

HEALTHCARE

华 | 夏 | 健 | 康

**China Healthcare
Enterprise Group Limited**

華夏健康產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1143

2018 年報
ANNUAL REPORT

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CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. Gong Shaoxiang (*Chairman*)
Mr. Lee Chi Hwa Joshua
Mr. Duan Chuanhong
Mr. Shi Xinbiao (resigned on 31 January 2019)

NON-EXECUTIVE DIRECTOR

Mr. Cao Yuyun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Bao Jinqiao
Mr. Wong Chun Hung
Mr. Leung Pok Man

COMPANY SECRETARY

Mr. Lee Chi Hwa Joshua

LEGAL ADVISORS

AS TO HONG KONG LAWS

HASTINGS & Co.
5th Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

REGISTERED OFFICE

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75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG OFFICE

Suites 5815-5816
58/F., Two International Finance Centre
No. 8 Finance Street
Central, Hong Kong

執行董事

龚少祥先生(主席)
李智華先生
段川红先生
史新标先生(於二零一九年一月三十一日辭任)

非執行董事

曹雨云先生

獨立非執行董事

鲍金桥先生
黃鎮雄先生
梁博文先生

公司秘書

李智華先生

法律顧問

有關香港法律

希仕廷律師行
香港
中環
畢打街11號
置地廣場
告羅士打大廈5樓

註冊辦事處

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

香港辦事處

香港中環
金融街8號
國際金融中心二期58樓
5815-5816室

CORPORATE INFORMATION

公司資料

MAINLAND OFFICE

No.15 North Guangcong Commercial Street
First Industrial Zone
Zhuliao Town, Baiyun District
Guangzhou
Guangdong Province
PRC

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

RSM Hong Kong
Certified Public Accountants
29th Floor
Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

內地辦事處

中國
廣東省
廣州
白雲區竹料鎮
第一工業區
廣從商業北街15號

主要往來銀行

渣打銀行(香港)有限公司
星展銀行(香港)有限公司
香港上海滙豐銀行有限公司

核數師

羅申美會計師事務所
執業會計師
香港
銅鑼灣
恩平道28號
利園2期29樓

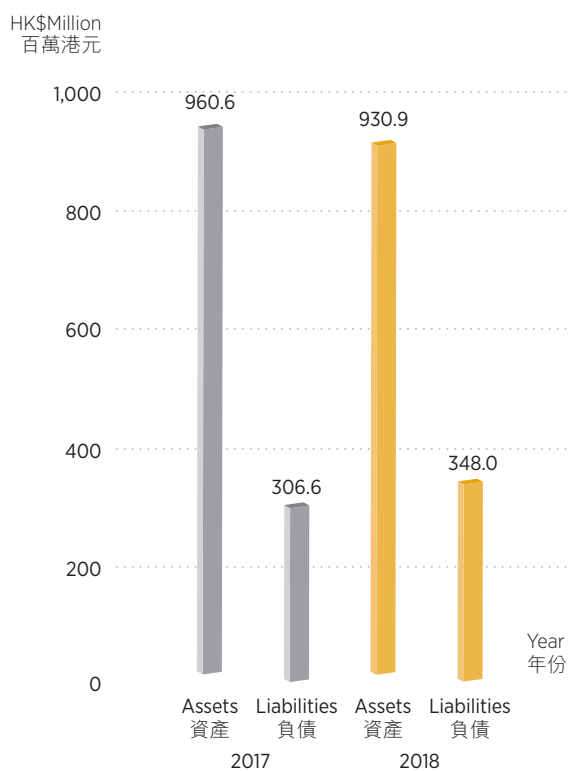
FINANCIAL HIGHLIGHTS

財務摘要

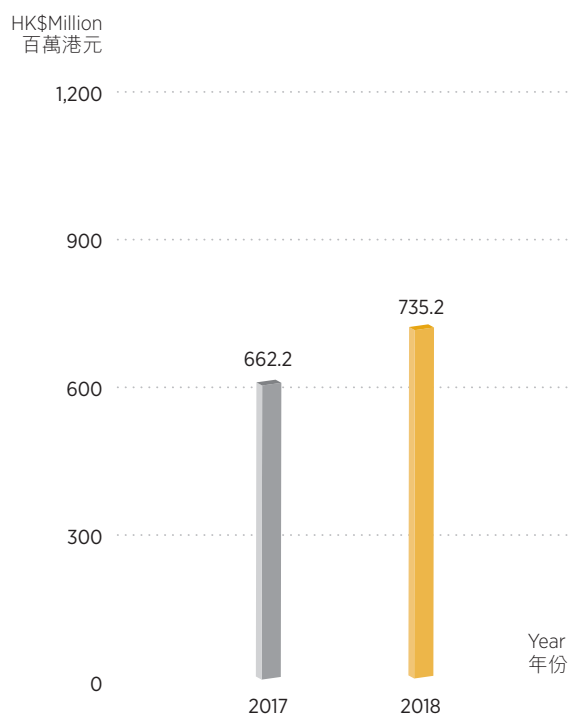
HK\$ Million, except otherwise stated
百萬元，除另有指明者外

		2018 二零一八年	2017 二零一七年
Revenue	收入	735.2	662.2
Loss for the year	年度虧損	(49.3)	(131.3)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(58.0)	(128.4)
Loss per share (HK cents)	每股虧損(港仙)	(0.975)	(2.508)
Average inventory turnover day (days)	平均存貨周轉天數(天)	64.6	68.2
Average trade receivable turnover day (days)	平均應收貿易賬款周轉天數(天)	67.7	64.6
Average trade payable turnover day (days)	平均應付貿易賬款周轉天數(天)	49.1	57.3
Total assets	資產總值	930.9	960.6
Total liabilities	負債總值	348.0	306.6

Financial position 財務狀況



Revenue 收入



CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”), I would like to hereby present the audited consolidated financial results of China Healthcare Enterprise Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2018 (“the Year”).

Over the last 12 months, the global economic climate has shifted from upbeat to cautionary, due in large part to the trade dispute between the United States of America (the “U.S.A.”) and the People’s Republic of China (“PRC”) during the latter half year. Despite the increasingly unpredictable climate, we have sought to maintain positive momentum with respect to our principal business interests of electronic manufacturing services (“EMS”) and marketing and distribution of communications products (“Distribution of Communications Products”), while at the same time make headway in the securities and other assets investment (“Securities and Other Assets Investment”) operation, with the view towards penetrating the PRC healthcare and medical sector.

On the EMS and Distribution of Communications Products front, we launched a number of new products during the Year in response to changing market conditions and our commitment to maintaining a product portfolio that is in step with consumption trends. At the same time, we have continued to develop new products that align with the aforementioned goals, and in particular, to the rising popularity of smart-home appliances with IoT, Wi-Fi and Bluetooth functionality. In the face of rising costs, including for key electronic components, we were able to mitigate the impact through effective cost management.

As for the Securities and Other Assets Investment operation, we remain fully committed to seizing the tremendous opportunities arising from the PRC healthcare sector. While this sector has been expanding at a rapid rate, there remains tremendous room for growth. One major reason behind this is a quickly aging population, which may invariably have greater medical needs. It is quite clear that our interest in this important sector is well founded.

致各股東：

本人謹代表董事(「董事」)會(「董事會」)提呈華夏健康產業集團有限公司(「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(「本年度」)之經審核綜合財務業績。

於過往十二個月，全球經濟環境由樂觀轉向審慎，在很大程度上歸因於下半年美利堅合眾國(「美國」)與中華人民共和國(「中國」)之間的貿易糾紛。儘管經濟環境愈來愈難以預料，我們亦已力求在主要業務電子製造服務(「電子製造服務」)以及營銷及分銷通訊產品(「分銷通訊產品」)方面保持樂觀態度，同時推動證券及其他資產投資(「證券及其他資產投資」)業務的發展，銳意打入中國的保健及醫療領域。

就電子製造服務及分銷通訊產品方面而言，我們已於本年度推出若干新產品，以回應瞬息萬變的市況及我們維持產品組合與消費趨勢相符的承諾。與此同時，我們持續開發新產品以實現上述目標，特別是面對具有物聯網、Wi-Fi及藍牙功能的智能家居電器日益普及的需求。面對主要電子元件等項目的成本上漲，我們能透過有效的成本管理減輕相關影響。

就證券及其他資產投資業務而言，我們繼續全力把握中國保健行業帶來的龐大機遇。儘管有關行業一直快速擴展，其增長空間仍然龐大。有關增長的其中一個主要原因是人口老化加劇，有關人口將事必會對醫療有著更大的需求。顯而易見，我們有充分理由對這一重要領域感興趣。

CHAIRMAN'S STATEMENT

主席報告書

Though the global economic outlook for the coming year remains clouded, we remain confident that with sound strategies in place, healthy business operations and solid fundamentals — all underpinned by experienced and far-sighted leadership, the Group is on track for a brighter tomorrow.

On behalf of the Board and the management, I would like to extend my gratitude to the entire workforce for their dedication and hard work during the Year. I wish to also thank all of our shareholders, investors, customers and business partners for their unwavering support.

Gong Shaoxiang

Chairman

27 March 2019

儘管來年全球經濟前景仍然陰雲密佈，我們仍然深信，憑藉健全的政策、穩健的業務營運以及穩固的基礎—這一切全賴經驗豐富及高瞻遠矚的領導，本集團將朝著更美好的明天邁進。

本人謹代表董事會及管理層衷心感謝全體員工於本年度的不懈努力及辛勤工作，同時亦感謝全體股東、投資者、客戶及商業夥伴一如既往的支持。

龚少祥

主席

二零一九年三月二十七日

¹ <https://www.forbes.com/sites/kenrapoza/2017/02/21/chinas-aging-population-becoming-more-of-a-problem/#78657354140f>

¹ <https://www.forbes.com/sites/kenrapoza/2017/02/21/chinas-aging-population-becoming-more-of-a-problem/#78657354140f>

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS OVERVIEW

During the Year, the Group has continued to expedite development of the EMS and Distribution of Communication Products businesses. To expand revenue streams, the Group has also strived to capture opportunities arising from the healthcare and medical industry in the PRC.

For the financial year ended 31 December 2018, the Group generated total revenue of approximately HK\$735.2 million (2017: HK\$662.2 million). Gross profit amounted to HK\$172.5 million (2017: HK\$164.4 million), while loss attributable to owners of the Company narrowed to HK\$58.0 million (2017: HK\$128.4 million).

As at 31 December 2018, the Group had bank and cash balances totalling HK\$354.2 million (2017: HK\$479.4 million), thus remaining in a healthy financial position.

REVIEW OF OPERATIONS

The EMS and Distribution of Communications Products Business

The EMS and Distribution of Communication Products businesses contributed revenue of HK\$622.9 million (2017: HK\$576.6 million) and HK\$43.7 million (2017: HK\$71.1 million) respectively to the Group. In respect of the former, the modest improvement in turnover can be attributed to adjustments made to the product mix, with certain obsolete products replaced with new counterparts during the Year.

The Group managed to have increasing contribution from these businesses even though the businesses were affected by appreciation of the cost of goods sold during the Year. The loss on disposal of various loss-making subsidiaries of the Group in the preceding financial year no longer affected the profit margin of the EMS segment. Furthermore, we were able to derive a profit from the disposal of subsidiaries in this year, as well as benefit from a decline in the share of net loss owing to the disposal of the aforementioned subsidiaries.

業務回顧

於本年度內，本集團繼續加快電子製造服務及分銷通訊產品業務的發展。為擴大收入來源，本集團亦致力把握中國保健及醫療行業出現的機遇。

截至二零一八年十二月三十一日止財政年度，本集團錄得的總收入約為735,200,000港元(二零一七年：662,200,000港元)。毛利為172,500,000港元(二零一七年：164,400,000港元)，而本公司擁有人應佔虧損收窄至58,000,000港元(二零一七年：128,400,000港元)。

於二零一八年十二月三十一日，本集團的銀行及現金結餘合共為354,200,000港元(二零一七年：479,400,000港元)，維持穩健的財務狀況。

營運回顧

電子製造服務及分銷通訊產品業務

電子製造服務及分銷通訊產品業務度分別為本集團貢獻收入622,900,000港元(二零一七年：576,600,000港元)及43,700,000港元(二零一七年：71,100,000港元)。電子製造服務業務的營業額錄得溫和增長乃由於本年度對產品組合進行調整，且若干過時產品已被新同類產品所取代。

儘管該等業務於本年度受售貨成本上升影響，本集團仍錄得該等業務的貢獻有所遞增。本集團於上一個財政年度出售虧損附屬公司的虧損不再影響電子製造服務分部的利潤率。此外，我們於本年度可就出售附屬公司中獲得利潤，並因出售上述附屬公司後應佔淨虧損減少而受益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Securities and Other Assets Investment

Indicative of its relatively brief period of operation, having been established in 2016, the Securities and Other Assets Investment business contributed revenue of HK\$68.6 million (2017: HK\$14.5 million) to the Group during the Year, primarily through the sale of medical equipments in the PRC.

In view of the immense potential of the healthcare and medical industry in the PRC, the Group will continue to build on its beachhead in the country, while at the same time develop the Securities and Other Assets Investment operation. In this way, the Group will lay the groundwork for deriving greater revenue going forward.

證券及其他資產投資

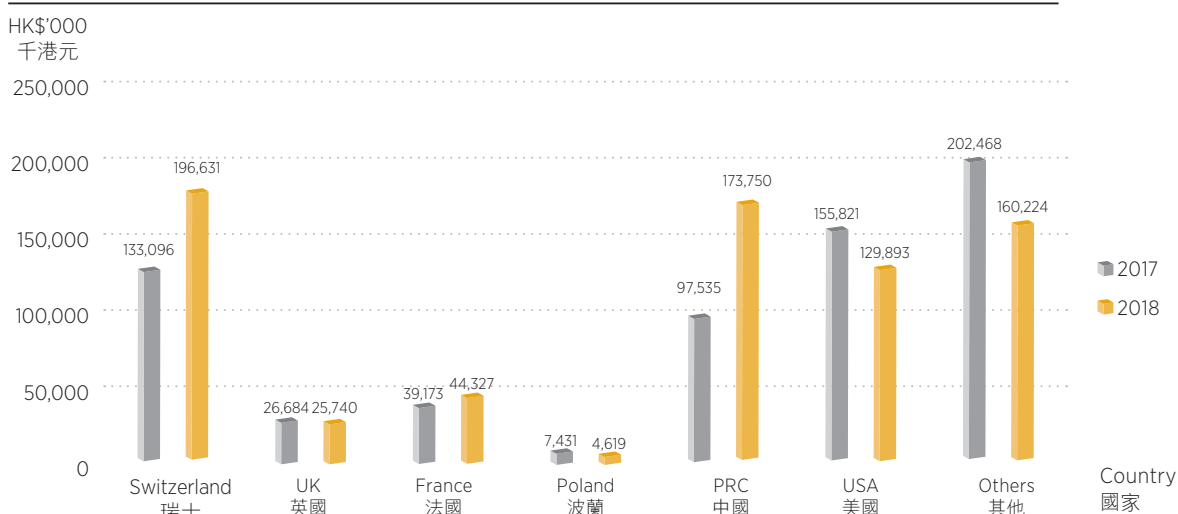
證券及其他資產投資業務於二零一六年成立，經營時間相對較短，於本年度為本集團貢獻收入68,600,000港元(二零一七年：14,500,000港元)，主要來自中國醫療設備的銷售。

鑑於中國醫療及保健行業的龐大潛力，本集團將繼續在中國建立據點，同時發展證券及其他資產投資業務。本集團通過這種方式為日後賺取更多收入奠定基礎。

Geographical Analysis

地區分析

Revenue by Country
國家收入



Revenue from the major European countries (the United Kingdom, Switzerland, Poland and France) totalled HK\$271.3 million (2017: HK\$206.4 million), and accounted for 36.9% (2017: 31.2%) of the Group's total revenue for the year ended 31 December 2018. The U.S.A. market contributed HK\$129.9 million (2017: HK\$155.8 million) in revenue and accounted for 17.7% (2017: 23.5%) of the Group's total revenue. The PRC (including Hong Kong) and other countries accounted for HK\$173.8 million (2017: HK\$97.5 million) and HK\$160.2 million (2017: HK\$202.5 million) respectively, representing 23.6% (2017: 14.7%) and 21.8% (2017: 30.6%) of the Group's total revenue.

截至二零一八年十二月三十一日止年度，主要歐洲國家(英國、瑞士、波蘭及法國)的總收入為271,300,000港元(二零一七年：206,400,000港元)，佔本集團的總收入36.9%(二零一七年：31.2%)。美國市場的收入為129,900,000港元(二零一七年：155,800,000港元)，佔本集團總收入17.7%(二零一七年：23.5%)。中國(包括香港)及其他國家分別錄得173,800,000港元(二零一七年：97,500,000港元)及160,200,000港元(二零一七年：202,500,000港元)，分別佔本集團總收入23.6%(二零一七年：14.7%)及21.8%(二零一七年：30.6%)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2018, the Group recorded total revenue of HK\$735.2 million (2017: HK\$662.2 million).

The Group's reporting segments are strategic business units that offer different products and services. There are three broad groups of business units for segment accounting purpose, EMS, Distribution of Communications Products and the Securities and Other Assets Investment. In EMS segment, there are also two main groups of products, namely communications and non-communications products whereas non-communications products mainly include appliances and appliances control products and multimedia products. Distribution of Communications Products segment represents the marketing and distribution of communications products. The function of the Securities and Other Assets Investment segment is to carry out effective financial management.

For the year ended 31 December 2018, the revenue from EMS segment increased by 8.0% to HK\$622.9 million (2017: HK\$576.6 million), whereas the revenue from Distribution of Communications Products segment decreased by 38.5% to HK\$43.7 million (2017: HK\$71.1 million). The Securities and Other Assets Investment segment contributed revenue of approximately HK\$68.6 million (2017: HK\$14.5 million).

The increase in the revenue of EMS segment was mainly resulted from the increase in the business of appliance and appliances control products of HK\$63.6 million, offset by the decrease in sales of beauty care product of HK\$26.9 million. The decrease in revenue of Distribution of Communications Products segment was caused by the decline in overall demand in business phone sector.

財務回顧

收入

截至二零一八年十二月三十一日止年度，本集團之總收入為735,200,000港元(二零一七年：662,200,000港元)。

本集團的報告分部為策略性業務單位，提供不同產品及服務。就分部會計目的而言，目前有三個廣泛的業務單位組別，即電子製造服務、分銷通訊產品、證券及其他資產投資。電子製造服務分部亦有兩大產品類別，即通訊及非通訊產品，而非通訊產品主要包括電器以及電器控制產品及多媒體產品。分銷通訊產品分部指營銷及分銷通訊產品。證券及其他資產投資分部的職能為進行有效財務管理。

截至二零一八年十二月三十一日止年度，電子製造服務分部收入增加8.0%至622,900,000港元(二零一七年：576,600,000港元)，而分銷通訊產品分部收入下跌38.5%至43,700,000港元(二零一七年：71,100,000港元)。證券及其他資產投資分部貢獻收入約68,600,000港元(二零一七年：14,500,000港元)。

電子製造服務分部收入增加乃主要由於電器及電器控制產品業務錄得63,600,000港元的升幅，被美容產品銷售26,900,000港元的跌幅所抵銷。分銷通訊產品分部收入下降是由於商務電話市場的整體需求下滑所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cost of Sales

Cost of sales increased by 13.0% from HK\$497.8 million in 2017 to HK\$562.7 million in 2018 corresponded to the level of revenue of the Year.

Gross Profit

Gross profit increased by 4.9% from HK\$164.4 million to HK\$172.5 million, with gross profit margin of 23.5% (2017: 24.8%). The increase in gross profit was mainly due to surge in the sales of medical equipments in the PRC, whilst the decline in gross profit margin is arising from higher material and labor cost.

Other income

The other income increased from HK\$19.5 million to HK\$27.1 million comparing with last year. The major components of the other income are represented by the exchange gains of HK\$5.7 million, consultancy fee income of HK\$2.5 million, reversal of impairment losses on trade receivables of HK\$3.2 million, gain on disposal of subsidiaries of HK\$2.7 million and interest income on loans to employees and other parties of HK\$8.2 million.

Selling and distribution expenses

Selling and distribution expenses of HK\$29.3 million (2017: HK\$45.6 million) accounted for approximately 4.0% in 2018 and 6.9% in 2017 of the Group's revenue. The decrease is mainly caused by the decrease in staff cost of approximately HK\$1.9 million and decline in promotion and advertising expenses of HK\$10.2 million (after the adoption effect of HKFRS 15) comparing with last year.

Administrative expenses

Administrative expenses of HK\$185.0 million (2017: HK\$151.9 million) marked an increment of HK\$33.1 million, mainly contributed by the increase in human resources cost of HK\$13.5 million, rental expenses of HK\$20.2 million, consultancy fee of HK\$1.3 million and legal and professional fees of HK\$3.7 million offset by the decline in entertainment expenses of HK\$10.6 million. The administrative expenses accounted for approximately 25.2% in 2018 and 22.9% in 2017 of the Group's revenue.

銷售成本

銷售成本由二零一七年的497,800,000港元上升13.0%至二零一八年的562,700,000港元，與本年度收入水平相符。

毛利

毛利由164,400,000港元增加4.9%至172,500,000港元，毛利率為23.5%（二零一七年：24.8%）。毛利增加是主要由於中國的醫療設備銷售激增，而毛利率下降則由於材料及人工成本較高所致。

其他收入

相比起去年，其他收入由19,500,000港元增加至27,100,000港元。其他收入的主要組成部分為匯兌收益5,700,000港元、顧問費收入2,500,000港元、應收貿易賬款減值虧損撥回3,200,000港元、出售附屬公司之收益2,700,000港元及向僱員及其他人士貸款產生的利息收入8,200,000港元。

銷售及分銷開支

銷售及分銷開支29,300,000港元（二零一七年：45,600,000港元）於二零一八年及二零一七年佔本集團收入分別約4.0%及6.9%。該減少主要由於員工成本以及促銷及廣告開支於受到採納香港財務報告準則第15號的影響後相對去年分別減少約1,900,000港元及10,200,000港元。

行政費用

行政費用增加33,100,000港元至185,000,000港元（二零一七年：151,900,000港元），增加主要由於人力資源成本增加13,500,000港元、租金開支增加20,200,000港元、顧問費增加1,300,000港元、法律及專業費用增加3,700,000港元，惟獲招待開支減少10,600,000港元所抵銷。行政費用於二零一八年及二零一七年佔本集團收入分別約25.2%及22.9%。

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Other operating expenses

Other operating expenses decreased by 73.5% from HK\$94.8 million in 2017 to HK\$25.1 million in 2018. The decrease was mainly attributable to the absence of the disposal loss and impairment loss regarding the equity investments amounting to HK\$20.3 million and HK\$28.1 million respectively, together with the decrease in loss on disposal of subsidiaries of HK\$19.1 million.

Finance costs

The Group's finance costs mainly comprise the interest on loans from an independent third party and related companies. The Group's finance costs were approximately HK\$4.7 million in 2018 and HK\$13.0 million in 2017, representing approximately 0.6% and 2.0% of the revenue in 2018 and 2017, respectively. The drop is largely due to the absence of imputed interest on loans from a substantial shareholder after repayment, amounting to HK\$10.3 million.

Income tax expenses

The Group's income tax expense represents amounts of income tax paid by the Group, at the applicable tax rates in accordance with the relevant laws and regulations in Hong Kong, PRC and U.S.A.. The Group had no tax payable in other jurisdictions during the years ended 31 December 2018 and 2017.

Loss attributable to owners of the Company

The loss attributable to owners of the Company is of HK\$58.0 million (2017: HK\$128.4 million). The Group's net loss margin attributable to owners of the Company for the year ended 31 December 2018 was -7.9% (2017: -19.4%).

Profit for the year attributable to non-controlling interests

Profit for the year attributable to non-controlling interests amounted to HK\$8.7 million for the year ended 31 December 2018 (2017: Loss of HK\$2.9 million). The emerged profit attributable to the non-controlling interests mainly contributed by the sales of medical equipments in the PRC.

其他經營費用

其他經營費用由二零一七年的94,800,000港元減少73.5%至二零一八年的25,100,000港元。有關減少是主要由於並無就股權投資分別產生出售虧損及減值虧損20,300,000港元及28,100,000港元，且出售附屬公司的虧損減少19,100,000港元。

融資成本

本集團的融資成本主要包括來自獨立第三方及關連公司貸款的利息。本集團的融資成本於二零一八年及二零一七年分別約為4,700,000港元及13,000,000港元，並分別佔二零一八年及二零一七年收入約0.6%及2.0%。有關減少主要由於償還來自一名主要股東貸款後不再產生的估算利息，金額為10,300,000港元。

所得稅開支

本集團的所得稅開支指本集團根據香港、中國及美國的有關法律及法規按適用稅率繳付的所得稅款額。於截至二零一八年及二零一七年十二月三十一日止年度，本集團並無其他司法權區之應付稅項。

本公司擁有人應佔虧損

本公司擁有人應佔虧損為58,000,000港元(二零一七年：128,400,000港元)。截至二零一八年十二月三十一日止年度，本公司擁有人應佔本集團淨虧率為-7.9%(二零一七年：-19.4%)。

非控股權益應佔年度溢利

截至二零一八年十二月三十一日止年度，非控股權益應佔年度溢利為8,700,000港元(二零一七年：虧損2,900,000港元)。本年度內產生非控股權益應佔溢利主要受惠於中國的醫療設備銷售業務。

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LIQUIDITY AND CAPITAL RESOURCES

The Group generally finances its operations and capital expenditure by internally generated cashflows, the proceeds from the Company's initial public offering in January 2011 and borrowings.

As at 31 December 2018, the bank and cash balances amounted to HK\$354.2 million (2017: HK\$479.4 million), representing an decrease of HK\$125.2 million from 2017. Respective sum of 8.0%, 15.7% and 73.7% of the bank and cash balances was denominated in RMB, USD and HKD respectively.

The Group's current ratio remains in a healthy position at 2.15 times (2017: 2.8 times).

As at 31 December 2018, the carrying amounts of the loans from related companies and loan from an independent third party are HK\$20.3 million and HK\$20.0 million, respectively. As at 31 December 2017, the borrowings represented the loans from related companies and loan from an independent third party of HK\$23.1 million and HK\$20.0 million, respectively.

Cash flow

In 2018, HK\$95.8 million was used in the operating activities, whilst HK\$43.4 million and HK\$1.8 million were used in investing activities and financing activities respectively. Net cash outflow from financing activities was related to the net borrowings repayment. Net cash outflow from investing activities was mainly sourced from the purchase of equity investments at fair value through other comprehensive income (FVTOCI) of HK\$40.9 million, increase in cash in margin accounts of brokerage firms of HK\$14.1 million and purchase of property, plant and equipment of HK\$41.1 million, being offset by the cash inflow arising from the disposal of subsidiaries of HK\$30.3 million and decrease in loans to employees and other parties of HK\$20.3 million.

流動資金及資本資源

本集團一般以內部產生現金流量、本公司於二零一一年一月首次公開發售的所得款項及借貸撥付其業務營運及資本開支所需。

於二零一八年十二月三十一日，銀行及現金結餘合共為354,200,000港元(二零一七年：479,400,000港元)，較二零一七年減少125,200,000港元。銀行及現金結餘中8.0%、15.7%及73.7%分別以人民幣、美元及港元計值。

本集團流動比率保持穩健，為2.15倍(二零一七年：2.8倍)。

於二零一八年十二月三十一日，來自關連公司的貸款及來自一名獨立第三方的貸款的賬面值分別為20,300,000港元及20,000,000港元。於二零一七年十二月三十一日，借款指來自關連公司的貸款及來自一名獨立第三方的貸款分別為23,100,000港元及20,000,000港元。

現金流量

於二零一八年，經營活動所用現金為95,800,000港元，投資活動及融資活動所用現金分別為43,400,000港元及1,800,000港元。融資活動現金流出淨額與借貸還款淨額有關。投資活動現金流出淨額主要來自購買按公平值計入其他全面收益的股權投資40,900,000港元、經紀行保證金賬戶之現金增加14,100,000港元以及購買物業、廠房及設備款項41,100,000港元，惟被出售附屬公司產生的現金流入30,300,000港元以及向僱員及其他人士貸款減少20,300,000港元所抵銷。

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Exchange risk exposure

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC and Hong Kong denominated in RMB and USD respectively. As at 31 December 2018, the Group had minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the respective functional currencies, i.e. RMB and USD, used by the respective group entities, or in USD for the respective group entities with HKD being the functional currency. As HKD is pegged to USD, the Group considers the risk of movements in exchange rates between HKD and USD to be insignificant for transactions denominated in USD. The RMB is not freely convertible into other foreign currencies and conversion of the RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. As at 31 December 2018, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedging or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the-counter contingent forward transactions. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

Capital expenditure

Capital expenditure for 2018 amounted to HK\$41.1 million and capital commitments as at 31 December 2018 amounted to HK\$0.3 million. Both the capital expenditure and capital commitments were mainly related to the acquisition of plant and machinery as well as leasehold improvements.

Pledge of assets

As at 31 December 2018, bank deposits of HK\$1.3 million (2017: HK\$1.9 million) were pledged to banks for securing banking facilities and also certain shares of subsidiaries have been pledged to an independent third party to secure a loan facility available to the Group.

外匯風險

本集團存在交易貨幣風險。該等風險來自中國及香港分別以人民幣及美元計值的業務營運。於二零一八年十二月三十一日，本集團的外匯風險極小，因為其大部分業務交易、資產及負債主要以相關集團實體使用的相關功能貨幣計值（即人民幣及美元）或功能貨幣為港元的相關集團實體使用的美元計值。由於港元與美元掛鉤，本集團認為港元兌美元匯率變動風險對以美元計值的交易影響不大。人民幣不可自由兌換為其他外幣，人民幣兌換為外幣須遵守中國政府頒佈的外匯管制規則及法規。於二零一八年十二月三十一日，本集團並無就其外幣資產及負債設定外幣對沖政策。本集團並無投資於任何金融衍生工具、外匯合約、利率或貨幣掉期、對沖或作對沖用途的其他財務安排，以減低任何貨幣風險，亦無進行任何場外或然遠期交易。本集團將密切監察其外匯風險，並將於適當時候考慮就重大外匯風險使用對沖工具。

資本開支

二零一八年的資本開支為41,100,000港元，及於二零一八年十二月三十一日的資本承擔為300,000港元。資本開支及資本承擔主要與購置廠房及機器以及租賃改善工程有關。

資產抵押

於二零一八年十二月三十一日，銀行存款1,300,000港元（二零一七年：1,900,000港元）已抵押予銀行作為銀行融資的擔保，且若干附屬公司股份已抵押予獨立第三方，作為本集團可獲得貸款融資的抵押。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Contingent liabilities

- (i) As at 31 December 2017 and 2018, the Group had an outstanding guarantee (“the Guarantee”) to one of the suppliers of an overseas subsidiary (“Disposed Subsidiary”), which was disposed on 7 October 2015, for payment in relation to a sum of US\$2.6 million (equivalent to approximately HK\$20.3 million) representing a trade balance under dispute between the Disposed Subsidiary and the supplier. The supplier subsequently sold the trade balance to a third party.

During 2017, the Disposed Subsidiary had agreed with the third party for a final settlement by instalment of US\$650,000 (equivalent to approximately HK\$5.1 million). In this regard, as at 31 December 2018, the Group had an outstanding guarantee of the sum limited to US\$650,000 subject to the full payment of the final settlement effected by the Disposed Subsidiary.

The Disposed Subsidiary had issued counter guarantee to the Company to indemnify the Company for any loss in relation to the Guarantee.

- (ii) During the Year, a lawsuit was lodged against a subsidiary of the Company, Guangzhou Telefield Limited. The plaintiff seeks compensation of approximately RMB1 million. Having sought legal advices, the directors are of the view that the above compensation shall be disclosed as contingent liabilities.

Apart from the above, the Group and the Company did not have any significant contingent liabilities.

或然負債

- (i) 於二零一七年及二零一八年十二月三十一日，本集團對已於二零一五年十月七日出售之海外附屬公司（「已出售附屬公司」）之其中一名供應商有尚未償付擔保（「該擔保」），其有關支付2,600,000美元（相當於約20,300,000港元）之款項，此乃已出售附屬公司與該供應商之爭議貿易結餘。隨後供應商已出售貿易結餘予第三方。

於二零一七年，已出售附屬公司已與第三方達成最終和解，分期付款650,000美元（相當於約5,100,000港元）。就此而言，於二零一八年十二月三十一日，本集團擁有尚未償付擔保金額上限為650,000美元，視乎已出售附屬公司實際悉數支付的最終和解款項而定。

已出售附屬公司已向本公司發出反擔保，以就該擔保之任何損失為本公司提供彌償保證。

- (ii) 於本年度，本公司的附屬公司廣州中慧電子有限公司被提出訴訟。原告要求彼賠償約人民幣1,000,000元。經尋求法律意見後，董事認為上述賠償應作為或然負債披露。

除上文所述外，本集團及本公司並無任何重大或然負債。

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Significant investments

As at 31 December 2018, the Group was holding listed equity investments at fair value of approximately HK\$27.2 million (2017: HK\$12.0 million), which were classified as equity investments at FVTOCI (2017: available-for-sale financial assets). Due to the downward movements of the share prices, fair value change in respect of such investments of approximately HK\$25.7 million (2017: HK\$40.4 million) was recorded in other comprehensive income. No dividend income was received during the year ended 31 December 2018 in respect of these investments.

Apart from the aforesaid transactions, there were no other material investment by the Group that should be notified to the Shareholders of the Company.

Significant equity investments measured at FVTOCI held as at 31 December 2018 are as below:

重大投資

於二零一八年十二月三十一日，本集團持有公平價值約為27,200,000港元(二零一七年：12,000,000港元)的上市股本投資，有關投資分類列為按公平值計入其他全面收益的股權投資(二零一七年：可供出售金融資產)。由於股價下跌，故有關該等投資的公平值變動約為25,700,000港元(二零一七年：40,400,000港元)，已計入其他全面收益。截至二零一八年十二月三十一日止年度，本集團概無獲得有關該等投資的任何股息收入。

除上述交易外，本集團概無其他須知會本公司股東的重大投資。

於二零一八年十二月三十一日持有以公平值計入其他全面收益計量的重大股權投資如下：

Company name	Stock code	Principal activities	Number of shares held	% of shareholdings	Unrealised losses on fair value change for the year	Cost of acquisition	Fair value as at 31 December 2018	% of total asset of the Group as at 31 December 2018	Reasons for unrealised losses on fair value change for the year	
公司名稱	股份代碼	主要業務	所持股份數目	股權百分比	年內有關公平值變動之未變現虧損	收購成本	於二零一八年十二月三十一日之公平值	佔本集團於二零一八年十二月三十一日之總資產之百分比	年內錄得有關公平值變動之未變現虧損之理由	
					HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元			
1	KPM Holding Limited 吉輝控股有限公司	8027	Design, fabrication, installation and maintenance of signage and related products 設計、裝配、安裝及維護標牌及相關產品	118,400,000	3.7%	6,630	40,103	5,328	0.6%	Downward movements of share price 股價下跌
2	Imperial Pacific International Holdings Limited 博華太平洋國際控股有限公司	1076	Gaming and resort business 博彩及度假村業務	412,440,000	0.3%	19,086	40,945	21,859	2.3%	Downward movements of share price 股價下跌
					25,716	81,048	27,187			

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Human resources

As at 31 December 2018, the Group had approximately 1,600 employees in various operating units located in Hong Kong, U.S.A. and PRC. In order to attract and retain high quality talents to ensure smooth operation and cater for the Group's constant expansion, it offers competitive remuneration packages, with reference to market conditions, individual qualifications and experience.

There is no outstanding share option as at 31 December 2018 and 2017. In addition, no share option was granted, cancelled or lapsed during the year ended 31 December 2018.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole. The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development. The details of such are set out in the Environmental, Social and Governance report on pages 34 to 56 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the mainland China while the Company itself is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Our establishment and operations accordingly shall comply with relevant laws and regulations in the mainland China and Hong Kong. During the year ended 31 December 2018 and up to the date of this report, we have complied with all the relevant laws and regulations in the mainland China and Hong Kong.

人力資源

於二零一八年十二月三十一日，本集團位於香港、美國及中國各個營運單位僱用約1,600名僱員。為招攬及延挽優質精英，以確保營運順暢及應付本集團持續拓展需要，本集團參照市況、個人資歷及經驗提供具競爭力的薪酬待遇。

本集團於二零一八年及二零一七年十二月三十一日概無未行使購股權。此外，於截至二零一八年十二月三十一日止年度，本集團並無任何購股權獲授出、註銷或失效。

環境、社會及企業責任

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。本集團已遵守所有與其業務有關的相關法律及法規，包括健康及安全、工作環境條件、就業及環境。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦因此鼓勵僱員、客戶、供應商及其他持份者參與環境及社會活動，惠及整個社區。本集團與其僱員維持緊密關係，加強與其供應商之間的合作，並為其客戶提供優質產品及服務，以確保可持續發展。有關詳情載於本年報第34至第56頁的環境、社會及管治報告。

遵守法律及法規

本集團的業務主要由本公司於中國內地的附屬公司進行，而本公司本身於香港聯合交易所有限公司（「聯交所」）上市。因此，我們的成立及營運須遵守中國內地及香港的有關法律及法規。截至二零一八年十二月三十一日止年度及直至本報告日期，我們已遵守中國內地及香港的所有有關法律及法規。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

KEY RISKS AND UNCERTAINTIES

Our Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

Market Risks

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market prices, like foreign exchange rates, interest rates and equity prices. The management of our Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Foreign Exchange Rates Risk

As our Group's transactions were mainly conducted in HKD, USD, RMB and Euro ("EUR"), exposing to the potential RMB and EUR exchange rate fluctuations. The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. However, the Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Interest Rate Risk

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

Liquidity Risk

Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, our Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

主要風險及不明朗因素

本集團的財務狀況、營運業績及業務前景可能受到與本集團業務直接或間接相關的許多風險及不明朗因素的影響。以下為本集團知悉的主要風險及不明朗因素。除下文所列者外，或會存在本集團並未知悉或目前可能不重要但日後可能變得重要的其他風險及不明朗因素。

市場風險

市場風險乃因市場價格(即匯率、利率及股價)變動而使盈利能力受損或影響達成業務目標的能力的風險。本集團管理層對該等風險進行管理及監控，以確保能及時有效採取適當措施。

外匯風險

由於本集團交易主要以港元、美元、人民幣及歐元(「歐元」)計值，因此其面臨人民幣及歐元的潛在匯率波動。本集團現時並無制定有關其他外幣交易、資產及負債的外幣對沖政策。然而，本集團密切監察其外幣風險，需要時會考慮對沖重大的外幣風險。

利率風險

就利率敏感產品及投資而言，本集團以動態基準分析其利率風險，並考慮適當時透過各種手段以低成本方式管理該風險。

流動資金風險

流動資金風險即是本集團由於未能取得充足資金或變現資產，在責任到期時未能履約的可能性。管理流動資金風險時，本集團監察現金流量，並維持充足之現金及現金等價物水平，以確保能為本集團營運提供資金及降低現金流量波動之影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in our Group are guided by their standard operating procedures, limits of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Manpower and Retention Risk

Our Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of our Group. Our Group will provide attractive remuneration package to suitable candidates and personnel.

PROSPECTS

Even though the global economy achieved above average growth in 2018, the World Bank forecasts global growth to decelerate in 2019 and 2020 as major central banks begin removing policy accommodations. Also, with trade talks between the U.S.A. and PRC continuing with no immediate resolution, consumer sentiment will invariably be lacklustre.

While the aforementioned developments are not to be ignored, the Group's EMS business has performed encouragingly, although customers have become more cautious due to the ongoing trade talks. The Group will continue to vigorously pursue fresh opportunities. At the same time, it will be vigilant for potential risks to its profit margin, such as appreciation of the RMB and rise in component costs, and take prompt and appropriate actions. Moreover, the Group will direct resources towards research and development so that new products of higher margin are subsequently launched, including IoT, Wi-Fi and Bluetooth enabled smart-home appliances that give fresh impetus for the development of the EMS segment.

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由各個功能之分部及部門肩負。本集團之主要功能經由本身之標準營運程序、權限及匯報框架作出指引。管理層將會定期識別及評估主要之營運風險，以便採取適當風險應對。

人力供應及留聘人才之風險

本集團可能面臨無法吸引及留聘具備適當及所需技能、經驗及才能之主要人員及人才的風險，這些主要人員及人才均是達致本集團業務目標所需之因素。本集團將為合適人選及人員提供具吸引力的薪酬方案。

展望

儘管全球經濟於二零一八年實現了高於平均水平的增長，隨著主要央行開始取消政策調整，世界銀行預測二零一九年及二零二零年的全球增長速度將會放緩。另外，由於中美貿易分歧尚未解決，消費者情緒仍然低落。

雖然上述情況不容忽視，且客戶因中美貿易談判持續而變得更加謹慎，但本集團的電子製造服務業務仍取得令人鼓舞的表現。本集團將繼續積極物色新商機。同時，亦會對其利潤率的潛在風險時刻保持警惕（如人民幣升值及部件成本上漲），採取及時和適當的行動。此外，本集團將資源調撥至研發工作，以便日後推出更高利潤的新產品，包括物聯網、Wi-Fi及藍牙支援的智能家居設備，為電子製造服務分部的發展提供新動力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

With regard to the Securities and Other Assets Investment operation, the Group will continue to focus principally on leveraging the burgeoning PRC healthcare market. As the PRC government has been supportive of advancing healthcare, as outlined in the 13th Five-Year Plan (2015-2020) and “Healthy China 2030”, the Group will seize opportunities that emerge through relevant investments and partnerships.

With 2019 set to be a year of both immense challenges and opportunities, the Group will take a decidedly cautious approach in developing its principal business interests. That does not, however, preclude the Group from taking action aimed at furthering its long-term growth. Leveraging its depth of experience, core competencies and sound fundamentals, the Group will make the necessary preparations for an eventual upturn.

就證券及其他資產投資業務方面，本集團將持續專注好好把握快速發展的中國醫療保健市場。如「十三五」規劃(二零一五年至二零二零年)及「健康中國2030」所述，中國政府一直大力支持推進醫療保健，因此本集團將抓緊相關投資及合作夥伴關係所帶來的機遇。

預期二零一九年將會是充滿挑戰和機遇的一年，本集團在發展其主要業務時會採取明確審慎的態度。然而，這並不會影響本集團採取旨在促進其長期增長的行動。憑藉其豐富的經驗，良好的核心競爭力及穩健的基礎，本集團將做好必要的準備以在經濟好轉時佔盡先機。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company.

The Directors are of the opinion that the Company has complied with the code provisions set out in the Corporate Governance Code (the “Code”) under Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) throughout the year ended 31 December 2018, except for the deviation from code provision A.1.1 and A.2.1 of the Code as described below.

Code Provision A.1.1

Under code provision A.1.1 of the Code, the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the Year, only two regular board meetings were held to review and discuss the annual and interim results. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary and this is deviated from the code provision A.1.1 of the Code.

Code Provision A.2.1

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not have any officer with the title of “chief executive officer” and this is deviated from the code provision A.2.1 of the Code.

Mr. Gong Shaoxiang, who acts as the Chairman and an executive Director of the Company since 4 November 2015, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The roles of the respective executive directors and senior management, who are in charge of different functions complement the role of the chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership enabling the Group to operate efficiently.

企業管治

本公司致力維持高水準的企業管治，以保障本公司股東的利益。

董事認為，本公司於截至二零一八年十二月三十一日止年度內一直遵守證券上市規則（「上市規則」）附錄十四下的《企業管治守則》（「守則」）所載的守則條文，惟下文所述就守則條文第A.1.1及A.2.1條有所偏離的情況除外。

守則條文第A.1.1條

根據守則的守則條文第A.1.1條，董事會應定期開會且每年應最少舉行四次董事會會議，大約每季舉行一次。於本年度內，僅舉行兩次董事會定期會議以審閱及討論年度及中期業績。本公司並無公佈其季度業績，故認為毋須每季舉行會議，此偏離守則的守則條文第A.1.1條。

守則條文第A.2.1條

根據守則的守則條文第A.2.1條，主席及行政總裁的角色應分開及不應由同一人士擔任。本公司並無任何職銜為「行政總裁」的高級職員，此偏離守則的守則條文第A.2.1條。

龔少祥先生自二零一五年十一月四日起為本公司主席兼執行董事，亦負責監督本集團整體運作。董事會定期召開會議考慮影響本集團運作的重大事宜。董事會認為此架構無損董事會與本集團管理層之間的權力均衡和權責。各執行董事及主管不同職能的高級管理層的角色與主席及行政總裁的角色相輔相成。董事會相信，此架構有利於建立鞏固而連貫的領導，讓本集團有效運作。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company understands the importance to comply with the code provision A.2.1 and will continue to consider the feasibility to comply with the said code provision. If compliance with the said provision is determined, appropriate persons will be nominated to assume the different roles of chairman and chief executive officer.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”) as the required standard for securities transactions by the directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors’ securities transactions throughout the year ended 31 December 2018 and up to the date of this annual report.

