machine for the O2O business model, for the sales and distribution of Graphene-based Slippers and the fourth generation of the DIY automated vending system was developed during the year. The upgraded fourth generation of the DIY automated vending system has the advantages of simple installation, small size, low power consumption and fast printing speed, which can reduce the distribution and operation costs. The Group expected that the fourth generation of the DIY automated vending system will be launched in the second quarter of 2019.

#### 石墨烯產品

年內，石墨烯產品的收益約人民幣4,500,000元（二零一七年：人民幣2,100,000元）。第三代DIY自動售貨系統試運行已於年內完成。為滿足客戶需求及適應市場變化，本集團繼續專注於用於銷售及分銷石墨烯拖鞋的DIY自動售貨系統（為O2O業務模式的主要機器）的開發與改進，第四代DIY自動售貨系統已於年內開發，升級後的第四代DIY自動售貨系統具有安裝簡單、尺寸小巧、耗電量少、列印速度快等優點，可以降低布點和運營的成本。本集團預期第四代DIY自動售貨系統將於二零一九年第二季度推出。

Moreover, the Group would continue to develop and launch different types of graphene application products. The development stage of the Sterilizing Chips had been completed and the Sterilizing Chips were launched in the PRC market in 2018.

此外，本集團將繼續研發並推出不同類型的石墨烯應用產品。殺菌芯片已經完成開發階段並已於二零一八年在中國市場推出。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### OEM Business

Revenue from OEM business increased by 30.6% to approximately RMB156.5 million during the year (2017: RMB119.9 million) was mainly attributable to (i) delay of placing orders by some overseas customers at the end of last year, some orders of the OEM business were delayed to the first half of 2018; (ii) orders from new customers due to effort of sales team; and (iii) increase in orders from existing customers due to on-time delivery, price competitiveness and good quality of product.

#### Selling and Distribution Expenses

During the year, selling and distribution expenses increased by 11.9% to approximately RMB10.0 million as compared with that of last year (2017: RMB8.9 million), which accounted for 6.1% (2017: 7.1%) of the Group's revenue. The increase was in line with the sales growth during the year.

#### General and Administrative Expenses

General and administrative expenses recorded an increase of approximately RMB15.2 million or 38.1% during the year as compared with that of last year, which was mainly attributable to the increase in share-based payment expenses of approximately RMB12.0 million in relation to the share options granted by the Company on 19 June 2018 and an increase of impairment loss on trade receivables of approximately RMB4.4 million during the year.

#### Liquidity and Financial Resources

During the year, net cash inflow from operating activities of the Group amounted to approximately RMB9.3 million (2017: RMB28.3 million). As at 31 December 2018, cash and bank balances were approximately RMB21.1 million, representing an increase of 258.0% as compared with the cash and bank balances as at the end of last year (2017: RMB5.9 million). As at 31 December 2018, around 88.7% and 10.0% of the Group's cash and bank balances were denominated in Hong Kong dollars and Renminbi respectively. As at 31 December 2018, the short term borrowings of the Group were approximately RMB123.1 million (2017: RMB117.0 million). All loans were denominated in Renminbi, with fixed interest rates and repayable within one year.

### 財務回顧 (續)

#### OEM業務

OEM業務的收益於年內增加30.6%至約人民幣156,500,000元(二零一七年:人民幣119,900,000元)。增加主要是由於(i)去年年底一些海外客戶延遲下訂單,部分OEM業務的訂單被推遲至二零一八年上半年; (ii)因銷售團隊的努力而取得的新客戶訂單;及(iii)因準時交貨、價格競爭力及優質產品而增加的現有客戶訂單。

#### 銷售及分銷開支

年內,銷售及分銷開支與去年相比增加11.9%至約人民幣10,000,000元(二零一七年:人民幣8,900,000元),佔本集團收益的6.1%(二零一七年:7.1%)。增加與年內銷售增長一致。

#### 一般及行政開支

年內,一般及行政開支與去年相比錄得約人民幣15,200,000元或38.1%的升幅,主要是由於有關本公司於二零一八年六月十九日授出購股權之以股份支付的開支約人民幣12,000,000元,以及年內應收貿易賬款減值虧損增加約人民幣4,400,000元所致。

#### 流動資金及財務資源

年內,本集團經營活動之現金流入淨額約為人民幣9,300,000元(二零一七年:人民幣28,300,000元)。於二零一八年十二月三十一日,現金及銀行結餘約為人民幣21,100,000元,較去年末的現金及銀行結餘增加258.0%(二零一七年:人民幣5,900,000元)。於二零一八年十二月三十一日,本集團的現金及銀行結餘約88.7%及10.0%分別以港元及人民幣計值。於二零一八年十二月三十一日,本集團短期借貸約為人民幣123,100,000元(二零一七年:人民幣117,000,000元)。所有貸款均以人民幣計值,利率固定及須於一年內償還。

### FINANCIAL REVIEW (continued)

#### Capital Structure

As at 1 January 2018, there were 1,084,059,608 shares in issue and the paid-up capital amounted to approximately RMB71,629,000. During the year, the Company issued a total of 220,000,000 shares to the convertible notes holder who exercised the conversion rights attached to the convertible notes at the conversion price of HK\$0.84 each. As at 31 December 2018, the Company had 1,304,059,608 shares in issue and a paid-up capital of approximately RMB86,758,000.

#### Significant Investments, Material Acquisitions and Disposals

During the year, the Group did not have any other significant investments, material acquisitions and disposals.

#### Pledge of Assets

The Group did not have any bills payables as at 31 December 2018. As at 31 December 2017, the bills payables were secured by a pledge of the Group's time deposits amounting to approximately RMB2.1 million. As at 31 December 2018, the bank borrowings of the Group were secured by a pledge of the Group's certain buildings and land use rights with carrying amounts of approximately RMB9.2 million (2017: RMB12.4 million) and approximately RMB27.0 million (2017: RMB32.6 million) respectively.

#### Contingent Liabilities

As at 31 December 2018 and 2017, there were no material contingent liabilities.

#### Foreign Exchange Risk

During the year, the sales of the Group were mainly denominated in United States dollars and Renminbi. The cost of sales and operating expenses were mainly denominated in Renminbi. Management of the Group monitors the foreign exchange risk and will consider hedging significant foreign currency risk exposure if necessary.

### 財務回顧 (續)

#### 資本架構

於二零一八年一月一日，有1,084,059,608股已發行股份及繳足股本約人民幣71,629,000元。年內，本公司向已行使換股權之可換股票據持有人按換股價每股0.84港元發行合共220,000,000股股份。於二零一八年十二月三十一日，本公司有1,304,059,608股已發行股份，繳足股本約人民幣86,758,000元。

#### 重大投資、重大收購及出售

年內，本集團並無任何重大投資、重大收購及出售。

#### 資產抵押

於二零一八年十二月三十一日，本集團並無任何應付票據。於二零一七年十二月三十一日，應付票據由本集團定期存款約人民幣2,100,000元作出抵押。於二零一八年十二月三十一日，本集團銀行借貸由本集團賬面值分別約人民幣9,200,000元（二零一七年：人民幣12,400,000元）及約人民幣27,000,000元（二零一七年：人民幣32,600,000元）的若干樓宇及土地使用權作出抵押。

#### 或然負債

於二零一八年及二零一七年十二月三十一日，本集團並無重大或然負債。

#### 外匯風險

於本年度，本集團的銷售額主要以美元及人民幣計值。銷售成本及經營開支主要以人民幣計值。本集團管理層監控外匯風險，並將考慮在必要時對沖重大外幣風險敞口。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Gearing Ratio

As at 31 December 2018, the gearing ratio of the Group was 44.7% (2017: 49.0%). Gearing ratio was calculated as total debt divided by the total equity plus total debt. Total debt refers to the total liability minus the sum of tax payable, dividend payable and deferred tax liability.

#### Human Resources

As at 31 December 2018, the Group had a total of approximately 780 employees (2017: 730 employees), with total staff costs for the year ended 31 December 2018, including directors' remuneration, amounted to approximately RMB71,112,000 (2017: RMB52,049,000). The Group's emolument policies are based on the merit, qualifications and competence of individual employee and are reviewed by the remuneration committee periodically. The emoluments of the Directors are recommended by the remuneration committee and are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics. The Company also adopted a share option scheme (the "Share Option Scheme") on 8 January 2011 to motivate and reward its Directors and eligible employees.

#### Use of Net Proceeds from the Share Offering

As at 31 December 2018, the Company had utilised all net proceeds from the Initial Public Offering in the amount of approximately RMB387.7 million. The ordinary shares of the Company (the "Shares") were listed on the main board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 January 2011 with net proceeds received by the Company from the share offering of HK\$453,570,000 (approximately RMB387,666,000) (after deducting underwriting commission and related expenses).

### 財務回顧 (續)

#### 負債比率

於二零一八年十二月三十一日，本集團的負債比率為44.7%（二零一七年：49.0%）。負債比率為總債務除以總權益與總債務之和。總債務為總負債減應付稅項、應付股息及遞延稅項負債的總和。

#### 人力資源

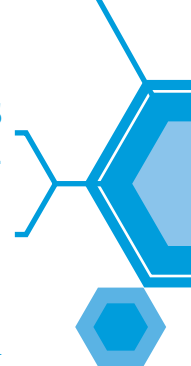
於二零一八年十二月三十一日，本集團共有約780名僱員（二零一七年：730名僱員），截至二零一八年十二月三十一日止年度總員工成本（包括董事薪酬）約為人民幣71,112,000元（二零一七年：人民幣52,049,000元）。本集團的薪酬政策乃基於個別僱員的長處、資格及能力釐定，並由薪酬委員會定期檢討。董事酬金由薪酬委員會經參考本集團的營運業績、個別表現及可比較市場統計數據而提出建議，並由董事會決定。本公司亦於二零一一年一月八日採納購股權計劃（「購股權計劃」），以鼓勵及嘉許其董事及合資格僱員。

#### 股份發售所得款項淨額用途

於二零一八年十二月三十一日，本公司已動用所有首次公開發售所得款項淨額約為人民幣387,700,000元。本公司普通股（「股份」）於二零一一年一月二十八日於香港聯合交易所有限公司（「聯交所」）主板上市，本公司自股份發售收到的所得款項淨額為453,570,000港元（約人民幣387,666,000元）（經扣除包銷佣金及相關開支）。

# Management Discussion and Analysis

## 管理層討論及分析



### FINANCIAL REVIEW (continued)

The utilisation of the net proceeds as at 31 December 2018 is set out as follows:

### 財務回顧 (續)

於二零一八年十二月三十一日，所得款項淨額的動用情況載列如下：

Nature 性質		Amount raised	Amount utilised
		所籌金額 RMB'000 人民幣千元	動用金額 RMB'000 人民幣千元
To increase production capacity (approximately RMB45,026,000 was changed to "To settle the payment for the design and development of the O2O distribution vending system")	增加產能 (約人民幣45,026,000元已變更為「結算為設計及開發O2O分銷售貨系統的付款」)	135,683	135,683
Marketing and advertising expenses	推廣及宣傳開支	96,917	96,917
To acquire other branded product business (approximately RMB58,150,000 was changed to "To settle the payment of the acquisition of the Technology Know-how")	收購其他品牌產品業務 (約人民幣58,150,000元已變更為「結算收購技術知識的付款」)	58,150	58,150
To strengthen design capability	增強設計能力	19,383	19,383
To establish flagship shops and showrooms (approximately RMB15,293,000 was changed to "To settle the payment of the acquisition of the Technology Know-how")	開設旗艦店及陳列室 (約人民幣15,293,000元已變更為「結算收購技術知識的付款」)	19,383	19,383
To strengthen the distribution resource planning system (approximately RMB14,974,000 was changed to "To settle the payment for the design and development of the O2O distribution vending system")	加強分銷資源計劃系統 (約人民幣14,974,000元已變更為「結算為設計及開發O2O分銷售貨系統的付款」)	19,383	19,383
General working capital	一般營運資金	38,767	38,767
Total:	總計：	387,666	387,666



# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Completion of Subscription of New Shares

Completion of the subscription of 182,800,000 new Shares (the "Subscription") took place on 8 March 2019 whereby the Company allotted and issued 182,800,000 new Shares to two independent subscribers at a subscription price of HK\$0.27 per subscription share (Details refer to the Company's announcements dated 9 November 2018, 12 November 2018 and 8 March 2019). The net proceeds from the Subscription (after deducting the relevant expenses incurred in the Subscription) were approximately HK\$49,136,000 (equivalent to approximately RMB42,982,000), which were intended to be used (i) as to approximately HK\$40,316,000 (equivalent to approximately RMB35,257,000) for the research and development of carbon application products, including in particular, setting up a demonstration production line for carbon-based energy storage batteries; and (ii) as to approximately HK\$8,820,000 (equivalent to approximately RMB7,725,000) for the general working capital of the Company. The Company has utilised approximately HK\$616,000 (equivalent to approximately RMB540,000) for the general working capital of the Company as at 31 December 2018.

#### FUTURE PROSPECTS

During 2018, the Group continued to focus on the development and improvement of DIY automated vending system, the key machine for the O2O business model, for the sales and distribution of Graphene-based Slippers and the fourth generation of the DIY automated vending system was developed during the year. The upgraded fourth generation of the DIY automated vending system has the advantages of simple installation, small size, low power consumption and fast printing speed, which can reduce the distribution and operation costs. The Group expected that the fourth generation of the DIY automated vending system will be launched in the second quarter of 2019. Besides, in the coming year, by utilizing the resources of distributors, the Group targets to cooperate with young people's favorite brands or brands with numerous stores by placing DIY automated vending system in cooperative stores. In such a way, we can provide customers an interesting on-site customization DIY shopping experience to design their favorite slippers. This cross-over cooperation can reduce the selling cost, penetrate and expand the PRC market rapidly and most important of all, can foster the popularity of our brand. Besides, the Group developed graphene-based shoes for pregnant women in 2018 and now under discussion with hospitals for cooperation and targeted to launch to the market in the coming year.

#### 財務回顧 (續)

##### 完成認購新股

認購182,800,000股新股份(「認購事項」)已於二零一九年三月八日完成。據此本公司已按認購價每股認購股份0.27港元配發及發行182,800,000股新股份予兩名獨立認購人(詳情參閱本公司日期為二零一八年十一月九日、二零一八年十一月十二日及二零一九年三月八日之公告)。認購事項之所得款項淨額(經扣除認購事項之相關開支後)約為49,136,000港元(相當於約人民幣42,982,000元),其擬(i)約40,316,000港元(相當於約人民幣35,257,000元)用於研發碳應用產品,包括建立一條碳基儲能電池示範生產線;及(ii)約8,820,000港元(相當於約人民幣7,725,000元)用作本公司之一般營運資金。於二零一八年十二月三十一日,本公司已動用約616,000港元(相當於約人民幣540,000元)用作本公司之一般營運資金。

#### 未來前景

於2018年,本集團繼續專注於用於銷售及分銷石墨烯拖鞋的DIY自動售貨系統(為O2O業務模式的主要機器)的開發與改進,第四代DIY自動售貨系統已於年內開發,升級後的第四代DIY自動售貨系統具有安裝簡單、尺寸小巧、耗電量少、列印速度快等優點,可以降低布點和運營的成本。本集團預期第四代DIY自動售貨系統將於二零一九年第二季度推出。此外,於未來一年,利用分銷商資源,本集團通過把DIY自動售貨系統放置於合作商店內,致力與年輕人喜歡的品牌或擁有多家店鋪的品牌合作。憑這種方式,我們可以為客戶提供有趣的現場定制DIY購物體驗以讓他們設計喜愛的拖鞋。這一交互合作可以降低銷售成本,快速打入及擴大中國市場及最重要的是可以促進我們品牌的普及。此外,本集團於2018年已開發石墨烯孕婦鞋及正在與醫院討論合作,且計劃於來年推出市場。

### FUTURE PROSPECTS *(continued)*

Moreover, the Group would continue to develop and launch different types of graphene application products. The development stage of the Sterilizing Chips had been completed and the Sterilizing Chips were launched in the PRC market in the first half of 2018. According to the test reports issued by PRC government accredited testing centre, the Sterilizing Chips are proved to be highly effective on reducing formaldehyde, toluene, xylene, volatile organic compounds and escherichia coli phage. For the overseas market, the Group already sent samples to an overseas well-known producer of air conditioning system for testing and recognition. After all the tests are completed, the Sterilizing Chips would be launched in the overseas market through cooperation with this producer. For the PRC market, as the PRC government tightened the environmental protection and control and the public pays more attention to the environmental protection, the Directors believed that there would be a great demand for environmental protection products like air purifiers. Besides, the recognition from the above-mentioned overseas well-known producer of air conditioning system would be a strong evidence of the superior quality of our Sterilizing Chips, therefore the Directors believed that the revenue of Sterilizing Chips from PRC market would increase in the coming year.

After paying continuous effort and capital investment in the past few years, the Group gradually transformed from a traditional manufacturing company to a material technology company and started to diversify our business to environmental protection and energy related field. In light of the above and given the superior performance of the Group's carbon-based energy storage materials for batteries than the existing material for lithium batteries, the Group decided to deploy more resources on the research and development of carbon-based energy storage batteries in second half of 2018 and set up a battery research and development line in first half of 2019. In the future, the Group will focus on the large-scale application of material technology, and further industrialize the research and development results. Carbon-based energy storage materials for batteries are expected to be put into mass production in the coming year. After the scale expansion, the Group would be able to enter the energy storage industry by providing energy storage material, which would become the driving force of higher profit growth for the future.

### 未來前景 (續)

此外，本集團將繼續研發並推出不同類型的石墨烯應用產品。殺菌芯片已經完成開發階段並已於二零一八年上半年在中國市場推出。根據中國政府認可的檢測中心發出的測試報告，殺菌芯片獲證明對減少甲醛、甲苯、二甲苯、揮發性有機化合物及大腸桿菌噬菌體非常有效。就海外市場而言，本集團已向一家海外知名空調系統製造商寄發樣品，以作測試及獲得認證。於所有測試完成後，殺菌芯片將透過與該製造商合作推出海外市場。至於國內市場，由於中國政府加強環境保護和控制，及公眾更加重視環境保護，董事認為空氣淨化器等環保產品將會有很大的需求。此外，獲得上述海外知名空調系統製造商的認可將成為殺菌芯片質量卓越的有力證據，因此董事相信殺菌芯片在來年於中國市場的收入會有所增加。

經過過去幾年的不懈努力及資金投入，本集團已逐漸由傳統製造企業轉型為材料科技公司，並開始將業務擴展至環保及能源相關領域。鑒於上文所述及本集團碳基儲能電池材料的性能優於現有鋰電池材料性能，本集團於二零一八年下半年決定投入更多資源研發碳基儲能電池及於二零一九年上半年建立一條電池研發線。未來本集團將專注於材料技術的大規模應用，並進一步實現研發成果的產業化。電池用碳基儲能材料預計將在明年投入量產。於規模擴大後，本集團將能夠通過提供儲能材料進入儲能行業，這將成為未來利潤增長的推動力。



# Corporate Governance Report

## 企業管治報告

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

The Company has complied with the code provision (the "Code Provision") as set out in the CG Code throughout the year ended 31 December 2018, save for the deviations as discussed below. The Company periodically reviews its corporate governance practices to ensure its continuous compliance.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the required standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and each of them confirmed that they have complied with the required standards set out in the Model Code during the financial year ended 31 December 2018.

### BOARD OF DIRECTORS

The Board members are:

- **Executive Directors:**  
Mr. ZHENG Jingdong  
(Chairman and Chief Executive Officer)  
Mr. LEUNG Tsz Chung (Vice-chairman)

本公司董事會及管理層致力於維持良好之企業管治常規及程序。本公司相信，良好之企業管治將為實施有效管理、培養健康企業文化、成功獲得業務增長及提升股東價值提供不可或缺之架構。

本公司企業管治常規基於聯交所證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）載列的原則及守則條文。

除下文所討論的偏離外，本公司於截至二零一八年十二月三十一日止年度全年一直遵守企業管治守則所載守則條文（「守則條文」）。本公司定期檢討企業管治常規，以確保持續合規。

### 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之規定準則。本公司已向全體董事作出專門查詢，全體董事均確認彼等於截至二零一八年十二月三十一日止財政年度內已遵守標準守則所載之規定準則。

### 董事會

董事會成員如下：

- **執行董事：**  
鄭景東先生  
(主席兼行政總裁)  
梁子冲先生 (副主席)

### BOARD OF DIRECTORS (continued)

- **Non-Executive Director:**  
Ms. LIN Weihuan
- **Independent Non-Executive Directors:**  
Ms. AN Na  
Professor ZHAO Jinbao  
Mr. CHEN Shaohua

The biographical details of the Directors are disclosed in the section headed "Biographical Details of Directors" on pages 49 to 51 of this annual report. The composition of the Board is well balanced. Each of the Directors has relevant expertise and extensive experiences that may contribute to the business of the Group. The Company has complied with the requirements under Rules 3.10(1) and (2) of the Listing Rules during the financial year ended 31 December 2018. All independent non-executive Directors also meet the guidelines for assessment of their independence as set out in Rule 3.13 of the Listing Rules.

Every director is subject to re-election on retirement by rotation in accordance with the articles of association of the Company (the "Articles").

To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among the members of the Board. All of them are free to exercise their independent judgement.

The Board is responsible for establishing the overall strategic development and direction, setting business objectives and development plans, monitoring the performance of the business and senior management and making major investments and funding decisions of the Group.

The daily business operations and administrative functions of the Group are delegated to the management with department heads responsible for different aspects of the business and functions of the Group.

The Board meets regularly throughout the year to formulate overall strategy of the Group, monitor its financial performance and maintain effective oversight over the management. Sufficient notice of meetings is given to Directors prior to a regular board meeting, and each director is able to request inclusion of matters in the agenda for board meeting. Full minutes are prepared after the meetings.

### 董事會 (續)

- **非執行董事:**  
林煒歡女士
- **獨立非執行董事:**  
安娜女士  
趙金保教授  
陳少華先生

董事的履歷詳情披露於本年報第49至51頁「董事履歷詳情」一節。董事會組成結構平衡。各董事擁有相關專業知識及豐富經驗，可為本集團業務作出貢獻。於截至二零一八年十二月三十一日止財政年度內，本公司一直遵守上市規則第3.10(1)及(2)條的規定。所有獨立非執行董事亦符合上市規則第3.13條所載獨立性評估指引。

各董事須根據本公司組織章程細則（「細則」）輪流退任並重選。

就本公司所知，董事會各成員之間概無財務、業務、親屬或其他重大／相關關係。彼等均可自由作出獨立判斷。

董事會負責制定整體策略發展及方向、訂立營運目標及發展計劃、監察業績及高級管理層的表現以及決定本集團的主要投資和資金調動。

本集團的日常業務營運及行政職務已委派負責本集團各業務及職能的部門主管管理。

董事會在全年定期召開會議，以制定本集團的整體策略，監督其財務表現並維持對管理層的有效監督。定期召開董事會會議前會向董事發出充足通告，而各董事亦可要求於董事會會議議程中加入事宜。會議結束後由專人編製完整會議紀錄。

# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS (continued)

Details of the attendance of the Board meetings, the annual general meeting (“AGM”) and the extraordinary general meeting (“EGM”) held during the financial year ended 31 December 2018 are summarised as follows:

### 董事會 (續)

於截至二零一八年十二月三十一日止財政年度所舉行董事會會議、股東週年大會（「股東週年大會」）及股東特別大會（「股東特別大會」）的出席紀錄詳情概述如下：

		Number of board meetings attended/ held in 2018 二零一八年出席/ 舉行的董事會 會議次數	Number of AGM attended/held in 2018 二零一八年出席/ 舉行的股東 週年大會次數	Number of EGM attended/held in 2018 二零一八年出席/ 舉行的股東 特別大會次數
<b>Executive Directors</b>	<b>執行董事</b>			
Mr. ZHENG Jingdong	鄭景東先生	13/13	1/1	0/1
Mr. LEUNG Tsz Chung	梁子冲先生	13/13	1/1	1/1
<b>Non-Executive Director</b>	<b>非執行董事</b>			
Ms. LIN Weihuan	林煒歡女士	13/13	1/1	0/1
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>			
Ms. AN Na	安娜女士	13/13	1/1	1/1
Professor ZHAO Jinbao	趙金保教授	11/13	0/1	0/1
Mr. CHEN Shaohua	陳少華先生	13/13	1/1	1/1

### PROFESSIONAL TRAINING OF THE COMPANY SECRETARY

Pursuant to Rule 3.29 of the Listing Rules, the company secretary of the Company must take no less than 15 hours of relevant professional training in each financial year. The company secretary, Mr. Ip Pui Sum, provided his training records to the Company, indicating that he has taken no less than 44 hours of relevant professional training by means of attending seminars and reading relevant guideline materials during the financial year ended 31 December 2018.

### 公司秘書之專業培訓

根據上市規則第3.29條，本公司之公司秘書於各財政年度須接受不少於15小時之相關專業培訓。公司秘書葉沛森先生向本公司遞交其培訓記錄，表明其於截至二零一八年十二月三十一日止財政年度透過參加研討會及閱覽相關指引材料已接受不少於44小時之相關專業培訓。

### CORPORATE GOVERNANCE FUNCTIONS

The Board is also responsible for performing the corporate governance duties including the duties and responsibilities as set out in D.3 in Appendix 14 to the Listing Rules which include the development and reviewing of policies and practices on corporate governance and compliance with all legal and regulatory requirements, monitoring the training and continuous professional development of Directors and senior management, development and reviewing of the code of conduct and compliance manual (if any) applicable to employees and Directors and reviewing the compliance with the CG Code, and ensuring proper disclosure in the corporate governance report of the Company.

### CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Up to the date of this report, all the Directors have participated in appropriate continuous professional development activities by attending training courses or reading materials on the topics related to corporate governance and regulations or the Company's business or their duties and responsibilities.

The individual training record of each Director received for the year ended 31 December 2018 is summarised below:

### 企業管治職能

董事會亦負責履行企業管治職責（包括上市規則附錄十四D.3所載責任與義務），包括制定及審閱企業管治政策及常規及遵守所有法律及監管規定，監督董事及高級管理層的培訓及持續專業進修，制定及審閱適用於僱員及董事的操守準則及合規手冊（如有）及審查是否符合企業管治守則，以及確保於本公司企業管治報告中作恰當的披露。

### 董事的持續專業進修

全體董事均須參與持續專業進修，以增進及更新其知識及技能，確保各董事在知情情況下為董事會作出切合需要的貢獻。截至本報告日期，所有董事已透過參加培訓課程或閱讀有關企業管治及規例或本公司業務或董事義務及職責的資料的方式參與持續專業進修。

於截至二零一八年十二月三十一日止年度，各董事接受的個別培訓記錄概載如下：

Attending seminar(s)/  
programme(s)/reading  
relevant materials in relation  
to the business or Directors'  
duties  
出席有關業務或  
董事職責的座談會/  
計劃/閱讀相關  
資料的情況

Mr. ZHENG Jingdong	鄭景東先生	✓
Mr. LEUNG Tsz Chung	梁子冲先生	✓
Ms. LIN Weihuan	林煒歡女士	✓
Ms. AN Na	安娜女士	✓
Professor ZHAO Jinbao	趙金保教授	✓
Mr. CHEN Shaohua	陳少華先生	✓

# Corporate Governance Report

## 企業管治報告

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 stipulates that the roles of the Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The Company deviates from this provision because Mr. Zheng Jingdong has been performing both the roles of Chairman and Chief Executive Officer. The Directors consider that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group. The balance of power and authorities is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises 2 executive Directors, 1 non-executive Director and 3 independent non-executive Directors and therefore has a strong independence element in its composition.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive Directors have played a significant role in the Board by bringing their independent judgment at the Board meetings and scrutinising the Group's performance. Their views carry significant weight in the Board's decision, in particular, they bring an impartial view to bear on issues of the Group's strategy, performance and control.

All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advices to the Board.

The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of shareholders can be taken into account, and the interests of the Company and its shareholders can be protected.

As at 31 December 2018, the Board has three independent non-executive Directors, Professor Zhao Jinbao, Mr. Chen Shaohua and Ms. An Na, one of which, being Mr. Chen Shaohua, possesses appropriate professional accounting qualifications and financial management expertise in compliance with the requirements set out in Rules 3.10(1) and (2) of the Listing Rules.

The Company has received from each of its independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers the independent non-executive Directors to be independent.

### 主席及行政總裁

守則條文第A.2.1條規定，主席與行政總裁的職能應予以區分，不應由同一人士兼任。本公司就本條文有所偏離，因鄭景東先生兼任主席及行政總裁職位。董事相信，一人兼任兩個職位可為本集團提供強大一致的領導，方便本集團業務策略的發展及執行，對本集團有利。職權平衡由高級管理層及董事會（由資深且富有才幹的人士組成）運作而保證，董事會現時包括2名執行董事、1名非執行董事及3名獨立非執行董事，因此其構成具有較強的獨立元素。

### 獨立非執行董事

獨立非執行董事在董事會擔當重任，負責在董事會會議提出獨立意見及監督本集團的表現。彼等的意見對董事會的決定舉足輕重，尤其是關於本集團策略、表現及監控事務的公正見解。

全體獨立非執行董事均具備豐富的學術、專業及行業背景及管理經驗，為董事會提供專業意見。

獨立非執行董事為本集團的業務策略、業績及管理提供獨立意見，確保充份考慮股東的一切權益，保障本公司和股東的利益。

於二零一八年十二月三十一日，董事會有三名獨立非執行董事，分別為趙金保教授、陳少華先生及安娜女士，當中陳少華先生具備符合上市規則第3.10(1)及(2)條規定的合適專業會計資格及財務管理經驗。

本公司已取得各獨立非執行董事根據上市規則第3.13條發出的獨立身份年度確認。本公司認為獨立非執行董事均為獨立人士。

### TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors (including independent non-executive Directors) has entered into a service contract with the Company for an initial term of 3 years, which will continue thereafter until terminated by not less than three-month notice in writing served by either party on the other.

All independent non-executive Directors and non-executive Directors are subject to re-election on retirement by rotation in accordance with the Articles.

### APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors, non-executive Directors and independent non-executive Directors of the Company has entered into a service contract with the Company for a specific term. Such term is subject to retirement by rotation and re-election at an AGM at least once every three years in accordance with the Articles. The Articles provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next AGM of the Company and shall then be eligible for re-election.

### BOARD COMMITTEES

The Company currently has three committees, namely, the audit committee, the remuneration committee and the nomination committee (collectively, the "Board Committees"), for overseeing particular aspects of the Company's affairs. Terms of reference of all Board Committees are in line with the Code Provision and are available on the Stock Exchange's website and the Company's website at [www.baofengmodern.com](http://www.baofengmodern.com). The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

### 非執行董事的任期

各非執行董事（包括獨立非執行董事）已與本公司訂立初步任期三年的服務合約，任期直至一方向另一方送達不少於三個月的書面通知終止合約為止。

所有獨立非執行董事及非執行董事均須根據細則輪流退任並重選。

### 董事的委任、重選及退任

本公司各執行董事、非執行董事及獨立非執行董事已與本公司訂立有特定任期的服務合約，並須根據細則最少每三年於股東週年大會輪流退任一次。細則規定任何獲委任加入董事會以填補臨時空缺的董事，任期將於獲委任後的本公司首次股東大會屆滿，惟可於該大會重選連任，而任何獲委任新加入當時董事會的董事任期將於本公司下屆股東週年大會屆滿，屆時可重選連任。

### 董事會專門委員會

本公司現有三個委員會，即審核委員會、薪酬委員會及提名委員會（統稱「董事會專門委員會」），監管本公司事務的具體方面。所有董事會專門委員會的職權範圍均符合守則條文，並可於聯交所網站及本公司網站 [www.baofengmodern.com](http://www.baofengmodern.com) 瀏覽。董事會專門委員會獲提供充足資源履行職責，經合理要求，可就適當情況尋求獨立專業意見，費用由本公司承擔。

# Corporate Governance Report

## 企業管治報告

### PUTTING ENQUIRIES TO THE BOARD

Shareholders may send their enquiries and concerns to the Board by addressing them to the company secretary of the Company by mail at the Company's principal place of business in Hong Kong at Room 504, 5/F., OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong. The company secretary forwards communications relating to matters within the Board's purview to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and customer complaints, to the chief executives.

### AUDIT COMMITTEE

The audit committee was established by the Board on 8 January 2011 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise our Group's financial reporting process and risk management and internal control systems, effectiveness of the Group's internal audit function and review and monitor appointment of the auditors and their independence.

The audit committee comprised three independent non-executive Directors, namely Mr. Chen Shaohua, Professor Zhao Jinbao and Ms. An Na, and Mr. Chen Shaohua was the chairperson of the audit committee as at 31 December 2018. The annual results of the Group for the year ended 31 December 2018 have been reviewed by the audit committee. The audit committee held 5 meetings during the financial year ended 31 December 2018 to review interim and annual financial results and reports, significant issues on the financial reporting and compliance procedures, internal control and risk management systems, the effectiveness of the Group's internal audit function and scope of work and appointment of external auditors.

### 向董事會提出查詢

股東可將其查詢及關注事項寄往本公司之香港主要營業地點（地址為香港上環永樂街93-103號協成行上環中心5樓504室），註明本公司之公司秘書收，以便送交董事會。公司秘書會將有關董事會職權範圍內事宜的通訊轉交董事會及將有關日常業務事宜的通訊（如建議、查詢及客戶投訴）轉交主要行政人員。

### 審核委員會

董事會已遵照上市規則附錄十四所載企業管治守則於二零一一年一月八日成立審核委員會，並制訂書面職權範圍。審核委員會的主要職責為檢討及監督本集團的財務報告程序與風險管理及內部監控體系、本集團內部審計職能的成效以及檢討及監察核數師的委任及其獨立性。

於二零一八年十二月三十一日，審核委員會由三名獨立非執行董事陳少華先生、趙金保教授及安娜女士組成，陳少華先生為審核委員會主席。本集團截至二零一八年十二月三十一日止年度的全年業績已由審核委員會審閱。於截至二零一八年十二月三十一日止財政年度內，審核委員會舉行了五次會議，以審閱中期及年度財務業績及報告、有關財務申報及合規程序、內部監控及風險管理體系的重大問題、本集團內部審計職能的成效以及外部核數師的工作範圍及委任。

# Corporate Governance Report

## 企業管治報告

Details of the attendance of the audit committee are as follow:

審核委員會的出席紀錄詳情如下：

Members	成員	Attendance of Meeting 會議出席情況
Mr. CHEN Shaohua (Chairperson of audit committee)	陳少華先生 (審核委員會主席)	5/5
Professor ZHAO Jinbao	趙金保教授	3/5
Ms. AN Na	安娜女士	5/5

## REMUNERATION COMMITTEE

The Board established the remuneration committee on 8 January 2011 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to make recommendations to the Board on the remuneration policies and structure of the remuneration for the Directors and senior management and to set up a formal and transparent procedure for determination of such remuneration policies. It shall also make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

The remuneration committee comprised three independent non-executive Directors, namely Ms. An Na (the chairperson of the remuneration committee), Professor Zhao Jinbao and Mr. Chen Shaohua as at 31 December 2018. The remuneration committee held 1 meeting during the financial year ended 31 December 2018 to review and make recommendations to the Board on the remuneration policy and structure of the Company, and to determine the remuneration packages of executive Directors and senior management.

The details of the attendance of the remuneration committee are as follows:

## 薪酬委員會

董事會已於二零一一年一月八日遵照上市規則附錄十四所載企業管治守則成立薪酬委員會，並制訂書面職權範圍。薪酬委員會的主要職責為就董事及高級管理層的薪酬政策及薪酬結構向董事會提出建議，並制定確立有關薪酬政策的正式及透明程序。薪酬委員會亦須就各執行董事及高級管理層的薪酬待遇向董事會提出建議。

於二零一八年十二月三十一日，薪酬委員會由三名獨立非執行董事安娜女士（薪酬委員會主席）、趙金保教授及陳少華先生組成。於截至二零一八年十二月三十一日止財政年度內，薪酬委員會舉行了一次會議，以檢討本公司的薪酬政策及架構並向董事會提出建議，並釐定執行董事及高級管理層的薪酬。

薪酬委員會出席紀錄詳情如下：

Members	成員	Attendance of Meeting 會議出席情況
Ms. AN Na (Chairperson of remuneration committee)	安娜女士 (薪酬委員會主席)	1/1
Professor ZHAO Jinbao	趙金保教授	0/1
Mr. CHEN Shaohua	陳少華先生	1/1



# Corporate Governance Report

## 企業管治報告

Pursuant to Code Provision B.1.5, the annual remuneration of the members of the senior management of the Company by band for the year ended 31 December 2018 is set out below:

根據守則條文第B.1.5條，截至二零一八年十二月三十一日止年度本公司高級管理人員的年薪等級如下：

Remuneration band (RMB) 薪酬範圍 (人民幣)	Number of individuals 人數
1,000,001 – 1,500,000	4
1,500,001 – 2,000,000	–
2,000,001 – 2,500,000	1

Details of remuneration of each Director for the year ended 31 December 2018 are set out in note 9 to the consolidated financial statements contained in this annual report.

各董事截至二零一八年十二月三十一日止年度的薪酬詳情載於本年報所載綜合財務報表附註9。

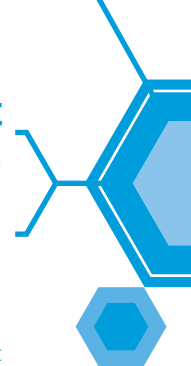
### NOMINATION COMMITTEE

The Board established the nomination committee on 8 January 2011 with written terms of reference in compliance with CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the nomination committee are set out below:

### 提名委員會

董事會已於二零一一年一月八日遵照上市規則附錄十四所載企業管治守則成立提名委員會，並制訂書面職權範圍。提名委員會的主要職責載列如下：

- |  |   |
|--|---|
| (a) to make recommendations to the Board on the appointment or re-appointment of Directors;  | (a) 就董事的任命或重新任命向董事會提出建議；                      |
| (b) to review the size, structure and composition of the Board;  | (b) 檢討董事會的規模、架構及構成；                           |
| (c) to review the terms of reference, to assess the independence of independent non-executive Directors;   | (c) 審閱職權範圍，評估獨立非執行董事的獨立性；                     |
| (d) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; | (d) 物色具備合資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提出建議； |
| (e) develop, review and disclose the policy for nomination of directors, as appropriate, in the Company's corporate governance report annually; and                                  | (e) 於本公司的年度企業管治報告內制定、檢討及披露提名董事政策（倘適當）；及       |
| (f) to implement and review the board diversity policy ("Board Diversity Policy").   | (f) 執行及檢討董事會成員多元化政策（「董事會成員多元化政策」）。            |



The nomination committee comprised the three independent non-executive Directors, namely Professor Zhao Jinbao (the chairperson of the nomination committee), Mr. Chen Shaohua and Ms. An Na as at 31 December 2018. The nomination committee held 1 meeting during the financial year ended 31 December 2018 to make recommendations to the Board on the appointment of Directors, review the structure, size and composition of the Board and the independence of the independent non-executive Directors and make recommendations to the Board on the re-election of Directors at the AGM.

The details of the attendance of the nomination committee are as follows:

於二零一八年十二月三十一日，提名委員會由三名獨立非執行董事趙金保教授（提名委員會主席）、陳少華先生及安娜女士組成。提名委員會於截至二零一八年十二月三十一日止財政年度內舉行了一次會議，以就董事的委任向董事會提出建議、檢討董事會的架構、規模及構成以及獨立非執行董事的獨立性，並就於股東週年大會上重選董事向董事會提出建議。

提名委員會出席紀錄詳情如下：

Members	成員	Attendance of Meeting 會議出席情況
Professor ZHAO Jinbao (Chairperson of nomination committee)	趙金保教授（提名委員會主席）	0/1
Mr. CHEN Shaohua	陳少華先生	1/1
Ms. AN Na	安娜女士	1/1

## BOARD DIVERSITY POLICY

During the financial year ended 31 December 2018, the Group adopted a Board Diversity Policy setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Board Diversity Policy, the Group considered the diversity of the Board members can be achieved through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

## 董事會成員多元化政策

於截至二零一八年十二月三十一日止財政年度內，本集團已採納董事會成員多元化政策，當中列載為達致及維持董事會成員多元化以提升董事會之有效性而採取之方針。

根據董事會成員多元化政策，本集團認為透過考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，可實現董事會成員多元化。



### Measurable objectives

Selection of candidates of the Board members will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and any other factors that the Board may consider relevant and applicable from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect.

The nomination committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness.

### NOMINATION POLICY

The nomination committee shall consider certain factors, which are not exhaustive and the Board has discretion if it considers appropriate, in assessing the suitability of the proposed candidate regarding the appointment of directors or re-appointment of any existing Board member(s).

In assessing the suitability of a proposed candidate, the nomination committee shall make reference to certain criteria including reputation for integrity; accomplishment, experience and reputation in the business and industry; commitment in respect of sufficient time, interest and attention to the businesses of the Group; diversity policy of the Company; in case of independent non-executive director, the independence as prescribed under Rule 3.13 of the Listing Rules; and any other relevant factors as may be determined by the nomination committee or the Board from time to time as appropriate.

