



SMARTAC GROUP CHINA HOLDINGS LIMITED

中國智能集團控股有限公司

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

Stock Code 股份代號 : 395



... **2019**
ANNUAL REPORT 年報

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Corporate Information

公司資料

NON-EXECUTIVE DIRECTOR

Mr. Yang Xin Min (*Chairman*)

EXECUTIVE DIRECTOR

Mr. Ho Chi Kin (*Chief Executive Officer*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Cheng Faat Ting Gary
Mr. Poon Lai Yin Michael
Mr. Peng Bobo
Mr. Tsui Francis King Chung
Mr. Tang Yat Ming Edward

COMPANY SECRETARY

Ms. Yeung Wai Ling

AUDITOR

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

PRINCIPAL BANKERS

China Construction Bank (Asia)
DBS Bank (Hong Kong) Limited
China Merchants Bank
Bank of Suzhou
Bank of Jiangsu

非執行董事

楊新民先生(主席)

執行董事

何致堅先生(首席執行官)

獨立非執行董事

鄭發丁博士
潘禮賢先生
彭波波先生
崔勁中先生
鄧日明先生

公司秘書

楊慧玲女士

核數師

羅申美會計師事務所
執業會計師
香港銅鑼灣
恩平道二十八號
利園二期二十九字樓

主要往來銀行

中國建設銀行(亞洲)
星展銀行(香港)有限公司
招商銀行
蘇州銀行
江蘇銀行

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR

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

HONG KONG BRANCH SHARE REGISTRAR

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Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

總辦事處及香港主要營業地點

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註冊辦事處

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Grand Cayman, KY1-1111
Cayman Islands

主要股份過戶登記處

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

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓1712-1716號舖

Five-Year Financial Summary

五年財務摘要

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	25,797	17,356	15,693	24,319	33,559
Loss for the year	年度虧損	(52,400)	(62,414)	(5,666)	(157,898)	(143,309)
EBIT	息税前利潤	(59,903)	(63,802)	(134)	(158,294)	(139,009)
EBITDA	息稅折舊及攤銷前利潤	(50,078)	(55,222)	14,407	(125,269)	(82,718)
Earnings/(loss) per share	每股盈利/(虧損)					
— basic (RMB)	— 基本(人民幣)	(0.0067)	(0.0117)	0.0033	(0.0366)	(0.0409)
Earnings/(loss) per share	每股盈利/(虧損)					
— diluted (RMB)	— 攤薄(人民幣)	(0.0067)	(0.0117)	0.0033	(0.0366)	(0.0409)
Ordinary shares (shares)	普通股數目(股)	5,635,970,924	5,635,970,924	4,762,033,424	4,762,033,424	3,968,361,424
Cash and cash equivalents (including pledged bank deposits)	現金及現金等價物 (包括已抵押銀行 存款)	226,374	252,459	20,551	100,545	95,515
Total assets	總資產	322,433	377,323	246,080	248,061	292,751
Net asset value	淨資產值	268,416	317,060	150,480	137,487	221,356
Net asset value per share (RMB)	每股淨資產值(人民幣)	0.05	0.06	0.03	0.03	0.06

Chairman's Statement 主席報告

Dear Valued Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Smartac Group China Holdings Limited (the “**Company**”) and together with its subsidiaries, (the “**Group**”), I hereby present the annual results of the Group for the year ended 31 December 2019.

Reviewing last year, as the China-US trade war has been lingering, global markets faced a difficult environment. In Hong Kong, the social unrest starting in June 2019 deepened the economic downturn in the second half of the year. Nonetheless, with more e-commerce platforms and an enriched product range, the Group was still able to achieve a total revenue growth of 48.6% amidst the adverse conditions. The decline of Online to Offline (“**O2O**”) solutions segment was mainly because the demand of the construction of Wi-Fi platforms in shopping malls dropped owing to the lower costs and preference for connecting to mobile data services among end users. As for the WeChat Pay business, apart from the effects of the above-mentioned social factors in Hong Kong, it also faced increased operating costs under the intensified industry competition.

Looking forward to the year ahead, despite the alleviation of the China-US trade war after Phase One of the Trade Deal was signed in January, we expect the business environment in both the People's of Republic of China (the “**PRC**”) and Hong Kong will remain uncertain, particularly in the first half of 2020, due to the spread of the COVID-19 outbreak worldwide. However, this will not undermine the Group's determination to expand the e-commerce solutions and WeChat Pay businesses. The advent of the 5G era and the rise of the “home economy” will expedite the popularity of online consumption. We believe that these two core businesses have huge room for growth.

To capture the market potential and enhance the Group's profitability, we have strengthened our management team. On 16 December 2019, the Company appointed Mr. Ho Chi Kin as an executive Director and the chief executive officer. Mr. Ho has extensive experience being in charge of operations and development of online social platforms, online advertising services business and the launch of mobile online games in the PRC. In addition, he possesses over 20 years of experience in wealth management services in the United States of America, Hong Kong and the PRC, focusing on corporate restructuring, mergers and acquisitions and business integration. We eagerly look forward to building our business and achieving new milestones under his leadership.

各位尊敬的股東：

本人謹代表中國智能集團控股有限公司（「**本公司**」，連同附屬公司統稱「**本集團**」）董事（「**董事**」）會（「**董事會**」），提呈截至二零一九年十二月三十一日止年度的全年業績。

回顧去年，由於中美貿易談判拉鋸，環球市場面對困境。在香港，二零一九年六月以來的社會動盪構成進一步壓力，令香港經濟於下半年倒退。然而，我們透過在更多電子商務平台豐富產品類別，使本集團整體收入在逆境下仍取得48.6%的增幅。其中線上線下（「**O2O**」）解決方案分部的收入下跌，主要由於終端用戶連接流動數據服務的成本更低和愈益普及，因此購物商場設立無線網絡系統的需求減少所致。至於微信支付業務除了受到上述香港社會因素影響，亦面臨行業競爭加劇，導致營運成本增加。

展望來年，雖然中美貿易戰隨著於一月簽訂第一階段貿易協議有所緩和，但二零一九冠狀病毒疫情蔓延全球，我們預期中華人民共和國（「**中國**」）及香港的業務環境仍不明朗，特別是在二零二零年上半年。然而，這無礙本集團銳意壯大電子商務解決方案及微信支付業務的決心。隨著5G時代的來臨及「宅經濟」的興起將加快網上消費的流行，我們相信這兩大核心業務蘊藏龐大的增長潛力。