BOARD OF DIRECTORS

The Board currently comprises three Executive Directors, one Non-executive Director and three Independent Non-executive Directors. The three Independent Non-executive Directors account for more than one-third of the Board. The composition of the Board is set out as follows:

Executive Directors:

Mr. Gong Shaoxiang (*Chairman*)

Mr. Lee Chi Hwa Joshua

Mr. Duan Chuanhong

Non-executive Director:

Mr. Cao Yuyun

Independent Non-executive Directors:

Mr. Bao Jinqiao

Mr. Wong Chun Hung

Mr. Leung Pok Man

本公司明白遵守守則條文第A.2.1條的重要性，並將繼續考慮遵守上述守則條文的可行性。如決定遵守上述條文，本公司將提名合適人選分別擔任主席及行政總裁之職。

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」）作為其董事進行證券交易所需的標準。本公司經向全體董事作個別查詢後，所有董事均確認彼等於截至二零一八年十二月三十一日止年度及直至本年報日期止期間已遵守標準守則載列的所需標準及有關董事進行證券交易的行為守則。

董事會

董事會現時由三名執行董事、一名非執行董事及三名獨立非執行董事組成。該三名獨立非執行董事佔董事會三分之一以上。董事會的成員如下：

執行董事：

龔少祥先生（主席）

李智華先生

段川紅先生

非執行董事：

曹雨云先生

獨立非執行董事：

鮑金橋先生

黃鎮雄先生

梁博文先生

CORPORATE GOVERNANCE REPORT

企業管治報告

The biographical details of the Directors are disclosed in the section headed “Biographical Details of Directors” on pages 32 to 33 in this annual report. The composition of the Board ensures a balance of skills and experiences appropriate to the requirements of the businesses of the Group and to exercise of independence and is well balanced. Each of the Directors has relevant expertise and extensive corporate and strategic planning experiences that may contribute to the business of the Group. The Company has complied with the requirements under Rule 3.10(1) and (2) of the Listing Rules since the Listing Date. 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.

Functions of the Board

The Board supervises the management of the business and affairs of the Company. The Board’s primary duty is to ensure the viability of the Company and to ensure that it is managed in the best interests of the shareholders as a whole while taking into account the interests of other stakeholders. The Group has adopted internal guidelines in setting forth matters that require the Board’s approval. Apart from its statutory responsibilities, the Board approves the Group’s strategic plans, key operational initiatives, major investments and funding decisions. It also reviews the Group’s financial performance, identifies principal risks of the Group’s business and ensures implementation of appropriate systems to manage these risks. Daily business operations and administrative functions of the Group are delegated to the management.

Board Meetings and Procedures

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly. In compliance with code provision A.1.3 of the Code, at least 14 days’ notice has been given for a regular Board meeting to give all Directors an opportunity to attend. Notice, agenda and board papers of regular Board meetings are sent to all Directors within reasonable time and at least 3 days prior to the meetings. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered having conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions. Full minutes are prepared after the meetings and the draft minutes are sent to all Directors for their comment on the final version of which are endorsed in the subsequent Board meeting.

董事的履歷詳情披露於本年報第32至第33頁的「董事履歷詳情」一節。董事會之組成確保集各方專長技能及經驗，以滿足本集團之業務需求，達致獨立判斷及平衡作用。各董事擁有相關專業及豐富的企業及策略計劃經驗，均可為本集團業務作出貢獻。本公司自上市日起一直遵守上市規則第3.10(1)及(2)條的規定。全體獨立非執行董事亦符合上市規則第3.13條對其獨立性的評估指引。

董事會職能

董事會監督本公司業務及事務的管理。董事會的主要職責為確保本公司的可存續性，並確保其以符合股東整體最佳利益同時顧及其他權益持有人利益的方式管理。本集團已採納內部指引，列出需要董事會批准的事宜。除法定責任外，董事會批准本集團的策略計劃、重點營運舉措、主要投資及融資決定。其亦負責檢討本集團財務表現，辨認本集團業務的重大風險並確保實施合適制度管控有關風險。本集團日常業務營運及行政職能乃轉授管理層處理。

董事會會議及程序

董事會成員獲提供完整、充分和及時的資料，以便妥善履行其職責。根據守則之守則條文第A.1.3條之規定，董事會召開例行會議須發出至少14天通知，以便所有董事都能出席。有關董事會例行會議之通告、議程及文件乃於會議前合理時間內(最少三天前)發送予所有董事。董事可於會上各抒己見，而任何重大決策均須經董事會會議審議後始行落實。若任何董事就建議交易事項或待討論事項涉及利益衝突或重大利益，則不得計入該次會議的法定人數，亦不得就相關決議案投票。會後須編製完整會議記錄，草擬本交全體董事評議，最終定稿則於隨後董事會會議上審批。

CORPORATE GOVERNANCE REPORT

企業管治報告

All Independent Non-executive Directors have been appointed for a fixed term. Every Director is subject to re-election on retirement by rotation in accordance with the Articles of Association of the Company. The Company has received from each of the Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and still considers the Independent Non-executive Directors to be independent as at the date of this annual report.

全體獨立非執行董事的任命均有固定任期。根據本公司的組織章程細則，每名董事均須輪值告退並膺選連任。本公司已接獲各獨立非執行董事根據上市規則第3.13條呈交的年度確認書，確認其獨立性。本公司於本年報日期仍視獨立非執行董事具獨立性。

Name of member	成員姓名	Number of meetings attended/ held	
		Annual general meeting	Board meeting
		股東週年大會	董事會會議
<i>Executive Directors:</i>			
Mr. Gong Shaoxiang (Chairman)	龔少祥先生(主席)	1/1	20/20
Mr. Lee Chi Hwa Joshua	李智華先生	1/1	20/20
Mr. Duan Chuanhong	段川紅先生	1/1	20/20
Mr. Shi Xinbiao (resigned on 31 January 2019)	史新標先生(於二零一九年一月三十一日辭任)	1/1	20/20
<i>Non-executive Director:</i>			
Mr. Cao Yuyun	曹雨雲先生	1/1	20/20
<i>Independent Non-executive Directors:</i>			
Mr. Bao Jinqiao	鮑金橋先生	1/1	16/16
Mr. Wong Chun Hung	黃鎮雄先生	1/1	20/20
Mr. Leung Pok Man	梁博文先生	1/1	20/20

Directors' Training and Professional Development

Newly appointed Directors are provided with necessary induction and information to ensure that they have a proper understanding of the Company's business and operations, as well as awareness of Director's responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

董事培訓及專業發展

新獲委任之董事均獲提供必要的入職培訓及資料，以確保其對本公司之業務及營運以及董事於上市規則及相關監管規定項下之責任及義務有適當程度的瞭解。

CORPORATE GOVERNANCE REPORT

企業管治報告

Pursuant to code provision A.6.5 of the Code, the Directors should participate in continuous professional development to develop and refresh their knowledge and skills, so as to ensure that their contribution to the Board remains informed and relevant. The Directors committed to participating in appropriate continuous professional development activities by way of attending training or reading materials relevant to the Company's business or to the Directors' duties and responsibilities. During the year ended 31 December 2018, the Directors have been provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. The Directors are also briefed on the latest development and changes in the Listing Rules and other relevant regulatory requirements from time to time. All directors are encouraged to participate in continuous professional development programmes to develop and refresh their professional knowledge and skills. All the existing Directors confirmed that they have had suitable directors' training through attendance of training courses and seminars; or reading materials to refresh their knowledge and skills during the Year.

DIVIDEND POLICY

The Company has adopted a dividend policy ("Dividend Policy"), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company to allow shareholders of the Company to share the Company's profits and for the Company to retain adequate reserves for future growth.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

There is no service contract between the Company and each of the Directors. Mr. Cao Yuyun, Mr. Bao Jinqiao, Mr. Wong Chun Hung and Mr. Leung Pok Man are renewed for a fixed term of three years commencing on 4 November 2018.

根據守則所載的守則條文第A.6.5條，董事須參加持續專業培訓，以增進及重溫彼等的知識及技能，以確保彼等具備充分資訊及切合所需的情況下對董事會作出貢獻。董事透過參與培訓或閱讀與本公司業務或董事職務及責任相關資料，致力達致相關的持續專業發展。截至二零一八年十二月三十一日止年度，董事已獲提供有關本公司業績、狀況及前景之定期最新資料，以便董事會整體及各董事履行其職責。董事亦不時獲提供有關上市規則及其他相關監管規定之發展及變動之最新簡報。本公司鼓勵所有董事參與持續專業發展計劃，以增進及重溫彼等的專業知識及技能。所有現任董事均確認，彼等已於年內透過參與培訓課程及研討會，或閱讀材料等方式接受適當董事培訓，藉以更新其知識及技能。

股息政策

本公司已採納股息政策（「股息政策」），根據該政策，本公司可能向本公司股東宣派及分派股息，可讓本公司股東分享本公司溢利及可讓本公司就未來增長保留充足儲備。

董事會將持續檢討股息政策，並保留其唯一及絕對酌情權利隨時更新、修訂及／或修改股息政策，且股息政策絕不會構成本公司須派付任何特定金額的股息之具法律約束力承諾及／或令本公司有義務須隨時或不時宣派股息。

董事委任、重選及罷免

本公司與各名董事並無訂立服務合約。曹雨云先生、鮑金橋先生、黃鎮雄先生及梁博文先生均獲續聘，固定任期由二零一八年十一月四日起計為期三年。

CORPORATE GOVERNANCE REPORT

企業管治報告

In accordance with Article 108(a) of the Articles of Association of the Company, at each annual general meeting, at least one third of the Directors are required to retire from office by rotation. Each Director shall retire from office at least once every three years and shall include those who have been longest in office since their last election or re-election.

In accordance with Article 112 of the Articles of Association of the Company, new Directors appointed by the Board during the year shall retire and submit themselves for re-election at the annual general meeting immediately following their appointments.

BOARD COMMITTEES

The Board has established specific committees, namely the Audit Committee, Remuneration Committee and Nomination Committee, with written terms of reference to assist them in the efficient implementation of their functions. Specific responsibilities have been delegated to the above committees.

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.

The Board shall establish other committees for specific purposes from time to time to facilitate the Company's operations.

Audit Committee

The Company established the Audit Committee on 31 December 2010. The Audit Committee had three members comprising three Independent Non-executive Directors, namely Mr. Wong Chun Hung (Chairman), Mr. Bao Jinqiao and Mr. Leung Pok Man. Throughout the year ended 31 December 2018, the composition and members of the Audit Committee complies with the requirements under Rules 3.21 of the Listed Rules.

The primary duties of the Audit Committee are mainly to review and supervise the financial reporting process and internal control system of the Group. The written terms of reference which describes the authority and duties of the Audit Committee have been revised by the Board on 24 February 2016 to conform to the provisions of the Revised Code, a copy of which is posted to the websites of the Company and the Stock Exchange.

根據本公司組織章程細則第108(a)條，於每年股東週年大會上最少須有三分之一董事輪席退任。各名董事須最少每三年退任一次，當中須包括自上次獲委任或重選為董事時間最長的董事。

根據本公司組織章程細則第112條，本年度內獲董事會委任之新董事須退任並於緊隨獲委任後之股東週年大會上提呈重選。

董事委員會

董事會已成立具書面職權範圍的特定委員會（即審核委員會、薪酬委員會及提名委員會），以協助其有效實行其職能。上述委員會已獲轉授特定職責。

董事委員會獲提供足夠的資源以履行其職務，並且於提出合理要求時，可以在合適的情況下尋求獨立專業建議，費用由本公司承擔。

董事會可不時為特定目的成立其他委員會，以推動本公司的業務運作。

審核委員會

本公司已於二零一零年十二月三十一日成立審核委員會。審核委員會由三名獨立非執行董事組成，分別為黃鎮雄先生（主席）、鮑金橋先生及梁博文先生。於整個截至二零一八年十二月三十一日止年度，審核委員會的組成及成員遵守上市規則第3.21條的規定。

審核委員會之基本職務主要為審閱及監察本集團之財務報告程序及內部監控系統。載列審核委員會的權力及職責的書面職權範圍已於二零一六年二月二十四日經董事會作出修訂，以符合經修訂守則的條文。該份經修訂職權範圍已刊登於本公司及聯交所網站。

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The works performed by the Audit Committee in 2018 included the following:

- to review the financial results and reports;
- to review the reports from external auditor, management letters and management response;
- to review the matters in relation to internal audit and the effectiveness of the internal control and risk management system;
- to review the Group's compliance with statutory and regulatory requirements;
- to review corporate governance matters; and
- to review the re-appointment of the external auditor.

The details of meetings held by the Audit Committee during 2018 and the individual attendance of each member is set out below:

Name of member	成員姓名	Number of meetings attended/held 出席會議數目／舉行會議數目
Mr. Wong Chun Hung (<i>Chairman</i>)	黃鎮雄先生(主席)	4/4
Mr. Bao Jinqiao	鮑金桥先生	4/4
Mr. Leung Pok Man	梁博文先生	4/4

The Company's annual results for the year ended 31 December 2018 have been reviewed by the Audit Committee.

Remuneration Committee

The Remuneration Committee was established on 31 December 2010. The Remuneration Committee had three members comprising three Independent Non-executive Directors, namely, Mr. Bao Jinqiao (Chairman), Mr. Wong Chun Hung and Mr. Leung Pok Man.

The Remuneration Committee is governed by its terms of reference, which have been revised by the Board on 30 March 2012 pursuant to the Revised Code. The terms of reference are currently available on the websites of the Company and the Stock Exchange.

審核委員會於二零一八年履行的工作包括以下所列者：

- 審閱財務業績及報告；
- 審閱外聘核數師報告、管理層函件及管理層回應；
- 審閱有關內部審計及內部監控及風險管理系統有效性的事宜；
- 審閱本集團遵守法定及監管規定的情況；
- 審閱企業管治事宜；及
- 審閱外部核數師的續聘事宜。

審核委員會於二零一八年舉行會議之詳情及各成員的個別出席率載列如下：

本公司截至二零一八年十二月三十一日止年度的年度業績已經於審核委員會進行審閱。

薪酬委員會

本公司於二零一零年十二月三十一日成立薪酬委員會。薪酬委員會由三名獨立非執行董事組成，分別為鮑金桥先生(主席)、黃鎮雄先生及梁博文先生。

薪酬委員會受其職權範圍監管，董事會於二零一二年三月三十日根據經修訂守則修訂其職權範圍。薪酬委員會職權範圍現已刊登於本公司及聯交所網站。

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The primary duties of the Remuneration Committee are mainly to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and to make recommendation to the Board on the Group's policy and structure for all remuneration of the Directors and senior management. No Director shall participate in any discussion about his or her own remuneration. The remuneration of the Directors was determined with reference to their respective experience, responsibilities with the Group and general market conditions.

Two meetings of the Remuneration Committee were held during the year ended 31 December 2018 to review the remuneration package of the Directors and senior management. The individual attendance of each member is set out below.

薪酬委員會基本職責主要為審閱及釐定應付董事及高級管理層之薪酬待遇、花紅及其他補償，並就本集團所有董事及高級管理層薪酬的政策及架構向董事會提出建議。概無董事參與任何涉及其本人薪酬的討論。董事薪酬參考其各自經驗、於本集團的職責及整體市場狀況釐定。

截至二零一八年十二月三十一日止年度薪酬委員會召開兩次會議，以檢討董事及高級管理層的薪酬待遇。各成員的個別出席率如下。

Name of member	成員姓名	Number of meetings attended/held 出席會議數目／舉行會議數目
Mr. Bao Jinqiao (<i>Chairman</i>)	鮑金橋先生(主席)	2/2
Mr. Wong Chun Hung	黃鎮雄先生	2/2
Mr. Leung Pok Man	梁博文先生	2/2

Nomination Committee

The Company established the Nomination Committee on 31 December 2010 with written terms of reference which are in compliance with the code provision of the Code. The primary duties of the Nomination Committee include the making of recommendations to the Board on appointment of Directors and succession planning for the Directors. The specific terms of reference of the Nomination Committee are currently available on the websites of the Company and the Stock Exchange.

The following is a summary of the work of the Nomination Committee during the year ended 31 December 2018:

- review the structure, size and composition (including but without limitation, the skills, knowledge and experience) of the Board;
- review the retirement of Directors by rotation and the re-appointment of the retiring Directors at the 2018 Annual General Meeting;
- review the reappointment of Directors during the year; and
- assess the independence of the Independent Non-executive Directors.

提名委員會

本公司於二零一零年十二月三十一日成立提名委員會，並書面訂立符合守則的守則條文之職權範圍。提名委員會主要職責包括就董事委任及董事替任計劃向董事會提出建議。提名委員會的具體職權範圍現刊登於本公司網站及聯交所網站。

於二零一八年十二月三十一日止年度，提名委員會工作總結如下：

- 檢討董事會的架構、人數及組成(包括但不限於技能、知識及經驗方面)；
- 檢討於二零一八年股東週年大會上，需輪值退任及重新委任之退任董事；
- 檢討當年之董事繼任計劃；及
- 評核獨立非執行董事的獨立性。

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The Nomination Committee consisted of three members, comprising three Independent Non-executive Directors, namely, Mr. Bao Jinqiao (Chairman), Mr. Wong Chun Hung and Mr. Leung Pok Man.

提名委員會由三名獨立非執行董事組成，分別為鮑金橋先生(主席)、黃鎮雄先生及梁博文先生。

One Nomination Committee meeting was held and the individual attendance of each member is set out below.

提名委員會曾召開一次會議，各成員的個別出席率如下。

Name of member	成員姓名	Number of meetings attended/held 出席會議數目／舉行會議數目
Mr. Bao Jinqiao (<i>Chairman</i>)	鮑金橋先生(主席)	1/1
Mr. Wong Chun Hung	黃鎮雄先生	1/1
Mr. Leung Pok Man	梁博文先生	1/1

Board diversity policy

The Company recognises that the Board with a reasonable balance of skills and experience and sufficient diversity of perspectives appropriate to the business and operation of the Group would be beneficial to the Company and its shareholders as a whole and enhance the quality of its performance.

董事會成員多元化政策

本公司深明，董事會成員的技能及經驗維持合理的平衡且具備對本集團業務及營運適用的足夠多元化視野，會對本公司及其股東整體有利，並可改善其表現質素。

The Board has adopted a board diversity policy (“Board Diversity Policy”) which sets out the approach to achieve and maintain diversity on the Board.

董事會已採納董事會成員多元化政策(「董事會成員多元化政策」)，該政策載列達致及維持董事會成員多元化的方法。

Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, educational background, professional experience and qualifications, relevant industry experience, skills, knowledge and length of service. The ultimate decision will be made according to the merits of candidates and their contribution to the Board.

根據董事會成員多元化政策，本公司從多個因素考慮(包括但不限於性別、年齡、教育背景、專業經驗及資歷、相關行業經驗、技能、知識及服務任期)達致董事會成員多元化政策。最終決定將根據候選人優勢及其對董事會所作貢獻作出。

As at the date of this report, the Board comprises seven Directors. Three of them are independent non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of gender, age, educational background, professional experience, skills, knowledge and length of service.

於本報告日期，董事會由七名董事組成。其中三名為獨立非執行董事，藉此促進管理過程之重要審核及控制。無論於考慮性別、年齡、教育背景、專業經驗、技能、知識及服務任期方面，董事會亦體現為高度多元化。

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DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENT

The Directors acknowledge their responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period.

The statement by the auditor of the Company about its responsibilities for the financial statements is set out in the independent auditor's report contained in the Annual Report. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

AUDITOR'S REMUNERATION

The Company engaged RSM Hong Kong as its external auditor for the Year. Analysis of the remuneration in respect of audit services provided by the external auditor is included in note 13 to the financial statements in the Annual Report. For the Year, the total fee paid in respect of the non-audit services is approximately HK\$0.21 million.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is responsible for maintaining and reviewing the effectiveness of system of internal controls and risk management within the Group. The system is set up to address key business risks of failure to meet corporate objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The purpose of such system is to manage and control risks properly, but not eliminate it.

The Board has through the Audit Committee reviewed the effectiveness of the Group's system of internal controls and risk management, including financial, operational and compliance controls on annual basis. The Board considered the system is effective and adequate. The review has also considered the adequacy of resources, qualifications and experience of staff in respect of the Company's accounting and financial reporting function, and their training programmes and budget. The Board ensures the existing resources, qualifications and experience of staff and their training programmes and budget should be adequate in respect of the Group's accounting and financial reporting function.

董事對財務報表的責任

董事明白其須負責編製財務報表，以真實及公平地反映本集團的事務狀況以及有關期間的業績和現金流量。

本公司核數師對財務報表的責任陳述載於本年報獨立核數師報告內。並無重大不明朗事件或情況對本公司持續經營的能力造成重大疑問。

核數師薪酬

本公司委聘羅申美會計師事務所為本年度的外聘核數師。有關外聘核數師就所提供審核服務收取的薪酬分析載於本年報財務報表附註13。於本年度，就非核數服務支付的總費用約為210,000港元。

內部監控及風險管理

董事會負責維持及檢討本集團內部監控制度及風險管理的功效。設立該系統旨在減少導致無法達到公司目標之主要業務風險，並提供合理而非絕對保證，以免出現重大錯誤陳述或損失。該系統的功能在於妥善管理及監控風險，而非撇除風險。

董事會已透過審核委員會按年度基準檢討本集團內部監控及風險管理制度之功效，包括年度財務、營運及合規監控。董事會認為該制度屬有效並充分。檢討亦已考慮本公司在會計及財務匯報職能方面之資源、人員之資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算是否充足。董事會確保就履行本集團的會計及財務匯報職能而言，現時之資源、員工資歷及經驗，以及員工所接受之培訓課程及有關預算應屬足夠。

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In view of the size, nature and complexity of the business of the Group, the Board has appointed external independent professionals to perform internal audit functions. As approved by the Audit Committee, the external independent professionals made assessment on various business and operation risks of the Group. The Audit Committee reviewed the findings from the external independent professionals periodically and discussed the recommended actions needed to be taken to develop and improve the effectiveness of the Group's internal control system. The Board will continue to improve the Group's internal control and risk management systems through periodic reviews and recommendations from the external auditors and external independent professionals during their audit.

Regarding the procedures and internal control for the handling and dissemination of inside information, the Company is aware of its disclosure obligations under the Listing Rules and Part XIVA of the Securities and Futures Ordinance ("Inside Information Provisions"), and any information required to be disclosed under Rule 13.09 of the Listing Rules or any inside information required to be disclosed under the Inside Information Provisions should be announced immediately.

SHAREHOLDERS' RIGHTS

Convening of extraordinary general meeting on requisition by shareholders

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year. Each general meeting, other than an annual general meeting is referred to as an extraordinary general meeting.

According to article 64 of the Articles of Association of the Company, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

鑑於本集團業務之規模、性質及複雜性，董事會已委派外聘獨立專業人士履行內部審核職能。經審核委員會批准，外聘獨立專業人士對本集團各類業務及經營風險作出評估。審核委員會定期審閱外聘獨立專業人士所作之評估結果，並就完善及提升本集團內部監控系統有效性之建議措施作出討論。董事會將透過定期檢討及就外聘核數師與外聘獨立專業人士於核數過程中所提供之建議繼續改善本集團之內部監控及風險管理制度。

就處理及發佈內幕消息之程序及內部監控方面，本公司已知悉其於上市規則以及證券及期貨條例第XIVA部（「內幕消息條文」）項下之披露責任，而任何須根據上市規則第13.09條規定予以披露之資料或任何須根據內幕消息條文規定予以披露之內幕消息應即時作出公佈。

股東權利

股東請求召開股東特別大會

本公司的股東大會提供機會讓股東及董事會進行溝通。本公司每年舉行一次股東週年大會。股東週年大會以外的各個股東大會稱為股東特別大會。

根據本公司組織章程細則第64條，董事會可在其認為適合時召開股東特別大會。股東特別大會亦須應一名或多名股東要求召開，該等股東於遞呈請求書當日須持有不少於十分之一本公司有權於股東大會上投票的繳足股本。該項請求書須以書面形式向董事會或秘書提呈，要求董事會召開股東特別大會，以處理有關請求書中指明的任何事項。該大會須於該項請求書遞呈後兩個月內舉行。倘於有關遞呈後21日內，董事會未有召開該大會，則遞呈請求書的人士可自行以相同方式召開大會，本公司須償還遞呈請求書的人士因董事會沒有妥為召開會議而產生的所有合理費用。

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Shareholders who wish to move a resolution at general meetings may follow the procedures set out in the preceding paragraph.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

In order to keep shareholders well informed of the business activities and direction of the Group, information about the Group has been provided to the shareholders through financial reports and announcements. The Company has established its own corporate website www.chinahealthcare.com.hk as a channel to facilitate effective communication with its shareholders and the public. The Company will continue to enhance communications and relationships with its shareholders and investors.

Shareholders, investors and interested parties can make enquiries directly to the Company through the following e-mail: enquiry@1143.com.hk.

INVESTOR RELATIONS

Constitutional Documents

During 2018, the Company has not made any changes to its Memorandum and Articles of Association.

股東如欲於股東大會動議決議案，可遵循前段所述的程序。

與股東及投資者的溝通

為了讓股東充分了解本集團的業務活動及方向，有關本集團的資訊一直透過財務報告及公告提供予股東。本公司已設立其企業網頁 www.chinahealthcare.com.hk，作為促進與其股東和公眾人士有效溝通的渠道。本公司將繼續加強與股東及投資者溝通，建立緊密關係。

股東、投資者及有興趣人士可透過電郵方式 enquiry@1143.com.hk 直接向本公司提出查詢。

投資者關係

組織章程文件

於二零一八年，本公司並沒有對其組織章程大綱及細則作任何變動。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

DIRECTORS

Executive Directors

Mr. Gong Shaoxiang, aged 45, has ample experience in corporate operation and management. He was a director of Hubei Landing Holding Co., Limited (currently known as Gosun Holding Co. Ltd.) (shares of which are listed on Shenzhen Stock Exchange, stock code: 000971) (“Landing Holding”) from August 2012 to December 2014. Mr. Gong has been the chairman and general manager of a local property developing company in the PRC since May 2014.

Mr. Lee Chi Hwa Joshua, aged 46, is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lee has extensive experience in the fields of auditing, accounting and financing. Mr. Lee currently serves as an independent non-executive director of Hao Tian Development Group Limited (stock code: 474), Hao Tian International Construction Investment Group Limited (formerly known as Clear Lift Holdings Limited) (stock code: 1341) and Fujian Nuoqi Co. Ltd. (stock code: 1353), which are listed on the Main Board of the Stock Exchange, and China Fortune Investments (Holding) Limited (stock code: 8116), Code Agriculture (Holdings) Limited (stock code: 8153) and Cornerstone Financial Holdings Limited (formerly known as Focus Media Network Limited) (stock code: 8112), which are listed on the Growth Enterprise Market of the Stock Exchange. He was an independent non-executive director of Teamway International Group Holdings Limited (formerly known as Jin Bao Bao Holdings Limited) (stock code: 1239) from March 2015 to August 2017.

Mr. Duan Chuanhong, aged 31, had worked in different industries for over 10 years. Mr. Duan has ample experience in corporate planning, management and execution.

Non-Executive Director

Mr. Cao Yuyun, aged 57, had worked in various positions, including deputy general manager of head office sales department, deputy branch manager and general manager of operation center, at Agricultural Development Bank of China for over 10 years until May 2011. He then joined Anhui Landing Holding Group Co., Ltd. (安徽藍鼎控股集團有限公司) (“Anhui Landing”) in May 2011 and currently he is a director and vice president of Anhui Landing. Mr. Cao was also a director and the chairman of Landing Holding from October 2013 to December 2014.

董事

執行董事

龚少祥先生，45歲，於企業營運及管理方面擁有豐富經驗。自二零一二年八月至二零一四年十二月，彼擔任湖北藍鼎控股股份有限公司（現稱高升控股股份有限公司）（其股份於深圳證券交易所上市，股票代號：000971，「藍鼎控股」）之董事。自二零一四年五月起，龚先生出任中國一間本地房地產開發公司之董事長及總經理。

李智華先生，46歲，為英國特許公認會計師公會資深會員及香港會計師公會會員。李先生於核數、會計及財務方面擁有豐富經驗。李先生現為昊天發展集團有限公司（股份代號：474），昊天國際建設投資集團有限公司（前稱焯陞企業控股有限公司）（股份代號：1341）及福建諾奇股份有限公司（股份代號：1353）（該三間公司均於聯交所主板上市）以及中國幸福投資（控股）有限公司（股份代號：8116），科地農業控股有限公司（股份代號：8153）及基石金融控股有限公司（前稱Focus Media Network Limited）（股份代號：8112）（該三間公司均於聯交所GEM上市）之獨立非執行董事。彼於二零一五年三月至二零一七年八月出任Teamway International Group Holdings Limited（前稱金寶寶控股有限公司）（股份代號：1239）之獨立非執行董事。

段川紅先生，31歲，於多個行業工作逾10年。段先生具備企業規劃、管理及行政方面之豐富經驗。

非執行董事

曹雨云先生，57歲，於中國農業發展銀行擔任多個職位，包括總行營業部副總經理、分行副行長及營運中心總經理，截至二零一一年五月止任職逾十年。彼隨後於二零一一年五月加入安徽藍鼎控股集團有限公司（「安徽藍鼎」），現任安徽藍鼎之董事及副總裁。曹先生於二零一三年十月至二零一四年十二月亦任藍鼎控股之董事及董事會董事長。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

Independent Non-executive Directors

Mr. Bao Jinqiao, aged 53, was graduated from Anhui University with research study in Civil Law in 1988 and obtained a Master Degree in Law from Shanghai Academy of Social Sciences. He is a lawyer qualified to practise in the PRC. Mr. Bao is the founder and partner of Anhui Chengyi Law Firm since 2000. Mr. Bao was an independent director of Anhui Kouzi Distillery Co., Ltd. which is listed on the A-share market on the Shanghai Stock Exchange (stock code: 603589) until April 2017. He is currently an independent non-executive director of Landing International Development Limited (“Landing”) which is listed on the Main board of the Stock Exchange (stock code: 582).

Mr. Wong Chun Hung, aged 45, was graduated from Hong Kong Baptist University with a bachelor degree in accounting. He is a member of the Hong Kong Institute of Certified Public Accountants and has over 20 years’ experience in accounting, auditing and consulting. Mr. Wong has been the director of B&C Finance and Corporate Advisory Limited since December 2005. He is also an independent non-executive director of Asia Pacific Silk Road Investment Company Limited (formerly known as Pacific Plywood Holdings Limited) (stock code: 767) and Landing which are listed on the Main Board of the Stock Exchange. He was also an executive director and member of executive committee of China Environmental Energy Investment Limited (stock code: 986) from April 2018 to May 2018.

Mr. Leung Pok Man, aged 50, was graduated from York University in Toronto, Canada with a bachelor degree in business studies. He has over 16 years’ experience in sales management & business development in the industry relating to information technology and audio visual systems. He is currently the sales and business development consultant of a trading company of information technology and network products and mobile accessories. In addition, he also acts as an executive director of PacRay International Holdings Limited (stock code: 1010) which is listed on the Main Board of the Stock Exchange.

COMPANY SECRETARY

Since November 2015, Mr. Lee Chi Hwa Joshua was the company secretary of the Company. His biographical details are set out in the sub-section headed “Directors” in this section.

獨立非執行董事

鮑金桥先生，53歲，於一九八八年分別畢業於安徽大學，取得民法研究生資格，及於上海社會科學院取得法律系碩士學位。彼為具有中國執業律師資格之律師。鮑先生自二零零零年起成為安徽承義律師事務所之創辦人及合夥人。鮑先生曾擔任安徽口子酒業股份有限公司的獨立董事，其股份在上海證券交易所A股市場上市（股份代號：603589），直至二零一七年四月為止。彼現時為聯交所主板上市公司藍鼎國際發展有限公司（「藍鼎」）（股份代號：582）之獨立非執行董事。

黃鎮雄先生，45歲，畢業於香港浸會大學，取得會計學學士學位。彼為香港會計師公會會員，於會計、審核及顧問行業積逾二十年經驗。黃先生自二零零五年十二月起任富寶財務策劃有限公司之董事。彼亦擔任亞太絲路投資有限公司（前稱太平洋實業控股有限公司）（股份代號：767）及藍鼎（該兩間公司均於聯交所主板上市）之獨立非執行董事。於二零一八年四月至二零一八年五月，彼亦為中國環保能源投資有限公司（股份代號：986）的執行董事及執行委員會成員。

梁博文先生，50歲，畢業於加拿大多倫多約克大學，取得商業學學士學位。彼於資訊科技及視音系統有關行業銷售管理及業務開發方面擁有逾16年經驗。梁先生現為信息技術及網絡產品和移動配件貿易公司的銷售及業務開發顧問。此外，梁先生現為太睿國際控股有限公司（股份代號：1010）（於聯交所主板上市）之執行董事。

公司秘書

自二零一五年十一月起，李智華先生擔任本公司之公司秘書，其履歷詳情載於本節「董事」分節。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION

The Board is pleased to present Environmental Social and Governance (ESG) Report to demonstrate the efforts toward sustainable development. The report has been prepared in accordance with the standards set forth by the Hong Kong Exchanges and Clearing Limited in its Environmental, Social and Governance Reporting Guide, which covers the subject areas of environmental protection, workplace quality, operating practices and community investment. During the Year, the Group is achieving and benchmarking with well-recognized International Guidelines and protocols of Sustainable development. The major areas to be reporting are (I) Environmental Protection and (II) Social Commitment.

SCOPE OF REPORT

The principal activities of the Group are primarily manufacturing consumer electronic products through offering one-stop solutions to a number of international brand owners. The Group's headquarter office is located in Hong Kong and its operation location in PRC with its diversified customer base covering Japan, Asia-Pacific region, America and Europe.

Unless otherwise specified, this report covered the Group progress and performance on ESG issues from 1 January 2018 to 31 December 2018, focusing on the EMS business conducted by the subsidiaries with the manufacturing plant located in Guangzhou ("Guangzhou Factory").

STAKEHOLDERS ENGAGEMENT AND MATERIALITY ANALYSIS

The Group strives to create positive values to shareholders and believes that the interests of all stakeholders must be taken in account in order to strengthen relationship with our shareholders, employees, suppliers, customers, government authorities and the society as a whole.

緒言

董事會欣然提呈環境、社會及管治報告，以展示可持續發展的努力。本報告已根據香港交易及結算所有限公司有關環境、社會及管治報告指引所載標準編製，當中涵蓋環境保護、工作環境質素、營運慣例及社區投資等範疇。於本年度，本集團致力於達致及遵守公認的國際可持續發展指引及協議。報告的主要範疇為(I)環境保護及(II)社會承擔。

報告範圍

本集團的主營業務主要是透過向多間國際品牌擁有人提供一站式解決方案來生產消費電子產品。本集團總辦事處位於香港，營運地點位於中國，其多元化客戶群覆蓋日本、亞太地區、美國及歐洲。

除另有說明外，本報告載列本集團於二零一八年一月一日至二零一八年十二月三十一日有關環境、社會及管治問題的進展情況及表現，其專注於由附屬公司位於廣州的生產廠房（「廣州廠房」）開展的電子製造服務業務。

利益持份者參與及重要性分析

本集團努力為股東締造正面價值，並認為必須考慮全體利益持份者的權益，藉以強化與股東、僱員、供應商、客戶、政府機關及社會的整體關係。

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Our approach to stakeholder engagement is designed to ensure that our stakeholders' perspectives and expectations are fully understood to help define our current and future sustainability strategies.

我們對持份者採取的方針旨在確保充分了解持份者的見解及期望，藉此協助制訂現有及未來的可持續性發展策略。

The Group proactively engaged with the key stakeholder groups in a variety of ways to ensure effective communication of our objective and progress in relation to the following areas of concern.

本集團以多種方法主動接觸主要持份者團體，以確保就以下關注事項有效傳達我們的目標及進度。

Major Stakeholder 主要持份者	Major Communication Channels 主要傳達途徑	Major Concerns 主要注意事項
Shareholders and Investors 股東及投資者	<ul style="list-style-type: none"> Press release, Corporate Announcements and Circulars 新聞稿、企業公告及通函 Annual and Interim Reports 年度及中期報告 Annual General Meetings 股東週年大會 	<ul style="list-style-type: none"> Profitability 盈利能力 Financial Stability 財務穩定 Information Disclosure & Transparency 資料披露及透明度
Employees 僱員	<ul style="list-style-type: none"> Trainings and Team Building Activities 培訓及培養團隊精神活動 Business Meetings and Briefings 業務會議及簡介會 Performance Appraisals 績效評核 	<ul style="list-style-type: none"> Compensation & Benefits 補償及福利 Career Development and Training Opportunities 職業發展及培訓機會 Health & Safety Work Environment 健康及安全工作環境
Suppliers 供應商	<ul style="list-style-type: none"> Phone Calls, Conferences, Emails 電話、會議、電郵 	<ul style="list-style-type: none"> Cooperation on Fair Terms 按公平條款合作
Customers 客戶	<ul style="list-style-type: none"> Customer Complaint Hotlines 客戶投訴熱線 Meetings and Correspondences 會議及通訊 	<ul style="list-style-type: none"> Quality Products and services 優質產品及服務 Privacy Protection 私隱保障
Public Community 公共社區	<ul style="list-style-type: none"> Charitable and Volunteering Activities 慈善及志願活動 Community Interactions 社區互動 ESG Reporting 環境、社會及管治報告 	<ul style="list-style-type: none"> Corporate Social Responsibilities 企業社會責任 Community Investment and Charitable Activities 社區投資及慈善活動

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Major Stakeholder 主要持份者	Major Communication Channels 主要傳達途徑	Major Concerns 主要注意事項
Government and Supervisory Institutions 政府及監管機構	<ul style="list-style-type: none"> Major Meeting and Policy Consultation 重要會議及政策諮詢 Information Disclosures 資料披露 Institutional Visits 機構訪問 	<ul style="list-style-type: none"> Compliance Operation 合規營運 Corporate Governance 企業管治 Environmental Protection 環境保護

During the Year, through a wide range of communication channels, we found that ESG compliance and environmental emissions are the main focuses of our stakeholders.

於年內，我們透過多種不同的傳達途徑發現環境、社會及管治合規情況及環境排放物乃利益持份者主要關注焦點。

A. ENVIRONMENTAL PROTECTION

To demonstrate the Group's commitments to sustainable development and compliance with applicable Regional Laws and Regulations relating to environmental protection, we endeavor to maintain green manufacturing processes and office operational practices in order to minimize the adverse environmental impacts of our business activities. Achieving the balance among another two pillars of society and economy of the sustainable development, the Group is dedicated to contribute to the environmental, the third pillar of the sustainability and following these principles to minimize our adverse impacts on the environment:

- Complying with all the applicable Regional Laws and Regulations from all levels and functions of the organization
- Assuring needs, expectations and/or applicable legal requirements (if any) of the relevant interested parties; the person or organization that can affect, be affected by, like shareholders and/or stakeholders including customers, suppliers, communities, regulators, non-governmental organizations, investors and employees relating to environmental protection being communicated and understood

A. 環境保護

為展示本集團對可持續發展的承諾及遵守有關環境保護的適用地區法律及法規，我們盡力維持綠色的生產流程及辦公室作業常規，以降低我們的業務活動帶來的不利環境影響。為達致與可持續發展中另外兩大支柱－社會與經濟的平衡，本集團致力為可持續發展的第三大支柱－環境作出貢獻，並遵循下列原則，降低我們對環境的不利影響：

- 遵守各職能機構及部門的所有適用地方法律及法規
- 確保傳達及了解相關利益方(可能影響股東及/或利益相關者等(包括客戶、供應商、社區、監管機構、非政府組織、投資者及僱員)或受其影響的人士或機構)就環境保護的需求、預期及/或適用法律規定(如有)

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- Employing ISO-14001 Environmental Management System to adopt systematic approach to effectively protect the environment and respond to changing environmental conditions in balance with socio-economic needs
- Ensuring sufficient investments and resources for the environmental-friendly facilities, equipments and instruments that are operating safely, effectively and more efficient
- Reinforcing promotion of conservation commitments, educational training, and enhancing staff's environmental protection awareness
- Incorporating environmental targets and objectives into our business strategic visions and competitive implication by aligning them with business priorities and decision making
- 採用ISO-14001環境管理系統，以採用系統的方法有效保護環境及處理不斷變化的環境狀況與社會經濟需求之間的平衡
- 確保向安全、有效及高效運作的環保型設施、設備及工具投入足夠的資金及資源
- 加強推廣節能減排承諾、教育培訓及提升員工的環保意識
- 使環境目標及宗旨與業務優先事項及決策保持一致，將其納入我們的業務策略願景及競爭意識中

The Group acts as a responsible corporate citizen by complying with all the applicable Regional Laws and Regulations for our business activities in PRC, maintaining the Guangzhou Factory are ISO-14001 Environmental & OHSAS-18001 Occupational Health & Safety management system certified since 2009 & 2010 respectively. It is the Group's ambition to sustain compliance obligation, safe production, resources conservation, pollution mitigation, wastes reduction, accident-free as well as packaging materials recycling. The Group is continuously incorporating environmental targets into business decision making, we believe that protecting the environment is always the crucial concerns for our manufacturing nature business. During the Year, the Group was not aware of any material non-compliance with relevant standards, rules and regulations in relation to environmental protection in respect of our business activities.

Emission

The Group attaches great importance to mitigate the possible adverse impact of its EMS business on the environmental, and considers environmental protection mindset an important obligation during its production and operating activities. The Group's major environmental aspects mainly related to energy consumptions and wastes generation, nevertheless, the impact to natural resources is minimal due to our business nature.

本集團作為一個負責任的企業公民，遵守在中國有關我們業務活動的所有適用地區法律及法規，我們的廣州廠房自二零零九年及二零一零年起分別獲得ISO-14001環境管理系統及OHSAS-18001職業健康安全系統認證。本集團的目標是遵紀守法、安全生產、節約資源、降低污染、減少浪費、零事故及循環利用包裝材料。本集團將持續於業務決策中納入環境目標，我們認為保護環境一直是我們這類製造業企業的重要問題。於年內，本集團並不知悉涉及本集團業務活動的任何違反環保相關標準、法律法規的情況。

排放

本集團極為重視降低其電子製造服務業務對環境的潛在不利影響，並將環保觀念視為其生產及經營活動的一項重要責任。本集團的重大環境問題主要與能源消耗及產生廢棄物有關，儘管如此，我們的業務性質決定了我們對自然資源的影響極微。

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KPI A1.1 The type of emissions and respective emissions data

Emission from gaseous fuel consumption

During our operation, the factory's canteen used Liquefied petroleum gas (LPG) as the cooking fuel. The burning of LPG generated nitrogen oxides (NOx) and sulphur oxides (SOx) to the environment nearby. The approximate amount of NOx and SOx produced from our operation in Guangzhou were shown in the table below:

Region (China)	地區(中國)	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Total NOx emissions (kg)	氮氧化物總排放量(千克)	5,398,924.32	7,114,981.92	(24.12%)
Total SOx emissions (kg)	硫氧化物總排放量(千克)	26,860.32	35,397.92	(24.12%)

The total LPG consumption amounted to 29,196 liters in fiscal year 2018, it represented a decrease of approximately 24% comparing to 2017. It was attributed to change of operation right for one of the staff canteen, the respective canteen had stopped operation during January to April 2018 which resulted the drop of the burning of liquefied petroleum gas for the canteen of the factory.

Emissions from Vehicles

During our operation, the usage of light good vehicles generated the emission of nitrogen oxides (NOx), particular matters (PM) and sulphur oxides (SOx) to the environment nearby. The approximate amount of NOx, PM and SOx produced from our operation in Guangzhou were shown in the table below:

Region (China)	地區(中國)	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Total NOx emissions (g)	氮氧化物總排放量(克)	38,599.73	46,981.67	(18%)
Total PM emissions (g)	特殊物質總排放量(克)	3,652.26	4,437.48	(18%)
Total SOx emissions (g)	硫氧化物總排放量(克)	73.38	89.15	(18%)

關鍵績效指標 A1.1 排放物種類及相關排放數據

氣體燃料消耗產生的排放

於運營期間，工廠的食堂使用液化石油氣作為烹飪燃料。燃燒液化石油氣會向周圍環境排放氮氧化物及硫氧化物。我們廣州業務產生的氮氧化物及硫氧化物的概約數量如下表所示：

於二零一八年財政年度的液化石油氣耗用總量為29,196升，與二零一七年相比，減少約24%。此乃歸因於其中一間員工食堂經營權易手，而相關食堂於二零一八年一月至四月停止營運，導致工廠食堂液化石油氣燃燒量下跌。

車輛排放

在我們的運營過程中，使用輕型貨車會向周圍環境排放氮氧化物、特殊物質及硫氧化物。我們廣州業務產生的氮氧化物、特殊物質及硫氧化物的概約數量如下表所示：

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The total NOx, PM and SOx emissions resulted 18% drop in fiscal year 2018 comparing to 2017, it attributed to the better planning and much efficient use of vehicles.