### 可計量目標

甄選董事會成員人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，以及董事會不時認為相關及適用的任何其他因素。最終將按人選的長處及可為董事會提供的貢獻，充分顧及董事會成員多元化的裨益以及董事會的需要，不會只側重單一的多元化層面下而作決定。

提名委員會將不時檢討董事會成員多元化政策，以確保董事會成員多元化政策行之有效。

### 提名政策

提名委員會在評估擬議候選人是否適合任命為董事或重新任命任何現有董事會成員時，須考慮若干因素，該等因素並非詳盡無遺，且董事會認為適當時候可酌情決定。

於評估擬議候選人的適合性時，提名委員會須參考若干標準，包括誠信的聲譽；業務及行業內成就、經驗和聲譽；對本集團的業務給予充足時間、興趣及關注之承諾；本公司多元化政策；就獨立非執行董事而言，上市規則第3.13條所規定之獨立性；以及提名委員會或董事會可能不時酌情釐定的任何其他相關因素。

### Nomination procedures

- a) Appointment of new director
- (i) The nomination committee may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents, and should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. If an independent non-executive director is to be appointed, the nomination committee will also assess and consider whether the candidate can satisfy the independence requirements as set out in the Listing Rules.
- (ii) If the process yields one or more desirable candidates, the nomination committee should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The nomination committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. Where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:
- the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;

### 提名程序

- a) 委任新董事
- (i) 提名委員會可從各種不同渠道挑選候選人擔任董事，包括但不限於內部提升、調任、其他管理層成員及外部招聘代理推薦，並應在收到委任新董事的建議及候選人的個人資料（或相關詳情）後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。倘擬委任獨立非執行董事，提名委員會亦將評核及考慮候選人是否符合上市規則所載的獨立性要求。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會應根據本公司的需要及每位候選人的證明審查（如適用）排列他們的優先次序。
- (iii) 提名委員會隨後應就委任合適候選人擔任董事一事向董事會提出建議（如適用）。若董事會擬於股東大會上提呈決議案選任某人士為獨立非執行董事，有關股東大會通告所隨附的致股東通函及／或說明函件中，應該列明：
- 用以物色該名人士的流程、董事會認為應選任該名人士的理由以及他們認為該名人士屬獨立人士的原因；

- if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
  - the perspectives, skills and experience that the individual can bring to the Board; and
  - how the individual contributes to diversity of the Board.
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the nomination committee should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the nomination committee should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

- b) Re-election of director at general meeting
- (i) The nomination committee should review the overall contribution and service to the Company of the retiring director and his/her level of participation and performance on the Board.
  - (ii) The nomination committee should also review and determine whether the retiring director continues to meet the criteria as set out above. If an independent non-executive director is subject to the re-election, the nomination committee will also assess and consider whether the independent non-executive director will continue to satisfy the independence requirements as set out in the Listing Rules.

- 如果候任獨立非執行董事將出任第七家（或以上）上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
- 該名人士可為董事會帶來的觀點、技能及經驗；及
- 該名人士如何促進董事會成員多元化。

- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會應依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。

倘適合，提名委員會應就於股東大會上選舉董事的提案向股東提出建議。

- b) 於股東大會上重選董事
- (i) 提名委員會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
  - (ii) 提名委員會亦應檢討及確定退任董事是否仍然符合上述準則。若獨立非執行董事擬膺選連任，提名委員會亦應評核及考慮該獨立非執行董事是否依然符合上市規則所載的獨立性要求。

- (iii) The nomination committee should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The nomination committee will review the nomination policy, as appropriate, to ensure the effectiveness of the nomination policy. The nomination committee will discuss any revisions to the nomination policy that may be required, and recommend any such revisions to the Board for consideration and approval.

### DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group, and in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. The statement by the auditors of the Company about their responsibilities for the financial statements is set out in the independent auditor's report contained in this annual report.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the responsibility to maintain an effective risk management and internal control system in order to protect the Group's assets and shareholders' interests. The Group has an internal audit function. The Board and audit committee also conduct periodic reviews to ensure the effectiveness of the Group's risk management and internal control systems. The risk management and internal control systems include a well-established corporate structure and organisation with clearly defined lines of responsibility and authority. Each department is responsible for its daily operations, and is also required to implement and monitor the strategies and policies adopted by the Board and effective employment of the resources of the Company, in order to avoid misappropriation of resources and damages made to the Company's assets, and prevent against errors and fraud.

- (iii) 提名委員會應就於股東大會上重選董事的提案向股東提出建議。

若董事會擬於股東大會上提呈決議案選舉或重選某候選人為董事，隨附有關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或相關適用法律及規則要求載列候選人的有關資料。

提名委員會將（如適用）檢討提名政策以確保其有效性。提名委員會將討論提名政策任何可能需要作出的修訂，並向董事會建議任何有關修訂以供其審議及批准。

### 董事對財務報表的責任

董事負責根據國際會計準則委員會公佈的國際財務報告準則及香港公司條例披露規定編製財務報表，真實公允地呈列本集團的事務狀況。本公司核數師就其對財務報表責任的聲明載於本年報的獨立核數師報告。

### 風險管理及內部監控

董事會有責任維持有效的風險管理及內部監控體系，以保障本集團資產及股東利益。本集團設有內部審計職能。董事會及審核委員會亦定期進行檢討，確保本集團風險管理及內部監控體系的成效。風險管理及內部監控體系包括完善的企業架構和清楚界定各部門的職責範圍和權屬的組織。各部門不僅負責日常業務的操作，還須實施及監察董事會所採納策略及政策以及本公司資源的有效運用，以防止濫用資源、資產受損、防止錯失及欺詐行為的發生。

# Corporate Governance Report

## 企業管治報告

During the financial year ended 31 December 2018, the Board and audit committee conducted a review and assessment of the effectiveness of the internal control system and procedures based on information derived from discussions with the management of the Company and its external auditor. The Board and audit committee believe that the existing risk management and internal control systems are adequate and effective. The review covered all material controls, including financial, operational and compliance controls and risk management functions as well as the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting function, and their training programmes and budget.

The Board has established a clearly defined scope of activities, responsibility and authority for each department and its management staff within the Group. The Group has a defined goal for each department to accomplish, these goals were discussed in the Board meeting and pass on to the management through the executive Directors. These goals will be implemented and closely monitored by the executive Directors who shall review the operational and financial results from time to time, and to take any necessary actions for the improvement of its business activities.

### AUDITOR'S REMUNERATION

During the year, the remuneration in respect of audit services provided by the Company's auditor, Confucius International CPA Limited was RMB1,332,000.

### DIVIDEND POLICY

The Board adopted a dividend policy on 20 February 2019. The Board has the discretion to declare and distribute dividends to the shareholders of the Company. Any declaration of final dividends for the year will be subject to the approval of the Company's shareholders. In proposing any dividend pay-out, the Board shall take into account the following factors:

- the Group's actual and expected financial performance;
- the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- retained earnings and distributable reserves of the Company and each of the members of the Group;

於截至二零一八年十二月三十一日止財政年度，董事會及審核委員會根據與本公司管理層及外部核數師的討論所取得的資料，檢討及評估內部監控體系及程序的成效。董事會及審核委員會相信，現有風險管理及內部監控體系已經足夠及有效。檢討工作涵蓋所有重大監控，包括財務、營運及合規監控以及風險管理職能，以及資源充足性、本公司會計、內部審計及財務報告職能人員的資質及經驗以及其培訓課程及預算。

董事會對本集團內各部門及其管理人員設有清晰而明確的活動、職責及權屬範圍。本集團訂立明確的目標予各部門來完成，各項目標均在董事會會議中討論後，由執行董事交給管理層執行。執行董事將不時審閱營運及財務業績，並採取任何必要行動改善業務活動，藉此實施及密切監控有關目標。

### 核數師薪酬

年內，就本公司核數師天健國際會計師事務所有限公司提供審計服務的酬金為人民幣1,332,000元。

### 股息政策

董事會於二零一九年二月二十日採納股息政策。董事會可酌情決定向本公司股東宣派及派發股息。宣派任何年度末期股息均須經本公司股東批准。於提議任何股息派付時，董事會須考慮以下因素：

- 本集團之實際及預期財務表現；
- 本集團之預期營運資金需求、資本開支要求和未來擴充計劃；
- 本公司及本集團各成員公司的保留溢利及可分配儲備；

- the Group's liquidity position;
- general economic conditions and other internal or external factors that may have impact on the business or financial performance and position of the Group; and
- any other factors that the Board deems relevant.

### INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

Information about the Group has been provided to the shareholders through financial reports, announcements and general meetings including AGMs in order to keep shareholders well informed of the business activities and directions of the Group. The Group has also established a corporate website [www.baofengmodern.com](http://www.baofengmodern.com) as a channel to facilitate effective communication with the shareholders.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's principal place of business in Hong Kong at Room 504, 5/F, OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong.

During the financial year ended 31 December 2018, there is no significant change in the Company's constitutional documents.

### SHAREHOLDER'S RIGHT

#### Convening an EGM and Putting Forward Proposals at Shareholders' Meetings

Pursuant to Article 58 of the Articles, any one or more members of the Company 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 shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

- 本集團之流動性狀況；
- 整體經濟狀況及可能對本集團之業務或財務表現及狀況構成影響之其他內在或外在因素；及
- 董事會認為相關的任何其他因素。

### 投資者關係及與股東之溝通

有關本集團的資料已以財務報告、公告及股東大會（包括股東週年大會）形式提供予股東，方便股東隨時瞭解本集團的業務活動及動向。本集團亦設立公司網站[www.baofengmodern.com](http://www.baofengmodern.com)，作為促進與股東有效溝通的渠道。

股東可隨時將其查詢及關注事項以書面形式寄往本公司的香港主要營業地點（地址為香港上環永樂街93-103號協成行上環中心5樓504室），以便送交董事會。

於截至二零一八年十二月三十一日止財政年度內，本公司之組織章程文件概無重大變動。

### 股東的權利

#### 召開股東特別大會及於股東大會上提呈議案

根據細則第58條，任何一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）十分之一的本公司股東於任何時候有權向董事會或本公司公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而合理產生的所有開支應由本公司向要求人作出償付。





## Corporate Governance Report

### 企業管治報告

The same requirements and procedures also apply to any proposal to be tabled at shareholders' meetings for adoption.

#### **Directors' and Officers' Liabilities Insurance**

Appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against the Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group has been arranged by the Company.

相同的要求及程序亦適用於任何於股東大會上提呈以供採納的議案。

#### **董事及高級職員的責任保險**

就本集團企業活動引致本公司及其附屬公司董事及高級職員所面臨的法律行動，本公司已為董事及高級職員的責任購買相關保險。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Company strives to safeguard and balance the interests of each stakeholder and follows the operating principle of “taste of life, happy production”. Facing the changes and challenges of business environment, the Group never forget to commit corporate social responsibility while pursuing growth. In respect of the respective area of product safety, product quality, energy saving and environmental protection, social welfare and employee care, the Group will ensure that the business operations can create value for the social, human and natural capital, and actively fulfill corporate social responsibility.

The Board is responsible for determining the environmental, social and governance risks of the Group, formulating environmental, social and governance strategies, ensuring the establishment and maintenance of an effective internal control system on environment, society and governance and conducting regular analysis and independent assessment on the adequacy and effectiveness of the aforementioned system through internal audit functions.

The production and the major business of the Group are based in the PRC. Therefore, the information and data included in the Environmental, Social and Governance Report are the information and data of the Group that originates in the PRC.

本公司致力於保障及平衡各持分者利益，並遵從「品味生活，快樂製造」的經營理念。在面對營商環境的變化與挑戰，追求成長的同時，本集團不忘要盡企業社會責任。於產品安全、產品質量、節能環保、社會公益及員工關懷各個領域上，本集團確保業務營運能為社會、人力及自然資本創造價值，積極履行企業社會責任。

董事會負責釐定本集團有關環境、社會及管治的風險，制訂環境、社會及管治策略，確保本集團設立及維持對環境、社會及管治有效的內部監控系統，以及透過內部審核功能，定期進行分析及獨立評估前述系統是否足夠和有效。

本集團的生產及主要業務均在中國進行，故此環境、社會及管治報告的資料及數據均為本集團在中國發生之數據資料。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### A. ENVIRONMENTAL

The Group always pays attention to environmental protection. In respect of environmental management, the ISO14001 environmental management system has been established and implemented since 2006, with annual review supervised by third-party certification institutions and regulatory authorities. The Group formulates appropriate environmental management operation control procedures, commits to environmental protection through continuous enhancement on production technology and product quality, introduction and promotion of energy conservation, waste reduction, clean production, improvement on pollution prevention and control technology, and material recycling and reuse. In 2018, the Group invested a total of approximately RMB698,000 for energy saving, environmental protection, and emission and waste reduction. The Group adheres to green and low-carbon development principle, protects the environment as its mission, and integrates environmental protection with enterprise development. The Group strictly follows relevant national environmental laws and regulations to minimize the impact of production and operating activities to the environment to the greatest extent, strives to achieve resource recycling and non-hazardous objectives during production and operation process and continues to build a green and harmonious environment.

### A. 環境

本集團一直重視環境保護。在環境管理上，自二零零六年開始建立並實施ISO14001環境管理體系，並每年接受第三方認證機構和監管部門的監督審查。本集團制定合適的環境管理運行控制程序，透過持續提升生產技術、產品質量，引進及推廣節能、減廢、清潔生產、提升污染防治技術、物料回收利用，致力環境保護。於二零一八年，本集團共投入約人民幣698,000元用於節能、環保及降廢減排。本集團始終堅持綠色和低碳的發展原則，以環境保護為己任，將環境保護和企業發展融為一體。本集團嚴格遵循國家有關環保法律法規，最大限度地降低生產和經營活動對環境造成的影響，努力實現生產運營過程中的資源循環再用和無害化目標，持續打造綠色和諧環境。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### A.1 Emissions Management

The Group strives to carry out clean production, abides by the “Environmental Protection Law of the People’s Republic of China” and other relevant laws and regulations, and reduces the environmental impact of emissions generated from the production and operation process. The Group ensures that the emissions generated from production and operation activities are in compliance with national standards and the requirements of local environmental protection authorities of the PRC. In the meantime, the Group formulates and implements daily inspection of pollution treatment facilities, and formulates monthly, quarterly and annual maintenance plans to ensure emission treatment facilities are under normal operation, so as to reduce the impact of emissions on the environment.

As summarised in Table 1 below, the Group’s emissions during the reporting period included: greenhouse gas (“GHG”) and waste water.

Table 1: Total emissions of the Group in 2017 and 2018

Emissions	排放物	Unit 單位	2018	2017	2018	2017
			二零一八年	二零一七年	二零一八年 Intensity* (Tonnes/ RMB'000) 密度* (噸/ 人民幣千元)	二零一七年 Intensity* (Tonnes/ RMB'000) 密度* (噸/ 人民幣千元)
GHG	溫室氣體					
Direct emission (Scope 1)	直接排放 (範圍1)					
Company car oil consumption	公車耗油	Tonnes 噸	30.09	30.43	0.0002	0.0002
Natural gas	天然氣	Tonnes 噸	1,927.86	1,800.66	0.0117	0.0143
Indirect emission (Scope 2)	間接排放 (範圍2)					
Externally- purchased electricity	外購電力	Tonnes 噸	3,605.98	2,728.31	0.0219	0.0217
Wastewater	廢水	Tonnes 噸	46,916.00	39,237.00	0.2852	0.3126

\* The calculation for intensity is the emissions amount divided by revenue in the Group’s reporting period.

### A.1 排放物管理

本集團致力於清潔生產，遵守《中華人民共和國環境保護法》等其他相關法律法規的規定，減少在生產和運營過程中產生的排放物所帶來的環境影響。本集團確保生產經營業務排放之排放物均符合中國國家標準與當地環保部門的規定。同時，本集團制訂及實行每日檢查污染處理設施並制定月度、季度及年度保養計劃，以確保排污處理設備運行正常，以減少排放物對於環境的影響。

於報告期內，本集團的排放物包含：溫室氣體（「溫室氣體」）和廢水。概述於下表一。

表一：本集團二零一七年及二零一八年總排放量

\* 密度的計算方式為本集團報告期內排放物量除以收益。

### ***GHG Emission***

Greenhouse gases included carbon dioxide, methane and nitrous oxide, which were mainly from externally-purchased electricity and fuel. The Group is in compliance with the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution” and other relevant laws and regulations, recycling certain particles generated during the production process to minimize exhaust gas emission to the greatest extent. The Group uses clean natural gas and has installed exhaust gas treatment equipment on production boilers to effectively control exhaust gas and soot generated during the combustion of boilers and ensure the emission concentration meets the standard stipulated in the “Emission Standard of Air Pollutants for Boiler”.

### ***Wastewater***

Wastewater generated from the production process and daily domestic sewage from employees will be collected for further processing. No sewage is untreated or illegally released to external waters. The related procedures are in compliance with the “Law of the People’s Republic of China on the Prevention and Control of Water Pollution”.

### ***溫室氣體排放***

溫室氣體包括二氧化碳、甲烷和氧化亞氮，主要源自外購電力及燃料。本集團遵守《中華人民共和國大氣污染防治法》等其他相關法律法規的要求，對生產過程中產生的部分顆粒物進行回收，最大程度地減少廢氣的排放量。本集團生產用鍋爐使用清潔能源天然氣並安裝廢氣處理裝置，對鍋爐燃燒時產生的廢氣和煙塵進行有效的控制，並確保排放濃度達到《鍋爐大氣污染物排放標準》中限定的標準。

### ***廢水***

生產過程中產生的污水和來自員工的每日生活污水會被收集作進一步處理。概無污水未經處理或非法排放到外部水域。相關處理符合《中華人民共和國水污染防治法》。

### **Solid Wastes**

The main solid wastes produced during the production process are remaining materials and scrap materials of finished products produced by the Group. To minimize the amount of solid waste generated during the production process, the Group strictly abides by the principles of recycling and reuse, as well as the provisions of the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”. The Group carries out hazard elimination treatment, classification and recycling on solid wastes pursuant to the “Solid Waste Management Operations Guide” of the Group, including (i) recycling and reuse of grinding powder, scrap; (ii) selling of cardboard boxes, paper products to other paper mills for recycling and reuse; and (iii) unified recycling of domestic wastes for hazard elimination treatment, etc.

### **Noise Control**

The source of noise is mainly from the noise generated by mechanical operations during the production process. The equipments with larger noise are all placed indoor, while noise reduction, sound insulation, shock absorption and other measures are adopted in order to comply with the relevant provisions of the “Emission Standard for Industrial Enterprises Noise at Boundary”.

### **固體廢物**

生產過程中，本集團產生的主要固體廢物為剩餘物料及制成品的邊角料。為盡量減少生產過程中產生的固體廢物，本集團嚴格遵守回收及再利用原則，以及《中華人民共和國固體廢物污染環境防治法》的規定。依據本集團的《固體廢棄物管理作業指導書》對固體廢物進行無害化處理和分類回收，包括(i)磨底粉、邊角料回收利用；(ii)紙箱、紙品賣到其他紙箱造紙廠回收利用；及(iii)生活垃圾統一回收後進行無害化處理等。

### **噪音監控**

噪音源主要為生產過程中機械運轉產生的噪音。對噪音比較大的設備均置於室內，並進行消聲、隔聲、減震等措施，以符合《工業企業廠界環境噪聲排放標準》中的相關規定。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### A2. Use of Resources

Summarised in Table 2 below, the resources used by the Group during the reporting period were energy, water, paper and packaging materials.

Table 2: Total resources consumption of the Group in 2017 and 2018

Resources	資源	Unit 單位	2018 二零一八年 Amount 用量	2017 二零一七年 Amount 用量	2018 二零一八年 Intensity* (Unit/ RMB'000) 密度* (單位/人民幣 千元)	2017 二零一七年 Intensity* (Unit/ RMB'000) 密度* (單位/人民幣 千元)
Energy	能源					
Direct consumption	直接消耗					
Petrol	汽油	Litres 公升	13,247.00	13,395.00	0.0805	0.1067
Natural gas	天然氣	M <sup>3</sup> 立方米	881,848.00	823,663.00	5.3614	6.5630
Indirect consumption	間接消耗					
Electricity	電力	KWh 千瓦時	4,459,538.00	3,363,304.00	27.1129	26.7990
Water	水	Tonnes 噸	48,398.00	40,774.00	0.2942	0.3249
Paper	紙張	Tonnes 噸	2.67	2.46	0.0000	0.0000
Packaging	包裝材料					
By plastic	塑膠類	Tonnes 噸	12.32	12.62	0.0001	0.0001
By paper	紙張類	Tonnes 噸	654.80	351.37	0.0040	0.0028

\* The calculation for intensity is the resources consumption amount divided by revenue in the Group's reporting period.

The Group strives to fully recycle resources as much as possible during product development and production process, constantly pursuing energy conservation and emission reduction.

### A2. 資源使用

本集團於報告期內所使用的資源為能源、水、紙張以及包裝材料，概述於下表二。

表二：本集團二零一七年及二零一八年總資源使用量

Resources	資源	Unit 單位	2018 二零一八年 Amount 用量	2017 二零一七年 Amount 用量	2018 二零一八年 Intensity* (Unit/ RMB'000) 密度* (單位/人民幣 千元)	2017 二零一七年 Intensity* (Unit/ RMB'000) 密度* (單位/人民幣 千元)
Energy	能源					
Direct consumption	直接消耗					
Petrol	汽油	Litres 公升	13,247.00	13,395.00	0.0805	0.1067
Natural gas	天然氣	M <sup>3</sup> 立方米	881,848.00	823,663.00	5.3614	6.5630
Indirect consumption	間接消耗					
Electricity	電力	KWh 千瓦時	4,459,538.00	3,363,304.00	27.1129	26.7990
Water	水	Tonnes 噸	48,398.00	40,774.00	0.2942	0.3249
Paper	紙張	Tonnes 噸	2.67	2.46	0.0000	0.0000
Packaging	包裝材料					
By plastic	塑膠類	Tonnes 噸	12.32	12.62	0.0001	0.0001
By paper	紙張類	Tonnes 噸	654.80	351.37	0.0040	0.0028

\* 密度的計算方式為本集團報告期內資源用量除以收益。

本集團致力於在產品研發和生產過程中，盡可能地充分循環利用資源，不斷追求實現節能減排。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group has implemented “Green Procurement” policy to actively encourage suppliers to establish production management system with environmental protection and energy saving, purchase environmentally friendly raw materials in higher priority through procurement mechanism and supply chain management, so as to facilitate suppliers to reduce waste of resources and pollution.

The Group also regularly inspects and reviews energy consumption, through internal policies and advanced technologies to prevent wastage so as to conserve energy and resources. Specific measures include: (i) reduction of natural gas consumption through the installation of boiler thermal oil recycling pipeline for heat recycling and reuse; (ii) reduction of hydraulic oil consumption by the use of hydraulic oil precipitation; and (iii) reduction of raw material input by recycling the grinding powder of grinding workshop and the scrap of cutting and clipping workshop. Other actively advocated routine resource conservation measures include: (i) replacing high energy-consumption equipment with the more energy-saving one; (ii) turning off unnecessary equipment, lighting and air conditioning not in use; (iii) strengthening inspection and maintenance of faucets, water pipes and water storage facilities and other water supply systems to avoid any leakage; and (iv) announcing company information in electronic form (such as e-mail or electronic bulletin) if possible and reducing paper use with double-sided printing.

To meet the energy-saving and emission reduction targets of the government, the Group reports and evaluates energy-saving new technologies and emission reduction, and develops energy performance indicators to strictly control energy consumption, improve and enhance energy management.

In addition, the Group encourages employees to submit energy-saving proposals actively, reduces power consumption, promotes continuous energy management training, etc. in order to enhance the knowledge on energy conservation and environmental protection policies and energy saving awareness among employees, so that the resources can be used more efficiently.

本集團實行「綠色採購」政策，積極鼓勵供應商建立環保節能的生產管理體系，通過採購機制及供應鏈管理，優先採購環保原材料，以促使供應商減少資源浪費、降低污染。

本集團亦定期查核及檢視能源耗用情況，透過內部政策及先進技術防止浪費以節約能源及資源，具體措施包括：(i)通過設置鍋爐導熱油循環利用管道進行熱量回收利用，可減少天然氣損耗；(ii)對液壓油進行沉澱再利用，減少液壓油耗用；及(iii)對磨底車間的磨底粉、切片沖裁車間的邊角料進行回收，減少原材料投入。其他積極提倡的日常節約資源措施包括：(i)以較節能設備替換耗能設備；(ii)關掉無須使用的設備、照明及空調；(iii)加強巡查及維修水龍頭、水管及蓄水設備等供水系統，避免出現任何滲漏；及(iv)盡量以電子形式（如電郵或電子公布）發布公司資訊、雙面打印等以期減少用紙。

為承接政府節能減排目標，本集團對節能新技術、節能減排進行申報評估，亦制定能源類績效考核目標，對能源耗用量實施嚴格控制，實現能源管理精進與提升。

除此以外，本集團鼓勵員工積極提交節能提案，降低能源耗用量，持續推行能源管理培訓等，以加強員工對節能環保政策的認知，提升節能意識，致使資源能更有效地使用。



### A3. The Environment and Natural Resources

The main environmental impact of the production business is the use of boiler and electricity in its manufacturing process. The operation of the boiler and the use of electricity generate both direct and indirect GHG emissions. To minimise the impact, the production and operation sites of the Group have been evaluated during the initial planning period in respect of the relevant industrial land environment and related regulations and the selected production sites are located in the areas permitted by the local government. During the production and operation process, collection and treatment facilities are installed for proper treatment of pollutants and emissions in order to ensure meeting the standard required by local regulations before discharge. The Group also assesses the feasibility of environmental protection facilities from time to time, adopts effective environmental protection measures and programs, including the prevention and control of pollution and exhaust gas emission, sustainable use of resources and ecological and environmental protection, more active support and promotion of social and environmental sustainable development.

### A3. 環境及天然資源

生產業務對環境的主要影響為製造過程中使用鍋爐和電力。鍋爐的運行以及使用電力會以直接或間接的方式釋放溫室氣體。為了盡量減少這些影響，本集團的生產經營場地，在規劃前期即已針對相關工業用地環境與相關法規進行多方評估，所選擇生產基地均座落在當地政府允許區域內。在生產營運過程中，設置污染排放物的收集與處理設施，務求妥善處理至符合當地法規要求標準後方行排放。本集團亦不時評估環保設施可行性，採取有效環保措施及方案，包括廢氣排放、污染防治、可持續的資源運用方式及生態環境保護等，更積極地支持和推動社會及環境持續發展。

## B. EMPLOYMENT AND LABOUR

As a responsible employer, the Group is fully in compliance with the relevant national laws and regulations in respect of remuneration, compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversification, anti-discrimination and other employee benefits and welfare. The Group also regards employees as its most valuable asset and strives to provide the competitive salaries, welfare and working environment for them.

## B. 僱傭及勞工

作為負責任僱主，本集團全面遵守有關薪酬、賠償及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他員工待遇及福利的相關國家法律法規。本集團亦視員工為企業的最寶貴資產，竭力為員工提供具競爭力的薪資、福利及工作環境。

### B1. Employment

The Group adheres to fair, impartial and open employment principles, providing all employees equal opportunities and fair treatment. The Group strictly abides by the relevant provisions of the "Labour Law of the People's Republic of China" and the "The Labour Contract Law of the People's Republic of China". No arbitrary dismissal of an employee is allowed; the rights and obligations of both parties to the employment contract are clearly stated, the legitimate rights of employees are protected, in order to establish a harmonious and stable employment relationship.

### B1. 僱傭

本集團堅守公平、公正和公開的用人原則，給予所有員工平等的機會和公平的待遇。本集團嚴格遵守《中華人民共和國勞動法》和《中華人民共和國勞動合同法》的相關規定，不隨意解聘員工，明確陳述僱傭合同雙方當事人的權利和義務，保護員工的合法權益，以構建和諧穩定的僱傭關係。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group recruits personnel in line with its strategic requirements through various channels like campus interview, social recruitment, network recruitment in a fair and impartial way. The Group provides employees with comprehensive social security benefits, including basic salary, pensions, incentive bonuses, medical insurance, injury insurance, maternity insurance and housing provident fund. The Group will also provide other employee benefits depending on job nature, including meals, uniforms and fully equipped accommodation. The human resources department of the Group conducts regular reviews and updates on the relevant company policies from time to time pursuant to the latest laws and regulations. Employee performance appraisal, management position promotion, and other company policies are implemented to provide career development path to employees like internal promotions, on the job training. To attract high-quality talents and retain outstanding employees, the Group launches Share Option Scheme and timely conducts reviews on salary with reference to market standards, formulates competitive salary and bonus system, and provides competitive and fair remuneration and benefits based on personal performance, professional qualifications, and experience.

The Group treats all employees equally. No employees are discriminated against on the grounds of gender, race, religion, age, disability, family status, sexual orientation, nationality, political opinion, ethnic background or any other non-working related factors. Each newly-recruited employee is required to sign a labour contract, which clearly defines the rights, responsibilities, and obligations of both the employee and the employer, and all employees are entitled to terminate the employment relationship with the related employment company of the Group. The entering, amendment, cancellation and termination of the relevant employment contract are strictly in compliance with the relevant laws and regulations.

本集團運用校園招聘、社會招聘、網絡招聘等各種渠道以公平、公正的方式招聘符合本集團戰略要求的人才。本集團為員工提供完善的社會保障福利，包括基本薪酬、退休金、激勵獎金、醫療保險、工傷保險、生育保險及住房公積金。本集團亦會視乎工作性質提供其他僱員福利，包括膳食、制服及設備齊全的宿舍等。本集團的人力資源部會不時按最新法律及法規定期檢討及更新相關公司政策，並實施員工績效評估、管理職位晉升等公司政策，向員工提供內部晉升與在職訓練等職業發展路徑。為吸納高質素人才及挽留優秀員工，本集團推出購股權計劃，亦會定期參考市場標準進行薪酬檢討，制定具競爭力的薪資與獎金制度，根據個人表現、專業資格及經驗提供具競爭力及公平的薪酬及福利。

本集團對員工一視同仁，所有員工不會因為性別、種族、宗教、年齡、殘疾、家庭狀況、性取向、國籍、政治見解、民族背景或任何其他非工作相關因素而遭受就業歧視。每位新入職員工需要簽署勞動合同，明確定義員工及僱主雙方的權利、責任與義務，所有員工都有權利終止與本集團相關聘用公司的僱傭關係。相關僱傭合同的訂立、變更、解除和終止皆嚴格遵守相關法律政策規定。

# Environmental, Social and Governance Report

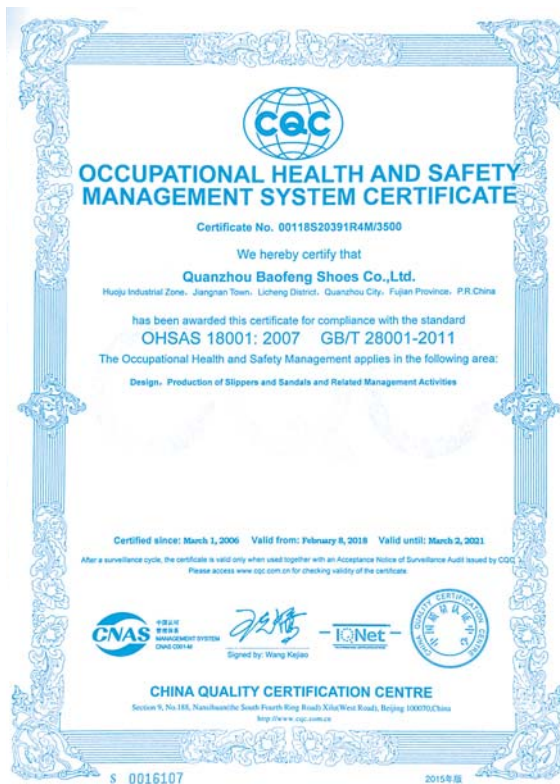
## 環境、社會及管治報告

### B2. Health and Safety

The Group attaches great importance to the health and safety of employees and has obtained OHSAS 18001:2007 Occupational Health and Safety Management System certification, Work Safety Standardisation certification. The Group has set up an occupational health and safety management organisation and a safety production committee and strictly abides by the relevant standards of "Occupation Health and Safety Management System" and "Basic Standard for Work Safety Standardisation". The Group also adheres to the principles of safety production management and formulates the regulatory system of safety production management and operation rules for all positions. The safety and health of employees are effectively protected by the implementation of various job safety management systems and the clarification and definition of safe production responsibilities of all positions.

### B2. 健康與安全

本集團高度重視員工健康及安全，已經通過OHSAS 18001:2007職業健康安全管理体系認證、安全生產標準化認證。本集團已設立職業健康安全管理体系機構、安全生產委員會，並嚴格按照《職業健康安全管理体系》、《安全生產標準化基本規範》等相關標準執行，本集團堅持安全生產的管理原則，制訂安全生產管理規章制度和崗位操作規程，通過執行各項崗位安全管理制度與明晰定義各崗位安全生產職責，切實保障員工安全與健康。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

To provide and maintain a safe and healthy working environment at all times, the Group regularly provides various kinds of work protective gears to employees in accordance with working requirements of each position and supervises and educates them to wear and utilize correctly; appoints responsible staff for the safe production of each department and implements various safety education; installs dust removal and waste discharging devices on facilities generating dust and exhaust gas; controls noise transmission of machinery exceeding the noise limit or provides protective gears to employees. Fire safety inspection, training, and drills are regularly organized to improve safety awareness and self-protection of employees.

The Group also strictly abides by the “Law of the People’s Republic of China on Work Safety”, “Rule for Storage of Chemical Dangers”, “Special Equipment Safety Law of the People’s Republic of China” and other relevant laws and regulations, to build a safe working environment.

### B3. Development and Training

In respect of human resources training, the Group provides employees with induction and continuous training to promote their career development. For newly-recruited employees, the Group provides comprehensive orientation training of corporate culture, operation processes, work health and safety, management policies and business development. The Group also encourages employees to participate in on the job training and provides appropriate subsidies to eligible employees. Based on job nature, the Group offers trainings of different types and levels to newly recruited employees, junior supervisors, senior supervisors and key personnel, like management and production project training, aiming at constantly improving the overall quality of employees, so as to maintain sustainable business development in the future.

為提供及時刻保持安全健康的工作環境，本集團根據各崗位的工作需要，定期向員工發放各種保護裝置用品，並監督及教育其正確佩戴和使用；指派部門安全生產責任人，落實各項安全教育；對產生粉塵和廢氣的設備安裝除塵排氣裝置；對噪音超標的設備加以控制其噪音傳播，或為員工提供防護用品。定期組織消防安全的檢查、培訓和演練，提高員工的安全防范意識及自我保護能力。

本集團亦嚴格遵守《中華人民共和國安全生產法》、《常用化學危險品貯存通則》、《中華人民共和國特種設備安全法》等其他相關法律法規，致力構建安全的工作環境。

### B3. 發展與培訓

在人力資源培訓方面，本集團為員工提供入職及持續培訓，以促進員工的職業發展。對新入職僱員，本集團會提供全面導向培訓，讓其了解公司文化、操作流程、工作健康及安全、管理政策及業務發展。本集團亦鼓勵員工參加在職培訓，對符合要求的員工給予適當的補貼。針對工作性質，本集團本以分類、分級的形式提供培訓予新入職僱員、基層主管、高級主管及核心人才，如管理培訓及生產項目培訓，使員工的綜合質素能夠不斷提高，以維持未來業務的可持續發展。

### B4. Labour Standards

To prevent illegal employment of child labour, underage and forced labour, the Group has established a well-developed mechanism. The employee manual stipulates that selected candidates must meet the legal age. Before confirming the employment, the human resources department of the Group will require applicants to provide valid identity documents to ensure that they are legally employed and fully in compliance with the latest relevant laws and regulations prohibiting child labour and forced labour. The Group also conducts regular inspection and review of the implementation of human resources policies to eliminate child labour and forced labour.

The Group strictly abides by the relevant provisions of the “Labour Law of the People’s Republic of China” and the “The Labour Contract Law of the People’s Republic of China”, and set reasonable working hours and leaves for employees pursuant to local employment ordinances and employment contracts with employees. The Group has installed a human resources computerized attendance system for effective management of staff working hours and vacation dates. If overtime work is required, employees may obtain appropriate overtime payment or compensatory leave under the relevant employment contract or labour legislation. To prevent forced overtime work, overtime must be agreed by employees voluntarily. During office hours, employees are allowed to move freely within the factory or office area (except prohibited special areas), and it is not mandatory for employees to live in the factory quarters.

### B4. 勞工準則

為防止非法僱用童工、未成年員工及強迫勞動，本集團已訂立良好機制，《員工手冊》規定錄用員工需達到法定年齡。在確認僱用前，本集團的人力資源部會要求申請人提供有效的身份證明文件，確保申請人合法受僱並全面遵守最新相關法律法規以禁止童工和強迫勞動。本集團亦會定期檢查及檢討人力資源政策的執行情況，以杜絕使用童工和強迫勞動。

本集團嚴格遵守《中華人民共和國勞動法》及《中華人民共和國勞動合同法》相關法律規定，並按照本地僱傭法例及與僱員的僱傭合約，為僱員釐定合理的工時及休假。本集團已安裝人力資源電腦考勤系統，有效管理員工勞動時間及休假期間。若因工作需要加班，員工可根據有關僱傭合約或勞工法例條文獲得適當的加班費或補假，加班工作亦必須由員工同意自願參加，以防止強迫加班之事情發生。上班時間內，除特殊區域須進行管制外，員工可在廠區或辦公室範圍內自由行動，也不強制要求員工須住在工廠宿舍內。

### B5. Supply Chain Management

The Group attaches great importance to sustainable and reliable supply chain to ensure sustainable enterprise development. The Group has formulated and implemented supplier management system. Regarding supplier selection, the Group conducts qualification inspection, factory visit and other assessment processes on potential suppliers with the principles of fairness, impartiality, openness and honesty. Inspection areas include the production capacity, product quality, service quality, environmental protection, occupational health and safety of the supplier.

In order to avoid issues such as varied quality of products and non-standardisation of materials, the goods and materials provided by suppliers are detected by the internal department of the Group or third-party testing organisations, so as to select qualified suppliers. Besides, the relevant departments conduct annual re-evaluation and assessment on the qualified suppliers for the supervision of product quality. At the same time, the Group closely monitors procurement process to ensure that the procured products meet the requirements of production technology and product quality.

### B5. 供應鏈管理

為確保企業可持續發展，本集團非常重視可持續及可靠的供應鏈，本集團制定及實施供應商管理制度，在供應商篩選方面，以公平、公正、公開、誠實的原則對潛在供應商進行資質審查及訪廠等評估流程，調查內容包括供應商的生產能力、產品質量、服務質量、環保、職業健康與安全等方面。

為了避免產品質量參差不齊、用料標準不統一等問題，由本集團內部或第三方檢測機構對供應商提供的貨物和材料進行檢測，進而選出合格供應商。另外，相關部門對合格供應商進行每年復檢評價，對產品質量進行監督。同時本集團對採購過程進行嚴謹監控，確保採購的產品符合生產技術和產品質量的要求。

### B6. Product Responsibility

The Group attaches great importance to product quality and safety, strictly abides by the "Product Quality Law of the People's Republic of China" and "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", formulates and implements quality policies to ensure product quality. The Group has obtained ISO9001 quality management system certification in 2003. During the process of mass production, quality control personnel performs sampling tests on raw materials, semi-finished goods and finished goods for tracking and identification of any potentially inferior products and preventing problematic material misuse in production. All finished products must be specifically checked before packaging to ensure they are qualified. For the year ended 31 December 2018, the Group did not receive any complaints from regulatory authorities or consumers regarding product safety and did not recover any products due to product safety and health reasons. The Group is not aware of any material non-compliance with relevant laws and regulations on health and safety, advertising, labelling and privacy matters related to products sold during the year.

### B6. 產品責任

本集團十分注重產品質量和安全，嚴格遵守《中華人民共和國產品質量法》及《中華人民共和國消費者權益保護法》，制定並實施質量政策，以保證產品質量。本集團於2003年已通過ISO9001質量管理體系認證。在產品量產過程中，全程由質量監控人員對原材料、半成品和製成品執行抽樣測試，追蹤及偵測任何潛在不良產品及防止有問題的材料被誤用於生產。所有成品包裝前皆須經過專人的檢查，以確認產品合格。於截至二零一八年十二月三十一日止年度，本集團並無接獲監管部門或消費者有關產品安全的投訴，亦無因產品安全與健康理由回收任何產品。本集團並無發現於年內有任何嚴重違反有關所銷售產品的健康與安全、廣告、標籤及私隱事宜的相關法律及法規之情況。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group maintains close and good business relationships with product distributors, highly protects the privacy and business secrets of distributors and strives to ensure timely response to the feedback of customers and instant response to product inquiries.

The promotion activities of the Group's products are carried out by advertising agencies in accordance with the Group's policy of privacy, its business strategy, and the "Contract Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's Republic of China" and the "Criminal Law of the People's Republic of China".

### B7. Anti-corruption

The Group adheres to the core value of integrity and strictly abides by the provisions of the "Company Law of the People's Republic of China", the "Anti-Money Laundering Law of the People's Republic of China" and the "Interim Provisions on Banning of Commercial Bribery" and other relevant laws and regulations. The Group has formulated "Baofeng Personnel Management Regulations" and other related systems to standardise various business activities. An internal monitoring system is set up for strengthening anti-fraud, anti-extortion, anti-corruption and bribery supervision, while a reporting mechanism and a reward and punishment committee are also set up to strengthen management and promote compliance, so as to prevent and eliminate fraud, extortion, bribery and corruptions on various aspects of operation and management. The Group prohibits any acts of fraud, extortion, corruption and bribery, prohibits employees from taking advantages of their powers and duties for corruption, embezzlement, encroachment of corporate property, acceptance of bribes and kickbacks, etc. Through various measures like training and promotion, the Group strengthens the communication with employees in respect of internal control and anti-fraud, anti-extortion, anti-corruption, anti-commercial bribery, so as to enhance their awareness in this regard.