為把握市場潛力並提高盈利能力，我們已加強管理團隊。於二零一九年十二月十六日，本公司委任何致堅先生為執行董事及首席執行官。何先生於中國內地線上社交平台、線上廣告服務業務及推出移動網絡遊戲擁有豐富的運營及開發經驗。此外，他於美國、香港和內地累積逾20年財富管理服務的豐富經驗，專注於企業重組、併購及業務整合。我們期待本集團在何先生的帶領下，邁進新里程。

Capitalizing on a strengthened management team, innovative solutions and quality services, we are pleased to gain recognition from internationally-branded clients recently. In March 2020, the Group signed franchise agreements with international luxury lifestyle brand Stella McCartney, gaining to the rights to sell its fashion apparel and accessories on the designated online sales platforms we operated in the PRC. The cooperation not only diversifies the portfolio of our branded products, but more importantly, paves the way for our greater cooperation with more world-renowned brands and partners in the future.

As for the electronic payment business, despite being affected by the above-mentioned social factors and the intensified industry competition in the short run, electronic payment, in the long run, has become the general trend and is developing rapidly. According to market research data¹, in 2019 over 40% of the sampled population in Hong Kong have used WeChat pay. The number of mobile payment users is expected to grow continuously and reach 3.3 million by 2023. Meanwhile, the total transaction value in the mobile payment segment has amounted to approximately US\$2,741 million in 2019 in Hong Kong, with an expected CAGR of approximately 26.2% between 2019 and 2023, to reach approximately US\$6,961 million by 2023.

To tap the WeChat Pay industry which shows bright prospects in the long term, the Group acquired 30% equity interest in Haihai Travel Cloud Limited (“**Haihai**”) from a minority shareholder in order to have full control of the company. In addition to providing online and offline WeChat Pay services to merchants, the Group also assists in setting up WeChat official accounts, WeChat Mall and WeChat mini programs through the WeChat ecosystem in order to attract users and help merchants expand their business presence in the Greater Bay Area.

The Group will continue to explore opportunities to cooperate with leading brands around the world along with major e-commerce platforms and suppliers, aiming to gradually expand our core businesses. We will also prudently evaluate strategic investment and business opportunities aimed at expanding our business and generating long-term return on investment for shareholders.

¹ According to third-party market research data obtained by Greater China Appraisal Limited

憑藉更強大的管理團隊、創新的解決方案及優質的服務，我們近期喜獲國際品牌客戶認可。於二零二零年三月，本集團與國際奢侈生活品牌Stella McCartney訂立特許經營權協議，獲得於中國營運指定的網上銷售平台銷售Stella McCartney時裝及配飾的權利。是次合作不單可豐富我們的品牌產品組合，更重要是為我們與更多國際知名品牌及夥伴合作鋪路。

在電子支付業務方面，雖然短期內受到上述社會因素及行業競爭加劇影響，但長遠而言，電子支付乃大勢所趨且發展迅速。根據市場調研數據¹，於二零一九年香港抽樣調查中，使用微信支付的人數逾40%，預計至二零二三年，移動支付用戶數量將持續增長至3.3百萬人。同時，香港移動支付總交易額預計將由二零一九年約27.41億美元，增加至二零二三年的約69.61億美元，複合年增長率約達26.2%。

考慮到微信支付行業的長遠樂觀前景，本集團向少數股東收購30%股權，以取得對嗨嗨旅遊雲有限公司（「**嗨嗨**」）的全面控制權。除了為商戶提供線上及線下微信支付服務，我們透過微信生態系統，成立微信公眾號、微信商城及微信小程序吸引用戶，協助商戶拓展大灣區市場。

我們將再接再厲，繼續發掘與世界各地領先品牌、各大電子商務平台及供應商的合作良機，逐漸地壯大核心業務，同時審慎評估戰略投資及商業機會，從而擴大我們業務及為股東締造長遠的投資回報。

¹ 根據估值師漢華評值有限公司取得的第三方市場調研數據

To more effectively promote the above business development strategies, better reflect the Group's new corporate image of "Converging East and West, Building Global Connections" as well as realize our vision of becoming a global leading smart business service provider, the Board has proposed to change the English name of the Company to "Smartac International Holdings Limited" and adopt a dual foreign name in Chinese of "環球智能控股有限公司". The proposed name change is subject to the approval by shareholders at the extraordinary general meeting and the approval by the Registrar of Companies in the Cayman Islands.

Finally, I would like to take this opportunity to express my sincere gratitude to the Board, the management team and our staff for their contributions and dedication in the past year, and to all of our customers, business partners and shareholders for their unwavering trust and confidence in the Group.

Yang Xin Min
Chairman

27 March 2020

為更有效推廣上述業務發展策略，並更好反映本集團「薈萃東西，環球連繫」的全新企業形象及矢志成為環球領先的智能商貿服務供應商的願景，董事會建議將本公司英文名稱更改為「Smartac International Holdings Limited」，並採納雙重中文外國名稱「環球智能控股有限公司」。有關事項須待股東特別大會通過，以及開曼群島公司註冊處處長批准後，方可作實。

最後，本人謹向董事會、管理團隊及員工於過去一年的貢獻及付出致以誠摯謝意，並由衷感謝所有客戶、業務夥伴及股東對本集團堅定不移的信任和信心。

楊新民
主席

二零二零年三月二十七日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Company is an investment holding company, through its subsidiaries, providing (i) software sales and O2O consultation services by O2O solutions segment; (ii) electronic payment solutions and services by integrated digital marketing (“IDM”) solutions segment; and (iii) management, operation and market strategy of online shops and e-commerce platforms by E-commerce solutions segment.

(i) O2O solutions segment

O2O solutions segment provides tailor-made social customer relationship management (“CRM”) platforms and IT support services to clients which are mainly shopping mall operators, property management companies or developers in the PRC. The use of big data in the social CRM platforms assists clients in understanding consumers’ behavior and personalising customers’ experience which facilitate targeted promotion and marketing activities.

Segment revenue for the year ended 31 December 2019 amounted to approximately RMB2,701,000, representing approximately 10.5% of the Group’s total revenue (year ended 31 December 2018: approximately RMB3,900,000, representing approximately 22.5% of the Group’s total revenue). The drop was mainly due to decrease in demand of the construction of Wi-Fi platforms in shopping malls along with the lower cost and popularisation of connecting to mobile data services by end users.