與二零一七年相比，二零一八年財政年度的氮氧化物、特殊物質及硫氧化物總排放量下跌18%，此乃歸因於更好的用車規劃及更有效的汽車使用率。

Emissions from production

Volatile organic compounds (VOCs), is the major organic waste which is air pollutant being produced during the paint spraying process for our products. Therefore, the governance of industrial waste gases containing VOCs is the main focus and control area for our product fabrication processes. Besides VOCs discharges, benzene, toluene and xylene are also the air pollutant being produced during our production process. During the review period, a licensed party was outsourced for the Group to carry out an inspection assessment regarding to the average density and speed of waste gases emissions from our factory. The assessment confirmed by the licensed party concluding that our waste gases emission has met the standard discharge limit of the relevant environmental regulations in the PRC and the density and speed were shown in the following tables:

生產的排放

揮發性有機化合物為主要的有機廢棄物，該空氣污染物產生自產品的噴漆過程。因此，治理包含揮發性有機化合物的工業廢氣為我們產品製造過程的主要重點及控制領域。除揮發性有機化合物排放外，我們的生產過程亦會產生空氣污染物苯、甲苯及二甲苯。於回顧期間，本集團向一名持牌方外判業務，對我們工廠廢氣排放量的平均密度及速度進行檢查評估。持牌方已批准相關評估，確認我們的廢氣排放符合中國相關環境法規標準排放限額，密度及速度載列於下表：

Waste gases of emissions 廢氣排放	Average density (mg/m ³) 平均密度(毫克/立方米)				Sampling collection date 取樣日期	Assessment Report No. 評估報告編號
	Benzene 苯	Toluene 甲苯	Xylene 二甲苯	Volatile organic compounds (VOC) 揮發性 有機化合物		
Organic waste gas emission from old factory production unit 來自舊有工廠生產單位的有機 廢氣排放	0.258	0.182	0.213	2.42	5th June 2018 二零一八年 六月五日	Environment assessment (2018) No.06050 環境評估 (2018) No.06050
Waste gas emission exhaust port from spray paint production before waste gas treatment 廢氣處理前噴漆生產的廢氣 排放口	N/A 不適用	N/A 不適用	N/A 不適用	16.1	8th May 2018 二零一八年 五月八日	EDD49K000193

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Waste gases of emissions 廢氣排放	Average density (mg/m ³) 平均密度(毫克/立方米)				Sampling collection date 取樣日期	Assessment Report No. 評估報告編號
	Benzene 苯	Toluene 甲苯	Xylene 二甲苯	Volatile organic compounds (VOC) 揮發性 有機化合物		
Waste gas emission exhaust port from spray paint production after waste gas treatment 廢氣處理後噴漆生產的廢氣 排放口	N/A 不適用	N/A 不適用	N/A 不適用	6.03	8th May 2018 二零一八年 五月八日	EDD49K000193
Waste gas emission exhaust port from assembly wave soldering before waste gas treatment 廢氣處理前組裝波焊接的廢氣 排放口	N/A 不適用	N/A 不適用	N/A 不適用	9.16	8th May 2018 二零一八年 五月八日	EDD49K000193
Waste gas emission exhaust port from assembly wave soldering after waste gas treatment 廢氣處理後來自組裝波焊接的 廢氣排放口	N/A 不適用	N/A 不適用	N/A 不適用	3.82	8th May 2018 二零一八年 五月八日	EDD49K000193
Standard Discharge limit 標準排放限額	≤12	≤40	≤70	≤60	-	-
Results 結果	Pass 通過	Pass 通過	Pass 通過	Pass 通過	-	-

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Waste gases of emission 廢氣排放	Average speed (kg/h) 平均速率 (公斤/小時)				Sampling collection date 取樣日期	Assessment Report No. 評估報告編號
	Benzene 苯	Toluene 甲苯	Xylene 二甲苯	Volatile organic compounds (VOC) 揮發性 有機化合物		
Organic waste gas emission from old factory production unit 來自舊有工廠生產單位的有機 廢氣排放	3.4×10 ⁻³	2.4×10 ⁻³	2.81×10 ⁻³	3.19×10 ⁻²	5th June 2018 二零一八年 六月五日	Environment assessment (2018) No.06050 環境評估(2018) No.06050
Waste gas emission exhaust port from spray paint production before waste gas treatment 廢氣處理前噴漆生產的廢氣 排放口	N/A 不適用	N/A 不適用	N/A 不適用	0.046	8th May 2018 二零一八年 五月八日	EDD49K000193
Waste gas emission exhaust port from spray paint production after waste gas treatment 廢氣處理後噴漆生產的廢氣 排放口	N/A 不適用	N/A 不適用	N/A 不適用	0.057	8th May 2018 二零一八年 五月八日	EDD49K000193
Waste gas emission exhaust port from assembly wave soldering before waste gas treatment 廢氣處理前來自組裝波焊接的 廢氣排放口	N/A 不適用	N/A 不適用	N/A 不適用	0.18	8th May 2018 二零一八年 五月八日	EDD49K000193

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Waste gases of emission 廢氣排放	Average speed (kg/h) 平均速率 (公斤/小時)				Volatile organic compounds (VOC) 揮發性有機化合物	Sampling collection date 取樣日期	Assessment Report No. 評估報告編號
	Benzene 苯	Toluene 甲苯	Xylene 二甲苯				
Waste gas emission exhaust port from assembly wave soldering after waste gas treatment 廢氣處理後組裝波焊接的廢氣排放口	N/A 不適用	N/A 不適用	N/A 不適用	0.068	8th May 2018 二零一八年五月八日	EDD49K000193	
Standard Discharge limit 標準排放限額	≤0.42	≤2.5	≤0.84	≤3.6	—	—	
Results 結果	Pass 通過	Pass 通過	Pass 通過	Pass 通過	—	—	

In line with the promotion of VOCs tackling strategy “One Enterprise One Plan” as issued by the Guangzhou Bureau of Environment Protection, the Group has equipped and installed a VOC exhaust gas treatment system during the 3rd quarter of 2018. During the review period, a licensed party was outsourced for the Group to carry out an assessment in December 2018 regarding to the amount of VOCs emissions. It was concluded that the VOCs emission for our factory in Guangzhou amounted to 0.52 tonnes in 2018 comparing to 1.375 tonnes in 2017, it represented a decrease of approximately 62%.

為符合廣州市環保局發佈的推行「一企業一規劃」揮發性有機化合物打擊策略，本集團已於二零一八年第三季度配置及安裝揮發性有機化合物廢氣處理系統。於回顧期間，本集團向一名持牌方外判業務，於二零一八年十二月對揮發性有機化合物排放量進行評估，並確認我們的廣州工廠於二零一八年的揮發性有機化合物排放量為0.52噸，與二零一七年1.375噸相比，減少約62%。

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KPI A1.2 Greenhouse gas emission

The greenhouse gas emission produced by the Group is mainly due to Indirect emissions (Scope 2) from purchased electricity for the production factory. In addition, we also had Direct emission (Scope 1) principally resulted from the consumptions of liquefied petroleum gas for running the canteens of the factory, burning of diesel fuel by the power generators and usages of factory vehicles. There were Carbon-dioxide equivalent Scope 1 Direct and Scope 2 Indirect emissions figures tabulated as below:

關鍵績效指標 A1.2 溫室氣體排放

本集團的溫室氣體排放主要來自生產工廠購買電力的間接排放(範圍2)。此外，我們亦有直接排放(範圍1)，主要來自工廠食堂使用液化石油氣、發電機燃燒柴油以及使用工廠車輛。二氧化碳當量範圍1直接及範圍2間接排放量數據如下表所列：

Emission type	排放類型	2018	2017	Increase/ (decrease) in percentage
		二零一八年	二零一七年	百分比增加 /(減少)
Direct emission (Scope 1) – Total carbon dioxide generated equivalent (tonnes)	直接排放(範圍1) – 二氧化碳總當量(噸)	129.46	279.94	(54%)
Indirect emission (Scope 2) – Total carbon dioxide generated equivalent (tonnes)	間接排放(範圍2) – 二氧化碳總當量(噸)	7,536.02	6,372.08	18%
Total emission (tonnes)	總排放量(噸)	7,665.48	6,652.02	15%

Intensity analysis	密度分析	2018	2017	Increase/ (decrease) in percentage
		二零一八年	二零一七年	百分比增加 /(減少)
Total production of finished goods (unit)	成品總產量(單位)	39,504,447	39,415,352	0.23%
Intensity for total greenhouse gas emission (tonne) per unit of finished good	每成品單位溫室氣體總 排放量的密度(噸)	0.000194063	0.000168833	15%

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The carbon dioxide generated equivalent from direct emission (Scope 1) amounted to 129.46 tonnes in fiscal year 2018, it represented a decrease of 54% comparing to 2017 and it was mainly attributed to the change of operation right for one of the staff canteen, the respective canteen had stopped operation during January to April 2018 which resulted the drop of the burning of liquefied petroleum gas for the canteen of the factory.

Regarding to the carbon dioxide generated equivalent from indirect emission (Scope 2), it amounted to approximately 7,536 tonnes in fiscal year 2018, it represented a slight increase of 18% comparing to 2017. The attributor was the increase of indirect electricity consumption from the full automation of the capacity of several newly developed products in 2018. The development process involved semi-product production and inspection, product function testing which required much indirect electricity consumption and resulting the increase of carbon dioxide generated equivalent from indirect emission (Scope 2).

As the Paris Agreement sends a clear signal that the shift to a low-carbon economy is inevitable and everyone must play their part as a corporate citizen. In order to facilitate such transition, the Group has continued participation to the CDP (Carbon Disclosure Project) Supply Chain program which helps CDP to highlight and spur meaningful action on tackling climate change by capturing vital data on climate change in order to improve collaboration and encourage transparency. Our greenhouse gas emission is reported on the platform in July on an annual basis.

KPI A1.3 Hazardous waste emission

The Group is dedicated to managing waste in a responsible way and strives to optimize the use of resources. The Guangzhou Factory has established a comprehensive hazardous waste management system and carries out disposal of hazardous waste in accordance with relevant laws and regulations. Our hazardous waste mainly included waste activated carbon with organic matters, banana oil polluted waste fabrics, waste lubricant and engine oil, waste emulsion oil, waste paint and paint residual. There is a storage area in the factory for storing hazardous solid waste. Our factory also works with institutions which are qualified to dispose of hazardous waste. During the review period, we recorded the following hazardous waste emission figures and they were all collected by qualified institutions.

於二零一八年財政年度，直接排放(範圍1)所產生的二氧化碳當量為129.46噸，較二零一七年下跌54%。此乃歸因於其中一間員工食堂經營權易手，有關食堂於二零一八年一月至四月停止營運，導致工廠食堂液化石油氣燃燒量下跌。

至於間接排放(範圍2)所產生的二氧化碳當量，則於二零一八年財政年度約達7,536噸，較二零一七年輕微增加18%。間接用電增加歸因於二零一八年若干新開發產品的產能全面自動化。有關開發流程涉及半成品生產及檢測、產品功能測試，需要大量間接用電，導致間接排放(範圍2)所產生的二氧化碳當量增加。

巴黎協議發出明確信號，轉向低碳經濟乃大勢所趨，每個人均需扮演企業公民的一份子。為促進該轉型，本集團已參加碳排放披露項目供應鏈計劃，當中碳排放披露項目透過收集氣候變化的重要數據，幫助找出並推行應對氣候變化的有效行動，以改善合作並提高透明度。我們每年七月在該平台報告溫室氣體排放。

關鍵績效指標 A1.3 有害廢棄物排放

本集團致力於以負責任的方式管理廢棄物，並盡力優化資源利用。廣州廠房已建立全面的有害廢棄物管理系統，並根據相關法律及法規處理有害廢棄物。我們的有害廢棄物主要包括有機廢物活性炭、香蕉油污染廢棄織物、廢棄潤滑油及機油、廢棄乳化油、廢漆及油漆殘留物。該廠房設有用於存放有害固體廢棄物的存放區域。廠房已與合資格機構合作以處理有害廢棄物。於回顧期間，我們記錄以下有害廢棄物排放數據而該等有害廢棄物均由合資格機構收集。

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Waste type	廢棄物類型	2018	2017	Increase/ (decrease) in percentage 百分比增加 /(減少)
		二零一八年	二零一七年	
Total hazardous waste (tonnes)	有害廢棄物總量 (噸)	2.60	2.03	28.08%

Intensity analysis	密度分析	2018	2017	Increase/ (decrease) in percentage 百分比增加 /(減少)
		二零一八年	二零一七年	
Total production of finished goods (unit)	成品總產量(單位)	39,504,447	39,415,352	0.23%
Intensity for hazardous waste emission (tonne) per unit of finished good	每成品單位有害廢棄物排放量的密度(噸)	0.0000000658	0.0000000515	27.77%

The total hazardous waste emission amounted to 2.60 tonnes in fiscal year 2018, it represented an increase of approximately 28% comparing to 2017 and it was attributed to the full automation of the capacity of several newly developed products in 2018. The development process involved semi-product production and inspection, product function testing which produces much hazardous waste emission.

KPI A1.4 Non-hazardous waste emission

Our Non-hazardous waste from the Guangzhou Factory operation mainly attributed to scrap, wasted packaging materials, waste residual from sewer and filter tank as well as other domestic waste. Packaging materials mainly include cardboard boxes for product wrap up. We have been considering the principle of environmental friendly in our packaging design, and select more eco- friendly packaging materials and reducing the weight of materials used for our products. During the review period, we recorded the following non-hazardous waste emission figures.

於二零一八年財政年度，有害廢棄物總排放量為2.60噸，較二零一七年增加約28%，乃由於二零一八年若干新開發產品的產能全面自動化。有關生產流程涉及半成品生產及檢測、產品功能測試，產生大量有害廢棄物。

關鍵績效指標 A1.4 無害廢棄物排放

廣州廠房作業中的無害廢棄物主要來自廢料、廢棄包裝材料、下水道及過濾池廢渣以及其他生活垃圾。包裝材料主要包括將產品打包的紙板箱。我們在包裝設計中已一直考慮環保原則，並選擇更生態友好的包裝材料及降低我們產品所用材料的重量。於回顧期間，我們記錄了以下無害廢棄物排放數據。

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Type	類型	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Scrap and wasted packaging materials (kg)	廢料及廢棄包裝材料(公斤)	66,868.97	85,584.42	(21.9%)
Waste residual from sewer and filter tank (kg)	下水道及過濾池廢渣(公斤)	70,000	280,000	(75.0%)

Intensity analysis	密度分析	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Total production of finished goods (unit)	成品總產量(單位)	39,504,447	39,415,352	0.23%
Intensity for Scrap and wasted packaging materials emission (kg) per unit of finished good	每成品單位廢料及廢棄包裝材料排放密度(公斤)	0.0017	0.0022	(22.7%)
Intensity for Waste residual from sewer and filter tank (kg) per unit of finished good	每成品單位下水道及過濾池廢渣(公斤)	0.0018	0.0071	(74.6%)

The total non-hazardous waste emission including scrap and wasted packaging materials as well as waste residual from sewer and filter tank resulted a decrease of approximately 23% and 75% respectively in fiscal year 2018. The dropping figure was attributed to the much efficient and accurate use of packaging materials. Also, due to the change of operation right for one of the staff canteen, the respective canteen had stopped operation during January to April 2018 which resulted the vast drop of waste residual from sewer and filter tank. In addition, the kitchen waste was also properly treated and the treatment through the filter slag pool was also reduced.

無害廢棄物總排放量包括廢料及廢棄物包裝材料以及下水道及過濾池廢渣，分別於二零一八年財政年度下跌約23%及75%。該數字有所下跌乃由於本集團有效規範包裝物料的使用。此外，由於其中一間員工食堂經營權易手，有關食堂於二零一八年一月至四月停止營運，導致下水道及過濾池廢渣大幅減少。另外，廚餘已獲妥善處理，並減少濾渣池的處理程序。

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In addition, the Group continues to practice paper saving initiatives, such as default double-sided printing, reminder for staff to have environmentally friendly photocopying habit, and separated collection of waste paper for effective recycling. Waste paper recycling bins are placed in office to regularly recycle used paper, and employees are encouraged to read and send files electronically to reduce printing.

Use of Resources

The Group adheres to the concept of energy conservation and emission reduction for green production. The major resources used by the Group are principally attributed to electricity, water and packaging materials consumed at the factory in Guangzhou. We aim to improve our energy utilization efficiency to achieve low-carbon practices and emission reduction throughout our production and operation, and strive to save the resources. The Group's electricity, water and packaging materials were shown in the following tables:

此外，本集團持續踐行節約用紙倡議，例如預設雙面打印、提醒員工保持環保的影印習慣及分開收集可有效回收利用的廢紙。辦公室備有廢紙回收箱，以定期回收用過的紙張，並鼓勵員工閱讀及發送電子文檔，減少打印。

資源利用

本集團遵循節能減排的理念，以實現綠色生產。本集團使用的主要資源主要歸因於廣州工廠消耗的電力、水及包裝材料。我們致力於在生產及經營過程中提高能源利用率，實現低碳減排為目標，並努力節約資源。本集團的電力、水及包裝材料消耗如下表所示：

KPI A2.1 Indirect electricity consumption

Region	地區	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Guangzhou's factory electricity consumption (Kwh)	廣州工廠用電(千瓦時)	11,166,528	9,335,280	19.6%

關鍵績效指標 A2.1 間接用電

Intensity analysis	密度分析	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Total production of finished goods (unit)	成品總產量(單位)	39,504,447	39,415,352	0.23%
Intensity for indirect electricity consumption (Kwh) per unit of finished good	每單位成品間接用電密度(千瓦時)	0.283	0.237	19.4%

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The total indirect electricity consumption amounted to 11,166,528 kwh in fiscal year 2018, it represented an increase of 19.6% comparing to 2017 and it was attributed to the full automation of the capacity of several newly developed products in 2018. The development process involved semi-product production and inspection, product function testing which required much indirect electricity consumption.

於二零一八年財政年度，間接用電總量達11,166,528千瓦時，較二零一七年增加19.6%，乃歸因於二零一八年若干新開發產品的產能全面自動化。有關開發流程涉及半成品生產及檢測、產品功能測試，需要大量間接用電。

KPI A2.2 Water consumption

關鍵績效指標 A2.2 用水

Region	地區	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Guangzhou's factory water consumption (tonnes)	廣州工廠用水(噸)	105,670	49,395	114%

Intensity analysis	密度分析	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Total production of finished goods (unit)	成品總產量(單位)	39,504,447	39,415,352	0.23%
Intensity for water consumption (tonne) per unit of finished good	每單位成品用水密度(噸)	0.0027	0.0013	107.7%

The total water consumption amounted to 105,670 tonnes in fiscal year 2018, it represented a significant increase of 114% comparing to 2017, it was attributed to the full automation of the capacity of several newly developed products in 2018. The development process involved semi-product production and inspection, product function testing which required much water consumption. In addition, it is always the Group's mission to reduce the impact of VOC emission which is the major organic waste during the production process. During 3rd quarter of 2018, a VOC exhaust gas treatment system was installed and applied, the treatment process requires water consumption in order to purify the VOC emission. Hence, it resulted the increase of water consumption.

於二零一八年財政年度，用水總量達105,670噸，較二零一七年大幅增加114%，乃歸因於二零一八年若干新開發產品的產能全面自動化。有關開發流程涉及半成品生產及檢測、產品功能測試，需要大量用水。此外，本集團一直致力降低揮發性有機化合物排放的影響，揮發性有機化合物為生產過程中的主要有機廢棄物。於二零一八年第三季度，揮發性有機化合物廢氣處理系統獲安裝及應用，處理過程需要用水淨化揮發性有機化合物排放，因而導致用水量增加。

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The Group has implemented guidelines and policies for energy saving management which include in-house rules and regulations for both office and factory employees to follow. The implementation of policy is the follow-up plan after the Third-party Certifications upon the ISO-14001 and OHSAS-18001 management Standards. An environmental management team is developed and authorized to set up the targets, indices for emissions level as well as developing management programmes. General affairs department is responsible for carrying out the monitoring work for effective uses of resources.

We have implemented a range of measures designed to reduce emissions and cut down its consumption of energy and natural resources. We also promote a paperless office and encourage staff to reduce electricity and water usage in their daily work to create a green office. To reduce remarkably the consumption of electrical energy, the Guangzhou factory has gradually replaced the traditional lighting tubes with energy-saving tubes that enjoy higher efficiency and longer life cycle. The factory has applied push-button taps instead of screwdriver faucet in order to reduce water wastage. We have established a maintenance and conservation policy for production and non-production equipment which aims at enhancing the optimal use of machineries and equipments. Hence, achieving the least electricity consumption and greenhouse gas emissions.

In addition, a number of energy conservation promotional banners and posters were post up in various places to remind workers. Through catchy slogan and posters, everyone paid high attention to environmental protection and resource conservation.

The Group has a strong focus on the water conservation, and therefore tries to prevent water pollution which is mainly generated from workers' living activities. The Guangzhou Factory promotes sewage bio-chemical treatment facility and water reuse, so as to reduce the amount of water consumption and ensure water is used sustainably. We build our own sewage treatment facilities in the factory to undertake sewage treatment before discharging, the water from reclaimed water tank is used for irrigation in staff living quarters.

本集團已實施節能管理指引及政策，包括辦公室及工廠僱員均須遵守的內部規則及條例。所實施的政策是根據ISO-14001及OHSAS-18001管理標準在獲得第三方認證後的跟進計劃。本公司已成立環境管理團隊，並授權其設立排放水平目標、指數及制定管理方案。總務部負責對資源的有效利用進行監督。

我們已實施多項措施，旨在降低排放及減少其能源及自然資源消耗。我們亦推行無紙化辦公室，鼓勵員工在日常工作中減少水電使用量，創建綠色辦公室。為大幅降低電能消耗，廣州廠房已逐步更換傳統燈管，改用具備更高效率及更長使用壽命的節能燈管。該廠房已使用按壓式水龍頭，取代螺旋式水龍頭，以減少水浪費。我們已為生產及非生產設備制定維護及保護政策，以增強機器及設備的最佳使用。從而達到最少的電力消耗及溫室氣體排放。

此外，我們於多個地方張貼若干節能宣傳標語及海報，以提醒工人。透過顯眼的標語及海報，每個人都高度重視環境保護及資源節約。

本集團重點關注水資源保護，因此盡力預防主要產生自工人生活活動的水污染。廣州廠房推行污水生物化學處理設施及廢水回用，從而降低水消耗量及確保水可持續使用。我們在廠房建立自有的污水處理設施，在排放前對污水進行處理，將員工宿舍中回收水箱內收集的水用於灌溉。

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KPI A2.5 Packaging materials used for finished products

Our packaging materials for each finished goods include label, paper packing materials such as cardboard box, plastic bag and Styrofoam. During the review period, the packaging materials consumption was shown in the following table:

Type of packaging material	包裝材料類型	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Label (piece)	標籤(件)	20,042,643	16,800,860	19.3%
Paper packing material (piece)	紙包裝材料(件)	56,998,654	41,415,643	37.6%
Plastic bag (piece)	塑料袋(件)	16,787,863	15,242,674	10.1%
Foam (piece)	泡沫塑料(件)	5,064,899	5,000,108	1.3%
Total (piece)	總計(件)	98,894,059	78,459,285	26.0%

關鍵績效指標 A2.5 成品所用包裝材料

每件成品的包裝材料包括標籤、紙包裝材料，如紙箱、塑料袋及聚苯乙烯泡沫塑料。於回顧期間，包裝材料消耗如下表所示：

Intensity analysis	密度分析	2018 二零一八年	2017 二零一七年	Increase/ (decrease) in percentage 百分比增加 /(減少)
Total production of finished goods (unit)	成品總產量(單位)	39,504,447	39,415,352	0.23%
Intensity for usage of packaging materials (piece) per unit of finished good	每單位成品包裝材料使用密度(件)	2.50	1.99	25.6%

The total usage of packaging materials amounted to approximately 98,894 thousand pieces in fiscal year 2018, it represented an increase of 26% comparing to 2017. The increasing figure was attributed to the full automation of the capacity of several newly developed products in 2018. The development process of new products involved several packaging testing.

於二零一八年財政年度，包裝材料總用量約為98,894千件，較二零一七年增加26%。數字增加乃由於二零一八年若干新開發產品的產能全面自動化。新產品的生產流程涉及多項包裝測試。

The Group is dedicated to consume the least packaging materials as possible. It is the Group's practice to implement production planning in a timely basis so as to assess the least amount of packaging materials needed. The Group is also committed to source recyclable packaging materials from suppliers with eco-friendly practice and engagement.

本集團致力於盡量降低包裝材料使用量。本集團的慣例是適時實施生產計劃，以評估所需包裝材料的最少數量。本集團亦致力根據環保慣例及操守向供應商採購可循環使用的包裝材料。

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B. SOCIAL COMMITMENT

Employment and Labour Practices

Quality talents are the Group's valuable assets for maintaining business sustainability. The Group has implemented practices and adopted "Staff Handbook" with respect to: (i) compensation and dismissal; (ii) recruitment and promotion; (iii) working hours; (iv) rest periods; (v) equal opportunity; (vi) diversity; (vii) anti-discrimination; and (viii) welfare and other benefits that all information and procedures are complied with the Labor law of the People's Republic of China, Labor Contract Law of the People's Republic of China and other relevant laws and regulations.

The Group strictly complies with International Labour Standards and the government's "Provision on the Prohibition of Using Child Labor" 《禁止使用童工規定》. No juveniles under 16 years old are being recruited.

In order to maintain harmonious labour relationships, the Group firmly eradicates any forced labour, employment discrimination and occupational discrimination. The Group protects the rights of staff in terms of providing rest and leave days according to relevant governmental laws and regulations.

During the year ended 31 December 2018, the Group was complying sustainably with laws and regulations relating to employment and labour practices.

Health and Safety

The Group rigorously comply with the "Law of the People's Republic of China on Work Safety" (《中華人民共和國安全生產法》) and other relevant laws and regulations in order to maintain health and safety working environment. Employment safety rules is included in the Group "Staff Handbook" for regulating occupational health and safety and on-the-job training is provided for the employees in order to minimize the potential risk of accidents, injuries and exposure in relation to health risks.

B. 社會承擔

僱傭及勞工常規

優秀人才是本集團維持業務可持續性的寶貴資產。本集團已實施及採納有關(i)薪酬及解聘；(ii)僱傭及晉升；(iii)工作時數；(iv)假期；(v)平等機會；(vi)多元化；(vii)反歧視；及(viii)福利及其他待遇方面的常規及「員工手冊」，所有資料及程序均遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他相關法律法規的規定。

本集團嚴格遵守勞工標準國際公約及政府的《禁止使用童工規定》。我們並無聘用年齡不滿16歲的童工。

為保持和諧的勞資關係，本集團堅決杜絕任何強迫勞動、聘用歧視及職業歧視。本集團會依照政府的相關法律及法規，保護員工休息及休假的權利。

於截至二零一八年十二月三十一日止年度，本集團一直遵守僱傭及勞工慣例相關法律法規。

健康與安全

本集團嚴格遵守《中華人民共和國安全生產法》及其他相關法律及法規，以維持健康與安全的工作環境。本集團「員工手冊」已載有僱傭安全規則，以規範職業健康與安全，我們亦向僱員提供在職培訓，以盡量降低潛在事故及受傷風險以及相關健康風險。

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The Guangzhou factory had obtained Quality Management System Certification (ISO9001) and Environmental Management System Certification (ISO14001) formulated by the International Organisation for Standardisation (“ISO”) and they were certified, thus effectively guaranteeing the establishment of a healthy, safe and stable working environment. Daily operations are inspected by relevant departments, according to the occupational health and safety requirements of the respective company. Any non-compliance will also be identified and rectified on a timely basis. Furthermore, the Guangzhou factory has designed several safety requirements so as to avoid fire and industrial accidents, such as:

- Fire-fighting facilities like fire extinguishers are well equipped.
- Designated staff conducts inspection from time to time so as to ensure the exit passageway clear and unblocked.
- Fire drills are organized twice per year.

During the year ended 31 December 2018, the Group did not receive any non-compliance with the health and safety laws and regulations.

Development and Training

The Group places strong emphasis on the career development of individual employees. Employees are encouraged to keep abreast of the changing world and pursue continuing educations, so as to cope with the rapidly changing society and meet the evolving corporate development needs. The Group encourages its employees to participate in individual continuing education programs which are related to their job duties, with a view to strengthening the professional career training of its staff teams, promoting professional expertise of management teams and stimulating the potential abilities of employees. In addition, in order to enable new staff to fit into the Company and comprehend the company policy and corporate culture as soon as possible, the Group provides basic orientation training for all the new staff and provides its management personnel and employees with on-the-job education, training and other opportunities to improve their skills and knowledge. The Group continues to intensify its efforts to promote staff training programmes. This helps provide the necessary protection for talent reserves for corporate development.

廣州廠房已取得國際標準化組織(「ISO」)制定的質量管理系統認證(ISO9001)及環境管理系統認證(ISO14001)，並通過審核，為企業建立健康、安全、穩定的工作環境提供有力的保障。日常操作由相關部門按各公司的職業健康與安全規定進行檢查，並及時糾正發現的不遵守情況。此外，廣州工廠已設計多項安全規定，以避免火災及工業事故，例如：

- 已配備滅火筒等適當的滅火消防器材。
- 專責人員不時巡查以確保安全通道暢通無阻。
- 每年組織兩次火警演習。

截至二零一八年十二月三十一日止年度，本集團並不知悉任何違反健康與安全法律法規的情況。

發展及培訓

本集團一直重視僱員個人的事業發展，並鼓勵僱員要與時並進，持續進修，以應付社會日新月異的變化與企業急速發展的需要。本集團鼓勵員工參與跟工作崗位相關的個人進修課程，以加強員工隊伍的職業培訓，提升管理團隊的專業知識及激發員工的潛能。此外，為使新進員工能夠盡快融入公司，了解公司的制度和企業文化，本集團為所有新員工提供入職基礎培訓，並向我們的管理人員及員工提供在職教育、培訓及其他機會，以提升彼等的技能及知識。本集團持續加強推行員工培訓課程，為企業的發展做好人才儲備提供必要的保障。

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Supply Chain Management

The principal raw materials and components used in Guangzhou factory production include ICs, PCBs, plastic, motor and battery. At present, the majorities of manufacturing materials are purchased domestically. The factory typically procures raw materials and components upon receipt of purchase orders from its customers. In order to ensure that the raw materials and components procured are of the requisite standards, The Purchasing Department is responsible of procurement of raw materials, and manages sourcing for our supply chain. An approved vendor list is maintained for each of its principal raw materials and components and the vendor list is reviewed periodically.

To enhance supply chain management, the Group has formulated management systems and regulates the supplier selection process to systematically evaluate and qualify new suppliers. This enables top notch suppliers to enter its supply system and become its qualified suppliers, thereby facilitating its stable procurement development. According to the Group's "Standard Operating Procedure" and quality management system relating to the supplier management process, the Group carefully manage and select qualified suppliers and carry out regular evaluations to safeguard the quality of its materials and to ensure its product delivery schedules, establishing a foundation for providing quality products to our customers. Customers are becoming more concerned about environmental issues, and stress us the importance of using environmental-friendly materials. We will continue to communicate these demands to our suppliers, strengthen our cooperation with suppliers regarding their ability to deliver environmental-friendly materials, coordinate with them in sampling trials, and work with them to produce societal benefits.

Product responsibility

The Group is committed to supplying quality products and providing quality services that consistently meet or even exceed our customers' expectations. The Group has placed a strong emphasis on quality assurance and has adopted stringent quality assurance procedures at different stages of its business operation including the pre-production process, the procurement of raw materials and components and the monitoring of production processes and the inspections of finished products to ensure the qualities of its products.

供應鏈管理

廣州廠房所使用的主要原材料及組件包括集成電路、PCB、塑料、發動機及電池。目前，大部分生產材料購自國內。工廠一般於接獲客戶的採購訂單後採購原材料及組件。為確保所採購的原材料及組件符合規定的標準，採購部負責採購原材料，並管理供應鏈。本集團為其各主要原材料及組件建立一份經認可供應商名單，並定期對其進行審查。

為加強供應鏈管理，本集團已制定管理制度及規範供應商挑選流程，對新供應商進行系統的評估及認可，使優秀的供應商能進入其供貨體系，成為其合資格供應商，以滿足其穩定採購發展的需要。根據本集團的《標準作業流程》及品質管理制度體系的供應商管理流程，本集團小心管理及選擇合資格供應商，並定期進行考評，確保其產品的材料品質與交付時間，為向我們的客戶提供優質的產品奠定基礎。客戶環保意識日益提高，並向我們強調採用環保材料的重要性。我們不斷與供應商溝通，並將其要求傳遞予供應商，加強與具備環保型材料供應能力的供應商合作，積極配合供應商的產品試用，與他們一起共同努力創造社會效益。

產品責任

本集團致力提供優質產品及服務，貫徹始終地滿足甚至超越客戶期望。本集團重視質量保證，並在生產作業各個階段採取嚴格質量保證程序，包括前生產工序、原材料及組件採購，以及生產工序監察及製成品檢查，確保產品質量。

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The Group's production facilities have been successfully transitioned to new version of ISO-9001:2015 and that of IATF-16949:2016 Certified for Automotive products since 2017. In addition, Guangzhou was ISO-13485 Certified for Medical Devices.

The Guangzhou Factory has a team who is responsible for quality control and quality assurance. It also has an independent quality assurance department that reports directly to the top management on product quality matters. Quality assurance functions are performed throughout the production processes from the raw materials and components procurement stages to product delivery stages to ensure that the products can meet the required national standards and certain industry standards applicable to such products. Industry standards for products adopted by the factory including:

- (i) IPC-A-610F Acceptability of Electronics Assemblies for PCBA workmanship requirements;
- (ii) RoHS (Restriction of Hazardous Substances Directives 2002/95/EC); and
- (iii) REACH (Registration, Evaluation, Authorisation and Restriction of Chemical substances).

Our products are also in compliance with various international safety standards including:

- (i) FCC standards — product standards which are applicable to telephone and IT;
- (ii) UL standards — standards for product safety;
- (iii) CSA standards — standards for product safety and performance;
- (iv) China Compulsory Certification — a mandatory certification system concerning product safety in China; and
- (v) CE — European Union consumer safety, health or environmental requirements.

本集團生產設施已自二零一七年起就汽車產品成功轉換新版ISO-9001:2015認證及新版IATF-16949:2016認證。另外，廣州就醫療設備獲得ISO-13485認證。

廣州廠房有一支團隊負責質量控制及質量保證。廣州廠房亦設有一個獨立的質量保證部門，直接向最高管理人員匯報產品質量事宜。從原材料及組件採購階段至產品付運階段的整個生產工序，都一一履行質量保證，確保產品達致規定的國家標準及有關產品適用的若干行業標準。該廠房就產品採納的行業標準包括：

- (i) PCBA工藝要求的IPC-A-610F電子組件可接受性；
- (ii) 有害物質禁用指令(RoHS 2002/95/EC)；及
- (iii) 化學品註冊、評估、授權及限制法規(REACH)。

我們的產品亦符合多項國際安全標準，包括：

- (i) FCC標準 — 適用於電話及資訊科技的产品標準；
- (ii) UL標準 — 產品安全標準；
- (iii) CSA標準 — 產品安全及性能標準；
- (iv) 中國強制性產品認證 — 有關中國產品安全的強制性產品認證制度；及
- (v) CE — 歐盟消費者安全、健康或環境規定。

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Intellectual property

Our legal department is in charge of protecting our intellectual property. In addition to highlighting and protecting intellectual property and ensuring we respect the intellectual property of others, we protect the fair competition environment, and comply with industry standards and criteria. During the year, the Group had not experienced any infringement of its intellectual property rights by third parties. Also, the Group was not involved in any material litigation or legal proceedings for violation of intellectual property rights and there was no material violation of the same.

Customer relationship management

Customer satisfaction is the foundation of an enterprise's competitiveness, and the Group continuously tries to improve on this aspect. The Group has a customer-oriented focus and strives to provide quality products and services by continuously hearing what its customers are looking for. A policy "Communication and Service with Customers Manual" (《與顧客的溝通及服務控制程序》) has set to standardize the procedure for customers' communication in order to promote operation consistency and increased responsiveness to customers' changing needs. The Group collects customers' feedbacks relating to its manufactured products which are used as important references in its constant efforts to improve product quality and promote customer satisfaction. The Group is always trying to improve, and address complaints or feedback quickly to resolve any issues. A Customer Services Department has set up to maintain ongoing communication with customers and ensure the Group can provide excellent service. The Group put great emphasis on protecting customer privacy, and implement stringent internal management for marketing activities to safeguard customer information security.

During the year ended 31 December 2018, the Group did not receive any non-compliance with relevant laws and regulations related to product responsibility.

知識產權

我們的知識產權的維護由法務部負責。本集團重視及保護知識產權，尊重他人的知識產權，維護公平競爭環境，以及遵守行業標準與規範。於年內，本集團並無遇上第三方侵犯其知識產權的事件。本集團亦無違反知識產權而涉及任何重大訴訟或法律程序，且概無嚴重違反知識產權。

客戶關係管理

客戶的滿意度乃企業競爭力的基礎，本集團堅持客戶至上的原則，通過不斷了解顧客的需求，為其提供優質的產品和服務，以不斷提升客戶的滿意度。本集團已制定《與顧客的溝通及服務控制程序》政策，以促進經營的一致性及進一步貼近不斷變化的客戶需求。本集團堅持對所生產的產品收集客戶反饋意見，作為其不斷提高產品品質，持續提升客戶滿意度的重要參考。本集團始終盡力以最快速度進行改善及解決客戶投訴或回應客戶的問題。本集團設有客戶服務部，與客戶長期保持溝通並確保為客戶提供優質服務。本集團重視保護客戶的隱私，在營銷活動中嚴格推行內部管理，保障客戶的資訊安全。

截至二零一八年十二月三十一日止年度，本集團並不知悉任何違反產品責任法律法規的情況。

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Anti-Corruption policy

As corruption is detrimental to fair competition and corporate integrity, anti-corruption has become one of the main corporate business ethics principles for many of the world's premier enterprises. We advocate honest operation and fair competition, and require that our staff comply with the national laws and regulations, as well as the Group's regulations and systems. To promote compliance in the workplace, we also focus on anticorruption and anti-bribery principles for staff.

As part of the Group efforts to make anticorruption an important corporate management activity, it sets up whistle blowing channels to help prevent irregularities. All staff must comply with the Group's business code of conduct, which aims to prevent corruption from a system perspective. The Group also continues to improve its internal control and monitoring system. If problems are identified, the Group takes immediate action, and has a zero tolerance approach to corruption in order to prevent irregularities.

During the year ended 31 December 2018, the Group did not receive any non-compliance with relevant laws and regulations related to anti-corruption.

Community Investment

In terms of community involvement, the Group continues to run a corporate social responsibility program, in which it encourages employees to participate in community services and contribute to care needs of the community. As part of its efforts to promote education, one of the subsidiaries of the Group established the "migrant workers' child education subsidize program" to support the education of the worker's children. During the year ended 31 December 2018, with 181 migrant workers are benefited and a total amount of RMB90,000 is subsidized.

反貪污政策

貪污行為損害公平競爭，破壞企業誠信，反貪污是企業主要商業道德原則之一，並已成為全球優秀企業的共識。我們提倡誠實經營及公平競爭，同時要求員工遵守國家法律法規及本集團規章及制度。我們亦集中向員工宣傳反貪污及反賄賂原則，在工作中貫徹合規文化。

本集團將反貪污作為企業管理活動的一項重要工作，並設立舉報通道，以防止不合規行為。所有員工必須遵守本集團制定的商業行為守則，從制度上防止貪污。本集團亦不斷完善內部控制及監督制度。一旦發現問題，本集團將立即處理，對貪污零容忍，以防止不合規行為。

截至二零一八年十二月三十一日止年度，本集團並不知悉任何違反反貪污法律法規的情況。

社區投資

在社區參與方面，本集團繼續進行企業社會責任計劃，鼓勵僱員參與社區服務，關愛弱勢群體。為促進教育，本集團一間附屬公司成立「民工子女教育補貼計劃」，以支持工人子女的教育。截至二零一八年十二月三十一日止年度，有181名民工受惠，補貼總額為人民幣90,000元。

REPORT OF THE DIRECTORS

董事會報告

The Board is pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities and other particulars of the Company's subsidiaries are set out in note 23 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the Year.

BUSINESS REVIEW

Overview

Details of (i) business review (ii) principal risks and uncertainties and (iii) future development of the Group's business are set out respectively in the "Business overview", "Key risks and uncertainties" and "Prospects" sections under "Management Discussion and Analysis" of the annual report.

An analysis of the Group's performance during the Year using financial key performance indicators is set out in the Group's Five-year Financial Summary on pages 222 to 223 of this annual report.

The Group understands the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

RESULTS AND DIVIDEND

The Group's loss for the year ended 31 December 2018 and the Group's financial position at that date are set out in the audited consolidated financial statements on pages 78 to 81.

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

董事會欣然謹呈董事會報告及本集團截至二零一八年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。本公司附屬公司之主要業務及其他細節的詳情載於綜合財務報表附註23。本年度內，本集團之主要業務性質並無任何重大變動。

業務回顧

概覽

(i) 業務回顧；(ii) 相關主要風險及不確定因素；及(iii) 本集團業務未來發展之詳情分別載於本年報「管理層討論及分析」內「業務回顧」、「主要風險及不確定因素」及「展望」各節。

以主要財務表現指標對本集團於本年度之表現作出之分析，載於本年報第222至223頁本集團之五年財務概要。

本集團深明本集團業務的成功有賴主要持份者的支持，包括僱員、客戶、供應商、銀行、監管機構及股東。本集團將繼續確保與各主要持份者保持有效溝通及維繫良好關係。

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之虧損及本集團於該日之財務狀況載於第78至第81頁之經審核綜合財務報表。

董事會不建議派發截至二零一八年十二月三十一日止年度之股息(二零一七年：無)。

REPORT OF THE DIRECTORS

董事會報告

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out on pages 222 to 223. This summary does not form part of the audited consolidated financial statements in this annual report.

CHARITABLE DONATIONS

Charitable donations made by the Group during the Year amounted to approximately HK\$861,000 (2017: HK\$485,000).

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 36 to the consolidated financial statements in this annual report.

PRE-EMPTIVE RIGHTS

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

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of the subsidiaries during the year ended 31 December 2018.

RESERVES

For the year ended 31 December 2018, the loss attributable to shareholders of the Company amounted to HK\$58.0 million. The Company's reserves available for distribution comprise share premium and accumulated losses/retained profits. Under the Companies Law of the Cayman Islands and the provisions of the Memorandum and Articles of Association of the Company, the Company's share premium account may be applied by the Company in paying distributions or dividend to shareholders of the Company provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

As at 31 December 2018, the Company has no distributable reserve that was available for distribution to the shareholders.

財務資料概要

本集團過去五個財政年度之已刊發業績與資產、負債及非控股權益之概要載於第222至223頁，乃摘錄自本公司經審核綜合財務報表。該概要並非本年報中經審核綜合財務報表一部分。

慈善捐款

本集團於本年度內作出的慈善捐款達約861,000港元(二零一七年：485,000港元)。

股本

本公司股本於本年度之變動詳情載於本年報綜合財務報表附註36。

優先購買權

本公司組織章程細則或本公司註冊成立所在司法權區開曼群島之法例均無任何有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股份。

購買、贖回或出售本公司之上市證券

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

儲備

於截至二零一八年十二月三十一日止年度，本公司股東應佔虧損為58,000,000港元。本公司之可供分派儲備包括股份溢價及累計虧損／保留溢利。根據開曼群島公司法及本公司組織章程大綱及細則條文，本公司可動用其股份溢價賬，以向本公司股東作出分派或派付股息，惟於緊隨建議分派或派付股息當日後，本公司須有能力支付日常業務中到期之債務。

於二零一八年十二月三十一日，本公司並無可供分派予股東的可分派儲備。

REPORT OF THE DIRECTORS

董事會報告

RELATED PARTIES TRANSACTIONS

Related parties transactions of the Group during the Year are disclosed in note 43 to the consolidated financial statements in this annual report.

CONNECTED TRANSACTIONS

During the Year, the Company and the Group had the following connected and continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

Connected transaction

On 1 August 2018, Telefield Limited (the “Vendor”), a wholly-owned subsidiary of the Company entered into the sales and purchase agreement (“S&P Agreement”) with Dragon Fortune International Limited (the “Purchaser”), pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the entire issued share capital of Circuit Development Limited (“Disposal Company”) and shareholder’s loan owing by the Disposal Company to the Vendor as at the date of the S&P Agreement at the consideration of HK\$32 million (the “Disposal”).

The Purchaser is owned as to 53.30% by Century Win Industrial Limited (“Century Win”), as to 8.64% by Mr. Ng Kim Yuen, as to 6.50% by Ms. Fok Pui Yin, as to 8.64% by Mr. Lee Kai Bon and as to 22.92% by other independent third parties. Century Win is owned as to 53.68% by Mr. Cheng Han Ngok Steve and as to 46.32% by Ms. Ma Mei Han Elite, spouse of Mr. Cheng Han Ngok Steve.

Mr. Cheng Han Ngok Steve and Ms. Fok Pui Yin are the directors of both the Vendor and the Disposal Company whereas Mr. Ng Kim Yuen and Mr. Lee Kai Bon are the directors of the Vendor. As such, the Purchaser is a connected person at the subsidiary level of the Company.

As such, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing rules. Details can be found from the Company’s announcements dated 1 August 2018.

Apart from the foregoing, there was no transaction which need to be disclosed as connected transaction pursuant to Chapter 14A of the Listing Rules.

關連方交易

本集團於本年度之關連方交易乃於本年報之綜合財務報表附註43披露。

關連交易

於本年度內，本公司及本集團有以下關連及持續關連交易，其若干詳情須根據上市規則第14A章規定披露。

關連交易

於二零一八年八月一日，本公司的全資附屬公司中慧有限公司（「賣方」）與龍豐國際有限公司（「買方」）訂立買賣協議（「買賣協議」），據此賣方有條件同意出售及買方有條件同意購買 Circuit Development Limited（「出售公司」）的全部已發行股本及出售公司於買賣協議日期結欠賣方之股東貸款，代價為32,000,000港元（「出售事項」）。

買方由紀宏實業有限公司（「紀宏」）、吳儉源先生、霍佩賢女士、李繼邦先生及其他獨立第三方分別擁有53.30%、8.64%、6.50%、8.64%及22.92%的權益。紀宏由鄭衡嶽先生及鄭衡嶽先生之配偶馬美嫻女士分別擁有53.68%及46.32%的權益。

鄭衡嶽先生及霍佩賢女士均為賣方及出售公司的董事，而吳儉源先生及李繼邦先生則為賣方的董事，因此，買方為本公司附屬公司的關連人士。

因此，出售事項構成本公司於上市規則第14A章項下的關連交易。詳情請參閱本公司日期為二零一八年八月一日的公告。

除上述者外，概無交易須根據上市規則第14A章披露為關連交易。

REPORT OF THE DIRECTORS

董事會報告

Continuing connected transaction

On 21 December 2017, an indirectly wholly-owned subsidiary of the Company, Telefield Holdings Limited (“Telefield”) and its subsidiaries (collectively, the “Telefield Group”) and Noble Treasure Holdings Limited (“Noble Treasure”) and its subsidiaries (collectively, the “Noble Treasure Group”) entered into a master sale agreement (the “Agreement 1”), pursuant to which Telefield Group agreed to supply to Noble Treasure Group and Noble Treasure Group agreed to purchase from Telefield Group the EMS products for a period commencing from the 5th business days from the date of the Agreement 1 or such other day as may be agreed between the parties to 31 December 2018 (both days inclusive).