本集團與產品經銷商保持密切及良好的業務合作關係，高度保障經銷商的隱私與商業機密，並盡力確保及時地回應客戶的反饋及即時回覆產品的查詢。

本集團產品的推廣活動由廣告代理按照本集團的隱私政策、其經營策略及《中華人民共和國合同法》、《中華人民共和國反不正當競爭法》、《中華人民共和國刑法》法律進行。

### B7. 反貪污

本集團始終堅持誠信的核心價值觀及嚴格遵守《中華人民共和國公司法》、《中華人民共和國反洗錢法》和《關於禁止商業賄賂行為的暫行規定》等相關法律法規的規定。本集團亦制定了《寶峰人事管理規定》及其他相關制度，以規範各項經營活動。並設置內部監控系統負責加強反欺詐、反勒索、反貪污及賄賂監察工作，設立舉報機制及獎懲委員會，加強管理和推廣遵守，以防範和杜絕經營管理各環節的欺詐、勒索、賄賂和貪污行為。本集團禁止任何欺詐、勒索、貪污及賄賂行為，嚴禁員工利用職權、職務之便貪污、挪用公款、侵佔公司財物、收受賄賂和回扣等。本集團通過培訓和宣傳等措施加強與員工在內控和反欺詐、反勒索、反貪污、反商業賄賂的溝通，強化員工在此方面的意識。





# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group has formulated supplier relationship guidelines and government authority relationship guidelines. Standard professional code of ethics and conduct is formulated for the communication with business partners, suppliers, customers, etc. and employees are required to follow strictly.

### **B8. Community Investment**

In the meantime of corporate development, the Group does not overlook the responsibility of a citizen of the community, and actively participates in social welfare activities, taking practical actions to bear its due responsibility as a corporate citizen. The Group engages in social welfare activities, such as social welfare investment, community event participation, school donation, schooling support of employees' children, charitable donations, active participation in blood donations, condolence to vulnerable groups, etc.

本集團已制定供應商關係準則及政府部門關係準則。針對與商業伙伴、供應商和客戶等，本集團已制定標準職業道德與行為規範，嚴格要求員工遵守。

### **B8. 社區投資**

企業發展的同時，本集團不忘善盡社會公民的責任，積極參與社會公益活動，以實際行動盡一個企業公民所應承擔的責任。本集團參與公益活動如注重公益投入、社區活動參與、學校捐款、員工子女上學支援、響應慈善捐贈、積極參加捐血、慰問弱勢群體等。

### EXECUTIVE DIRECTORS

#### Mr. Zheng Jingdong

Mr. Zheng Jingdong, aged 53, is the Chairman of the Board, the Chief Executive Officer of the Group, an executive Director and the authorised representative under the Listing Rules. He has been appointed as a Director since 21 July 2008. Mr. Zheng has more than 10 years of experience in the slipper business in the PRC. He has been appointed as a director of Quanzhou Baofeng Shoes Co Ltd since 28 March 2007 and as a director of BAOF International Limited since 21 July 2008. He has been appointed as the Chairman of the Board and the Chief Executive Officer of the Group on 10 May 2013.

#### Mr. Leung Tsz Chung

Mr. Leung Tsz Chung, aged 49, has been appointed as the executive Director, Vice-Chairman of the Board and the authorised representative under the Listing Rules with effect from 3 February 2015. Mr. Leung holds a degree of bachelor of arts in Business Studies from the Hong Kong Polytechnic University in 1991 and a degree of master in Business Administration from the University of New South Wales in 1996. He is qualified as a certified professional marketer and has over 20 years of extensive experience in business administration and marketing. Mr. Leung is the legal representative of Bay Zu Precision Co., Ltd (北儒精密股份有限公司) since November 2011 and resigned on 18 December 2018. Mr. Leung joined 2D Material Technology Company Limited, a wholly owned subsidiary of the Company, as the chief executive officer in November 2014. Mr. Leung would focus on developing the business of material technology and O2O business for the Group.

### 執行董事

#### 鄭景東先生

鄭景東先生，53歲，為董事會主席、本集團行政總裁兼執行董事，以及上市規則下之授權代表。彼自二零零八年七月二十一日起擔任董事，擁有逾10年的中國拖鞋業務經驗。彼自二零零七年三月二十八日及二零零八年七月二十一日起先後獲委任為泉州寶峰鞋業有限公司及寶峰新國際有限公司的董事。彼於二零一三年五月十日獲委任為董事會主席兼本集團行政總裁。

#### 梁子冲先生

梁子冲先生，49歲，自二零一五年二月三日起獲委任為執行董事、董事會副主席以及上市規則下之授權代表。梁先生分別於一九九一年及一九九六年取得香港理工大學商業研究文學士學位及新南威爾斯大學工商管理碩士學位。彼為合資格認許市務師，於工商管理及市場行銷擁有逾二十年豐富經驗。自二零一一年十一月起，梁先生為北儒精密股份有限公司之法定代表並於二零一八年十二月十八日辭任。梁先生於二零一四年十一月加入2維材料科技有限公司（本公司之全資附屬公司）擔任行政總裁。梁先生將致力發展本集團之材料科技業務及O2O業務。

## Biographical Details of Directors

### 董事履歷詳情

#### NON-EXECUTIVE DIRECTOR

##### Ms. Lin Weihuan

Ms. Lin Weihuan, aged 37, has been appointed as the non-executive Director since 7 January 2016. Ms. Lin obtained a bachelor of business degree in financial management from La Trobe University in Melbourne, Australia in 2005. She later obtained a master of business degree in professional accounting from Victoria University in Melbourne, Australia in 2006. Ms. Lin has over five years of experience in accounting.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

##### Ms. An Na

Ms. An Na, aged 59, was appointed as an independent non-executive Director on 30 June 2010. She has been an executive editor of 中國輕工業出版社 (China Light Industry Press) since 1982. She has also been a vice president of 北京《瑞麗》雜誌社 (Beijing Rayli Magazine House) since 2003 at which she has been responsible for managing and coordinating the publication of several fashion magazines. In August 2015, she resigned her post in Beijing Rayli Magazine House. She received an editor's qualification from 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission) in 2002. She obtained a bachelor's degree in Engineering with a major in the study of leather from 西北輕工業學院 (Northwest Institute of Light Industry) (now known as 陝西科技大學 (Shaanxi University of Science and Technology)) in 1982.

#### 非執行董事

##### 林煒歡女士

林煒歡女士，37歲，自二零一六年一月七日起獲委任為非執行董事。林女士於二零零五年獲得澳洲墨爾本拉籌伯大學(La Trobe University)金融管理商學學士學位。彼其後於二零零六年獲得澳洲墨爾本維多利亞大學(Victoria University)專業會計商業碩士學位。林女士於會計方面擁有逾五年經驗。

#### 獨立非執行董事

##### 安娜女士

安娜女士，59歲，於二零一零年六月三十日獲委任為獨立非執行董事，自一九八二年起擔任中國輕工業出版社編輯，並自二零零三年起兼任北京《瑞麗》雜誌社副社長，負責管理及統籌多本時尚雜誌的刊發。彼於二零一五年八月已辭任北京《瑞麗》雜誌社副社長。彼於二零零二年獲國務院國有資產監督管理委員會授予正編審資格。安女士於一九八二年獲得西北輕工業學院(現稱陝西科技大學)工程學士學位，主修皮革。

## Biographical Details of Directors

### 董事履歷詳情

#### Mr. Chen Shaohua

Mr. Chen Shaohua, aged 52, has been appointed as an independent non-executive Director since 3 February 2015. Mr. Chen graduated from the Open University of China (國家開放大學) (previously known as China Central Radio and TV University (中央廣播電視大學)), and obtained a bachelor's degree in Management majoring in Accounting from Beijing Technology and Business University (北京工商大學) in 2010. He is a member of the Chinese Institute of Certified Public Accountants (CICPA) and qualified as certified assets valuer, certified tax agent, certified real estate valuer, certified cost engineer and certified land valuer in the PRC. Mr. Chen is a senior accountant and senior economist in the PRC. He has over 20 years of extensive experience in accounting, audit and tax matters. Mr. Chen is currently the chairman of the board of directors and legal representative of auditing firm, tax company, asset and property valuation company in the PRC.

#### Professor Zhao Jinbao

Professor Zhao Jinbao, aged 55, has been appointed as an independent non-executive Director since 3 February 2015. Professor Zhao graduated from Harbin Institute of Technology (哈爾濱工業大學) of the PRC and obtained a bachelor of engineering degree in Electrochemistry in 1984 and a master's degree in High Polymer Materials Engineering in 1987. Professor Zhao further obtained a doctor's degree in Engineering from Kyoto University in Japan in 1996. He has been a professor of Physical Chemistry in the Xiamen University (廈門大學) of the PRC since 2011. He has over 20 years of extensive experience in research and development in the field of engineering and chemistry and was recruited as one of the experts in The Recruitment Program of Global Experts (海外高層次人才引進計劃), also known as Thousand Talents Program (千人計劃) in the PRC in 2011.

#### 陳少華先生

陳少華先生，52歲，自二零一五年二月三日起獲委任為獨立非執行董事。陳先生畢業於國家開放大學（前稱中央廣播電視大學），並於二零一零年取得北京工商大學管理學學士學位，主修會計。彼為中國註冊會計師協會會員，亦為中國註冊資產評估師、註冊稅務師、註冊房地產估價師、註冊造價工程師及註冊土地估價師。陳先生為中國高級會計師及高級經濟師。彼於會計、審核及稅務事宜擁有逾二十年豐富經驗。陳先生現時為中國審計公司、稅務公司以及資產及物業估價公司之董事會主席及法人代表。

#### 趙金保教授

趙金保教授，55歲，自二零一五年二月三日起獲委任為獨立非執行董事。趙教授畢業於中國哈爾濱工業大學，並分別於一九八四年及一九八七年取得電化學工程學士學位及高分子材料工程學碩士學位。趙教授於一九九六年再取得日本京都大學工程學博士學位。彼自二零一一年起擔任中國廈門大學物理化學系教授。彼於工程及化學範疇內之研發擁有逾二十年豐富經驗，並於二零一一年獲聘為中國「海外高層次人才引進計劃」（亦名為「千人計劃」）之其中一名專家。

# Report of the Directors

## 董事會報告

The Directors are pleased to present their report and the audited financial statements for the year ended 31 December 2018.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 41 to the consolidated financial statements.

There were no significant changes in the nature of the Group's principal activities during the year.

### BUSINESS REVIEW

A review of the business of the Group during the year ended 31 December 2018 and a discussion on the Group's future business development and its principal risks and uncertainties are provided in the sections "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. The financial risk management objectives and policies of the Group can be found in note 38 to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Five-Year Financial Summary" on page 4 of this annual report.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group always pays attention to environmental protection. Details of the environmental policies and performance of the Group are set out in the section headed "Environmental, Social and Governance Report".

### COMPLIANCE WITH LAWS AND REGULATIONS

The Group continues to update the requirement of the relevant laws and regulations in various countries, particularly in the PRC and Hong Kong, applicable to it to ensure compliance. During the year, the Group was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

董事會謹此提呈董事會報告及截至二零一八年十二月三十一日止年度之經審核財務報表。

### 主要業務

本公司主要業務為投資控股，主要附屬公司的主要業務詳情載於綜合財務報表附註41。

年內本集團的主要業務性質並無重大變更。

### 業務回顧

本集團截至二零一八年十二月三十一日止年度的業務回顧以及有關本集團未來業務發展及其主要風險與不確定性的討論，載於本年報「主席報告書」及「管理層討論及分析」等節。本集團的財務風險管理目標及政策載於綜合財務報表附註38。使用主要財務表現指標進行的本集團年內表現分析，載列於本年報第4頁「五年財務概要」。

### 環境政策及表現

本集團一直重視環保。本集團環境政策及表現之詳情載於「環境、社會及管治報告」一節。

### 遵守法律及法規

本集團不斷了解不同國家（尤其是中國及香港）適用於本集團的相關法律及法規的最新規定，以確保合規。年內，本集團並不知悉對其具有重大影響的未遵守任何相關法律及法規的情況。

### RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group believes that employees are valuable assets. The Group provides competitive remuneration package to employees and is periodically reviewed with reference to industry practice. Discretionary bonuses and share options may be awarded to employees according to the assessment of individual performance. During the year under review, the Group considered the relationship with employees was good and the turnover rate is acceptable.

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. The Group has been working continuously with its suppliers to improve the standard of raw materials and aiming at delivering products with high quality to its customers. All key customers and suppliers have a close and long term relationship with the Group. During the year ended 31 December 2018, there was no material and significant dispute between the Group and its suppliers and/or customers.

### RESULTS AND DIVIDENDS

The result of the Group for the year ended 31 December 2018 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 76 to 196.

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

### SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of the Group for the last five financial years is set out on page 4 of this annual report. This summary does not form part of the audited financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

### SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year are set out in notes 29 and 30 to the consolidated financial statements.

### PRE-EMPTIVE RIGHTS

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

### 與僱員、供應商及客戶的關係

本集團相信，僱員是寶貴的資產。本集團為僱員提供具有競爭力的薪酬，並定期參考行業慣例檢討有關薪酬。根據對個人表現的評估，可能授予僱員酌情花紅及購股權。於回顧年度，本集團認為其與僱員的關係良好，且僱員流失率可接受。

本集團亦明白為實現其近期及長期目標，與供應商及客戶維持良好關係是很重要。本集團持續與供應商合作改進原材料標準，並努力向客戶交付優質產品。所有主要客戶及供應商均與本集團維持密切和長遠的關係。截至二零一八年十二月三十一日止年度，本集團與其供應商及／或客戶之間並無重大糾紛。

### 業績及股息

本集團截至二零一八年十二月三十一日止年度的業績與本公司及本集團於該日的事務狀況載於財務報表第76至196頁。

董事會並不建議派發截至二零一八年十二月三十一日止年度的末期股息（二零一七年：無）。

### 財務資料概要

本集團過往五個財政年度的財務資料概要載於本年報第4頁。概要並非經審核財務報表的一部分。

### 物業、廠房及設備

年內本集團的物業、廠房及設備的變動詳情載於綜合財務報表附註15。

### 股本及購股權

年內本公司股本及購股權變動詳情載於綜合財務報表附註29及30。

### 優先認購權

本公司細則或開曼群島的法例並無有關優先認購權的規定，要求本公司按比例向既有股東發售新股份。

# Report of the Directors

## 董事會報告

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 40 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

### DISTRIBUTABLE RESERVES

At 31 December 2018, the Company did not have any reserves available for distribution calculated in accordance with the Companies Law of the Cayman Islands.

### MAJOR CUSTOMERS AND SUPPLIERS

During the financial year ended 31 December 2018, sales to the Group's five largest customers accounted for 81.2% of the total sales for the year and sales to the largest customer included therein amounted to 57.6%.

Purchases from the Group's five largest suppliers accounted for 28.6% of the total purchases for the year and purchase from the Group's largest supplier included therein amounted to 13.0% of the total purchases for the year.

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

### 購買、贖回或出售本公司上市證券

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

### 儲備

年內本公司及本集團的儲備變動詳情分別載於綜合財務報表附註40及綜合權益變動表。

### 可分派儲備

於二零一八年十二月三十一日，根據開曼群島公司法計算，本公司並沒有可分派儲備。

### 主要客戶及供應商

截至二零一八年十二月三十一日止財政年度，本集團對五大客戶的銷售額佔年度總銷售額的81.2%，而當中對最大客戶的銷售則佔57.6%。

本集團從五大供應商進行的採購佔年內總採購額的28.6%，而當中從最大供應商進行的採購佔年內總採購額的13.0%。

董事、其聯繫人士及據董事所知持有本公司已發行股本5%以上的股東概無持有本集團五大客戶或供應商任何實益權益。

### DIRECTORS

The Chairman and the Directors during the year and up to the date of this report were:

- **Executive Directors:**  
Mr. ZHENG Jingdong  
(Chairman and Chief Executive Officer)  
Mr. LEUNG Tsz Chung (Vice-chairman)
- **Non-Executive Director:**  
Ms. LIN Weihuan
- **Independent Non-Executive Directors:**  
Ms. AN Na  
Professor ZHAO Jinbao  
Mr. CHEN Shaohua

Pursuant to Articles 84(1) and (2), at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three (3), 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 the AGM at least once every three years. A retiring Director shall be eligible for re-election. In accordance with Articles 84(1) and (2), Mr. Leung Tsz Chung and Ms. Lin Weihuan shall retire from office by rotation at the AGM. Being eligible, Mr. Leung Tsz Chung and Ms. Lin Weihuan will offer themselves for re-election as an executive Director and a non-executive Director, respectively, at the AGM.

The Company has received from each of its independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers the independent non-executive Directors to be independent.

### 董事

年內及截至本報告日期，主席及董事為：

- **執行董事：**  
鄭景東先生  
(主席兼行政總裁)  
梁子冲先生(副主席)
- **非執行董事：**  
林煒歡女士
- **獨立非執行董事：**  
安娜女士  
趙金保教授  
陳少華先生

根據細則第84(1)及(2)條，於每屆股東週年大會上，三分之一之在任董事(或如彼等人數並非三(3)之倍數，則以最接近三分之一但不少於三分之一之數目為準)須輪流退任，而每名董事須最少每三年退任一次。退任董事將合資格膺選連任。根據細則第84(1)及(2)條，梁子冲先生及林煒歡女士將於股東週年大會上輪流退任。梁子冲先生及林煒歡女士符合資格於股東週年大會上分別重選為執行董事及非執行董事。

本公司已收到各名獨立非執行董事根據上市規則第3.13條發出的獨立身份年度確認。本公司認為該等獨立非執行董事均為獨立人士。



# Report of the Directors

## 董事會報告

### BIOGRAPHICAL DETAILS OF THE DIRECTORS

The biographical details of the Directors are set out on pages 49 to 51 of the annual report.

### DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for an initial term of 3 years, which will continue thereafter until terminated by not less than three-month notice in writing served by either party on the other. The details of the remuneration of each of the Directors are revealed on note 9 to the consolidated financial statements.

None of the Directors had entered, or was proposing to enter, into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors are subject to retirement by rotation at least once every three years as required by the Articles.

### PERMITTED INDEMNITY PROVISION

Under the Articles, and subject to the applicable laws and regulations, the Directors and officers of the Group shall be indemnified out of the assets and profits of the Company from or against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the year ended 31 December 2018. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

### DIRECTORS' INTERESTS IN CONTRACTS

Saved for transactions as disclosed in note 34 to the consolidated financial statements, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement during the year which is significant in relation to the business of the Group.

### DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or any of their respective close associates had any material interest in business which competed or might compete with the business of the Group.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year.

### 董事履歷詳情

董事履歷詳情載於本年報第49至51頁。

### 董事服務合約

各董事已與本公司訂立初步任期為三年的服務合約，任期直至一方向另一方送達不少於三個月的書面通知終止合約為止。各董事的薪酬詳情披露於綜合財務報表附註9。

概無董事已與或擬與本公司訂有本公司不可於一年內無償（法定補償除外）終止的服務合約。

細則規定董事須每三年至少輪流退任一次。

### 獲准許的彌償條文

根據細則，在遵守適用法律及法規的情況下，董事及本集團高級職員將獲以本公司資產及利潤補償彼等或其中任何人士在履行其職責時或就此可能產生或遭受的所有訴訟、成本、收費、損失、損害及開支。該獲准許的彌償條文於截至二零一八年十二月三十一日止年度全年一直有效。本公司已為董事及本集團高級職員安排適當的董事及高級職員責任險。

### 董事的合約權益

除綜合財務報表附註34所披露的交易外，概無董事於年內與本集團業務有重大關係的任何合約或安排中直接或間接擁有重大權益。

### 董事於競爭業務之權益

董事或任何彼等各自之緊密聯繫人概無於與本集團業務構成競爭或可能構成競爭之業務中擁有任何重大權益。

### 管理合約

年內並無訂立或存續任何有關管理及經營本集團全部或大部分業務的合約。

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

As at 31 December 2018, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (i) 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 in which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### Interests in the Shares and underlying Shares:

Name of Director	Capacity and nature of interest	Number of Shares/underlying Shares (other than share options) held 所持股份／相關股份（購股權以外） 數目	Percentage of the Company's issued share capital <sup>(1)</sup> 佔本公司已發行股本百分比 <sup>(1)</sup>
董事姓名	身份及權益性質		
Mr. LEUNG Tsz Chung 梁子冲先生	Beneficial owner 實益擁有人	6,000,000(L)	0.46%

### Long positions in share options of the Company:

Name of Directors	Capacity and nature of interest	Number of share options held <sup>(2)</sup> 所持購股權數目 <sup>(2)</sup>	Percentage of the Company's issued share capital <sup>(1)</sup> 佔本公司已發行股本百分比 <sup>(1)</sup>
董事姓名	身份及權益性質		
Mr. ZHENG Jingdong 鄭景東先生	Beneficial owner 實益擁有人	10,500,000(L)	0.81%
Mr. LEUNG Tsz Chung 梁子冲先生	Beneficial owner 實益擁有人	4,000,000(L)	0.31%

## 董事及主要行政人員於股份、相關股份及債權證中的權益及淡倉

於二零一八年十二月三十一日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉）；(ii)根據證券及期貨條例第352條須記入該條所述由本公司存置的登記冊的權益及淡倉；或(iii)根據上市規則附錄10所載的標準守則的規定須知會本公司及聯交所的權益及淡倉如下：

### 於股份及相關股份中的權益：

### 於本公司購股權中的好倉：

# Report of the Directors

## 董事會報告

### Notes:

- (1) The percentage has been calculated based on the total number of Shares in issue as at 31 December 2018 (i.e. 1,304,059,608 shares).
- (2) These represent the number of shares which will be allotted and issued to the respective Directors upon the exercise of the share options granted to each of them under the Share Option Scheme. Accordingly, each of them was regarded as interested in the underlying Shares.
- (3) The letter "L" denotes a long position in the Shares or underlying Shares.

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

### 附註：

- (1) 上述百分比乃根據於二零一八年十二月三十一日的已發行股份總數（即1,304,059,608股）計算。
- (2) 上述數額為因根據購股權計劃授予各董事的購股權獲行使而將向其配發及發行的股份數目。因此，其被視為於相關股份中擁有權益。
- (3) 字母「L」表示於股份或相關股份的好倉。

除上文所披露者外，於二零一八年十二月三十一日，概無董事或主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有任何(i)根據證券及期貨條例第XV部第7及第8分部的條文須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉）；或(ii)根據證券及期貨條例第XV部第352條須記入該條所述登記冊的權益或淡倉；或(iii)根據上市規則附錄10所載的標準守則的規定須知會本公司及聯交所的權益或淡倉。

### CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR OTHER SIMILAR RIGHTS

All conversion rights attached to the convertible notes in the principal amounts of HK\$110,880,000 and HK\$73,920,000 issued by the Company on 16 December 2015 and 2 February 2016 respectively were exercised on 7 December 2018. Details of convertible notes of the Company are shown in note 26 to the financial statements.

All conversion rights attached to the warrants issued by the Company on 21 June 2012 matured on 22 December 2017. No warrants have been exercised since the issue date of the warrants. Details of warrants of the Company are shown in note 26 to the financial statements.

Details of share options of the Company are included in the section "Share Option Scheme" below and also shown in note 30 to the financial statements.

### 可換股票據、購股權、認股權證或其他類似權利

本公司分別於二零一五年十二月十六日及二零一六年二月二日發行本金額為110,880,000港元及73,920,000港元之可換股票據所附之所有轉換權已於二零一八年十二月七日行使。本公司可換股票據之詳情載於財務報表附註26。

本公司於二零一二年六月二十一日發行之認股權證所附之所有轉換權已於二零一七年十二月二十二日屆滿。自認股權證發行日期起，概無認股權證獲行使。本公司認股權證之詳情載於財務報表附註26。

本公司購股權之詳情載於下文「購股權計劃」一節，且亦載於財務報表附註30。

# Report of the Directors

## 董事會報告

### SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 8 January 2011. Details of the Share Option Scheme are set out in note 30 to the consolidated financial statements.

The following table discloses the outstanding share options under the Share Option Scheme as at 31 December 2018:

### 購股權計劃

本公司於二零一一年一月八日採納購股權計劃。購股權計劃的詳情載於綜合財務報表附註30。

下表披露於二零一八年十二月三十一日購股權計劃項下的尚未行使購股權：

Name or Category of participants	參與人的姓名或類別	Date of grant <sup>(1)</sup> 授出日期 <sup>(1)</sup>	Number of share options 購股權數目					Outstanding as at 31 December 2018 於二零一八年 十二月三十一日 尚未行使	Exercise period <sup>(2)</sup> 行使期 <sup>(2)</sup>	Exercise price per share (HK\$) 每股行使價 (港元)
			Outstanding as at 1 January 2018 於二零一八年 一月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Forfeited during the year 年內沒收			
<b>Executive Directors</b>	<b>執行董事</b>									
ZHENG Jingdong	鄭景東	10/12/2015	1,500,000	-	-	-	-	1,500,000	A	0.81
		10/12/2015	2,000,000	-	-	-	-	2,000,000	B	0.81
		10/12/2015	2,500,000	-	-	-	-	2,500,000	C	0.81
		10/12/2015	2,000,000	-	-	-	-	2,000,000	D	0.81
		10/12/2015	2,000,000	-	-	-	-	2,000,000	E	0.81
		19/6/2018	-	300,000	-	-	-	300,000	P	0.54
		19/6/2018	-	200,000	-	-	-	200,000	Q	0.54
LEUNG Tsz Chung	梁子冲	10/12/2015	4,000,000	-	-	-	-	4,000,000	B	0.81
Sub-total	小計		14,000,000	500,000	-	-	-	14,500,000		
<b>Employees and consultants of the Group in aggregate</b>	<b>本集團僱員及顧問合計</b>									
		10/12/2015	9,417,000	-	-	-	-	9,417,000	A	0.81
		10/12/2015	13,356,000	-	-	-	-	13,356,000	B	0.81
		10/12/2015	695,000	-	-	-	-	695,000	C	0.81
		10/12/2015	556,000	-	-	-	-	556,000	D	0.81
		10/12/2015	556,000	-	-	-	-	556,000	E	0.81
		24/6/2016	52,140,000	-	-	-	(6,480,000)	45,660,000	F	0.67
		24/6/2016	35,920,000	-	-	-	(4,320,000)	31,600,000	G	0.67
		24/6/2016	2,900,000	-	-	-	-	2,900,000	H	0.67
		24/6/2016	2,320,000	-	-	-	-	2,320,000	I	0.67
		24/6/2016	2,320,000	-	-	-	-	2,320,000	J	0.67
		16/12/2016	1,425,000	-	-	-	-	1,425,000	K	0.99
		16/12/2016	1,900,000	-	-	-	-	1,900,000	L	0.99
		16/12/2016	2,375,000	-	-	-	-	2,375,000	M	0.99
		16/12/2016	1,900,000	-	-	-	-	1,900,000	N	0.99
		16/12/2016	1,900,000	-	-	-	-	1,900,000	O	0.99
		19/6/2018	-	64,680,000	-	-	-	64,680,000	P	0.54
		19/6/2018	-	43,120,000	-	-	-	43,120,000	Q	0.54
Sub-total	小計		129,680,000	107,800,000	-	-	(10,800,000)	226,680,000		
Total	總計		143,680,000	108,300,000	-	-	(10,800,000)	241,180,000		

# Report of the Directors

## 董事會報告



### Notes:

- The closing prices of the Shares immediately before the date of grant on 10 December 2015, 24 June 2016, 16 December 2016 and 19 June 2018 were HK\$0.79, HK\$0.69, HK\$0.99 and HK\$0.50 respectively.
- The respective exercise periods of the share options granted are as follows:
  - From 10 December 2015 to 9 December 2020;
  - From 10 December 2016 to 9 December 2020;
  - From 10 December 2017 to 9 December 2020;
  - From 10 December 2018 to 9 December 2020;
  - From 10 December 2019 to 9 December 2020;
  - From 24 June 2016 to 23 June 2021;
  - From 24 June 2017 to 23 June 2021;
  - From 24 June 2018 to 23 June 2021;
  - From 24 June 2019 to 23 June 2021;
  - From 24 June 2020 to 23 June 2021;
  - From 16 December 2016 to 15 December 2021;
  - From 16 December 2017 to 15 December 2021;
  - From 16 December 2018 to 15 December 2021;
  - From 16 December 2019 to 15 December 2021;
  - From 16 December 2020 to 15 December 2021;
  - From 19 June 2018 to 18 June 2023; and
  - From 19 June 2019 to 18 June 2023.

The vesting period of the share options is from the date of grant until the commencement of the exercised period.

### 附註：

- 股份於緊接授出日期二零一五年十二月十日、二零一六年六月二十四日、二零一六年十二月十六日及二零一八年六月十九日前的收市價分別為0.79港元、0.69港元、0.99港元及0.50港元。
- 所授出購股權各自行使期如下：
  - 二零一五年十二月十日 至 二零二零年十二月九日；
  - 二零一六年十二月十日 至 二零二零年十二月九日；
  - 二零一七年十二月十日 至 二零二零年十二月九日；
  - 二零一八年十二月十日 至 二零二零年十二月九日；
  - 二零一九年十二月十日 至 二零二零年十二月九日；
  - 二零一六年六月二十四日 至 二零二一年六月二十三日；
  - 二零一七年六月二十四日 至 二零二一年六月二十三日；
  - 二零一八年六月二十四日 至 二零二一年六月二十三日；
  - 二零一九年六月二十四日 至 二零二一年六月二十三日；
  - 二零二零年六月二十四日 至 二零二一年六月二十三日；
  - 二零一六年十二月十六日 至 二零二一年十二月十五日；
  - 二零一七年十二月十六日 至 二零二一年十二月十五日；
  - 二零一八年十二月十六日 至 二零二一年十二月十五日；
  - 二零一九年十二月十六日 至 二零二一年十二月十五日；
  - 二零二零年十二月十六日 至 二零二一年十二月十五日。
  - 二零一八年六月十九日 至 二零二三年六月十八日；及
  - 二零一九年六月十九日 至 二零二三年六月十八日。

該等購股權的歸屬期為自授出日期起直至行使期開始止。



## Report of the Directors

### 董事會報告

3. Exercise condition: Provided always that a grantee of share options shall remain as a Director, an employee or a consultant of the Company or its subsidiaries, at the time of exercise of his or her share options.
4. The number and/or exercise price of the share options may be subject to adjustments in the case of rights or bonus issues, or other changes in the Company's share capital.

#### ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section of "Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures" and "Share Option Scheme" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

3. 行使條件：購股權承授人於行使其購股權時仍須為本公司或其附屬公司的董事、僱員或顧問。
4. 購股權的數目及／或行使價或會在供股或紅股發行或本公司股本出現其他變動時予以調整。

#### 董事購買股份或債權證的安排

除上文「董事及主要行政人員於股份、相關股份及債權證中的權益及淡倉」及「購股權計劃」等節所披露者外，於年內任何時間，並無授予任何董事或彼等各自的配偶或未成年子女透過收購本公司股份或債權證而獲得利益之權利，彼等亦概無行使任何相關權利；且本公司、其控股公司或其任何附屬公司及同系附屬公司概無訂立令董事可獲得任何其他法人團體的相關權利之任何安排。

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

As at 31 December 2018, so far as was known to the Directors and chief executives of the Company, the following persons or corporations (other than the Directors or chief executives of the Company) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and be recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

#### Interests and short positions in the Shares and underlying Shares:

Name	Capacity and nature of interests	Number of Shares/ underlying Shares	Percentage of the Company's issued share capital <sup>(10)</sup> 佔本公司已發行股本 百分比 <sup>(10)</sup>
名稱	身份及權益性質	股份／相關股份數目	
Mr. Sze Ching Bor ("Mr. Sze") <sup>(1)</sup> 史清波先生(「史先生」) <sup>(1)</sup>	Interest in controlled corporation 所控制法團的權益	285,879,975 (L)	21.92%
Ms. Tsang Shuk Ping <sup>(2)</sup> 曾淑萍女士 <sup>(2)</sup>	Spousal Interest 配偶權益	285,879,975 (L)	21.92%
Best Mark International Limited ("Best Mark") <sup>(3)</sup>	Beneficial owner/Other 實益擁有人／其他	240,720,365 (L)	18.46%

### 主要股東及其他人士於股份及相關股份中的權益及淡倉

於二零一八年十二月三十一日，據董事及本公司主要行政人員所知，以下人士或法團（董事或本公司主要行政人員除外）於股份或相關股份中擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露及登記於根據證券及期貨條例第336條須予存置的登記冊或須另行知會本公司之權益及淡倉如下：

於股份及相關股份中的權益及淡倉：



# Report of the Directors

## 董事會報告

Name	Capacity and nature of interests	Number of Shares/ underlying Shares	Percentage of the Company's issued share capital <sup>(10)</sup> 佔本公司已發行股本 百分比 <sup>(10)</sup>
名稱	身份及權益性質	股份／相關股份數目	
Total Shine Investments Limited ("Total Shine") <sup>(4)</sup>	Beneficial owner  實益擁有人	233,155,792 (L)	17.88%
Mr. Zhang Honghui <sup>(4)</sup> 張鴻輝 <sup>(4)</sup>	Interest in controlled corporation 所控制法團的權益	233,155,792 (L)	17.88%
Bluestone Technologies (Cayman) Limited ("Bluestone") <sup>(5)</sup> 藍石科技(開曼)有限公司 (「藍石」) <sup>(5)</sup>	Beneficial owner  實益擁有人	220,000,000 (L)	16.87%
Mr. Zhuang Chaohui <sup>(5)</sup> 莊朝暉先生 <sup>(5)</sup>	Interest in controlled corporation 所控制法團的權益	220,000,000 (L)	16.87%
Mr. Chiu Hsin-Wang ("Mr. Chiu") <sup>(6)</sup> 邱新旺先生(「邱先生」) <sup>(6)</sup>	Beneficial owner  實益擁有人	102,000,000 (L)	7.82%
Venus Capital Fund <sup>(7)</sup>	Beneficial owner  實益擁有人	100,800,000 (L)	7.73%
Venus Capital Management Company Limited <sup>(8)</sup>	Interest in controlled corporation 所控制法團的權益	100,800,000 (L)	7.73%
Ms. Zhang Bihong <sup>(9)</sup> 張碧鴻女士 <sup>(9)</sup>	Interest in controlled corporation 所控制法團的權益	100,800,000 (L)	7.73%

# Report of the Directors

## 董事會報告



### Notes:

- (1) Mr. Sze is deemed to be interested in the Shares held by Best Mark and Capital Vision International Limited ("Capital Vision"). Best Mark and Capital Vision are wholly owned and controlled by Mr. Sze and are interested in 240,720,365 Shares and 45,159,610 Shares respectively, representing approximately 18.46% and 3.46%, respectively of the issued Shares.
- (2) Ms. Tsang Shuk Ping, the spouse of Mr. Sze, is deemed to be interested in Mr. Sze's interests in the Company.
- (3) Best Mark is wholly owned and controlled by Mr. Sze.
- (4) Total Shine is interested in 233,155,792 Shares. Mr. Zhang Honghui, who wholly owns and controls Total Shine, is deemed to be interested in the Shares in which Total Shine is interested.
- (5) Bluestone is interested in 220,000,000 Shares. Mr. Zhuang Chaohui, who wholly owns and controls Bluestone, is deemed to be interested in the Shares in which Bluestone is interested.
- (6) Mr. Chiu has obtained share options granted by the Company entitling him to acquire 20,000,000 Shares. Mr. Chiu is also interested in 82,000,000 underlying Shares pursuant to the terms of the subscription agreement as detailed in the announcements dated 9 November 2018, 12 November 2018 and 8 March 2019.
- (7) Venus Capital Fund is interested in 100,800,000 underlying Shares pursuant to terms of the subscription agreement as detailed in the announcements dated 9 November 2018, 12 November 2018 and 8 March 2019.
- (8) Venus Capital Management Company Limited wholly owns Venus Capital Fund and is deemed to be interested in the underlying Shares in which Venus Capital Fund is interested.
- (9) Ms. Zhang Bihong, who wholly owns and controls Venus Capital Management Company Limited, is deemed to be interested in the underlying Shares in which Venus Capital Management Company Limited is interested.

### 附註：

- (1) 史先生被視為於Best Mark及Capital Vision International Limited (「Capital Vision」)所持股份中擁有權益。Best Mark及Capital Vision由史先生全資擁有及控制，分別於240,720,365股股份及45,159,610股股份中擁有權益，分別相當於已發行股份約18.46%及3.46%。
- (2) 史先生之妻曾淑萍女士被視為擁有史先生所持本公司之權益。
- (3) Best Mark由史先生全資擁有及控制。
- (4) Total Shine於233,155,792股股份中擁有權益。張鴻輝先生(全資擁有及控制Total Shine)被視為於Total Shine所持股份中擁有權益。
- (5) 藍石於220,000,000股股份中擁有權益。莊朝暉先生(全資擁有及控制藍石)被視為於藍石所持股份中擁有權益。
- (6) 邱先生已取得本公司授予的購股權，以收購20,000,000股股份。邱先生亦於根據認購協議之條款(詳情載於日期為二零一八年十一月九日、二零一八年十一月十二日及二零一九年三月八日之公告)在82,000,000股相關股份中擁有權益。
- (7) Venus Capital Fund於根據認購協議之條款(詳情載於日期為二零一八年十一月九日、二零一八年十一月十二日及二零一九年三月八日之公告)在100,800,000股相關股份中擁有權益。
- (8) Venus Capital Management Company Limited全資擁有Venus Capital Fund，被視為於Venus Capital Fund所持相關股份中擁有權益。
- (9) 張碧鴻女士全資擁有及控制Venus Capital Management Company Limited，被視為於Venus Capital Management Company Limited所持相關股份中擁有權益。



# Report of the Directors

## 董事會報告

- (10) The percentage has been calculated based on the total number of Shares in issue as at 31 December 2018 (i.e. 1,304,059,608 shares).
- (11) The letter "L" denotes the person's long position in the Shares or underlying Shares.

Save as disclosed above, as at 31 December 2018, none of the Directors and the chief executives of the Company was aware of any other person (other than the Directors or the chief executives of the Company) or corporation which had, or was deemed or taken to have, an interest or short position in the Shares, underlying Shares or debentures which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and be recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company.

### CONNECTED TRANSACTIONS

No connected transaction was entered into or in existence during the year. The related party transactions disclosed in note 34 to the consolidated financial statements do not fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

### EMOLUMENT POLICY

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

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

The Company adopted a share option scheme to motivate and reward its Directors and eligible employees. Details of the Share Option Scheme are set out in note 30 to the consolidated financial statements.

- (10) 該百分比乃根據於二零一八年十二月三十一日已發行股份總數（即1,304,059,608股）計算。
- (11) 字母「L」代表該人士所持股份或相關股份的好倉。

除上文所披露者外，於二零一八年十二月三十一日，董事及本公司主要行政人員概不知悉任何其他人士（董事或本公司主要行政人員除外）或法團擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露及記錄於根據證券及期貨條例第336條須予存置的登記冊或另外通知本公司的股份、相關股份或債權證的權益或淡倉。

### 關連交易

年內並無訂立或存續任何關連交易。綜合財務報表附註34所披露的關連人士交易並非上市規則第14A章所界定的「關連交易」或「持續關連交易」。

### 充足的公眾持股量

根據本公司可獲取的公開資料及就董事所知，於本報告日期，公眾至少持有本公司已發行股本總額的25%。

### 薪酬政策

本集團的薪酬政策乃基於個別僱員的長處、資格及能力釐定，並由薪酬委員會定期檢討。

董事酬金由薪酬委員會經參考本集團的營運業績、個別表現及可比較市場統計數據而提出建議並由董事會決定。

本公司採納購股權計劃，以鼓勵及嘉許其董事及合資格僱員。購股權計劃詳情載於綜合財務報表附註30。

## AUDITOR

Confucius International CPA Limited was appointed as auditor of the Company on 13 February 2018 upon the resignation of Pan-China (H.K.) CPA Limited.

Confucius International CPA Limited will retire and a resolution for their re-appointment as the Company's auditor is to be proposed at the forthcoming AGM.

ON BEHALF OF THE BOARD

**ZHENG Jingdong**  
Chairman

Hong Kong  
27 March 2019

## 核數師

於天健(香港)會計師事務所有限公司辭任後,天健國際會計師事務所有限公司於二零一八年二月十三日獲委任為本公司核數師。

天健國際會計師事務所有限公司將於應屆股東週年大會上退任本公司核數師,會上將提呈決議案以將其續聘。

代表董事會

主席  
**鄭景東**

香港  
二零一九年三月二十七日

# Independent Auditor's Report

## 獨立核數師報告



天健國際會計師事務所有限公司

Confucius International CPA Limited

Certified Public Accountants

### TO THE MEMBERS OF BAOFENG MODERN INTERNATIONAL HOLDINGS COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

#### Opinion

We have audited the consolidated financial statements of Baofeng Modern International Holdings Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 76 to 196, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and the consolidated financial statements 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 ("HKSAAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") 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.

### 致寶峰時尚國際控股有限公司股東

*(於開曼群島註冊成立之有限公司)*

#### 意見

我們已審計列載於第76至196頁寶峰時尚國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於二零一八年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，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國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而中肯地反映 貴集團於二零一八年十二月三十一日的綜合財務狀況及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的披露規定妥為擬備。

#### 意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。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」)連同任何與我們審計開曼群島綜合財務報表有關的道德要求，我們獨立於 貴集團，並已履行該等要求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意見提供基礎。

# Independent Auditor's Report

## 獨立核數師報告

### Material uncertainty in relation to going concern

The accompanying consolidated financial statements for the year ended 31 December 2018 have been prepared assuming that the Group will continue as a going concern. We draw attention to note 3 to the consolidated financial statements which indicates that the Group incurred a net loss of approximately RMB275,328,000 for the year ended 31 December 2018 and, as of that date, the Group's current liabilities exceeded its current assets by approximately RMB123,139,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Management's arrangements to address the going concern issue are also described in note 3 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

### Valuation of trade receivables

We identified the valuation of trade receivables as a key audit matter due to the use of judgement and estimates in assessing the recoverability of trade receivables.

In determining the allowance for trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

At 31 December 2018, the carrying amount of trade receivables is RMB33,659,000, net of allowance for doubtful debts of RMB8,374,000.

Details of the trade receivables are set out in note 19 to the consolidated financial statements.