業務回顧

本公司是一間投資控股公司，透過其附屬公司提供(i) O2O解決方案分部之軟件銷售及O2O諮詢服務；(ii) 綜合電子推廣(「綜合電子推廣」)解決方案分部之電子支付解決方案及服務；及(iii) 電子商務解決方案分部之線上店舖及電子商務平台的管理、營運及營銷策略。

(i) O2O 解決方案分部

O2O 解決方案分部主要為中國的購物中心運營商、物業管理公司及發展商提供定製社交會員管理(「社交會員管理」)平台及資訊科技支援服務。使用社交會員管理平台之大數據協助客戶了解消費者行為及為顧客提供個人化體驗，以便客戶可以進行專為目標顧客而設之促銷和營銷活動。

截至二零一九年十二月三十一日止年度之分部收入約為人民幣2,701,000元，佔本集團總收入約10.5% (截至二零一八年十二月三十一日止年度：約人民幣3,900,000元，佔本集團總收入約22.5%)。下跌乃主要由於購物中心設立無線網絡系統的需求下降以及終端用戶連接流動數據服務成本更低及普遍所致。

(ii) IDM solutions segment

During the year ended 31 December 2019, IDM solutions segment continued to provide mobile payment business in Hong Kong through the subsidiary of the Company, Haihai to assist merchants with WeChat Pay payment access, settlement and marketing functions that WeChat Pay offered. As at 31 December 2019, Haihai had been working with over 1,400 merchants who mainly engaged in retailing businesses such as medical and pharmaceutical services, cosmetics and beauty, jewellery, apparel, food and beverage, so as to offer customers a more convenient and fast mobile payment option when making both online and offline purchases.

WeChat Pay is becoming more popular in Hong Kong given that more Hong Kong residents has started using WeChat Pay as payment method and that more mainland Chinese tourists are able to use WeChat Pay in Hong Kong. However, due to the increasing competition resulting from more authorised WeChat Pay service providers emerging in the market, the cost of operation for WeChat Pay business increased for the year ended 31 December 2019 resulting an overall drop in gross profit recorded.

(iii) E-commerce solutions segment

E-commerce solutions segment mainly builds and operates single and multi-brand e-commerce platforms and flagship stores on multiple online channels and provides tailored end-to-end e-commerce solutions to customers. The Group mainly (i) manages the online stores for customers on the online e-commerce platforms such as Tmall, VIP.com and JD.com; (ii) sells merchandises mainly through online e-commerce platforms, self-owned online shops and through offline channels such as corporate bulk purchase and direct sales to dealers; and (iii) provides online marketing services to promote customers' products through social media channels.

Segment revenue for the year ended 31 December 2019 amounted to approximately RMB19,672,000, representing approximately 76.3% of the Group's total revenue (year ended 31 December 2018: approximately RMB11,343,000, representing approximately 65.4% of the Group's total revenue). The growth was mainly contributed by the sales of merchandises with increasing types of products sold on more online e-commerce platforms for year ended 31 December 2019.

(ii) 綜合電子推廣解決方案分部

截至二零一九年十二月三十一日止年度，綜合電子推廣解決方案分部繼續於香港透過本公司附屬公司嗨嗨協助商戶使用微信支付提供之微信支付接入、結算及營銷功能以提供移動支付業務。於二零一九年十二月三十一日，嗨嗨一直與超過1,400名主要從事零售業務（例如醫療及醫藥服務、化妝品及美容、珠寶、服飾、餐飲）之商戶合作，以便顧客於線上及線下購物時可選擇更便捷之移動支付方式。

越來越多香港市民開始使用微信支付付款且有更多中國大陸旅客能在香港使用微信支付，可見微信支付在香港越趨普及。然而，由於市場上湧現更多經授權的微信支付服務供應商導致競爭增加，截至二零一九年十二月三十一日止年度微信支付業務的營運成本增加，導致毛利整體下降。

(iii) 電子商務解決方案分部

電子商務解決方案分部主要為於多個線上渠道建設及營運單一及多品牌電子商務平台及旗艦店，並為客戶提供量身定制之端到端電子商務解決方案。本集團主要為客戶(i)管理線上電子商務平台上的線上店舖，如天貓、唯品會及京東商城；(ii)主要透過線上電子商務平台、自營線上店舖及透過線下渠道如企業批量購買及直接向經銷商銷售商品；及(iii)提供線上營銷服務以透過社交媒體渠道推廣客戶產品。

截至二零一九年十二月三十一日止年度之分部收入約為人民幣19,672,000元，佔本集團總收入約76.3%（截至二零一八年十二月三十一日止年度：約人民幣11,343,000元，佔本集團總收入約65.4%）。增長乃主要歸因於截至二零一九年十二月三十一日止年度透過增加在更多線上電子商務平台出售產品及產品類別，令商品銷售增長。

FINANCIAL REVIEW

The Group recorded an increase in revenue by 48.6% from approximately RMB17,356,000 for the year ended 31 December 2018 to approximately RMB25,797,000 for the year ended 31 December 2019 which was mainly contributed by the revenue growth in E-commerce solutions segment by approximately RMB8,329,000.

Cost of sales mainly included cost of merchandises sold under E-commerce solutions segment. The amount was approximately RMB9,656,000 for the year ended 31 December 2019 (year ended 31 December 2018: approximately RMB2,406,000) which was in line with the growth of sales of merchandises in the E-commerce solutions segment.

Other operating expenses mainly represented auditor's remuneration, legal and professional fee, business development costs, travelling expenses and other office expenses. The amount was approximately RMB12,109,000 for the year ended 31 December 2019 (year ended 31 December 2018: approximately RMB14,715,000) mainly because of decrease in other operating expenses incurred for O2O solutions segment.

Income tax credit for the year ended 31 December 2019 amount to approximately RMB8,100,000 (year ended 31 December 2018: approximately RMB1,921,000) mainly represented deferred tax credit arising from the amortisation and impairment loss of the intangible asset of E-commerce solutions segment.