In addition, on 24 December 2018, Telefield further entered into a master sale agreement (“Agreement 2”) with Noble Treasure pursuant to which Telefield Group agreed to supply to Noble Treasure Group and Noble Treasure Group agreed to purchase from Telefield Group the EMS products for a period commencing from the 5th business days from the date of the Agreement 2 or such other day as may be agreed between the parties to 31 December 2020 (both days inclusive).

Details can be found from the Company’s announcements dated 24 December 2018 and 6 March 2019.

持續關連交易

於二零一七年十二月二十一日，本公司間接全資附屬公司Telefield Holdings Limited（「Telefield」）及其附屬公司（統稱「Telefield集團」）與尚寶控股有限公司（「尚寶」）及其附屬公司（統稱「尚寶集團」）訂立總銷售協議（「協議1」），據此，Telefield集團同意向尚寶集團供應及尚寶集團同意向Telefield集團採購電子製造服務產品，年期自協議1日期起計第五個營業日（或訂約方可能協定的有關其他日期）起直至二零一八年十二月三十一日為止（包括首尾兩日）。

此外，於二零一八年十二月二十四日，Telefield與尚寶訂立總銷售協議（「協議2」），據此，Telefield集團同意向尚寶集團供應及尚寶集團同意向Telefield集團採購電子製造服務產品，期限自協議2日期起計第五個營業日（或訂約方可能協定的有關其他日期）開始至二零二零年十二月三十一日為止（包括首尾兩日）。

詳情請參閱本公司日期為二零一八年十二月二十四日及二零一九年三月六日的公告。

REPORT OF THE DIRECTORS

董事會報告

During the Year, the Telefield Group has entered into the sales of goods transaction with the Noble Treasure Group as follows:

本年度內，Telefield集團與尚寶集團已訂立以下銷售貨品交易：

		HK\$ 港元
Maestro Wireless Solutions Limited	領先無線科技有限公司	14,465,693
Able Trend Technology Limited	榮通科技有限公司	1,443,312
MarkAudio Loudspeakers Limited	MarkAudio Loudspeakers Limited	790,247
Telefield Medical Imaging Limited	中慧醫學成像有限公司	985,071
B. Kettner Products Hong Kong Limited	香港碧凱娜化妝品有限公司	458,434
Sota Acoustics Limited	蘇達音響有限公司	111,080
Total	總計	18,253,837*

* The transaction amount exceeded the approved annual cap of HK\$6 million (as defined in the announcement of the Company dated 6 March 2019).

* 交易金額超逾經批准年度上限6,000,000港元(定義見本公司日期為二零一九年三月六日的公告)。

The Independent Non-executive Directors have reviewed the abovementioned continuing connected transactions and have confirmed that such transactions were entered into:

獨立非執行董事已審閱上述持續關連交易，並確認有關交易：

- in the ordinary and usual course of business of the Group;
- on normal commercial terms and on terms no less favourable to the Group than terms available from independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders as a whole.

- 於本集團日常及一般業務過程中訂立；
- 按正常商業條款及按不遜於獨立第三方
向本集團提供的條款訂立；及
- 根據規管該等交易的有關協議條款訂立，屬公平合理，並符合股東整體利益。

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

本公司核數師已獲聘根據香港會計師公會頒佈之香港核證工作準則第3000號(經修訂)「審核或審閱歷史財務資料以外之核證工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易之核數師函件」報告本集團之持續關連交易。本公司核數師已根據上市規則第14A.56條發出核數師函件，當中載有彼等對有關本集團於本年報披露之持續關連交易之發現及保留結論。本公司已將核數師函件副本送呈聯交所。

REPORT OF THE DIRECTORS

董事會報告

The auditor's letter confirms that, in respect of the above-mentioned continuing connected transactions, except for the total sales of goods transaction with the Noble Treasure Group have exceeded the annual cap of HK\$6 million for the year ended 31 December 2018 determined by the Company as disclosed in the announcement of the Company dated 6 March 2019:

- a. nothing has come to the auditor's attention that causes the auditor to believe that the above-mentioned continuing connected transactions have not been approved by the Company's Board of Directors.
- b. nothing has come to the auditor's attention that causes the auditor to believe that the above-mentioned continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- c. nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, total sales to the Group's five largest customers accounted for 68.5% of the Group's sales for the Year and sales to the largest customer included therein amounted to 41.7%. Total purchases from the Group's five largest suppliers accounted for 16.0% of the Group's purchases.

None of Directors, their associates or any substantial shareholder (which to the knowledge of the directors own more than 5% of the listed issuers share capital) has any interest in the Group's five largest suppliers and customers.

核數師函件確認，除如本公司日期為二零一九年三月六日的公告所披露與尚寶集團的銷售貨品交易總額超過本公司所釐定截至二零一八年十二月三十一日止年度的年度上限6,000,000港元外，就上述持續關連交易而言，

- a. 核數師概無注意到任何事宜致令核數師相信上述持續關連交易尚未經本公司董事會批准。
- b. 核數師概無注意到任何事宜致令核數師相信上述持續關連交易在所有重大方面未有根據規管該等交易的相關協議訂立。
- c. 核數師概無注意到任何事宜致令核數師相信該等交易在所有重大方面不符合本集團定價政策。

主要客戶及供應商

於本年度內，本集團五大客戶之銷售額佔本集團於本年度總銷售額之68.5%，其中最大客戶之銷售為41.7%。本集團五大供應商之購買額佔本集團總購買額之16.0%。

概無董事、其聯繫人士或任何主要股東(就董事所知，擁有上市發行人股本逾5%者)於本集團五大供應商及客戶擁有任何權益。

REPORT OF THE DIRECTORS

董事會報告

EMOLUMENT POLICY

The Remuneration Committee was established for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

DIRECTORS

The Directors of the Company during the Year and up to the date of this report are:

Executive Directors:

Mr. Gong Shaoxiang (*Chairman*)
Mr. Lee Chi Hwa Joshua
Mr. Duan Chuanhong
Mr. Shi Xinbiao (resigned on 31 January 2019)

Non-executive Director:

Mr. Cao Yuyun

Independent non-executive Directors:

Mr. Bao Jinqiao
Mr. Wong Chun Hung
Mr. Leung Pok Man

With effect from 31 January 2019, Mr. Shi Xinbiao ("Mr. Shi") resigned as an executive Director of the Company due to his other personal business developments. Mr. Shi has confirmed that he has no disagreement with the Board and there is no matter in respect of his resignation that need to be brought to the attention of the shareholders of the Company.

In accordance with Article 108(a) of the Articles of Association of the Company and code provision A.4 of the Code under Appendix 14 of the Listing Rules, Mr. Cao Yuyun, Mr. Bao Jinqiao and Mr. Leung Pok Man will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

The Company has received annual confirmations of independence from Mr. Bao Jinqiao, Mr. Wong Chun Hung and Mr. Leung Pok Man, and as at the date of this annual report, the Company still considers them to be independent.

薪酬政策

薪酬委員會之設立旨在根據本集團之經營業績、個人表現及可作比較之市場慣例，檢討本集團之薪酬政策及所有董事及高級管理層之薪酬架構。

董事

於本年度及截至本報告日期，本公司董事為：

執行董事：

龔少祥先生(主席)
李智華先生
段川紅先生
史新標先生(於二零一九年一月三十一日辭任)

非執行董事：

曹雨云先生

獨立非執行董事：

鮑金橋先生
黃鎮雄先生
梁博文先生

自二零一九年一月三十一日起，史新標先生(「史先生」)因個人其他業務發展原因而辭任本公司執行董事。史先生確認其與董事會並無意見分歧，亦無其他有關其辭任之事宜須敦請本公司股東垂注。

根據本公司組織章程細則第108(a)條及上市規則附錄14項下守則第A.4條守則條文，曹雨云先生、鮑金橋先生及梁博文先生將於應屆股東週年大會上輪值退任，且彼等均符合資格及願意重選連任。

本公司已接獲鮑金橋先生、黃鎮雄先生及梁博文先生發出之年度獨立身份確認書，截至本年報日期，本公司仍認為彼等屬獨立人士。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors of the Group are set out on pages 32 to 33 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group subsisted at the end of the Year or at any time during the Year to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

PERMITTED INDEMNITY PROVISION

Under Articles of Association 191 of the Company's articles, the directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attached to any of them. Such permitted indemnity provision is currently in force and was in force throughout the financial year.

董事履歷

本集團董事之履歷詳情載於本年報第32至33頁。

董事服務合約

擬於應屆股東週年大會上重選連任之董事概無與本公司訂立任何本公司不得於一年內終止而不作出補償(法定補償除外)之服務合約。

董事之合約權益

董事概無於任何由本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立對本集團業務而言屬重大、且於本年度年結日或本年度任何時間內依然存續之合約中，直接或間接擁有重大權益。

管理合約

本年度內並無訂立或存在任何涉及本公司全部或任何重大部分業務之管理及行政之合約。

許可彌償條文

根據本公司組織章程細則第191條，董事將獲得以本公司資產及溢利作為彌償及擔保，使其不會因彼等或彼等任何一方於執行其各自的職務的職責或假定職責期間或關於執行職責而作出、同意或遺漏的任何行為而將會或可能招致或蒙受的一切訴訟、成本、收費、損失、損害賠償及開支而蒙受損害，唯該彌償不得涉及任何有關任何欺詐或不誠實行為的事宜。該許可彌償條文目前已生效，並在整個財政年度生效。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, no interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) were held by the Directors and chief executives of the Company which are 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 which were taken or deemed to have under such provisions of the SFO); (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 for Securities Transactions by Directors of the Company contained in the Listing Rules to be notified to the Company and the Stock Exchange.

As at 31 December 2018, none of the Director is a director or employee of a company which has an interest or a short position in the shares of the Company (the “Shares”) or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

INTEREST AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2018, the register of substantial shareholders maintained by the Company pursuant to Section 336 of Part XV of the SFO shows the following shareholders had notified the Company of relevant interests, being 5% or more of the issued share capital of the Company.

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉

於二零一八年十二月三十一日，各董事及本公司之主要行政人員並無於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有須(i)根據證券及期貨條例第XV部第7及8分部條文須知會本公司及聯交所（包括根據證券及期貨條例之有關條文被當作或被視為擁有之權益及淡倉）；(ii)根據證券及期貨條例第XV部第352節記入該條所述之登記冊內；或(iii)根據上市規則所載本公司董事進行證券交易的標準守則知會本公司及聯交所之權益及淡倉。

於二零一八年十二月三十一日，概無董事於在本公司股份（「股份」）或本公司相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉之公司出任董事或僱員。

本公司主要股東於股份及相關股份之權益及／或淡倉

於二零一八年十二月三十一日，按根據證券及期貨條例第XV部第336條本公司須存置之主要股東登記冊所記錄，下列股東已知會本公司其相關權益（即佔本公司已發行股本5%或以上）。

Name	Capacity	Number of shares held	Long or short position	Percentage of issued Share Capital of the Company
名稱	身份	所持股份數目	好倉或淡倉	佔本公司已發行股本百分比
Power Port Holdings Limited (“Power Port”) (Note 1)	Beneficial Owner 實益擁有人	1,516,340,000	Long 好倉	25.50%
Power Port Holdings Limited (「Power Port」)(附註1)				

REPORT OF THE DIRECTORS

董事會報告

Name	Capacity	Number of shares held	Long or short position	Percentage of issued Share Capital of the Company
名稱	身份	所持股份數目	好倉或淡倉	佔本公司已發行股本百分比
Mr. Yang Zihui (“Mr. Yang”) (Note 1) 仰智慧先生(「仰先生」)(附註1)	Held by controlled corporation 由受控制法團持有	1,516,340,000	Long 好倉	25.50%
Ms. Xu Ning (“Ms. Xu”) (Note 2) 徐寧女士(「徐女士」)(附註2)	Interest of spouse 配偶權益	1,516,340,000	Long 好倉	25.50%
Keywan Global Limited (Note 3) Keywan Global Limited (附註3)	Beneficial Owner 實益擁有人	990,000,000	Long 好倉	16.65%
Mr. He Xiaoming (Note 3) 何笑明先生(附註3)	Held by controlled corporation 由受控制法團持有	990,000,000	Long 好倉	16.65%
Mr. Cao Longbing (Note 4) 操隆兵先生(附註4)	Beneficial Owner 實益擁有人	727,160,000	Long 好倉	12.23%
Hearts Capital (Asia) Limited (Note 4) Hearts Capital (Asia) Limited (附註4)	Held by controlled corporation 由受控制法團持有	718,600,000	Long 好倉	12.09%
Hearts Capital SPC — Hearts SP2 (Note 4) Hearts Capital SPC — Hearts SP2 (附註4)	Beneficial Owner 實益擁有人	718,600,000	Long 好倉	12.09%
Long Asia Asset Management (HK) Limited (“Long Asia”) (Note 4) 長亞資產管理(香港)有限公司(「長亞」)(附註4)	Investment manager 投資經理	718,600,000	Long 好倉	12.09%

REPORT OF THE DIRECTORS

董事會報告

Notes:

- 1,516,340,000 ordinary shares are held by Power Port, a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Yang.
- Ms. Xu is the spouse of Mr. Yang. Under the SFO, Ms. Xu is deemed to be interested in the same number of Shares in which Mr. Yang is interested.
- 990,000,000 ordinary shares are held by Keywan Global Limited, a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. He Xiaoming.
- Long Asia is the investment manager of Hearts Capital SPC – Hearts SP2 and is therefore deemed to be interested in the shares owned by Hearts Capital SPC – Hearts SP2 under the SFO. 718,600,000 ordinary shares are held by Hearts Capital SPC – Hearts SP2, a company incorporated in Cayman Islands whose entire issued share capital is held by Hearts Capital (Asia) Limited, which in turn is 70% controlled by Mr. Cao Longbing who is also interested in 8,560,000 ordinary shares.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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 Director or their respective associates, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

COMPETING INTERESTS

During the Year, none of the Directors or controlling shareholders of the Company nor their respective associates is considered to have interests in a business that competes or is likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Directors have been appointed or were appointed as Directors to represent the interests of the Company.

附註：

- 1,516,340,000 股普通股由 Power Port 持有，該公司為於英屬處女群島註冊成立之有限公司，其全部已發行股份由仰先生持有。
- 徐女士為仰先生之配偶。根據證券及期貨條例，徐女士被視為於仰先生擁有權益之相同數目股份中擁有權益。
- 990,000,000 股普通股由 Keywan Global Limited 持有，該公司於英屬處女群島註冊成立，其全部已發行股本由何笑明先生持有。
- 長亞為 Hearts Capital SPC – Hearts SP2 的投資經理，因此根據證券及期貨條例被視為於 Hearts Capital SPC – Hearts SP2 擁有的股份中擁有權益。718,600,000 股普通股由 Hearts Capital SPC – Hearts SP2 持有，該公司於開曼群島註冊成立，其全部已發行股本由 Hearts Capital (Asia) Limited 持有，而 Hearts Capital (Asia) Limited 則由操隆兵先生控制 70%，操隆兵先生亦於 8,560,000 股普通股股份中擁有權益。

董事購買股份或債券之權利

本公司於本年度內任何時間概無向任何董事或彼等各自之聯繫人士授出可藉收購本公司股份或債券而獲益之權利，而彼等亦無行使任何該等權利；或本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排，致使董事可於任何其他法人團體獲得此等權利。

競爭權益

於本年度內，概無董事或本公司控股股東或彼等各自之聯繫人士被視為於與本集團業務直接或間接構成或可能構成競爭之業務（董事獲委任或曾獲委任為董事以代表本公司權益之業務除外）中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

As to attract and retain the eligible persons, to provide additional incentive to them and to promote the success of the business of the Group, the Company conditionally adopted a share option scheme (the "Scheme") on 31 December 2010 whereby the Board are authorised, at their absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the Shares to, inter alia, any employees (full-time or part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group. The Scheme shall be valid and effective for a period of ten years commencing from the date on which the Scheme was adopted, subject to the early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00. The subscription price of a Share in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option provided always that for the purpose of calculating the subscription price, where the Company has been listed on the Stock Exchange for less than 5 trading days, the issue price shall be used as the closing price for any trading day fall within the period before the Listing Date.

The Company shall be entitled to issue options, provided that the total number of shares which may be issued upon exercise of all options to be granted under the Scheme does not exceed 10% of the shares in issue from the Listing Date. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules, provided that the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the shares in issue at the time. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

購股權計劃

為吸引及留聘合資格人士、向彼等提供額外獎勵以及推動本集團創出佳績，本公司已於二零一零年十二月三十一日有條件採納購股權計劃（「計劃」），據此，董事會獲授權全權酌情根據計劃的條款，向（其中包括）本集團任何僱員（全職或兼職）、董事、顧問、諮詢顧問、分銷商、分包商、供應商、代理、客戶、商業夥伴或服務供應商授出購股權，以認購股份。計劃將於採納計劃日期起計十年內存在且生效，惟可根據計劃所載之條款提前終止。

授出購股權的建議須於發出有關建議日期（包括當日）起計七日內接納。承授人於接納授出購股權建議時須就購股權向本公司支付1.00港元。就根據計劃授出的任何特定購股權的股份認購價，將全權由董事會釐定並通知參與者，但不得低於下列最高者：(i) 股份於購股權授出日期在聯交所每日報價表所報的收市價；(ii) 股份於緊接購股權授出日期前五個交易日在聯交所每日報價表所報的平均收市價；及 (iii) 股份於購股權授出日期的面值，惟就計算認購價而言，倘本公司於聯交所之上市期間少於五個交易日，發行價將當作上市日期前期間任何交易日之收市價。

本公司有權發行購股權，惟行使計劃項下授予的所有購股權時可能發行的股份總數不得超過上市日期已發行股份的10%。本公司可於任何時間更新有關上限，惟須得到股東批准並遵守上市規則刊發通函後，方可作實，而行使根據本公司所有購股權計劃授予的所有尚未行使購股權及有待行使的購股權時已發行的股份總數，不得超過當時已發行股份的30%。購股權可於董事會釐定的期間內任何時間行使，惟須遵守計劃的條款，而該期間不得超過授出日期後十年，且可根據條文提早終止。

REPORT OF THE DIRECTORS

董事會報告

There is no outstanding share option as at 31 December 2018 and 31 December 2017. In addition, no share option was granted, cancelled or lapsed during the year ended 31 December 2018.

CORPORATE GOVERNANCE

The Company has applied the code provisions set out in the Code contained in Appendix 14 to the Listing Rules. Since its listing on the Stock Exchange, the Company has complied with the code provisions of the Code, save for the exceptions explained in the Corporate Governance Report in this annual report.

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 annual report.

EVENTS AFTER THE REPORTING PERIOD

Up to the date of this report, there was no significant events relevant to the business or financial performance of the Group that come to the attention of the Directors since 31 December 2018.

AUDITOR

At the last annual general meeting of the Company, RSM Hong Kong was re-appointed as the auditor of the Company. On 22 November 2018, the auditor of the Company changed its Chinese practicing name to “羅申美會計師事務所”.

The consolidated financial statements have been audited by RSM Hong Kong who retires and, being eligible, offers themselves for re-appointment at the forthcoming annual general meeting.

於二零一八年十二月三十一日及二零一七年十二月三十一日，概無購股權尚未行使。此外，於截至二零一八年十二月三十一日止年度，概無購股權獲授出、註銷或失效。

企業管治

本公司已應用上市規則附錄十四守則所載的守則條文。自本公司於聯交所上市以來，本公司已遵守守則的守則條文，惟本年報內「企業管治報告」一段所述者除外。

足夠公眾持股量

據本公司可獲得之公開資料及董事所知悉，於本年報日期，本公司已發行股本總額中最少25%由公眾人士持有。

報告期後事件

截至本報告日期，本集團自二零一八年十二月三十一日以來並無發生與業務或財務表現有關且須提請董事垂注的重大事件。

核數師

於本公司上屆股東週年大會上，羅申美會計師事務所獲續聘為本公司核數師。於二零一八年十一月二十二日，本公司核數師將其中文執業名稱變更為「羅申美會計師事務所」。

綜合財務報表已由羅申美會計師事務所審核，羅申美會計師事務所將退任，惟合資格並願意於應屆股東週年大會上膺選連任。

ON BEHALF OF THE BOARD

Gong Shaoxiang
Chairman

Hong Kong
27 March 2019

代表董事會

龚少祥
主席

香港
二零一九年三月二十七日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



**TO THE SHAREHOLDERS OF
CHINA HEALTHCARE ENTERPRISE GROUP LIMITED**
(Incorporated in the Cayman Islands with limited liability)

致華夏健康產業集團有限公司全體股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of China Healthcare Enterprise Group Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 78 to 221, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

意見

我們已審核列載於第 78 至 221 頁華夏健康產業集團有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益表、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(包括重要會計政策概要)。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實及公平地反映 貴集團於二零一八年十二月三十一日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例妥善編製。

意見之基礎

我們已按照香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。在該等準則下，我們之責任在我們報告內「核數師就審計綜合財務報表須承擔的責任」一節進一步闡述。根據香港會計師公會之會計師道德守則(「道德守則」)，我們獨立於 貴集團，並已根據道德守則履行我們的其他道德責任。我們相信，我們所獲得之審計憑證可充足和適當地為我們的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

1. Impairment assessment of Catering Services Cash Generating Unit (“CGU”)
2. Impairment of loans to employees and other parties

關鍵審計事項

關鍵審計事項為根據我們的專業判斷，認為於我們對本期間之綜合財務報表審計中最为重要之事項。我們在對綜合財務報表整體進行審計並就此達致意見時處理此等事項，而不會就此等事項發表單獨之意見。我們確定之關鍵審計事項為：

1. 餐飲服務現金產生單位（「現金產生單位」）減值評估
2. 向僱員及其他人士貸款減值

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們進行審計時如何處理關鍵審計事項
<p>1. Impairment assessment of Catering Services CGU</p> <p>Refer to notes 21 and 39(a) to the consolidated financial statements.</p> <p>Pride Review Group was acquired in previous year and has been engaging in provision of catering services. As at the end of reporting period, the Catering Services CGU had goodwill of HK\$18,814,000.</p> <p>The Group's management has performed an impairment assessment at the reporting date and determined that there was no impairment loss for the goodwill allocated to the Catering Services CGU.</p> <p>The impairment assessment was based on a value in use model which was dependent upon certain key assumptions that require significant management judgement and estimation.</p>	<p>Our procedures in relation to management's assessment of impairment for the Catering Services CGU included:</p> <ul style="list-style-type: none">— Evaluating the independent external valuer's competence, capabilities and objectivity;— Assessing the integrity of the valuation model;— Assessment of the reasonableness of key assumptions based on our knowledge of the business and industry;— Reconciliation of input data to supporting evidence including approved budgets and considering the historical accuracy of management's budgets; and— Assessing the appropriateness of the discount rate used with the assistance of our internal valuation specialists.
<p>1. 餐飲服務現金產生單位減值評估</p> <p>參閱綜合財務報表附註21及附註39(a)。</p> <p>Pride Review集團於去年被收購並一直從事提供餐飲服務。於報告期末，餐飲服務現金產生單位的商譽為18,814,000港元。</p> <p>貴集團管理層已於報告日期進行減值評估，並確定分配至餐飲服務現金產生單位的商譽並無減值虧損。</p> <p>減值評估乃基於使用價值模型計算，該模型取決需要管理層作出重大判斷及估計的若干關鍵假設。</p>	<p>我們有關管理層餐飲服務現金產生單位減值評估程序包括：</p> <ul style="list-style-type: none">— 評估獨立外部估值師之資歷、能力及客觀性；— 評估估值模型是否完整；— 根據我們對業務及行業之認識，對主要假設之合理性進行評估；— 將輸入數據與支持憑證對賬，包括經批核預算，並考慮管理層預算以往之準確度；及— 在我們的內部估值專家的協助下，評估所用貼現率之適當性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們進行審計時如何處理關鍵審計事項
<p>2. Impairment of loans to employees and other parties</p> <p>Refer to note 28 of the consolidated financial statements</p> <p>Loans to employees and other parties represent a significant portion of the Group's assets.</p> <p>The Group adopted HKFRS 9 in the current financial year. The standard introduces a new impairment model for financial assets based on expected credit losses ("ECL").</p> <p>A loss allowance for 12-month ECL is made on all loans. Management is required to assess whether there has been a significant increase in credit risk since initial recognition of the loans and, if so, recognise a loss allowance for lifetime ECL.</p> <p>Management is required to exercise significant judgement in determining whether there has been a significant increase in credit risk since initial recognition and in estimating 12-month and lifetime ECL on the loans. Accordingly, this area is considered as a key audit matter.</p>	<ul style="list-style-type: none">— Evaluating management's assessment of whether there has been a significant increase in credit risk since initial recognition of material loans.— Evaluating the independent external valuer's competence, capabilities and objectivity.— With the assistance of our internal valuation specialists: assessing the appropriateness of the impairment models used by management to estimate ECL; comparing the inputs to the models to external data; and assessing the appropriateness of any forward looking adjustments in light of available information about current and forecast future economic conditions.
<p>2. 向僱員及其他人士提供的貸款減值</p> <p>參閱綜合財務報表附註 28</p> <p>向僱員及其他人士貸款佔 貴集團資產的重要部分。</p> <p>貴集團於本財政年度採納香港財務報告準則第 9 號。該準則根據預期信貸虧損（「預期信貸虧損」）引入新金融資產減值模型。</p> <p>所有貸款均已計提 12 個月預期信貸虧損的虧損撥備。管理層需要評估信貸風險是否自初步確認貸款以來出現顯著增加，如顯著增加，則確認全期預期信貸虧損的虧損撥備。</p> <p>管理層須作出重大判斷，以釐定信貸風險是否自初步確認以來出現顯著增加，以及估計貸款的 12 個月及全期預期信貸虧損。因此，此領域被視為關鍵審計事項。</p>	<ul style="list-style-type: none">— 評估管理層對初步確認重大貸款以來信貸風險是否顯著增加的評估。— 評估獨立外部估值師的資歷、能力及客觀性。— 在我們的內部估值專家的協助下：評估管理層用於估計預期信貸虧損的減值模型的適當性；將模型的輸入數據與外部數據進行比較；及根據有關當前及預測未來經濟狀況的可用資料評估任何前瞻性調整的適當性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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 Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

其他資料

董事須對其他資料負責。其他資料包括本年報內的所有資料，惟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作出的意見並無涵蓋其他資料，我們亦不對該等其他資料發表任何形式的核證結論。

就我們審計綜合財務報表而言，我們的責任為閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。基於我們已執行的工作，倘若我們認為其他資料存在重大錯誤陳述，我們須報告有關事實。就此，我們並無須報告事項。

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及按照香港公司條例編製真實及公平之綜合財務報表，及落實其認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

審核委員會協助董事履行監督貴集團財務報告流程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表須承擔的責任

我們的目標為合理確定此等綜合財務報表整體而言是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向全體股東報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高層次的保證，惟不能保證根據香港審計準則進行的審計工作總能發現所存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘可合理預期彼等個別或整體影響使用者根據綜合財務報表作出的經濟決定，則被視為重大錯誤陳述。

在根據香港審計準則進行審計的過程中，我們運用專業判斷，並且在整個審計過程中保持專業懷疑態度。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。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。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注意綜合財務報表中的相關披露資料。倘有關披露資料不足，則修改我們意見。我們的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責指導、監督和執行集團審計。我們僅為我們的審計意見承擔責任。

We communicate with the Audit Committee, 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們與審核委員會溝通了(其中包括)計劃的審計範圍及時間安排、重大審計發現等事項，包括我們在審計過程中識別的內部監控的任何重大缺失。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通可能合理地被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)。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Tak Man, Stephen.

RSM Hong Kong

Certified Public Accountants
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

27 March 2019

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的審計最為重要的事項，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，或在極端罕見的情況下，倘合理預期在我們報告中傳達某事項造成的負面後果超過其產生的公眾利益，則我們決定不應在報告中傳達該事項。

本獨立核數師報告的審計項目合夥人是王德文先生。

羅申美會計師事務所

執業會計師
香港
銅鑼灣
恩平道28號
利園二期29樓

二零一九年三月二十七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Note 附註		
Revenue	收入	8	735,184	662,208
Cost of sales	銷售成本		(562,695)	(497,793)
Gross profit	毛利		172,489	164,415
Other income	其他收入	10	27,100	19,524
Selling and distribution expenses	銷售及分銷開支		(29,260)	(45,578)
Administrative expenses	行政費用		(185,037)	(151,934)
Other operating expenses	其他經營費用		(25,095)	(94,789)
Loss from operations	經營虧損		(39,803)	(108,362)
Finance costs	融資成本	11	(4,652)	(13,049)
Loss before tax	除稅前虧損		(44,455)	(121,411)
Income tax expense	所得稅開支	12	(4,845)	(9,898)
Loss for the year	年度虧損	13	(49,300)	(131,309)
Attributable to:	以下各方應佔：			
Owners of the Company	本公司擁有人		(57,984)	(128,428)
Non-controlling interests	非控股權益		8,684	(2,881)
			(49,300)	(131,309)
Loss per share	每股虧損	17		
Basic (cents per share)	基本(每股港仙)		(0.975)	(2.508)
Diluted (cents per share)	攤薄(每股港仙)		N/A 不適用	N/A 不適用

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

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year		(49,300)	(131,309)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>	其他全面收益： 將不會重新分類至損益的項目：		
Gain on property revaluation	物業重估收益	18	3,752
Deferred tax charge from gain on property revaluation	物業重估收益的遞延稅項支出	35	(445)
Fair value changes of equity investments at fair value through other comprehensive income (FVTOCI)	按公平值計入其他全面收益(按公平值計入其他全面收益)的股權投資公平值變動	24	-
		(22,524)	3,307
<i>Items that may be reclassified to profit or loss:</i>	可重新分類至損益的項目：		
Exchange differences on translating foreign operations	換算海外業務的匯兌差額		266
Exchange difference reclassified to profit or loss on disposal of subsidiaries	出售附屬公司時重新分類至損益的匯兌差額	39(c),(e)	(429)
Fair value changes of available-for-sale financial assets	可供出售金融資產的公平值變動		(40,427)
Reclassification adjustment for loss recognised in respect of available-for-sale financial assets	對就可供出售金融資產確認之虧損作重新分類調整		
— Loss on disposal	— 出售虧損		20,339
— Impairment loss	— 減值虧損		28,145
		352	7,894
Other comprehensive income for the year, net of tax	年度其他全面收益，扣除稅項	(22,172)	11,201
Total comprehensive income for the year	年度全面收益總額	(71,472)	(120,108)
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人	(80,020)	(117,302)
Non-controlling interests	非控股權益	8,548	(2,806)
		(71,472)	(120,108)

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	2017
		Note	二零一八年	二零一七年
		附註	HK\$'000	HK\$'000
			千港元	千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	51,904	57,876
Investment properties	投資物業	19	30,000	30,000
Prepaid lease payments	預付租賃款項	20	1,288	2,034
Goodwill	商譽	21	18,814	18,814
Intangible assets	無形資產	22	-	-
Rental deposits	租金按金		10,894	2,235
Loans to employees and other parties	向僱員及其他人士貸款	28	44,797	-
Equity investments at FVTOCI	按公平值計入其他全面收益的 股權投資	24	21,859	-
Deferred tax assets	遞延稅項資產	35	1,938	2,032
Total non-current assets	非流動資產總值		181,494	112,991
Current assets	流動資產			
Inventories	存貨	25	113,962	85,164
Trade receivables	應收貿易賬款	26	155,761	116,806
Prepayments, deposits, other receivables and other assets	預付款項、按金、其他應收 款項及其他資產	27	85,039	55,730
Loans to employees and other parties	向僱員及其他人士貸款	28	30,631	94,993
Amount due from a related company	應收一間關連公司款項	32(i)	1,274	1,257
Loan to a non-controlling shareholder of a subsidiary	向一間附屬公司之一名 非控股股東貸款	32(ii)	1,731	120
Available-for-sale financial assets	可供出售金融資產	24	-	11,958
Equity investments at FVTOCI	按公平值計入其他全面收益的 股權投資	24	5,328	-
Current tax assets	即期稅項資產		183	340
Pledged bank deposits	已抵押銀行存款	29(i)	1,250	1,850
Bank and cash balances	銀行及現金結餘	29(ii)	354,209	479,379
Total current assets	流動資產總值		749,368	847,597
TOTAL ASSETS	總資產		930,862	960,588

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 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Note 附註		
EQUITY AND LIABILITIES	權益及負債			
Equity	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	36	5,945	5,945
Reserves	儲備	38	566,859	648,600
			572,804	654,545
Non-controlling interests	非控股權益		10,028	(543)
Total equity	權益總值		582,832	654,002
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	35	-	4,198
Total non-current liabilities	非流動負債總值		-	4,198
Current liabilities	流動負債			
Trade payables	應付貿易賬款	30	76,474	74,829
Accruals and other payables	預提費用及其他應付款項	31	215,463	169,169
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司之一名非控股股東款項	32(i)	-	535
Borrowings	借貸	33	40,267	43,139
License rights payable	特許權應付款		4,108	6,184
Product warranty provisions	產品保用撥備	34	2,498	3,336
Current tax liabilities	即期稅項負債		9,220	5,196
Total current liabilities	流動負債總值		348,030	302,388
TOTAL EQUITY AND LIABILITIES	權益及負債總值		930,862	960,588

Approved by the Board of Directors on 27 March 2019 and are signed on its behalf by:

董事會於二零一九年三月二十七日批准並由下列人士代為簽署：

Gong Shaoxiang
龚少祥

Lee Chi Hwa Joshua
李智華

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔														
		Share capital	Share premium account	Merger reserve	Foreign currency translation reserve	Property revaluation reserve	Contributed surplus	Statutory reserve	Capital reserve	Capital contribution	Investment revaluation reserve	Equity Investments at FVTOCI reserve 按公平值計入其他全面收益的 股權投資 儲備	Retained profits/ (accumulated losses)	Total	Non-controlling interests	Total equity
		股本	股份溢價賬	合併儲備	匯兌儲備	物業重估儲備	繳入盈餘	法定儲備	資本儲備	資本出資	投資重估儲備	股權投資儲備	保留溢利/ (累計虧損)	總計	非控股權益	權益總值
		(note 36)	(b)(i)	(note 38)	(note 38)	(note 38)	(note 38)	(note 38)	(note 38)	(note 38)	(note 38)	(note 38)	(note 38)	(note 38)	(note 38)	(note 38)
		(附註36)	(b)(i)	(附註38)	(附註38)	(附註38)	(附註38)	(附註38)	(附註38)	(附註38)	(附註38)	(附註38)	(附註38)	(附註38)	(附註38)	(附註38)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	4,955	307,740	3,171	13,703	20,990	18,298	2,502	3,836	11,280	(8,057)	-	96,429	474,847	(11,210)	463,637
Total comprehensive income for the year	年度全面收益總額	-	-	-	(238)	3,307	-	-	-	-	8,057	-	(128,428)	(117,302)	(2,806)	(120,108)
Shares issued upon subscription	於認購時發行股份	990	296,010	-	-	-	-	-	-	-	-	-	-	297,000	-	297,000
Disposal of subsidiaries	出售附屬公司 (附註39(a), (f))	-	-	-	-	-	-	-	-	-	-	-	-	-	11,211	11,211
Acquisition of a subsidiary	收購一間附屬公司 (附註39(b))	-	-	-	-	-	-	-	-	-	-	-	-	-	2,262	2,262
Changes in equity for the year	年度權益變動	990	296,010	-	(238)	3,307	-	-	-	-	8,057	-	(128,428)	179,698	10,667	190,365
At 31 December 2017	於二零一七年十二月三十一日	5,945	603,750	3,171	13,465	24,297	18,298	2,502	3,836	11,280	-	-	(31,999)	654,545	(543)	654,002
Adjustments on initial application of – HKFRS 9 (note 3)	首次應用香港財務報告準則第9號的調整 (附註3)	-	-	-	-	-	-	-	-	-	-	(28,145)	26,424	(1,721)	-	(1,721)
Restated balance at 1 January 2018	於二零一八年一月一日的結餘(經重列)	5,945	603,750	3,171	13,465	24,297	18,298	2,502	3,836	11,280	-	(28,145)	(5,575)	652,824	(543)	652,281
Total comprehensive income for the year	年度全面收益總額	-	-	-	488	3,192	-	-	-	-	-	(25,716)	(57,984)	(80,020)	8,548	(71,472)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	(27,489)	-	-	439	-	-	-	27,050	-	2,023	2,023
Changes in equity for the year	年度權益變動	-	-	-	488	(24,297)	-	-	439	-	-	(25,716)	(30,934)	(80,020)	10,571	(69,449)
At 31 December 2018	於二零一八年十二月三十一日	5,945	603,750	3,171	13,953	-	18,298	2,502	4,275	11,280	-	(53,861)	(36,509)	572,804	10,028	582,832

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 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Note 附註		
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量		
Loss before tax	除稅前虧損	(44,455)	(121,411)
Adjustments for:	調整：		
Impairment losses for trade receivables, net	應收貿易賬款減值虧損淨額	26 148	2,827
Impairment losses for loans to other parties, net	向其他人士貸款之減值虧損淨額	4,982	-
Reversal of allowance on inventories, net	存貨撥備撥回淨額	(2,419)	(12,269)
Bad debt written off in trade receivables	於應收貿易賬款撇銷壞賬	141	4
Depreciation	折舊	18 17,488	15,775
Fair value gain on investment properties	投資物業之公平值收益	19 -	(2,157)
Finance costs	融資成本	11 4,652	13,049
Gain on disposal of subsidiaries	出售附屬公司收益	10 (2,699)	(4,402)
Loss on deregistration of a subsidiary	一間附屬公司撤銷註冊之虧損	50	-
Gain on bargain purchase from business combination	於業務合併議價收購之收益	10 -	(2,354)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	10 (88)	-
Impairment loss on receivables for factoring business	客賬融通業務之應收款項減值虧損	-	15
Impairment loss on available-for-sale financial assets	可供出售金融資產之減值虧損	-	28,145
Interest income on loans to employees and others parties	向僱員及其他人士貸款之利息收入	(8,196)	(3,659)
Bank interest income and bank fixed deposit interest income	銀行利息收入及銀行定期存款利息收入	10 (439)	(941)
Loss on disposal of subsidiaries	出售附屬公司之虧損	13 52	19,231
Loss on disposal of available-for-sale financial assets	出售可供出售金融資產之虧損	-	20,339
Waive of license rights payable	特許權應付款豁免	10 (1,857)	-
Provision on product warranty	產品保用撥備	34 2,498	3,336

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 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Note 附註		
Operating loss before working capital changes	營運資金變動前經營虧損	(30,142)	(44,472)
Payment of license fee payables	特許權應付款	(504)	(1,434)
(Increase)/decrease in inventories	存貨(增加)/減少	(26,379)	23,151
(Increase)/decrease in trade receivables	應收貿易賬款(增加)/減少	(40,437)	14,922
Increase in prepayments, deposits, other receivables and other assets	預付款項、按金、其他應收款項及其他資產增加	(38,030)	(36,719)
Increase in amount due from a related company	應收一間關連公司款項增加	(17)	-
Increase in loan to a non-controlling shareholder of a subsidiary	向一間附屬公司之一名非控股股東貸款增加	(1,611)	-
Decrease in amount due to a joint venture	應付一間合營企業款項減少	-	(67)
(Decrease)/increase in amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司之一名非控股股東款項(減少)/增加	(535)	208
Increase in receivables for factoring business	客賬融通業務之應收款項增加	-	(7,569)
Increase/(decrease) in trade payables	應付貿易賬款增加/(減少)	1,965	(8,133)
Increase in accruals and other payables	預提費用及其他應付款項增加	52,710	30,814
Decrease in product warranty provisions	產品保用撥備減少	(3,336)	(3,800)
Cash used in operations	經營所用現金	(86,316)	(33,099)
Cash used in operations	經營所用現金	(86,316)	(33,099)
Income tax paid	已支付所得稅	(5,108)	(973)
Finance costs paid	已支付融資成本	(4,367)	(2,142)
Net cash used in operating activities	經營活動所用現金淨額	(95,791)	(36,214)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

			2018	2017
		Note	二零一八年	二零一七年
		附註	HK\$'000	HK\$'000
			千港元	千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量			
Acquisition of subsidiaries	收購附屬公司	39(a),(b)	-	(20,795)
(Increase)/decrease in cash in margin account of brokerage firms	經紀行保證金賬戶之現金(增加)/減少		(14,059)	67
Decrease in prepaid lease payments	預付租賃款項減少	20	624	607
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	出售附屬公司(扣除已出售之現金及現金等價物)	39(c)-(k)	30,346	7,272
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)		600	(1,850)
Interest received	已收利息		439	941
Loans to employees and other parties	向僱員及其他人士貸款		(72,461)	(91,363)
Repayment from loans to employees and other parties	向僱員及其他人士貸款的還款		92,805	-
Purchase of equity investments at FVTOCI	購置按公平值計入其他全面收益股權投資		(40,945)	-
Purchase of investment properties	購置投資物業	19	-	(27,843)
Purchases of property, plant and equipment	購置物業、廠房及設備	18	(41,139)	(6,007)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		404	139
Net proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產之所得款項淨額		-	77,839
Refundable deposit refunded from proposed acquisition of a target group	就擬收購目標集團所退還之可退還訂金		-	140,000
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額		(43,386)	79,007

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

			2018	2017
			二零一八年	二零一七年
		Note	HK\$'000	HK\$'000
		附註	千港元	千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量			
Borrowings raised	已籌集借貸		-	53,842
Proceeds from subscription of shares	認購股份所得款項	36(i)	-	297,000
Repayment of borrowings	償還借貸	39(l)	(1,780)	(121,988)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額		(1,780)	228,854
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額		(140,957)	271,647
Effect of foreign exchange rate changes	匯率變動影響		1,728	(494)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及現金等價物		479,379	208,226
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日的現金及現金等價物	29(ii)	340,150	479,379

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 18 May 2010. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and principal place of business is Suites 5815-5816, 58/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 23 to the consolidated financial statements.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed in note 4.

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

1. 一般資料

本公司於二零一零年五月十八日根據公司法在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處地址為Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands，主要營業地點則為香港中環金融街8號國際金融中心二期58樓5815-5816室。本公司股份在香港聯合交易所有限公司（「聯交所」）主板上市。

本公司為投資控股公司，其附屬公司的主營業務載於綜合財務報表附註23。

2. 編製基準

該等綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之所有適用香港財務報告準則（「香港財務報告準則」）編製。香港財務報告準則包括香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋。該等綜合財務報表亦符合聯交所證券上市規則（「上市規則」）的適用披露條文及香港公司條例（第622章）的披露規定。本集團採納之重要會計政策於附註4披露。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，該等準則於本集團本會計期間首次生效或可供提早採納。在與本集團有關之範圍內首次應用此等新訂及經修訂之準則所引致當前及過往會計期間之會計政策的任何變更，已於此等綜合財務報表內反映，有關資料載列於附註3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2018. Of these, the following developments are relevant to the Group's consolidated financial statements:

- (i) HKFRS 9 Financial Instruments; and
- (ii) HKFRS 15 Revenue from Contracts with Customers

HKFRS 9 Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements 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 and other components of equity, without restating comparative information.

3. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈多項於二零一八年一月一日或之後開始之年度期間首次生效之新訂及經修訂香港財務報告準則。其中，下列準則的發展與本集團綜合財務報表有關：

- (i) 香港財務報告準則第9號金融工具；及
- (ii) 香港財務報告準則第15號源自客戶合約的收入

香港財務報告準則第9號金融工具

香港財務報告準則第9號取代香港會計準則第39號有關確認、分類及計量金融資產及金融負債、終止確認金融工具、金融資產減值及對沖會計處理的條文。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對二零一八年一月一日（首次應用日期）尚未終止確認的工具追溯應用分類及計量規定，且並無對已於二零一八年一月一日終止確認的工具應用相關規定。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值的差額於期初累計虧損及其他權益部分中確認，且並無重列比較資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

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

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

(a) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVTOCI, and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

因此，若干比較資料未必能與根據香港會計準則第39號金融工具：確認及計量所編製的比較資料作出比較。

採納香港財務報告準則第9號導致本集團會計政策出現下列變動。

(a) 分類

自二零一八年一月一日起，本集團將其金融資產分為以下計量類別：

- 其後按公平值計入其他全面收益計量；及
- 按攤銷成本計量。

分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

就按公平值計量的資產而言，收益及虧損將於損益或其他全面收益中入賬。對於並非持作買賣的股本工具投資，本集團於初始確認時不可撤回地選擇將該等股權投資按公平值計入其他全面收益入賬。

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

(b) Measurement

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures financial assets at its fair value plus, in the case of financial assets not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are not presented as separate line item in the consolidated statement of profit or loss as the amounts are not material.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(b) 計量

本集團僅於管理該等資產的業務模式改變時方會對債務投資進行重新分類。

在初始確認時，本集團計量金融資產(如為並非按公平值計入損益(「按公平值計入損益」的金融資產)，乃按公平值加上收購金融資產時直接應佔的交易成本。按公平值計入損益的金融資產的交易成本於損益支銷。

債務工具的後續計量取決於本集團管理資產的業務模式及該項資產的現金流特點。本集團可將其債務工具分類為三種計量類別：

- 攤銷成本：為收取合約現金流量而持有，且其現金流量僅為支付本金及利息的資產按攤銷成本計量。該等金融資產的利息收入採用實際利率法計入其他收入。終止確認產生的任何收益或虧損直接於損益確認，並於其他收益／(虧損)中與匯兌收益及虧損一併列示。減值虧損並無於綜合損益表中作為單獨項目列示，乃因其相關金額並不重大。

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

(b) Measurement (Continued)

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(b) 計量(續)

- 按公平值計入其他全面收益：就持作收回合約現金流量及出售金融資產的資產而言，倘有關資產的現金流量純粹為支付本金及利息，則按公平值計入其他全面收益計量。賬面值變動乃計入其他全面收益，惟於損益確認的減值收益或虧損、利息收入以及匯兌收益及虧損除外。終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益，並於其他收益／(虧損)確認。來自該等金融資產的利息收入按實際利率法計入其他收入。匯兌收益及虧損於其他收益／(虧損)呈列，減值虧損於損益表中作為單獨項目列示。
- 按公平值計入損益：未達攤銷成本或按公平值計入其他全面收益標準的資產按公平值計入損益計量。後續按公平值計入損益計量的債務投資的收益或虧損於損益確認，並於產生時在其他收益／(虧損)內呈列淨額。

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

(b) Measurement (Continued)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(c) Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(b) 計量(續)

本集團所有股權投資其後按公平值計量。倘本集團管理層選擇於其他全面收益呈列股權投資的公平值收益及虧損，則於終止確認投資後，公平值收益及虧損其後不再重新分類至損益。當本集團收取付款的權利確立時，此類投資的股息繼續於損益中確認為其他收入。

按公平值計入損益的金融資產的公平值變動於損益表的其他收益/(虧損)確認(如適用)。按公平值計入其他全面收益計量的股權投資的減值虧損(及減值虧損回撥)並無自其他公平值變動中單獨呈報。

(c) 減值

自二零一八年一月一日起，本集團按前瞻性基準評估按攤銷成本列賬的債務工具的相關預期信貸虧損(「預期信貸虧損」)。所採用減值方法視乎信貸風險是否顯著增加而定。

對於應收貿易賬款，本集團採用香港財務報告準則第9號所允許的簡化方法，該方法規定預期使用年期虧損將自初始確認應收款項起確認。

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綜合財務報表附註

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

(c) Impairment (Continued)

For loans to other parties, the Group applies the general approach of HKFRS 9, which requires an amount equal to 12-month ECL to be recognised as the loss allowance if the credit risk has not increased significantly since initial recognition, and expected lifetime losses to be recognised if the credit risk has increased significantly since initial recognition.

Set out below is the impact of the adoption of HKFRS 9 on the Group.

The following table summarises the impact on the Group's opening accumulated losses as at 1 January 2018:

		Note 附註	HK\$'000 千港元
Reclassify non-trading equity investments from available-for-sale financial assets to equity investments of FVTOCI	將非交易性質股權投資由可供出售金融資產重新分類至按公平值計入其他全面收益的股權投資		28,145
Increase in impairment allowance on:	以下各項減值撥備增加：		
– trade receivables	– 應收貿易賬款	(ii)	(774)
– loans to other parties	– 向其他人士貸款	(ii)	(947)
Reduction of accumulated losses attributable to owners of the Company for the adoption of HKFRS 9 on 1 January 2018	本公司擁有人因於二零一八年一月一日採納香港財務報告準則第9號而應佔的累計虧損減少		26,424

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

(c) 減值(續)

就向其他人士貸款而言，本集團應用香港財務報告準則第9號的一般方法，倘信貸風險自初始確認後並未大幅增加，則需要將等於12個月預期信貸虧損的金額確認為虧損撥備，而倘該信貸風險自初始確認後大幅增加，則確認預期使用年期虧損。

下文載列採納香港財務報告準則第9號對本集團的影響。

下表概述於二零一八年一月一日對本集團期初累計虧損的影響：

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

Financial assets	Note	Classification under HKAS 39	Classification under HKFRS 9	Carrying amount under HKAS 39	Carrying amount under HKFRS 9
金融資產	附註	根據香港會計準則第39號的分類	根據香港財務報告準則第9號的分類	根據香港會計準則第39號的賬面值 HK\$'000 千港元	根據香港財務報告準則第9號的賬面值 HK\$'000 千港元
Equity investments 股權投資	(i)	Available-for-sale 可供出售	FVTOCI 按公平值計入 其他全面收益	11,958	11,958
Loans to employees and other parties 向僱員及其他人士貸款	(ii)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	94,993	94,046
Trade receivables 應收貿易賬款	(ii)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	116,806	116,032
Deposits and other receivables 按金及其他應收款項	(iii)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	7,143	7,143
Loan to a non-controlling shareholder of a subsidiary 向一間附屬公司之一名非控股股東貸款	(iii)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	120	120
Amount due from a related company 應收一間關連公司款項	(iii)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	1,257	1,257
Pledged bank deposits 已抵押銀行存款	(iii)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	1,850	1,850
Bank and cash balances 銀行及現金結餘	(iii)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	479,379	479,379

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

下表及下文隨附附註說明二零一八年一月一日本集團各類金融資產根據香港會計準則第39號的原始計量類別以及根據香港財務報告準則第9號的新計量類別。

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綜合財務報表附註

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

The impact of these changes on the Group's equity is as follows:

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

該等變動對本集團權益的影響如下：

			Effect on FVTOCI reserve 對按公平值 計入其他 全面收益的 儲備的影響 HK\$'000 千港元	Effect on accumulated losses 對累計 虧損的影響 HK\$'000 千港元
		Note 附註		
Opening balance — HKAS 39 (audited)	期初結餘 — 香港會計準則第39號(經審核)		-	(31,999)
Reclassify non-trading equity investments from available-for-sale financial assets to equity investments at FVTOCI	將非交易性質股權投資由可供出售金融資產重新分類至按公平值計入其他全面收益的股權投資	(i)	(28,145)	28,145
Impairment losses for trade receivables	應收貿易賬款減值虧損	(ii)	-	(774)
Impairment losses for loans to other parties	向其他人士貸款的減值虧損	(ii)	-	(947)
Total impact	總影響		(28,145)	26,424
Opening balance — HKFRS 9 (restated)	期初結餘 — 香港財務報告準則第9號(經重列)		(28,145)	(5,575)

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綜合財務報表附註

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

For assets in scope of the HKFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of HKFRS 9 impairment model requirements at 1 January 2018 results in an additional impairment losses as follows:

	Note 附註	HK\$'000 千港元
Impairment allowance for trade receivables at 31 December 2017 under HKAS 39 (audited)	根據香港會計準則第39號於二零一七年十二月三十一日就應收貿易賬款計提的減值撥備(經審核)	2,827
Additional impairment losses recognised at 1 January 2018 for:	就以下各項於二零一八年一月一日確認的額外減值虧損：	
— Trade receivables as at 31 December 2017	— 於二零一七年十二月三十一日應收貿易賬款	(ii) 774
— Loans to other parties as at 31 December 2017	— 於二零一七年十二月三十一日向其他人士貸款	(ii) 947
Impairment allowance at 1 January 2018 under HKFRS 9 (restated)	根據香港財務報告準則第9號於二零一八年一月一日的減值撥備(經重列)	4,548

Impairment losses related to trade receivables and loans to other parties are not presented separately in the statement of profit or loss as the amounts are not material.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

就屬於香港財務報告準則第9號減值模型範圍內的資產而言，一般預期減值虧損將增加及變得更為波動。本集團已釐定於二零一八年一月一日應用香港財務報告準則第9號減值模型規定導致額外減值虧損如下：

與應收貿易賬款及向其他人士貸款有關的減值虧損因金額並不重大而未於損益表單獨列示。

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綜合財務報表附註

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

Note:

- (i) These equity investments represent investments that the Group intends to hold for long term strategic purposes. As permitted by HKFRS 9, the Group has designated these investments at the date of initial application as measured at FVTOCI. As a result, these equity investments with a fair value of HK\$11,958,000 were reclassified from available-for-sale financial assets to equity investments at FVTOCI and fair value loss of HK\$28,145,000 was reclassified from accumulated losses to the FVTOCI reserve on 1 January 2018. Unlike HKAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.
- (ii) Trade receivables and loans to employees and other parties that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. An increase of HK\$1,721,000 in the impairment allowance for these receivables was recognised in opening accumulated losses at 1 January 2018 on transition to HKFRS 9.
- (iii) These financial assets were classified as loans and receivables under HKAS 39 are now classified at amortised cost. No further impairment loss was recognised in opening accumulated losses at 1 January 2018 on transition to HKFRS 9.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

附註：

- (i) 該等股權投資指本集團就戰略目的而持有的投資。在香港財務報告準則第9號准許的情況下，本集團已於初步應用日期將該等投資指定為按公平值計入其他全面收益計量。因此於二零一八年一月一日，該等公平值為11,958,000港元的股權投資由可供出售金融資產重新分類至按公平值計入其他全面收益的股權投資，公平值虧損28,145,000港元由累計虧損重新分類至按公平值計入其他全面收益的儲備。與香港會計準則第39號不同，與該等投資相關的累計公平值儲備不會重新分類至損益。
- (ii) 根據香港會計準則第39號分類為貸款及應收款項的應收貿易賬款以及向僱員及其他人士貸款現時已按攤銷成本分類。過渡至香港財務報告準則第9號時，就該等應收款項增加的減值撥備1,721,000港元於二零一八年一月一日的期初累計虧損確認。
- (iii) 根據香港會計準則第39號分類作貸款及應收款項的該等金融資產現時已按攤銷成本分類。過渡至香港財務報告準則第9號時，概無於二零一八年一月一日的期初累計虧損確認進一步減值虧損。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 15 Revenue from contracts with customers

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

The Group has elected to use the cumulative effect transition method and has recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018. Therefore, comparative information has not been restated and continues to be reported under HKAS 11 and HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

The adoption of HKFRS 15 resulted in the following changes to the Group's accounting policies.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號源自客戶合約的收入

香港財務報告準則第15號建立了確認來自客戶合約收入及若干成本的全體框架。香港財務報告準則第15號取代香港會計準則第18號收入(包括銷售貨品及提供服務所產生的收入)及香港會計準則第11號建築合約(訂明建造合約的會計處理方法)。

本集團已選擇使用累積效應過渡法，並確認首次應用的累積效應作為對二零一八年一月一日期初權益結餘的調整。因此，可比較資料並無重列及繼續根據香港會計準則第11號及香港會計準則第18號予以呈報。在香港財務報告準則第15號許可範圍內，本集團僅對在二零一八年一月一日之前未完成的合約採用新規定。

採納香港財務報告準則第15號導致本集團會計政策產生以下變動。

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 15 Revenue from contracts with customers (Continued)

Accounting for revenue from sales of manufactured goods and medical equipments

The Group manufactures and sells a range of electronic products and medical equipments. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer.

No element of financing is deemed present as the sales are made with credit terms ranged from 30 to 120 days.

The Group is required to pay for marketing promotion fees for products sold in customers' chain stores. These fees are regarded as consideration payable to a customer and not being distinct. These fees are therefore accounted for as a reduction of transaction price.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Accounting for revenue from catering services

Revenue from catering service is recognised immediately after the services are rendered.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號源自客戶合約的收入(續)

銷售製成品及醫療設備所得收入的會計處理

本集團製造及銷售一系列電子產品及醫療設備。當產品的控制權轉移時(即產品已交付予客戶,客戶對產品的銷售渠道及價格有絕對酌情權,且概無可影響客戶驗收產品的未履行責任時),銷售獲確認。當產品運送至指定地點時交付即告完成,產品過時及遺失之風險轉由客戶承擔。

由於銷售的信貨期介乎30至120天,因此視為不存在融資元素。

本集團須就於客戶連鎖店銷售的產品支付市場推廣費。該等費用視為應付客戶的代價,即並無區別。因此,該等費用入賬為交易價格的減少。

應收款項於交付貨品時確認,原因為此時乃代價成為無條件的時間點,於付款到期前僅須隨時間推移即可收取付款。

餐飲服務所得收入的會計處理

餐飲服務所得收入於提供服務後即時確認。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 15 Revenue from contracts with customers (Continued)

Set out below is the impact of the adoption of HKFRS 15 on the Group.

The following tables summarise the estimated impact of adoption of HKFRS 15 on the Group's consolidated financial statements for the year ended 31 December 2018, by comparing the amounts reported under HKFRS 15 in these consolidated financial statements with estimates of the hypothetical amounts that would have been recognised under HKAS 18 and HKAS 11 if those superseded standards had continued to apply to 2018 instead of HKFRS 15. The table shows only those line items impacted by the adoption of HKFRS 15:

			Hypothetical amounts under HKASs 18 and 11 根據香港會計準則第18號及第11號的假定金額 HK\$'000 千港元	Estimated impact of adoption of HKFRS 15 採納香港財務報告準則第15號的估計影響 HK\$'000 千港元	Amounts reported in accordance with HKFRS 15 根據香港財務報告準則第15號所呈報的金額 HK\$'000 千港元
For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度	<i>Note</i> <i>附註</i>			
Consolidated statement of profit or loss (extract)	綜合損益表 (摘錄)				
Revenue	收入	(a)	742,246	(7,062)	735,184
Selling and distribution expenses	銷售及分銷開支	(a)	(36,322)	7,062	(29,260)

The significant difference arise as a result of the changes in accounting policies classified above.

(a) Marketing promotion fee now presented as a reduction of revenue was previously presented in selling and distribution expenses.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號源自客戶合約的收入(續)

下文為採納香港財務報告準則第15號對本集團的影響。

下表通過比較根據香港財務報告準則第15號於該等綜合財務報表呈報的金額與根據香港會計準則第18號及香港會計準則第11號的假定金額估計(倘該等替代準則於二零一八年繼續取代香港財務報告準則第15號), 概述採納香港財務報告準則第15號對本集團截至二零一八年十二月三十一日止年度的綜合財務報表的估計影響。此等表格僅顯示因採納香港財務報告準則第15號而受影響的項目:

重大差額因上文所分類的會計政策變動而產生。

(a) 先前於銷售及分銷開支呈列的市場推廣費現在從收入中扣除。

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用已頒佈但尚未於二零一八年一月一日開始之財政年度生效之新訂及經修訂香港財務報告準則。可能與本集團有關之新訂及經修訂香港財務報告準則包括以下各項。

	Effective for accounting periods beginning on or after 於以下日期 或之後開始之 會計期間生效
HKFRS 16 Leases 香港財務報告準則第16號租賃	1 January 2019 二零一九年一月一日
HK(IFRIC) 23 Uncertainty over Income Tax Treatments 香港(國際財務報告詮釋委員會)詮釋第23號所得稅處理之不確定性	1 January 2019 二零一九年一月一日
Annual Improvements to HKFRSs 2015–2017 Cycle 香港財務報告準則二零一五年至二零一七年週期之年度改進	1 January 2019 二零一九年一月一日
Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures 香港會計準則第28號之修訂於聯營公司及合資企業之長期權益	1 January 2019 二零一九年一月一日

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that interim financial report.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

本集團現正評估此等修訂及新訂準則於初次應用期間預期帶來之影響。迄今，本集團已確定香港財務報告準則第16號之若干方面可能會對綜合財務報表構成重大影響。有關預期影響之進一步詳情於下文論述。儘管有關香港財務報告準則第16號之評估已大致完成，惟首次採納該等準則時產生之實際影響可能有所不同，因為至今完成之評估乃根據本集團現時可得資料作出，而於本集團截至二零一九年六月三十日止六個月的中期財務報告首次應用該等準則前可能會識別其他影響。本集團亦可能變更其會計政策選擇(包括過渡選擇)，直至於中期財務報告首次應用該等準則。

香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號租賃及其相關詮釋。該新準則為承租人引入單一會計處理模式。承租人無需區分經營和融資租賃，但需就全部租賃確認使用權資產及租賃負債(短期租賃及低價值資產之租賃可獲選擇性豁免)。香港財務報告準則第16號大致保留香港會計準則第17號有關出租人的會計處理規定，並無重大變動。因此，出租人將繼續將租賃分類為經營租賃或融資租賃。

香港財務報告準則第16號於二零一九年一月一日或之後開始之年度期間生效。本集團擬採用簡化過渡法且將不會就首次採納前年度重列比較金額。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 Leases (Continued)

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group's operating leases. The Group's office, factories and staff quarters leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

As disclosed in note 42, the Group's future minimum lease payments under non-cancellable operating leases for its staff quarters, factories and offices amounted to HK\$90,411,000 as at 31 December 2018. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements from 2019 onwards.

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

根據初步評估，該準則將主要影響本集團營運租賃之會計處理。本集團之辦公室、工廠及員工宿舍租賃現分類為經營租賃，租賃付款(已扣除從出租人收取所得之任何優惠)於租期內按直線法確認為開支。根據香港財務報告準則第16號，本集團可能需就該等租賃按未來最低租賃付款之現值確認及計量負債，並確認相應使用權資產。租賃負債之利息開支及使用權資產之折舊將於損益中確認。本集團的資產及負債將相應增加且開支確認之時間亦會受到影響。

如附註42所披露，於二零一八年十二月三十一日，根據不可撤銷經營租賃本集團就其員工宿舍、廠房及辦公室須付的未來最低租賃款項為90,411,000港元。因此，一旦採納香港財務報告準則第16號，該等租賃預期將按照相應使用權資產確認為租賃負債。有關金額將就折讓影響及本集團可用之過渡安排作出調整。

除確認租賃負債及使用權資產外，本集團預計於初始應用香港財務報告準則第16號所作的過渡調整並不重大。然而，上述會計政策的預期變動可能對本集團自二零一九年起的綜合財務報表產生重大影響。

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綜合財務報表附註

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

- (b) New and revised HKFRSs in issue but not yet effective (Continued)

HK(IFRIC) 23 Uncertainty over Income Tax Treatments

The interpretation of HKAS 12 Income Taxes sets out how to apply that standard when there is uncertainty about income tax treatments. Entities are required to determine whether uncertain tax treatments should be assessed separately or as a group depending on which approach will better predict the resolution of the uncertainties. Entities will have to assess whether it is probable that a tax authority will accept an uncertain tax treatment. If yes, the accounting treatment will be consistent with the entity's income tax filings. If not, however, entities are required to account for the effects of the uncertainty using either the most likely outcome or expected value method depending on which method is expected to better predict its resolution.

The Group is unable to estimate the impact of the interpretation on the consolidated financial statements until a more detailed assessment has been completed.

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. land and building, investment properties and certain financial instruments that are measured at fair value.)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

3. 採納新訂及經修訂香港財務報告準則(續)

- (b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港(國際財務報告詮釋委員會)詮釋第23號所得稅處理之不確定性

香港會計準則第12號所得稅之詮釋載列於存在所得稅處理之不確定性時應用該準則之方式。實體須釐定是否應單獨或整體評估不確定之稅項處理(視乎哪項方法將能更好預測不確定性之解決方案而定)。實體將須評估稅務機構是否可能接受不確定之稅項處理。倘接受，會計處理將符合該實體之所得稅申報；然而倘不接受，該實體則須採用可能性最大之結果或預期價值法(視乎哪項方法預期能更好預測其解決方案而定)將不確定性之影響入賬。

本集團需於完成更為詳細之評估後方可估計詮釋對綜合財務報表之影響。

4. 重要會計政策

此等綜合財務報表乃根據歷史成本慣例編製，惟下文的會計政策另有說明者(如按公平值計量之土地及樓宇、投資物業及若干金融工具)除外。

編製符合香港財務報告準則之財務報表需使用若干主要會計估計，亦需要管理層於應用本集團會計政策之過程中作出判斷。涉及較高層次判斷或複雜性之範疇，或對綜合財務報表屬重大之假設及估計之範疇，於附註5披露。

編製該等綜合財務報表時所應用之重要會計政策載述如下。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. 重要會計政策(續)

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司乃本集團對其擁有控制權之實體。當本集團通過參與實體業務而享有或有權享有浮動回報，並有能力通過對實體之權力而影響該等回報時，即對該實體具有控制權。當本集團擁有令其目前能夠指揮相關活動(即對實體回報造成重大影響之活動)之現有權利時，本集團即對實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及由其他各方持有之潛在投票權。僅於持有人有實際能力行使潛在投票權時方會考慮該等權利。

附屬公司自控制權轉入本集團的日期起綜合計算，彼等於控制權終止的日期起不再綜合入賬。

出售附屬公司(導致失去控制權之情況下)之損益乃指(i)出售代價公平值連同於該附屬公司之任何保留投資之公平值與(ii)本公司分佔該附屬公司資產淨值連同與該附屬公司有關之任何餘下商譽以及任何累計匯兌儲備兩者間之差額。

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非有關交易提供證據證明已轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已在需要時作修改，確保其與本集團採納之政策一致。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

4. 重要會計政策(續)

(a) 綜合賬目(續)

非控股權益指並非直接或間接歸屬於本公司之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內列賬。於綜合損益表及綜合損益及其他全面收益表內，非控股權益呈列為年度溢利或虧損及全面收益總額在非控股股東與本公司擁有人之間的分配。

溢利或虧損及其他全面收益各組成部份歸屬於本公司擁有人及非控股股東，即使導致非控股權益結餘出現虧絀。

本公司於附屬公司之所有權權益之變動(不會導致失去控制權)作為權益交易入賬(即與擁有人(以彼等之擁有人身份)進行交易)。控股及非控股權益之賬面值經調整以反映其於該附屬公司相關權益之變動。非控股權益經調整之金額與已付或已收代價公平值之間之任何差額須直接於權益內確認並歸屬於本公司擁有人。

於本公司之財務狀況表中，於附屬公司之投資按成本減減值虧損列賬，惟投資分類為持作銷售(或計入分類為持作銷售之出售組別)則除外。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination (other than under common control) and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

4. 重要會計政策(續)

(b) 業務合併(共同控制者除外)及商譽

本集團採用收購法為業務合併時收購附屬公司列賬。於業務合併時轉讓的代價乃按所獲資產於收購日期之公平值、所發行之權益工具及所產生之負債以及任何或然代價計量。收購相關成本於有關成本產生及接獲服務期間確認為開支。於收購時附屬公司之可識別資產及負債，均按其於收購日期之公平值計量。

所轉讓代價超出本集團應佔附屬公司可識別資產及負債之公平值淨額之差額乃列作商譽。本集團分佔可識別資產及負債之公平值淨額超出所轉讓代價金額之差額乃於綜合損益內確認為本集團應佔議價收購之收益。

對於分階段進行之業務合併，先前已持有之附屬公司之權益乃按收購日期之公平值重新計量，而由此產生之損益於綜合損益內確認。公平值會加入至業務合併時所轉讓的代價金額以計算商譽。

於附屬公司之非控股權益初步按非控股股東分佔該附屬公司於收購當日之可識別資產及負債之公平值淨額之比例計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination (other than under common control) and goodwill (Continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”) or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Hong Kong dollars (“HKD”), which is the Company’s functional and presentation currency.

(ii) Transactions and balances in each entity’s financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

4. 重要會計政策(續)

(b) 業務合併(共同控制者除外)及商譽(續)

初步確認後，商譽按成本減累計減值虧損計量。就減值測試而言，於業務合併時收購之商譽分配至預期將從該業務合併的協同效應中受惠之各現金產生單位(「現金產生單位」)或一組現金產生單位。獲分配商譽的各單位或單位組別為本集團就內部管理目的監控商譽的最低級別。倘發生事件或變化的情況表明有潛在減值的跡象，則會每年或更頻繁地進行商譽減值審閱。包含商譽的現金產生單位賬面值與其可收回金額比較，可收回金額為使用價值與公平值減出售成本之較高者。任何減值即時確認為支出且不會於後續撥回。

(c) 外幣換算

(i) 功能及呈列貨幣

納入本集團各實體財務報表的項目乃按實體經營業務所在的主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表以港元(「港元」)呈列。港元是本公司的功能及呈列貨幣。

(ii) 於各實體財務報表之交易及結餘

以外幣進行之交易乃於初步確認時採用交易當日之適用匯率換算為功能貨幣。以外幣計值之貨幣資產及負債乃採用各報告期末之匯率換算。因此項換算政策導致之收益及虧損於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements (Continued)

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

4. 重要會計政策(續)

(c) 外幣換算(續)

(ii) 於各實體財務報表之交易及結餘(續)

按公平值計量及以外幣計值之非貨幣項目乃按釐定公平值當日之匯率換算。

當非貨幣項目之損益於其他全面收益確認時，該損益之任何匯兌部份亦於其他全面收益內確認。當非貨幣項目之損益於損益確認時，該損益之任何匯兌部份亦於損益確認。

(iii) 綜合賬目時換算

當本集團所有實體之功能貨幣與本公司之呈列貨幣不同，其業績及財務狀況乃按下列方式換算為本公司之呈列貨幣：

- 於各財務狀況表呈列之資產及負債按該財務狀況表日期之收市匯率換算；
- 收入及開支乃按期內平均匯率換算(除非此項平均值並不能合理地接近於交易日期之通用匯率之累計影響，在此情況下，收入及開支則按交易日期之匯率換算)；及
- 所有因此而產生之匯兌差額乃於其他全面收益確認並於匯兌儲備累計。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Property, plant and equipment

Property, plant and equipment (other than land and building), held for use in the production or supply of goods or services, 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.

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

4. 重要會計政策(續)

(c) 外幣換算(續)

(iii) 綜合賬目時換算(續)

於綜合賬目時，因換算構成部分海外實體投資淨額的貨幣項目產生之匯兌差額於其他全面收益確認及於匯兌儲備累計。當出售海外業務時，該等匯兌差額於綜合損益內重新分類為出售損益之一部分。

因收購海外實體而產生之商譽及公平值調整，均視作該海外實體之資產及負債，並按收市匯率換算。

(d) 物業、廠房及設備

持作生產、供應貨物或服務或者行政用途的物業、廠房及設備(土地及樓宇除外)乃於綜合財務狀況表內按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

其後產生之成本僅於與該項目有關之未來經濟利益可能會流入本集團，而該項目之成本能可靠地計量時，方會列入資產之賬面值或確認為一項獨立資產(如適用)。所有其他維修及保養費用於產生期間於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

Land and building held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and building is recognised in other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and building is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued building is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

4. 重要會計政策(續)

(d) 物業、廠房及設備(續)

持作生產、供應貨物或服務或者行政用途的土地及樓宇乃以其重估金額列入綜合財務狀況表。重估金額即重估日期的公平值減任何其後累計折舊及其後累計減值虧損。重估乃以足夠的規律性定期進行，因此賬面值與於各報告期末採用公平值釐定者並無重大差異。

重估該項土地及樓宇產生的任何重估增值於其他全面收益內確認，並累計列入物業重估儲備，惟倘其沖銷相同資產先前於損益確認之重估減值，該增值部份乃以先前扣除之虧絀為限計入損益表。該項土地及樓宇重估所產生之賬面值減少於損益確認，惟以其超出於有關先前重估該項資產之物業重估儲備之盈餘數額(如有)為限。

重估樓宇之折舊於損益內確認。在其後出售或停止使用一項重估物業時，其於物業重估儲備應佔重估盈餘直接轉撥至保留盈利。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold land and building	4%
Leasehold improvements	Over the lease term or 20%-25%
Plant, machinery, moulds and tools	10%-25%
Furniture and equipment	10%-20%
Motor vehicles	18%-33 $\frac{1}{3}$ %

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Investment properties

Investment properties are land and/or building held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

4. 重要會計政策(續)

(d) 物業、廠房及設備(續)

物業、廠房及設備按其估計可使用年期以直線法，按足以撇銷其成本減去其剩餘價值之折舊率計算折舊。所採用之主要年折舊率如下：

租賃土地及樓宇	4%
租賃改善工程	按租期或 20%-25%
廠房、機器、 模具及工具	10%-25%
傢俬及設備	10%-20%
汽車	18%-33 $\frac{1}{3}$ %

剩餘價值、可使用年期及折舊方法乃於各報告期末審閱及調整(如適用)。

出售物業、廠房及設備之損益乃指出售所得款項淨額與有關資產賬面值之差額，並於損益中確認。

(e) 投資物業

投資物業乃為賺取租金及/或資本增值而持有之土地及/或樓宇。投資物業首次按成本(包括物業應佔之所有直接成本)計量。

首次確認後，投資物業按公平值列賬。投資物業公平值變動所產生之收益或虧損於產生期間在損益確認。

出售投資物業之收益或虧損乃指出售所得款項淨額與該物業之賬面值兩者之差額，並於損益賬內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets (acquired separately)

License rights and customer relationship are stated at cost less accumulated amortisation and impairment losses. Useful lives are as follows:

License rights	Over the license period
Customer relationship	3-6 years

(g) Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

Prepaid lease payments are stated at cost and subsequently amortised on the straight-line basis over the remaining term of the lease.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

4. 重要會計政策(續)

(f) 無形資產(獨立收購)

特許權及客戶關係按成本減累計攤銷及減值虧損列賬。可使用年期如下：

特許權	特許有效期內
客戶關係	3-6年

(g) 租賃

本集團為承租人

(i) 經營租賃

資產所有權之絕大部分風險及回報不會轉移至本集團之租賃會以經營租賃入賬。租賃款項(扣除自出租人收取之任何優惠)於租期內以直線法確認為開支。

預付租賃付款按成本列賬及其後於餘下租期按直線基準攤銷。

(ii) 融資租賃

資產所有權之絕大部分風險及回報轉移至本集團之租賃會以融資租賃入賬。融資租賃在租賃期開始時按均於租賃開始時釐定之租賃資產公平值與最低租賃款項現值兩者之較低者資本化。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Leases (Continued)

The Group as lessee (Continued)

(ii) Finance leases (Continued)

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

(h) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's product development activity is recognised only if all of the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Management intends to complete the intangible asset and use or sell it;
- There is ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available;
- The expenditure attributable to the intangible asset during its development can be reliably measured.

4. 重要會計政策(續)

(g) 租賃(續)

本集團為承租人(續)

(ii) 融資租賃(續)

欠負出租人之相應負債於財務狀況表中列作融資租賃應付款項。租賃款項於財務費用及未償還負債減額間分配。融資費用在各租期內攤分，以為負債剩餘結餘得出統一定期利率。

於融資租賃下之資產按與自置資產相同之方式計算折舊。

(h) 研究及開發支出

研究活動之支出於產生期間內確認為開支。本集團之產品開發活動所產生之內部產生無形資產僅於符合下列所有條件下，方獲確認：

- 完成該無形資產於技術上屬可行，以致其可供使用或出售；
- 管理層有意完成該無形資產並使用或出售；
- 有能力使用或出售該無形資產；
- 能夠證明無形資產如何將產生可能之未來經濟利益；
- 有足夠的技術、財務和其他資源以完成開發並使用或出售該無形資產；
- 無形資產在開發期內應佔之支出能夠可靠地計量。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Research and development expenditure (Continued)

Internally generated intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at 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 fair value through profit or loss are recognised immediately in profit or loss.

4. 重要會計政策(續)

(h) 研究及開發支出(續)

內部產生無形資產以成本減累計攤銷及減值虧損列賬。攤銷乃按其估計可使用年期以直線法計算。當並無內部產生無形資產可予確認時，開發支出於產生期間內於損益中確認。

(i) 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本以先進先出基準釐定。製成品及半成品之成本包括原材料、直接人工及適當比例之所有生產間接成本，及外判費用(如適用)。可變現淨值乃於日常業務過程中之估計售價減估計完成成本及估計出售時所需之費用。

(j) 確認及終止確認金融工具

金融資產及金融負債在集團實體成為工具合約條文之訂約方時，於綜合財務狀況表內確認。

金融資產及金融負債初步按公平值計量。於初步確認時，收購或發行金融資產及金融負債而直接應佔的交易成本(按公平值計入損益的金融資產及金融負債除外)會按適用情況加入或扣減自該等金融資產或金融負債的公平值。直接自收購按公平值計入損益的金融資產或金融負債產生之交易成本即時於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Recognition and derecognition of financial instruments (Continued)

The Group derecognises a financial asset 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 recognises its retained interest in the asset and an associated liability for amounts it may have to pay. 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.

The Group derecognises financial liabilities 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, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

4. 重要會計政策(續)

(j) 確認及終止確認金融工具(續)

本集團僅在從資產收取現金流量之合約權利到期，或在本集團將金融資產及該資產擁有權之絕大部分風險及回報轉讓予另一實體的情況下，方終止確認金融資產。倘本集團既無轉移亦無保留擁有權的絕大部分風險及回報並繼續控制已轉讓資產，則本集團會確認其於該資產的保留權益及可能需要支付的相關負債款項。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，本集團繼續確認金融資產，亦就已收取的所得款項確認為抵押借款。

本集團僅在本集團的責任獲解除、取消或到期時終止確認金融負債。終止確認之金融負債之賬面值與已付及應付代價之間的差額(包括任何已轉移非現金資產或已承擔負債)於損益內確認。

當有可合法強制執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並在資產負債表呈報其淨額。可合法強制執行權利不得取決於未來事件而定，且須在一般業務過程中以及在有關公司或對手方一旦出現拖欠還款、無力償債或破產時可強制執行。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- FVTOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECL, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

4. 重要會計政策(續)

(k) 金融資產

所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。視乎金融資產的分類，所有已確認的金融資產其後全面按攤銷成本或公平值進行計量。

債務投資

本集團持有的債務投資分類為以下其中一個計量類別：

- 攤銷成本，倘持有投資的目的為收取合約現金流量，即純粹為獲取本金及利息付款。投資所得利息收入乃使用實際利率法計算。
- 按公平值計入其他全面收益 – 可劃轉，倘投資的合約現金流量僅包括本金及利息付款，且投資乃按其目的為同時收取合約現金流量及出售的業務模式持有。公平值變動於其他全面收益確認，惟預期信貸虧損、利息收入(使用實際利率法計算)及匯兌收益及虧損則於損益確認。當投資被終止確認，於其他全面收益累計的金額從權益劃轉至損益。
- 按公平值計入損益，倘投資不符合按攤銷成本計量或按公平值計入其他全面收益(可劃轉)的標準。投資的公平值變動(包括利息)於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

Equity investments

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

Policy prior to 1 January 2018

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

Dated debt securities that the group had the positive ability and intention to hold to maturity were classified as held-to-maturity securities. Held-to-maturity securities were stated at amortised cost.

4. 重要會計政策(續)

(k) 金融資產(續)

股權投資

股本證券投資分類為按公平值計入損益，除非股本投資並非持作買賣用途，且於初步確認投資時，本公司選擇指定投資為按公平值計入其他全面收益(不可劃轉)，以致公平值的後續變動於其他全面收益確認。有關選擇以個別工具為基準作出，惟僅或會在發行人認為投資符合股本的定義的情況下作出。作出有關選擇後，於其他全面收益內累計的金額仍將保留在公平值儲備(不可劃轉)內直至投資出售為止。出售時，於公平值儲備(不可劃轉)內累計的金額轉撥至保留溢利，且不會劃轉至損益。股本證券投資的股息(不論分類為按公平值計入損益或按公平值計入其他全面收益)於損益內確認為其他收入。

於二零一八年一月一日前的政策

持作買賣的證券投資分類為按公平值計入損益計量之金融資產。任何應佔交易成本在產生時於損益確認。公平值於各報告期末重新計量，因而產生的任何收益或虧損於損益確認。

本集團擁有正面能力及意向持有至到期日之有期債務證券乃分類為持至到期之證券。持至到期之證券按攤銷成本列賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

Equity investments (Continued)

Policy prior to 1 January 2018 (Continued)

Investments which did not fall into any of the above categories were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments and interest income from debt securities calculated using the effective interest method were recognised in profit or loss respectively. Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired, the cumulative gain or loss recognised in equity was reclassified to profit or loss.

(l) Trade and other receivables

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

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

4. 重要會計政策(續)

(k) 金融資產(續)

股權投資(續)

於二零一八年一月一日前的政策(續)

不屬於以上任何類別的投資分類為可供出售金融資產。公平值於各報告期末重新計量，因而產生的任何收益或虧損於其他全面收益確認，並於公平值儲備(不可劃轉)之權益內單獨累計。採用實際利率法計算的股本投資股息收入及債務證券利息收入分別於損益確認。債務證券所產生的匯兌收益及虧損亦於損益確認。在有關投資被終止確認或已減值時，於權益確認的累計收益或虧損將重新分類至損益。

(l) 應收貿易賬款及其他應收款項

應收款項於本集團擁有無條件權利可收取代價時予以確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。倘於本集團擁有無條件權利可收取代價之前已確認收入，則有關金額呈列為合約資產。

應收款項按攤銷成本(採用實際利率法)扣除信貸虧損撥備列賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL.

(n) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(p) Trade and other payables

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

4. 重要會計政策(續)

(m) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構之活期存款以及短期及流通性高的投資，而該等投資隨時可轉換為已知數額之現金，價值變動的風險較低且在購入時距離到期日不超過三個月。就綜合現金流量表而言，銀行透支（其須應要求償還其構成本集團現金管理重要部分）亦計入現金及現金等價物，作為其組成部分。我們就預期信貸虧損評估現金及現金等價物。

(n) 金融負債及權益工具

金融負債及權益工具乃根據所訂立合約安排之實質內容及香港財務報告準則中金融負債和權益工具之定義予以分類。權益工具為可證明經扣除其所有負債後於本集團資產之餘額權益之任何合約。就特定金融負債及權益工具採納之會計政策載於下文。

(o) 借貸

借貸初始按公平值扣除所產生之交易成本確認，其後則採用實際利率法按攤銷成本計量。

借貸被分類為流動負債，惟本集團有權無條件地將清償負債延遲報告期後至少十二個月的則除外。

(p) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項初始按其公平值列賬，並於其後採用實際利率法按攤銷成本計量，除非折現之影響輕微，在此情況下則按成本列賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(r) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the sale of electronic products and medical equipments are recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the channel and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from catering service is recognised immediately after the services are rendered.

Management fee, consultancy fee and commission are recognised when the services are rendered.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend income is recognised when the shareholders' rights to receive payment are established.

4. 重要會計政策(續)

(q) 權益工具

權益工具指能證明於實體扣除其所有負債後資產中擁有剩餘權益的任何合約。由本公司發行的權益工具乃按收取的所得款項減直接發行成本記錄。

(r) 收入確認

收入在產品或服務的控制權按本集團預期有權獲取的承諾代價金額(不包括代表第三方收取的金額)轉移至客戶時確認。收入不包括增值稅或其他銷售稅,並經扣除任何貿易折扣。

來自電子產品及醫療設備銷售的收入乃於貨品控制權轉移時(即貨品送達客戶指定地點(交付)時)確認。於交付後,客戶可全權酌情決定產品的銷售途徑及價格,並承擔轉售商品的主要責任及商品報廢及損失的風險。本集團於貨品交付至客戶時確認應收款項,原因是此代表收取代價權利成為無條件的一個時間點,於款項到期前只須待時間過去。

餐飲服務的收入於提供服務後即時確認。

管理費、顧問費及佣金於提供服務時確認。

利息收入於產生時按實際利率法確認。就按攤銷成本計量的金融資產而言,實際利率用於該資產的賬面總值。

股息收入於確立股東收款權利時確認入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue recognition (Continued)

Policy prior to 1 January 2018

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

Revenue from catering services is recognised when the services are rendered and goods are sold to customers.

Revenue from the sales of manufactured goods is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Management fee, consultancy fee and commission are recognised when the services are rendered.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

(s) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. 重要會計政策(續)

(r) 收入確認(續)

於二零一八年一月一日前的政策

收入乃按已收或應收代價的公平值計量，並於經濟利益可能會流入本集團而收入金額能可靠計量時確認。

餐飲服務收入於提供服務並向客戶出售貨品時確認。

銷售製成品的收入於擁有權的大部分風險及回報轉移時確認。轉移時間通常與貨品交付及擁有權轉讓予客戶的時間相同。

管理費、顧問費及佣金於提供服務時確認。

利息收入按時間比例基準使用實際利率法確認入賬。

股息收入於確立股東收款權利時確認入賬。

(s) 僱員福利

(i) 僱員應享假期

僱員之年假及長期服務假期於賦予僱員時確認。截至報告期末止已就僱員因所提供服務享有之年假及長期服務假期之估計負債作出撥備。

僱員病假及產假於僱員休假時始確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Employee benefits (Continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

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

(t) 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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

4. 重要會計政策(續)

(s) 僱員福利(續)

(ii) 退休金承擔

本集團向定額供款退休金計劃作出供款，全體僱員均可參與該計劃。計劃供款由本集團及僱員按僱員基本薪金之百分比作出。自損益扣除之退休福利計劃成本指本集團應向該基金支付之供款。

(iii) 終止僱用福利

在本集團不再能夠取消提供該等福利之日及在本集團確認重組成本及支付終止僱用福利之日(以較早者為準)，終止僱用福利始予確認。

(t) 借貸成本

直接涉及合資格資產(即需要一段頗長時間始能投入作擬訂用途或出售之資產)之收購、興建或生產之借貸成本當作該等資產之部分成本資本化，直至該等資產大致上準備好投入作擬訂用途或出售為止。特定借貸於撥作合資格資產之支出前用作短暫投資所賺取之投資收入自可撥作資本之借貸成本中扣除。

如一般性借入資金用於獲取合資格資產，可撥作資本之借貸成本金額採用資本化率計算該項資產開支之方法釐定。資本化率為適用於該期間本集團未償還借貸之借貸成本加權平均值(為獲得合資格資產之特別借貸除外)。

所有其他借貸成本於產生期間於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become 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.

(v) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss 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 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

4. 重要會計政策(續)

(u) 政府補貼

政府補貼於能合理確定本集團將符合附帶條件及將獲得補貼時確認。

政府補貼與收入有關，並於期內損益遞延及確認，以配對補貼與其擬補償的成本。

應收作為已產生開支或虧損之補償或為本集團提供即時財務支援且無未來相關成本的政府補貼於其變為應收的期間的損益確認。

(v) 稅項

所得稅指即期稅項及遞延稅項之總額。

現時應付稅項乃按年度應課稅溢利計算。因其他年度之應課稅或應扣減之收入或開支項目及可作免稅或不可作稅項扣減之項目，故應課稅溢利與於損益確認之溢利不同。本集團之當期稅項負債按其於報告期末前已頒佈或大致上頒佈之稅率計算。

遞延稅項就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之差額予以確認。遞延稅項負債一般按所有應課稅暫時差額確認，遞延稅項資產則於應課稅溢利很可能可供用作抵銷可扣減暫時差額、未動用稅項虧損或未動用稅項抵免之情況下才予以確認。倘暫時差額因商譽或因初步確認(業務合併除外)一項交易涉及之其他資產及負債所產生，而不會影響應課稅溢利或會計溢利，則有關資產及負債不予確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint arrangements, 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

4. 重要會計政策(續)

(v) 稅項(續)

遞延稅項負債就於附屬公司及聯營公司之投資及於合營安排之權益所產生應課稅暫時差額予以確認，惟若本集團有能力控制暫時差額撥回，而暫時差額將很可能不會於可見將來撥回則除外。

遞延稅項資產之賬面值乃於各報告期末進行檢討，並予以相應扣減，直至不可能有足夠應課稅溢利可供全部或部分資產可予收回為止。

遞延稅項根據於報告期末前已頒佈或大致上頒佈之稅率，按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項於損益中確認，除非遞延稅項關乎於其他全面收益或直接於權益中予以確認之項目，在該情況下，遞延稅項亦於其他全面收益或直接於權益中確認。

遞延稅項資產及負債之計量反映根據本集團預期於報告期末收回或結算其資產及負債之賬面值之方式將產生之稅務結果。

就計量利用公平值模式計量之投資物業之遞延稅項而言，該等物業之賬面值乃假設通過銷售全數收回，惟該假設被推翻則除外。當投資物業可予折舊及於本集團之業務模式（其業務目標乃隨時間消耗投資物業所包含之絕大部分經濟利益，而非透過銷售）內持有時，有關假設會被推翻。倘假設被推翻，該等投資物業之遞延稅項按該等物業之預期收回方式計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(w) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGU are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. 重要會計政策(續)

(v) 稅項(續)

當擁有合法可強制執行權利以即期稅項資產抵銷即期稅項負債，及當有關權利涉及由同一稅務當局徵收之所得稅，以及本集團計劃按淨額基準結算其即期稅項資產及負債時，遞延稅項資產及負債則互相抵銷。

(w) 非金融資產減值

非金融資產之賬面值於各報告期末檢討有無減值跡象，倘資產已減值，則作為開支透過綜合損益表撇減至其估計可收回金額，惟有關資產按重估值列賬除外，在此情況下，減值虧損視為重估減值處理。可收回金額就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入，則可收回金額就資產所屬之現金產生單位釐定。可收回金額按個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者計算。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間價值及資產／現金產生單位(已計量減值)之特有風險之稅前貼現率計算。

現金產生單位減值虧損首先就該單位之商譽進行分配，然後按比例在現金產生單位其他資產間進行分配。因估計轉變而造成其後可收回金額增加將計入損益，除非有關資產按重估值列賬，否則撥回減值，在此情況下，減值虧損之撥回視為重估增值。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and loans to other parties. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4. 重要會計政策(續)

(x) 金融資產減值

本集團就按攤銷成本計量或按公平值計入其他全面收益的債券工具投資、應收貿易賬款及向其他人士貸款確認預期信貸虧損的減值撥備。預期信貸虧損金額於各報告日期更新，以反映信貸風險自初始確認有關金融工具以來的變動。

本集團一直確認應收貿易賬款的全期預期信貸虧損。該等金融資產的預期信貸虧損乃根據本集團過往的信貸虧損經驗採用撥備矩陣估計，並就債務人獨有因素、整體經濟狀況以及於報告日期對現行及預測經濟狀況發展方向的評估(包括金錢時間值(如適用))作出調整。

就所有其他金融工具而言，倘信貸風險自初始確認後顯著增加，則本集團確認全期預期信貸虧損。然而，倘金融工具的信貸風險自初始確認後並無顯著增加，則本集團按相等於十二個月預期信貸虧損的金額計量該金融工具的虧損撥備。

全期預期信貸虧損指於金融工具預計年期內所有可能違約事件導致的預期信貸虧損。相對而言，十二個月預期信貸虧損指全期預期信貸虧損中預期於報告日期後十二個月內金融工具可能發生違約事件預期導致的部份。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

- 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 for a particular financial instrument;
- 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;

4. 重要會計政策(續)

(x) 金融資產減值(續)

信貸風險大幅增加

於評估金融工具的信貸風險自初始確認以來是否大幅增加時，本集團比較於報告日期就金融工具發生違約的風險與於初始確認日期就金融工具發生違約的風險。於作出此評估時，本集團考慮屬合理及可支持的定量及定性資料，包括過往經驗及在並無不必要成本或努力下可得的前瞻性資料。所考慮到的前瞻性資料包括來自經濟專家的報告、金融分析、政府機構、相關智囊團及其他類似組織獲得的有關本集團債務人經營所在行業的未來前景，以及與本集團核心業務有關的實際及預測經濟資料的各種外部資料來源等考慮因素。

尤其是，在評估自初始確認以來信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部(倘可獲得)或內部信貸評級實際或預期明顯轉差；
- 特定金融工具信貸風險的外部市場指標明顯轉差；
- 預期將導致債務人履行其債務責任的能力明顯下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人的經營業績實際或預期明顯轉差；

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

- significant increases in credit risk on other financial instruments of the same 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 on a financial asset 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.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) The financial instrument has a low risk of default,
- (ii) The debtor 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.