### 有關持續經營的重大不明朗因素

截至二零一八年十二月三十一日止年度之相關綜合財務報表乃假設貴集團將持續經營來編製。我們提請注意綜合財務報表附註3，當中顯示，截至二零一八年十二月三十一日止年度，貴集團產生虧損淨額約人民幣275,328,000元，且截至該日，貴集團的流動負債超過其流動資產約人民幣123,139,000元。該等狀況表明存在重大不明朗因素，或會對貴集團持續經營之能力產生重大疑問。管理層解決持續經營事宜之安排亦載於綜合財務報表附註3。綜合財務報表概無載入該不確定因素可能導致之任何調整。我們並未就該事宜發表保留意見。

### 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意見。

### 應收貿易賬款估值

我們已識別應收貿易賬款確定為關鍵審計事項，乃由於評估應收貿易賬款的可收回性時作出判斷及假設。

於釐定應收貿易賬款撥備時，管理層會考慮信貸歷史，包括拖欠或延遲付款、結算記錄、後續結算及應收貿易賬款的賬齡分析。

於二零一八年十二月三十一日，應收貿易賬款的賬面值為人民幣33,659,000元，扣除呆賬撥備人民幣8,374,000元。

應收貿易賬款的詳情載於綜合財務報表附註19。

# Independent Auditor's Report

## 獨立核數師報告

### How our audit addressed the Key Audit Matters

Our procedures in relation to valuation on trade receivables included:

- obtaining an understanding of the Group's procedures on credit limits and credit periods given to customers with the management;
- evaluating the design and implementation of controls applied by management in determining the allowance for doubtful debts;
- evaluating the management's impairment assessment of trade receivables;
- testing the accuracy of the receivables aging analysis and the recoverability of amounts due from debtors through circularisation, testing of subsequent receipts and corroborative enquiry;
- confirming the existence and assessing the valuation of significant receivables as at year end by tracing to subsequent/recent receipts and sending confirmation requests;
- assessing the reasonableness of the methods and assumptions used by the management to estimate the allowance for bad and doubtful debts;
- assessing, validating and discussing with the management and evaluating their assessment on the recoverability of the outstanding debts and the adequacy of allowance made based on the trade receivables aging analysis, collections subsequent to the end of the reporting period, past collection history and trend analysis and knowledge of the businesses, with focus on long outstanding debts and debts which are past due but not impaired; and
- checking, on a sampling basis, the accuracy and relevance of the information included in the impairment assessment of trade receivables.

We found that the estimation and judgement made by management in respect of the recoverability of trade receivables were supportable by the credible evidence.

### 我們的審計如何處理關鍵審計事項

我們就應收貿易賬款估值進行之程序包括：

- 向管理層了解 貴集團有關給予客戶的信貸限額及信貸期的程序；
- 評估管理層釐定呆賬撥備時所使用控制的制訂及實施；
- 評估管理層對應收貿易賬款的減值評估；
- 透過通函詢徵、測試後續收款及佐證查詢，測試應收賬款賬齡分析的準確性及應收債務人款項的可收回性；
- 通過追蹤後續／當前收款及發出確認請求確認年末是否存在重大應收賬款並評估其估值；
- 評估管理層為估計呆壞賬撥備所採用方法及假設的合理性；
- 針對長期未償還債務及已逾期但未減值的債務，根據應收賬款的賬齡分析、報告期末後收回款項、過往收款記錄及趨勢分析以及對業務的了解，評估、核實及與管理層討論未償還債務可收回性及所作出撥備的充足程度，並評價彼等對前述事宜的評估；及
- 抽樣檢查應收貿易賬款減值評估中所包含資料的準確性及相關性。

我們發現管理層就應收貿易賬款的可收回性作出的估計及判斷乃由可信證據提供支持。

# Independent Auditor's Report

## 獨立核數師報告

### Impairment assessment of intangible assets

As set out in note 17 to the consolidated financial statements at 31 December 2018, the Group has significant intangible assets amounting to RMB364,246,000 arising from the acquisition of technology know-how in 2015 amounting to RMB288,000,000; O2O distribution vending system amounting to RMB48,440,000 and capitalisation of deferred development costs amounting to RMB27,806,000 in relation to the research and development of manufacturing and application technology of graphene material on sterilizing chips, energy storage materials for batteries and pressure sensitive lighting devices for shoes which are incurred in 2016.

Management is required to carry out an impairment assessment on these intangible assets at least annually. Independent external valuations were obtained in order to support management estimates. These assessments of the recoverable amounts involved significant management's assessment and judgement on the key assumptions used in cash flow projections and profit forecasts based on financial budgets approved by management, which is judgemental and based on a number of assumptions.

### How our audit addressed the Key Audit Matters

Our procedures in relation to impairment assessment of intangible assets included:

- Evaluating the independent external valuers competence, capabilities and objectivity;
- Assessing the valuation methodologies adopted by management which are disclosed in note 17 to the consolidated financial statements;
- Challenging the reasonableness of key assumptions in the valuations based on our knowledge of the business and industry;
- Reconciling input data used in the profit forecasts and cash flow forecasts to supporting evidence, such as approved budgets and considering the reasonableness of those budgets;
- Considering the potential impact of reasonably possible downside changes in these key assumptions; and
- Discussing with the management and the independent valuation valuers engaged by the management to understand the assumptions they used in building up the discounted cash flow model.

### 無形資產減值虧損

如二零一八年十二月三十一日之綜合財務報表附註17所載，貴集團就於二零一五年收購的技術知識為人民幣288,000,000元；二零一六年收購的O2O分銷售貨系統為人民幣48,440,000元及資本化研發石墨烯材料於殺菌芯片、電池儲能材料及鞋履壓敏照明裝置的生產及應用技術相關的遞延開發成本為人民幣27,806,000元而產生重大無形資產為人民幣364,246,000元。

管理層每年須至少對該等無形資產進行一次減值評估。管理層已獲得獨立外部估值，以支持其估計。該等可收回款項之評估涉及管理層對根據管理層批准之財務預算作出之現金流量預測及溢利預測（其中涉及作出判斷及基於多項假設）所用之主要假設作出重大評估及判斷。

### 我們的審計如何處理關鍵審計事項

我們就無形資產減值虧損進行之程序包括：

- 評估獨立外部估值師之資格、能力及客觀性；
- 評估綜合財務報表附註17所披露之管理層採納之估值方法；
- 根據我們之業務及行業知識質疑估值中關鍵假設之合理性；
- 將溢利預測及現金流量預測所用之輸入數據與支持憑證進行對比，如經批准預算，並考慮該等預算之合理性；
- 考慮該等主要假設可能出現之合理下行變動之潛在影響；及
- 我們與管理層及管理層委聘之獨立估值師討論，以了解彼等達致已貼現現金流量模式所用之假設。



# Independent Auditor's Report

## 獨立核數師報告

### How our audit addressed the Key Audit Matters

(continued)

- Checking on sample basis, the accuracy and relevance of the input data used.
- Challenging the assumptions used in business plans and development plans adopted by the Group in relation to the technology know-how and O2O distribution vending system.
- Reviewing the detailed analysis prepared by the management for the deferred development costs and testing the reconciliation of amounts reported to accounting records.
- Discussing with the management about the nature of work being completed for each product and their assessment of the areas of judgement for each product, in particular, the stage of technical development and economic feasibility.
- Updating our understanding of management's process for assessing whether any research and development expenses has met the recognition criteria under IAS 38.

Based on our procedures described, we found the recognition and impairment assessment on intangible assets to be reasonable.

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

### 我們的審計如何處理關鍵審計事項(續)

- 抽樣檢查所用輸入數據之準確性及相關性。
- 質疑 貴集團就技術知識及O2O分銷售貨系統採納之業務計劃及發展計劃所用之假設。
- 檢討管理層就遞延開發成本編製之詳盡分析及測試所呈報金額與會計記錄之一致性。
- 與管理層討論完成各產品所涉工作之性質及彼等對各產品作出判斷領域之評估，尤其是技術發展階段及經濟可行性。
- 更新我們對管理層程序的理解，評估是否有任何符合國際會計準則第38號認可標準的研發費用。

基於上文所述我們的程序，我們認為無形資產的確認及減值評估屬合理。

### 除綜合財務報表及核數師報告以外的資料

貴公司董事須就其他資料承擔責任。其他資料包括年報中所載所有資料，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，倘我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。就此而言，我們無任何報告。

# Independent Auditor's Report

## 獨立核數師報告

### Responsibilities of the Directors for the Consolidated Financial Statements

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

### 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.

### 董事對綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例編製真實而中肯的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部監控，以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。

於編製綜合財務報表時，董事須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相關的事項，並使用持續經營為會計基礎，惟董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案而為之的情況除外。

董事獲審核委員會協助履行其監督貴集團的財務報告過程的職責。

### 核數師對審核綜合財務報表須承擔的責任

我們的目標為對綜合財務報表整體是否存在由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。本報告僅為閣下（作為整體）而作出，並不可用作其他用途。我們並不就本報告的內容對任何其他人士承擔任何義務或負上任何責任。

合理保證是高水準的保證，但不能保證按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。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可能影響使用者根據該等綜合財務報表作出的經濟決定時，則視有關錯誤陳述為重大有關。

# Independent Auditor's Report

## 獨立核數師報告

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

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

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

### 核數師對審核綜合財務報表須承擔的責任(續)

在根據香港審計準則執行審計的工作之一，是在審計的過程中運用專業判斷及保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，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、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計在各種情況下屬適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的合適性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的合適性作出結論，並根據所獲取的審計憑證，確定是否存在與可能會導致對貴集團的持續經營能力產生重大疑慮的事項或情況有關的重大不確定性。倘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；倘有關披露不足，則我們應當發表非無保留意見。我們的結論乃基於截至我們的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。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。

# Independent Auditor's Report

## 獨立核數師報告

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

- 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.

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.

**Confucius International CPA Limited**  
*Certified Public Accountants*

**Wong Ho Yuen, Gary**  
*Practising Certificate Number: P01316*

Hong Kong  
27 March 2019

### 核數師對審核綜合財務報表須承擔的責任(續)

- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，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、監督及執行。我們為審計意見承擔全部責任。

我們與審核委員會就(其中包括)審計範圍、時間安排及重大審計發現進行溝通，該等發現包括我們在審計過程中識別的內部監控的任何重大缺陷。

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

從與審核委員會溝通的事項中，我們確定對本期間綜合財務報表審計至關重要的事項，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，除非法律或法規不允許公開披露該等事項，或在極端罕見情況下，倘合理預期在我們的報告中溝通某事項造成的負面後果超過產生的公眾利益，則我們決定不應在報告中溝通該事項。

**天健國際會計師事務所有限公司**  
*執業會計師*

**黃浩源**  
*執業證書號碼P01316*

香港  
二零一九年三月二十七日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

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

		Notes 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
<b>REVENUE</b>	<b>收益</b>	6	<b>164,480</b>	125,501
Cost of sales	銷售成本		<b>(125,029)</b>	(96,994)
<b>GROSS PROFIT</b>	<b>毛利</b>		<b>39,451</b>	28,507
Other net income and gains (Impairment loss)/reversal of impairment loss on trade receivables from sales of goods	其他收入及收益淨額 銷售商品產生之應收貿 易賬款(減值虧損)/減 值虧損撥回	6	<b>2,549</b>	1,691
Selling and distribution expenses	銷售及分銷開支		<b>(3,718)</b>	737
General and administrative expenses	銷售及分銷開支		<b>(10,013)</b>	(8,949)
Amortisation of intangible assets	一般及行政開支		<b>(51,264)</b>	(40,544)
Impairment loss on intangible assets	無形資產攤銷	17	<b>(77,640)</b>	(128,261)
Impairment loss on non-current assets held for sale	無形資產減值虧損	17	<b>(195,120)</b>	(537,286)
Finance costs	持有待售非流動資產 減值虧損	22	-	(23,244)
Fair value (loss)/gain on convertible notes at fair value through profit or loss	融資成本	7	<b>(5,862)</b>	(6,050)
Gain on derecognition of warrants at fair value through profit or loss	按公平值計入損益之可換 股票據之公平值 (損失)/收益	26	<b>(17,797)</b>	50,002
Fair value gain on provision for contingent consideration at fair value through profit or loss	按公平值計入損益之認股 權證之終止確認收益	26	-	5,067
	按公平值計入損益或然 代價撥備之公平值 收益	27	<b>43,533</b>	219,888
<b>LOSS BEFORE TAX</b>	<b>除稅前虧損</b>	8	<b>(275,881)</b>	(438,442)
Income tax credit	所得稅抵扣	11	<b>553</b>	3,072
<b>LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE EXPENSES FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>本公司擁有人應佔 年內虧損及年內 全面開支總額</b>	12	<b>(275,328)</b>	(435,370)
<b>LOSS PER SHARE</b>	<b>每股虧損</b>	14		
- Basic (RMB)	- 基本(人民幣)		<b>(0.25)</b>	(0.40)
- Diluted (RMB)	- 攤薄(人民幣)		<b>(0.25)</b>	(0.40)

Details of the dividends are disclosed in note 13 to the consolidated financial statements.

股息詳情披露於綜合財務報表附註13。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註		
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	51,415	41,416
Prepaid land lease payments	預付土地租金	16	26,223	26,954
Intangible assets	無形資產	17	364,246	636,981
			<b>441,884</b>	705,351
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	40,556	36,227
Trade and bills receivables	應收貿易賬款及應收票據	19	33,659	29,806
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	20	7,480	10,321
Pledged deposits	已質押存款	21	-	2,127
Cash and bank balances	現金及銀行結餘	21	21,080	5,888
			<b>102,775</b>	84,369
Assets classified as held for sale	分類為持有待售的資產	22	26,000	26,000
			<b>128,775</b>	110,369
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and bills payables	應付貿易賬款及應付票據	23	46,806	48,001
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	24	81,808	39,925
Short term borrowings	短期借貸	25	123,100	117,000
Convertible notes	可換股票據	26	-	87,002
Income tax payable	應付所得稅項		200	2,216
			<b>251,914</b>	294,144
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨值</b>		<b>(123,139)</b>	(183,775)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>318,745</b>	521,576

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註		
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Convertible notes	可換股票據	26	-	57,820
Provision for contingent consideration	或然代價撥備	27	2,312	47,272
Deferred tax liability	遞延稅項負債	28	2,491	3,071
			<b>4,803</b>	108,163
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>313,942</b>	413,413
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	29	86,758	71,629
Reserves	儲備		227,184	341,784
<b>TOTAL CAPITAL AND RESERVES</b>	<b>資本及儲備總額</b>		<b>313,942</b>	413,413

The consolidated financial statements on pages 76 to 196 were approved and authorised for issue by the board of directors on 27 March 2019 and signed on its behalf by:

第76至196頁的綜合財務報表經董事會於二零一九年三月二十七日批准及授權刊發，並由以下人士代表簽署：

**ZHENG Jingdong**

鄭景東

Director

董事

**LEUNG Tsz Chung**

梁子冲

Director

董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Share capital	Share premium	Contributed surplus	Statutory surplus fund	Exchange fluctuation reserve	Capital redemption reserve	Share options	Retained profits/ (accumulated losses)	Total reserves	Total equity
		股本	股份溢價	實繳盈餘	法定盈餘公積金	匯兌波動儲備	資本贖回儲備	購股權儲備	保留溢利/ (累計虧損)	儲備總額	權益總額
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 29)		(note 31(i))	(note 31(ii))	(note 31(iii))					
		(附註29)		(附註31(i))	(附註31(ii))	(附註31(iii))					
<b>At 1 January 2017</b>	於二零一七年一月一日	71,629	416,325	141,376	95,478	155	524	25,363	92,522	771,743	843,372
Loss and total comprehensive expenses for the year	年內虧損及全面開支總額	-	-	-	-	-	-	-	(435,370)	(435,370)	(435,370)
Equity-settled share based payments	按股權結算以股份為基礎的付款	30	-	-	-	-	-	5,411	-	5,411	5,411
Forfeiture of share options	沒收購股權	30	-	-	-	-	-	(2,490)	2,490	-	-
<b>At 31 December 2017</b>	於二零一七年十二月三十一日	71,629	416,325	141,376	95,478	155	524	28,284	(340,358)	341,784	413,413
Remeasurement upon initial application of IFRS 9	首次應用國際財務報告準則第9號後重新計量	-	-	-	-	-	-	-	(1,967)	(1,967)	(1,967)
<b>1 January 2018 (restated)</b>	於二零一八年一月一日 (重列)	71,629	416,325	141,376	95,478	155	524	28,284	(342,325)	339,817	411,446
Loss and total comprehensive expenses for the year	年內虧損及全面開支總額	-	-	-	-	-	-	-	(275,328)	(275,328)	(275,328)
Equity-settled share based payments	按股權結算以股份為基礎的付款	30	-	-	-	-	-	15,205	-	15,205	15,205
Forfeiture of share options	沒收購股權	30	-	-	-	-	-	(1,689)	1,689	-	-
Conversion of convertible notes	兌換可換股票據		15,129	147,490	-	-	-	-	-	147,490	162,619
<b>At 31 December 2018</b>	於二零一八年十二月三十一日	86,758	563,815	141,376	95,478	155	524	41,800	(615,964)	227,184	313,942



# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2018 二零一八年	2017 二零一七年
	Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Loss before tax	除稅前虧損	<b>(275,881)</b>	(438,442)
Adjustments for:	就下列各項調整：		
Interest income	利息收入	6	(83)
Interest expenses	利息開支	7	6,050
Depreciation	折舊	15	6,467
Amortisation of prepaid land lease payments	預付土地租金攤銷	16	845
Amortisation of intangible assets	無形資產攤銷	17	128,261
Loss on disposals of items of property, plant and equipment	出售物業、廠房及設備項目虧損	167	162
Impairment loss on intangible assets	無形資產減值虧損	17	537,286
Impairment loss on non-current assets held for sale	持有待售非流動資產減值虧損	22	23,244
Impairment loss/(reversal of impairment loss) on trade receivables from sales of goods	銷售商品產生之應收貿易賬款減值虧損/(減值虧損撥回)	19	(737)
(Reversal of write-down)/write-down of inventories	存貨(撇減撥回)/撇減	(546)	98
Equity-settled share based payments	按股權結算以股份為基礎的付款	15,205	5,411
Fair value loss/(gain) on convertible notes at fair value through profit or loss	按公平值計入損益之可換股票據之公平值損失/(收益)	26	(50,002)
Gain on derecognition of warrants at fair value through profit or loss	按公平值計入損益之認股權證之終止確認收益	26	(5,067)
Fair value gain on provision for contingent consideration at fair value through profit or loss	按公平值計入損益之或然代價撥備之公平值收益	27	(219,888)
Operating cash flow before changes in working capital	營運資金變動前之經營現金流量	<b>2,220</b>	(6,395)
Increase in inventories	存貨增加	<b>(3,783)</b>	(11,403)
(Increase)/decrease in trade and bills receivables	應收貿易賬款及應收票據(增加)/減少	<b>(9,538)</b>	47,063
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	<b>2,841</b>	2,831
Decrease in trade and bills payables	應付貿易賬款及應付票據減少	<b>(1,195)</b>	(5,888)
Increase in deposits received, other payables and accruals	已收按金、其他應付款項及應計費用增加	<b>20,741</b>	5,002
Cash generated from operations	經營所得現金	<b>11,286</b>	31,210
Interest received	已收利息	<b>61</b>	83
Enterprise income taxes paid	已付企業所得稅	<b>(2,043)</b>	(2,997)
<b>Net cash flows generated from operating activities</b>	<b>經營活動所得現金流量淨額</b>	<b>9,304</b>	28,296

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Notes 附註		
<b>INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment	投資活動 購置物業、廠房及設備項目		
	15	(16,489)	(10,438)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備項目的已付按金	-	(5,800)
Purchases and addition of intangible assets	購置及新增無形資產		
	17	(25)	(150)
Proceeds from disposals of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	322	85
Decrease in pledged deposits	已質押存款減少	2,127	2,156
<b>Net cash flows used in investing activities</b>	<b>投資活動所用現金流量淨額</b>	<b>(14,065)</b>	<b>(14,147)</b>
<b>FINANCING ACTIVITIES</b>			
Deposits received for subscription of new shares	融資活動 於認購新股時已收取按金		
		19,715	-
Drawdown of new short term borrowings	提取新短期貸款		
		17,100	-
Repayments of short term borrowings	償還短期貸款		
	25	(11,000)	(7,000)
Interest paid	已付利息	(5,862)	(6,050)
<b>Net cash flows generated from / (used in) financing activities</b>	<b>融資活動所得 / (所用) 現金流量淨額</b>	<b>19,953</b>	<b>(13,050)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
	現金及現金等價物增加淨額	15,192	1,099
Cash and cash equivalents at beginning of year	年初現金及現金等價物	5,888	4,789
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
	年末現金及現金等價物	<b>21,080</b>	<b>5,888</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	現金及現金等價物結餘分析 現金及銀行結餘	21,080	5,888

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 1. CORPORATE INFORMATION

Baofeng Modern International Holdings Company Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The registered office address and principal place of business of the Company as disclosed in the “Corporate Information” section of the annual report. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 January 2011 (the “Listing Date”).

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 41 to the consolidated financial statements. There were no significant changes in the nature of principal activities of the Company and its subsidiaries (collectively, the “Group”) during the year.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Best Mark International Limited (“Best Mark”), which was incorporated in the British Virgin Islands (“BVI”). Its ultimate controlling party is Mr. Sze Ching Bor.

### 1. 公司資料

寶峰時尚國際控股有限公司(「本公司」)為於開曼群島註冊成立的有限責任公司，本公司註冊辦事處及主要營業地點的地址於本年報「公司資料」一節披露。本公司股份於二零一一年一月二十八日(「上市日期」)於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司的主要業務為投資控股。其附屬公司主要業務的詳情載於綜合財務報表附註41。年內本公司及其附屬公司(統稱「本集團」)的主要業務性質並無重大變更。

綜合財務報表以人民幣(「人民幣」)呈列，其亦為本公司之功能貨幣。

本公司董事認為，本公司的直接控股公司及最終控股公司為於英屬處女群島(「英屬處女群島」)註冊成立的Best Mark International Limited(「Best Mark」)。其最終控制人為史清波先生。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

The Group has applied new and amendments to IFRSs and an Interpretation issued by the International Accounting Standards Board (“IASB”) for the first time in the current year:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC*-int 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of Annual Improvements to IFRSs 2014 - 2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

\* IFRIC represents the International Financial Reporting Standards Interpretation Committee

Except as described below, the application of the new and amendments to IFRSs and an Interpretation in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)

本集團已於本年度首次應用由國際會計準則理事會(「國際會計準則理事會」)頒佈的新訂及經修訂國際財務報告準則及一項詮釋：

國際財務報告準則第9號	金融工具
國際財務報告準則第15號	客戶合約的收益及相關修訂
國際財務報告準則詮釋委員會詮釋第22號	外幣交易及預付代價
國際財務報告準則第2號(修訂本)	以股份為基礎的付款交易之分類及計量
國際財務報告準則第4號(修訂本)	應用國際財務報告準則第9號金融工具連同國際財務報告準則第4號保險合約
國際會計準則第28號(修訂本)	作為國際財務報告準則二零一四年至二零一六年周期年度改進的一部分
國際會計準則第40號(修訂本)	投資物業轉移

除下文所述者外，於本年度應用該等新訂及經修訂國際財務報告準則及一項詮釋對本集團本年度及以前年度的財務表現及狀況及／或對綜合財務報表所披露的內容並無重大影響。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

#### IFRS 15 Revenue from Contracts with Customers

The Group has applied IFRS 15 for the first time in the current year. IFRS 15 superseded IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations.

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this IFRS recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated. However, there is no significant impact on the Group's accounting with respect to the timing of revenue recognition and allocation of the transaction price to performance obligations identified. Accordingly, opening balance of accumulated losses at 1 January 2018 is not adjusted in respect to the adoption of IFRS 15.

#### IFRS 9 Financial Instruments

In the current year, the Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses, without restating comparative information.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 國際財務報告準則第15號「客戶合約的收益」

本集團於本年度首次應用國際財務報告準則第15號。國際財務報告準則第15號已取代國際會計準則第18號收益、國際會計準則第11號建設合約及相關詮釋。

本集團追溯應用國際財務報告準則第15號，並於首次應用日期(即二零一八年一月一日)確認首次應用該國際財務報告準則之累計影響。於首次應用日期之任何差額於期初累計虧損中確認，且並無重列比較資料。然而，對本集團就收益確認及交易價格分配至已識別履約責任之時間而言之會計處理並無重大影響。因此，並無就採用國際財務報告準則第15號而對二零一八年一月一日之累計虧損期初餘額進行調整。

#### 國際財務報告準則第9號「金融工具」

於本年度，本集團已應用國際財務報告準則第9號金融工具及相關之其他國際財務報告準則相關修訂。國際財務報告準則第9號引入了以下新要求：1) 金融資產及金融負債之分類和計量；2) 金融資產之預期信貸虧損(「預期信貸虧損」)及3) 一般對沖會計處理。

本集團已根據國際財務報告準則第9號所載之過渡條文應用國際財務報告準則第9號，即將分類及計量規定(包括預期信貸虧損模式項下減值)追溯應用於二零一八年一月一日(首次應用日期)尚未取消確認之工具，且並無將該等規定應用於二零一八年一月一日已取消確認之工具。於二零一七年十二月三十一日之賬面值與二零一八年一月一日之賬面值之間之差額於期初累計虧損中確認，並無重述比較資料。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

#### IFRS 9 Financial Instruments (continued)

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 Financial Instruments: Recognition and Measurement.

#### Summary of effects arising from initial application of IFRS 9

The following illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

Under the transition methods chosen, the Group recognises the cumulative effect of the initial application of IFRS 9 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been affected by IFRS 9.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 國際財務報告準則第9號「金融工具」(續)

因此，比較資料乃根據國際會計準則第39號金融工具：確認及計量而編製，所以若干比較資料未必具有可比性。

#### 首次應用國際財務報告準則第9號產生之影響概述

根據國際財務報告準則第9號及國際會計準則第39號下之預期信貸虧損，下列載述於首次應用日期(即二零一八年一月一日)，金融資產及金融負債以及其他項目之分類及計量(包括減值)。

根據所選擇之過渡方法，本集團將首次應用國際財務報告準則第9號累積影響作為二零一八年一月一日權益期初餘額調整確認。比較資料不予重述。下表概述受國際財務報告準則第9號影響之綜合財務狀況表中每個項目確認期初餘額調整。

	At 31 December 2017 於 二零一七年 十二月三十一日 RMB'000 人民幣千元	Impact on initial application of IFRS 9 首次應用國際 財務報告準則 第9號之影響 RMB'000 人民幣千元	At 1 January 2018 於 二零一八年 一月一日 RMB'000 人民幣千元
Trade and bills receivables	29,806	(1,967)	27,839
Reserves	341,784	(1,967)	339,817

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

#### IFRS 9 Financial Instruments (continued)

##### Impairment under ECL model

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables, bills receivables, and financial assets included in prepayments, deposits and other receivables. Except for those which had been determined as credit impaired under IAS 39, the remaining balances are grouped based on internal credit rating and/or past due analysis. The Group has therefore estimated the expected loss rates for the trade receivables on the same basis.

Except for those which had been determined as credit impaired under IAS 39, ECL for pledge deposits, and cash and bank balance are assessed on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

All loss allowances including trade receivables as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

		<b>Trade receivables</b> 應收貿易款項 RMB'000 人民幣千元
At 31 December 2017	於二零一七年十二月三十一日	
– IAS 39	– 國際會計準則第39號	2,689
Amounts re-measured through opening accumulated losses	透過期初累計虧損重新計量之金額	1,967
		<hr/>
At 1 January 2018	二零一八年一月一日	4,656
		<hr/>

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 國際財務報告準則第9號「金融工具」(續)

##### 預期信貸虧損模式項下之減值

本集團採用國際財務報告準則第9號簡化方法計量預期信貸虧損，該方法對所有應收貿易款項、應收票據、計入預付款項、按金及其他應收款項的金融資產使用全期預期信貸虧損。除根據國際會計準則第39號確定為信貸減值者外，其餘餘額根據內部信貸評級及／或逾期分析進行分組。因此，本集團已按相同基準估計應收貿易款項之預期損失率。

除根據國際會計準則第39號確定為信貸減值者外，已質押存款及現金及銀行結餘之預期信貸虧損將按12個月預期信貸虧損(「12個月預期信貸虧損」)基準評估，因為自初始確認以來信貸風險並未顯著增加。

於二零一七年十二月三十一日之所有虧損撥備(包括應收貿易款項)與二零一八年一月一日之期初虧損撥備對賬如下：

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 16	Leases <sup>1</sup>
IFRS 17	Insurance Contracts <sup>2</sup>
IFRIC-int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to IFRS 3	Definition of a Business <sup>4</sup>
Amendments to IFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 1 and IAS 8	Definition of a Material <sup>5</sup>
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle <sup>1</sup>

1. Effective for annual periods beginning on or after 1 January 2019.
2. Effective for annual periods beginning on or after 1 January 2021
3. Effective for annual periods beginning on or after a date to be determined.
4. Effective for business combinations and asset acquisitions for which the acquisitions date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
5. Effective for annual periods beginning on or after 1 January 2020.

Other than described below, the directors of the Company consider the application of the new and amendments to IFRSs and interpretation would not have any material impact on the consolidated financial statements.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則：

國際財務報告準則第16號	租約 <sup>1</sup>
國際財務報告準則第17號	保險合約 <sup>2</sup>
國際財務報告準則詮釋委員會詮釋第23號	所得稅處理的不確定性 <sup>1</sup>
國際財務報告準則第3號(修訂本)	業務的定義 <sup>4</sup>
國際財務報告準則第9號(修訂本)	具有負補償之提前還款特性 <sup>1</sup>
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注入 <sup>3</sup>
國際會計準則第1號及第8號(修訂本)	重大的定義 <sup>5</sup>
國際會計準則第19號(修訂本)	計劃修訂、縮減或清償 <sup>1</sup>
國際會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益 <sup>1</sup>
國際財務報告準則(修訂本)	國際財務報告準則二零一五年至二零一七年周期年度改進 <sup>1</sup>

- 1 於二零一九年一月一日或之後開始之年度期間生效。
- 2 於二零二一年一月一日或之後開始之年度期間生效。
- 3 於待釐定之日期或之後開始之年度期間生效。
- 4 對收購日期為於二零二零年一月一日或之後開始的首個年度期間或之後開始的業務合併及資產收購生效。
- 5 於二零二零年一月一日或之後開始之年度期間生效。

除下文所述外，本公司董事認為應用該等新訂及經修訂國際財務報告準則及詮釋將不會對綜合財務報表造成重大影響。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

#### IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 Leases (“IAS 17”) and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, IFRS 16 requires sales and leaseback transactions to be determined based on the requirements of IFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. IFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 國際財務報告準則第16號租約

國際財務報告準則第16號為出租人和承租人引入了一項單一的承租方會計處理模式。國際財務報告準則第16號將在其生效時取代現行國際會計準則第17號(「國際會計準則第17號」)租賃及相關解釋。

國際財務報告準則第16號根據所識別的資產是否由客戶控制來區分租賃和服務合同。此外，國際財務報告準則第16號要求銷售和回租交易要根據國際財務報告準則第15號的要求確定是否應該將相關資產的轉讓計入銷售。國際財務報告準則第16號還包括了與轉租和租賃修改相關的要求。

針對承租人而言，經營租賃和融資租賃的區分將被取消，並被另一種模式取代，即承租人對所有租賃相關的資產和負債進行確認，除短期租賃或者租賃資產價值很低者外。

使用權資產按成本進行初始計量，並隨後按成本計量(存在某些例外情況)減去累計折舊和減值損失，對租賃負債的任何重新計量進行調整。租賃負債最初是以該日未支付的租賃付款額的現值計量。隨後，對租賃負債進行調整，包括利息和租賃付款，以及租賃修改的影響等。對於現金流量分類，本集團目前將預付租賃款項列為自用租賃土地及歸類為投資物業的投資現金流量，而其他經營租賃付款則列為經營活動現金流量。根據國際財務報告準則第16號，與租賃負債有關的租賃付款將分為本金和利息部分，本集團將列示為融資現金流量。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

#### IFRS 16 Leases (continued)

Under IAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of IFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned. Other than certain requirements which are also applicable to lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB1,652,000 as disclosed in note 32. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 國際財務報告準則第16號租約(續)

按照國際會計準則第17號，本集團作為承租人已就融資租賃安排及預付土地租賃款確認資產及其對應的融資租賃負債。國際財務報告準則第16號的應用，可能導致這些資產分類的潛在變化，這取決於依據本集團是否單獨列示資產使用權或是將其與擁有的同類資產合併列示。除同樣適用於出租人的若干要求外，國際財務報告準則第16號實質上延續了國際會計準則第17號對於出租人的會計要求，並繼續要求出租人將租賃區分為經營租賃和融資租賃。

此外，國際財務報告準則第16號亦要求較廣泛的披露。

於二零一八年十二月三十一日，本集團有不可撤銷經營租賃承諾約人民幣1,652,000元，如附註32所披露。初步評估顯示，這些安排符合租賃的定義。一旦採用國際財務報告準則第16號，本集團將對所有的租賃確認使用權資產及其對應負債，除非短期租賃或者租賃資產價值很低。

如上所述，新要求的應用可能導致計量、呈報及披露的變化。本集團傾向選擇實際的權宜之計，將國際財務報告準則第16號適用於之前被認為適用於國際會計準則第17號和國際財務報告準則詮釋委員會詮釋第4號確定安排是否包括租賃的合同，並且不將該準則運用於之前未確定包含適用於國際會計準則第17號和國際財務報告準則詮釋委員會詮釋第4號的租賃合同。因此，本集團不會重新評估合同是否存在，或者包含初始應用時期之前已經存在的租賃。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

#### Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of the Interpretation will have a material impact on the Group’s consolidated financial statements.

### 2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 國際財務報告準則第10號及國際會計準則第28號(修訂本)投資者與其聯營公司或合營企業之間的資產出售或注入

國際財務報告準則第10號及國際會計準則第28號(修訂本)處理投資者與其聯營公司或合營企業之間的資產出售或注入。具體而言，該等修訂訂明，因失去與聯營公司或合營企業(以權益法列賬)的交易中並無包含業務之附屬公司之控制權而產生之盈虧，於母公司損益內確認，且僅以非相關投資者於該聯營公司或合營企業之權益為限。類似地，於(已成為聯營公司或合營企業(以權益法列賬)之)任何前附屬公司所保留之投資按公平值重新計量所產生之盈虧，於前母公司損益內確認，且僅以非相關投資者於新聯營公司或合營企業之權益為限。

本公司董事預計應用該詮釋不會對本集團的綜合財務報表造成重大影響。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with all the applicable individual IFRSs with collective term includes all applicable individual IFRSs, IASs and Interpretations issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange and by the Hong Kong Companies Ordinance.

#### Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for convertible notes, warrants and provision for contingent consideration which are measured at fair value at the end of each reporting period, as explained in the accounting policy set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

### 3. 主要會計政策

#### 合規聲明

綜合財務報表乃根據國際會計準則理事會頒佈之所有適用之個別國際財務報告準則(包括所有適用之個別國際財務報告準則、國際會計準則及詮釋)編製。此外，綜合財務報表載有聯交所證券上市規則(「上市規則」)及香港公司條例所規定的適用披露資料。

#### 編製基準

綜合財務報表乃按歷史成本基準編製，惟於各呈報期末按公平值計量的可換股票據、認股權證及或然代價撥備除外，詳情見下文會計政策。

歷史成本一般按換取貨物及服務所付代價的公平值釐定。

公平值乃指市場參與者之間於計量日進行的有序交易中出售資產可收取或轉讓負債須支付的價格，無論該價格是直接觀察到還是採用其他估值方法作出的估計。在對資產或負債的公平值作出估計時，本集團會考慮市場參與者在計量日對該資產或負債定價時所考慮的特徵。在此等綜合財務報表中作計量及／或披露用途的公平值均按此基準釐定，惟國際財務報告準則第2號範圍內的以股份為基礎的付款交易、國際會計準則第17號範圍內的租賃交易與公平值有部分地方相若但並非公平值的計量(譬如國際會計準則第2號中的可變現淨值或國際會計準則第36號中的使用價值)除外。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Basis of preparation (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### Going concern

As at 31 December 2018, the Group's current liabilities exceeded its current assets by approximately RMB123,139,000. The Group incurred a loss for the year of RMB275,328,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

### 3. 主要會計政策(續)

#### 編製基準(續)

此外，就財務呈報而言，公平值計量根據公平值計量輸入值的可觀察程度及公平值計量輸入值對其整體的重要性分類為第1級、第2級或第3級，詳情如下：

- 第1級 輸入值為實體於計量日可取得的相同資產或負債於活躍市場的未經調整報價；
- 第2級 輸入值為除第1級所含報價以外資產或負債的直接或間接可觀察輸入值；及
- 第3級 輸入值為資產或負債的不可觀察輸入值。

#### 持續經營

於二零一八年十二月三十一日，本集團的流動負債超出其流動資產約人民幣123,139,000元。本集團產生了人民幣275,328,000元的年內虧損。這些狀況表明存在重大不確定性，可能對本集團持續經營的能力產生重大疑問，因此，本集團可能無法於日常業務中變現其資產及清償其負債。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Basis of preparation** (continued)

**Going concern** (continued)

In view of such circumstances, the directors of the Company have given careful consideration to future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to finance its future working capital and finance requirements. Certain measures have been taken to manage its liquidity needs and to improve its financial position which include, but are not limited to, the following:

1. The Group will negotiate with the banks in the People's Republic of China ("PRC") for the renewal of the Group's PRC bank borrowings when they fall due to secure necessary facilities to meet the Group's working capital and financial requirements in the near future. The directors of the Company have evaluated all the relevant facts available to them and are of the opinion that the Group has a good track record or relationship with the banks which will enhance the Group's ability to renew the Group's PRC bank borrowings upon expiry; and
2. The Group will implement operational plans to control costs and generate adequate cash flows from the Group's operations.

### 3. 主要會計政策(續)

**編製基準**(續)

**持續經營**(續)

鑒於該等情況，在評估本集團是否有能力滿足未來營運資金及財務需要時，本公司董事已審慎考慮本集團的未來流動資金及表現以及其可用融資來源。已採取若干措施管理其流動資金需要及改善其財務狀況，包括但不限於以下各項：

1. 本集團將與中華人民共和國(「中國」)內的銀行磋商，以在本集團的國內銀行借貸到期時續期，取得必要的融資以滿足本集團近期的營運資金及財務需要。本公司董事已評估其已知的所有事實，並認為本集團具有良好的往績記錄或與銀行關係良好，這將加強本集團在國內銀行借貸到期時續期的能力；及
2. 本集團將實施經營計劃，以控制成本及從本集團業務產生足夠的現金流量。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Basis of preparation** (continued)

**Going concern** (continued)

The directors of the Company have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than fifteen months from the date of the consolidated statement of financial position. The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next fifteen months from the date of the consolidated statement of financial position. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2018 on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

### 3. 主要會計政策(續)

**編製基準**(續)

**持續經營**(續)

本公司董事已審閱管理層編製的本集團現金流量預測。現金流量預測涵蓋綜合財務狀況表日起不少於十五個月的期間。本公司董事認為，經考慮上述計劃及措施，本集團將具有充足的營運資金，可於綜合財務狀況表日起未來十五個月內為經營提供資金及滿足到期財務責任。因此，本公司董事認為，按持續經營基準編製截至二零一八年十二月三十一日止年度的綜合財務報表屬適當。

如本集團無法繼續持續經營，將須作出調整，以將資產價值撇減至可收回金額，就可能出現的其他負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未反映在綜合財務報表中。

**綜合入賬基準**

綜合財務報表合併本公司及本公司(及其附屬公司)所控制實體的財務報表。本公司符合以下情況時，即取得控制權：

- 有權控制投資對象；
- 因其參與投資對象業務而承擔或享有浮動回報的風險或權利；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上列三項控制權要素當中一項或多項出現變動，本集團會重新評估其是否對投資對象擁有控制權。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less any identified impairment loss. The results of the subsidiaries are accounted for by the Company as the basis of dividend received and receivable.

### 3. 主要會計政策(續)

#### 綜合入賬基準(續)

附屬公司的綜合入賬於本集團取得對有關附屬公司的控制權開始，並於本集團失去對有關附屬公司的控制權時終止。具體而言，年內所收購或出售附屬公司的收入及開支乃自本集團取得控制權之日起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日為止。

損益及其他全面收益的每個項目乃歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧損結餘。

於必要時，本集團將對附屬公司的財務報表作出調整，以令彼等的會計政策與本集團的會計政策一致。

有關本集團成員之間交易的所有集團內公司間的資產及負債、權益、收入、支出及現金流量於綜合入賬時悉數對銷。

#### 於附屬公司的投資

於附屬公司的投資按成本減任何已識別減值虧損於本公司的財務狀況表列賬。附屬公司的業績由本公司按已收及應收股息入賬。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (“CODM”). The CODM, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors that make strategic decisions.