財務回顧

本集團錄得收入由截至二零一八年十二月三十一日止年度約人民幣17,356,000元增加48.6%至截至二零一九年十二月三十一日止年度約人民幣25,797,000元，主要由於電子商務解決方案分部收入增長約人民幣8,329,000元。

銷售成本主要包括電子商務解決方案分部之出售商品成本。截至二零一九年十二月三十一日止年度金額約為人民幣9,656,000元(截至二零一八年十二月三十一日止年度：約人民幣2,406,000元)，與電子商務解決方案分部商品銷售增長一致。

其他經營費用主要指核數師酬金、法律及專業費用、業務發展費用、差旅支出及其他辦公室支出。截至二零一九年十二月三十一日止年度金額約為人民幣12,109,000元(截至二零一八年十二月三十一日止年度：約人民幣14,715,000元)，主要是由於O2O解決方案分部產生的其他經營費用減少。

截至二零一九年十二月三十一日止年度所得稅抵免約為人民幣8,100,000元(截至二零一八年十二月三十一日止年度：約人民幣1,921,000元)，主要指電子商務解決方案分部之無形資產攤銷及減值虧損所產生遞延稅項抵免。

Loss for the year ended 31 December 2019 decreased to approximately RMB52,400,000 (year ended 31 December 2018: approximately RMB62,414,000). The loss included the following major non-cash items:

截至二零一九年十二月三十一日止年度虧損減少至約人民幣52,400,000元(截至二零一八年十二月三十一日止年度:約人民幣62,414,000元)。虧損包括以下主要非現金項目:

		Year ended 31 December 2019 截至 二零一九年 十二月 三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2018 截至 二零一八年 十二月 三十一日 止年度 RMB'000 人民幣千元
Loss for the year (included major non-cash items)	年度虧損(包括主要非現金項目)	(52,400)	(62,414)
Non-cash items:	非現金項目:		
Fair value (gain)/loss of investment properties	投資物業公允值(收益)/虧損	(1,200)	800
Fair value gain of contingent shares payable (Reversal of)/impairment loss on other receivables	應付或然股份之公允值收益 其他應收款(撥回)/ 減值虧損	-	(21,359)
Impairment loss on inventories	存貨減值虧損	(190)	11,644
Reversal of allowance for trade receivables	應收賬款撥備撥回	(150)	-
Allowance for/(reversal of) allowance for other receivables	其他應收款撥備/(撥備撥回)	4	(1,734)
Depreciation	折舊	3,042	(681)
Amortisation of intangible assets	無形資產攤銷	6,783	1,819
Impairment loss on intangible assets	無形資產減值虧損	26,962	6,705
Impairment loss on goodwill	商譽減值虧損	11,451	-
Provision for capital gain tax	資本增值稅撥備	-	48,432
Share of result of an associate	應佔一間聯營公司業績	(1,063)	566
Income tax credit	所得稅抵免	(8,100)	176
Loss for the year (excluded major non-cash items)	年度虧損(不包括主要非現金項目)	(13,143)	(1,921)

Excluding the above major non-cash items, the Group's loss for the year ended 31 December 2019 amounted to approximately RMB13,143,000 (year ended 31 December 2018: approximately RMB17,967,000).

扣除上述主要非現金項目，本集團截至二零一九年十二月三十一日止年度虧損約為人民幣13,143,000元(截至二零一八年十二月三十一日止年度:約人民幣17,967,000元)。

UPDATE ON ACQUIRED BUSINESS

The Group acquired 51% of the equity interest in LCE Group Limited (“LCE Group”) on 28 December 2017 and allocated the goodwill arising from the acquisition to cash generating unit (“CGU”) of E-commerce solutions segment and recognised customer relationship in respect of the business of LCE Group and its subsidiaries (the “LCE Group”) as intangible assets.

However, although the LCE Group recorded an increase in revenue, the LCE Group could not meet the profits target for the year ended 31 December 2019. The increase in revenue contributed by the growth of sales of merchandises was partially offset with the drop in commission income resulting from certain existing brand partners not signing agency agreements with the LCE Group and lower commission rates offered by brand partners in 2019. In view of the above, the Group revised a forecast based on the latest position. As a result, during the year ended 31 December 2019, the Group recognised non-cash impairment loss on goodwill of approximately RMB11,451,000 and impairment loss on intangible assets of approximately RMB26,962,000 allocated to the CGU of E-commerce solutions segment.

The recoverable amount of the CGU of E-commerce solutions segment has determined based on a value-in-use calculation assessed by an independent valuer using discounted cash flow method. The pre-tax discount rate decreased from 24.4% as at 31 December 2018 to 22.5% as at 31 December 2019. There was no change to the valuation method adopted for the year ended 31 December 2019 and 2018.

PROSPECT

Looking ahead, the management expects that the overall business environment in China and Hong Kong is likely to remain uncertain in view of the ongoing China-US trade tensions, social unrest and the COVID-19 outbreak, especially in the first half of 2020. The economies of both China and Hong Kong and the domestic consumption sentiment have been negatively affected.

收購業務的最新情況

本集團於二零一七年十二月二十八日收購 LCE Group Limited (「LCE Group」) 的 51% 股權及將收購產生的商譽分配至電子商務解決方案分部的現金產生單位(「現金產生單位」)，並確認與 LCE Group 及其附屬公司(「LCE 集團」)業務有關的客戶關係為無形資產。

然而，儘管 LCE 集團錄得收入增加，LCE 集團未能達成截至二零一九年十二月三十一日止年度的溢利目標。收入增加因於商品銷售的增長，部分被若干現有品牌夥伴並無與 LCE 集團簽訂代理商協議導致佣金收入下降及二零一九年由品牌夥伴提供佣金率減少所抵銷。鑑於上述，本集團根據最新情況修訂預測。因此，截至二零一九年十二月三十一日止年度，本集團確認商譽非現金減值虧損約人民幣 11,451,000 元及無形資產減值虧損約人民幣 26,962,000 元分配至電子商務解決方案分部現金產生單位。

電子商務解決方案分部現金產生單位的可收回金額已按獨立估值師使用貼現現金流量法評估的使用價值計算而釐定。稅前貼現率由二零一八年十二月三十一日的 24.4% 減少至二零一九年十二月三十一日的 22.5%。截至二零一九年及二零一八年十二月三十一日止年度採納的估值方法並無變動。

展望

展望未來，鑒於中美貿易緊張局勢、社會動盪及二零一九冠狀病毒疫情持續，管理層預期中國及香港的整體業務環境可能仍不明朗，特別是在二零二零年上半年。中國及香港的經濟及本地的消費意欲均遭受到不利影響。

Nevertheless, it would not affect the Group's effort in developing its e-commerce business and partnering with different e-commerce channels to increase product exposure and liaise with suppliers for improvement on supply chain in order to provide timely and quality-assured delivery for enhancing consumer shopping experiences, drive sales and improve profit margin. In order to capture the vast market potential of the e-commerce business and improve profitability, the Group has strengthened its management team and capability to help building cross-border e-commerce business. On the back of its strong professional capability to come up with creative solutions and its commitment to the provision of quality services for clients, the Group has made a breakthrough in the diversification of its client base to global brands. As announced by the Company on 20 March 2020, the Group entered into franchise agreements with Stella McCartney regarding the right to sell Stella McCartney's fashion apparel and accessories on the designated online sales platforms operated by the Group in China.