4. 重要會計政策(續)

(x) 金融資產減值(續)

信貸風險大幅增加(續)

- 相同債務人的其他金融工具的信貸風險顯著增加；
- 導致債務人履行其債務責任的能力明顯下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估的結果如何，本集團假定倘合約付款逾期超過30天，則金融資產的信貸風險自初始確認以來顯著增加，除非本集團有能說明信貸風險並無顯著增加的合理可靠資料，則作別論。

儘管如前文所述，本集團假設倘金融工具於報告日期被釐定為信貸風險較低，則金融工具的信貸風險自初始確認以來並無顯著增加。倘

- (i) 金融工具的違約風險低，
- (ii) 債務人有強大能力於近期內履行其合約現金流量責任，及
- (iii) 經濟及業務狀況的長期不利變動可能但未必會削弱借款人履行其合約現金流量責任的能力，則金融工具被釐定為信貸風險較低。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- 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 analysis, the Group considers that default has occurred when a financial asset is more than 180 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. 重要會計政策(續)

(x) 金融資產減值(續)

信貸風險大幅增加(續)

本集團認為，根據眾所周知的定義，金融資產的內部或外部信貸評級為「投資級別」，則該金融資產具有較低信貸風險或倘不可獲得外部評級，則該資產具有「履約」內部評級。履約意味著交易對手擁有強勁的財務狀況及並無逾期款項。

本集團定期監察用以識別信貸風險是否大幅上升所用標準的有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險大幅上升。

違約的定義

由於過往經驗表明滿足下列標準的應收款項一般不可收回，本集團認為就內部信貸風險管理而言，下列情況構成違約事件。

- 倘交易對手違反金融契約；或
- 內部形成或自外部來源獲得的資料表明債務人不大可能向其債權人(包括本集團)悉數還款(未計及本集團持有的任何抵押品)。

無論上述分析結果如何，本集團認為倘金融資產逾期超過180天，則發生違約事件，除非本集團有能說明更寬鬆的違約標準更為合適的合理可靠資料，則作別論。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Credit-impaired financial assets

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

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

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years 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. Any recoveries made are recognised in profit or loss.

4. 重要會計政策(續)

(x) 金融資產減值(續)

信貸減值金融資產

倘發生對金融資產的估計未來現金流量產生不利影響的一項或多項事件，則該金融資產出現信貸減值。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：

- 發行人或交易對手出現重大財務困難；
- 違反合約，如違約或逾期事件；
- 交易對手的貸款人因有關交易對手財務困難的經濟或合約原因向交易對手授出貸款人不會另作考慮的特權；或
- 交易對手有可能將告破產或進行其他財務重組；或
- 因財務困難而導致該金融資產之活躍市場消失。

撇銷政策

倘有資料顯示債務人有嚴重財務困難且無實際可收回期望(包括債務人已進行清算或已進入破產程序)或(倘為應收貿易賬款)賬款逾期超過兩年(以較早發生者為準)，本集團會撇銷金融資產。根據本集團收回程序並考慮法律建議(如適用)，已撇銷金融資產可能仍受到執法活動約束。任何收回均於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Policy prior to 1 January 2018

At the end of each reporting period, the Group assesses whether its financial assets (other than those at fair value through profit or loss) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

4. 重要會計政策(續)

(x) 金融資產減值(續)

預期信貸虧損的計量及確認

預期信貸虧損的計量為違約可能性、違約虧損率(即出現違約時的虧損幅度)及違約風險的函數。違約可能性及違約虧損率的評估乃按照歷史數據進行，並就上文所述的前瞻性資料作出調整。就金融資產而言，違約風險為該資產於報告日期的賬面總值。

就金融資產而言，預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預期將收取按原有實際利率貼現的所有現金流量之間的差額進行估計。

倘本集團已於過往報告期間按相等於全期預期信貸虧損的金額計量金融工具的虧損撥備，惟於本報告日期釐定全期預期信貸虧損條件不再達成，則本集團於本報告日期會按相等於十二個月預期信貸虧損的金額計量虧損撥備，惟運用簡化法的資產除外。

本集團就所有金融工具於損益中確認減值收益或虧損，並對彼等賬面值作出相應調整。

於二零一八年一月一日前的政策

於各報告期末，本集團均會根據客觀證據(即(一組)金融資產之估計未來現金流量由於初步確認後發生之一項或多項事件而受到影響)評估其金融資產(按公平值計入損益賬的金融資產除外)有否減值。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Policy prior to 1 January 2018 (Continued)

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

In addition, for trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

4. 重要會計政策(續)

(x) 金融資產減值(續)

於二零一八年一月一日前的政策(續)

就可供出售權益工具而言，投資之公平值大幅或長期低於成本乃亦視為減值之客觀證據。

此外，就單獨評估並無減值之應收貿易賬款而言，本集團將根據本集團之過往收款經驗、投資組合內延遲還款之增加、與應收款項違約情況有連帶關係之經濟狀況出現明顯改變等共同評估有否減值。

僅應收貿易賬款之賬面值會使用撥備賬扣減，而其後收回之前已撇銷之數額乃計入撥備賬。撥備賬之賬面值變動於損益中確認。

就所有其他金融資產而言，賬面值會直接按減值虧損作出扣減。

就按攤銷成本計量的金融資產而言，倘減值虧損之金額於其後期間減少，而該減少可以客觀地與確認減值後發生之一項事件有關，則先前已確認之減值虧損透過損益撥回（直接或藉著調整應收貿易賬款之撥備賬）。然而，撥回不得導致賬面值高於假使並無確認減值該項金融資產於撥回減值當日之攤銷成本。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Impairment of financial assets (Continued)

Policy prior to 1 January 2018 (Continued)

For available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss. In respect of available-for-sale equity securities, an increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in revaluation reserve; impairment losses are not reversed through profit or loss.

(y) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

When 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 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 is remote.

(z) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. 重要會計政策(續)

(x) 金融資產減值(續)

於二零一八年一月一日前的政策(續)

至於可供出售債務證券，倘投資公平值的增加可以客觀地與確認減值虧損後發生的一項事件有關，則減值虧損其後透過損益予以撥回。就可供出售股本證券而言，確認減值虧損後的公平值增加於其他全面收益確認並於重估儲備中累計；減值虧損並不透過損益予以撥回。

(y) 撥備及或然負債

倘本集團須就已發生之事件承擔現有法律或推定責任，而且履行責任可能涉及經濟效益之流出，並可作出可靠之估計，則須就不確定時間或數額之負債確認撥備。倘金錢之時間價值重大，則撥備將會以預計履行責任之支出現值列示。

倘不大可能涉及經濟效益之流出，或是無法對有關數額作出可靠之估計，則將責任披露為或然負債，惟經濟效益流出之可能性極低則除外。須視乎某宗或多宗未來事件是否發生或不發生方能確定是否存在可能責任，亦會披露為或然負債，惟經濟效益流出之可能性極低則除外。

(z) 報告期後事項

提供有關本集團於報告期末之狀況或顯示持續經營假設不適用之其他資料的報告期後事項均為調整事項，並於綜合財務報表內反映。並不屬調整事項之報告期後事項如屬重大則在綜合財務報表附註內披露。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimates, which are dealt with below).

(a) Split of land and building elements

The Group determined that the lease payments cannot be allocated reliably between the land and building elements. Accordingly the entire lease of land and buildings is classified as a finance lease and included under property, plant and equipment.

(b) Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors have reviewed the Group's investment properties portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the directors have adopted the presumption that investment properties measured using the fair value model are recovered through sale.

5. 關鍵判斷及主要估計

應用會計政策的關鍵判斷

在應用會計政策時，董事已作出下列對綜合財務報表確認的款項有最大影響之判斷(除涉及估計者外，其於下文處理)。

(a) 分撥土地與樓宇

本集團已斷定不能可靠地將租賃付款在土地與樓宇之間分攤。因此，土地與樓宇整項租賃歸入融資租賃類別並計入物業、廠房及設備之內。

(b) 投資物業之遞延稅項

就計量利用公平值模式計量之投資物業之遞延稅項而言，董事已審閱本集團的投資物業組合，並得出結論，本集團所持有投資物業之業務模式並非隨時間(而非透過銷售)消耗投資物業所包含的絕大部分經濟利益。因此，於釐定本集團投資物業之遞延稅項時，董事假設以公平值模式計量之投資物業乃透過銷售收回。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Critical judgements in applying accounting policies (Continued)

(c) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(d) Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

5. 關鍵判斷及主要估計(續)

應用會計政策的關鍵判斷(續)

(c) 業務模式評估

金融資產的分類和計量取決於合約現金流量測試及業務模式測試結果。本集團釐定業務模式的層級，該層級應當反映如何對金融資產組別進行管理，以達到特定業務目標。該評估涵蓋能夠反映所有相關證據的判斷，包括如何評估和計量資產績效、影響資產績效的風險、以及如何管理資產及資產管理人員如何得到補償。本集團透過監控到期前終止確認按攤銷成本計量或按公平值計入其他全面收益的金融資產，以瞭解其出售的原因，以及該等原因是否與持有資產的業務目標保持一致。監控為本集團持續評估其所持餘下金融資產的業務模式是否仍屬適用部分，倘不再適用，是否需要更改其業務模式且相應改變其資產的分類。於呈列期間，毋須作出有關更改。

(d) 信貸風險顯著增加

誠如附註3闡釋，預期信貸虧損按照相等於第一階段資產的十二個月預期信貸虧損或第二階段或第三階段資產的全期預期信貸虧損資產的撥備計量。當信貸風險因初始確認而顯著增加時，資產向第二階段進展。香港財務報告準則第9號並無界定構成信貸風險顯著增加的因素。本集團根據定性及定量的合理及可支持前瞻性資料，評估資產的信貸風險是否顯著增加。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty

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

(a) Fair value of certain assets involve valuation technique

The fair values of certain land and building and investment properties as set out in note 7(b), note 18 and note 19 to the consolidated financial statements respectively involve valuation techniques. When applying valuation techniques, various assumptions and generally accepted methodologies were used to derive the fair values. Any changes in these assumptions can significantly affect the estimate of the fair value of the underlying assets and liabilities.

The carrying amount of land and building and investment properties as at 31 December 2018 were approximately HK\$Nil (2017: HK\$29,000,000) and HK\$30,000,000 (2017: HK\$30,000,000), respectively.

(b) Property, plant and equipment and depreciation

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

The carrying amount of property, plant and equipment as at 31 December 2018 was approximately HK\$51,904,000 (2017: HK\$57,876,000).

5. 關鍵判斷及主要估計(續)

估計不明朗因素之主要來源

於報告期末對未來的主要假設及其他估計不明朗因素之主要來源(對下一財政年度之資產及負債的賬面值造成重大調整之重大風險)在下文討論。

(a) 涉及估值技巧的若干資產之公平值

綜合財務報表附註7(b)、附註18及附註19分別所載若干土地及樓宇及投資物業的公平值涉及使用估值技巧。於應用估值技巧時，運用了多項假設及公認方法計算公平值。有關假設的任何變動對相關資產及負債之公平值估算有重大影響。

於二零一八年十二月三十一日，土地及樓宇以及投資物業之賬面值分別約為零港元(二零一七年：29,000,000港元)及30,000,000港元(二零一七年：30,000,000港元)。

(b) 物業、廠房及設備以及折舊

本集團釐定本集團物業、廠房及設備之估計可使用年期、剩餘價值及相關折舊支出。此估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期及剩餘價值之過往經驗作出。倘可使用年期及剩餘價值與先前估計者不同，或本集團將撇銷或撇減已廢棄之技術過時或非策略性資產，則本集團將修訂折舊支出。

於二零一八年十二月三十一日，物業、廠房及設備之賬面值約為51,904,000港元(二零一七年：57,876,000港元)。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, HK\$4,845,000 (2017: HK\$9,898,000) of income tax was charged to profit or loss based on the estimated profit.

(d) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the end of the reporting period was HK\$18,814,000 and no impairment loss was recognised during the year.

5. 關鍵判斷及主要估計(續)

估計不明朗因素之主要來源(續)

(c) 所得稅

本集團須繳納若干司法權區的所得稅。於釐定所得稅撥備時，須作出重大估計。於一般業務過程中，大部份最終稅項之交易及計算屬不確定。倘該等事項的最終評稅結果與初始記錄的數額存在差異，則相關差異將影響釐定期間所得稅及遞延稅項撥備。年內，4,845,000港元（二零一七年：9,898,000港元）之所得稅根據估計溢利自損益內扣除。

(d) 商譽減值

釐定商譽是否出現減值須估計商譽所屬配之現金產生單位的使用價值。計算使用價值時需要本集團估計現金產生單位將來可產生的現金流量和合適的折現率以計算現值。商譽於報告期末之賬面值為18,814,000港元，及於年內概無確認減值虧損。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(e) Impairment of trade receivables and loans to employees and other parties

Prior to the adoption of HKFRS 9 on 1 January 2018, the management of the Group assesses at the end of each reporting period whether there is any objective evidence that trade receivables and loans to employees and other parties are impaired. The provision policy for bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of trade receivables and loans to employees and other parties, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

As at 31 December 2017, the carrying amount of trade receivables is HK\$116,806,000 (net of allowance for trade receivables of HK\$2,827,000).

As at 31 December 2017, the carrying amount of loans to employees and other parties is HK\$94,993,000 (net of allowance for loans to employees and other parties of HK\$Nil).

Since the adoption of HKFRS 9 on 1 January 2018, the management of the Group estimates the amount of impairment loss for ECL on trade receivables and loans to employees and other parties based on the credit risk of trade receivables and loans to employees and other parties. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

5. 關鍵判斷及主要估計(續)

估計不明朗因素之主要來源(續)

(e) 應收貿易賬款以及向僱員及其他人士貸款之減值

於二零一八年一月一日採納香港財務報告準則第9號前，本集團管理層於各報告期末評估是否存在應收貿易賬款及向僱員及其他人士貸款已減值之任何客觀證據。本集團對呆壞賬之撥備政策，乃以賬款之可收回性評估及賬齡分析以及管理層判斷為基準。評估應收貿易賬款及向僱員及其他人士貸款之最終變現值時須作出大量判斷，包括每位客戶之現時信貸狀況及過往收款記錄。倘本集團客戶之財務狀況惡化，導致其還款能力有所下降，則須作出額外撥備。

於二零一七年十二月三十一日，應收貿易賬款之賬面值為116,806,000港元(扣除應收貿易賬款撥備2,827,000港元)。

於二零一七年十二月三十一日，向僱員及其他人士貸款之賬面值為94,993,000港元(扣除向僱員及其他人士貸款撥備零港元)。

自二零一八年一月一日採納香港財務報告準則第9號以來，本集團管理層根據應收貿易賬款及向僱員及其他人士貸款之信貸風險估計應收貿易賬款及向僱員及其他人士貸款之預期信貸虧損之減值虧損金額。基於預期信貸虧損模式的減值虧損金額乃根據合約應付本集團的所有合約現金流量與本集團預期將收取的所有現金流量的差額計量，並按初始確認時釐定的實際利率貼現。倘未來現金流量少於預期，或因事實及情況變動而需下調，則可能產生重大減值虧損。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(e) Impairment of trade receivables and loans to employees and other parties (Continued)

As at 31 December 2018, the carrying amount of trade receivables is HK\$155,761,000 (net of allowance for trade receivables of HK\$444,000).

As at 31 December 2018, the carrying amount of loans to employees and other parties is HK\$75,428,000 (net of allowance for loans to employees and other parties of HK\$5,929,000).

(f) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

As at 31 December 2018, accumulated allowance for slow-moving inventories was approximately HK\$13,088,000 (2017: HK\$15,834,000).

(g) Product warranty provisions

Product warranty provisions of the Group is recognised based on past experience of level of repairs and returns, discounted to their present value as appropriate. Movement of the product warranty provisions during the year is set out in note 34 to the consolidated financial statements.

The carrying amount of product warranty provisions as at 31 December 2018 was approximately HK\$2,498,000 (2017: HK\$3,336,000).

5. 關鍵判斷及主要估計(續)

估計不明朗因素之主要來源(續)

(e) 應收貿易賬款以及向僱員及其他人士貸款之減值(續)

於二零一八年十二月三十一日，應收貿易賬款之賬面值為155,761,000港元(扣除應收貿易賬款撥備444,000港元)。

於二零一八年十二月三十一日，向僱員及其他人士貸款之賬面值為75,428,000港元(扣除向僱員及其他人士貸款撥備5,929,000港元)。

(f) 滯銷存貨撥備

滯銷存貨撥備乃以存貨貨齡及估計可變現淨值為基準計算。評估撥備金額涉及判斷及估計。倘日後之實際結果有別於原來估計，該等差額將影響上述估計出現變動期間存貨賬面值及撥備開支/撥回。

於二零一八年十二月三十一日，滯銷存貨累計撥備約為13,088,000港元(二零一七年：15,834,000港元)。

(g) 產品保用撥備

本集團產品保用撥備按過往修理及退貨的經驗確認入賬，並折現至其現值(如適用)。年內的產品保用撥備之變動載於綜合財務報表附註34。

於二零一八年十二月三十一日，產品保用撥備之賬面值約為2,498,000港元(二零一七年：3,336,000港元)。

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6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The following table indicates the instantaneous change in the Group's loss for the year and equity that would have been arisen if foreign exchange rates to which the Group has significant exposure at the end of reporting period had changed at that day, assuming all other risk variables remained constant.

Foreign currency/ functional currency		2018		2017	
		二零一八年		二零一七年	
外幣兌功能貨幣		Foreign currency appreciate/ (depreciate) by	HK\$'000	Foreign currency appreciate/ (depreciate) by	HK\$'000
		外幣升值/ (貶值)	千港元	外幣升值/ (貶值)	千港元
Renminbi ("RMB")/ HKD	人民幣(「人民幣」)兌 港元	5% (5%)	(5,419) 5,419	5% (5%)	(5,461) 5,461

6. 財務風險管理

本集團業務活動承受各種財務風險：外幣風險、價格風險、信貸風險、流動資金風險及利率風險。本集團的總體風險管理項目專注於金融市場的不可預測性及致力降低對本集團財務表現的潛在不利影響。

(a) 外幣風險

本集團需承受若干外幣風險，原因是大部分業務交易、資產及負債主要以本集團實體之功能貨幣列值。本集團現時並無制定有關其他外幣交易、資產及負債的外幣對沖政策。本集團密切監察其外幣風險，需要時會考慮對沖重大的外幣風險。

假設所有其他風險變數維持不變，本集團於報告期末所承擔主要風險的匯率於報告期末如有變動，本集團年度虧損及權益可能出現的即時變化如下表所示：

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6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Price risk

The Group is exposed to equity price risk mainly through its investments in equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on equity securities quoted on the Stock Exchange.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 10% higher/lower (2017: 10% higher/lower), other comprehensive income for the year ended 31 December 2018 would increase/decrease by HK\$2,719,000 (2017: increase/decrease by HK\$1,196,000) as a result of the changes in fair value of equity investments at FVTOCI (2017: available-for-sale investments).

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

6. 財務風險管理(續)

(b) 價格風險

本集團主要因其股本證券投資而承受股本價格風險。管理層透過維持具有不同風險及回報屬性的投資組合管理該風險。本集團之股本價格風險主要集中於在聯交所報價之股本證券。

以下敏感度分析乃根據於報告期末之股本價格風險進行。

倘股本價格上升/下跌10%(二零一七年:上升/下跌10%),由於按公平值計入其他全面收益的股權投資(二零一七年:可供出售投資)的公平值變動,截至二零一八年十二月三十一日止年度之其他全面收益將會增加/減少2,719,000港元(二零一七年:增加/減少1,196,000港元)。

(c) 信貸風險

信貸風險乃因交易對手無法履行金融工具或客戶合約項下債務而引致金融虧損的風險。本集團因其經營活動(主要是應收貿易賬款)及因其融資活動(包括銀行及其他金融機構之存款、外匯交易及其他金融工具)而承受信貸風險。

由於交易對手為國際信貸評級機構賦予高評級且因而被本集團視為信貸風險低之銀行及金融機構,故本集團承受現金及現金等價物引致之信貸風險有限。

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6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30-120 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

6. 財務風險管理(續)

(c) 信貸風險(續)

應收貿易賬款

各業務單元在本集團既有關於客戶信貸風險管理的政策、程序及監控規限下，管理客戶信貸風險。所有超出若干信貸金額的客戶需要進行個別信貸評估。該等評估集中於客戶過往到期付款的記錄及現時的付款能力，並考慮客戶特有的資料以及客戶營運所在經濟環境的相關資料。應收貿易賬款由發票日期起計30至120天內到期。結餘已逾期三個月以上的債務人須清償所有未償還結餘方可再獲授任何信貸。一般而言，本集團不會要求客戶交出抵押品。

本集團按相等於全期預期信貸虧損的金額計量應收貿易賬款的虧損撥備，有關預期信貸虧損金額使用撥備矩陣計算。由於本集團的過往信貸虧損經驗並無顯示不同客戶分部的虧損模式存在重大差別，故本集團並無進一步區分其不同客戶基礎之間按逾期狀況釐定的虧損撥備。

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6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2018:

		Expected loss rate	Gross carrying amount	Loss allowance
		預期虧損率	賬面總值	虧損撥備
		%	HK\$'000	HK\$'000
		%	千港元	千港元
Current (not past due)	即期(未逾期)	0.07%	113,124	80
1-90 days past due	逾期1至90日	0.78%	40,411	317
91-180 days past due	逾期91至180日	1.50%	313	5
More than 180 days past due	逾期180日以上	1.78%	2,357	42
			156,205	444

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group has certain concentration of credit risk, as the Group's largest three debtors account for 32.4% (2017: 24.7%) of trade receivables as at 31 December 2018.

6. 財務風險管理(續)

(c) 信貸風險(續)

應收貿易賬款(續)

下表載列有關本集團於二零一八年十二月三十一日承擔的信貸風險及應收貿易賬款預期信貸虧損的資料：

預期虧損率基於過去兩年的實際虧損經驗計算。該等比率根據過往數據收集期間的經濟狀況、當前狀況及本集團認為應收款項預計年期的經濟狀況之間所反映的差異進行調整。

本集團承受若干信貸集中風險，原因是本集團三大債務人所佔二零一八年十二月三十一日的應收貿易賬款為32.4%(二零一七年：24.7%)。

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6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Trade receivables (Continued)

Prior to 1 January 2018

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment. At 31 December 2017, trade receivables of HK\$2,827,000 was determined to be impaired. The aging analysis of trade debtors that were not considered to be impaired was as follows:

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	95,802
Up to 3 months	最多三個月	15,799
Over 3 months	超過三個月	5,205
		116,806

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

6. 財務風險管理(續)

(c) 信貸風險(續)

應收貿易賬款(續)

於二零一八年一月一日前

於二零一八年一月一日前，本集團僅在減值有客觀證據時方會確認減值虧損。於二零一七年十二月三十一日，應收貿易賬款2,827,000港元釐定為減值。視為並無減值的應收貿易賬款的賬齡分析如下：

未逾期亦未減值之應收款項與大量近期並無拖欠記錄的客戶有關。

已逾期但未減值的應收款項與本集團多名擁有良好往績記錄的獨立客戶有關。根據過往經驗，管理層認為，由於該等結餘的信貸質素並無重大變動，且結餘仍視為可悉數收回，故此毋須就該等結餘作出減值撥備。

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6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Trade receivables (Continued)

Prior to 1 January 2018 (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At the beginning of year	於年初	2,827	5,197
Effect of adoption of HKFRS 9 (note 3)	採納香港財務報告準則 第9號的影響(附註3)	774	-
At the beginning of year (restated)	於年初(經重列)	3,601	5,197
Impairment losses for the year	年內減值虧損	148	2,827
Bad debts written off	撇銷壞賬	(141)	(5,197)
Reversal	撥回	(3,164)	-
At the end of year	於年末	444	2,827

The following significant changes in the gross carrying amounts of trade receivables contributed to the increase in the loss allowance during 2018:

- origination of new trade receivables net of those settled resulted in an increase in loss allowance of HK\$148,000;
- increase in days past due over 90 days resulted in an increase in loss allowance of HK\$148,000; and
- a write-off of trade receivables with a gross carrying amount of HK\$141,000 resulted in a decrease in loss allowance of HK\$141,000.

6. 財務風險管理(續)

(c) 信貸風險(續)

應收貿易賬款(續)

於二零一八年一月一日前(續)

年內，就應收貿易賬款減值撥備賬之變動如下：

於二零一八年，以下應收貿易賬款的賬面總值的重大變動引致虧損撥備增加：

- 產生新應收貿易賬款(經扣除引致虧損撥備增加148,000港元的已結付應收貿易賬款)；
- 逾期90日以上的天數增加引致虧損撥備增加148,000港元；及
- 撇銷賬面總值141,000港元的應收貿易賬款引致虧損撥備減少141,000港元。

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6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Financial assets measured at amortised cost

All financial assets measured at amortised cost other than loans to certain other parties are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. For loan to certain other parties, lifetime expected losses were recognised if credit risk has increased significantly since initial recognition.

The loss allowance for loans to other parties as at 31 December 2017 reconciles to the opening loss allowance on 1 January 2018 and to the closing loss allowance as at 31 December 2018 as follows:

6. 財務風險管理(續)

(c) 信貸風險(續)

按攤銷成本列賬的金融資產

本集團按攤銷成本列賬的所有金融資產(向特定其他人士貸款除外)被視為信貸風險低，因此，期內已確認的虧損撥備限制為十二個月預期虧損。就向特定其他人士貸款而言，倘信貸風險因初始確認以來大幅增加，本集團方會確認全期預期虧損。

於二零一七年十二月三十一日向其他人士貸款的虧損撥備與二零一八年一月一日年初虧損撥備及二零一八年十二月三十一日年末虧損撥備之間的對賬如下：

		Loans to other parties 向其他人士貸款 HK\$'000 千港元
At 31 December 2017 under HKAS 39	於二零一七年十二月三十一日 根據香港會計準則第39號	-
Impact on initial application of HKFRS 9 (note 3)	首次應用香港財務報告準則第9號 的影響(附註3)	947
Adjusted balance at 1 January 2018	於二零一八年一月一日經調整結餘	947
Impairment losses for the year	年內減值虧損	4,982
At 31 December 2018	於二零一八年十二月三十一日	5,929

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6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Certain cash deposits and equity investments at FVTOCI

The Group has equity investment at FVTOCI and certain cash deposits placed in the margin accounts of brokerage firms. The brokerage firms are subsidiaries of Hong Kong listed companies hence the directors consider the credit-rating is acceptable. The margin account enables the brokerage firm to re-pledge the Group's securities collateral (if any) in the margin account and use it as collateral to secure borrowings for the brokerage firm's use. If the brokerage firm becomes insolvent, the banks may liquidate the securities collateral re-pledged to it by the brokerage firm in order to discharge the brokerage firm's indebtedness. As a result, the Group may not be able to recover all the securities in the margin account. This is commonly known as "pooling risk" associated with the margin account. As at the end of reporting period, the Group is not exposed to any pooling risk as the Group's investment securities and cash deposits held by the brokerage firms have not been re-pledged.

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

6. 財務風險管理(續)

(c) 信貸風險(續)

若干現金存款及按公平值計入其他全面收益的股權投資

本集團於經紀行保證金賬戶存置按公平值計入其他全面收益的股權投資及若干現金存款。該經紀行為香港上市公司之附屬公司，因此董事認為其信貸評級屬可接受。保證金賬戶讓經紀行再抵押保證金賬戶內本集團之證券抵押品(如有)及以之作抵押品以抵押借貸，供經紀行使用。倘經紀行無力償債，銀行可套現經紀行向其再抵押之證券抵押品，以結付經紀行之債務。因此，本集團可能無法收回存於保證金賬戶之所有證券。此與保證金賬戶有關，常稱「匯集風險」。於報告期末，本集團並無面臨任何匯集風險，原因在於經紀行所持本集團投資證券及現金存款並無再抵押。

(d) 流動資金風險

本集團的政策為定期監察現時及預期的流動資金需要，以確保本集團維持足夠現金儲備以應付短期及較長期的流動資金需要。

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6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

The maturity analysis based on contractual undiscounted cash flows of the Group's financial liabilities is as follows:

		Less than 1 year and on demand 1年以下 及於提出 要求時 HK\$'000 千港元	Between 1 and 2 years 介乎 1至2年 HK\$'000 千港元	Between 2 and 5 years 介乎 2至5年 HK\$'000 千港元	Over 5 years 超過5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2018	於二零一八年 十二月三十一日					
Trade payables	應付貿易賬款	76,474	-	-	-	76,474
Accruals and other payables	預提費用及其他 應付款項	170,119	-	-	-	170,119
Borrowings	借貸	43,157	-	-	-	43,157
License rights payable	特許權應付款	4,108	-	-	-	4,108
At 31 December 2017	於二零一七年 十二月三十一日					
Trade payables	應付貿易賬款	74,829	-	-	-	74,829
Accruals and other payables	預提費用及其他 應付款項	169,169	-	-	-	169,169
Amount due to a non- controlling shareholder of a subsidiary	應付一間附屬公司之 一名非控股股東款項	535	-	-	-	535
Borrowings	借貸	44,257	-	-	-	44,257
License rights payable	特許權應付款	6,469	-	-	-	6,469

(e) Interest rate risk

The Group's loans to other parties and borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its bank deposits. These deposits bear interests at variable rates varied with the then prevailing market condition.

6. 財務風險管理(續)

(d) 流動資金風險(續)

本集團金融負債的合約非貼現現金流到期日分析如下：

(e) 利率風險

本集團向其他人士貸款及借貸按固定利率計息，因此面臨公平值利率風險。

本集團需承受其銀行存款的利率風險。該等存款按浮動利率計息，利率按當時市況而定。

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6. FINANCIAL RISK MANAGEMENT (Continued)

(e) Interest rate risk (Continued)

At 31 December 2018, it is estimated that a general increase/(decrease) of 100 basis points in interest rates, with all other variables held constant, would have decreased/(increased) the Group's loss for the year and accumulated losses as follows:

Increase/(decrease) in interest rates	利率上升/(下降)	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
100 basis points	100 基點	509	1,397
(100) basis points	(100) 基點	(509)	(1,397)

The sensitivity analysis above indicates the impact on the Group's loss for the year and equity that would have arisen assuming that there is an annualised impact on interest income and expense by a change in interest rates. The analysis has been performed on the same basis throughout the year.

(f) Categories of financial instruments at 31 December

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets:	金融資產：		
Financial assets measured at amortised cost	按攤銷成本列賬的金融資產	619,107	-
Financial assets measured at FVTOCI	按公平值計入其他全面收益的金融資產		
Equity investments	股權投資	27,187	-
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	-	703,783
Available-for-sale financial assets	可供出售金融資產	-	11,958
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本列賬的金融負債	290,968	286,382

6. 財務風險管理(續)

(e) 利率風險(續)

於二零一八年十二月三十一日，在所有其他變數維持不變的情況下，估計利率整體上升/(下降)100個基點，本集團的年度虧損及累計虧損的減少/(增加)如下：

上文敏感度分析列示假設利率變動影響年度化利息收入及開支，從而對本集團年度虧損及權益構成的影響。分析乃按全年之同一基準進行。

(f) 於十二月三十一日的金融工具類別

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6. FINANCIAL RISK MANAGEMENT (Continued)

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

6. 財務風險管理(續)

(g) 公平值

本集團於綜合財務狀況表所載金融資產及金融負債的賬面值與其各自的公平值相若。

7. 公平值計量

公平值為市場參與者之間於計量日在有序交易中出售資產所得或轉讓負債所支付之價格。本集團採用以下公平值等級架構披露公平值計量，其將用於計量公平值的估值技術的輸入資料分為三層等級：

第1層輸入資料：本集團於計量日可取得之相同資產或負債之活躍市場報價(未經調整)。

第2層輸入資料：第1層所包括之報價以外，就資產或負債可直接或間接觀察得出之輸入資料。

第3層輸入資料：資產或負債不可觀察之輸入資料。

本集團的政策為在導致轉撥的事宜或情況變動的日期確認三層等級各層的轉入及轉出。

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7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy at 31 December:

7. 公平值計量(續)

(a) 於十二月三十一日公平值等級架構的披露：

2018 二零一八年	Fair value measurements using: 公平值計量所用的等級：			Total 總計
	Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Recurring fair value measurements:	重複性公平值計量：			
Investment properties	投資物業			
Commercial units	商業單位			
— Hong Kong (note 19)	— 香港(附註19)			
	-	30,000	-	30,000
Financial assets	金融資產			
Equity investments at FVTOCI (note 24)	按公平值計入其他全面收益的股權投資(附註24)			
— Equity securities listed in Hong Kong	— 於香港上市之股本證券			
	27,187	-	-	27,187
	27,187	30,000	-	57,187

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7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy at 31 December:
(Continued)

7. 公平值計量(續)

(a) 於十二月三十一日公平值等級架構
的披露：(續)

2017 二零一七年	Fair value measurements using: 公平值計量所用的等級：			Total 總計
	Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Recurring fair value measurements:	重複性公平值計量：			
Property, plant and equipment and investment properties	物業、廠房及設備以及投資物業			
Commercial units — Hong Kong (note 18 & 19)	商業單位 — 香港 (附註18及19)			
	-	59,000	-	59,000
Financial assets Available-for-sale financial assets (note 24)	金融資產可供出售金融資產(附註24)			
— Equity securities listed in Hong Kong	— 於香港上市之股本證券			
	11,958	-	-	11,958
	11,958	59,000	-	70,958

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7. FAIR VALUE MEASUREMENTS (Continued)

- (b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 2 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 2 fair value measurements

Valuation technique 估值技巧		Inputs 輸入資料	Fair value 公平值	
			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
			Assets 資產	Assets 資產
Commercial units located in Hong Kong 位於香港的商業單位	Market comparable approach 市場可資比較方法	Market prices 市場價格	30,000	59,000

During the two years, there were no changes in valuation techniques used.

7. 公平值計量(續)

- (b) 披露本集團於二零一八年十二月三十一日所採用的估值程序、估值技巧及公平值計量所採用的輸入資料：

本集團的財務主管負責就財務報告進行所需的資產及負債的公平值計量(包括第3層公平值計量)。財務主管就該等公平值計量直接向董事會匯報。財務主管與董事會每年至少兩次討論有關估值程序及結果。

就第2層公平值計量而言，本集團通常將聘用具備獲認可專業資格且有近期估值經驗的外聘估值專家進行估值。

第2層公平值計量

於兩個年度內，所使用的估值技巧並無發生變化。

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8. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

8. 收入

收入分拆

本年度按主要產品或服務條目劃分的客戶合約收入分拆如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
— Sales of goods	720,313	655,015
— Provision of catering service	14,871	6,617
	735,184	661,632
Revenue from other sources		
Factoring interest income	-	484
Internet financial services income	-	92
	735,184	662,208

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

8. REVENUE (Continued)

The Group derives revenue from the transfer of goods and services and at a point in time in the following major product lines and geographical regions:

8. 收入(續)

本集團從下列主要產品線及地理區域按某一時間點轉讓貨品及服務產生收益：

	Electronic manufacturing services		Marketing and distribution of communications products		Securities and other assets investment		Total		
	2018	2017	2018	2017	2018	2017	2018	2017	
	二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Primary geographical markets 主要地區市場									
– The People's Republic of China (the "PRC") (including Hong Kong)	– 中華人民共和國 (「中國」) (包括香港)	105,177	83,024	-	-	68,573	14,511	173,750	97,535
– The United States of America (the "U.S.A.")	– 美利堅合眾國 (「美國」)	118,123	126,452	36,775	64,092	-	-	154,898	190,544
– Switzerland	– 瑞士	196,631	133,096	-	-	-	-	196,631	133,096
– France	– 法國	44,327	39,173	-	-	-	-	44,327	39,173
– Poland	– 波蘭	4,619	7,431	-	-	-	-	4,619	7,431
– United Kingdom	– 英國	25,740	26,684	-	-	-	-	25,740	26,684
– Others	– 其他	153,270	195,443	6,954	7,025	-	-	160,224	202,468
Segment revenue	分部收入	647,887	611,303	43,729	71,117	68,573	14,511	760,189	696,931
Intersegment revenue	分部間收入								
– The U.S.A.	– 美國	(25,005)	(34,723)	-	-	-	-	(25,005)	(34,723)
Revenue from external customers	來自外來客戶收入	622,882	576,580	43,729	71,117	68,573	14,511	735,184	662,208
Timing of revenue recognition 收入確認之時點									
Products transferred at a point in time	產品於某一時間點轉移	622,882	576,580	43,729	71,117	68,573	14,511	735,184	662,208
Products and services transferred over time	隨時間轉移的產品及服務	-	-	-	-	-	-	-	-
Total	總計	622,882	576,580	43,729	71,117	68,573	14,511	735,184	662,208

The Group has initially applied HKFRS 15 using the cumulative effect transition method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 and HKAS 11.

本集團已採用累計效應過渡法首次應用香港財務報告準則第15號。根據此方法，並無重列比較資料，而根據香港會計準則第18號及香港會計準則第11號編製。

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9. SEGMENT INFORMATION

The Group has three operating segments as follows:

EMS	—	Electronic manufacturing services
Distribution of Communications Products	—	Marketing and distribution of communications products
Securities and Other Assets Investment	—	Securities and other assets investment

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include interest income on loans to other parties, gain on disposal of a subsidiary, interest on loans from independent third party/parties and unallocated expenses. Segment assets do not include unallocated bank and cash balances, unallocated prepayments, deposits, other receivables and other assets, loans to other parties and deferred tax assets. Segment liabilities do not include borrowings, unallocated accruals and other payables and deferred tax liabilities. Segment non-current assets do not include deferred tax assets.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

9. 分部資料

本集團三個營運分部如下：

電子製造服務	—	電子製造服務
分銷通訊產品	—	營銷及分銷通訊產品
證券及其他	—	證券及其他資產投資

本集團的報告分部為提供不同產品及服務的策略性業務單位。各分部獨立管理，原因是各業務需要不同的技術及營銷策略。

經營分部的會計政策與綜合財務報表附註4所述者相同。分部損益並不包括向其他人士貸款之利息收入、出售一間附屬公司之收益、來自獨立第三方之貸款利息以及未分配開支。分部資產並不包括未分配銀行及現金結餘、未分配預付款項、按金、其他應收款項及其他資產、向其他人士貸款以及遞延稅項資產。分部負債並不包括借貸、未分配預提費用及其他應付款項及遞延稅項負債。分部非流動資產並不包括遞延稅項資產。

本集團按當前市價把分部間銷售及轉讓入賬，猶如對第三方銷售或轉讓。

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9. SEGMENT INFORMATION (Continued)

(a) Information about reportable segment profit or loss, assets and liabilities:

9. 分部資料(續)

(a) 有關報告分部溢利或虧損、資產及負債的資料：

		Distribution of			Securities and Other Assets Investment	Total
		EMS 電子製造 服務 HK\$'000 千港元	Products 分銷通訊 產品 HK\$'000 千港元			
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度					
Revenue from external customers	來自外來客戶收入	622,882	43,729	68,573	735,184	
Intersegment revenue	分部間收入	25,005	-	-	25,005	
Segment profit/(loss)	分部溢利/(虧損)	36,330	1,281	(54,440)	(16,829)	
Interest revenue	利息收入	404	2	33	439	
Interest expense	利息開支	(60)	(286)	(1,873)	(2,219)	
Depreciation	折舊	(15,278)	(5)	(2,205)	(17,488)	
Other material non-cash items:	其他重大非現金項目：					
Net gain on disposal of subsidiaries	出售附屬公司之 收益淨額	1,947	-	-	1,947	
Waive of license rights payable (note 10)	特許權應付款豁免 (附註10)	-	1,857	-	1,857	
Additions to segment non-current assets	分部非流動資產增添	30,653	-	10,486	41,139	
As at 31 December 2018	於二零一八年 十二月三十一日					
Segment assets	分部資產	375,674	27,703	465,166	868,543	
Segment liabilities	分部負債	229,985	28,612	84,002	342,599	

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9. SEGMENT INFORMATION (Continued)

(a) Information about reportable segment profit or loss, assets and liabilities: (Continued)

9. 分部資料(續)

(a) 有關報告分部溢利或虧損、資產及負債的資料：(續)

		Distribution of		Securities and	Total
		EMS	Communications	Other Assets	
		Products	Investment		
		電子製造	分銷通訊	證券及其他	總計
		服務	產品	資產投資	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended	截至二零一七年				
31 December 2017	十二月三十一日止年度				
Revenue from external customers	來自外來客戶收入	576,580	71,117	14,511	662,208
Intersegment revenue	分部間收入	34,723	-	-	34,723
Segment profit/(loss)	分部溢利/(虧損)	13,792	(1,271)	(95,301)	(82,780)
Interest revenue	利息收入	898	14	29	941
Interest expense	利息開支	-	(633)	(736)	(1,369)
Depreciation	折舊	(14,942)	(47)	(786)	(15,775)
Other material non-cash items:	其他重大非現金項目：				
Fair value gain on investment properties (note 10)	投資物業之公平值收益(附註10)	-	-	2,157	2,157
Gain on bargain purchase from business combination (note 10)	來自業務合併議價收購之收益(附註10)	-	-	2,354	2,354
Impairment loss on available-for-sale financial assets	可供出售金融資產之減值虧損	-	-	(28,145)	(28,145)
Loss on disposal of available-for-sale financial assets	出售可供出售金融資產之虧損	-	-	(20,339)	(20,339)
Impairment loss on receivables for factoring business	客賬融通業務之應收款項減值虧損	-	-	(15)	(15)
(Loss)/gain on disposal of subsidiaries	出售附屬公司之(虧損)/收益	(19,217)	-	4,388	(14,829)
Additions to segment non-current assets	分部非流動資產增添	4,765	-	47,899	52,664
As at 31 December 2017	於二零一七年十二月三十一日				
Segment assets	分部資產	469,422	30,501	365,581	865,504
Segment liabilities	分部負債	240,970	32,630	31,697	305,297

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9. SEGMENT INFORMATION (Continued)

(b) Reconciliations of segment revenue and profit or loss:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入		
Total revenue of reportable segments	報告分部收入總額	760,189	696,931
Elimination of intersegment revenue	分部間收入抵銷	(25,005)	(34,723)
Consolidated revenue	綜合收入	735,184	662,208
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Profit or loss	溢利或虧損		
Total loss of reportable segments	報告分部虧損總額	(16,829)	(82,780)
Intersegment elimination	分部間抵銷	(291)	851
Unallocated amounts:	未分配金額：		
Interest income on loans to other parties	向其他人士貸款之利息收入	8,166	3,630
Gain on disposal of a subsidiary	出售一間附屬公司之收益	700	-
Imputed interest on non-interest bearing loans from a substantial shareholder	來自一名主要股東無息貸款之估算利息	-	(10,288)
Interest on loans from independent third party/parties	來自獨立第三方的貸款利息	(2,433)	(1,392)
Other unallocated head office and corporate expenses	其他未分配總辦事處及公司開支	(33,768)	(31,432)
Consolidated loss before tax	除稅前綜合虧損	(44,455)	(121,411)

9. 分部資料(續)

(b) 分部收入及溢利或虧損的對賬：

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9. SEGMENT INFORMATION (Continued)

(c) Reconciliations of segment assets and liabilities:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Assets	資產		
Total assets of reportable segments	報告分部資產總值	868,543	865,504
Elimination of intersegment assets	分部間資產抵銷	(23,453)	(25,805)
Elimination of unrealised profits	未變現溢利抵銷	(1,613)	(1,321)
Unallocated amounts:	未分配金額：		
Bank and cash balances	銀行及現金結餘	39	3
Prepayments, deposits, other receivables and other assets	預付款項、按金、其他 應收款項及其他資產	12,629	28,545
Loans to other parties	向其他人士貸款	72,779	91,630
Deferred tax assets	遞延稅項資產	1,938	2,032
Consolidated total assets	綜合資產總值	930,862	960,588

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Liabilities	負債		
Total liabilities of reportable segments	報告分部負債總值	342,599	305,297
Elimination of intersegment liabilities	分部間負債抵銷	(23,453)	(25,805)
Unallocated amounts:	未分配金額：		
Accruals and other payables	預提費用及其他應付款項	8,884	2,896
Borrowings	借貸	20,000	20,000
Deferred tax liabilities	遞延稅項負債	-	4,198
Consolidated total liabilities	綜合負債總值	348,030	306,586

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9. SEGMENT INFORMATION (Continued)

(d) Geographical information:

The Group's revenue from external customers by location of operations and information about its non-current assets by location are detailed below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收入		
The PRC (including Hong Kong)	中國(包括香港)	173,750	97,535
The U.S.A.	美國	129,893	155,821
Switzerland	瑞士	196,631	133,096
France	法國	44,327	39,173
Poland	波蘭	4,619	7,431
United Kingdom	英國	25,740	26,684
Others	其他	160,224	202,468
Consolidated total	綜合總額	735,184	662,208

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產		
The PRC (including Hong Kong)	中國(包括香港)	179,556	110,954
The U.S.A.	美國	-	5
Consolidated total	綜合總額	179,556	110,959

9. 分部資料(續)

(d) 地區資料：

本集團來自外來客戶按業務所在地劃分的收入以及按所在地劃分之非流動資產相關資料詳述如下：

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9. SEGMENT INFORMATION (Continued)

(e) Revenue from major customers:

An analysis of revenue from major customers which account for 10 percent or more of the Group's revenue is as follows:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
EMS segment	電子製造服務分部		
Customer A	客戶 A	306,677	200,020
Customer B	客戶 B	110,492	102,487

9. 分部資料(續)

(e) 來自主要客戶的收入：

佔本集團收入10%或以上的主要客戶收入分析如下：

10. OTHER INCOME

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Bank interest income	銀行利息收入	170	246
Bank fixed deposit interest income	銀行定期存款利息收入	269	695
Consultancy fee income	顧問費收入	2,473	-
Commission income	佣金收入	-	1,137
Exchange gains	匯兌收益	5,668	1,838
Fair value gain on investment properties (note 19)	投資物業之公平值收益 (附註19)	-	2,157
Interest income on loans to employees and other parties	向僱員及其他人士貸款 利息收入	8,196	3,659
Tooling income	模具收入	-	372
Gain on bargain purchase from business combination (note 39(b))	來自業務合併議價收購之收益 (附註39(b))	-	2,354
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	88	-
Gain on disposal of subsidiaries (2018: note 39(i) & (j), 2017: note 39(c) & (e))	出售附屬公司收益 (二零一八年：附註39(i)及(j)， 二零一七年：附註39(c)及(e))	2,699	4,402
Government subsidy	政府資助	-	93
Sales of scrap materials	銷售廢料	12	286
Reversal of impairment losses on trade receivables	應收貿易賬款減值虧損撥回	3,164	-
Waive of license rights payable	特許權應付款豁免	1,857	-
Others	其他	2,504	2,285
		27,100	19,524

10. 其他收入

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11. FINANCE COSTS

11. 融資成本

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Imputed interest on non-interest bearing loans from a substantial shareholder	來自一名主要股東免息貸款之估算利息	-	10,288
Interest on loans from independent third party/parties	來自獨立第三方之貸款利息	2,433	1,392
Interest on loans from a related company	來自一間關連公司之貸款利息	1,873	736
Other interest expenses	其他利息開支	346	633
		4,652	13,049

12. INCOME TAX EXPENSE

12. 所得稅開支

Income tax has been recognised in profit or loss as follows:

所得稅已於損益確認如下：

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Current tax — Hong Kong Profits Tax Provision for the year	即期稅項 — 香港利得稅年度撥備	3,330	5,302
Current tax — Overseas Provision for the year	即期稅項 — 海外年度撥備	6,114	804
Under-provision in prior years	過往年度撥備不足	-	93
		6,114	897
Deferred tax (note 35)	遞延稅項(附註35)	(4,599)	3,699
		4,845	9,898

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12. INCOME TAX EXPENSE (Continued)

Hong Kong Profits Tax has been provided at a rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year ended 31 December 2018.