#### Revenue from contracts with customers (upon application of IFRS 15 in accordance with transitions in Note 2)

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

### 3. 主要會計政策(續)

#### 分部呈報

經營分部的呈報方式與向主要經營決策者(「主要經營決策者」)提供的內部報告一致。主要經營決策者被確認為作出策略性決策的執行董事，負責經營分部的資源分配及表現評估。

#### 客戶合約的收益(根據附註2之過渡條文應用國際財務報告準則第15號後)

根據國際財務報告準則第15號，當本集團符合履約責任時(即當貨物或服務有關特定履約責任的「控制權」轉移予客戶時)確認收益。

履約責任指個別的商品或服務(或一組商品或服務)或一系列大致相同的個別商品或服務。

倘符合下列其中一項標準，則控制權在一段時間內轉移，而收入確認會參考一段時間內已完成相關履約責任的進度進行：

- 隨著本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生或提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Revenue from contracts with customers (upon application of IFRS 15 in accordance with transitions in Note 2) (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

### 3. 主要會計政策(續)

客戶合約的收益(根據附註2之過渡條文應用國際財務報告準則第15號後)(續)

否則,收入於客戶獲得個別商品或服務控制權時的某一時間點確認。

合約資產指本集團就本集團已向客戶轉讓的商品或服務而於交換中收取代價的權利(尚未成為無條件),根據國際財務報告準則第9號評估減值。相反,應收賬款指本集團收取代價的無條件權利,即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價(或已到期收取代價),而須向客戶轉讓商品或服務的責任。

與同一個合約有關的合約資產和合約負債按淨額入賬並列報。

本集團確認經營租賃收益的會計政策載於下文租賃會計政策。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Leasing

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

#### *The Group as lessor*

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 3. 主要會計政策(續)

#### 租約

凡租約條款規定將擁有權的絕大部分風險及回報轉移至承租人的租約會分類為融資租約。所有其他租約均分類為經營租約。

#### 本集團作為出租人

經營租約的租金收入在有關租賃期內按直線法於損益內確認。在磋商及安排經營租約時產生的初步直接成本計入租賃資產的賬面值，並於租賃年期以直線法確認。

#### 本集團作為承租人

經營租約付款乃於租賃年期以直線法確認為開支，惟倘另一系統化基準更能代表租賃資產耗用經濟利益的時間模式則除外。經營租約所產生的或然租金乃於其產生的期間確認為開支。

倘訂立經營租約時獲得租賃優惠，則有關優惠會確認為負債。優惠總利益以直線法確認為扣減租金開支，惟倘另一系統化基準更能代表租賃資產耗用經濟利益的時間模式則除外。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rate prevailing at the dates of the transaction are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve.

### 3. 主要會計政策(續)

#### 借貸成本

用作收購、建設或生產(即需要一段長時間方可達致其擬定用途或銷售的資產)直接相關的借貸成本計入該等資產的成本內,直至該等資產基本上達致其擬定用途或銷售為止。

所有其他借貸成本於產生期間於損益內確認。

#### 外幣

於編製個別集團實體的財務報表時,以該實體功能貨幣以外貨幣(外幣)結算的交易按交易當日的適用匯率確認。於呈報期末,以外幣計值的貨幣項目會按該日的匯率重新換算。按公平值以外幣列賬的非貨幣項目乃按公平值釐定當日的適用匯率重新換算。按外幣歷史成本計量的非貨幣項目毋須重新換算。

貨幣項目的匯兌差額於產生期間於損益內確認。

就呈列綜合財務報表而言,本集團海外業務的資產及負債乃採用於各呈報期末的適用匯率換算為本集團的呈列貨幣(即人民幣),除非年內匯率出現大幅波動,在該情況下,則須按於該等日期之現行匯率換算。收入及開支項目則按年內平均匯率換算。所產生的匯兌差額(如有)於其他全面收入內確認並於權益中的匯兌波動儲備項下累計。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are recognised as an expense as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operates in PRC are required to participate in central pension scheme operated by the local municipal government. The subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group contributes on a monthly basis to defined contribution housing, medical and other benefit plans organised by the PRC government. The PRC government undertakes to assume the benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for benefits for their qualified employees under these plans.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 3. 主要會計政策(續)

#### 退休福利成本

本集團根據強制性公積金計劃條例，為其香港所有僱員設有定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款乃根據僱員底薪的一定百分比作出，並根據強積金計劃規則於供款到期應付時確認為開支。強積金計劃資產與本集團資產分開，乃透過獨立管理基金持有。本集團的僱主供款於向強積金計劃作出供款時全數歸屬僱員所有。

本集團於中國經營的附屬公司的僱員需要參與由地區市政府運作的中央退休金計劃。附屬公司須就中央退休金計劃於薪酬成本中作若干百分比的供款。根據中央退休金計劃的規則，供款因已成為應付款項而計入損益。

本集團每月向中國政府設立的定額供款住房、醫療及其他福利計劃供款。中國政府保證承擔該等計劃保障的所有現職及退休僱員的福利義務。本集團對該等計劃的供款於產生時列支。本集團就該等計劃對其合資格僱員並無其他福利方面的義務。

#### 政府補貼

政府補貼僅於有合理保證本集團符合該補貼的附帶條件而可收取該補貼時，方予確認。

作為已產生開支或虧損的應收補償或就給予本集團即時財務資助而未來無相關成本的政府補貼，於成為應收款項的期間於損益內確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3. 主要會計政策(續)

#### 稅項

所得稅開支指即期應付稅項及遞延稅項的總和。即期應付稅項乃根據年內的應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中所呈報的「除稅前溢利」不同，乃由於應課稅溢利不包括在其他年度應課稅收入或可扣稅開支項目，亦不包括毋須課稅及不可扣稅項目。本集團的即期稅項負債乃按呈報期末已頒佈或實際已頒佈的稅率計算。

遞延稅項乃根據綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基的暫時差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認。遞延稅項資產只限於在有應課稅溢利可供對銷的所有可扣稅暫時差額時方會確認。

遞延稅項負債乃就投資於附屬公司所產生的應課稅暫時差額予以確認，除非本集團可控制暫時差額的撥回，且此暫時差額在可見將來可能不會撥回。

遞延稅項資產及負債根據於呈報期末已頒佈或實際已頒佈的稅率(及稅法)，並按於清還負債及變現資產期間預期應用的稅率計量。

遞延稅項負債及資產的計量，反映本集團在呈報期末預期收回或清償其資產及負債賬面值的方式所導致的稅務後果。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Taxation (continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease.

Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease. To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid land lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

#### Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or for administrative purposes are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### 3. 主要會計政策(續)

#### 稅項(續)

即期及遞延稅項乃於損益內確認，除非是有關已於其他全面收入內或直接於權益中確認的項目，則此等即期及遞延稅項亦分別於其他全面收入內或直接於權益中確認。

#### 租賃土地及樓宇

倘租約包括土地及樓宇成分，本集團根據各成分擁有權所附帶的絕大部分風險及回報是否已轉移至本集團的評估，決定將成分分類為融資或經營租約，除非明確兩類租約均為經營租約，於該情況下，整份租約會分類為經營租約。

具體來說，最低租金付款(包括任何一次性預付款)於租賃開始時按租賃的土地成分及樓宇成分之租賃權益的相對公平值比例在土地與樓宇成分之間進行分配。倘租賃款項能夠可靠分配，以經營租約入賬的租賃土地權益於綜合財務狀況表中呈列為「預付土地租金」，並於租賃年期按直線法攤銷。

#### 物業、廠房及設備

物業、廠房及設備(包括持作生產或供應貨品或作行政用途的樓宇)於綜合財務狀況表中按成本減其後累計折舊及累計減值虧損(如有)列賬。

折舊乃於估計可使用年期使用直線法攤銷資產成本減其剩餘價值而確認。估計可使用年期、剩餘價值及折舊方法於各呈報期末檢討，而任何估計變動的影響會按前瞻基準入賬。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Property, plant and equipment (continued)

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, as the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amounts are to be recovered principally through sale transactions and sales are considered highly probable. It is stated at the lower of carrying amount and fair value less costs to sell.

### 3. 主要會計政策(續)

#### 物業、廠房及設備(續)

作生產或供應貨品或行政用途的在建物業按成本減任何已確認減值虧損列賬。成本包括專業費及就合資格資產而言，根據本集團會計政策資本化的借貸成本。該等物業落成及可作擬定用途時，將分類至適當類別的物業、廠房及設備。該等資產的折舊按與其他物業資產採用相同的基準進行，在資產可作擬定用途時開始折舊。

物業、廠房及設備項目乃於出售時或當預期持續使用該資產將不會產生未來經濟利益時終止確認。於終止確認該資產時產生之任何收益或虧損(以出售所得款項淨額與該項目之賬面值間之差額計算)乃計入年度之損益內。

#### 持有待售非流動資產

當非流動資產之賬面值乃主要透過出售交易收回，且有關出售被視為極可能發生，則分類為持有待售，並按賬面值與公平值減出售成本之較低者列賬。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Research and development costs

All research costs are charged to the consolidated statement of profit or loss and other comprehensive income as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised on a systematic basis with reference to projected sales volume, upon future sales volume of related products.

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

### 3. 主要會計政策(續)

#### 研究及開發成本

所有研究成本於產生時計入綜合損益及其他全面收益表。

開發新產品項目產生的開支僅於本集團可展示完成無形資產的技術可行性因而可供使用及銷售、完成的意圖及使用或出售資產的能力、資產如何產生未來經濟利益的方法、完成項目的可用資源及於發展期間能可靠地計量開支時才可資本化及遞延。開發產品的開支倘未能符合此等要求，會於產生時計入開支。

遞延開發成本按成本扣除任何減值虧損後列賬，並根據有關產品的預計未來銷售數量參考預測銷量以系統基準攤銷。

#### 單獨收購的無形資產

單獨收購可使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損列賬。可使用年期有限的無形資產於估計可使用年期以直線法攤銷。估計可使用年期及攤銷方法於各呈報期末檢討，而任何估計變動的影響會按前瞻基準入賬。

無形資產乃於出售時或當預期使用或出售該資產將不會產生未來經濟利益時終止確認。於終止確認無形資產時產生的收益或虧損乃按出售所得款項淨額與資產賬面值之間的差額計量，並於該資產終止確認期間在損益內確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Impairment losses on assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 主要會計政策(續)

#### 資產的減值虧損

於呈報期末，本集團檢討其有形及無形資產的賬面值，以確定是否存在跡象顯示該等資產蒙受減值虧損。倘出現有關跡象，將對該項資產的可收回金額進行估計，從而確定其減值虧損程度(如有)。倘無法估計個別資產的可收回金額，本集團將估計其所屬現金產生單位的可收回金額。倘可確定合理及一致的分配基準，則公司資產會分配至個別現金產生單位，否則將分配至可確定合理及一致分配基準的最小現金產生單位組。

可收回金額是指減去出售成本後的公平值與使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量按稅前貼現率折算至其現值，該折現率反映當期市場對貨幣時間價值的評估及未來現金流量估計未予調整的資產的特定風險。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則該資產(或現金產生單位)的賬面值減低至其可收回金額。減值虧損會即時於損益內確認。

倘其後撥回減值虧損，則該項資產(或現金產生單位)的賬面值增加至其經修訂的估計可收回金額，而已增加的賬面值不得高於假設於過往年度並未確認該項資產(或現金產生單位)的減值虧損所應釐定的賬面值。撥回的減值虧損即時於損益內確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks or other financial institutions and short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of damages in value, and having been within three months of maturing of acquisition.

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

### 3. 主要會計政策(續)

#### 存貨

原材料、在製品及製成品乃按成本與可變現淨值的較低者列賬。成本包括直接材料、直接勞工、按適當比例計算的可變及固定間接開支，後者乃按正常營運能力分配。成本乃按加權平均成本之基準分配予個別存貨項目。所購買存貨之成本乃經扣除回扣及折扣後釐定。可變現淨值乃為日常業務過程中之估計售價減估計完成成本及銷售所需估計成本。

#### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括銀行及手頭現金、銀行或其他金融機構之活期存款及購入後三個月內到期，可隨時轉換為已知金額現金的短期高變現能力且價值變動風險不重大的投資。

#### 金融工具

金融資產及金融負債於集團實體成為合約條文的訂約方時確認入賬。

除自二零一八年一月一日起對源自客戶合同的應收貿易賬款按國際財務報告準則第15號進行初始計量外，其餘金融資產及金融負債均按公平值進行初始計量。因收購或發行金融資產及金融負債(按公平值計入損益(「按公平值計入損益」)之金融資產或金融負債除外)而直接產生的交易成本，於初始確認時計入金融資產或金融負債的公平值或自金融資產或金融負債的公平值扣除(按情況適用)。因收購按公平值計入損益的金融資產或金融負債產生的交易成本直接計入當期損益。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### Financial assets

*Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in Note 2)*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 3. 主要會計政策(續)

#### 金融工具(續)

實際利率法乃計算金融資產或金融負債的攤銷成本以及按有關期間攤分利息收入及利息開支的方法。實際利率乃按金融資產或金融負債的預計年期或較短期間(如適用)內準確貼現未來估計現金收款和付款(包括所有已付或收取並為實際利率組成部分的費用及點數、交易成本及其他溢價或折讓)至初始賬面淨值的利率。

#### 金融資產

金融資產之分類及其後計量(根據附註2之過渡條文應用國際財務報告準則第9號後)

符合以下條件之金融資產其後按攤銷成本計量：

- 該金融資產以收取合約現金流量為目的之商業模式下持有；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in Note 2) (continued)*

- (i) Amortised cost and interest income
- Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2)*

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade and bills receivables, prepayments, deposits and other receivables and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

### 3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後計量(根據附註2之過渡條文應用國際財務報告準則第9號後)(續)

- (i) 攤銷成本及利息收入
- 其後按攤銷成本計量之金融資產的利息收入乃使用實際利率法予以確認。利息收入乃透過對一項金融資產賬面總值應用實際利率計算，惟其後出現信貸減值之金融資產除外(見下文)。就其後出現信貸減值之金融資產而言，自下一報告期起，利息收入乃透過對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具之信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃透過對金融資產賬面總值應用實際利率予以確認。

金融資產減值(根據附註2之過渡條文應用國際財務報告準則第9號後)

本集團根據國際財務報告準則第9號就須予減值之金融資產(包括貿易應收賬款及應收票據、預付款項、按金及其他應收款項及銀行存款及現金)的預期信貸虧損確認虧損撥備。預期信貸虧損金額會於各報告日期予以更新以反映信貸風險自初步確認以來的變動。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2)*  
(continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade and bills receivables and prepayments, deposits and other receivables. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings based on internal credit rating and/or aging and past due status

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

- (i) **Significant increase in credit risk**  
In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 3. 主要會計政策(續)

**金融工具(續)**

**金融資產(續)**

*金融資產減值(根據附註2之過渡條文應用國際財務報告準則第9號後)*  
(續)

全期預期信貸虧損指於相關工具之預計年期內所有可能之違約事件而產生之預期信貸虧損。相反，12個月預期信貸虧損指於報告日期後12個月內因可能發生之違約事件而預期產生之部分全期預期信貸虧損。本集團已根據其過往信貸虧損經驗(對債務人特定因素進行調整)、整體經濟狀況及對報告日期現況及未來情況的預測作出的評估進行評估。

本集團始終就貿易應收賬款及應收票據及預付款項、按金及其他應收款項確認全期預期信貸虧損。該等資產之預期信貸虧損將按內部信貸評級及/或過往逾期狀況使用適當組別之撥備矩陣予以集體評估。

就所有其他工具而言，本集團計量的虧損撥備等於12個月預期信貸虧損，除非當信貸風險自初步確認以來顯著增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃根據自初步確認以來發生違約的可能性或風險顯著增加。

- (i) **信貸風險顯著增加**  
評估信貸風險自初步確認以來有否顯著增加時，本集團會就金融工具於報告日期發生違約的風險與金融工具於初步確認當日發生違約的風險進行比較。在進行有關評估時，本集團會考慮合理且可靠的定量和定性資料，包括過往經驗及毋須付出不必要的成本或努力即可獲得的前瞻性資料。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2) (continued)*

(i) Significant increase in credit risk (continued)

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

### 3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2之過渡條文應用國際財務報告準則第9號後)(續)

(i) 信貸風險顯著增加(續)

尤其是，評估信貸風險是否顯著增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差、債務人的信貸違約掉期價大幅增加；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，本集團假定合約付款逾期超過30日時，信貸風險自初步確認以來已顯著增加，除非本集團有合理及可靠資料證明可予收回則當別論。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2)*  
(continued)

- (i) Significant increase in credit risk (continued)  
Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default  
For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### 3. 主要會計政策(續)

**金融工具(續)**

**金融資產(續)**

*金融資產減值(根據附註2之過渡條文應用國際財務報告準則第9號後)*  
(續)

- (i) 信貸風險顯著增加(續)  
儘管存在上述情況，倘債務工具於報告日期釐定為具有低信貸風險，本集團假設債務工具的信貸風險自初步確認起並無顯著增加。倘i)其違約風險偏低，ii)借款人有強大能力於短期履行其合約現金流量責任，及iii)較長期的經濟及業務狀況存在不利變動，惟將未必削弱借款人履行其合約現金流量責任的能力，則債務工具的信貸風險會被釐定為低。當債務工具的內部或外部信貸評級為「投資級別」(按照全球理解的釋義)，則本集團會視該債務工具的信貸風險為低。

本集團定期監控用以識別信用風險有否顯著增加的標準的效益，且修訂標準(如適當)確保標準能在金額逾期前識別信用風險顯著增加。

- (ii) 違約定義  
就內部信貸風險管理而言，本集團認為，違約事件在內部訂制或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文所述，本集團認為，金融資產已於逾期後發生違約，除非本集團有合理及具理據資料顯示更加滯後的違約標準更為恰當。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2)*  
(continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

### 3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2之過渡條文應用國際財務報告準則第9號後)  
(續)

(iii) 信貸減值之金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據:

- a) 發行人或借款人的重大財務困難;
- b) 違反合約(如違約或逾期事件);
- c) 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠;
- d) 借款人很可能破產或進行其他財務重組; 或
- e) 因財政困難而導致該金融資產失去活躍市場。

(iv) 撇銷政策

於資料顯示對手方陷入嚴重財務困難,且並無實際收回款項可能(例如對方被清盤或進入破產程序)或倘為應收貿易賬款,於該等款項逾期超過一年(以較早發生者為準)時,本集團會撇銷金融資產。經考慮法律意見(倘適當)後,已撇銷金融資產可能仍可於本集團之收回程序下被強制執行。撇銷構成終止確認事件。任何其後收回款項於損益確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2)*  
(continued)

- (v) Measurement and recognition of ECL
- The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the aging basis:

- Past-due status; and
- Nature, size and industry of debtor.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

### 3. 主要會計政策(續)

**金融工具**(續)

**金融資產**(續)

金融資產減值(根據附註2之過渡條文應用國際財務報告準則第9號後)  
(續)

- (v) 預期信貸虧損之計量及確認
- 預期信貸虧損之計量為違約概率、違約虧損率(即違約時之虧損大小)及違約風險敞口之函數。違約概率及違約虧損率乃按經前瞻性資料調整之過往數據進行評估。預期信貸虧損之估計為無偏概率加權平均金額,以各自發生違約的風險為權重確定。

一般而言,預期信貸虧損為根據合約應付本集團的所有合約現金流與本集團預期將收取的所有現金流量之間的差額,並按初步確認時釐定的實際利率貼現。

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況,則金融工具按以下基準歸類:

- 逾期狀況;及
- 債務人的性質、規模及行業。

歸類由管理層定期檢討,以確保各組別之組成項目繼續具有相似之信貸風險特性。

利息收入乃按金融資產之總賬面值計算,惟金融資產已出現信貸減值除外,在該情況下,利息收入乃按金融資產之攤銷成本計算。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial assets** (continued)

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2)*  
(continued)

(v) Measurement and recognition of ECL (continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables, prepayments, deposits and other receivables where the corresponding adjustment is recognised through a loss allowance account.

#### **Financial liabilities and equity instruments**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Group's financial liabilities are classified into either financial liabilities at FVTPL or financial liabilities at amortised cost.

### 3. 主要會計政策(續)

**金融工具**(續)

**金融資產**(續)

金融資產減值(根據附註2之過渡條文應用國際財務報告準則第9號後)  
(續)

(v) 預期信貸虧損之計量及確認  
(續)

本集團透過調整所有金融工具之賬面值於損益確認該等金融工具之減值收益或虧損，惟貿易應收賬款及應收票據、預付款項、按金及其他應收款項乃透過虧損撥備賬確認相應調整除外。

#### **金融負債及股本工具**

集團實體發行的債務及股本工具均按所訂立合約安排的內容及金融負債與股本工具的釋義分類為金融負債或股本。

本集團的金融負債分類為按公平值計入損益的金融負債或以攤銷成本計量的金融負債。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial liabilities and equity instruments**

(continued)

*Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9/IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised directly in profit or loss. Fair value is determined in the manner described in note 37.

### 3. 主要會計政策(續)

**金融工具(續)**

**金融負債及股本工具(續)**

*按公平值計入損益的金融負債*

倘金融負債為持作買賣或於初次確認時指定為按公平值計入損益，金融負債則會分類為按公平值計入損益。

倘若出現下列情況，金融負債則會分類為持作買賣：

- 主要為於近期購回而收購；或
- 於初次確認時，其為本集團聯合管理的已識別金融工具組合的一部分，而具備於近期實際短期獲利的模式；或
- 其為非指定及非有效作為對沖工具的衍生工具。

金融負債(持作買賣的金融負債除外)可於下列情況下於初次確認時指定為按公平值計入損益：

- 該指定可以消除或大幅減少計量或確認方面原應產生的不一致性；或
- 該金融負債構成一組金融資產或金融負債或兩者的一部分，而根據本集團制定的風險管理或投資策略，該項金融負債的管理及績效乃以公平值基準進行評估，且有關分組的資料乃按該基準向內部提供；或
- 其構成包含一項或多項嵌入式衍生工具合約的一部分，而國際財務報告準則第9號／國際會計準則第39號允許將整個組合合約指定為按公平值計入損益。

按公平值計入損益的金融負債按公平值計量，因重新計量產生的任何收益或虧損直接於損益內確認。公平值按附註37所述的方式釐定。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial liabilities and equity instruments**

(continued)

*Financial liabilities at amortised cost*

Financial liabilities including trade and bills payables, deposit received, other payables and accruals and short term borrowings are subsequently measured at amortised cost, using the effective interest method.

Interest expense is recognised on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

**Derecognition**

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### 3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

*以攤銷成本計量的金融負債*

金融負債(包括應付貿易賬款及應付票據、已收按金、其他應付款項及應計費用及短期借貸)其後採用實際利率法按攤銷成本計量。

利息開支按實際利率基準確認，惟分類為按公平值計入損益的金融負債除外，其利息開支已包含在淨收益或淨虧損。

*股本工具*

股本工具指任何可證明扣減所有負債後的本集團資產剩餘權益的合約。本集團發行的股本工具按已收所得款項(扣除直接發行成本)確認。

**終止確認**

金融資產僅於自資產收取現金流量的合約權利屆滿，或將金融資產及其擁有權的絕大部份風險及回報轉移至另一實體時終止確認。倘本集團並無轉移亦無保留擁有權的絕大部份風險及回報，並繼續控制已轉讓資產，本集團會繼續將資產確認入賬，條件為須繼續涉及該項資產，並確認相關負債。倘本集團保留已轉讓金融資產擁有權的絕大部份風險及回報，本集團會繼續確認該金融資產，亦會就已收取的款項確認已抵押借貸。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Financial instruments (continued)

##### Derecognition (continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 終止確認(續)

於終止確認整項金融資產時，資產賬面值與已收及應收代價，及已於其他全面收入中確認並於權益中累計的累計收益或虧損的總和之間的差額，將於損益內確認。

於且僅於本集團的債務獲解除、取消或屆滿時，金融負債會終止確認。終止確認金融負債賬面值與已付及應付代價之間的差額於損益內確認。

##### 撥備及或然負債

倘本集團因過往事件而承擔現有責任(法定或推定)，而本集團可能須履行該項責任，且有關責任涉及之金額能可靠估計時則會確認撥備。撥備按於呈報期末對履行現有責任(經計及與責任相關之風險及不確定因素)所需代價之最佳估計計量。倘使用現金流量法估計清償現有責任而計量撥備，其賬面值為該等現金流量的現值(倘時間價值影響屬重大)。

倘不大可能需要付出經濟利益，或其數額無法可靠估計，則責任須披露為或然負債，除非付出經濟利益的可能性極低則另作別論。潛在責任，其存在僅能以一個或數個未來事項的發生或不發生予以證實，除非付出經濟利益的可能性極低，否則有關責任亦披露為或然負債。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Equity-settled share-based payment transactions

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in share options reserve.

At the end of the reporting period, the Group revises its estimates of the number of share options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits/ (accumulated losses).

### 3. 主要會計政策(續)

#### 按股權結算以股份為基礎的付款

就須符合指定歸屬條件而授出購股權而言，所獲服務的公平值乃參考所授出購股權於授出日期的公平值而釐定，並按直線基準於歸屬期內支銷，而購股權儲備亦相應增加。

於呈報期末，本集團對預期最終歸屬的購股權的估計數目進行修訂。修訂最初估計的影響(如有)於損益內確認，以致累計開支反映經修訂估計，並對購股權儲備作出相應調整。就於授出日期即時歸屬之購股權而言，所授出購股權之公平值乃即時於損益支銷。

購股權獲行使時，先前於購股權儲備已確認的金額將轉撥至股份溢價。當購股權於歸屬日期獲沒收，或於屆滿日期仍未獲行使，先前於購股權儲備確認的金額將轉撥至保留溢利/(累計虧損)。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
  - (a) has control or joint control over the Group;
  - (b) has significant influence over the Group; or
  - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
  - (a) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (b) 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).
  - (c) Both entities are joint ventures of the same third party.
  - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (f) The entity is controlled or jointly controlled by a person identified in (i).
  - (g) A person identified in (i)(a) 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).
  - (h) 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 family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

### 3. 主要會計政策(續)

#### 關聯方

- (i) 倘符合以下情況，即該人士或該人士之近親家庭成員與本集團有關聯：
  - (a) 控制或共同控制本集團；
  - (b) 對本集團有重大影響力；或
  - (c) 為本集團或本集團母公司主要管理層成員。
- (ii) 倘符合下列任何條件，即該實體與本集團有關聯：
  - (a) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
  - (b) 一間實體為另一實體之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)。
  - (c) 實體均為同一第三方之合營企業。
  - (d) 一間實體為第三方實體之合營企業而另一實體則為該第三方實體之聯營公司。
  - (e) 實體為本集團或與本集團有關聯之實體就僱員福利設立之離職後僱員福利計劃。
  - (f) 實體受(i)所識別人士控制或共同控制。
  - (g) (i)(a)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。
  - (h) 實體或屬實體其中一部分之集團任何成員公司向集團或集團母公司提供主要管理人員服務。

某人士之近親家庭成員指彼等與該實體交易時預期可影響該人士或受該人士影響之家庭成員。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, that are not readily apparent for other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

### 4. 重大會計判斷及估計不確定因素主要來源

於應用本集團的會計政策(如附註3所述)時,本公司董事須就未能從其他來源獲得的資產及負債金額作出判斷、估計及假設。估計及相關假設根據過往經驗及被認為有關的其他因素作出。實際結果或會與該等估計不同。

該等估計及相關假設會持續地獲檢討。如有關修訂只影響作出修訂的期間,則會於期間內確認會計估計的修訂,或如有關修訂影響本期間及往後期間,則會於作出修訂期間及往後期間確認會計估計的修訂。

#### 應用會計政策的重大判斷

以下為本公司董事於應用本集團的會計政策過程中所作出的重大判斷(涉及估計者除外,見下文),而該等判斷對已在綜合財務報表中確認的數額及作出的披露有最重大影響。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Critical judgements in applying accounting policies (continued)

#### Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Certain properties of the Group comprise a portion that is held to earn rentals and another portion that is held for use in the supply of goods and for administrative purposes. As the portion that is held to earn rentals is small and could not be sold separately and the portion that is held for use in supply of goods and for administrative purposes is significant, the properties are not classified as investment properties.

#### Withholding taxes arising from the distributions of dividends

The Group's determination as to whether to accrue for withholding taxes from the distribution of dividends from a subsidiary in the PRC according to the relevant tax jurisdiction is subject to judgement on the timing of the payment of the dividend, where the Group considered that if it is probable that the profits of the subsidiary in the PRC will not be distributed in the foreseeable future, then no withholding taxes should be provided.

### 4. 重大會計判斷及估計不確定因素主要來源(續)

#### 應用會計政策的重大判斷(續)

#### 投資物業及自用物業的分類

本集團會釐定一項物業是否屬於投資物業，並已制定決定分類的條件。投資物業為持作賺取租金或資本增值或以上兩用途的物業。因此，本集團會衡量物業所產生現金流量是否獨立於本集團持有的其他資產。若干物業包括持作賺取租金或資本增值以及用作提供貨品及服務或行政用途的另一部分。倘該等物業部分能獨立出售或根據融資租約獨立出租，則本集團會將各個相關部分分別入賬。倘該等部分不能獨立出售而持作提供貨品及服務或行政用途的部分並不重大，則該等物業方視為投資物業。本集團會獨立衡量個別物業，以釐定一項物業的配套服務是否重要致使其不合資格分類作投資物業。

本集團若干物業包括持作賺取租金以及持作提供貨品及行政用途的部分。由於持作賺取租金的物業部分不重大，且不能單獨出售，而持作提供貨品及行政用途的物業部分較重大，因此該等物業並非歸類為投資物業。

#### 股息分派產生的預扣稅

本集團釐定是否須根據相關稅法為中國附屬公司所分派的股息計提應計預扣稅時，須判斷支付股息的時間。倘本集團認為可見將來不會有中國附屬公司的溢利分派，則不會作出預扣稅撥備。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Key sources of estimation uncertainty

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

#### Useful lives and impairment of property, plant and equipment

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

The Group assesses whether there are any indicators of impairment for property, plant and equipment at the end of each reporting period. Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### 4. 重大會計判斷及估計不確定因素主要來源(續)

#### 估計不確定因素的主要來源

以下為於呈報期末，極可能導致下一個財政年度期間資產及負債的賬面值須作出重大調整的有關未來的主要假設及估計之不確定因素的其他主要來源。

#### 物業、廠房及設備的可使用年期及減值

本集團釐定物業、廠房及設備的估計可使用年期及相關折舊開支。該等估計乃基於性質及功能相若的物業、廠房及設備過往的實際可使用年期記錄而作出。管理層會修訂可使用年期與之前估計相異的項目的折舊開支，並撇銷或撇減技術已過時或非策略性質的已棄用或已出售資產。

本集團於各呈報期末評估物業、廠房及設備有否出現任何減值跡象。物業、廠房及設備於有跡象顯示可能無法收回賬面值時測試減值。倘資產或現金產生單位之賬面值高於其可收回金額(即公平值減銷售成本與使用價值兩者之較高者)，即表示出現減值。公平值減銷售成本乃以可取得之類似資產公平交易中具約束力之銷售交易數據，或可觀察市場價格減出售資產所帶來之成本計算。計算使用價值時，管理層必須估算資產或現金產生單位之估計未來現金流量，並選用適當之貼現率，以計算該等現金流量之現值。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Key sources of estimation uncertainty (continued)

#### Useful lives and impairment of property, plant and equipment (continued)

As at 31 December 2018, the carrying amount of property, plant and equipment was approximately RMB51,415,000 (2017: RMB41,416,000). The directors of the Company consider that no impairment loss is recognised in respect of property, plant and equipment during the years ended 31 December 2018 and 2017.

#### Impairment of intangible assets

Intangible asset is tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to impairment loss. The recoverable amount is the value-in-use. The value-in-use calculation requires the directors of the Company to estimate the future cash flows expected to arise from the relevant cash generating unit and a suitable discount rate is used in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss/further impairment loss may arise.

As at 31 December 2018, the carrying amount of the Group's intangible asset was approximately RMB364,246,000 (2017: RMB636,981,000), net of impairment loss of approximately RMB195,120,000 (2017: RMB537,286,000).

### 4. 重大會計判斷及估計不確定因素主要來源(續)

#### 估計不確定因素的主要來源(續)

#### 物業、廠房及設備的可使用年期及減值(續)

於二零一八年十二月三十一日，物業、廠房及設備的賬面值約為人民幣51,415,000元(二零一七年：人民幣41,416,000元)。本公司董事認為，截至二零一八年及二零一七年十二月三十一日止年度，概無就物業、廠房及設備確認減值虧損。

#### 無形資產的減值

倘有跡象顯示無形資產的賬面值可能無法收回及有關資產蒙受減值虧損，則對該等資產進行減值測試。可收回金額即使用價值。計算使用價值時，本公司董事須估計預期從有關現金產生單位所得之未來現金流量，並選用合適的貼現率以計算現值。倘未來實際現金流量較預期為少，或事實及情況有變以致未來現金流量向下調整，則可能產生重大減值虧損／進一步減值虧損。

於二零一八年十二月三十一日，本集團無形資產的賬面值扣除減值虧損約人民幣195,120,000元(二零一七年：人民幣537,286,000元)後約為人民幣364,246,000元(二零一七年：人民幣636,981,000元)。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Key sources of estimation uncertainty (continued)

##### Allowance for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market conditions and the historical experience of selling merchandise of a similar nature. It could change significantly as a result of changes in customer taste or competitor actions. The Group reassesses these estimates at the end of the reporting period. As at 31 December 2018, the carrying amount of inventories was approximately RMB40,556,000 (2017: RMB36,227,000), net of allowance for write-down inventories of approximately RMB4,361,000 (2017: RMB4,907,000).

##### Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings and/or past due analysis as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and bills receivables are disclosed in note 38 and note 19.

### 4. 重大會計判斷及估計不確定因素主要來源(續)

#### 估計不確定因素的主要來源(續)

##### 存貨撥備

存貨按成本與可變現淨值之較低者列賬。存貨的可變現淨值為日常業務過程中的估計售價減估計銷售開支。該等估計乃基於現時市況及過往銷售同類性質商品的經驗而作出，並會因客戶喜好的變化或競爭對手的行動而出現重大改變。本集團於呈報期末重估該等估計。於二零一八年十二月三十一日，存貨的賬面值扣除存貨撇減撥備約人民幣4,361,000元(二零一七年：人民幣4,907,000元)後約為人民幣40,556,000元(二零一七年：人民幣36,227,000元)。

##### 應收貿易賬款預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款的預期信貸損失。撥備率基於將具有類似損失模式的各種債務人分組確定的內部信用評級及／或預期分析計算。撥備矩陣基於本集團的歷史違約率，並考慮無需付出不必要的成本或努力而可獲得的合理且可支持的前瞻性信息。在每個報告日期，本集團會重新評估歷史觀測到的違約率，並考慮前瞻性信息的變化。此外，本集團會單獨評估具有重大結餘和信用減值的應收貿易賬款的預期信貸損失。

預期信貸虧損撥備對估計的變化比較敏感。有關預期信貸虧損以及本集團應收貿易賬款及應收票據的資料分別於附註38和附註19披露。

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### Key sources of estimation uncertainty (continued)

##### Valuation of convertible notes

As described in note 26 to the consolidated financial statements, the convertible notes are measured at fair values. The Group engaged independent firms of professionally qualified valuers to assist in determining the fair value of convertible notes. The fair value of the convertible notes is determined using the binomial model. The significant inputs into the model included risk-free interest rate, conversion price/exercise price, stock price, expected volatility, expected life and expected dividend yield. When the actual results of the inputs differ from management's estimate, it will have an impact on the fair value gain or loss and the fair value of the convertible notes.

##### Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 3. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2018, the best estimate of the carrying amount of deferred development costs was RMB27,806,000 (2017: RMB32,935,000). Further details are included in note 17.

##### Provision for contingent considerations of acquisitions

Acquisition of intangible assets has involved post-acquisition performance-based contingent considerations. The Group recognise the fair value of those contingent considerations for acquisitions, as of their respective acquisition dates as part of the consideration transferred in exchange for the acquired intangible assets. These fair value measurements require, among other things, significant estimation of post-acquisition performance of the acquired intangible assets and significant judgement on time value of money. Contingent considerations shall be remeasured at their fair value resulting from events or factors emerging after the acquisition date, with any resulting gain or loss recognised in the consolidated profit and loss account.

#### 4. 重大會計判斷及估計不確定因素主要來源(續)

##### 估計不確定因素的主要來源(續)

##### 可換股票據的估值

根據綜合財務報表附註26所述，可換股票據按公平值計量。本集團已聘請獨立專業合資格估值公司協助釐定可換股票據的公平值。可換股票據的公平值運用二項模式釐定。該模式所用的主要數據包括無風險利率、換股價／行使價、股價、預期波幅、預期年期及預期股息收益率。倘該等數據的實際結果與管理層的預測有別，則會影響可換股票據的公平值收益或虧損及其公平值。

##### 開發成本

開發成本就附註3所載研發成本根據會計政策資本化。釐定將予資本化的金額需要管理層對下述事項作出假設：該資產預計將來可產生的現金收益、使用的折現率及預計受益期間。於二零一八年十二月三十一日，遞延開發成本的最佳賬面值估計為人民幣27,806,000（二零一七年：人民幣32,935,000元）。進一步之詳情載於附註17。

##### 收購的或然代價撥備

收購無形資產涉及收購後以表現為基礎的或然代價。本集團於各收購日期將收購的有關或然代價之公平值確認為所轉撥代價的一部分，以交換所收購的無形資產。該等公平值計量需要（其中包括）對所收購無形資產的收購後表現作出重大估計及對貨幣時間價值作出重大判斷。或然代價將按收購日期後因有關事件或因素而產生的公平值重新計量，所產生的任何收益或虧損於綜合損益賬內確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

**Key sources of estimation uncertainty (continued)**

**Provision for contingent considerations of acquisitions (continued)**

The contingent consideration reflects a specified multiple of the post-acquisition profitability of the acquired intangible assets. Consequently, the actual additional consideration payable will vary according to the future performance generated from the intangible assets, and the liabilities provided reflect estimates of such future performances.

Due to the variety of bases of determination, it is not practicable to provide any meaningful sensitivity in relation to the critical assumptions concerning future profitability of the acquired intangible assets and the potential impact on the gain or loss on remeasurement of contingent consideration payables.

### 5. SEGMENT INFORMATION

Information reported to the directors of the Company, being the CODM, for the purposes of resource allocation and assessment of segment performance, focuses on types of goods or services delivered or provided. Specifically, the Group's reportable and operating segments are as follows:

- (a) the Boree branded products segment manufactures and sells Boree branded slippers, sandals and casual footwear ("Boree Products");
- (b) the Graphene-based products segment applied the technology know-how by applying graphene in the production of graphene-based ethylene-vinyl acetate ("EVA") foam material ("Graphene-based EVA Foam Material") and slippers ("Graphene-based Slippers"), and graphene deodorizing and sterilizing chips for air purifiers and air conditioners ("Sterilizing Chips") (collectively as "Graphene-based Products"); and
- (c) the Original Equipment Manufacturer ("OEM") segment produces slippers for branding and resale by others.

### 4. 重大會計判斷及估計不確定因素主要來源(續)

**估計不確定因素的主要來源(續)**

**收購的或然代價撥備(續)**

或然代價反映所收購無形資產之收購後盈利能力的指定倍數。因此，實際額外應付代價將視乎無形資產所產生之未來表現而變化，及已計提撥備的負債反映有關未來表現的估計。

由於釐定基準的多樣化，就涉及所收購無形資產的未來盈利能力及對應付或然收購代價重新計量的收益或虧損的可能影響作出任何具有意義的敏感度分析實不可行。

### 5. 分部資料

向本公司董事，即主要經營決策者，呈報以供資源分配及評估分部表現的資料乃集中於所交付或所提供的貨品或服務類別。具體而言，本集團的可呈報及經營分部如下：

- (a) 寶人牌產品分部生產及出售寶人牌拖鞋、涼鞋及休閒鞋(「寶人牌產品」)；
- (b) 石墨烯產品分部使用技術知識將石墨烯應用於生產石墨烯乙烯-醋酸乙烯共聚物(「EVA」)發泡材料(「石墨烯EVA發泡材料」)及拖鞋(「石墨烯拖鞋」)，以及用於空氣淨化器和空調的石墨烯除臭及殺菌芯片(「殺菌芯片」)(統稱為「石墨烯產品」)；及
- (c) 原設備製造商(「OEM」)分部生產品牌拖鞋以供轉售。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

CODM monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted result before tax.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. The segment profit or loss represents the profit earned by or loss from each segment without allocation of interest income, other unallocated net income and gains, amortisation of intangible assets, impairment loss on intangible assets and non-current assets held for sale, fair value change on convertible notes and provision for contingent consideration at FVTPL, gain on derecognition of warrants at FVTPL, finance costs as well as corporate and other unallocated expenses.

Segment assets exclude property, plant and equipment, prepaid land lease payments, intangible assets, raw materials, work in progress, prepayments, deposits and other receivables, pledged deposits, cash and bank balances and assets classified as held for sale as these assets are managed on a group basis.

Segment liabilities exclude trade and bills payables, certain other payables and accruals, short term borrowings, convertible notes, income tax payable, deferred tax liability and provision for contingent consideration as these liabilities are managed on a group basis.