Despite the social unrest in Hong Kong since June 2019 posed challenges to the WeChat Pay business, as announced by the Company on 5 March 2020, the Group obtained full control on Haihai by acquiring 30% shareholding interest from its minority shareholder taking into consideration towards the optimistic outlook of WeChat Pay industry. In addition to providing online and offline WeChat Pay services for merchants, the Group would assist merchants to minimise the usage gap of WeChat Pay services and reach its fullest potential between Hong Kong and Greater Bay Area markets by leveraging the WeChat ecosystem and capturing its audience through setting up of WeChat official account, WeChat mall and WeChat mini programs.

By increasing scale, strong professional team experience and ability to provide a one-stop value-added service to customers, it can bring their brands to consumers in new and innovative ways and thus enhance online shopping experience and customer loyalty. The Group believes that the e-commerce solutions business and WeChat Pay business would have good growth potential and contribute fruitful results to the Group in the years to come. The Group would continue to develop these core businesses and cautiously assess suitable strategic investments and business opportunities that could maximise returns for shareholders of the Company.

然而，這不會影響本集團努力發展電子商務業務及與不同電子商務渠道合作，增加產品曝光率並與供應商聯繫以改善供應鏈，提供及時有質量保證的交付以提升消費者購物體驗，推動銷售並提高利潤率。為把握電子商務業務的巨大市場潛力並提高盈利能力，本集團已加強管理團隊和能力，協助建立跨境電子商務業務。憑藉提供創新解決方案的強大專業能力以及對於為客戶提供優質服務的承諾，本集團在將客戶群向全球品牌多元化方面取得突破。誠如本公司於二零二零年三月二十日公佈，本集團與Stella McCartney訂立特許經營權協議，內容有關在本集團於中國營運的指定網上銷售平台上銷售Stella McCartney時裝及配飾的權利。

儘管二零一九年六月以來香港社會動盪為微信支付業務帶來挑戰，誠如本公司於二零二零年三月五月公佈，本集團考慮到微信支付行業的樂觀前景，向其少數股東收購30%股權以取得對嗨嗨的全面控制權。除了為商戶提供線上及線下微信支付服務，本集團透過利用微信生態系統並以成立微信公眾號、微信商城及微信小程序吸引用戶，協助商戶盡量減少微信支付服務的使用差距，並發揮其在香港與大灣區市場之間的最大潛力。

透過擴大規模、強大的專業團隊經驗及向客戶提供一站式增值服務的能力，其可以創新方式將品牌帶給消費者，因而提升線上購物體驗及客戶忠誠度。本集團相信，電子商務解決方案業務及微信支付業務將具有良好的增長潛力，並在未來為本集團貢獻豐碩的成果。本集團將繼續發展該等核心業務，並審慎評估合適的戰略投資及商業機會，為本公司股東帶來最大回報。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group's bank and cash balances were approximately RMB226,374,000 (31 December 2018: approximately RMB252,459,000) and bank loans were RMB9,000,000 (31 December 2018: RMB9,000,000). All bank loans were denominated in Renminbi and repayable within one year. Bank loans of RMB9,000,000 were arranged at fixed interest rates as at 31 December 2019 (31 December 2018: RMB2,000,000 arranged at fixed interest rates and RMB7,000,000 arranged at floating interest rates). The bank loans were secured by charge over the right-of-use assets, building, investment properties and personal guarantee provided by a director of subsidiaries of the Company. The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

流動資金及財政資源

於二零一九年十二月三十一日，本集團之銀行及現金結存約為人民幣226,374,000元（二零一八年十二月三十一日：約人民幣252,459,000元）以及銀行貸款為人民幣9,000,000元（二零一八年十二月三十一日：人民幣9,000,000元）。所有銀行貸款均以人民幣計值，且須於一年內償還。於二零一九年十二月三十一日銀行貸款人民幣9,000,000元按固定利率計息（二零一八年十二月三十一日：人民幣2,000,000元及人民幣7,000,000元分別按固定利率及浮動利率計息）。銀行貸款以使用權資產、樓宇、投資物業及本公司附屬公司一名董事提供之個人擔保作為抵押。本集團現金及現金等價物之賬面值以下列貨幣計值：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
US\$	美元	51	50
HK\$	港幣	212,664	229,764
RMB	人民幣	13,652	22,635
Others	其他	7	10
		226,374	252,459

As disclosed in 2018 annual report, the Company had completed the placing of 812,500,000 ordinary shares on 12 December 2018 which generated a net proceed of approximately RMB226,926,000 (equivalent to approximately HK\$257,380,000 after deducting relevant expenses incurred in relation to the placing), which was mainly used as general working capital for existing business and for investment of new business in the upstream and downstream of the Group's principal business if opportunities arise.

根據二零一八年年度報告所披露，本公司於二零一八年十二月十二日完成配售812,500,000股普通股，產生所得款項淨額（經扣除就配售產生之相關支出）約人民幣226,926,000元（相等於約港幣257,380,000元），主要用作現有業務之一般營運資金，及於機會出現時用作投資與本集團主要業務相關之上游及下游新業務。

As at 31 December 2019, the aforesaid net proceed uses which are consistent with the intended use of proceeds has been applied as follows:

於二零一九年十二月三十一日，上述所得款項淨額已按與所得款項擬定用途一致之用途應用如下：

		Intended use of proceeds 所得款項 擬定用途 HK\$'000 港幣千元	Utilised amount of proceeds 已動用所得 款項金額 HK\$'000 港幣千元	Unutilised amount of proceeds 未動用所得 款項金額 HK\$'000 港幣千元
(i) General working capital for existing business	(i) 現有業務之一般營運資金	257,380 (for both (i) and (ii)) (同時用作 (i) 及 (ii))	29,601	227,779 (for both (i) and (ii)) (同時用作 (i) 及 (ii))
(ii) Investment of new business in the upstream and downstream of the Group's principal business	(ii) 投資與本集團主要業務相關之上游及下游新業務		Nil 零	
Total	總計	257,380	29,601	227,779

It is the Group's strategy to keep the debt-to-adjusted capital ratio as low as feasible.