On 21 March 2018, the Inland Revenue (Amendment) (No. 7) Bill 2017, which introduces a two-tiered profits tax regime, was substantially enacted. Under the two-tiered profits tax regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year assessment 2018/2019. Assessable profits above HK\$2 million will continue to be subject to the tax rate of 16.5%.

PRC Enterprises Income Tax has been provided at a rate of 25% (2017: 25%).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

12. 所得稅開支(續)

截至二零一八年十二月三十一日止年度，本集團根據估計應課稅溢利，按16.5%(二零一七年：16.5%)的稅率計提香港利得稅撥備。

於二零一八年三月二十一日，引入兩級制利得稅的《2017年稅務(修訂)(第7號)條例草案》已實質頒佈。根據兩級制利得稅制度，合資格企業的首2,000,000港元應課稅溢利將按8.25%的稅率徵稅，自二零一八/二零一九評稅年度起生效。超過2,000,000港元的應課稅溢利將繼續按16.5%的稅率徵稅。

中國企業按25%的稅率計提所得稅撥備(二零一七年：25%)

其他地方應課稅溢利的稅項費用乃按本集團經營所在國家當前稅率，根據當地現行法例、詮釋及慣例計算。

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12. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

12. 所得稅開支(續)

所得稅開支與除稅前虧損乘以香港利得稅稅率所計算出之數額的積對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(44,455)	(121,411)
Tax at the Hong Kong Profits Tax rate of 16.5% (2017: 16.5%)	按香港利得稅稅率 16.5% (二零一七年：16.5%) 計算之稅項	(6,726)	(20,033)
Tax effect of income that is not taxable	毋須課稅收入的稅務影響	(9,403)	(2,410)
Tax effect of expenses that are not deductible	不可扣減費用的稅務影響	8,341	21,359
Tax effect of temporary differences not recognised	未確認暫時差異的稅務影響	29	421
Tax effect of tax concession	優惠稅率的稅務影響	(2,501)	(4,101)
Under-provision in prior years	過往年度撥備不足	-	93
Tax effect of utilisation of tax losses not previously recognised	動用過往未確認稅務虧損的稅務影響	(528)	(545)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	12,854	19,096
Effect of different tax rates of subsidiaries	附屬公司稅率差異的影響	3,208	(3,973)
Others	其他	(429)	(9)
Income tax expense	所得稅開支	4,845	9,898

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13. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the followings:

13. 年度虧損

本集團年度虧損在扣除/(計入)以下各項後載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Auditor's remuneration	核數師酬金		
— audit services	— 審核服務	1,600	1,408
— other services	— 其他服務	210	216
		1,810	1,624
Business entertainment	業務招待	5,339	15,692
Cost of goods sold (Note (i))	售貨成本(附註(i))		
Cost of inventories sold	已售存貨成本	555,386	509,748
Allowance on inventories	存貨撥備	10,409	6,728
Reversal of allowance on inventories (Note (ii))	存貨撥備撥回(附註(ii))	(12,828)	(18,997)
		552,967	497,479
Depreciation	折舊	17,488	15,775
Legal and professional fees	法律及專業費用	12,584	8,896
Other income:	其他收入：		
Fair value gain on investment properties (note 19)	投資物業公平值收益(附註19)	-	(2,157)
Gain on disposal of subsidiaries (2018: note 39(i) & (j), 2017: note 39(c) & (e))	出售附屬公司之收益(二零一八年：附註39(i)及(j)，二零一七年：附註39(c)及(e))	(2,699)	(4,402)
Gain on bargain purchase from business combination (note 39(b))	來自業務合併議價收購之收益(附註39(b))	-	(2,354)
Reversal of impairment losses on trade receivables	應收貿易賬款減值虧損撥回	(3,164)	-
Other operating expenses:	其他經營費用：		
Loss on disposal of subsidiaries (2018: note 39(k), 2017: note 39(d), (f), (g), (h))	出售附屬公司虧損(二零一八年：附註39(k)、二零一七年：附註39(d)、(f)、(g)、(h))	52	19,231
Loss on disposal of available-for-sale financial assets	出售可供出售金融資產之虧損	-	20,339
Impairment loss on available-for-sale financial assets	可供出售金融資產之減值虧損	-	28,145
Impairment losses for loans to other parties, net	向其他人士貸款之減值虧損淨額	4,982	-
Impairment losses for trade receivables, net	應收貿易賬款減值虧損淨額	148	2,827
Research and development expenditure (Note (iii))	研究及開發支出(附註(iii))	19,863	24,228
Operating lease charges	經營租賃費用		
Land and building	土地及樓宇	43,841	22,205

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13. LOSS FOR THE YEAR (Continued)

Notes:

- (i) During the year ended 31 December 2018, cost of goods sold includes approximately HK\$122,670,000 (2017: HK\$108,060,000) relating to employee benefits expense and depreciation, amounts of which are also included in the respective total amounts disclosed separately above and note 14 for each of these types of expenses.
- (ii) The Group makes allowance on inventories under respective aged criteria in different segments. The reversal of such allowance represents the amount of inventories subsequently used in production or sold.
- (iii) During the year ended 31 December 2018, research and development expenditure includes approximately HK\$19,761,000 (2017: HK\$23,293,000) relating to employee benefits expense, amounts of which are set out in note 14 to the consolidated financial statements.

14. EMPLOYEE BENEFITS EXPENSE

13. 年度虧損(續)

附註：

- (i) 截至二零一八年十二月三十一日止年度，售貨成本包括有關僱員福利開支及折舊約122,670,000港元(二零一七年：108,060,000港元)，該等金額亦計入上文及附註14個別披露各類開支的總額中。
- (ii) 本集團對貨齡逾各自類別的賬齡準則的存貨作出撥備。撥備撥回指其後用於生產或出售的存貨金額。
- (iii) 截至二零一八年十二月三十一日止年度，研究及開發支出包括有關僱員福利開支約19,761,000港元(二零一七年：23,293,000港元)，該等金額載於綜合財務報表附註14。

14. 僱員福利開支

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Employee benefits expense	僱員福利開支		
(including directors' emoluments):	(包括董事酬金)：		
Salaries, bonuses and allowances	薪金、花紅及津貼	242,436	209,012
Retirement benefit scheme contributions	退休福利計劃供款	13,667	12,727
		256,103	221,739

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14. EMPLOYEE BENEFITS EXPENSE (Continued)

Five highest paid individuals:

The five highest paid individuals in the Group during the year included none (2017: none) directors whose emoluments are reflected in the analysis presented in note 15(a). The emoluments of the remaining five (2017: five) individuals are set out below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, bonuses and allowances	薪金、花紅及津貼	32,541	24,618
Retirement benefit scheme contributions	退休福利計劃供款	338	247
		32,879	24,865

The emoluments fell within the following band:

酬金屬於下列範圍：

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	-	2
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	-	1
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	2	-
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	1	1
HK\$5,500,001 to HK\$6,000,000	5,500,001港元至6,000,000港元	1	-
HK\$8,000,001 to HK\$8,500,000	8,000,001港元至8,500,000港元	-	1
HK\$12,500,001 to HK\$13,000,000	12,500,001港元至13,000,000港元	1	-
		5	5

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15. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director is set out below:

15. 董事福利及權益

(a) 董事薪酬

各董事薪酬載列如下：

		Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就作為董事(無論於本公司或其附屬公司任職)的個人服務已付或應收的薪酬							Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking 就董事有關管理本公司或其附屬公司的其他服務已付或應收的薪酬		Total
		Remunerations					Housing allowance				
		Fees	Salaries	Discretionary bonus	Estimated money value of other benefits	Employer's contribution to a retirement benefit scheme	paid or receivable in respect of office as director				
					(Note i)						
					其他福利的估計貨幣價值	僱員退休福利計劃供款	就接受董事職位已付及應收的薪酬	住房津貼	應收的薪酬	總計	
		費用	薪金	酌情花紅	價值	供款	應收的薪酬	住房津貼	應收的薪酬	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Name of director	董事姓名										
<i>Executive directors</i> 執行董事											
Mr. Gong Shaoxiang (Chairman)	龔少祥先生 (主席)	-	1,000	-	-	-	-	-	-	1,000	
Mr. Lee Chi Hwa	李智華先生	-	1,800	400	-	-	-	-	-	2,200	
Mr. Duan Chuanhong	段川紅先生	-	1,000	1,000	-	-	-	-	-	2,000	
Mr. Shi Xinbiao	史新標先生	-	1,000	-	-	-	-	-	-	1,000	
	(ii)										
<i>Non-executive director</i> 非執行董事											
Mr. Cao Yuyun	曹雨云先生	2,000	-	-	-	-	-	-	-	2,000	
<i>Independent Non-executive directors</i> 獨立非執行董事											
Mr. Bao Jinqiao	鮑金橋先生	480	-	-	-	-	-	-	-	480	
Mr. Wong Chun Hung	黃鎮雄先生	240	-	-	-	-	-	-	-	240	
Mr. Leung Pok Man	梁博文先生	240	-	-	-	-	-	-	-	240	
Total for 2018	二零一八年總計	2,960	4,800	1,400	-	-	-	-	-	9,160	

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15. BENEFITS AND INTERESTS OF DIRECTORS (Continued) 15. 董事福利及權益(續)

(a) Directors' emoluments (Continued)

The remuneration of every director is set out below:

(a) 董事薪酬(續)

各董事薪酬載列如下：

		Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就作為董事(無論於本公司或其附屬公司任職)的個人服務已付或應收的薪酬							Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or its subsidiary undertaking 就董事有關 管理本公司 或其附屬 公司的其他 服務已付或 應收的薪酬		Total
		Remunerations paid or receivable in respect of office as director							Housing allowance		
		Fees	Salaries	Discretionary bonus	Estimated money value of other benefits	(Note i) Employer's contribution to a retirement benefit scheme	Employer's paid or receivable in respect of office as director	Housing allowance			Total
					(附註 i) 其他福利的 估計貨幣 價值	僱員退休 福利計劃 供款	就接受董事 職位已付及 應收的薪酬	住房津貼			總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Name of director	董事姓名										
<i>Executive directors</i>		<i>執行董事</i>									
Mr. Gong Shaoxiang	龔少祥先生										
(Chairman)	(主席)	-	1,000	167	-	-	-	-	-	-	1,167
Mr. Lee Chi Hwa	李智華先生	-	1,800	200	-	-	-	-	-	-	2,000
Mr. Duan Chuanhong	段川紅先生	-	583	-	-	-	-	-	-	-	583
Mr. Shi Xinbiao	史新標先生	(ii)	210	-	-	-	-	-	-	-	210
<i>Non-executive director</i>		<i>非執行董事</i>									
Mr. Cao Yuyun	曹雨云先生	2,000	-	-	-	-	-	-	-	-	2,000
<i>Independent</i>		<i>獨立非執行董事</i>									
<i>Non-executive directors</i>		<i>非執行董事</i>									
Mr. Bao Jinqiao	鮑金桥先生	480	-	80	-	-	-	-	-	-	560
Mr. Wong Chun Hung	黃鎮雄先生	240	-	40	-	-	-	-	-	-	280
Mr. Leung Pok Man	梁博文先生	240	-	40	-	-	-	-	-	-	280
Mr. Chan Kin Sang	陳健生先生	(iii)	70	-	-	-	-	-	-	-	70
Total for 2017	二零一七年總計	3,030	3,593	527	-	-	-	-	-	-	7,150

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15. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

Notes:

- (i) Estimated money value of other benefits include rent paid, share options, insurance premium and club memberships.
- (ii) Appointed on 16 October 2017 and resigned on 31 January 2019.
- (iii) Appointed on 18 October 2016 and resigned on 31 July 2017.

None of the directors waived any emoluments during the year (2017: Nil).

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16. DIVIDENDS

No dividends have been paid or proposed during the year ended 31 December 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

15. 董事福利及權益(續)

(a) 董事薪酬(續)

附註：

- (i) 其他福利的估計貨幣價值包括已付租金、購股權、保險費及會所會員。
- (ii) 於二零一七年十月十六日獲委任及於二零一九年一月三十一日辭任。
- (iii) 於二零一六年十月十八日獲委任及於二零一七年七月三十一日辭任。

年內，概無董事放棄任何酬金(二零一七年：無)。

(b) 董事於交易、安排或合約的重大權益

概無於本年度結束時或年內任何時間生效且本公司為其中訂約方及本公司董事及董事之關連方直接或間接擁有重大權益的有關本集團業務的其他重大交易、安排及合約。

16. 股息

截至二零一八年十二月三十一日止年度概無已派發或擬派發股息，且自報告期末以來亦無擬派發任何股息(二零一七年：無)。

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17. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

17. 每股虧損

每股基本及攤薄虧損按下列方式計算：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss		
虧損		
Loss attributable to owners of the Company, used in the basic loss per share calculation	(57,984)	(128,428)
用於計算每股基本虧損之本公司擁有人應佔虧損		

(a) Basic loss per share

(a) 每股基本虧損

Number of shares — Basic

股數 — 基本

	2018 二零一八年	2017 二零一七年
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	5,945,311,400	5,120,763,455
用於計算每股基本虧損之加權平均普通股股數		

(b) Diluted loss per share

No diluted loss per share was presented as the Company did not have any diluted potential ordinary shares for the years ended 31 December 2018 and 2017.

(b) 每股攤薄虧損

由於本公司截至二零一八年及二零一七年十二月三十一日止年度並無任何攤薄潛在普通股，故並無呈列每股攤薄虧損。

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Land and	Leasehold	Plant,	Furniture	Motor	Total
		building	improvements	machinery,	and	vehicles	
		土地及樓宇	租賃改善 工程	廠房、機器、 模具及工具	傢俬及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Cost or valuation	成本或估值						
At 1 January 2017	於二零一七年一月一日	26,300	16,969	130,333	9,614	979	184,195
Additions	購置	-	212	4,546	1,249	-	6,007
Elimination of accumulated depreciation	累計折舊抵銷	(1,052)	-	-	-	-	(1,052)
Gain on property revaluation	物業重估收益	3,752	-	-	-	-	3,752
Acquisition of subsidiaries (note 39 (a) & (b))	收購附屬公司 (附註39(a)及(b))	-	1,078	-	488	339	1,905
Disposal of subsidiaries (note 39 (c)-(g))	出售附屬公司 (附註39(c)-(g))	-	(51)	(1,179)	(1,018)	-	(2,248)
Disposals	出售	-	-	(890)	(14)	-	(904)
Exchange differences	匯兌差額	-	1,150	5,085	288	26	6,549
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	29,000	19,358	137,895	10,607	1,344	198,204
Additions	購置	-	11,369	27,487	2,283	-	41,139
Elimination of accumulated depreciation	累計折舊抵銷	(687)	-	-	-	-	(687)
Gain on property revaluation	物業重估收益	3,687	-	-	-	-	3,687
Disposal of subsidiaries (note 39 (j) & (k))	出售附屬公司 (附註39(j)及(k))	(32,000)	-	-	(117)	-	(32,117)
Disposals	出售	-	-	(2,199)	(569)	-	(2,768)
Written off	撇銷	-	-	(15,623)	(50)	-	(15,673)
Exchange differences	匯兌差額	-	(800)	(4,033)	(243)	(29)	(5,105)
At 31 December 2018	於二零一八年十二月三十一日	-	29,927	143,527	11,911	1,315	186,680

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18. PROPERTY, PLANT AND EQUIPMENT (Continued)

18. 物業、廠房及設備(續)

		Land and building 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃改善工程 HK\$'000 千港元	Plant, machinery, moulds and tools 廠房、機器、 模具及工具 HK\$'000 千港元	Furniture and equipment 傢俬及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Accumulated depreciation 累計折舊							
At 1 January 2017	於二零一七年一月一日	-	6,909	108,315	7,739	332	123,295
Charge for the year	年度費用	1,052	3,973	9,238	1,138	374	15,775
Elimination on revaluation	重估抵銷	(1,052)	-	-	-	-	(1,052)
Disposal of subsidiaries (note 39 (c)-(g))	出售附屬公司 (附註39(c)-(g))	-	(26)	(984)	(646)	-	(1,656)
Disposals	出售	-	-	(752)	(13)	-	(765)
Exchange differences	匯兌差額	-	548	3,931	240	12	4,731
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	-	11,404	119,748	8,458	718	140,328
Charge for the year	年度費用	687	4,481	10,700	1,236	384	17,488
Elimination of accumulated depreciation	累積折舊抵銷	(687)	-	-	-	-	(687)
Disposal of subsidiaries (note 39 (j) & (k))	出售附屬公司 (附註39(j)及(k))	-	-	-	(116)	-	(116)
Disposals	出售	-	-	(2,182)	(270)	-	(2,452)
Written off	撇銷	-	-	(15,623)	(50)	-	(15,673)
Exchange differences	匯兌差額	-	(588)	(3,238)	(269)	(17)	(4,112)
At 31 December 2018	於二零一八年十二月三十一日	-	15,297	109,405	8,989	1,085	134,776
Carrying amount 賬面值							
At 31 December 2018	於二零一八年十二月三十一日	-	14,630	34,122	2,922	230	51,904
At 31 December 2017	於二零一七年十二月三十一日	29,000	7,954	18,147	2,149	626	57,876

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18. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group's land and building is analysed as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
In Hong Kong	香港		
Leasehold	租約	-	29,000

The Group's land and building in Hong Kong were revalued at 31 December 2017 on the open market value basis by reference to market evidence of recent transactions for similar properties by Colliers International (Hong Kong) Limited, an independent firm of chartered surveyors. It was disposed of on 1 August 2018 (note 39(k)).

18. 物業、廠房及設備(續)

本集團的土地及樓宇分析如下：

本集團於香港的土地及樓宇由獨立特許測量師事務所高力國際物業顧問(香港)有限公司參考類似物業的近期交易市場證據按公開市值基準於二零一七年十二月三十一日重估，並於二零一八年八月一日出售(附註39(k))。

19. INVESTMENT PROPERTIES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	30,000	-
Additions	購置	-	27,843
Fair value gain (note 10)	公平值收益(附註10)	-	2,157
At 31 December	於十二月三十一日	30,000	30,000

Investment properties were revalued at 31 December 2018 and 2017 on the open market value basis by reference to market evidence of recent transactions for similar properties by Savills Valuation and Professional Services Limited, an independent firm of chartered surveyors.

For commercial properties and offices, the Group used market comparable approach.

19. 投資物業

投資物業於由獨立特許測量師事務所第一太平戴維斯估值及專業顧問有限公司參考類似物業的近期交易市場證據按公開市值基準於二零一八年及二零一七年十二月三十一日重估。

就商業物業及辦公室而言，本集團採用市場可資比較法。

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20. PREPAID LEASE PAYMENTS

The Group's interests in prepaid land lease payments represent prepaid operating lease payments and their net book value are analysed as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	2,641	3,047
Exchange differences	匯兌差額	(105)	201
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	(624)	(607)
At 31 December	於十二月三十一日	1,912	2,641
Current portion	即期部分	(624)	(607)
Non-current portion	非即期部分	1,288	2,034

20. 預付租賃款項

本集團於預付土地租賃款項的權益指預付經營租賃付款及其賬面淨值，其分析如下：

21. GOODWILL

		Catering Services CGU 餐飲服務現金 產生單位 HK\$'000 千港元
Cost	成本	
At 1 January 2017	於二零一七年一月一日	-
Acquisition of subsidiaries (note 39(a))	收購附屬公司(附註39(a))	18,814
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、二零一八年一月一日及二零一八年十二月三十一日	18,814
Accumulated impairment losses	累計減值虧損	
At acquisition date, 31 December 2017, 1 January 2018 and 31 December 2018	於收購日期、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	-
Carrying amount	賬面值	
At 31 December 2018	於二零一八年十二月三十一日	18,814
At 31 December 2017	於二零一七年十二月三十一日	18,814

21. 商譽

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21. GOODWILL (Continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination.

The Group acquired 100% equity interest of Pride Review Limited and its subsidiaries (collectively referred to the “Pride Review Group”) on 17 July 2017. The goodwill arising from the acquisition is allocated to the Catering Services CGU.

The recoverable amounts of the Catering Services CGU has been determined on the basis of their value in use calculations using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the Catering Services CGU. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the Catering Services CGU operates. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the Group’s Catering Services CGU is 19.08%.

21. 商譽(續)

於一項業務合併下收購的商譽於收購時分配至預期從該業務合併受益的現金產生單位。

本集團於二零一七年七月十七日收購 Pride Review Limited 及其附屬公司(統稱「Pride Review 集團」)的100%股權。收購產生的商譽分配至餐飲服務現金產生單位。

餐飲服務現金產生單位之可收回金額乃使用貼現現金流量法根據其使用價值釐定。於貼現現金流量法中作出之主要假設涉及貼現率、增長率以及期內預算毛利率及收益。本集團採用除稅前利率估計貼現率，該利率反映市場現時對貨幣時間價值之評估及現金產生單位之特有風險。增長率乃以餐飲服務現金產生單位經營業務所在地區之長期平均經濟增長率為基準。預算毛利率及收入乃以過往慣例及對市場發展之預期為基準。

本集團編製之現金流量預測乃按最近由董事批准之未來五年財務預算以及餘下期間採用3%之增長率計算。有關比率並未超逾有關市場之平均長期增長率。

用於貼現來自本集團餐飲服務現金產生單位之預測現金流量之比率為19.08%。

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22. INTANGIBLE ASSETS

22. 無形資產

		License rights (note a) 特許權 (附註a) HK\$' 000 千港元	Customer relationship (note b) 客戶關係 (附註b) HK\$' 000 千港元	Total 總計 HK\$' 000 千港元
Cost	成本			
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日	32,458	13,707	46,165
Accumulated amortisation and impairment losses	累計攤銷及減值虧損			
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	32,458	13,707	46,165
Carrying amount	賬面值			
At 31 December 2018	於二零一八年十二月三十一日	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	-	-	-

Notes:

- (a) License rights represent the right to use the "RCA" trademark in trading of certain manufactured business phones in the U.S.A. and Canada. The license rights expired on 31 December 2018 and the negotiation for extension of the license rights is under progress.
- (b) Customer relationship represents the future economic benefit to the Group arising from regular contact between individual customer and the business entity before business combination. The amortising period of customer relationship was 3-6 years.

附註：

- (a) 特許權指在美國及加拿大買賣若干商務電話成品時使用「RCA」商標的權利。特許權已於二零一八年十二月三十一日屆滿。現正就特許權續期進行磋商。
- (b) 客戶關係指在業務合併前個人客戶及業務實體定期接觸對本集團產生的未來經濟利益。客戶關係的攤銷期為3至6年。

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23. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2018 are as follows:

23. 於附屬公司的投資

於二零一八年十二月三十一日附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立／成立地點	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest/voting power/ profit sharing 應佔擁有權權益／投票權／ 共享溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Captain Ace Limited	British Virgin Islands ("B.V.I.") 英屬處女群島 (「英屬處女群島」)	100 ordinary shares of US\$1 each 100股每股面值 1美元的普通股	100%	-	Inactive 暫無業務
Charm Year International Limited 創年國際有限公司	B.V.I. 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值 1美元的普通股	100%	-	Investment holding 投資控股
China Khan Limited 華將有限公司	B.V.I. 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值 1美元的普通股	100%	-	Investment holding 投資控股
Fortune Cycle Investments Limited	B.V.I. 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值 1美元的普通股	100%	-	Investment holding 投資控股
Grant Global Limited	B.V.I. 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值 1美元的普通股	100%	-	Inactive 暫無業務
Powered Limited 權領有限公司	B.V.I. 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值 1美元的普通股	100%	-	Investment holding 投資控股
Power Trump Investments Limited	Hong Kong 香港	Ordinary shares of HK\$100 100港元的普通股	100%	-	Investment holding 投資控股
Pride Review Limited	B.V.I. 英屬處女群島	1 ordinary share of US\$1 each 1股每股面值 1美元的普通股	100%	-	Investment holding 投資控股

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23. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2018 are as follows: (Continued)

23. 於附屬公司的投資(續)

於二零一八年十二月三十一日附屬公司的詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest/voting power/ profit sharing 應佔擁有權權益/投票權/ 共享溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sheer Victory Limited	B.V.I. 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值 1美元的普通股	100%	-	Investment holding 投資控股
ValueCatch Global Limited	Cayman Islands 開曼群島	1 ordinary share of US\$1 each 1股每股面值 1美元的普通股	100%	-	Inactive 暫無業務
ValueCatch Global Fund One Limited	Cayman Islands 開曼群島	1 ordinary share of US\$1 each 1股每股面值 1美元的普通股	100%	-	Inactive 暫無業務
ValueCatch Global Fund One CIP Limited	Cayman Islands 開曼群島	1 ordinary share of US\$1 each 1股每股面值 1美元的普通股	100%	-	Inactive 暫無業務
Winning Global Holdings Limited	B.V.I. 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值 1美元的普通股	100%	-	Inactive 暫無業務
Ace Wealthy Limited	Hong Kong 香港	Ordinary shares of HK\$2 2港元的普通股	-	100%	Provision of catering service 提供餐飲服務
Chief Hero Limited 志雄有限公司	Hong Kong 香港	Ordinary shares of HK\$100 100港元的普通股	-	100%	Provision of catering service 提供餐飲服務
China Healthcare Partners Limited	Cayman Islands 開曼群島	1 ordinary share of US\$1 each 1股每股面值 1美元的普通股	-	100%	Inactive 暫無業務

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23. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2018 are as follows: (Continued)

23. 於附屬公司的投資(續)

於二零一八年十二月三十一日附屬公司的詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest/voting power/ profit sharing 應佔擁有權權益/投票權/ 共享溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Dayshine Global Investments Limited	B.V.I. 英屬處女群島	1 ordinary share of US\$1 each 1股每股面值 1美元的普通股	-	100%	Inactive 暫無業務
Earn King Corporation Limited 御安有限公司	Hong Kong 香港	Ordinary share of HK\$1 1港元的普通股	-	100%	Inactive 暫無業務
Easy Time Limited 易泰有限公司	Hong Kong 香港	Ordinary shares of HK\$100 100港元的普通股	-	100%	Provision of catering service 提供餐飲服務
Ever Billion Industrial Limited 億恒實業有限公司	Hong Kong 香港	Ordinary share of HK\$1 1港元的普通股	-	100%	Investment holding 投資控股
Excel Champion Limited 卓鴻有限公司	Hong Kong 香港	Ordinary share of HK\$1 1港元的普通股	-	100%	Inactive 暫無業務
Idea Perfect Holdings Limited 意美控股有限公司	Hong Kong 香港	Ordinary share of HK\$1 1港元的普通股	-	100%	Investment holding 投資控股
Keenpro Investments Limited 建保投資有限公司	B.V.I. 英屬處女群島	1 ordinary share of US\$1 each 1股每股面值 1美元的普通股	-	100%	Investment holding 投資控股
Nice Merit Limited 賢好有限公司	Hong Kong 香港	Ordinary share of HK\$1 1港元的普通股	-	100%	Investment holding 投資控股
Sheer Victory Company Limited	Hong Kong 香港	Ordinary share of HK\$1 1港元的普通股	-	100%	Inactive 暫無業務

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23. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2018 are as follows: (Continued)

23. 於附屬公司的投資(續)

於二零一八年十二月三十一日附屬公司的詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest/voting power/ profit sharing 應佔擁有權權益/投票權/ 共享溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sino Achieve Limited 中禧有限公司	Hong Kong 香港	Ordinary shares of HK\$5,000,000 5,000,000 港元的 普通股	-	100%	Investment holding and trading 投資控股及貿易
Space Wisdom Limited 智航有限公司	B.V.I. 英屬處女群島	1 ordinary share of US\$1 each 1 股每股面值 1 美元的普通股	-	100%	Inactive 暫無業務
Telefield Asia Pacific Limited 中慧亞太有限公司	Hong Kong 香港	Ordinary share of HK\$1 1 港元的普通股	-	100%	Inactive 暫無業務
Telefield Holdings Limited	B.V.I. 英屬處女群島	410,000 ordinary shares of US\$1 each 410,000 股每股面值 1 美元的普通股	-	100%	Investment holding 投資控股
Telefield Limited 中慧有限公司	Hong Kong 香港	Ordinary shares of HK\$20,000,000 and non-voting deferred shares of HK\$5,000,000 20,000,000 港元的 普通股及 5,000,000 港元的 無投票權遞延股份	-	100%	Investment holding, electronic manufacturing services for telecommunications, security, car electronics, home appliances, other consumer and industrial electronic products 投資控股、電訊、 保安、汽車電子產品、 家電、其他消費及 工業電子產品的 電子製造服務
Telefield Medical Devices Limited 中慧醫療器材有限公司	Hong Kong 香港	Ordinary shares of HK\$1,000 1,000 港元的普通股	-	100%	Trading of personal care products 個人護理產品貿易

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23. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2018 are as follows: (Continued)

23. 於附屬公司的投資(續)

於二零一八年十二月三十一日附屬公司的詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest/voting power/ profit sharing 應佔擁有權權益/投票權/ 共享溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Telefield NA Inc.	U.S.A. 美國	Share capital of US\$2,000,000 股本 2,000,000 美元	-	100%	Trading of business telephone system 商業電話系統貿易
Telefield Universal Limited 中慧環球有限公司	Hong Kong 香港	Ordinary shares of HK\$15,600,000 15,600,000 港元的 普通股	-	100%	Investment holding and trading of telecommunication products 投資控股及 電訊產品貿易
Well Dragon Electronics Limited 益龍電子有限公司	Hong Kong 香港	Ordinary share of HK\$1 1 港元的普通股	-	100%	Inactive 暫無業務
Wise State Investment Ltd 智邦投資有限公司	Hong Kong 香港	Ordinary share of HK\$1 1 港元的普通股	-	100%	Investment holding 投資控股
廣州中慧電子有限公司 Guangzhou Telefield Limited *	PRC 中國	Registered capital of US\$8,060,000 註冊資本 8,060,000 美元	-	100%	Manufacture of telecommunications and other products 電訊及其他產品的 製造
廣州中穗電子有限公司 Guangzhou Zhong Sui Limited *	PRC 中國	Registered capital of US\$1,500,000 註冊資本 1,500,000 美元	-	100%	Manufacture and sale of consumable electronic products 消費電子產品的 製造及銷售
廣州卓豐塑料製品有限公司 Guangzhou Zhuo Feng Plastics Co., Limited *	PRC 中國	Registered capital of US\$2,000,000 註冊資本 2,000,000 美元	-	100%	Inactive 暫無業務
華氏管理諮詢(深圳)有限公司 Huashi Management Consultancy (Shenzhen) Limited *	PRC 中國	Registered capital of RMB300,000,000 註冊資本人民幣 300,000,000 元	-	100%	Inactive 暫無業務

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23. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2018 are as follows: (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest/voting power/ profit sharing 應佔擁有權權益/投票權/ 共享溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
華氏醫藥控股(深圳)有限公司 Healthcare Holdings (Shenzhen) Co., Ltd *	PRC 中國	Registered capital of RMB500,000,000 註冊資本人民幣500,000,000元	-	100%	Investment holding 投資控股
安徽華源國怡醫療投資管理有限公司(「國怡」) Anhui Huayuan Guoyi Medical Investment Management Limited ("Guoyi") *	PRC 中國	Registered capital of RMB20,000,000 with paid up capital of RMB5,000,000 註冊資本人民幣20,000,000元及繳足股本人民幣5,000,000元	-	51%	Trading and selling of medical equipments 貿易及銷售醫療設備

* English names for identification purpose.

Except for Guoyi, all subsidiaries established in the PRC are wholly foreign-owned enterprises.

As at 31 December 2018, the bank balances of the Group's subsidiaries in the PRC denominated in RMB and deposited with banks in the PRC were amounted to approximately HK\$27,663,000 (2017: HK\$24,120,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

23. 於附屬公司的投資(續)

於二零一八年十二月三十一日附屬公司的詳情如下：(續)

* 英文名供識別用途。

除國怡外，所有在中國成立的附屬公司均為外商獨資企業。

於二零一八年十二月三十一日，本集團的中國附屬公司以人民幣計值及存放於中國的銀行的銀行結餘為約27,663,000港元(二零一七年：24,120,000港元)。人民幣兌換為外幣須受中國外匯管理條例及結匯、售匯及付匯管理規定的規限。

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24. EQUITY INVESTMENTS AT FVTOCI (2017: AVAILABLE-FOR-SALE FINANCIAL ASSETS)

24. 按公平值計入其他全面收益的股權投資(二零一七年：可供出售金融資產)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity securities, at fair value Listed in Hong Kong	股本證券·按公平值 於香港上市	27,187	11,958
		27,187	11,958
Analysed as:	分析如下：		
Current portion	即期部分	5,328	11,958
Non-current portion	非即期部分	21,859	-
		27,187	11,958

The fair values of listed securities are based on current bid prices at the end of the reporting period. All equity investments at FVTOCI (2017: available-for-sale financial assets) are denominated in HKD.

上市證券之公平值乃根據報告期末之現行買入價而定。全部按公平值計入其他全面收益的股權投資(二零一七年：可供出售金融資產)皆以港元計值。

During the year, fair value changes in respect of the Group's equity investments recognised in other comprehensive income amounted to HK\$25,716,000.

年內，有關已於其他全面收益確認的本集團股權投資的公平值變動金額為25,716,000港元。

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25. INVENTORIES

25. 存貨

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Food and beverages	餐飲	469	334
Raw materials	原材料	55,482	40,981
Work in progress	半成品	20,912	16,782
Finished goods	製成品	27,169	19,748
Goods in transit	在運貨品	9,930	7,319
		113,962	85,164

26. TRADE RECEIVABLES

26. 應收貿易賬款

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	應收貿易賬款	156,205	119,633
Allowance for trade receivables	應收貿易賬款撥備	(444)	(2,827)
		155,761	116,806

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

本集團與客戶主要以信貸方式進行買賣。信貸期一般介乎30至120天。每名客戶均有最高信貸限額。新客戶一般須預付款項。本集團致力對尚未收回應收款項維持嚴格監控。董事定期審閱逾期結餘。

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26. TRADE RECEIVABLES (Continued)

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 90 days	0至90天	135,996	104,863
91 to 180 days	91至180天	17,454	10,469
181 to 365 days	181至365天	1,305	816
Over 365 days	365天以上	1,006	658
		155,761	116,806

Reconciliation of allowance for trade receivables:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At the beginning of year	於年初	2,827	5,197
Effect of adoption of HKFRS 9	採納香港財務報告準則 第9號的影響	774	-
At the beginning of year (restated)	於年初(經重列)	3,601	5,197
Impairment losses for the year	年度減值虧損	148	2,827
Bad debts written off	撇銷壞賬	(141)	(5,197)
Reversal	撥回	(3,164)	-
At the end of year	於年末	444	2,827

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default in payments and the receivables are not expected to be recovered.

26. 應收貿易賬款(續)

按發票日期的應收貿易賬款(扣除撥備)賬齡分析如下:

應收貿易賬款的撥備對賬載列如下:

個別減值應收貿易賬款與面臨財務困難或拖欠償還付款之客戶及預期無法收回應收款項有關。

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26. TRADE RECEIVABLES (Continued)

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
United States dollars ("USD")	美元(「美元」)	131,606	110,235
HKD	港元	693	947
RMB	人民幣	23,462	5,624
Total	合計	155,761	116,806

26. 應收貿易賬款(續)

本集團應收貿易賬款之賬面值使用以下貨幣計值：

27. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND OTHER ASSETS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Prepayments	預付款項	4,651	12,347
Prepaid consultancy fee	預付顧問費	7,500	13,500
Prepaid lease payments	預付租賃款項	624	607
Deposits	按金	8,145	4,770
Purchase deposits	購買按金	49,533	16,527
Other assets – consumables	其他資產 – 消耗品	4,171	5,606
Other receivables	其他應收款項	10,415	2,373
		85,039	55,730

27. 預付款項、按金、其他應收款項及其他資產

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28. LOANS TO EMPLOYEES AND OTHER PARTIES

Loans to employees and other parties represent loans advanced to employees and other independent third parties detailed as follows:

28. 向僱員及其他人士貸款

向僱員及其他人士貸款指向僱員及其他獨立第三方墊付的貸款，詳情如下：

Name	Terms of loan		Principal balance at 31 December 2018 於二零一八年十二月三十一日 之本金結餘 HK\$'000 千港元	Accrued interest as at 31 December 2018 於二零一八年十二月三十一日 之應計利息 HK\$'000 千港元	ECL rate 預期 信貸虧損率 %	Allowance 撥備 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Balance at 31 December 2017 於二零一七年十二月三十一日 之結餘 HK\$'000 千港元
Non-current portion 非即期部份								
Independent third party A 獨立第三方A	Unsecured, repayable within two years and bears interest of 12% p.a. 無抵押、須於兩年內償還及按年利率12%計息	(i)	45,000	4,320	11.04%	(4,523)	44,797	-
Current portion 即期部份								
Employees 僱員	Unsecured, repayable within one year or on demand, bearing interest of 9% or interest free 無抵押、須於一年內或按要求償還，按利率9%計息或免息	(ii)	2,649	-	-	-	2,649	2,188
Individual A 個人A	Unsecured, repayable within one year and bears interest of 12% p.a. 無抵押、須於一年內償還及按年利率12%計息	(iii)	27,000	2,388	5.36%	(1,406)	27,982	-
Independent third party B 獨立第三方B	Unsecured, repayable within one year and bears interest of 8% p.a. 無抵押、須於一年內償還及按年利率8%計息		-	-	-	-	-	29,748
Individual B 個人B	Unsecured, repayable within one year and bears interest of 10% p.a. 無抵押、須於一年內償還及按年利率10%計息		-	-	-	-	-	30,945
Individual C 個人C	Unsecured, repayable within one year and bears interest of 10% p.a. 無抵押、須於一年內償還及按年利率10%計息		-	-	-	-	-	30,937
Individual D 個人D	Unsecured, repayable within one year and bears fixed interest of RMB20,000 無抵押、須於一年內償還及收取固定利息人民幣20,000元		-	-	-	-	-	1,175
Current portion 即期部份			29,649	2,388	-	(1,406)	30,631	94,993
Total 總計			74,649	6,708		(5,929)	75,428	94,993

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28. LOANS TO EMPLOYEES AND OTHER PARTIES (Continued)

Notes:

- (i) Lifetime ECL is recognised as credit risk has increased significantly since initial recognition.
- (ii) ECL for employees' loans are considered minimal.
- (iii) 12-month ECL is recognised.

29. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

- (i) Pledged bank deposits represented deposits pledged to bank to secure banking facilities such as corporate credit card and general bank account services.
- (ii) The followings are bank and cash balances details:

28. 向僱員及其他人士貸款(續)

附註：

- (i) 全期預期信貸虧損確認為信貸風險，自初始確認起大幅增加。
- (ii) 僱員貸款的預期信貸虧損被視為輕微。
- (iii) 已確認12個月預期信貸虧損。

29. 已抵押銀行存款及銀行及現金結餘

- (i) 已抵押銀行存款指有關存款已抵押予銀行以獲得銀行融資(如公司信用卡和一般銀行賬戶服務)。
- (ii) 銀行及現金結餘詳情如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash on hand	庫存現金	118	160
Cash in transit	在途現金	45	80
Fixed deposits	定期存款	11,625	120,125
Cash at bank	銀行現金	328,362	359,014
<hr/>			
Cash and cash equivalents in the consolidated statement of cash flows	於綜合現金流量表的 現金及現金等價物	340,150	479,379
Cash in margin accounts of brokerage firms	經紀行保證金賬戶之現金	14,059	-
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		354,209	479,379

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29. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES (Continued)

(iii) The pledged bank deposits and bank and cash balances of the Group are denominated in the following currencies:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
USD	美元	55,574	149,673
HKD	港元	262,365	307,011
RMB	人民幣	28,196	24,452
Euro ("EUR")	歐元(「歐元」)	74	92
Singapore dollars	新加坡元	9,249	-
Others	其他	1	1
		355,459	481,229

As at 31 December 2018, the bank balances of the Group's subsidiaries in the PRC denominated in RMB and deposited with banks in the PRC were amounted to approximately HK\$27,663,000 (2017: HK\$24,120,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

29. 已抵押銀行存款及銀行及現金結餘 (續)

(iii) 本集團已抵押銀行存款及銀行及現金結餘乃按以下貨幣計值：

於二零一八年十二月三十一日，本集團的中國附屬公司以人民幣計值及存放於中國的銀行的銀行結餘為約27,663,000港元（二零一七年：24,120,000港元）。人民幣兌換為外幣須受中國外匯管理條例及結匯、售匯及付匯管理規定的規限。

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30. TRADE PAYABLES

The aging analysis of trade payables, based on invoice date, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 90 days	0至90天	70,149	73,028
91 to 180 days	91至180天	2,619	568
181 to 365 days	181至365天	2,133	354
Over 365 days	365天以上	1,573	879
		76,474	74,829

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USD	美元	7,860	9,749
HKD	港元	26,471	24,890
RMB	人民幣	41,596	40,190
EUR	歐元	547	-
Total	合計	76,474	74,829

30. 應付貿易賬款

本集團按發票日期計算的應付貿易賬款的賬齡分析如下：

本集團應付貿易賬款之賬面值使用以下貨幣計值：

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31. ACCRUALS AND OTHER PAYABLES

31. 預提費用及其他應付款項

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Accrued salaries	預提薪金	111,536	123,899
Accrued expenses	預提開支	47,676	31,944
Accrued borrowing interests	預提借貸利息	7,433	3,303
Customer deposits and receipts in advance	客戶按金及預收款項	45,344	7,474
Other payables	其他應付款項	3,474	2,549
		215,463	169,169

32. AMOUNTS DUE FROM/(TO) A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY, A RELATED COMPANY AND LOAN TO A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

- (i) The amounts due from/(to) a non-controlling shareholder of a subsidiary and a related company, are unsecured, interest-free and have no fixed terms of repayment.
- (ii) The loan to a non-controlling shareholder of a subsidiary which bears interest at 9% p.a., is unsecured and repayable on demand.