### 5. 分部資料(續)

主要經營決策者獨立監察本集團各經營分部的業績，以便決定資源分配及評估表現。分部表現按可呈報分部業績評估，亦會用於計量經調整除稅前業績。

經營分部之會計政策與附註3所述之本集團會計政策一致。分部溢利或虧損指各分部賺取的溢利或產生的虧損，惟並無分配利息收入、其他未分配收入及收益淨額、無形資產攤銷、無形資產及持有待售非流動資產減值虧損、按公平值計入損益之可換股票據及或然代價撥備之公平值變動、按公平值計入損益之認股權證之終止確認收益、融資成本以及企業及其他未分配開支。

由於物業、廠房及設備、預付土地租金、無形資產、原材料、在製品、預付款項、按金及其他應收款項、已質押存款、現金及銀行結餘和分類為持有待售的資產均為按集團層面管理的資產，故不計入分部資產。

由於應付貿易賬款及應付票據、部份其他應付款項及應計費用、短期借貸、可換股票據、應付所得稅項、遞延稅項負債及或然代價撥備均為按集團層面管理的負債，故不計入分部負債。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

#### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

Year ended 31 December 2018

### 5. 分部資料(續)

#### 分部收益及業績

以下為按可呈報及經營分部劃分本集團的收益及業績分析。

截至二零一八年十二月三十一日止年度

		Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Segment revenue</b>	<b>分部收益</b>				
Sales to external customers	向外界客戶銷售	3,463	4,510	156,507	164,480
<b>Segment results</b>	<b>分部業績</b>	(550)	537	29,451	29,438
<i>Reconciliation:</i>	<i>對賬:</i>				
Interest income	利息收入				61
Other unallocated net income and gains	其他未分配收入及收益淨額				2,488
Impairment loss on trade receivables from sales of goods	銷售商品產生之應收貿易賬款減值虧損				(3,718)
Corporate and other unallocated expenses	企業及其他未分配開支				(51,264)
Amortisation of intangible assets	無形資產攤銷				(77,640)
Impairment loss on intangible assets	無形資產減值虧損				(195,120)
Fair value loss on convertible notes at FVTPL	按公平值計入損益之可換股票據之公平值損失				(17,797)
Fair value gain on provision for contingent consideration at FVTPL	按公平值計入損益之或然代價撥備之公平值收益				43,533
Finance costs	融資成本				(5,862)
Loss before tax	除稅前虧損				(275,881)

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

#### Segment revenues and results (continued)

Year ended 31 December 2017

### 5. 分部資料(續)

#### 分部收益及業績(續)

截至二零一七年十二月三十一日止年度

		Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Segment revenue</b>	<b>分部收益</b>				
Sales to external customers	向外界客戶銷售	3,517	2,130	119,854	125,501
<b>Segment results</b>	<b>分部業績</b>	(1,431)	(14)	21,003	19,558
<i>Reconciliation:</i>	<i>對賬:</i>				
Interest income	利息收入				83
Other unallocated net income and gains	其他未分配收入及收益淨額				1,608
Reversal of impairment loss on trade receivables from sales of goods	銷售商品產生之應收貿易賬款減值虧損撥回				737
Corporate and other unallocated expenses	企業及其他未分配開支				(40,544)
Amortisation of intangible assets	無形資產攤銷				(128,261)
Impairment loss on intangible assets	無形資產減值虧損				(537,286)
Impairment loss on non-current assets held for sale	持有待售非流動資產減值虧損				(23,244)
Fair value gain on convertible notes at FVTPL	按公平值計入損益之可換股票據之公平值收益				50,002
Gain on derecognition of warrants at FVTPL	按公平值計入損益之認股權證之終止確認收益				5,067
Fair value gain on provision for contingent consideration at FVTPL	按公平值計入損益之或然代價撥備之公平收益				219,888
Finance costs	融資成本				(6,050)
Loss before tax	除稅前虧損				(438,442)

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Year ended 31 December 2018

		Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Segment assets</b>	<b>分部資產</b>	<b>1,580</b>	<b>461</b>	<b>55,716</b>	<b>57,757</b>
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	企業及其他未分配資產				<b>486,902</b>
Assets classified as held for sale	分類為持有待售的資產				<b>26,000</b>
Total assets	資產總額				<b>570,659</b>
<b>Segment liabilities</b>	<b>分部負債</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	企業及其他未分配負債				<b>256,417</b>
Total liabilities	負債總額				<b>256,717</b>

### 5. 分部資料(續)

#### 分部資產及負債

以下為按可呈報及經營分部劃分本集團的資產及負債分析：

截至二零一八年十二月三十一日止年度

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 5. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities (continued)

Year ended 31 December 2017

### 5. 分部資料(續)

#### 分部資產及負債(續)

截至二零一七年十二月三十一日止年度

		Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Segment assets</b>	<b>分部資產</b>	1,885	4,457	33,574	39,916
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	企業及其他未分配資產				749,804
Assets classified as held for sale	分類為持有待售的資產				26,000
<b>Total assets</b>	<b>資產總額</b>				<b>815,720</b>
<b>Segment liabilities</b>	<b>分部負債</b>	300	-	-	300
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	企業及其他未分配負債				402,007
<b>Total liabilities</b>	<b>負債總額</b>				<b>402,307</b>



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

#### Other segment information

Year ended 31 December 2018

	Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
--	--	---	-------------------------	---------------------------------

Included in arriving at segment profit/(loss) are:	釐定分部溢利／(虧損)時已計入：			
(Reversal of impairment loss)/ impairment loss on trade receivables from sales of goods	銷售商品產生之應收貿易賬款(減值虧損撥回)／減值虧損	(278)	41	3,955
Reversal of write-down of inventories	存貨撇減撥回	(546)	-	-
				<b>3,172</b>

Year ended 31 December 2017

截至二零一七年十二月三十一日止年度

	Boree Products 寶人牌 產品 RMB'000 人民幣千元	Graphene- based Products 石墨烯 產品 RMB'000 人民幣千元	OEM RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
--	--	---	-------------------------	---------------------------------

Included in arriving at segment profit/(loss) are:	釐定分部溢利／(虧損)時已計入：			
(Reversal of impairment loss)/ impairment loss on trade receivables from sales of goods	銷售商品產生之應收貿易賬款(減值虧損撥回)／減值虧損	56	-	(793)
Write-down of inventories	存貨撇減	98	-	98
				<b>(639)</b>

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 5. SEGMENT INFORMATION (continued)

#### Geographical information

##### (a) Revenue from external customers

PRC (principal place of operations)  
United States of America ("US")  
South America  
Europe  
South East Asia  
Other countries

中國(主要營運地點)  
美利堅合眾國(「美國」)  
南美洲  
歐洲  
東南亞  
其他國家

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

10,449  
147,314  
590  
1,730  
1,128  
3,269

5,664  
109,394  
551  
2,058  
2,353  
5,481

164,480 125,501

The revenue information above is based on the locations of the customers.

以上收益資料乃基於客戶位置劃分。

##### (b) Non-current assets

PRC (principal place of operations)

中國(主要營運地點)

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

441,881 705,345

The non-current assets information above is based on the locations of the assets.

以上非流動資產資料乃基於資產位置劃分。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (continued)

#### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

Customer A	客戶A
Customer B*	客戶B*
Customer C*	客戶C*

\* Revenue from Customers B and C contributed less than 10% of the total sales of the Group for the year ended 31 December 2017.

The Group's major customers are in the OEM segment.

### 5. 分部資料(續)

#### 主要客戶的資料

於相關年度，來自客戶之收益佔本集團總銷售額10%以上者如下：

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
-----------------------------------	-----------------------------------

94,663	75,643
19,034	4,370
16,446	2,038

\* 來自客戶B及C之收益佔本集團截至二零一七年十二月三十一日止年度總銷售額少於10%。

本集團主要客戶來自OEM分部。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 6. REVENUE, OTHER NET INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other net income and gains is as follows:

### 6. 收益、其他收入及收益淨額

收益亦即本集團的營業額，相當於已扣除退貨及貿易折扣撥備的已售貨品發票淨額。

收益、其他收入及收益淨額的分析如下：

		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
<b>Revenue</b>	<b>收益</b>		
Manufacture and sale of goods	生產及銷售貨品	164,480	125,501
<b>Other net income and gains</b>	<b>其他收入及收益淨額</b>		
Interest income	利息收入	61	83
Sales of scrap materials	銷售廢料	591	300
Sales of semi-products	銷售半成品	115	54
Sales of gas emission quota	銷售廢氣排放配額	–	412
Rental income	租金收入	315	382
Subsidy income*	補貼收入*	1,446	450
Others	其他	21	10
		<b>2,549</b>	<b>1,691</b>

\* There are no unfulfilled conditions or contingencies relating to these subsidies.

\* 並無有關該等補貼的未達成條件或或然情況。

### 7. FINANCE COSTS

### 7. 融資成本

		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
Interest on loans	貸款利息	5,862	6,050



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/ (crediting) the following items:

### 8. 除稅前虧損

本集團的除稅前虧損已扣除/(計入)以下項目：

		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
Cost of inventories sold*	已售存貨成本*	125,575	96,896
Depreciation*	折舊*	6,001	6,467
Amortisation of prepaid land lease payments	預付土地租金攤銷	731	845
Amortisation of intangible assets	無形資產攤銷	77,640	128,261
Minimum lease payments under operating leases in respect of land and buildings*	根據土地及樓宇經營租約的最低租金付款*	1,863	867
Employee benefit expenses (including directors' remuneration - note 9)*:	僱員福利開支(包括董事酬金-附註9)*:		
Wages and salaries	工資及薪金	52,391	42,578
Equity-settled share based payments	按股權結算以股份為基礎的付款	15,205	5,411
Staff welfares	僱員福利	1,210	934
Contributions to retirement benefits schemes	退休福利計劃供款	2,305	3,126
		<b>71,111</b>	52,049
Auditors' remuneration:	核數師酬金:		
Audit service	審計費用	1,332	920
Non-audit service	非審計費用	-	251
		<b>1,332</b>	1,171
Impairment loss on intangible assets	無形資產減值虧損	195,120	537,286
Impairment loss on non-current assets held for sale	持有待售非流動資產減值虧損	-	23,244
Impairment loss/(reversal of Impairment loss) on trade receivables from sales of goods	銷售商品產生之應收貿易賬款減值虧損/(減值虧損撥回)	3,718	(737)
(Reversal of write-down)/write-down of inventories	存貨(撇減撥回)/撇減	(546)	98
Loss on disposals of items of property, plant and equipment	出售物業、廠房及設備項目虧損	167	162
Exchange loss, net	匯兌損失淨額	579	877
Research and development costs**	研發成本**	8,233	6,358

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 8. LOSS BEFORE TAX (continued)

\* The cost of inventories sold for the year ended 31 December 2018 includes RMB35,819,000 (2017: approximately RMB28,677,000) relating to direct staff costs, depreciation of manufacturing facilities and operating lease payments in respect of land and buildings, which are also included in the respective total amounts disclosed above for each of these types of expenses.

\*\* The research and development costs are included in "General and administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

### 8. 除稅前虧損(續)

\* 截至二零一八年十二月三十一日止年度已售存貨成本包括約人民幣35,819,000元(二零一七年:人民幣28,677,000元)的直接僱員成本、生產設施折舊以及土地及樓宇經營租約付款,此等項目亦已計入上文所披露各類開支的相關總額。

\*\* 研發成本已計入綜合損益及其他全面收益表的「一般及行政開支」。

### 9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executives' remuneration for the years, disclosed pursuant to the applicable Listing Rules, the Hong Kong Companies Ordinance and Companies (Disclosure of information about benefits of directors) Regulations (Cap. 622G), are as follows:

### 9. 董事及主要行政人員酬金

根據適用上市規則、香港公司條例及公司(披露董事利益資料)規例(第622G章)所披露的年度董事及主要行政人員酬金如下:

		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
Fees (note a) & (note b)	袍金(附註a)及(附註b)	543	554
Other emoluments:	其他酬金:		
– Salaries, allowances and benefits in kind (note c)	– 薪金、津貼及實物福利(附註c)	1,281	1,315
– Contributions to retirement benefits schemes (note c)	– 退休福利計劃供款(附註c)	30	32
– Equity-settled share based payments	– 按股權結算以股份為基礎的付款	492	797
		<b>2,346</b>	<b>2,698</b>

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (continued)

Notes

#### (a) Independent non-executive directors

The fees paid or payable to independent non-executive directors during the current year are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Ms. An Na	安娜女士	170	175
Professor Zhao Jinbao	趙金保教授	102	103
Mr. Chen Shaohua	陳少華先生	169	173
		<b>441</b>	<b>451</b>

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

#### (b) Non-executive director

The fees paid or payable to non-executive director during the current year are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Ms. Lin Weihuan	林煒歡女士	102	103

There were no other emoluments payable to the non-executive director during the year (2017: Nil).

### 9. 董事及主要行政人員酬金(續)

附註

#### (a) 獨立非執行董事

本年度已付或應付獨立非執行董事的袍金如下:

		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
		170	175
		102	103
		169	173
		<b>441</b>	<b>451</b>

年內，並無應付獨立非執行董事的其他酬金(二零一七年:無)。

#### (b) 非執行董事

本年度已付或應付非執行董事的袍金如下:

		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
		102	103

年內並無應付非執行董事的其他酬金(二零一七年:無)。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (continued)

Notes (continued)

#### (c) Executive directors and chief executive officer

	Fees	Salaries, allowances and benefits in kind	Equity-settled share based payments	Contributions to retirement benefits schemes	Total
	袍金	薪金、津貼及實物福利	按股權結算以股份為基礎的付款	退休福利計劃供款	總額
	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
<b>Year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>				
Mr. Zheng Jingdong <sup>1</sup>	-	553	492	15	1,060
Mr. Leung Tsz Chung	-	728	-	15	743
	-	1,281	492	30	1,803

	Fees	Salaries, allowances and benefits in kind	Equity-settled share based payments	Contributions to retirement benefits schemes	Total
	袍金	薪金、津貼及實物福利	按股權結算以股份為基礎的付款	退休福利計劃供款	總額
	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
<b>Year ended 31 December 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>				
Mr. Zheng Jingdong <sup>1</sup>	-	564	797	16	1,377
Mr. Leung Tsz Chung	-	751	-	16	767
	-	1,315	797	32	2,144

<sup>1</sup> Mr. Zheng Jingdong has been appointed as the chief executive officer of the Company on 10 May 2013 and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

There was no arrangement under which a director and chief executive officer waived or agreed to waive any remuneration during the year (2017: Nil).

### 9. 董事及主要行政人員酬金(續)

附註(續)

#### (c) 執行董事及行政總裁

<sup>1</sup> 鄭景東先生於二零一三年五月十日獲委任為本公司行政總裁，其上述酬金包括其作為行政總裁所提供服務之酬金。

年內，概無訂立董事及行政總裁放棄或同意放棄任何酬金之安排(二零一七年：無)。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 10. FIVE HIGHEST PAID EMPLOYEES

No director and the chief executive officer during the year included the five highest paid employees (2017: two). Details of the remuneration for the year of the remaining five (2017: three) highest paid employee who is neither a director nor chief executive officer of the Company are as follow:

		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
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,849	1,227
Contributions to retirement benefits scheme	退休福利計劃供款	68	21
Equity-settled share based payments	按股權結算以股份為基礎的付款	5,772	646
		<b>7,689</b>	<b>1,894</b>

The number of non-director and non-chief executive officer, highest paid employees whose remuneration fell within the following bands:

		Number of employees 僱員數目	
		2018 二零一八年	2017 二零一七年
RMB500,001 to RMB1,000,000	人民幣500,001元至人民幣1,000,000元	–	3
RMB1,000,001 to RMB1,500,000	人民幣1,000,001元至人民幣1,500,000元	4	–
RMB1,500,001 to RMB2,000,000	人民幣1,500,001元至人民幣2,000,000元	–	–
RMB2,000,001 to RMB2,500,000	人民幣2,000,001元至人民幣2,500,000元	1	–
		<b>5</b>	<b>3</b>

### 10. 五名最高薪僱員

年內，五名最高薪僱員中沒有為董事及行政總裁(二零一七年：兩名)。本公司其餘五名(二零一七年：三名)非董事及非行政總裁的最高薪僱員於本年度的酬金詳情如下：

酬金介乎以下範圍之非董事及非行政總裁的最高薪僱員人數：

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 11. INCOME TAX CREDIT

### 11. 所得稅抵扣

		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
<b>Current – PRC Enterprise Income Tax</b>	<b>即期 – 中國企業所得稅</b>		
Charge for the year	年內徵稅	700	2,209
Under/(over)-provisions in prior years	過往年度撥備不足/ (超額撥備)	21	(5,281)
Deferred tax	遞延稅項	(1,274)	–
Total tax credit for the year	年內稅項抵扣	(553)	(3,072)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong profits tax has been provided as the Group’s tax losses brought forward from prior years exceeded the assessable profits arising in Hong Kong for the year (2017: Nil). Taxes on profits assessable in the PRC have been calculated at the prevailing rates, based on existing legislation, interpretations and practices in respect thereof.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2017: 25%), except for one of the PRC subsidiaries which has been granted Advanced and New Technology Enterprise status which entitles the subsidiary to a reduced income tax rate at 15% for 2017 and 2018.

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，引入兩級制利得稅率制度。該條例草案於二零一八年三月二十八日獲簽署成為法律，並於翌日在憲報刊登。根據兩級制利得稅率制度，合資格集團實體的首2,000,000港元溢利將按8.25%的稅率徵稅，而超過2,000,000港元的溢利將以16.5%的稅率徵稅。不符合兩級利得稅率制度資格的集團實體的溢利將繼續按16.5%的統一稅率繳稅。

由於本集團自過往年度結轉之稅項虧損超過年內在香港產生的應課稅溢利，故並無作出香港利得稅撥備(二零一七年：無)。中國的應課稅溢利稅項乃根據相關的現行法例、詮釋及常規按適用稅率計算。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，除其中一間已獲授高新技術企業資格的中國附屬公司有權於二零一七年及二零一八年享有15%的較低所得稅稅率外，中國附屬公司的稅率為25%(二零一七年：25%)。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 11. INCOME TAX CREDIT (continued)

The tax credit for the year can be reconciled to the "loss before tax" per consolidated statement of profit or loss and other comprehensive income as below:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss before tax	除稅前虧損	<b>(275,881)</b>	(438,442)
Tax at the applicable tax rates	按適用稅率計算的稅項	<b>(46,428)</b>	(75,336)
Income not subject to tax	毋須課稅收入	<b>(8,738)</b>	(46,612)
Expenses not deductible for tax	不可扣稅開支	<b>55,866</b>	124,157
Under/(over)-provisions in prior years	過往年度撥備不足/ (超額撥備)	<b>21</b>	(5,281)
Tax effect of temporary differences not recognised	未確認暫時性差異之稅項 影響	<b>(1,274)</b>	-
Income tax credit for the year	年內所得稅抵扣	<b>(553)</b>	(3,072)

Pursuant to the income tax law of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate for the withholding tax is 5% (2017: 5%). In estimating the withholding taxes on dividends expected to be distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008, the directors of the Company have made assessment based on the factors which included dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future. No deferred tax liability has been provided for the remaining of such profits of approximately RMB492,201,000 (2017: RMB507,170,000) as the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

### 11. 所得稅抵扣(續)

年內稅項抵扣可與綜合損益及其他全面收益表所呈列的「除稅前虧損」對賬如下：

		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
Loss before tax	除稅前虧損	<b>(275,881)</b>	(438,442)
Tax at the applicable tax rates	按適用稅率計算的稅項	<b>(46,428)</b>	(75,336)
Income not subject to tax	毋須課稅收入	<b>(8,738)</b>	(46,612)
Expenses not deductible for tax	不可扣稅開支	<b>55,866</b>	124,157
Under/(over)-provisions in prior years	過往年度撥備不足/ (超額撥備)	<b>21</b>	(5,281)
Tax effect of temporary differences not recognised	未確認暫時性差異之稅項 影響	<b>(1,274)</b>	-
Income tax credit for the year	年內所得稅抵扣	<b>(553)</b>	(3,072)

根據中國所得稅法，在中國成立的外資企業向外國投資者宣派的股息須繳付10%預扣稅。此項規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者所屬司法權區間訂有稅務條約，則適用的預扣稅稅率可能較低。本集團的適用預扣稅稅率為5% (二零一七年：5%)。估計在中國成立的附屬公司預期就二零零八年一月一日起所賺取盈利分派的股息所須繳納的預扣稅時，本公司董事已基於多項因素作出評估，包括本集團的股息政策及於可見將來本集團營運所需的資金及營運資本水平。本集團並無就該等盈餘溢利約人民幣492,201,000元 (二零一七年：人民幣507,170,000元) 計提遞延稅項負債，乃因本集團可控制撥回暫時差額的時間，且暫時差額於可見未來很可能不會撥回。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 11. INCOME TAX CREDIT (continued)

At 31 December 2018, there were no significant unrecognised deferred tax liabilities (2017: Nil) for withholding taxes that would be payable on the unremitted earnings of the Company's subsidiaries expected to be distributed, after considering the abovementioned factors, in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

At 31 December 2018, the Group has unused tax losses of HK\$1,486,000 (2017: HK\$1,486,000) equivalent to RMB1,254,000 (2017: RMB1,288,000) available for offsetting against future profits, no deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

### 12. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company for the year ended 31 December 2018 includes a loss of approximately RMB255,581,000 (2017: RMB336,521,000) which has been dealt with in the financial statements of the Company (note 40(i)).

The loss of RMB255,581,000 (2017: RMB336,521,000) for the year ended 31 December 2018 included a management fee of RMB46,000 (2017: RMB140,000) to a subsidiary of the Company.

### 13. DIVIDEND

No dividend was proposed for the years ended 31 December 2018 and 2017 and since the end of the reporting period.

### 11. 所得稅抵扣(續)

於二零一八年十二月三十一日，經考慮上述因素後，就可見將來預計分派本公司附屬公司的未匯出盈利的應付預扣稅而言，並無重大未確認遞延稅項負債(二零一七年：無)。

本公司向其股東派付的股息並無附帶所得稅。

於二零一八年十二月三十一日，本集團的未動用稅項虧損1,486,000港元(二零一七年：1,486,000港元)(相當於人民幣1,254,000元)(二零一七年：人民幣1,288,000元)可用於抵銷未來溢利，由於未來溢利流不可預測，並無就有關稅項虧損確認遞延稅項資產。稅項虧損可無限結轉。

### 12. 本公司擁有人應佔虧損

截至二零一八年十二月三十一日止年度，本公司擁有人應佔綜合虧損包括虧損約人民幣255,581,000元(二零一七年：人民幣336,521,000元)，已在本公司財務報表處理(附註40(i))。

截至二零一八年十二月三十一日止年度的虧損人民幣255,581,000元(二零一七年：人民幣336,521,000元)包括支付管理費人民幣46,000元(二零一七年：人民幣140,000元)予本公司一間附屬公司。

### 13. 股息

截至二零一八年及二零一七年十二月三十一日止年度以及自呈報期末以來並無建議派發股息。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 14. LOSS PER SHARE

The calculation of basic loss per share is based on the consolidated loss for the year attributable to owners of the Company of approximately RMB275,328,000 (2017: RMB435,370,000) and the weighted average number of ordinary shares of 1,095,511,663 (2017: 1,084,059,608) in issue during the year.

The weighted average number of ordinary shares used to calculate the basic loss per share for the year ended 31 December 2018 included the 1,084,059,608 ordinary shares in issue as at 1 January 2018, and 220,000,000 ordinary shares issued on 13 December 2018 in respect of conversion of convertible notes.

The weighted average number of ordinary shares used to calculate the basic loss per share for the year ended 31 December 2017 included the 1,084,059,608 ordinary shares in issue as at 1 January 2017 and 31 December 2017.

During the years ended 31 December 2018 and 2017, diluted loss per share does not assume the exercise of the Company's share options and/or convertible notes as the exercise of the Company's share options and/or convertible notes would result in a decrease in loss per share, and is regarded as anti-dilutive.

### 14. 每股虧損

每股基本虧損乃基於本公司擁有人應佔年內綜合虧損約人民幣275,328,000元(二零一七年：人民幣435,370,000元)及年內已發行普通股之加權平均股數1,095,511,663股(二零一七年：1,084,059,608股)計算。

用作計算截至二零一八年十二月三十一日止年度每股基本虧損的普通股之加權平均股數包括於二零一八年一月一日已發行的1,084,059,608股普通股，以及就行使購股權而於二零一八年十二月十三日發行的220,000,000股普通股。

用作計算截至二零一七年十二月三十一日止年度每股基本虧損的普通股之加權平均股數包括於二零一七年一月一日及二零一七年十二月三十一日已發行的1,084,059,608股普通股。

截至二零一八年及二零一七年十二月三十一日止年度，每股攤薄虧損並沒有假設行使本公司的購股權及／或可換股票據，原因是行使本公司的購股權及／或可換股票據將導致每股虧損減少及被視為反攤薄。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Buildings	Plant and machinery	Motor vehicles	Furniture fixtures and office equipment	Leasehold improvements	Construction in progress	Total
		樓宇	廠房及機器	汽車	傢俬、裝置及辦公室設備	租賃裝修	在建工程	總額
		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
Cost:	成本:							
At 1 January 2017	於二零一七年一月一日	72,543	23,007	1,912	6,531	41,141	4,681	149,815
Additions	增加	-	4,360	-	143	632	5,303	10,438
Disposals	出售	-	(375)	(182)	(46)	-	-	(603)
Transfer	轉撥	-	-	-	-	177	(177)	-
Reclassified as held for sale	重分類為持有待售	(27,300)	-	-	-	(25,991)	-	(53,291)
At 31 December 2017	於二零一七年十二月三十一日	45,243	26,992	1,730	6,628	15,959	9,807	106,359
Accumulated depreciation:	累計折舊:							
At 1 January 2017	於二零一七年一月一日	29,563	15,550	1,574	4,641	16,477	-	67,805
Provided during the year	年內撥備	3,265	1,264	114	772	1,052	-	6,467
Eliminated on disposals	出售時撇銷	-	(144)	(173)	(39)	-	-	(356)
Reclassified as held for sale	重分類為持有待售	-	-	-	-	(8,973)	-	(8,973)
At 31 December 2017	於二零一七年十二月三十一日	32,828	16,670	1,515	5,374	8,556	-	64,943
Net carrying amount:	賬面淨值:							
At 31 December 2017	於二零一七年十二月三十一日	12,415	10,322	215	1,254	7,403	9,807	41,416
Cost:	成本:							
At 1 January 2018	於二零一八年一月一日	45,243	26,992	1,730	6,628	15,959	9,807	106,359
Additions	增加	-	3,450	3	767	2,269	10,000	16,489
Disposals	出售	-	(1,618)	(374)	(1)	(10)	-	(2,003)
At 31 December 2018	於二零一八年十二月三十一日	45,243	28,824	1,359	7,394	18,218	19,807	120,845
Accumulated depreciation:	累計折舊:							
At 1 January 2018	於二零一八年一月一日	32,828	16,670	1,515	5,374	8,556	-	64,943
Provided during the year	年內撥備	3,265	1,501	57	667	511	-	6,001
Eliminated on disposals	出售時撇銷	-	(1,158)	(355)	(1)	-	-	(1,514)
At 31 December 2018	於二零一八年十二月三十一日	36,093	17,013	1,217	6,040	9,067	-	69,430
Net carrying amount:	賬面淨值:							
At 31 December 2018	於二零一八年十二月三十一日	9,150	11,811	142	1,354	9,151	19,807	51,415

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 15. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of the lease terms and 20 years
Plant and machinery	10 years
Motor vehicles	5 years
Furniture, fixtures and office equipment	5 years
Leasehold improvements	Over the shorter of the lease terms and 5 years

The Group's buildings are situated in the PRC and are held under medium term leases.

The Group has pledged buildings with a net carrying value of approximately RMB9,150,000 (2017: RMB12,415,000) to secure general banking facilities granted to the Group.

### 15. 物業、廠房及設備(續)

上述物業、廠房及設備項目以下列年率按直線法折舊：

樓宇	租期及20年之較短者
廠房及機器	10年
汽車	5年
傢俬、裝置及辦公室設備	5年
租賃裝修	租期及5年之較短者

本集團的樓宇均位於中國，根據中期租約持有。

本集團已抵押賬面淨值約人民幣9,150,000元(二零一七年：人民幣12,415,000元)的樓宇作為本集團獲授一般銀行融資的擔保。

### 16. PREPAID LAND LEASE PAYMENTS

### 16. 預付土地租金

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	27,685	33,456
Amortisation during the year	年內攤銷	(731)	(845)
Reclassified as held for sale	重分類為持有待售	-	(4,926)
Carrying amount at 31 December	於十二月三十一日的賬面值	26,954	27,685
Less: current portion included in prepayments, deposits and other receivables	減：計入預付款項、按金及其他應收款項的流動部分	(731)	(731)
Non-current portion	非流動部分	26,223	26,954

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 16. PREPAID LAND LEASE PAYMENTS (continued)

The leasehold land is situated in the PRC and the respective prepaid land lease payments are held under medium term leases.

The Group has pledged the land use right with a net carrying amount of approximately RMB26,954,000 (2017: RMB27,685,000) to secure general banking facilities granted to the Group.

### 16. 預付土地租金(續)

租賃土地位於中國且相關預付土地租金是根據中期租約持有。

本集團已抵押賬面淨值約人民幣26,954,000元(二零一七年: 人民幣27,685,000元)的土地使用權作為本集團獲授一般銀行融資的擔保。

### 17. INTANGIBLE ASSETS

### 17. 無形資產

		Technology Know-how 技術知識 (notes a, c) (附註a·c) RMB'000 人民幣千元	O2O distribution vending system O2O分銷售貨系統 (notes b, c) (附註b·c) RMB'000 人民幣千元	Deferred development costs 遞延開發成本 (note d) (附註d) RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Cost:	成本:				
At 1 January 2017	於二零一七年一月一日	1,587,518	60,000	92,378	1,739,896
Addition	新增	-	-	150	150
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	1,587,518	60,000	92,528	1,740,046
Addition	新增	-	-	25	25
At 31 December 2018	於二零一八年十二月三十一日	1,587,518	60,000	92,553	1,740,071
Accumulated amortisation and impairment:	累計攤銷及減值:				
At 1 January 2017	於二零一七年一月一日	437,518	-	-	437,518
Provided for the year	年內撥備	123,214	4,954	93	128,261
Impairment loss for the year	年內減值虧損	477,786	-	59,500	537,286
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	1,038,518	4,954	59,593	1,103,065
Provided for the year	年內撥備	65,880	6,606	5,154	77,640
Impairment loss for the year	年內減值虧損	195,120	-	-	195,120
At 31 December 2018	於二零一八年十二月三十一日	1,299,518	11,560	64,747	1,375,825
Net carrying amount:	賬面淨值:				
At 31 December 2018	於二零一八年十二月三十一日	288,000	48,440	27,806	364,246
At 31 December 2017	於二零一七年十二月三十一日	549,000	55,046	32,935	636,981

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 17. INTANGIBLE ASSETS (continued)

Notes:

- (a) It represented certain technological know-how in respect of the application of graphene and includes one patent in the US (“US Patent”), four invention patent applications, three utility model patent applications and two utility model patents in the PRC (collectively as “PRC Patents”), relating to the manufacturing of Graphene-based EVA Foam Material, Sterilizing Chips and graphene-based pressure-sensitive sensors and the exclusive formula (collectively “Technology Know-how”), which was acquired from Bluestone Technologies (Cayman) Limited (“Bluestone”), an independent third party, in 2015.

The completion date of the transaction (“Completion Date”) was 16 December 2015. The cost of the Technology Know-how was determined by the directors of the Company and represented the sum of the cash consideration, the fair value of the convertible notes (note 26) and provision for contingent consideration at the acquisition date (note 27), and the capitalised transaction costs arising directly from the acquisition of the Technology Know-how. The Group’s first graphene application products mass production line was completed and commenced trial production in late May 2016, and mass production has already been commenced in July 2016.

The Technology Know-how has definite useful lives and is amortised over 10 years using the straight-line method.

- (b) In July 2016, the Group acquired the design of Online-to-Offline (“O2O”) distribution vending system at the consideration of RMB60,000,000 from two independent third parties. The directors of the Company consider that the O2O distribution vending system would provide customers with an interactive and unique shopping experience, enhance the distribution channel of the products made by the Group and establish the core technical competitiveness of the Group.

The O2O distribution vending system has definite useful lives and is amortised over 9 years using the straight-line method.

### 17. 無形資產(續)

附註：

- (a) 指有關石墨烯應用的若干技術知識，包括於二零一五年向獨立第三方藍石科技(開曼)有限公司(「藍石」)收購的有關生產石墨烯EVA發泡材料、殺菌芯片及石墨烯壓力傳感器的美國一項專利(「美國專利」、中國四項發明專利申請、三項實用新型專利申請及兩項實用新型專利(統稱為「中國專利」)以及獨家配方(統稱為「技術知識」)。

交易之完成日期(「完成日期」)為二零一五年十二月十六日。技術知識的成本由本公司董事釐定，指現金代價、可換股票據(附註26)及或然代價撥備於收購日期的公平值(附註27)及直接因收購技術知識而產生的資本化交易成本之總額。本集團第一條量產石墨烯應用產品之生產線已於二零一六年五月底建成及成功試產，並已於二零一六年七月份開始量產。

技術知識具有有限可使用年期，並以直線法分10年攤銷。

- (b) 於二零一六年七月，本集團向兩名獨立第三方收購線上線下(「O2O」)分銷售貨系統的設計，代價為人民幣60,000,000元。本公司董事認為，O2O分銷售貨系統為客戶提供互動及獨特的購物體驗，加強由本集團生產之產品的分銷渠道及建立本集團之核心技術競爭力。

O2O分銷售貨系統具有有限可使用年期，並以直線法分9年攤銷。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 17. INTANGIBLE ASSETS (continued)

Notes: (continued)

- (c) The directors of the Company consider that O2O distribution vending system is a contributory asset necessary to support the earnings associated with the Technology Know-how (collectively "O2O Unit"), being the smallest identifiable group of assets that generates earnings that are largely independent of the earnings from other assets.

The directors of the Company conducted an impairment assessment on the Technology Know-how and considered that provision for impairment to the carrying amount of the Technology Know-how of RMB195,120,000 (2017: RMB477,786,000) should be made as at 31 December 2018, with reference to a valuation of the value-in-use of the Technology Know-how conducted by an independent professional valuer, Ascent Partners Valuation Service Limited ("Ascent Partners"), using multi-period excess earnings method (2017: multi-period excess earnings method). The multi-period excess earnings method is based on a discount rate of approximately 24.66% (2017: 23.69%) and financial forecasts approved by the directors of the Company. Assumption of budgeted sales was based on estimated daily average sales of slippers from O2O distribution vending system and expected growth rate of product mix. Other key assumptions for the multi-period excess earnings method relate to the estimation of earnings which include estimated gross profit margin, operating expenses and working capital requirements, such estimation is based on the expected and forecasted performance generated from the past performance of the O2O Unit and management's expectations for the market development.

### 17. 無形資產(續)

附註：(續)

- (c) 本公司董事認為，O2O分銷售貨系統屬於一項必要的貢獻性資產以支持與技術知識相關的盈利(統稱「O2O單位」)，即產生基本獨立於其他資產盈利之盈利的最小可識別資產組別。

本公司董事已對技術知識進行減值評估，經參考獨立專業估值師艾升評估諮詢有限公司(「艾升」)使用多期超額收益法(二零一七年：多期超額收益法)對技術知識的使用價值進行的估值，認為於二零一八年十二月三十一日需要就技術知識的賬面值計提減值撥備人民幣195,120,000元(二零一七年：人民幣477,786,000元)。多期超額收益法乃基於貼現率約24.66%(二零一七年：23.69%)及本公司董事已批准的財務預測。預算銷售假設基於O2O分銷售貨系統的估計每日平均拖鞋銷售額及產品組合的預期增長率。多期超額收益法的其他主要假設涉及估計盈利，包括估計毛利率、營運開支及營運資金要求，該估計乃基於使用O2O單位過往表現所產生的預期及預測表現以及管理層對市場發展的預期。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 17. INTANGIBLE ASSETS (continued)

Notes: (continued)

- (d) In July 2016, the Group engaged several independent third parties in the research and development of manufacturing and application technology of graphene material on Sterilizing Chips, energy storage materials for batteries and pressure sensitive lighting devices for shoes ("Other Deferred Development Costs"). The directors of the Company seek the opportunities in applying the graphene material in products other than shoes and plan to launch in future.

The directors of the Company conducted an impairment assessment and considered that there was no impairment to the carrying amount of the Sterilizing Chips as at 31 December 2018, with reference to a valuation of the value-in-use of the Sterilizing Chips conducted by an independent professional valuer, Peak Vision Appraisals Limited, using discounted cash flow approach (2017: discounted cash flow approach). The discounted cash flow approach is based on a post-tax discount rate of approximately 20.26% and cash flow projections prepared from financial forecasts approved by the directors of the Company. Key assumptions for the discounted cash flow approach relate to the estimation of cash inflows/outflows from the development projects which include estimated gross profit margin, operating expenses and working capital requirements, such estimation is based on the expected and forecasted performance generated from the use of the Sterilizing Chips and management's expectations for the market development. The Sterilizing Chips at the cost of RMB32,500,000 has definite useful lives and is amortised over 5 years using the straight-line method.

The directors of the Company conducted an impairment assessment on Other Deferred Development Costs and considered that the future economic benefits attributable to Other Deferred Development Costs is uncertain and provision for impairment of RMB59,500,000 was made as at 31 December 2017.

### 17. 無形資產(續)

附註：(續)

- (d) 於二零一六年七月，本集團聘用數名獨立第三方研發石墨烯材料於殺菌芯片、電池儲能材料及鞋履壓敏照明裝置的生產及應用技術（「其他遞延開發成本」）。本公司董事尋求將石墨烯材料應用於鞋履以外的產品之機會，並計劃於未來推出。

本公司董事已對殺菌芯片進行減值評估，經參考獨立專業估值師滙鋒評估有限公司使用貼現現金流法（二零一七年：貼現現金流法）對殺菌芯片的使用價值進行的估值，認為於二零一八年十二月三十一日殺菌芯片的賬面值並無須減值。貼現現金流法乃基於稅後貼現率20.26%及按本公司董事已批准的財務預測而編製的現金流預測。貼現現金流法的主要假設涉及估計有關開發項目的現金流入／流出，包括估計毛利率、經營開支及營運資金需求，該估計乃基於使用殺菌芯片所產生的預期及預測表現以及管理層對市場發展的預期。殺菌芯片成本為人民幣32,500,000元，具有有限可使用年期，并以直線法分5年攤銷。

本公司董事已對其他遞延開發成本進行減值評估並認為其他遞延開發成本應佔的未來經濟利益不明朗，及於二零一七年十二月三十一日計提減值撥備人民幣59,500,000元。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 18. INVENTORIES

Raw materials and consumables	原材料及消耗品
Work in progress	在製品
Finished goods	製成品

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
-----------------------------------	-----------------------------------

6,523	7,636
9,959	18,544
24,074	10,047
<b>40,556</b>	<b>36,227</b>

During the year ended 31 December 2018, the reversal of write-down of inventories of approximately RMB546,000 (2017: write down of inventory of approximately RMB98,000) was recognised in the profit or loss.

截至二零一八年十二月三十一日止年度，於損益內確認的撥回存貨撇減約人民幣546,000元(二零一七年：存貨撇減約人民幣98,000元)。

### 19. TRADE AND BILLS RECEIVABLES

Trade receivables from sales of goods	銷售商品產生之應收貿易 賬款
Less: allowance for credit losses	減：信貸虧損撥備
Bills receivables	應收票據

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
-----------------------------------	-----------------------------------

42,033	31,224
(8,374)	(2,689)
33,659	28,535
-	1,271
<b>33,659</b>	<b>29,806</b>

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers amounted to RMB42,033,000 and RMB31,224,000 respectively.

於二零一八年十二月三十一日及二零一八年一月一日，客戶合約產生之應收貿易賬款分別為人民幣42,033,000元及人民幣31,224,000元。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 19. TRADE AND BILLS RECEIVABLES (continued)

An aging analysis of the Group's trade and bills receivables, net of allowance for credit losses as at the end of the reporting period, based on the invoice dates, is as follows:

Within 3 months	3個月內
4 to 6 months	4至6個月
7 to 12 months	7至12個月
Over 1 year	1年以上

### 19. 應收貿易賬款及應收票據(續)

於呈報期末，本集團應收貿易賬款及應收票據扣除信貸虧損撥備後按發票日期劃分的賬齡分析如下：

	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	3個月內	32,877	19,703
4 to 6 months	4至6個月	739	786
7 to 12 months	7至12個月	43	6,405
Over 1 year	1年以上	-	2,912
		<b>33,659</b>	<b>29,806</b>

The Group's trading terms with its customers are mainly on credit. The credit period offered to its customers is generally for a period of three months. The Group seeks to apply strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB9,429,000 which are past due as at the reporting date. Out of the past due balances, approximately RMB8,206,000 has been past due and all of which is considered as in default. The Group does not hold any collateral over these balances.

As at 31 December 2017, included in the Group's trade and bills receivable balances are debtors with aggregate carrying amount of approximately RMB10,103,000 which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

本集團與客戶的貿易條款主要以信貸進行。向客戶提供的信貸期一般為三個月。本集團致力嚴格監控未償還的應收款項，並設有信貸監控部門，以減低信貸風險。高級管理層定期檢討逾期結餘。基於上文所述，且本集團之應收貿易賬款與大量不同的客戶有關，故並無重大集中信貸風險。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他提升信貸的項目。應收貿易賬款均不計息。

於二零一八年十二月三十一日，本集團之應收貿易賬款結餘包括於報告日期已逾期之總面值為約人民幣9,429,000元之債務。於逾期結餘中，約人民幣8,206,000元已逾期且均被視為違約。本集團並無就該等結餘持有任何抵押品。

於二零一七年十二月三十一日，本集團應收貿易賬款及應收票據餘額包括賬面總值為約人民幣10,103,000元的應收賬款，該等款項於報告日期已逾期，而本集團並未就其作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 19. TRADE AND BILLS RECEIVABLES (continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good repayment record with the Group. Based on past experience, the directors of the Company are of the opinion that no impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

As at 31 December 2017, receivables that were neither past due nor impaired mainly represent sales made to recognised and creditworthy customers for whom there was no recent history of default.

An aging analysis of the Group's trade and bills receivables that are not considered to be impaired is as follows:

### 19. 應收貿易賬款及應收票據(續)

已逾期但未減值的應收款項涉及多個與本集團有良好還款紀錄的獨立客戶。根據過往經驗，本公司董事認為，由於信貸質素並無重大改變，且該等結餘仍視為可全數收回，故毋須作出減值撥備。

於二零一七年十二月三十一日，概無逾期亦無減值之應收款項主要指向經認可及信譽良好且近期無違約記錄之客戶作出之銷售。

本集團並無被視為減值的應收貿易賬款及應收票據的賬齡分析如下：

		2017 二零一七年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦無減值	19,703
Less than 3 months past due	逾期3個月以內	786
Over 3 months past due	逾期超過3個月	9,317
		<hr/>
		29,806

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 19. TRADE AND BILLS RECEIVABLES (continued)

#### Movement in the allowance for doubtful debts

### 19. 應收貿易賬款及應收票據(續)

#### 呆賬撥備變動

		2017 二零一七年 RMB'000 人民幣千元
As at 1 January	於一月一日	3,426
Reversal of impairment loss on trade receivables	應收貿易賬款減值虧損撥回	(737)
As at 31 December	於十二月三十一日	<u>2,689</u>

As at 31 December 2017, included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB2,689,000 which are long outstanding. The Group does not hold any collateral over these balances.