本集團之策略為盡可能將債務對經調整資本比率維持於低水平。

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all capital and reserves attributable to the owners of the Company. As at 31 December 2019, the debt-to-adjusted capital ratio was not applicable since the Group had approximately RMB226,374,000 bank and cash balances which can be sufficient to repay all the debts of the Group.

本集團基於債務對經調整資本比率監察資本。該比率以債務淨額除以經調整資本計算。債務淨額以債務總額減現金及現金等價物計算。經調整資本包括本公司股東應佔所有資本及儲備。於二零一九年十二月三十一日，債務對經調整資本比率並不適用，原因為本集團有約人民幣226,374,000元銀行及現金結存，足以償還本集團的所有債務。

PLEGDED ASSETS

As at 31 December 2019, the following assets of the Group were pledged as securities, among others, for the banking facilities granted by its banks:

- (i) Charge over the building with carrying amount of approximately RMB4,812,000 (31 December 2018: approximately RMB5,248,000);
- (ii) Charge over the right-of-use assets with carrying amount of approximately RMB2,006,000 (31 December 2018: approximately RMB2,062,000 classified as prepaid land lease payments);
- (iii) Charge over the investment properties with fair value of approximately RMB57,000,000 (31 December 2018: approximately RMB55,800,000); and
- (iv) Personal guarantee of a director of the Company's subsidiaries.

HUMAN RESOURCES

As at 31 December 2019, the Group had 97 employees (As at 31 December 2018: 93 employees). Employee benefits expenses (including directors' emoluments) for year ended 31 December 2019 were approximately RMB23,748,000 (year ended 31 December 2018: approximately RMB23,790,000). Employees were remunerated based on their performance, experience and prevailing industry practice. The Company has adopted a share option scheme for eligible persons and discretionary bonuses are payable to staff based on performance and in accordance with the Group's overall remuneration policies.

資產抵押

於二零一九年十二月三十一日，本集團已質押以下資產，作為(其中包括)獲取其往來銀行授予銀行融資之抵押：

- (i) 賬面值約為人民幣4,812,000元(二零一八年十二月三十一日：約人民幣5,248,000元)之樓宇之押記；
- (ii) 賬面值約為人民幣2,006,000元(二零一八年十二月三十一日：約人民幣2,062,000元分類為土地租賃預付款)之使用權資產之押記；
- (iii) 公允值約為人民幣57,000,000元(二零一八年十二月三十一日：約人民幣55,800,000元)之投資物業之押記；及
- (iv) 本公司附屬公司之一名董事之個人擔保。

人力資源

於二零一九年十二月三十一日，本集團有97名僱員(於二零一八年十二月三十一日：93名僱員)。截至二零一九年十二月三十一日止年度員工福利費用(包括董事酬金)約為人民幣23,748,000元(截至二零一八年十二月三十一日止年度：約人民幣23,790,000元)。僱員薪酬乃按彼等之表現、經驗及當時業內薪酬水平釐定。本公司已為合資格人士採納購股權計劃，並按照表現及根據本集團整體薪酬政策向員工發放酌情花紅。

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group did not have any significant investments, material acquisitions and disposals during the year ended 31 December 2019.

FOREIGN EXCHANGE EXPOSURE

Major subsidiaries of the Group operate in the PRC and most of the transactions are denominated in Renminbi. As certain of the Group's monetary assets and liabilities are denominated in Hong Kong dollars and United States dollars, any significant exchange rate fluctuations of Hong Kong dollars and United States dollars against Renminbi may have financial impacts to the Group. Currently, the Group does not use any derivative financial instruments. Nevertheless, the Group will review the risk from time to time and take response measures if necessary.

CONTINGENT LIABILITIES

The Company acquired 51% equity interests in LCE Group from the vendor (a BVI company) in 2017. This transaction is regarded as indirect transfer of the PRC subsidiaries of LCE Group by non-tax residents and fall within the scope as described in the Public Notice [2015] No. 7 ("**Public Notice 7**") issued by the State Administration of Taxation (the "**SAT**").

The capital gain derived from such indirect transfer will be subject to enterprise income tax ("**EIT**") and the withholding agent should withhold the EIT amount for settlement with the PRC tax authorities pursuant to the Public Notice [2017] No. 37 and Public Notice 7 issued by the SAT. The PRC tax authorities would demand from the withholding agent for the payment of EIT and impose penalty of 50% to 3 times of the unpaid EIT. The penalty may be relieved if the share transfer transaction has been voluntarily reported to the PRC tax authorities.

重大投資、收購及出售

本集團截至二零一九年十二月三十一日止年度並無任何重大投資、重大收購及出售。

外匯風險

本集團主要附屬公司於中國營運，且大部分交易以人民幣計值。由於本集團若干貨幣資產及負債以港幣及美金計值，港幣及美金兌人民幣之任何重大匯率波動或會對本集團造成財務影響。本集團目前並無使用任何衍生金融工具。然而，本集團將不時審視風險，並於必要時採取應對措施。

或然負債

本公司於二零一七年向賣方（一間英屬處女群島公司）收購LCE Group之51%股權。是項交易被視為由非稅務居民間接轉讓LCE Group之中國附屬公司，且屬國家稅務總局（「**國家稅務總局**」）頒佈之公告[2015]7號（「**7號公告**」）所述範疇內。

該間接轉讓所得資本收益將須繳納企業所得稅（「**企業所得稅**」），且扣繳義務人須根據國家稅務總局頒佈之公告[2017]37號及7號公告向中國稅務機構代扣代繳企業所得稅。中國稅務機構將要求扣繳義務人繳納企業所得稅，並施加相當於未繳企業所得稅50%至3倍之滯納金。倘本集團主動向中國稅務機構呈報該間接轉讓交易，則上述滯納金或將予解除。

On 28 December 2017, the Group paid RMB58,358,000 (equivalent to HK\$70,000,000) to the vendor. On 25 June 2018, the Company issued consideration shares of RMB5,414,000 (equivalent to HK\$6,541,000) to the vendor as part of the consideration. Neither the Group nor the vendor has reported the share transfer transaction or has settled the EIT to the PRC tax authorities upon consideration being partially settled according to the sale and purchase agreement. The Directors, after consulting the Group's PRC legal counsel, were of opinion that a provision of RMB5,581,000 calculated based on the cash consideration paid to the vendor as of 31 December 2017 and further provision of RMB566,000 regarding the shares granted during 2018 was sufficiently made. They considered that the risk of having a penalty imposed by the PRC tax authorities arising from non-compliance was reasonably low.