32. 應收／(應付)一間附屬公司之一名非控股股東、一間關連公司款項及向一間附屬公司之一名非控股股東貸款

- (i) 應收／(應付)一間附屬公司之一名非控股股東及一間關連公司款項為無抵押、免息且無固定還款期限。
- (ii) 向一間附屬公司之一名非控股股東貸款按年利率9%計息，為無抵押及按要求償還。

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33. BORROWINGS

33. 借貸

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Loan from a related company (note (i))	來自一間關連公司貸款(附註(i))	569	2,398
Loans from a related company (note (ii))	來自一間關連公司貸款(附註(ii))	19,698	20,741
Loan from an independent third party (note (iii))	來自一名獨立第三方貸款(附註(iii))	20,000	20,000
		40,267	43,139

Notes:

- (i) The amount represented loan from a related company which is non-interest bearing, unsecured and repayable on demand.
- (ii) The amounts represented loans from a related company which bear interest at 9% p.a., unsecured and repayable on 31 December 2019.
- (iii) The amount represented loan from an independent third party, which bears interest at 12% p.a., secured by charges over the shares of the Company's subsidiaries (China Khan Limited and Telefield Holdings Limited) and repayable within one year. At 31 December 2018, the aforementioned subsidiaries held non-current assets of HK\$44,173,000 (2017: HK\$58,929,000) and current assets of HK\$339,915,000 (2017: HK\$419,478,000).

Borrowings are arranged at fixed interest rates or non-interest bearing thus expose the Group to fair value interest rate risk. Except for the loans from related companies which are denominated in RMB, other loans are denominated in HKD.

The directors estimate the fair value of the Group's borrowings at 31 December 2018 and 2017 approximate to their carrying amounts.

附註：

- (i) 該金額為來自一間關連公司的無息、無抵押及按要求償還貸款。
- (ii) 該金額為來自一間關連公司的貸款，其按年利率9%計息、無抵押且於二零一九年十二月三十一日償還。
- (iii) 該金額為來自一名獨立第三方的貸款，該貸款按年利率12%計息，由本公司附屬公司(華將有限公司及 Telefield Holdings Limited)的股份押記擔保及須於一年內償還。於二零一八年十二月三十一日，上述附屬公司持有非流動資產44,173,000港元(二零一七年：58,929,000港元)及流動資產339,915,000港元(二零一七年：419,478,000港元)。

借貸按固定利率計息或免息，使本集團面對公平值利率風險。除以人民幣計值的關連公司貸款外，其他貸款以港元計值。

董事估計本集團於二零一八年及二零一七年十二月三十一日之借貸之公平值與其賬面值相若。

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34. PRODUCT WARRANTY PROVISIONS

The movement in the Group's product warranty provisions are analysed as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	3,336	3,800
Provisions used	已動用撥備	(3,336)	(3,800)
Additional provisions	額外撥備	2,498	3,336
At 31 December	於十二月三十一日	2,498	3,336

The Group has committed to repurchase its products from or offer replacement of its products to certain distributors when these distributors receive returned goods from unsatisfied ultimate consumers. Such kind of provision for product warranties are recognised based on past experience of level of repairs and returns, discounted to their present value as appropriate.

34. 產品保用撥備

本集團產品保用撥備變動分析如下：

當若干分銷商自不滿最終客戶收取退貨時，本集團承諾向該等分銷商購回產品或更換產品。該類產品保用撥備根據修理及退貨水平的過往經驗確認，並折現至其現值(如適用)。

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35. DEFERRED TAX

35. 遞延稅項

		Accelerated tax depreciation 加速稅務折舊 HK\$'000 千港元	License rights payable 特許權應付款 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	(10)	2,167	(3,753)	3,660	2,064
Disposal of a subsidiary (note 39(h))	出售附屬公司 (附註39(h))	-	-	-	(86)	(86)
Credit/(charge) to profit or loss for the year	年度損益中列為 抵免/(費用)					
– origination and reversal of temporary difference	– 臨時差異產生 及撥回	10	(1,065)	-	(2,644)	(3,699)
Charge to other comprehensive income for the year	年度其他全面收益中 列為費用	-	-	(445)	-	(445)
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	-	1,102	(4,198)	930	(2,166)
Credit/(charge) to profit or loss for the year	年度損益中列為 抵免/(費用)					
– origination and reversal of temporary differences	– 臨時差異產生 及撥回	-	(236)	4,693	142	4,599
Charge to other comprehensive income for the year	年度其他全面收益中 列為費用	-	-	(495)	-	(495)
At 31 December 2018	於二零一八年 十二月三十一日	-	866	-	1,072	1,938

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35. DEFERRED TAX (Continued)

The following is the analysis of the deferred tax balances for consolidated statement of financial position purposes:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Deferred tax assets	遞延稅項資產	1,938	2,032
Deferred tax liabilities	遞延稅項負債	-	(4,198)
		1,938	(2,166)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$13.1 million (2017: HK\$19.5 million) available for offset against future profits. No deferred tax asset in relation to unused tax losses has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$2.2 million (2017: HK\$2.8 million) that will expire before 2022. Other tax losses may be carried forward indefinitely.

35. 遞延稅項(續)

以下為就綜合財務狀況表的遞延稅項結餘分析：

於報告期末，本集團獲得未動用稅項虧損約為13,100,000港元(二零一七年：19,500,000港元)，可用於抵扣未來溢利。由於未能預料未來溢利來源，故並無確認有關未動用稅項虧損的遞延稅項資產。未確認稅項虧損包括將於二零二二年前屆滿的虧損約為2,200,000港元(二零一七年：2,800,000港元)。其他稅項虧損可無限期結轉。

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36. SHARE CAPITAL

36. 股本

	2018 二零一八年		2017 二零一七年		
	Number of shares 股數	Amount 金額 HK\$'000 千港元	Number of shares 股數	Amount 金額 HK\$'000 千港元	
Authorised:	法定：				
Ordinary shares of HK\$0.001 each	每股面值0.001港元普通股				
At the beginning and the end of the year	於年初及年末	1,500,000,000	1,500,000	1,500,000,000	1,500,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.001 each	每股面值0.001港元普通股				
At the beginning of the year	於年初	5,945,311,400	5,945	4,955,311,400	4,955
Shares issued upon subscription (note (i))	於認購時發行股份(附註(i))	-	-	990,000,000	990
At the end of the year	於年末	5,945,311,400	5,945	5,945,311,400	5,945

Note:

- (i) On 13 October 2017, the Company entered into subscription agreement with an independent subscriber Keywan Global Limited in respect of a total of 990,000,000 new shares of the Company to be allotted and issued at HK\$0.3 per new share. The subscription was completed on 1 November 2017.

附註：

- (i) 於二零一七年十月十三日，本公司與獨立認購人 Keywan Global Limited 就內容有關按每股新股份 0.3 港元的價格配發及發行合共 990,000,000 股本公司新股份訂立認購協議。認購事項已於二零一七年十一月一日完成。

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

本集團管理資本的目標是維護本集團的持續經營能力，並通過優化債項及權益結餘，為股東帶來最大回報。本集團整體策略與上一年度並無改變。

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

36. SHARE CAPITAL (Continued)

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as total debt divided by adjusted capital. Total debt comprises borrowings (except for bank overdrafts). Adjusted capital comprises all components of equity (i.e. share capital, retained profits/accumulated losses and other reserves) except for non-controlling interests.

During 2018, the Group's strategy, which was unchanged from 2017, was to maintain the debt-to-adjusted capital ratio at reasonable level. The debt-to-adjusted capital ratios at 31 December 2018 and at 31 December 2017 were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total debt	總債務	40,267	43,139
Adjusted capital	經調整資本	572,804	654,545
Debt-to-adjusted capital ratio	債務對經調整資本比率	7.0%	6.6%

The only externally imposed capital requirement for the Group to maintain its listing status on the Main Board of Stock Exchange is that it has to have a public float of at least 25% of the shares. Based on the information that is publicly available to the Group and within the knowledge of the Directors, the Group has maintained sufficient public float throughout the year ended 31 December 2018 as required under the Listing Rules of the Stock Exchange.

36. 股本(續)

本集團按風險比例釐定資本金額。本集團因應經濟狀況的變動及相關資產的風險特性管理資本結構並作出調整。為了維持或調整資本結構，本集團可調整股息款項、發行新股、購回股份、籌集新債、贖回現有債項或出售資產以減債。

本集團根據債務對經調整資本比率監察資本。該比率乃按總債務除以經調整資本計算。總債務包括借貸(銀行透支除外)。經調整資本包括所有權益成份(即股本、保留溢利/累計虧損及其他儲備)(非控股權益除外)。

於二零一八年，本集團之策略與二零一七年並無變動，為將債務對經調整資本比率維持於合理水平。於二零一八年十二月三十一日及二零一七年十二月三十一日的債務對經調整資本比率如下：

本集團為維持其股份於聯交所主板上市地位唯一須遵守的外界資本規定是公眾持股量不低於25%。根據本集團所得的公開資料及據董事所知，於截至二零一八年十二月三十一日止年度，本集團一直維持聯交所上市規則所規定的足夠公眾持股量。

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綜合財務報表附註

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

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

37. 本公司之財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司之財務狀況表

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
ASSETS			
Non-current assets			
Property, plant and equipment		9,654	380
Investments in subsidiaries	23	57,851	57,854
Equity investments at FVTOCI		21,859	-
		89,364	58,234
Current assets			
Amounts due from subsidiaries	37(c)	73,712	7,973
Prepayments, deposits, other receivables and other assets		23,711	28,675
Loans to other parties		-	91,630
Available-for-sale financial assets		-	11,958
Equity investments at FVTOCI		5,328	-
Pledged bank deposits		1,250	1,250
Bank and cash balances		255,585	254,611
Total current assets		359,586	396,097
Total assets		448,950	454,331
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		5,945	5,945
Reserves	37(b)	408,820	419,641
Total equity		414,765	425,586
Current liabilities			
Accruals and other payables		13,857	5,795
Amounts due to subsidiaries	37(c)	328	2,950
Borrowings		20,000	20,000
Total current liabilities		34,185	28,745
Total equity and liabilities		448,950	454,331

Approved by the Board of Directors on 27 March 2019 and are signed on its behalf by:

董事會於二零一九年三月二十七日批准並由下列人士代為簽署：

Gong Shaoxiang
龚少祥

Lee Chi Hwa Joshua
李智華

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綜合財務報表附註

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

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

37. 本公司之財務狀況表及儲備變動(續)

(b) 本公司之儲備變動

		Share premium account	Merger reserve	Accumulated losses	Investment revaluation reserve	Equity Investments at FVTOCI reserve	Capital contribution	Total
		股份溢價賬	合併儲備	累計虧損	重估儲備	按公平值 計入其他全面 投資 收益的股權 投資儲備	資本出資	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	307,740	3,171	(57,170)	(8,057)	-	11,280	256,964
Total comprehensive income for the year	年度全面收益總額	-	-	(141,390)	8,057	-	-	(133,333)
Shares issued upon subscription (note 36(i))	於認購時發行股份 (附註 36(i))	296,010	-	-	-	-	-	296,010
At 31 December 2017	於二零一七年 十二月三十一日	603,750	3,171	(198,560)	-	-	11,280	419,641
Adjustment on initial application of – HKFRS 9	首次應用香港財務報告 準則第9號的調整	-	-	27,198	-	(28,145)	-	(947)
At 1 January 2018	於二零一八年一月一日	603,750	3,171	(171,362)	-	(28,145)	11,280	418,694
Total comprehensive income for the year	年度全面收益總額	-	-	15,842	-	(25,716)	-	(9,874)
At 31 December 2018	於二零一八年 十二月三十一日	603,750	3,171	(155,520)	-	(53,861)	11,280	408,820

(c) The amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed terms of repayments.

(c) 應收/(應付)附屬公司款項為無抵押、免息及無指定還款期。

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38. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium account

Share premium represents the amount of the excess of issue price of the Company's shares over its par value.

(ii) Merger reserve

The merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the group reorganisation.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(c)(iii) to the consolidated financial statements.

(iv) Property revaluation reserve

The property revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings in note 4(d) to the consolidated financial statements.

(v) Contributed surplus

The contributed surplus of the Group represents the difference between the nominal value of shares of the subsidiaries acquired pursuant to a group reorganisation in 1997, over the nominal value of shares of Telefield Holdings Limited issued in exchange therefor.

38. 儲備

(a) 本集團

本集團儲備金額及其變動於綜合損益及其他全面收益表及綜合權益變動表內呈列。

(b) 儲備性質及目的

(i) 股份溢價賬

股份溢價代表本公司股份的發行價超過其面值的金額。

(ii) 合併儲備

合併儲備代表因集團重組本公司發行股份的面值以換取其附屬公司股本面值之差額。

(iii) 外匯換算儲備

外匯換算儲備包括換算海外業務財務報表產生的所有外匯差異。該儲備根據綜合財務報表附註4(c)(iii)所載會計政策處理。

(iv) 物業重估儲備

物業重估儲備根據綜合財務報表附註4(d)所載就土地及樓宇採納的會計政策設立及處理。

(v) 繳入盈餘

本集團的繳入盈餘指於一九九七年根據集團重組收購附屬公司股份面值超逾Telefield Holdings Limited為換取該等股份發行的股份面值之間的差額。

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38. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(vi) Statutory reserve

The statutory reserve, which is non-distributable, is appropriated from the profit after taxation of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC.

(vii) Capital reserve

The capital reserve represents gains/losses directly reflect in equity resulted from change of equity interests in subsidiaries without change of control.

(viii) Capital contribution

The amount represents the difference between inception fair value and proceeds of non-interest bearing loan from shareholder, which regarded as capital contribution.

(ix) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(k) to the consolidated financial statements.

(x) Equity investments at FVTOCI reserve

The equity investments at FVTOCI (2017: Available-for-sale financial assets) reserve comprises the cumulative net change in the fair value of equity investments at FVTOCI (2017: Available-for-sale financial assets) held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(k) to the consolidated financial statements.

38. 儲備(續)

(b) 儲備性質及目的(續)

(vi) 法定儲備

法定儲備為不可分派，乃根據中國適用法律及法規自本集團中國附屬公司除稅後溢利中劃撥。

(vii) 資本儲備

資本儲備為因並無改變控制權的附屬公司權益變動引致且直接於權益內反映的收益／虧損。

(viii) 資本出資

該款項指公平值與來自股東免息貸款所得款項之間的差額，被視為注資。

(ix) 投資重估儲備

投資重估儲備包括於報告期末持有的可供出售金融資產公平值累計變動淨額及根據綜合財務報表附註4(k)會計政策處理。

(x) 按公平值計入其他全面收益的股權投資儲備

按公平值計入其他全面收益的股權投資(二零一七年：可供出售金融資產)儲備包括於報告期末持有，按公平值計入其他全面收益的股權投資(二零一七年：可供出售金融資產)的公平值累計淨變動，並根據綜合財務報表附註4(k)的會計政策處理。

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39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries — Pride Review Group

On 14 July 2017, the Group entered into sale and purchase agreement to acquire 100% equity interest in the Pride Review Group, which was engaged in provision of catering service from an independent third party at a total consideration of HK\$30,000,000. The acquisition was completed on 17 July 2017. The acquisition is for the purpose of widening the source of income of the Group and risk diversification.

The fair value of the identifiable assets and liabilities of Pride Review Group acquired as at the date of acquisition are as follows:

39. 綜合現金流量表附註

(a) 收購附屬公司 — Pride Review 集團

於二零一七年七月十四日，本集團與獨立第三方訂立買賣協議以收購 Pride Review 集團之全部股權，其從事提供餐飲服務，總代價 30,000,000 港元。收購事項已於二零一七年七月十七日完成。收購事項乃為拓寬本集團的收入來源及分散風險。

於收購日期所收購之 Pride Review 集團之可識別資產及負債之公平值如下：

		HK\$'000 千港元
Net assets acquired:	所收購資產淨額：	
Property, plant and equipment	物業、廠房及設備	1,564
Inventories	存貨	277
Trade receivables	應收貿易賬款	3,230
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	2,413
Current tax assets	即期稅項資產	77
Bank and cash balances	銀行及現金結餘	5,739
Trade payables	應付貿易賬款	(56)
Accruals and other payables	預提費用及其他應付款項	(530)
Current tax liabilities	即期稅項負債	(1,528)
		11,186
Goodwill (note 21)	商譽(附註21)	18,814
		30,000
Satisfied by:	結付方式：	
Cash consideration	現金代價	30,000
Net cash outflow arising on acquisition:	收購產生的現金流出淨額：	
Cash consideration paid	已付現金代價	(30,000)
Cash and cash equivalents acquired	所收購之現金及現金等價物	5,739
		(24,261)

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39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Acquisition of subsidiaries — Pride Review Group (Continued)

The fair value of trade receivables approximate their carrying amounts. The gross amount due under the contracts is HK\$3,230,000, of which none is expected to be uncollectable.

Acquisition-related costs of HK\$218,000 have been charged to administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2017.

The goodwill arising on the acquisition is attributable to the anticipated future operating synergies from the combination.

The Pride Review Group contributed approximately HK\$6,617,000 and HK\$228,000 to the Group's revenue and profit for the year respectively for the period between the date of acquisition and 31 December 2017.

If the acquisition had been completed on 1 January 2017, the Group's revenue and loss for the year ended 31 December 2017 would have been approximately HK\$670,004,000 and HK\$131,749,000 respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is intended to be a projection of future results.

39. 綜合現金流量表附註(續)

(a) 收購附屬公司 — Pride Review 集團 (續)

應收貿易賬款的公平值與其賬面價相若。根據合約到期之總額約為3,230,000港元，預期概無金額無法收回。

收購相關成本218,000港元已從截至二零一七年十二月三十一日止年度之綜合損益表內行政費用扣減。

因收購事項所產生之商譽來自預期自合併產生的未來經營協同效益。

於收購事項日期起至二零一七年十二月三十一日，Pride Review 集團為本集團之年度收入及溢利分別貢獻約6,617,000港元及228,000港元。

倘收購事項於二零一七年一月一日完成，本集團截至二零一七年十二月三十一日止年度收入及虧損將分別約為670,004,000港元及131,749,000港元。該備考資料僅供說明，並非作為假設收購事項於二零一七年一月一日完成之情況下本集團應實際實現之收益及經營業績之指標，亦無意作為未來業績之預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of a subsidiary – Guoyi

On 18 July 2017, the Group entered into sale and purchase agreement to acquire 51% of equity interest in Guoyi which was engaged in trading and selling of medical equipments from Anhui Huayuan Pharmaceutical Company Limited (“Anhui Huayuan”), a company which was indirectly wholly-owned by a substantial shareholder of the Company, at a total consideration of RMB1. The acquisition was completed on 4 August 2017. The acquisition is for the purpose of shifting the Group’s business focus on medical and healthcare industry in the PRC.

The fair value of the identifiable assets and liabilities of Guoyi acquired as at the date of acquisition are as follows:

39. 綜合現金流量表附註(續)

(b) 收購附屬公司－國怡

於二零一七年七月十八日，本集團訂立買賣協議以自本公司一名主要股東間接全資擁有的公司安徽華源醫藥股份有限公司(「安徽華源」)收購從事醫療設備貿易及出售的公司國怡之51%股權，總代價為人民幣1元。收購事項已於二零一七年八月四日完成。收購事項乃為將本集團的業務重點轉向中國的醫療保健行業。

於收購日期所收購之國怡之可識別資產及負債之公平值如下：

		HK\$'000 千港元
Net assets acquired:	所收購資產淨額：	
Property, plant and equipment	物業、廠房及設備	341
Inventories	存貨	21
Trade receivables	應收貿易賬款	15,276
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	6,659
Amount due from a related company	應收一間關連公司款項	1,059
Loan to a non-controlling shareholder	向一名非控股股東貸款	116
Bank and cash balances	銀行及現金結餘	3,466
Accruals and other payables	預提費用及其他應付款項	(1,520)
Borrowings	借貸	(20,081)
Current tax payables	應付即期稅項	(721)
		4,616
Non-controlling interests	非控股權益	(2,262)
		2,354
Gain on bargain purchase from business combination (note 10)	來自業務合併議價收購之收益 (附註10)	(2,354)
		-
Satisfied by:	結付方式：	
Cash consideration	現金代價	-
Net cash inflow arising on acquisition:	收購產生的現金流入淨額：	
Cash consideration paid	已付現金代價	-
Cash and cash equivalents acquired	所收購之現金及現金等價物	3,466
		3,466

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of a subsidiary — Guoyi (Continued)

The fair value of trade receivables, amount due from a related party and loan to a non-controlling shareholder approximate their carrying amounts. The gross amounts due under the contracts is HK\$16,451,000, of which none is expected to be uncollectable.

Acquisition-related costs of approximately HK\$225,000 have been charged to administrative expenses in the consolidated statement profit or loss for the year ended 31 December 2017.

The Group recognised a gain on bargain purchase of HK\$2,354,000 in the business combination. The gain is included in other income.

The gain on bargain purchase is mainly attributable to the immediate exit opportunity offered to Anhui Huayuan.

Guoyi contributed approximately HK\$7,157,000 and HK\$2,557,000 to the Group's revenue and loss for the year respectively for period between the date of acquisition and 31 December 2017.

If the acquisition had been completed on 1 January 2017, the Group's revenue and loss for the year ended 31 December 2017 would have been approximately HK\$677,520,000 and HK\$124,440,000 respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is intended to be a projection of future results.

39. 綜合現金流量表附註(續)

(b) 收購附屬公司 — 國怡(續)

應收貿易賬款、應收一間關連公司款項及向一名非控股股東貸款的公平值與其賬面價相若。根據合約到期之總額為16,451,000港元，預期概無金額無法收回。

收購相關成本約225,000港元已從截至二零一七年十二月三十一日止年度之綜合收益表內行政費用扣減。

本集團於業務合併中確認識價收購收益2,354,000港元。收益計入其他收入。

議價收購收益主要由於向安徽華源提供之即時退出機會。

於收購事項日期起至二零一七年十二月三十一日，國怡為本集團之年度收入及虧損分別貢獻約7,157,000港元及2,557,000港元。

倘收購事項於二零一七年一月一日完成，本集團於截至二零一八年十二月三十一日止年度之收入及虧損將分別約為677,520,000港元及124,440,000港元。該備考資料僅供說明，並非作為假設收購事項於二零一七年一月一日完成之情況下，本集團應實際實現之收益及經營業績之指標，亦無意作為未來業績之預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

- (c) Disposal of Pacific Time Holdings Limited and its subsidiaries: China Finance Service Limited, 華氏融資租賃(深圳)有限公司, 華氏國際商業保理(深圳)有限公司 and 深圳中投國金私募投資基金管理有限公司(collectively, the “Pacific Time Group”)

On 7 April 2017, the Company entered into a sales and purchase agreement, pursuant to which the Company agreed to sell the entire issued share capital of Pacific Time Holdings Limited and the shareholder's loan to Golden Record Limited, a company indirectly wholly-owned by a substantial shareholder of the Company, at a total consideration of HK\$25,000,000. The disposal was completed on 11 April 2017. Net liabilities at the date of disposal were as follows:

39. 綜合現金流量表附註(續)

- (c) 出售 Pacific Time Holdings Limited 及其附屬公司：華夏金融服務有限公司、華氏融資租賃(深圳)有限公司、華氏國際商業保理(深圳)有限公司及深圳中投國金私募投資基金管理有限公司(統稱「Pacific Time 集團」)

於二零一七年四月七日，本公司簽訂了一份買賣協議，據此，本公司同意將 Pacific Time Holdings Limited 的所有已發行股本及股東貸款出售予由本公司一名主要股東間接全資擁有的公司 Golden Record Limited，代價為 25,000,000 港元。出售事項已於二零一七年四月十一日完成。於出售日期之負債淨額如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	70
Bank and cash balances	銀行及現金結餘	13,142
Receivables for factoring business	客賬融通業務之應收款項	22,105
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	827
Accruals and other payables	預提費用及其他應付款項	(15,459)
Amount due to the Company	應付本公司款項	(25,023)
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Net liabilities disposed of	已出售負債淨額	(4,338)
Release of foreign currency translation reserve	解除匯兌儲備	(73)
Sales loan	銷售貸款	25,023
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		20,612
Gain on disposal of subsidiaries (note 10)	出售附屬公司之收益(附註10)	4,388
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Total consideration	代價總額	25,000
<hr/>		
Consideration satisfied by cash	以現金結付的代價	25,000
<hr/>		
Net cash inflow arising on disposal:	因出售產生的現金流入淨額：	
Cash consideration received	已收現金代價	25,000
Cash and cash equivalents disposed of	已出售現金及現金等價物	(13,142)
<hr/>		
		11,858

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Disposal of Bracciano Limited and its subsidiaries: Modern Channel Limited and Telefield Medical Imaging Limited (collectively, the “Bracciano Group”)

On 23 June 2017, the Group disposed of its equity interests in the Bracciano Group to Noble Treasure Holdings Limited at a total consideration of HK\$500,001. Net assets at the date of disposal were as follows:

39. 綜合現金流量表附註(續)

(d) 出售 Bracciano Limited 及其附屬公司：啟協有限公司及中慧醫學成像有限公司(統稱「Bracciano 集團」)

於二零一七年六月二十三日，本集團將其於 Bracciano 集團的權益出售予尚寶控股有限公司，總代價為 500,001 港元。於出售日期之資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	286
Inventories	存貨	209
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	224
Bank and cash balances	銀行及現金結餘	4,785
Accrual and other payables	預提費用及其他應付款項	(389)
Net assets disposed of	已出售資產淨值	5,115
Non-controlling interests	非控股權益	10,104
		15,219
Loss on disposal of subsidiaries	出售附屬公司的虧損	(14,719)
Total consideration	代價總額	500
Consideration satisfied by cash	以現金結付的代價	500
Net cash outflow arising on disposal:	因出售產生的現金流出淨額：	
Cash consideration received	已收現金代價	500
Cash and cash equivalents disposed of	已出售現金及現金等價物	(4,785)
		(4,285)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(e) Disposal of Aiko Products Limited and its subsidiary: Aiko Beauty (Shenzhen) Limited ("Aiko Group")

On 28 December 2017, the Group disposed of its 100% equity interests in Aiko Group to a former manager in EMS segment Mr. Kwong Wai Kit Tony at a total consideration of HK\$2,000,000. Net assets at the date of disposal were as follows:

39. 綜合現金流量表附註(續)

(e) 出售艾科產品有限公司及其附屬公司：愛康科商貿(深圳)有限公司(統稱「艾科集團」)

於二零一七年十二月二十八日，本集團將其於艾科集團的全部權益出售予電子製造服務分部前任經理 Kwong Wai Kit Tony 先生，總代價為2,000,000港元。於出售日期之資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	196
Inventories	存貨	593
Trade receivables	應收貿易賬款	32
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	870
Bank and cash balances	銀行及現金結餘	1,112
Current tax assets	即期稅項資產	617
Trade payables	應付貿易賬款	(20)
Accruals and other payables	預提費用及其他應付款項	(1,058)
Net assets disposed of	已出售資產淨值	2,342
Release of foreign currency translation reserve	解除匯兌儲備	(356)
		1,986
Gain on disposal of subsidiaries (note 10)	出售附屬公司的收益(附註10)	14
Total consideration	代價總額	2,000
Consideration satisfied by cash	以現金結付的代價	2,000
Net cash inflow arising on disposal:	因出售產生的現金流入淨額：	
Cash consideration received	已收現金代價	2,000
Cash and cash equivalents disposed of	已出售現金及現金等價物	(1,112)
		888

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綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(f) Disposal of a subsidiary — Able Trend Technology Limited (“Able Trend”)

On 30 December 2017, the Group disposed of its 85% equity interest in Able Trend to Noble Treasure Holdings Limited at a total consideration HK\$1. Net assets at the date of disposal were as follows:

39. 綜合現金流量表附註(續)

(f) 出售一間附屬公司 — 榮通科技有限公司(「榮通」)

於二零一七年十二月三十日，本集團將其於榮通的85%權益出售予尚寶控股有限公司，總代價為1港元。於出售日期之資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	2
Inventories	存貨	277
Trade receivables	應收貿易賬款	6
Bank and cash balances	銀行及現金結餘	775
Accruals and other payables	預提費用及其他應付款項	(955)
Net assets disposed of	已出售資產淨值	105
Non-controlling interests of a subsidiary	一間附屬公司非控股權益	1,107
Loss on disposal of a subsidiary	出售一間附屬公司虧損	(1,212)
Total consideration	代價總額	-
Consideration satisfied by cash	以現金結付的代價	-
Net cash outflow arising on disposal:	因出售產生的現金流出淨額：	
Cash consideration received	已收現金代價	-
Cash and cash equivalents disposed of	已出售現金及現金等價物	(775)
		(775)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(g) Disposal of a subsidiary — Sota Acoustics Limited (“Sota”)

On 30 December 2017, the Group disposed of its 100% equity interests in Sota to Noble Treasure Holdings Limited at a total consideration HK\$1. Net assets at the date of disposal were as follows:

39. 綜合現金流量表附註(續)

(g) 出售一間附屬公司 — 蘇達音響有限公司(「蘇達」)

於二零一七年十二月三十日，本集團將其於蘇達的全部權益出售予尚寶控股有限公司，總代價為1港元。於出售日期之資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	38
Inventories	存貨	142
Trade receivables	應收貿易賬款	579
Bank and cash balances	銀行及現金結餘	94
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	31
Accruals and other payables	預提費用及其他應付款項	(370)
Net assets disposed of	已出售資產淨值	514
Loss on disposal of a subsidiary	出售一間附屬公司虧損	(514)
Total consideration	代價總額	-
Consideration satisfied by cash	以現金結付的代價	-
Net cash outflow arising on disposal:	因出售產生的現金流出淨額：	
Cash consideration received	已收現金代價	-
Cash and cash equivalents disposed of	已出售現金及現金等價物	(94)
		(94)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

- (h) Disposal of a group of subsidiaries: B. Kettner Products Hong Kong Limited and its subsidiary Telefield Sales LLC (“B. Kettner Group”)

On 30 December 2017, the Group disposed of its 100% equity interests in B. Kettner Group to Noble Treasure Holdings Limited at a total consideration HK\$1. Net assets at the date of disposal were as follows:

39. 綜合現金流量表附註(續)

- (h) 出售一組附屬公司：香港碧凱娜化妝品有限公司及其附屬公司 Telefield Sales LLC (「碧凱娜集團」)

於二零一七年十二月三十日，本集團將其於碧凱娜集團的全部權益出售予尚寶控股有限公司，總代價為1港元。於出售日期之資產淨值如下：

		HK\$'000 千港元
Deferred tax assets (note 36)	遞延稅項資產(附註36)	86
Inventories	存貨	3,896
Trade receivables	應收貿易賬款	772
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	757
Bank and cash balances	銀行及現金結餘	320
Trade payables	應付貿易賬款	(29)
Accruals and other payables	預提費用及其他應付款項	(3,016)
Net assets disposed of	已出售資產淨值	2,786
Loss on disposal of subsidiaries	出售附屬公司虧損	(2,786)
Total consideration	代價總額	-
Consideration satisfied by cash	以現金結付的代價	-
Net cash outflow arising from disposal:	因出售產生的現金流出淨額：	
Cash consideration received	已收現金代價	-
Cash and cash equivalent disposed of	已出售現金及現金等價物	(320)
		(320)

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綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

- (i) Disposal of Navigator Holdings Limited and its subsidiary Dol-Fin Asset Management Limited (“Navigator Group”)

On 31 March 2018, the Company disposed of its 100% equity interests in Navigator Group at a consideration of HK\$700,000 to an independent third party. Net assets at the date of disposal were as follows:

39. 綜合現金流量表附註(續)

- (i) 出售 Navigator Holdings Limited 及其附屬公司大福國際資產管理有限公司(「Navigator 集團」)

於二零一八年三月三十一日，本公司將 Navigator 集團之全部權益出售予獨立第三方，代價為 700,000 港元。於出售日期之資產淨值如下：

		HK\$'000 千港元
Net assets disposed of	已出售資產淨值	-
Gain on disposal of subsidiaries (note 10)	出售附屬公司之收益(附註10)	700
Total consideration satisfied by cash	以現金結付的總代價	700
Net cash inflow arising on disposal:	因出售產生的現金流入淨額：	
Cash consideration received	已收現金代價	700
Cash and cash equivalents disposed of	已出售現金及現金等價物	-
		700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(j) Disposal of Gabrio International Limited and its subsidiary Telefield Lifestyle Limited (“Gabrio Group”)

On 10 August 2018, the Group entered into a sales and purchase agreement, pursuant to which the Group agreed to sell its 100% equity interests in Gabrio Group and the shareholder’s loan to Mr. Liu Chi Cheung at a consideration HK\$7.8. Net liabilities at the date of disposal were as follows:

39. 綜合現金流量表附註(續)

(j) 出售 Gabrio International Limited 及其附屬公司中慧生活科技有限公司 (「Gabrio 集團」)

於二零一八年八月十日，本集團簽訂了一份買賣協議，據此，本集團同意將 Gabrio 集團之全部權益及股東貸款出售予 Liu Chi Cheung 先生，代價為 7.8 港元。於出售日期之負債淨額如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	1
Trade receivables	應收貿易賬款	419
Bank and cash balances	銀行及現金結餘	2,304
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	10
Trade payables	應付貿易賬款	(320)
Accruals and other payables	預提費用及其他應付款項	(6,436)
Amount due to the Group	應付本集團款項	(10,479)
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Net liabilities disposed of	已出售負債淨額	(14,501)
Non-controlling interests	非控股權益	2,023
Sales loan	銷售貸款	10,479
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		(1,999)
Gain on disposal of subsidiaries (note 10)	出售附屬公司之收益(附註10)	1,999
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Total consideration	代價總額	-
<hr/>		
Consideration satisfied by cash	以現金結付的代價	-
<hr/>		
Net cash outflow arising on disposal:	因出售產生的現金流出淨額：	
Cash consideration received	已收現金代價	-
Cash and cash equivalents disposed of	已出售現金及現金等價物	(2,304)
<hr/>		
		(2,304)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(k) Disposal of a subsidiary — Circuit Development Limited (“Circuit”)

On 1 August 2018, the Group entered into a sales and purchase agreement, pursuant to which the Group agreed to sell its 100% equity interests in Circuit and the shareholder’s loan to Dragon Fortune International Limited at a consideration HK\$32,000,000. Net assets at the date of disposal were as follows:

39. 綜合現金流量表附註(續)

(k) 出售 Circuit Development Limited (「Circuit」)

於二零一八年八月一日，本集團簽訂了一份買賣協議，據此，本集團同意將Circuit之全部權益及股東貸款出售予龍豐國際有限公司，代價為32,000,000港元。於出售日期之資產淨值如下：

		HK\$'000 千港元
Investment property	投資物業	32,000
Bank and cash balances	銀行及現金結餘	50
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	2
Amount due to the Group	應付本集團款項	(6,898)
Net assets disposed of	已出售資產淨值	25,154
Sales loan	銷售貸款	6,898
		32,052
Loss on disposal of a subsidiary (note 10)	出售附屬公司之虧損(附註10)	(52)
Total consideration	代價總額	32,000
Consideration satisfied by cash	以現金結付的代價	32,000
Net cash inflow arising on disposal:	因出售產生的現金流入淨額：	
Cash consideration received	已收現金代價	32,000
Cash and cash equivalents disposed of	已出售現金及現金等價物	(50)
		31,950

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(i) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

39. 綜合現金流量表附註(續)

(i) 融資活動產生之負債對賬

本集團因融資活動而產生之負債的變動，包括現金及非現金變動，已詳列於下表。由融資活動產生的負債，即為該負債過去或將來的現金流量，於本集團的綜合現金流量表中分類為融資活動之現金流量。

		Borrowings 借貸 2018 二零一八年 HK\$'000 千港元	Borrowings 借貸 2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	43,139	79,712
Changes from financing cash flows	融資現金流量變動	(1,780)	(68,416)
Imputed interest on non-interest bearing loans from a substantial shareholder	來自一名主要股東無息貸款之估算利息	-	10,288
Acquisition of a subsidiary (note 39(b))	收購一間附屬公司 (附註 39(b))	-	20,081
Exchange difference	匯兌差額	(1,092)	1,204
At 31 December	於十二月三十一日	40,267	43,139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40. CONTINGENT LIABILITIES

- (i) As at 31 December 2017 and 2018, the Group had an outstanding guarantee (“the Guarantee”) to one of the suppliers of an overseas subsidiary (“Disposed Subsidiary”), which was disposed on 7 October 2015, for payment in relation to a sum of US\$2.6 million (equivalent to approximately HK\$20.3 million) representing a trade balance under dispute between the Disposed Subsidiary and the supplier. The supplier subsequently sold the trade balance to a third party.

During 2017, the Disposed Subsidiary had agreed with the third party for a final settlement by instalment of US\$650,000 (equivalent to approximately HK\$5.1 million). In this regard, as at 31 December 2018, the Group had an outstanding guarantee of the sum limited to US\$650,000 subject to the full payment of the final settlement effected by the Disposed Subsidiary.

The Disposed Subsidiary had issued counter guarantee to the Company to indemnify the Company for any loss in relation to the Guarantee.

- (ii) During the Year, a lawsuit was lodged against a subsidiary of the Company, Guangzhou Telefield Limited. The plaintiff seeks compensation of approximately RMB1 million. Having sought legal advices, the directors are of the view that the above compensation shall be disclosed as contingent liabilities.

Apart from the above, the Group and the Company did not have any significant contingent liabilities.

40. 或然負債

- (i) 於二零一七年及二零一八年十二月三十一日，本集團對已於二零一五年十月七日出售之海外附屬公司（「已出售附屬公司」）之其中一名供應商有未結擔保（「該擔保」），其有關支付2,600,000美元（相當於約20,300,000港元）之款項，此乃已出售附屬公司與該供應商之爭議貿易結餘。隨後供應商已出售貿易結餘予第三方。

於二零一七年，已出售附屬公司已與第三方達成最終和解，分期付款650,000美元（相當於約5,100,000港元）。就此而言，於二零一八年十二月三十一日，本集團擁有尚未償付擔保金額上限為650,000美元，視乎已出售附屬公司實際悉數支付的最終和解款項而定。

已出售附屬公司已向本公司發出反擔保，以就該擔保之任何損失為本公司提供彌償保證。

- (ii) 於本年度，本公司的附屬公司廣州中慧電子有限公司被提出訴訟。原告要求彼賠償約人民幣1,000,000元。經尋求法律意見後，董事認為上述賠償應作為或然負債披露。

除上文所述外，本集團及本公司並無任何重大或然負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

41. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Plant and machinery	廠房及機器		
Contracted but not yet incurred	已訂約但未產生	320	8,182

42. LEASE COMMITMENTS

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	40,718	26,643
In the second to fifth years inclusive	第二年至第五年 (首尾兩年包括在內)	48,965	24,260
After five years	五年以上	728	709
		90,411	51,612

Operating lease payments represent rentals payable by the Group for certain of its staff quarters, factories and offices. Leases are negotiated for terms ranged from one to seven years and rentals are fixed over the lease terms and do not include contingent rentals.

41. 資本承擔

本集團於報告期末的資本承擔如下：

42. 租賃承擔

於二零一八年十二月三十一日，根據不可撤銷經營租賃須付的未來最低租賃款項總額如下：

經營租賃款項指本集團就若干員工宿舍、廠房及辦公室應付的租金，經磋商釐定的租期介乎一至七年。租金於租期內固定不變，並不包括或然租金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

43. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Imputed interest on non-interest bearing loans from a substantial shareholder	來自一名主要股東無息貸款之估算利息		
— Power Port Holdings Limited	— Power Port Holdings Limited	-	10,288
Interest on loans from a related company owned by a substantial shareholder	來自一間由一名主要股東擁有的關連公司的貸款利息	1,873	736
Sale proceeds from disposal of Pacific Time Group to a company which is indirectly wholly-owned by a substantial shareholder (note 39(c))	向一間公司(該公司由一名主要股東間接全資擁有)出售Pacific Time集團的出售所得款項(附註39(c))	-	25,000

The details of remuneration of key management personnel, represents the emoluments of directors of the Company paid during the year are set out in note 15(a).

As at 31 December 2017, the Group has available-for-sale financial assets deposited with a brokerage firm, which is a related company of the Group amounting to HK\$11,958,000.

43. 關連方交易

除綜合財務報表其他地方披露的關連方交易及結餘外，本集團於年內與關連方有以下交易：

主要管理層成員的薪酬(即本公司董事於年內獲支付的酬金)詳情載於附註15(a)。

於二零一七年十二月三十一日，本集團於經紀行(本集團的關連公司)存有可供出售金融資產為11,958,000港元。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

The consolidated results of the Group for the year ended 31 December 2018 and the consolidated assets, liabilities and equity of the Group as at 31 December 2018 are those set out in the audited financial statements.

本集團截至二零一八年十二月三十一日止年度的綜合業績及本集團於二零一八年十二月三十一日的綜合資產、負債及權益載於經審核財務報表內。

The summary below does not form part of the audited financial statements.

以下的概要並不構成經審核財務報表的部份。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元 (restated) (經重列)
RESULTS	業績					
Revenue	收入	735,184	662,208	748,749	1,008,561	1,032,957
Cost of sales	銷售成本	(562,695)	(497,793)	(598,835)	(796,467)	(807,480)
Gross profit	毛利	172,489	164,415	149,914	212,094	225,477
Other income	其他收入	27,100	19,524	34,419	13,687	15,860
Selling and distribution expenses	銷售及分銷開支	(29,260)	(45,578)	(49,943)	(55,365)	(65,900)
Administrative expenses	行政費用	(185,037)	(151,934)	(131,420)	(76,573)	(75,303)
Other operating expenses	其他經營費用	(25,095)	(94,789)	(74,637)	(43,729)	(35,965)
(Loss)/profit from operations	經營(虧損)/溢利	(39,803)	(108,362)	(71,667)	50,114	64,169
Finance costs	融資成本	14,652	(13,049)	(4,297)	(6,081)	(7,456)
Share of loss of a joint venture	分佔一間合營企業虧損	-	-	-	(117)	(1,433)
(Loss)/profit before tax	除稅前(虧損)/溢利	(44,455)	(121,411)	(75,964)	43,916	55,280
Income tax expense	所得稅開支	(4,845)	(9,898)	(11,074)	(5,549)	(8,144)
(Loss)/profit for the year from continuing operation	持續經營業務之年度(虧損)/溢利	(49,300)	(131,309)	(87,038)	38,367	47,136
Loss for the year from discontinued operations	已終止經營業務之年度虧損	-	-	-	(79,432)	(89,409)
Loss for the year	年度虧損	(49,300)	(131,309)	(87,038)	(41,065)	(42,373)

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元 (restated) (經重列)
Attributable to:	以下各方應佔：					
Owners of the Company	本公司擁有人	(57,984)	(128,428)	(82,646)	(1,844)	577
Non-controlling interests	非控股權益	8,684	(2,881)	(4,392)	(39,221)	(42,850)
		(49,300)	(131,309)	(87,038)	(41,065)	(42,273)
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及非控股權益					
TOTAL ASSETS	資產總值	930,862	960,588	800,284	853,448	1,092,094
TOTAL LIABILITIES	負債總值	(348,030)	(306,586)	(336,647)	(305,446)	(740,547)
NON-CONTROLLING INTERESTS	非控股權益	(10,028)	543	11,210	5,958	18,209
		572,804	654,545	474,847	553,960	369,756

Note: The Group disposed of certain subsidiaries and associates during the year ended 31 December 2015. The results of the disposed subsidiaries and associates for the years presented have been reclassified for separate disclosure as discontinued operations above.

附註：本集團於截至二零一五年十二月三十一日止年度出售若干附屬公司及聯營公司。已出售附屬公司及聯營公司於呈列年度的業績已重新分類，以於上文獨立披露為已終止經營業務。

INFORMATION FOR INVESTORS

投資者資料

LISTING INFORMATION

Listing: Hong Kong Stock Exchange
Stock code: 1143
Ticker Symbol
Reuters: 1143.HK
Bloomberg: 1143 HK Equity

KEY DATES

27 January 2011
Listed on Hong Kong Stock Exchange

27 March 2019
Announcement of 2018 Annual Results

30 May 2019
Annual General Meeting

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股份代號：1143
股票簡稱
路透社：1143.HK
彭博：1143 HK Equity

重要日子

二零一一年一月二十七日
於香港聯合交易所上市

二零一九年三月二十七日
公佈二零一八年年度業績

二零一九年五月三十日
股東週年大會

過戶登記處

總處：

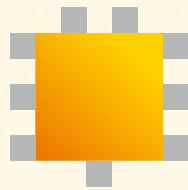
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