於二零一七年十二月三十一日，呆賬撥備包括個別減值的應收貿易賬款，該等款項已長時間未償還，總結餘為約人民幣2,689,000元。本集團並無就該等結餘持有任何抵押品。

Detail of impairment assessment of trade receivables for the year ended 31 December 2018 are set out in note 38.

截至二零一八年十二月三十一日止年度，應收貿易賬款之減值評估詳情載於附註38。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 20. 預付款項、按金及其他應收款項

		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
Prepayments:	預付款項：		
– Advanced to suppliers	– 向供應商預付款	626	2,333
– Prepaid land lease payments	– 預付土地租金	731	731
– Others	– 其他	1,321	1,315
Deposits	按金	3,162	4,128
Other receivables	其他應收款項	1,272	1,814
VAT tax recoverable		368	–
		<b>7,480</b>	<b>10,321</b>

As at 31 December 2018, none of the above assets is either past due or impaired (2017: Nil). The financial assets included in the above balances relate to receivables for which there was no recent history of default.

Detail of impairment assessment of other receivables for the year ended 31 December 2018 are set out in note 38.

於二零一八年十二月三十一日，上述資產概無逾期或減值(二零一七年：無)。計入上述結餘的金融資產與近期並無拖欠紀錄的應收款項有關。

截至二零一八年十二月三十一日止年度，其他應收款項之減值評估詳情載於附註38。

### 21. PLEDGED DEPOSITS, CASH AND BANK BALANCES

No deposits were pledged for bills payable for the year ended 31 December 2018 (2017: pledged deposits amounted to RMB2,127,000) (note 23).

At 31 December 2018, the cash and bank balances of the Group denominated in RMB amounted to RMB2,116,000 (2017: cash and bank balances amounted to RMB3,554,000 and pledged deposits amounted to RMB2,127,000). The RMB is not freely convertible into other currencies, however, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. At 31 December 2017, pledged deposits earn fixed interest rate at 1.55% per annum. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

### 21. 已質押存款、現金及銀行結餘

截至二零一八年十二月三十一日止年度，並無已質押存款(二零一七年：已質押存款為人民幣2,127,000元)(附註23)。

於二零一八年十二月三十一日，本集團以人民幣計值的現金及銀行結餘為人民幣2,116,000元(二零一七年：現金及銀行結餘為人民幣3,554,000元及已質押存款為人民幣2,127,000元)。人民幣不可自由兌換成其他貨幣。然而，根據中國外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過授權進行外匯業務的銀行將人民幣兌換成其他外幣。

銀行現金按每日銀行存款利率而定的浮動息率計息。於二零一七年十二月三十一日，已質押存款按固定年利率1.55%計息。銀行結餘及已質押存款存放在有信譽且近期無拖欠紀錄的銀行。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 22. ASSETS CLASSIFIED AS HELD FOR SALE

On 10 October 2017, the Group entered into a sales and purchase agreement with an independent third party at a consideration of RMB26,000,000 to dispose of certain property, plant and equipment with land use right located in PRC. In accordance with IFRS 5, the disposal assets were reclassified as assets held for sale. During the year ended 31 December 2018, the transfer of legal title of the disposal asset is in progress. In the opinion of the directors of the Company, the disposal will be completed in 2019.

The major classes of assets classified as held for sale as at 31 December 2017 and 2018 are as follows:

	RMB'000 人民幣千元
Building and leasehold improvements	44,318
Prepaid land lease payments	4,926
Impairment loss for 2017	(23,244)
	<b>26,000</b>

The Group has pledged the land use right with a net carrying amount of approximately RMB4,926,000 to secure general banking facilities granted to the Group as at 31 December 2017. The pledge of the land use right was released in 2018.

### 23. TRADE AND BILLS PAYABLES

Trade payables	應付貿易賬款
Bills payables	應付票據

### 22. 分類為持有待售的資產

於二零一七年十月十日，本集團與一名獨立第三方訂立買賣協議，以代價人民幣26,000,000元出售物業、廠房及設備以及位於中國之土地使用權。根據國際財務報告準則第5號，出售資產重新分類為持有待售的資產。截至二零一八年十二月三十一日，出售資產合法所有權的轉讓仍在進行中，本公司董事認為出售將於二零一九年完成。

於二零一八及二零一七年十二月三十一日分類為持有待售的資產主要類別如下：

### 23. 應付貿易賬款及應付票據

	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
--	-----------------------------------	-----------------------------------

	46,806	40,911
	-	7,090
	<b>46,806</b>	<b>48,001</b>

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 23. TRADE AND BILLS PAYABLES (continued)

An aging analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice dates, is as follows:

Within 3 months 3個月內  
Over 3 months 3個月以上

The trade and bills payables are non-interest-bearing and are normally settled on six months terms (2017: six months). Bills payable were secured by the Group's pledged deposits amounted to RMB2,127,000 in 2017. The Group has no bills payable as at 31 December 2018.

### 24. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

Deposits received:  
– From customers  
– For disposal of assets held for sale  
– For subscription of new Shares  
– Others  
Accruals and other payables  
Provision for contingent consideration  
(note 27)

Other payables are non-interest-bearing and have a credit term of two to three months.

### 23. 應付貿易賬款及應付票據(續)

於呈報期末，本集團應付貿易賬款及應付票據按發票日期劃分的賬齡分析如下：

	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	31,300	29,396
Over 3 months	15,506	18,605
	<b>46,806</b>	<b>48,001</b>

應付貿易賬款及應付票據不計息，且一般於六個月(二零一七年：六個月)內償還。於二零一七年，本集團通過已質押存款人民幣2,127,000元為應付票據作出擔保。於二零一八年十二月三十一日，本集團並無應付票據。

### 24. 已收按金、其他應付款項及應計費用

	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
已收按金：		
– 客戶已付款項	300	300
– 出售持有待售非流動資產	16,500	5,000
– 認購新股份	19,715	–
– 其他	405	551
應計費用及其他應付款項	42,431	33,044
或然代價撥備(附註27)	2,457	1,030
	<b>81,808</b>	<b>39,925</b>

其他應付款項不計息，信貸期為兩至三個月。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 25. SHORT TERM BORROWINGS

### 25. 短期借貸

		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
Secured bank loans repayable within one year	須於一年內償還的有抵押銀行貸款	106,000	117,000
Unsecured loans repayable within one year	須於一年內償還的無抵押貸款	17,100	-
		<b>123,100</b>	<b>117,000</b>

(a) At 31 December 2018 and 2017, the loans were denominated in Renminbi (2017: Renminbi) and bore interest rates ranging from:

Year ended 31 December 2018	4.35% – 5.22% per annum
Year ended 31 December 2017	4.35% – 5.00% per annum

(a) 於二零一八年及二零一七年十二月三十一日，貸款均以人民幣（二零一七年：人民幣）計值，並按以下範圍的息率計息：

截至二零一八年 十二月三十一日 止年度	每年4.35% 至5.22%
截至二零一七年 十二月三十一日 止年度	每年4.35% 至5.00%

(b) At 31 December 2018, the secured bank loans of the Group were secured by a pledge of certain of the Group's buildings and land use rights, with carrying amounts of approximately RMB9,150,000 (2017: RMB12,415,000) and approximately RMB26,954,000 (2017: RMB32,611,000) respectively. In addition, the bank loans were secured by guarantees provided by an independent third party, a director of the Company and a son of a director of the Company.

(b) 於二零一八年十二月三十一日，本集團分別已抵押賬面值約人民幣9,150,000元（二零一七年：人民幣12,415,000元）的若干樓宇及約人民幣26,954,000元（二零一七年：人民幣32,611,000元）之土地使用權作為本集團有抵押銀行貸款的擔保。此外，有關銀行貸款由一名獨立第三方、一名本公司董事及一名本公司董事之兒子提供擔保。

(c) During the year ended 31 December 2018, the Group has repaid the bank loans with principal amount of RMB11,000,000 (2017: RMB7,000,000).

(c) 截至二零一八年十二月三十一日止年度，本集團已償還本金額為人民幣11,000,000元之銀行貸款（二零一七年：人民幣7,000,000元）。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 26. CONVERTIBLE NOTES AND WARRANTS

#### Valuation of the Convertible Notes and the Warrants

The movements of the Convertible Notes and the Warrants were as follows:

### 26. 可換股票據及認股權證 可換股票據及認股權證估值

可換股票據及認股權證的變動如下：

		2015 Convertible Notes 二零一五年 可換股票據 (note a) (附註a) RMB'000 人民幣千元	2016 Convertible Notes 二零一六年 可換股票據 (note a) (附註a) RMB'000 人民幣千元	2012 Warrants 二零一二年 認股權證 (note b) (附註b) RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Fair value at 1 January 2017	於二零一七年一月一日的公平值	116,894	77,930	5,067	199,891
Derecognition during the year	年內終止確認	-	-	(5,067)	(5,067)
Fair value gain credited to profit or loss during the year	年內於損益計入的公平值收益	(29,892)	(20,110)	-	(50,002)
Fair value 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的公平值	87,002	57,820	-	144,822
Fair value loss charged to profit or loss during the year	年內於損益扣除的公平值損失	10,570	7,227	-	17,797
Conversion of convertible notes during the year	年內兌換的可換股票據	(97,572)	(65,047)	-	(162,619)
Fair value at 31 December 2018	於二零一八年十二月三十一日的公平值	-	-	-	-
Represented by: 2018	由以下各項表示： 二零一八年				
Current portion	流動部分	-	-	-	-
Non-current portion	非流動部分	-	-	-	-
2017	二零一七年				
Current portion	流動部分	87,002	-	-	87,002
Non-current portion	非流動部分	-	57,820	-	57,820
		87,002	57,820	-	144,822



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 26. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### Valuation of the Convertible Notes and the Warrants (continued)

Notes:

- (a) In connection with the acquisition of the Technology Know-how as explained in note 17, the Company issued zero-coupon unsecured convertible notes (the "2015 Convertible Notes") with principal amount of HK\$110,880,000 as part of the initial consideration on 16 December 2015. As a settlement of part of contingent consideration, the Company also issued zero-coupon unsecured convertible notes (the "2016 Convertible Notes") with principal amount of HK\$73,920,000 on 2 February 2016.

The 2015 Convertible Notes and 2016 Convertible Notes (collectively the "Convertible Notes") entitle the holder to convert them into ordinary shares of the Company (the "Shares") at any time from the date of issue of the 2015 Convertible Notes and 2016 Convertible Notes to the date immediately prior to the Maturity Dates, being the third anniversary of the date of issue, in multiples of HK\$1,000,000 at a conversion price of HK\$0.84 per conversion share subject to adjustments in certain events. The shares to be allotted and issued upon conversions shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue. Also, the Company has a right to redeem the Convertible Notes at any time before the maturity date of the Convertible Notes.

The Convertible Notes included a debt instrument with embedded derivatives. Upon initial recognition, the Convertible Notes are designated as financial liabilities at FVTPL since it contains embedded foreign exchange derivatives. The fair values of the Convertible Notes are remeasured at the end of each reporting period and any gains or losses arising from changes in fair value are recognised in the statement of profit or loss.

During the year ended 31 December 2018, the Group received a total of two conversion notices from Bluestone in respect of the exercise of the conversion rights attached to the Convertible Notes in the aggregate principal amount of HK\$184,800,000 at the conversion price of HK\$0.84 per conversion share. As a result of this conversion, the Company allotted and issued a total of 220,000,000 Shares to Bluestone in December 2018 with additional share capital and share premium of approximately HK\$17,193,000 (equivalent to RMB15,129,000) and approximately HK\$167,607,000 (equivalent to approximately RMB147,489,000) respectively. No Convertible Notes remain outstanding at 31 December 2018.

### 26. 可換股票據及認股權證(續)

#### 可換股票據及認股權證估值(續)

附註:

- (a) 就附註17所述有關收購技術知識而言，本公司於二零一五年十二月十六日發行本金額為110,880,000港元之零票息無抵押可換股票據(「二零一五年可換股票據」)，作為部分的初步代價。作為結算或然代價的一部分，本公司亦於二零一六年二月二日發行本金額為73,920,000港元之零票息無抵押可換股票據(「二零一六年可換股票據」)。

二零一五年可換股票據及二零一六年可換股票據(統稱為「可換股票據」)賦予持有人權利可於二零一五年可換股票據及二零一六年可換股票據發行日期起至緊接到期日(即發行日期的第三個週年當日)前一日的任何時候，以1,000,000港元的倍數按換股價每股換股股份0.84港元(於若干情況下可予調整)將二零一五年可換股票據及二零一六年可換股票據轉換為本公司普通股(「股份」)。於換股後將予配發及發行之股份於各方面在彼此之間及與本公司於有關配發及發行日期已發行的所有其他普通股具有同等地位。本公司亦有權於可換股票據到期日前任何時間贖回可換股票據。

可換股票據包含附帶嵌入式衍生工具的債務工具。於首次確認後，可換股票據被指定為按公平值計入損益的金融負債。可換股票據的公平值於各呈報期末重新計量，公平值變動產生的任何盈虧於損益表內確認。

截至二零一八年十二月三十一日止年度，本集團收到由藍石就以每股兌換股份0.84港元之換股價，行使持有本金總額184,800,000港元之可換股票據所附的換股權而發出的合共兩份換股通知。由於本次換股，本公司於二零一八年十二月配發及發行合共220,000,000股股份予藍石，附帶分別約17,193,000港元(相當於約人民幣15,129,000元)及約167,607,000港元(相當於約人民幣147,489,000元)之額外股本及股份溢價。於二零一八年十二月三十一日，並無可換股票據仍未兌換。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 26. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### Valuation of the Convertible Notes and the Warrants (continued)

Notes: (continued)

(a) (continued)

##### Valuation

As at 31 December 2017, the fair values of the Convertible Notes were based on the valuations performed by Ascent Partners and calculated using the binomial model and the inputs into the model were as follows:

##### 2015 Convertible Notes

Stock closing price (HK\$)
Principal amount (HK\$'000)
Coupon rate (%)
Conversion price (HK\$)
Volatility (%)
Risk-free rate (% per annum)
Expected life (years)
Expected dividend yield (%)

##### 2016 Convertible Notes

Stock closing price (HK\$)
Principal amount (HK\$'000)
Coupon rate (%)
Conversion price (HK\$)
Volatility (%)
Risk-free rate (% per annum)
Expected life (years)
Expected dividend yield (%)

### 26. 可換股票據及認股權證(續)

#### 可換股票據及認股權證估值(續)

附註：(續)

(a) (續)

##### 估值

於二零一七年十二月三十一日，可換股票據的公平值乃根據艾升所進行的估值，並採用二項模式計算，該模式的輸入數據如下：

##### 二零一五年可換股票據

股票收盤價(港元)	0.52
本金額(千港元)	110,880
票面利率(%)	0
換股價(港元)	0.84
波幅(%)	84.94
無風險利率(%，每年)	1.04
預期年期(年)	0.96
預期股息收益率(%)	0

##### 二零一六年可換股票據

股票收盤價(港元)	0.52
本金額(千港元)	73,920
票面利率(%)	0
換股價(港元)	0.84
波幅(%)	79.09
無風險利率(%，每年)	1.07
預期年期(年)	1.09
預期股息收益率(%)	0

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 26. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### Valuation of the Convertible Notes and the Warrants (continued)

Notes: (continued)

- (b) Pursuant to a subscription agreement entered into with Asia Equity Value Ltd (the “Subscriber”) on 8 June 2012 (the “Subscription Agreement”), the Company issued a 7% senior guaranteed convertible notes with a principal amount of HK\$176,000,000 (i.e. RMB143,470,000) (the “2012 Convertible Notes”) to the Subscriber on 21 June 2012 (the “Issuance Date”). No 2012 Convertible Notes remained outstanding as at 31 December 2015. In addition, pursuant to the Subscription Agreement, the Company also issued to the Subscriber warrants (the “2012 Warrants”) which carry the rights to subscribe for 62,026,431 new Shares as a condition to the issuance of the 2012 Convertible Notes.

The 2012 Warrants initially give the holder of the 2012 Warrants (the “Warrants Holder”) the rights to subscribe for 62,026,431 new Shares. The initial subscription price of the 2012 Warrants is HK\$1.53 per share (the “Subscription Price”), subject to anti-dilution adjustment for stock dividends, stock splits, dilutive securities issuances and other customary adjustment events from time to time in accordance with the terms and conditions of the 2012 Warrants.

### 26. 可換股票據及認股權證(續)

#### 可換股票據及認股權證估值(續)

附註：(續)

- (b) 根據於二零一二年六月八日與 Asia Equity Value Ltd (「認購人」) 訂立的認購協議(「認購協議」)，本公司於二零一二年六月二十一日(「發行日期」)向認購人發行本金額為176,000,000港元(即人民幣143,470,000元)，按7%計息的優先有擔保可換股票據(「二零一二年可換股票據」)。於二零一五年十二月三十一日，概無二零一二年可換股票據仍未行使。此外，根據認購協議，本公司亦向認購人發行認股權證(「二零一二年認股權證」)，作為發行二零一二年可換股票據的條件，認股權證附有權利可認購62,026,431股新股份。

二零一二年認股權證初步賦予二零一二年認股權證持有人(「認股權證持有人」)權利，可認購62,026,431股新股份。二零一二年認股權證的初步認購價為每股1.53港元(「認購價」)，須根據二零一二年認股權證的條款及條件不時受股票股息、股票分拆、攤薄證券發行及其他慣常調整事件而予以反攤薄調整。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 26. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### Valuation of the Convertible Notes and the Warrants (continued)

Notes: (continued)

(b) (continued)

On 7 February 2013, the Company entered into a supplemental instrument with the Subscriber to amend certain major terms and conditions of the 2012 Warrants (the "Supplemental Warrants Instrument"). The Supplemental Warrants Instrument had been approved by the Subscriber as the sole holder of the 2012 Warrants in accordance with the terms and conditions of the 2012 Warrants. In accordance with the Supplemental Warrants Instrument, the Company and the Subscriber agreed that any adjustments to the Subscription Price should take effect if the adjustment is HK\$0.01 or more. The Subscription Price had been adjusted from HK\$1.53 to HK\$1.49 with effect from 12 October 2012 as a result of the distribution of the 2012 interim dividend of HK2.5 cents per ordinary share by the Company.

According to the agreement amongst the Subscriber and three independent third parties (the "Transferees") on 29 October 2014, the 2012 Warrants were transferred from the Subscriber to the Transferees on 29 October 2014.

The subscription period of the 2012 Warrants commences from 6 months after the Issuance Date (i.e. 22 December 2012) (the "Warrants Subscription Date"), and expired on the fifth anniversary from the Warrants Subscription Date (i.e. 22 December 2017).

No warrants have been exercised during the year ended 31 December 2017.

The 2012 Warrants are classified as derivatives and are accounted for as financial liabilities at FVTPL upon initial recognition since it contains embedded foreign exchange derivatives. The fair values of the 2012 Warrants are remeasured at the end of each reporting period and any gains or losses arising from changes in fair value are recognised in the statement of profit or loss.

### 26. 可換股票據及認股權證(續)

#### 可換股票據及認股權證估值(續)

附註：(續)

(b) (續)

於二零一三年二月七日，本公司與認購人訂立補充文據，以修訂二零一二年認股權證的若干主要條款及條件（「補充認股權證文據」）。補充認股權證文據已根據二零一二年認股權證的條款及條件獲認購人（作為二零一二年認股權證的唯一持有人）批准。根據補充認股權證文據，本公司及認購人同意，倘就認購價所作的任何調整等於或超過0.01港元，則有關調整須生效。由於本公司派付二零一二年中期股息每股普通股2.5港仙，故認購價自二零一二年十月十二日起由1.53港元調整至1.49港元。

根據認購人與三名獨立第三方（「承讓人」）於二零一四年十月二十九日訂立的協議，二零一二年認股權證由認購人於二零一四年十月二十九日轉讓予承讓人。

二零一二年認股權證的認購期間自發行日期後六個月（即二零一二年十二月二十二日）（「認股權證認購日期」）開始直至認股權證認購日期起計滿五週年當日（即二零一七年十二月二十二日）屆滿。

於截至二零一七年十二月三十一日止年度，概無認股權證獲行使。

二零一二年認股權證分類為衍生工具，於首次確認時入賬列作按公平值計入損益的金融負債，原因是其含有嵌入式外匯衍生工具。二零一二年認股權證的公平值於各呈報期末重新計量，公平值變動產生的任何盈虧於損益表內確認。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 27. PROVISION FOR CONTINGENT CONSIDERATION

In connection with the acquisition of the Technology Know-how as explained in note 17, provision for contingent consideration as at 31 December 2015 represented the acquisition-date fair value of contingent consideration of i) a maximum of approximately RMB1,289,409,836 in cash ("Cash Consideration"); and ii) the contingent convertible notes ("Contingent CNs") with principal amount of HK\$73,920,000 (equivalent to approximately RMB60,590,164), which will be issued by the Company after fulfilment of certain conditions specified in the acquisition agreement signed on 14 October 2015 ("Acquisition Agreement"), as part of the consideration for the acquisition of the Technology Know-how.

The settlement of Cash Consideration and the Contingent CNs is subject to the following conditions:

"Second Instalment Conditions" refer to (a) the registration of the transfer of the PRC Patents and the US Patent having been completed in the State Intellectual Property Office of the PRC and the United States Patent and Trademark Office respectively, such that the Company having become the applicant of the PRC Patents (or if the PRC Patents are granted, the Company having become the PRC Patents owner) under the record of the State Intellectual Property Office of the PRC, and the Company having become the US Patent owner under the record of the United States Patent and Trademark Office; and (b) the training provided by Bluestone to the technicians of the Group and its contracted parties having been completed, such that the Group and its contracted parties having been able to produce graphene-based EVA foam material and graphene deodorizing and sterilizing chips based on the Technology Know-how independently, and the graphene-based EVA foam material and graphene deodorizing and sterilizing chips produced having been certified by an independent technical organisation at provincial level or above to meet the inspection standard as stipulated under the Acquisition Agreement.

### 27. 或然代價撥備

就附註17所述有關收購技術知識而言，於二零一五年十二月三十一日的或然代價撥備指i)現金最多約人民幣1,289,409,836元(「現金代價」)；及ii)本金額73,920,000港元(相當於約人民幣60,590,164元)之或然可換股票據(「或然可換股票據」)之或然代價於收購日期之公平值，該等可換股票據將於二零一五年十月十四日簽訂之收購協議(「收購協議」)指定的若干條件達成後由本公司發行，作為收購技術知識之部分代價。

現金代價及或然可換股票據之結算須待以下條件達成後，方可作實：

「第二期條件」指(a)中國專利及美國專利的轉讓已經分別於中國國家知識產權局及美國專利及商標局完成登記，因此本公司已於中國國家知識產權局記錄中成為中國專利的申請人(或如中國專利已獲授出，則本公司成為中國專利的擁有人)及已於美國專利及商標局的記錄中成為美國專利的擁有人；及(b)藍石向本集團及其合約方的技術人員提供的培訓已完成，而令本集團及其合約方能夠獨立使用技術知識生產石墨烯EVA發泡材料和石墨烯除臭殺菌芯片，且所生產的石墨烯EVA發泡材料和石墨烯除臭殺菌芯片已獲得省級或以上獨立技術認證機構作出技術認證，符合收購協議規定的驗收標準。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 27. PROVISION FOR CONTINGENT CONSIDERATION (continued)

Upon fulfilment of the Second Instalment Conditions, the second instalment in the amount of RMB450,000,000 should be payable by the Company, of which (a) RMB389,409,836 should be paid in cash within 6 months after fulfilment of the Second Instalment Conditions; and (b) RMB60,590,164 should be satisfied by issuing the convertible notes with principal amount of HK\$73,920,000 to Bluestone or its nominee(s) within 15 business days after the fulfilment of the Second Instalment Conditions.

“Third Instalment Conditions” refer to (a) the accumulated turnover of a special purpose vehicle (“SPV”) to be established by the Group for the sales of graphene-based EVA foam material, graphene deodorizing and sterilizing chips and graphene-based wearable devices manufactured using the Technology Know-how and/or any other companies (other than companies of the Group) authorised to use the Technology Know-how having reached RMB40,000,000; and (b) the sales volume of graphene-based EVA foam material having reached 20,000 cubic meters, each within 9 months after the Completion Date (or such later date as the Company may agree).

Upon fulfilment of the Second Instalment Conditions and the Third Instalment Conditions, the third instalment in the amount of RMB270,000,000 should be payable by the Company in cash to Bluestone or its nominee(s) within 15 business days after the fulfilment of the Third Instalment Conditions.

Second Instalment Conditions and Third Instalment Conditions had been fulfilled and the Company had paid RMB389,409,836 by way of cash and RMB60,590,164 by way of issuing the 2016 Convertible Notes (refer to note 26) and RMB270,000,000 by way of cash on 2 February 2016 and 8 September 2016 respectively.

### 27. 或然代價撥備(續)

於第二期條件達成後，第二期金額人民幣450,000,000元須由本公司支付，其中(a)人民幣389,409,836元須於第二期條件達成後6個月內以現金支付；及(b)人民幣60,590,164元須於第二期條件達成後15個營業日內透過向藍石或其提名人發行本金額為73,920,000港元的可換股票據而支付。

「第三期條件」指於完成日期後9個月內(或本公司同意的較遲日期)(a)本集團將就銷售使用技術知識生產的石墨烯EVA發泡材料、石墨烯除臭殺菌芯片及石墨烯可穿戴裝置而成立的特殊目的公司(「SPV」)及／或獲授權使用技術知識的任何其他公司(不包括本集團各公司)累計營業額已達人民幣40,000,000元；及(b)石墨烯EVA發泡材料銷量已達20,000立方米。

於第二期條件及第三期條件達成後，第三期金額人民幣270,000,000元須由本公司於第三期條件達成後15個營業日內以現金支付予藍石或其提名人。

第二期條件及第三期條件已達成，本公司分別於二零一六年二月二日以現金支付人民幣389,409,836元及透過發行二零一六年可換股票據支付人民幣60,590,164元(請參閱附註26)及於二零一六年九月八日以現金支付人民幣270,000,000元。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 27. PROVISION FOR CONTINGENT CONSIDERATION (continued)

Pursuant to the Acquisition Agreement, upon fulfilment of the Second Instalment Conditions and the Third Instalment Conditions, Bluestone is entitled to share 35% of the earnings before interests, taxes, depreciation and amortisation (“EBITDA”) of the SPV for the 6-month period ended 30 June or 31 December of each year (“Interim Financial Period”) starting from the year the Second Instalment Conditions and the Third Instalment Conditions are fulfilled and each subsequent Interim Financial Period (until the end of the sixth financial year ending 31 December from the Completion Date), subject to a maximum sharing amount of RMB630,000,000 (the “EBITDA Sharing Mechanism”).

For the avoidance of doubt, the financial year in which the Completion Date ending on would be considered as the first financial year for the purpose of the EBITDA Sharing Mechanism. During the period under the EBITDA Sharing Mechanism, for each Interim Financial Period, the Company should appoint an independent auditor to issue a certificate for the EBITDA of the SPV during the relevant Interim Financial Period within 4 months from the end of such Interim Financial Period, and the sharing amount shall be paid by the Company in cash to Bluestone or its nominee(s) within 15 business days after the issuance of such certificate. Any license fees for the Technology Know-how payable by the SPV to the Group will be disregarded in the calculation of the EBITDA.

If the accumulated EBITDA of the SPV during the period under the EBITDA Sharing Mechanism is less than RMB1,800,000,000 (for the purpose, if the SPV records a loss in any Interim Financial Period, the EBITDA of the SPV of that Interim Financial Period would be regarded as zero in calculating the accumulated EBITDA), the total sharing amount under the EBITDA Sharing Mechanism will be less than RMB630,000,000 and the Company is not obligated to pay the shortfall between RMB630,000,000 and 35% of the actual accumulated EBITDA of the SPV during the period under the EBITDA Sharing Mechanism.

Provision for contingent consideration as at 31 December 2018 represented the contingent cash consideration payable to Bluestone or its nominee(s) under the EBITDA Sharing Mechanism.

### 27. 或然代價撥備(續)

根據收購協議，自第二期條件及第三期條件達成後之年度起，藍石有權分佔SPV於第二期條件及第三期條件達成的截至各年六月三十日或十二月三十一日止六個月期間（「中期財務期間」）及此後每個中期財務期間（直至完成日期起第六個截至十二月三十一日止財政年度完結為止）除利息、稅項、折舊及攤銷前盈利（「EBITDA」）的35%，惟最高分成金額為人民幣630,000,000元（「EBITDA分成機制」）。

為免疑慮，就EBITDA分成機制而言，完成日期所屬的財政年度將被視為第一個財政年度。於EBITDA分成機制期間，就每個中期財務期間而言，本公司應委任一名獨立核數師於相關中期財務期間完結後4個月內就SPV於該中期財務期間的EBITDA出具一份證書，本公司須於該證書出具後15個營業日內以現金向藍石或其提名人支付分成款項。計算EBITDA時將不會考慮SPV就技術知識應向本集團支付的任何許可費。

如SPV於EBITDA分成機制下期間的累計EBITDA低於人民幣1,800,000,000元（就此而言，如SPV於任何中期財務期間錄得虧損，計算累計EBITDA時，SPV於該中期財務期間的EBITDA應當被視為零），EBITDA分成機制下的總分成金額將低於人民幣630,000,000元，本公司亦毋須支付人民幣630,000,000元與SPV於該EBITDA分成機制下期間的實際累計EBITDA之35%之間的差額。

於二零一八年十二月三十一日的或然代價撥備指根據EBITDA分成機制應付藍石或其提名人的或然現金代價。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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



### 27. PROVISION FOR CONTINGENT CONSIDERATION (continued)

The movements of the provision for contingent consideration were as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
As at the beginning of the year	於年初	48,302	276,868
Amount incurred during the year	年內計入金額	-	(8,678)
Fair value change credited to profit or loss during the year	年內於損益計入之公平值變動	(43,533)	(219,888)
As at the end of the year	於年末	4,769	48,302
Current portion included in deposits received, other payables and accruals	計入已收按金、其他應付款項及應計費用之流動部分	(2,457)	(1,030)
Non-current portion	非流動部分	2,312	47,272

The fair value of the provision for contingent consideration is calculated using the discounted cash flow approach (2017: discounted cash flow approach). The inputs into the approach as at 31 December 2018 and 2017 were as follows:

		2018 二零一八年	2017 二零一七年
Discount rate	貼現率	12.54% - 12.72%	12.32% - 12.54%

The provision for contingent consideration is classified as a financial liability which will then be measured at fair value and any changes in fair value will be recognised in the consolidated statement of profit or loss.

The directors of the Company conducted a fair value assessment of the provision for contingent consideration as at 31 December 2018, with reference to a valuation conducted by Ascent Partners.

### 27. 或然代價撥備(續)

或然代價撥備之變動如下：

	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
As at the beginning of the year	48,302	276,868
Amount incurred during the year	-	(8,678)
Fair value change credited to profit or loss during the year	(43,533)	(219,888)
As at the end of the year	4,769	48,302
Current portion included in deposits received, other payables and accruals	(2,457)	(1,030)
Non-current portion	2,312	47,272

或然代價撥備的公平值採用貼現現金流法(二零一七年：貼現現金流法)計算。於二零一八年及二零一七年十二月三十一日，該法的輸入值如下：

	2018 二零一八年	2017 二零一七年
Discount rate	12.54% - 12.72%	12.32% - 12.54%

或然代價撥備被分類為金融負債，然後將按公平值計量，任何公平值變動將於綜合損益表內確認。

本公司董事已參考艾升作出之估值對二零一八年十二月三十一日之或然代價撥備進行公平值評估。





# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 28. DEFERRED TAX LIABILITY

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax asset and liability have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		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
Deferred tax asset	遞延稅項資產	580	-
Deferred tax liability	遞延稅項負債	(3,071)	(3,071)
		<b>(2,491)</b>	<b>(3,071)</b>

The following are the major deferred tax liability and asset recognised and movements thereon during the current and prior years:

以下為當前及過往年度期間已確認之主要遞延稅項負債及資產以及變動：

		Allowance for inventories and doubtful debts 存貨及呆賬撥備 RMB'000 人民幣千元	Undistributed profits of PRC subsidiary 中國附屬公司 之未分派溢利 RMB'000 人民幣千元 (note a) (附註a)	Total 總計 RMB'000 人民幣千元
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、二零一七年 十二月三十一日及二零一八年 一月一日	-	(3,071)	(3,071)
Credit to profit or loss	計入損益	580	-	580
At 31 December 2018	於二零一八年十二月三十一日	580	(3,071)	(2,491)

Note (a):

The amount represents Group's withholding taxes to the dividend payable by a PRC subsidiary amounted RMB62,075,000 as at 31 December 2018 and 2017.

附註(a)：

該金額指於二零一八年及二零一七年十二月三十一日，本集團就中國附屬公司應付股息人民幣62,075,000元的預扣稅。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. SHARE CAPITAL

The details of the authorised and issued share capital of the Company are as follows:

### 29. 股本

本公司法定及已發行股本之詳情如下：

		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
Authorised:	法定：		
5,000,000,000 ordinary shares of US\$0.01 each	5,000,000,000股每股面值0.01美元的普通股	342,400	342,400
Issued and fully paid:	已發行及繳足：		
1,304,059,608 (2017: 1,084,059,608) ordinary shares of US\$0.01 each	1,304,059,608股(二零一七年：1,084,059,608股)每股面值0.01美元的普通股	86,758	71,629

#### Ordinary shares

#### 普通股

		Number of ordinary shares of US\$0.01 each 每股面值0.01 美元的普通股 數目	Nominal value of ordinary shares 普通股面值 US\$'000 千美元	Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元
Authorised:	法定：			
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	5,000,000,000	50,000	342,400
Issued and fully paid:	已發行及繳足：			
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年一月一日	1,084,059,608	10,841	71,629
Conversion of convertible notes (note 26)	兌換可換股票據(附註26)	220,000,000	2,200	15,129
At 31 December 2018	於二零一八年十二月三十一日	1,304,059,608	13,041	86,758

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. SHARE CAPITAL (continued)

#### Ordinary shares (continued)

Pursuant to the Company's announcements dated 9 November 2018, 12 November 2018 and 8 March 2019, two independent subscribers subscribed for a total of 182,800,000 new Shares at a subscription price of HK\$0.27 per subscription share which were completed on 8 March 2019 (the "Subscription"). The net proceeds from the Subscription (after deducting the relevant expenses incurred in the Subscription) were approximately HK\$49,136,000 (equivalent to approximately RMB42,982,000).

As at 31 December 2018, deposit received for the Subscription amounted to approximately RMB19,715,000.

### 29. 股本(續)

#### 普通股(續)

根據本公司日期為二零一八年十一月九日、二零一八年十一月十二日及二零一九年三月八日之公佈，兩名獨立認購人已按認購價每股認購股份0.27港元認購合共182,800,000股新股份(已於二零一九年三月八日完成)(「認購事項」)。認購事項所得款項淨額(經扣除認購事項產生之相關開支)約為49,136,000港元(相當於約人民幣42,982,000元)。

於二零一八年十二月三十一日，就認購事項收取之按金為約人民幣19,715,000元。

### 30. SHARE-BASED PAYMENT TRANSACTIONS

#### Equity-settled share option scheme of the Company

On 8 January 2011, the Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include, among others, the Company's directors, including independent non-executive directors, employees, suppliers of goods or services, customers, consultants of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Share Option Scheme became effective on 28 January 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all option to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue at the Listing Date. The maximum number of Shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the Shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the Shares in issue and or with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, in the 12-month period up to and including the date of grant, are subject to shareholders' approval in advance in a general meeting.

An offer of the grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, and which shall not exceed 10 years after the date on which the share options are granted and accepted. The exercise of any option may be subject to a vesting schedule to be determined by the Board.

### 30. 以股份為基礎的付款之交易

#### 本公司以股權結算之購股權計劃

於二零一一年一月八日，本公司運作一項購股權計劃（「購股權計劃」），旨在向為本集團業務之成功作出貢獻之合資格參與者提供獎勵及報酬。購股權計劃合資格參與者包括（其中包括）本公司董事（包括獨立非執行董事）、本集團僱員、產品或服務供應商、客戶、顧問、本公司股東及本公司附屬公司之任何非控股股東。購股權計劃由二零一一年一月二十八日起生效，除非獲取消或修訂，否則將由該日起計十年內保持有效。

根據購股權計劃及本集團任何其他計劃授出的所有購股權獲行使時可予發行的股份最高數目，合共不得超過於上市日期已發行股份之10%。於任何十二個月期間內，根據購股權計劃授予各合資格參與者之購股權可予發行之最高股份數目以任何時候已發行股份之1%為限。授出超過此限制之任何其他購股權均須獲股東於股東大會上批准。

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人士之購股權須經獨立非執行董事事先批准。此外，於授出日期起的十二個月期間內，倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人士之任何購股權超逾已發行股份0.1%或根據於截至及包括授出日期止十二個月期間股份收市價計算之總值超過5,000,000港元，則須經股東於股東大會上事先批准。

授出購股權之要約可於要約日期起計二十八天內由承授人支付名義代價1港元後予以接納。所授出購股權之行使期乃由本公司董事釐定，不得超過購股權授出及獲接納日期後10年。任何購股權之行使可能受限於董事會釐定之歸屬期。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 30. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

The exercise price of share options is determinable by the directors of the Company, but may not be less than the higher of (i) the Stock Exchange closing price of the Shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Shares for the five trading days immediately preceding the date of offer and (iii) the nominal value of the Shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Share Option Scheme during the year:

		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
At 1 January	於一月一日	0.73	143,680,000	0.73	153,200,000
Granted during the year	年內授出	0.54	108,300,000	-	-
Forfeited during the year	年內沒收	0.67	(10,800,000)	0.80	(9,520,000)
At 31 December	於十二月三十一日	0.65	241,180,000	0.73	143,680,000

108,300,000 share options were granted (2017: Nil) and 10,800,000 (2017: 9,520,000) share options were forfeited due to cessation of employment of the participants during the year ended 31 December 2018.

The outstanding share options as at 31 December 2018 were vested to the grantees in the following manner:

- 10,917,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.

### 30. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

購股權之行使價由本公司董事釐定，惟不得低於以下之較高者：(i)股份於購股權要約日期在聯交所之收市價；(ii)股份於緊接要約日期前五個交易日在聯交所之平均收市價及(iii)股份的面值。

購股權並不賦予持有人收取股息或於股東大會投票之權利。

年內，根據購股權計劃尚未行使的購股權如下：

截至二零一八年十二月三十一日止年度，108,300,000份購股權已授出(二零一七年：無)及因參與者終止僱傭關係而被沒收的購股權為10,800,000份(二零一七年：9,520,000份)。

於二零一八年十二月三十一日尚未行使購股權按下列方式歸屬予承授人：

- 該等購股權的10,917,000份已於二零一五年十二月十日歸屬，行使期為二零一五年十二月十日及二零二零年十二月九日。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 30. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

- 19,356,000 of such share options were vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 3,195,000 of such share options were vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 2,556,000 of such share options were be vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 2,556,000 of such share options will be vested on 10 December 2019 with an exercise period from 10 December 2019 to 9 December 2020.
- 45,660,000 of such share options were vested on 24 June 2016 with an exercise period from 24 June 2016 to 23 June 2021.
- 31,600,000 of such share options were vested on 24 June 2017 with an exercise period from 24 June 2017 to 23 June 2021.
- 2,900,000 of such share options were vested on 24 June 2018 with an exercise period from 24 June 2018 to 23 June 2021.
- 2,320,000 of such share options will be vested on 24 June 2019 with an exercise period from 24 June 2019 to 23 June 2021.
- 2,320,000 of such share options will be vested on 24 June 2020 with an exercise period from 24 June 2020 to 23 June 2021.
- 1,425,000 of such share options were vested on 16 December 2016 with an exercise period from 16 December 2016 to 15 December 2021.
- 1,900,000 of such share options were vested on 16 December 2017 with an exercise period from 16 December 2017 to 15 December 2021.

### 30. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

- 該等購股權的19,356,000份已於二零一六年十二月十日歸屬，行使期為二零一六年十二月十日至二零二零年十二月九日。
- 該等購股權的3,195,000份已於二零一七年十二月十日歸屬，行使期為二零一七年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份已於二零一八年十二月十日歸屬，行使期為二零一八年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份將於二零一九年十二月十日歸屬，行使期為二零一九年十二月十日及二零二零年十二月九日。
- 該等購股權的45,660,000份已於二零一六年六月二十四日歸屬，行使期為二零一六年六月二十四日至二零二一年六月二十三日。
- 該等購股權的31,600,000份已於二零一七年六月二十四日歸屬，行使期為二零一七年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,900,000份已於二零一八年六月二十四日歸屬，行使期為二零一八年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,320,000份將於二零一九年六月二十四日歸屬，行使期為二零一九年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,320,000份將於二零二零年六月二十四日歸屬，行使期為二零二零年六月二十四日至二零二一年六月二十三日。
- 該等購股權的1,425,000份已於二零一六年十二月十六日歸屬，行使期為二零一六年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份已於二零一七年十二月十六日歸屬，行使期為二零一七年十二月十六日至二零二一年十二月十五日。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 30. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

- 2,375,000 of such share options were vested on 16 December 2018 with an exercise period from 16 December 2018 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2019 with an exercise period from 16 December 2019 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2020 with an exercise period from 16 December 2020 to 15 December 2021.
- 64,980,000 of such share options were vested on 19 June 2018 with an exercise period from 19 June 2018 to 18 June 2023.
- 43,320,000 of such share options will be vested on 19 June 2019 with an exercise period from 19 June 2019 to 18 June 2023.