Apart from the above, the Group has no other material contingent liabilities as at 31 December 2019.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed in note 43, note 44 and note 47(a) to the consolidated financial statements, the Group had not executed any agreement in respect of material investments or capital assets and did not have any other future plans relating to material investments or capital assets as at the date of this annual report.

於二零一七年十二月二十八日，本集團向賣方支付人民幣58,358,000元（相等於港幣70,000,000元）。於二零一八年六月二十五日，本公司向賣方發行為數人民幣5,414,000元（相等於港幣6,541,000元）之代價股份作為部分代價。根據買賣協議結付部分代價後，本集團或賣方概無向中國稅務機構呈報股份轉讓交易或繳納企業所得稅。董事於諮詢本集團之中國法律顧問後認為，應按截至二零一七年十二月三十一日已付賣方之現金代價計提撥備人民幣5,581,000元及就於二零一八年授出之股份充分計提額外撥備人民幣566,000元。彼等認為遭中國稅務機構因不合規而徵收滯納金之風險屬合理偏低。

除上述外，於二零一九年十二月三十一日，本集團並無其他重大或然負債。

重大投資或資本資產之未來計劃

除綜合財務報表附註43、附註44及附註47(a)所披露外，於本年報日期，本集團並無就重大投資或資本資產簽立任何協議，亦無任何有關重大投資或資本資產之其他未來計劃。

Profile of Directors and Senior Management

董事及高級管理人員簡介

NON-EXECUTIVE DIRECTOR

Mr. Yang Xin Min, aged 70, senior economist, is the founding chairman and substantial shareholder of the Company. Mr. Yang resigned as an executive Director, the chief executive officer, a member of the Remuneration Committee and the Nomination Committee of the Company and was re-designated as a non-executive Director with effect from 16 December 2019. Mr. Yang graduated from the Beijing Economics Correspondence College. Since August 1977, Mr. Yang has been the general manager of all predecessor entities of the Group. Mr. Yang has over 30 years' experience in the research, production management and international market development of zirconium chemicals. Mr. Yang is the father of Mr. Yang Zhen who resigned as an executive Director of the Company with effect from 16 December 2019.

EXECUTIVE DIRECTORS

Mr. Ho Chi Kin, aged 51, is an executive Director, the chief executive officer and a member of the Remuneration Committee and the Nomination Committee of the Company with effect from 16 December 2019 and holds directorship of certain subsidiaries of the Company. Mr. Ho has extensive experience in charge of operation and development of online social platform, online advertising service business and launch of mobile online games in mainland China. In addition, he has over 20 years of experience in wealth management services in the United States of America, Hong Kong and mainland China, providing independent financial consulting services for high-end customers, focusing on corporate restructuring, mergers and acquisitions and assisting domestic clients with managing assets in their overseas listings. Mr. Ho was an executive director, the chief financial officer and a member of the executive committee of the board of Daohe Global Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 915), from 2018 to March 2020. He was also the company secretary and authorised representative of Daohe Global Group Limited from 2018 to 2019. Prior to that, Mr. Ho began his career as an accountant at Tang & Wong CPAs in Hawaii in 1993. From the year of 2000 to 2005, he was a partner of CCP C.P.A. Limited where he handled a variety of portfolios in auditing and assurance service in the fields of properties, manufacturing, construction, trading and

非執行董事

楊新民先生，70歲，高級經濟師，本公司之創辦主席兼主要股東。自二零一九年十二月十六日起，楊先生已辭任本公司之執行董事兼首席執行官、薪酬委員會及提名委員會之成員並調任為非執行董事。楊先生畢業於北京經濟函授大學。自一九七七年八月起一直擔任本集團所有前身機構之總經理。楊先生擁有超過30年銜化合物研究、生產管理及國際市場發展之經驗。楊先生為自二零一九年十二月十六日起辭任本公司執行董事的楊震先生之父親。

執行董事

何致堅先生，51歲，自二零一九年十二月十六日起為本公司之執行董事、首席執行官及薪酬委員會及提名委員會之成員，以及於本公司若干附屬公司擔任董事。何先生於中國內地線上社交平台、線上廣告服務業務及推出移動網絡遊戲擁有豐富的運營及開發經驗。此外，彼於美國、香港和中國內地積逾20年財富管理服務的豐富經驗，為高端客戶提供獨立財務諮詢服務，專注於企業重組、併購及協助國內客戶管理其海外上市資產。於二零一八年至二零二零年三月，何先生為道和環球集團有限公司（一家在香港聯合交易所有限公司（「聯交所」）主板上市的公司，股份代號：915）的執行董事、首席財務官及董事會執行委員會成員。彼在二零一八年至二零一九年期間亦擔任道和環球集團有限公司之公司秘書兼授權代表。在此之前，何先生於一九九三年在夏威夷的Tang & Wong會計師事務所擔任會計師開始其職業生涯。自二零零零年至二零零五年，彼為永新會計師事務所有限公司的合夥人，彼於該公司處理物業、製造、建築、貿易及零售業務、酒店及金融機構領域的各類

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

retailing business, hotels and financial institutions. From the year of 2005 to 2016, Mr. Ho was a founder and managing director of TAKA International Corporation, which is a professional firm for provision of corporate restructuring, company secretarial and accounting services in mainland China. TAKA International Corporation was acquired by Vistra Group in 2014. Mr. Ho holds a Master of Business Administration degree from Hawaii Pacific University and a Bachelor of Business Administration degree from the University of Hawaii. Mr. Ho is a qualified accountant and a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Cheng Faat Ting Gary, aged 52, was appointed as an independent non-executive Director of the Company in November 2001. He is the chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Dr. Cheng was an independent non-executive director of Niche-Tech Group Limited (stock code: 8490) from May 2018 to June 2019. In 2011, Dr. Cheng graduated with a Doctor of Business Administration from the City University of Hong Kong with research area in "Independent Non-Executive Director and Corporate Governance". He is one of few practicing CPA in Hong Kong with DBA degree of research area concentrated in INED study. Dr. Cheng is a Fellow Certified Public Accountant in both Hong Kong and the United States of America ("USA") and a Certified Tax Advisor of the Taxation Institute of Hong Kong. Dr. Cheng received his Bachelor's degree in Accounting (Honours) and Master's degree of Business Administration from Southern Illinois University, USA, in 1992 and 1994 respectively. Dr. Cheng had worked at the audit division of the international accounting firm, PricewaterhouseCoopers, and has over 25 years of experience in financial reporting, business advisory, auditing, accounting, tax investigation and liquidation. Dr. Cheng is currently the managing director of Gary Cheng CPA Limited. For public services, Dr. Cheng currently serves as chairman of CityU Eminence Society, charter president of the Lion Club of Huaxia Hong Kong and committee member of Social Welfare Advisory Committee of HKSAR.