The outstanding share options as at 31 December 2017 were vested to the grantees in the following manner:

- 10,917,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.
- 19,356,000 of such share options were vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 3,195,000 of such share options were vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 2,556,000 of such share options were vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 2,556,000 of such share options will be vested on 10 December 2019 with an exercise period from 10 December 2019 to 9 December 2020.

### 30. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

- 該等購股權的2,375,000份已於二零一八年十二月十六日歸屬，行使期為二零一八年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零一九年十二月十六日歸屬，行使期為二零一九年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零二零年十二月十六日歸屬，行使期為二零二零年十二月十六日至二零二一年十二月十五日。
- 該等購股權的64,980,000份已於二零一八年六月十九日歸屬，行使期為二零一八年六月十九日至二零二三年六月十八日。
- 該等購股權的43,320,000份將於二零一九年六月十九日歸屬，行使期為二零一九年六月十九日至二零二三年六月十八日。

於二零一七年十二月三十一日尚未行使購股權按下列方式歸屬予承授人：

- 該等購股權的10,917,000份已於二零一五年十二月十日歸屬，行使期為二零一五年十二月十日及二零二零年十二月九日。
- 該等購股權的19,356,000份已於二零一六年十二月十日歸屬，行使期為二零一六年十二月十日及二零二零年十二月九日。
- 該等購股權的3,195,000份已於二零一七年十二月十日歸屬，行使期為二零一七年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份已於二零一八年十二月十日歸屬，行使期為二零一八年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份將於二零一九年十二月十日歸屬，行使期為二零一九年十二月十日及二零二零年十二月九日。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 30. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

- 52,140,000 of such share options were vested on 24 June 2016 with an exercise period from 24 June 2016 to 23 June 2021.
- 35,920,000 of such share options were vested on 24 June 2017 with an exercise period from 24 June 2017 to 23 June 2021.
- 2,900,000 of such share options were vested on 24 June 2018 with an exercise period from 24 June 2018 to 23 June 2021.
- 2,320,000 of such share options will be vested on 24 June 2019 with an exercise period from 24 June 2019 to 23 June 2021.
- 2,320,000 of such share options will be vested on 24 June 2020 with an exercise period from 24 June 2020 to 23 June 2021.
- 1,425,000 of such share options were vested on 16 December 2016 with an exercise period from 16 December 2016 to 15 December 2021.
- 1,900,000 of such share options were vested on 16 December 2017 with an exercise period from 16 December 2017 to 15 December 2021.
- 2,375,000 of such share options were vested on 16 December 2018 with an exercise period from 16 December 2018 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2019 with an exercise period from 16 December 2019 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2020 with an exercise period from 16 December 2020 to 15 December 2021.

### 30. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

- 該等購股權的52,140,000份已於二零一六年六月二十四日歸屬，行使期為二零一六年六月二十四日至二零二一年六月二十三日。
- 該等購股權的35,920,000份已於二零一七年六月二十四日歸屬，行使期為二零一七年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,900,000份已於二零一八年六月二十四日歸屬，行使期為二零一八年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,320,000份將於二零一九年六月二十四日歸屬，行使期為二零一九年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,320,000份將於二零二零年六月二十四日歸屬，行使期為二零二零年六月二十四日至二零二一年六月二十三日。
- 該等購股權的1,425,000份已於二零一六年十二月十六日歸屬，行使期為二零一六年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份已於二零一七年十二月十六日歸屬，行使期為二零一七年十二月十六日至二零二一年十二月十五日。
- 該等購股權的2,375,000份已於二零一八年十二月十六日歸屬，行使期為二零一八年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零一九年十二月十六日歸屬，行使期為二零一九年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零二零年十二月十六日歸屬，行使期為二零二零年十二月十六日至二零二一年十二月十五日。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 30. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

#### 2018

二零一八年

Number of share options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
108,300,000	0.54	19 June 2018 to 18 June 2023 二零一八年六月十九日至二零二三年六月十八日
9,500,000	0.99	16 December 2016 to 15 December 2021 二零一六年十二月十六日至二零二一年十二月十五日
84,800,000	0.67	24 June 2016 to 23 June 2021 二零一六年六月二十四日至二零二一年六月二十三日
38,580,000	0.81	10 December 2015 to 9 December 2020 二零一五年十二月十日及二零二零年十二月九日

#### 2017

二零一七年

Number of share options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
9,500,000	0.99	16 December 2016 to 15 December 2021 二零一六年十二月十六日至二零二一年十二月十五日
95,600,000	0.67	24 June 2016 to 23 June 2021 二零一六年六月二十四日至二零二一年六月二十三日
38,580,000	0.81	10 December 2015 to 9 December 2020 二零一五年十二月十日及二零二零年十二月九日

The fair value of the share options granted during the year ended 31 December 2015 was HK\$24,872,000 (equivalent to RMB20,837,000) of which the Group recognised share based payments of RMB860,000 and RMB1,081,000 during the years ended 31 December 2017 and 2018 respectively.

The fair value of the share options granted on 24 June 2016 and 16 December 2016 was HK\$18,960,000 (equivalent to RMB16,204,000) and HK\$3,924,000 (equivalent to RMB3,510,000) of which the Group recognised share based payments of RMB4,551,000 and RMB2,155,000 during the years ended 31 December 2017 and 2018 respectively.

### 30. 以股份為基礎的付款之交易

(續)

本公司以股權結算之購股權計劃  
(續)

於呈報期末尚未行使的購股權的行使價及行使期如下：

截至二零一五年十二月三十一日止年度已授出的購股權公平值為24,872,000港元(相當於人民幣20,837,000元)；其中本集團於截至二零一七年及二零一八年十二月三十一日止年度分別確認以股份為基礎的付款人民幣860,000元及人民幣1,081,000元。

於二零一六年六月二十四日及二零一六年十二月十六日授出的購股權公平值分別為18,960,000港元(相當於人民幣16,204,000元)及3,924,000港元(相當於人民幣3,510,000元)；其中本集團於截至二零一七年及二零一八年十二月三十一日止年度已分別確認以股份為基礎的付款人民幣4,551,000元及人民幣2,155,000元。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 30. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

The fair value of the share options granted on 19 June 2018 was HK\$17,289,000 (equivalent to RMB14,148,000) of which the Group recognised share based payments of RMB11,969,000 during the year ended 31 December 2018.

The fair value was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

#### 2018 share options

Weighted average share price (HK\$ per share)  
Exercise price (HK\$ per share)  
Expected volatility (%)  
Expected life of options (year)  
Risk-free rate (% per annum)  
Expected dividend yield (%)  
Exercise multiple – director  
Exercise multiple – employee

#### 二零一八年購股權

加權平均股價(每股港元) 0.54  
行使價(每股港元) 0.54  
預期波幅(%) 70.79  
購股權的預期年期(年) 5  
無風險利率(每年%) 2.266  
預期股息收益率(%) 0  
行使倍數—董事 2.57  
行使倍數—僱員 1.54

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 5 years. The expected life and exercise multiple used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

No other feature of the options granted was incorporated into the measurement of fair value.

The binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

During the year ended 31 December 2018, 10,800,000 (2017: 9,520,000) of forfeited share options with fair value of approximately RMB1,689,000 (2017: RMB2,490,000) which previously recognised in share options reserve had been transferred to retained profits.

### 30. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃(續)

於二零一八年六月十九日授出的購股權公平值為17,289,000港元(相當於人民幣14,148,000元)。其中本集團於截至二零一八年十二月三十一日止年度確認以股份為基礎的付款人民幣11,969,000元。

公平值乃經計及授出購股權依據的條款及條件後於授出日期使用二項式模型估計。下表列示所用模式的輸入數據：

預期波幅乃根據本公司過往5年股價的歷史波幅釐定。模型所用之預期年期及行使倍數已根據管理層之最佳估計，就不可轉讓、行使限制及行為因素所造成之影響予以調整。

於計量公平值時，並無計及已授出購股權之其他特點。

二項式模型已用於估計購股權之公平值。計算購股權之公平值所用之變數及假設乃基於董事之最佳估計。購股權價值視乎若干主觀假設的不同變數而變動。

截至二零一八年十二月三十一日止年度，10,800,000(二零一七年：9,520,000)份已沒收購股權原於購股權儲備確認的公平值約人民幣1,689,000元(二零一七年：人民幣2,490,000元)已轉撥至保留溢利。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 30. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

#### Equity-settled share option scheme of the Company (continued)

As at 31 December 2018, the Company had 241,180,000 (2017: 143,680,000) share options outstanding under the Share Option Scheme, which represented approximately 18.49% (2017: 13.3%) of the Shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 241,180,000 (2017: 143,680,000) additional Shares and additional share capital and share premium of approximately HK\$18,891,000 (equivalent to RMB16,553,000) (2017: HK\$11,231,000 and equivalent to RMB9,388,000) and approximately HK\$137,061,000 (equivalent to RMB120,093,000) (2017: HK\$93,476,000 equivalent to RMB78,137,000), before issue expenses.

### 31. RESERVES

The amounts of the Group's reserves and movements therein for the current and prior reporting periods are presented in the consolidated statement of changes in equity.

#### (i) Contributed surplus

On 17 January 2011, CITIC Capital, the Company and its shareholders had entered into certain conditional release and discharge agreements, pursuant to which, the new exchangeable note would be duly released and discharged, which had taken place on the Listing Date, 28 January 2011, and prior to the commencement of the trading of the Shares on the Stock Exchange. Accordingly, the liability component of the new exchangeable note of RMB57,768,000 on the Listing Date was extinguished and transferred to the contributed surplus in shareholders' equity upon the full conversion of the new exchangeable note.

### 30. 以股份為基礎的付款之交易

(續)

#### 本公司以股權結算之購股權計劃 (續)

於二零一八年十二月三十一日，本公司於購股權計劃項下擁有241,180,000份(二零一七年：143,680,000份)尚未行使的購股權，佔於該日期已發行股份約18.49%(二零一七年：13.3%)。根據本公司現時資本架構，悉數行使該等尚未行使的購股權將導致額外發行241,180,000股(二零一七年：143,680,000股)股份及額外股本及股份溢價(未扣除發行開支)分別約18,891,000港元(相當於人民幣16,553,000元)(二零一七年：11,231,000港元，相當於人民幣9,388,000元)及約137,061,000港元(相當於人民幣120,093,000元)(二零一七年：93,476,000港元，相當於人民幣78,137,000元)。

### 31. 儲備

於目前及過往呈報期間，本集團儲備的金額及增減呈列於綜合權益變動表。

#### (i) 實繳盈餘

於二零一一年一月十七日，CITIC Capital、本公司及其股東訂立若干有條件解除及撤除協議，據此，於上市日期即二零一一年一月二十八日及股份於聯交所開始買賣之前，新可換股票據獲正式解除及撤除。因此，於悉數兌換新可換股票據後，於上市日期新可換股票據負債部分人民幣57,768,000元已撤銷並轉撥至股東權益內的實繳盈餘。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 31. RESERVES (continued)

#### (i) Contributed surplus (continued)

Pursuant to the stock borrowing agreement entered into between Best Mark and the Subscriber on 21 June 2012, Best Mark lent 32,000,000 Shares to the Subscriber. Upon initial recognition, the value of such contribution amounting to approximately RMB12,183,000 from the substantial shareholder was accounted for as a deemed contribution in the shareholder's equity. The carrying amount of such contribution from the substantial shareholder is not remeasured in subsequent years.

On 10 September 2012, Best Mark and the Subscriber entered into a letter agreement (the "Call and Put Option Confirmation") pursuant to which the Subscriber had granted to the Best Mark the right to purchase 32,000,000 of the Shares at a strike price of HK\$1.01 and the Best Mark has granted the Subscriber the right to require the Best Mark to purchase 32,000,000 of the Shares at the same strike price.

On 17 December 2014, the Company was informed by Best Mark that 32,000,000 Shares had been transferred by the Subscriber to Best Mark and the transaction set out in the Call and Put Option Confirmation was terminated.

#### (ii) Statutory surplus fund

In accordance with the relevant regulations applicable in the PRC, the Group's subsidiary established in the PRC is required to transfer a certain percentage of its statutory annual profits after tax (after offsetting any prior period's losses), if any, to the statutory surplus fund until the balance of the fund reaches 50% of its registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory surplus fund may be used to offset against accumulated losses of the PRC subsidiary. The amount of the transfer is subject to the approval of the board of directors of the PRC subsidiary.

#### (iii) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside the PRC which are dealt with in accordance with the accounting policy set out in note 3 to the financial statements.

### 31. 儲備(續)

#### (i) 實繳盈餘(續)

根據於二零一二年六月二十一日 Best Mark與認購人訂立的借股協議，Best Mark向認購人借出股份32,000,000股。於初次確認後，有關主要股東注資的價值約為人民幣12,183,000元，於股東權益項下入賬列為視作注資。有關主要股東作出的注資賬面值於其後年度不予重新計量。

於二零一二年九月十日，Best Mark與認購人訂立一份協議書（「認購及認沽期權確認書」），據此，認購人向Best Mark授出以行使價1.01港元購買Best Mark 32,000,000股股份的權利，而Best Mark向認購人授出要求Best Mark以相同行使價購買32,000,000股股份的權利。

於二零一四年十二月十七日，本公司獲Best Mark告知，32,000,000股股份已由認購人轉讓予Best Mark，認購及認沽期權確認書中所載交易已終止。

#### (ii) 法定盈餘公積金

根據中國相關適用規例，本集團在中國成立的附屬公司須將法定年度除稅後溢利（已抵銷任何過往期間虧損）（如有）的若干百分比轉撥至法定盈餘公積金，直至公積金結餘達到其註冊資本50%為止。法定盈餘公積金可用作抵銷中國附屬公司的累計虧損，惟須遵守相關中國法規的若干規限。所轉撥的金額須經中國附屬公司的董事會批准。

#### (iii) 匯兌波動儲備

匯兌波動儲備包括換算中國境外營運財務報表所產生的一切外匯差額，乃根據綜合財務報表附註3所載會計政策入賬處理。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 32. OPERATING LEASE ARRANGEMENTS

The Group leases a production plant and premises under operating lease arrangements. Leases for these properties are negotiated for average terms of one to five years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	668	397
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)	984	560
		<b>1,652</b>	<b>957</b>

### 33. COMMITMENTS

In addition to the operating lease commitments detailed in note 32 above, the Group had the following commitments at the end of the reporting period:

		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
Contracted for capital commitment in respect of investment in subsidiaries	有關於附屬公司投資的訂約資本承擔	185,021	128,171
Contracted for commitments in respect of:	有關以下項目的訂約承擔：		
- advertising and consultancy services	- 廣告及諮詢服務	373	571
- construction in progress	- 在建工程	354	149
- research and development contract	- 研發合約	300	685
- property, plant and equipment	- 物業、廠房及設備	9,468	7,539
		<b>10,495</b>	<b>8,944</b>

### 32. 經營租約安排

本集團根據經營租約安排租賃生產廠房及場地。該等物業的平均租期經協商定為一年至五年。

於呈報期末，本集團根據不可撤銷經營租約於下列日期屆滿的未來最低租金付款總額如下：

### 33. 承擔

除上文附註32所詳述的經營租約承擔外，本集團於呈報期末有以下承擔：

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 34. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fees	袍金	-	-
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,968	2,001
Contributions to retirement benefits schemes	退休福利計劃供款	30	31
		<b>1,998</b>	<b>2,032</b>

### 35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings (note 25), convertible notes (note 26), and provision for contingent consideration (note 27); net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

### 34. 關連人士交易

本集團主要管理人員的酬金如下：

### 35. 資本風險管理

本集團管理其資本，旨在透過優化債務與股本平衡，確保本集團的實體可持續經營，亦為股東締造最大回報。本集團的整體策略與往年維持不變。

本集團的資本架構包括債務淨額（包括借貸（附註25）、可換股票據（附註26）及或然代價撥備（附註27）（扣除現金及現金等價物））及本公司擁有人應佔權益（包括已發行股本、儲備及保留溢利）。

本公司董事每半年檢討一次資本結構。作為檢討的一部分，本公司董事考慮資本成本及與各類資本相關的風險。根據本公司董事的建議，本集團將透過支付股息、發行新股、購回股份以及發行新債或贖回現有債務以平衡其整體資本結構。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2018 and 2017 are as follows:

#### Financial assets

*Loans and receivables:*  
Trade and bills receivables (note 19)  
Financial assets included in prepayments, deposits and other receivables  
Pledged deposits  
Cash and bank balances

*貸款及應收款項：*  
應收貿易賬款及應收票據(附註19)  
包含在預付款項、按金及其他  
應收款項的金融資產  
已質押存款  
現金及銀行結餘

### 36. 按類別劃分的金融工具

於二零一八年及二零一七年十二月三十一日的各類金融工具賬面值如下：

#### 金融資產

	2018	2017
	二零一八年	二零一七年
	RMB'000	RMB'000
	人民幣千元	人民幣千元

#### Financial liabilities

*Non-derivative financial liabilities:*  
Trade and bills payables (note 23)  
Financial liabilities included in deposits received, other payables and accruals  
Short term borrowings (note 25)  
Provision for contingent consideration (note 27)

*非衍生金融負債：*  
應付貿易賬款及應付票據(附註23)  
包含在已收按金、其他應付款項及應計費用的金融負債  
短期借貸(附註25)  
或然代價撥備(附註27)

	2018			2017		
	二零一八年			二零一七年		
	Financial liabilities at FVTPL	Financial liabilities at amortised cost	Total	Financial liabilities at FVTPL	Financial liabilities at amortised cost	Total
	按公平值計入損益的金融負債	以攤銷成本計量的金融負債	總額	按公平值計入損益的金融負債	以攤銷成本計量的金融負債	總額
	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

#### 金融負債

	-	46,806	46,806	-	48,001	48,001
	-	42,431	42,431	-	33,044	33,044
	-	123,100	123,100	-	117,000	117,000
	4,769	-	4,769	48,302	-	48,302
	4,769	212,337	217,106	48,302	198,045	246,347

*Derivative financial liabilities:*  
Convertible notes

*衍生金融負債：*  
可換股票據

	-	-	-	144,822	-	144,822
	-	-	-	144,822	-	144,822

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial liabilities	Fair value as at 31 December 2018 於二零一八年十二月三十一日的公平值	Fair value hierarchy 公平值等級	Significant unobservable inputs 重大不可觀察輸入值	Range 範圍	Valuation technique(s) and key input(s) 估值方法及主要輸入值
Provision for contingent consideration 或然代價撥備	Liabilities, RMB4,769,000 負債，人民幣4,769,000元	Level 3 第三級	Discount rate 貼現率	12.54%-12.72% (2017: 12.32%-12.54%)	Discounted Cash Flow Approach 貼現現金流法 The key inputs are set out in note 27 主要輸入值載於附註27

During the year of 2018, all convertible notes were converted to Shares. No outstanding balance as at 31 December 2018.

### 37. 金融工具的公平值計量

本集團根據經常性基準按公平值計量的金融資產及金融負債的公平值

於各呈報期末，本集團的若干金融資產及金融負債按公平值計量。下表呈列該等金融資產及金融負債公平值釐定方式(尤其是所用的估值方法及輸入值)的相關資料。

於二零一八年，所有可換股票據已轉換為股份。於二零一八年十二月三十日，概無未償還結餘。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

#### Fair value hierarchy As at 31 December 2018

	Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Provision for contingent consideration 或然代價撥備	-	-	4,769	4,769

As at 31 December 2017

	Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Convertible notes 可換股票據	-	-	144,822	144,822
Provision for contingent consideration 或然代價撥備	-	-	48,302	48,302

### 37. 金融工具的公平值計量(續)

本公司董事認為，於綜合財務報表確認的金融資產及金融負債的賬面值與其公平值相若。

#### 公平值等級 於二零一八年十二月三十一日

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 37. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

#### Reconciliation of Level 3 fair value measurements

		Convertible notes 可換股票據 RMB'000 人民幣千元 (note 26) (附註26)	Provision for contingent consideration 或然代價撥備 RMB'000 人民幣千元 (note 27) (附註27)
As 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	144,822	48,302
Fair value loss charged/(gain credited) to profit or loss during the year	年內於損益扣除的公平值損失/(計入的公平值收益)	17,797	(43,533)
Conversion of convertible notes during the year	年內兌換的可換股票據	(162,619)	-
As at 31 December 2018	於二零一八年十二月三十一日	-	4,769

### 37. 金融工具的公平值計量(續)

#### 第三級公平值計量的對賬

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments, include trade receivables, deposits and other receivables, pledged deposits, cash and bank balances, trade and bills payables, other payables and accruals, short term borrowings, convertible notes and provision for contingent consideration. Details of the financial instruments are disclosed in respective notes.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk, liquidity risk and commodity price risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### 38. 財務風險管理目標及政策

本集團的主要金融工具包括應收貿易賬款、按金及其他應收款項、已質押存款、現金及銀行結餘、應付貿易賬款及應付票據、其他應付款項及應計費用、短期借貸、可換股票據及或然代價撥備。該等金融工具的詳情於各附註披露。

本集團金融工具的主要風險包括外幣風險、信貸風險、利率風險、流動資金風險及商品價格風險。下文載列如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時和有效地採取適當的措施。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales transactions and financing denominated in US dollars ("US\$") and Hong Kong dollars ("HK\$").

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US\$ and HK\$ exchange rate, with all other variables held constant, of the Group's loss before tax.

		Increase/ (decrease) in US\$/HK\$ rate	Increase/ (decrease) in the Group's loss before tax
		美元／港元匯率 上升／(下跌) %	本集團除稅 前虧損上升／ (下跌) RMB'000 人民幣千元
<b>2018</b>	<b>二零一八年</b>		
If US\$ strengthens against RMB	倘美元兌人民幣升值	5	1,692
If HK\$ strengthens against RMB	倘港元兌人民幣升值	5	935
If US\$ weakens against RMB	倘美元兌人民幣貶值	(5)	(1,692)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	(5)	(935)
<b>2017</b>	<b>二零一七年</b>		
If US\$ strengthens against RMB	倘美元兌人民幣升值	5	1,359
If US\$ weakens against RMB	倘美元兌人民幣貶值	(5)	(1,359)

The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### 38. 財務風險管理目標及政策(續)

#### 外幣風險

本集團有交易貨幣風險，主要源自以美元(「美元」)及港元(「港元」)計值的銷售交易及融資活動。

下表顯示於呈報期末，倘所有其他變量保持不變，本集團除稅前虧損對美元及港元匯率的合理可能變動的敏感性。

本集團現時並無外幣對沖政策，但管理層監察外匯風險，並會於有需要時考慮對沖重大外幣風險。

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk and impairment assessment

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of IFRS 9 (2017: incurred loss model) on trade receivables individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For prepayments, deposits and other receivables, the Group makes individual assessment based on industrial factors, historical observed default rates and are adjusted for forward-looking information that is available without undue cost or effort. No impairment allowance was provided by the Group on prepayments, deposits and other receivables during the current year.

The Group's credit risk on bank balances and cash is low and there is no significant concentration of credit risk because all bank deposits are deposited in or contracted with several state-owned banks with good reputation and with high credit ratings assigned by international credit-rating agencies. No recognition of ECL on bank balances, restricted bank balances and cash is considered necessary.

The Group's concentration of credit risk by geographical locations is mainly in US (2017: US), which accounted for 76% (2017: 69%) of the total trade receivables as at 31 December 2018.

The Group has concentration of credit risk as 74% (2017: 45%) and 99% (2017: 78%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

### 38. 財務風險管理目標及政策(續)

#### 信貸風險及減值評估

於二零一八年十二月三十一日，本集團所面臨因對方未能履行責任而將為本集團帶來財務損失的最大信貸風險，乃來自於綜合財務狀況表所列明有關已確認金融資產的賬面值。

為將信貸風險降至最低，本集團管理層已委派專責小組負責釐定信貸限額、批准信貸，以及應用其他監管程序以確保會就收回逾期債項採取跟進行動。此外，本集團於應用國際財務報告準則第9號後按預期信貸虧損模式(二零一七年：已產生虧損模式)單獨或根據撥備矩陣就應收貿易賬款進行減值評估。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

就預付款項、按金及其他應收款項而言，本集團根據行業因素、過往可觀察違約率單獨作出評估，並就毋須付出不必要成本或努力即可獲得之前瞻性資料進行調整。本集團於本年度概無就預付款項、按金及其他應收款項計提減值撥備。

本集團銀行結餘及現金之信貸風險為低，且概無重大信貸集中風險，原因為所有銀行存款均存置於多間信譽良好且獲國際信貸評級機構給予高信貸評級之國有銀行。毋須就銀行結餘、受限制銀行結餘及現金確認預期信貸減值。

本集團按地理位置劃分的信貸風險主要集中在美國(二零一七年：美國)，美國佔於二零一八年十二月三十一日的應收貿易賬款總額的76%(二零一七年：69%)。

本集團有集中信貸風險，原因是應收貿易賬款總額的74%(二零一七年：45%)及99%(二零一七年：78%)為分別來自於本集團的最大客戶及五大客戶。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

2018

	External credit rating 外部信貸評級	12m or lifetime ECL 12個月或全期 預期信貸虧損	Gross carrying amount	
			總賬面值	
			RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Financial assets at amortised costs</b>				
<b>按攤銷成本計量之金融資產</b>				
Trade receivables from sales of goods	(note a)	Lifetime ECL (not credit impaired)	33,787	
銷售商品產生之應收貿易賬款	(附註a)	全期預期信貸虧損 (無信貸減值)		
		Credit-impaired 信貸減值	8,246	42,033
Bank balances and cash	AA+	12m ECL	21,080	
銀行結餘及現金	AA+	12個月預期信貸虧損		
		Credit-impaired 信貸減值	-	21,080
Prepayments, deposits and other receivables	(note b)	Lifetime ECL (not credit impaired)	7,480	
預付款項、按金及其他應收款項	(附註b)	全期預期信貸虧損 (無信貸減值)		
		Credit-impaired 信貸減值	-	7,480

Notes:

- (a) For trade receivables from sales of goods, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors credit-impaired, the Group determines the ECL on these items by using a provision matrix, grouped by internal credit rating and/or past due status.
- (b) For prepayments, deposits and other receivables, the external credit ratings are not available for each individual to be assessed.

### 38. 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

下表詳述本集團就須進行預期信貸虧損評估之金融資產面臨之信貸風險：

二零一八年

附註：

- (a) 就銷售商品產生之應收貿易賬款而言，本集團應用國際財務報告準則第9號之簡化方法，以按全期預期信貸虧損計量虧損撥備。除已出現信貸減值之債務人外，本集團透過使用按內部信貸評級及／或逾期狀況歸類之撥備矩陣釐定該等項目之預期信貸虧損。
- (b) 就預付款項、按金及其他應收款項而言，無法就將予評估之個別人士獲得外部信貸評估。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk and impairment assessment (continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its sales of goods operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The following table provides information about the exposure to credit risk for trade receivables, which are assessed based on provision matrix as at 31 December 2018 within lifetime ECL (not credit impaired). Debtors credit-impaired with gross carrying amounts of RMB8,246,000 as at 31 December 2018 were assessed individually.

#### Gross carrying amount

Current (not past due)	即期(無逾期)
Less than 1 months past due	逾期少於1個月
2 to 3 months past due	逾期2至3個月
4 to 6 months past due	逾期4至6個月

As at 31 December 2018, the Group provided RMB128,000 impairment allowance for trade receivables based on the provision matrix, while impairment allowance of RMB8,246,000 were made on credit impaired debtors by individual ECL assessment.

### 38. 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

作為本集團信貸風險管理的一部分，本集團使用債務人賬齡評估其銷售商品業務有關的客戶減值，原因為該等客戶由多名具有共同風險特徵的小型客戶組成，而共同風險特徵指客戶根據合約條款支付所有到期款項的能力。

下表提供於全期預期信貸虧損(無信貸減值)內就於二零一八年十二月三十一日按撥備矩陣評估之應收貿易賬款面臨之信貸風險之資料。於二零一八年十二月三十一日，已就總賬面值為人民幣8,246,000元之已出現信貸減值之債務人進行單獨評估。

#### 總賬面值

Average loss rate	Trade receivables	ECL (not credit impaired)
平均虧損率	應收貿易賬款	預期信貸虧損
	RMB'000	(無信貸減值)
	人民幣千元	RMB'000
		人民幣千元
–	32,564	–
5%	574	29
10%	564	56
50%	85	43
	33,787	128

於二零一八年十二月三十一日，本集團根據撥備矩陣就應收貿易賬款計提減值撥備人民幣128,000元，而已透過單獨預期信貸虧損評估就已出現信貸減值之債務人計提減值撥備人民幣8,246,000元。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk and impairment assessment (continued)

The following table shows the movement in lifetime ECL that has been recognised trade receivables under the simplified approach.

		Lifetime ECL (not credit impaired) 全期預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元	Lifetime ECL (credit impaired) 全期預期 信貸虧損 (信貸減值) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>As at 31 December 2017 under IAS 39</b>	於二零一七年 十二月三十一日根據 國際會計準則 第39號	–	2,689	2,689
Adjustment upon application of IFRS 9	於應用國際財務報告準 則第9號後調整	–	1,967	1,967
<b>As at 1 January 2018 – As restated</b>	於二零一八年 一月一日 – 經重列	–	4,656	4,656
– Impairment losses recognised	– 已確認減值虧損	128	3,590	3,718
<b>At 31 December 2018</b>	於二零一八年 十二月三十一日	128	8,246	8,374

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over one year past due, whichever occurs earlier.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short term borrowings with floating interest rates.

### 38. 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

下表載列已根據簡化方法確認應收貿易賬款之全期預期信貸虧損之變動。

倘有資料顯示債務人面臨嚴重財務困難且收回款項的機率不大(如債務人遭清盤或進入破產程序,或應收貿易款賬款已逾期超過一年,以較早者為準),本集團將撇銷應收貿易賬款。

#### 利率風險

本集團面臨的市場利率變化風險主要與本集團按浮息計息的短期借貸有關。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Interest rate risk (continued)

The Group regularly reviews and monitors the floating interest rate borrowings in order to manage its interest rate risks. The short term borrowings, cash and short term deposits are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the statement of profit or loss as earned/incurred.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's net loss before tax (through the impact on floating rate borrowings)

		Increase in interest rate 利率增加 (basis points) (基點)	Increase in loss before tax 除稅前 虧損增加 RMB'000 人民幣千元
2018	二零一八年	100	1,231
2017	二零一七年	100	1,170

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2018, the Group has available unutilised short-term bank loan facilities of approximately RMB9,000,000 (2017: RMB51,040,000).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

### 38. 財務風險管理目標及政策(續)

#### 利率風險(續)

本集團定期審查及監測浮息借貸以管理其利率風險。短期借貸、現金及短期存款按攤銷成本入賬，而不會定期重估。浮息收入及支出於損益表內按已賺取／已產生予以進賬／扣除。

下表顯示倘所有其他變量保持不變，本集團除稅前虧損淨額(因浮息借貸影響)對利率之合理可能變動的敏感性。

#### 流動資金風險

在流動資金風險管理方面，本集團監控並維持管理層認為足以撥付本集團營運所需現金及現金等價物水平，並盡量減低現金流量波動的影響。管理層監察銀行借貸的使用情況，並確保遵守貸款契約。

本集團依賴銀行借貸作為流動資金的重要來源。於二零一八年十二月三十一日，本集團尚未動用的約為人民幣9,000,000元短期銀行貸款融資(二零一七年：人民幣51,040,000元)。

下表詳列本集團非衍生金融負債的餘下合約到期情況。該表根據本集團可能被要求還款的最早日期金融負債的未折現現金流量而編製。其他非衍生金融負債的到期日基於協定償還日期而定。此表包括利息及本金現金流量。



# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk (continued)

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

2018  
二零一八年

	On demand	Less than 12 months	1 to 5 years	Undiscounted cash flow	Carrying amount
	於要求時	少於十二個月	一至五年	未折現現金流量	賬面值
	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
Non-derivative financial liabilities:					
Trade and bills payables (note 23)	-	46,806	-	46,806	46,806
Financial liabilities included in deposits received, other payables and accruals	-	42,431	-	42,431	42,431
Short term borrowings	-	125,930	-	125,930	123,100
Provision for contingent consideration	-	3,078	3,077	6,155	4,769
	-	218,245	3,077	221,322	217,106
Derivative financial liabilities:					
Convertible notes	-	-	-	-	-

2017  
二零一七年

	On demand	Less than 12 months	1 to 5 years	Undiscounted cash flow	Carrying amount
	於要求時	少於十二個月	一至五年	未折現現金流量	賬面值
	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
Non-derivative financial liabilities:					
Trade and bills payables (note 23)	-	48,001	-	48,001	48,001
Financial liabilities included in deposits received, other payables and accruals	-	33,044	-	33,044	33,044
Short term borrowings	-	118,202	-	118,202	117,000
Provision for contingent consideration	-	1,142	65,502	66,644	48,302
	-	200,389	65,502	265,891	246,347
Derivative financial liabilities:					
Convertible notes	-	92,686	61,790	154,476	144,822

### 38. 財務風險管理目標及政策(續)

#### 流動資金風險(續)

於呈報期末，倘利息流為浮動利率，則未折現金額按利率曲線計算。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk (continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

#### Commodity price risk

The major raw materials used in the production of the Group's products include rubber and plastics. The Group is exposed to fluctuations in the prices of these raw materials which are influenced by global as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes.

### 39. EVENT AFTER THE REPORTING PERIOD

The net proceeds from the Subscription (after deducting the relevant expenses incurred in the Subscription) were approximately HK\$49,136,000 (equivalent to approximately RMB42,982,000). The net proceeds were intended to be used for the research and development of carbon application products and to provide additional general working capital for the Company. These new Shares rank pari passu with other shares in issue in all respects.

### 38. 財務風險管理目標及政策(續)

#### 流動資金風險(續)

倘浮動利率變動有別於對呈報期末釐定利率的估計，計入上述非衍生金融負債的各種浮動利率工具數額將會發生變動。

#### 商品價格風險

本集團製造產品的主要原材料包括橡膠及塑膠。本集團面臨全球及區域供求情況令該等原材料價格波動的風險。原材料價格波動可能對本集團的財務表現有不利影響。本集團過往並無訂立任何商品衍生工具以對沖可能出現的商品價格波動。

### 39. 財務報告日期後事項

認購事項之所得款項淨額(經扣除認購事項之相關開支後)約為49,136,000港元(相當於約人民幣42,982,000元)。所得款項淨額擬用於研發碳應用產品及為本公司提供額外一般營運資金。這些新股份在各方面與其他已發行股份享有同等地位。

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 40. 本公司之財務狀況表

		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
<b>NON-CURRENT ASSET</b>	<b>非流動資產</b>		
Intangible assets	無形資產	288,000	549,000
Interest in subsidiaries	於附屬公司的權益	902,882	888,248
		<b>1,190,882</b>	<b>1,437,248</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	331	296
Cash and bank balances	現金及銀行結餘	51	51
		<b>382</b>	<b>347</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	32,791	11,584
Amounts due to subsidiaries	應付附屬公司款項	1,112,580	1,112,580
Convertible notes	可換股票據	-	87,001
		<b>1,145,371</b>	<b>1,211,165</b>
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨額</b>	<b>(1,144,989)</b>	<b>(1,210,818)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	<b>45,893</b>	<b>226,430</b>
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Convertible notes	可換股票據	-	57,820
Provision for contingent consideration	或然代價撥備	2,312	47,272
		<b>2,312</b>	<b>105,092</b>
<b>NET ASSETS</b>	<b>資產淨值</b>	<b>43,581</b>	<b>121,338</b>
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	86,758	71,629
Reserves	儲備	(43,177)	49,709
<b>TOTAL EQUITY</b>	<b>權益總額</b>	<b>43,581</b>	<b>121,338</b>

Approved and authorised for issue by the Company's board of directors on 27 March 2019 and signed on its behalf by:

本公司董事會於二零一九年三月二十七日批准及授權刊發，並由以下人士代表簽署：

**ZHENG Jingdong**

鄭景東

Director

董事

**LEUNG Tsz Chung**

梁子冲

Director

董事

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 40. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION (continued)

### 40. 本公司之財務狀況表(續)

Note

附註

i) Reserves of the Company

i) 本公司儲備

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 實繳盈餘 RMB'000 人民幣千元	Capital redemption reserve 資本贖回儲備 RMB'000 人民幣千元	Share options reserve 購股權儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	416,325	395,026	524	25,363	(456,419)	380,819
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	(336,521)	(336,521)
Forfeiture of share options	沒收購股權	-	-	-	(2,490)	2,490	-
Equity-settled share based payments	按股權結算以股權結算的購股權安排	-	-	-	5,411	-	5,411
<b>At 31 December 2017 and 1 January 2018</b>	<b>於二零一七年十二月三十一日及二零一八年一月一日</b>	<b>416,325</b>	<b>395,026</b>	<b>524</b>	<b>28,284</b>	<b>(790,450)</b>	<b>49,709</b>
Conversion of convertible notes	兌換可兌換股票據	147,490	-	-	-	-	147,490
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	(255,581)	(255,581)
Forfeiture of share options	沒收購股權	-	-	-	(1,689)	1,689	-
Equity-settled share based payments	按股權結算以股份為基礎的付款	-	-	-	15,205	-	15,205
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>563,815</b>	<b>395,026</b>	<b>524</b>	<b>41,800</b>	<b>(1,044,342)</b>	<b>(43,177)</b>

# Notes to Consolidated Financial Statements

## 綜合財務報表附註

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

### 41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

### 41. 本公司主要附屬公司的詳情

Name 名稱	Place of registration/ incorporation and operations 登記/註冊成立及 經營地點	Issued and fully paid up capital 已發行及悉數 繳足資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			本公司應佔權益百分比		
			Direct 直接	Indirect 間接	
BAOF International Limited	Hong Kong	HK\$10,000	100	-	Trading of slippers and provision of management services
寶峰新國際有限公司	香港	10,000港元	100	-	買賣拖鞋及提供管理服務
Quanzhou Baofeng Shoes Co., Ltd.* ("Quanzhou Baofeng")	PRC	RMB544,229,000	-	100	Manufacture and sale of slippers, sandals and casual footwear
泉州寶峰鞋業有限公司* ("泉州寶峰")	中國	人民幣 544,229,000元	-	100	製造及銷售拖鞋、涼鞋及休閒鞋
Baofeng Modern (HK) Limited 寶峰時尚(香港)有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100 100	- -	Dormant 暫無營業
Astute Sino Developments Limited 睿華發展有限公司	BVI 英屬處女群島	US\$100 100美元	100 100	- -	Dormant 暫無營業
2D Material Technology Company Limited 2維材料科技有限公司	Hong Kong 香港	HK\$100 100港元	100 100	- -	Dormant 暫無營業
2D Material Technology Limited	BVI 英屬處女群島	US\$100 100美元	100 100	- -	Dormant 暫無營業
Xinfeng 2D (Fujian) Material Technology Company Limited ("Xinfeng 2D")*	PRC	RMB7,500,000	-	100	Manufacture and sale of Graphene-based Products
福建新峰二維材料科技有限公司 ("新峰二維")*	中國	人民幣 7,500,000元	-	100	製造及銷售石墨烯產品
(Fujian Caidian Keji Company Limited)	PRC	RMB650,000	-	100	Dormant
福建省踩點科技有限責任公司	中國	人民幣650,000元	-	100	暫無營業

\* Quanzhou Baofeng and Xinfeng 2D are wholly-foreign-owned enterprise established under the law of the PRC.

\* 泉州寶峰及新峰二維為根據中國法律註冊成立的外商獨資公司。

None of the subsidiaries had issued any debt securities at 31 December 2018 and 2017 or at any time during the year.

於二零一八年及二零一七年十二月三十一日或本年度任何時間，概無附屬公司發行任何債務證券。

### 42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2019.

### 42. 財務報表之批准

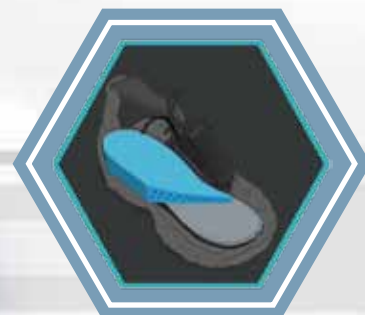
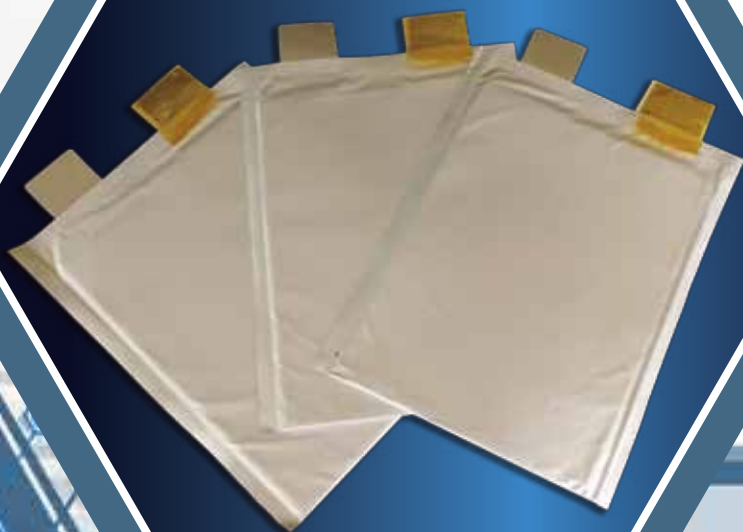
財務報表經董事會於二零一九年三月二十七日批准及授權刊發。

寶峰時尚

# boree

## 2018 年度報告 ANNUAL REPORT

Carbon-based Batteries



[www.baofengmodern.com](http://www.baofengmodern.com)  
Stock Code : 1121



寶峰時尚國際控股有限公司  
(於開曼群島註冊成立的有限公司)  
股份代號 : 1121

Baofeng Modern International Holdings Company Limited  
(Incorporated in the Cayman Islands with limited liability)