審計服務。自二零零五年至二零一六年，何先生為TAKA International Corporation的創辦人及董事總經理，該公司為一間在中國內地提供企業重組、公司秘書及會計服務的專業公司。TAKA International Corporation於二零一四年被瑞致達集團收購。何先生持有夏威夷太平洋大學工商管理碩士學位及夏威夷大學工商管理學士學位。何先生為合資格會計師，並為美國會計師公會會員及香港會計師公會會員。

獨立非執行董事

鄭發丁博士，52歲，於二零零一年十一月獲委任為本公司獨立非執行董事。彼為本公司審核委員會、薪酬委員會及提名委員會主席。鄭博士於二零一八年五月至二零一九年六月擔任駿碼科技集團有限公司（股份代號：8490）的獨立非執行董事。於二零一一年，鄭博士畢業於香港城市大學並獲得工商管理學博士，專研「獨立非執行董事及企業管治」範疇。彼為在香港執業會計師當中，擁有工商管理博士學位並專注於獨立非執行董事研究的少數人士之一。鄭博士擁有香港及美國（「美國」）資深執業會計師資格，同時為香港稅務學會註冊稅務師。鄭博士分別於一九九二年及一九九四年畢業於美國南伊利諾州大學會計學學士（一級榮譽）及工商管理學碩士。鄭博士曾任職於國際會計師事務所普華永道的審計部，對財務報告、業務顧問、審核、會計、稅務調查及清盤方面擁有逾25年工作經驗。鄭博士現職加多利會計師事務所有限公司董事總經理。公共服務方面，鄭博士現時擔任香港城市大學「城賢匯」主席、香港華都獅子會會長及香港特別行政區社會福利諮詢委員會成員。

Mr. Poon Lai Yin, Michael, aged 48, was appointed as an independent non-executive Director of the Company in January 2010. Mr. Poon had acted as the chief financial officer in two companies listed on the GEM of the Stock Exchange since 2002, and was mainly responsible for the overall financial management, internal control function and accounting function. Mr. Poon has over 20 years of experience in financial reporting, business advisory, auditing, taxation, accounting, merger and acquisition. Mr. Poon is a fellow member of Hong Kong Institute of Certified Public Accountants, a member of CPA Australia and a practicing member of Asset Management Association of China. He holds a Bachelor's degree in Administrative Studies with York University in Canada and a Master's degree in Practicing Accounting with Monash University in Australia. Mr. Poon had been working for an international accounting firm and was responsible for providing business advisory and assurance services for some listed clients.

Mr. Poon is currently an executive director and the chief financial officer of Huakang Biomedical Holdings Company Limited (stock code: 8622) since August 2017. He is also an independent non-executive director of LFG Investment Holdings Limited (stock code: 3938) since September 2019, Niche-Tech Group Limited (stock code: 8490) since June 2019, Teamway International Group Holdings Limited (stock code: 1239) since March 2019 and China Uptown Group Company Limited (stock code: 2330) since November 2006.

潘禮賢先生，48歲，於二零一零年一月獲委任為本公司獨立非執行董事。潘先生自二零零二年起先後於兩間在聯交所GEM上市之公司出任首席財務官，主要負責整體財務管理、內部監控及會計工作。潘先生於財務報告、業務顧問、審核、稅務、會計及收購合併方面擁有逾20年工作經驗。潘先生為香港會計師公會資深會員、澳洲會計師公會會員及中國證券投資基金業協會執業會員。彼持有加拿大約克大學(York University)行政學學士學位及澳洲Monash University實務會計碩士學位。潘先生曾任職某國際會計師事務所，負責為多間上市客戶提供業務顧問及審核服務。

潘先生目前自二零一七年八月起擔任華康生物醫學控股有限公司(股份代號：8622)的執行董事兼首席財務官。彼亦自二零一九年九月起擔任LFG投資控股有限公司(股份代號：3938)的獨立非執行董事、自二零一九年六月起擔任駿碼科技集團有限公司(股份代號：8490)的獨立非執行董事、自二零一九年三月起擔任Teamway International Group Holdings Limited(股份代號：1239)的獨立非執行董事及自二零零六年十一月起擔任中國上城集團有限公司(股份代號：2330)的獨立非執行董事。

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

Mr. Poon was an independent non-executive director of CityNeon Holdings Limited (a company previously listed on the main board of the Singapore Exchange Limited) from August 2017 to 2019. He was also the alternate to a non-executive director of Vincent Medical Holdings Limited (stock code: 1612) from February 2016 to July 2017, the chief executive officer and the company secretary of Anxin-China Holdings Limited (a company previously listed on the Main Board of the Stock Exchange) from February 2017 to May 2017 and an independent non-executive director of Sun International Resources Limited (stock code: 8029) from September 2008 to August 2011. For Celebrate International Holdings Limited (stock code: 8212), Mr. Poon was the chief financial officer and company secretary from June 2010 to April 2011, an executive director from October 2010 to July 2011 and a non-executive director from July 2011 to December 2011. Mr. Poon was the independent non-executive director and chief financial officer of Enviro Energy International Holdings Limited (stock code: 1102) from December 2006 to July 2008 and from July 2008 to November 2009 respectively. He was the financial controller and company secretary of KOALA Financial Group Limited (stock code: 8226) from March 2002 to June 2008.

Mr. Peng Bobo, aged 33, was appointed as an independent non-executive Director and a member of the Audit Committee of the Company on 27 December 2018. Mr. Peng joined the Microelectronics Research Institute of ZTE Corporation as the senior engineer since December 2015 and has been subsequently promoted and appointed as the expert engineer since June 2017. Prior to that, Mr. Peng had been appointed as the engineer and the senior engineer of Advantest Semiconductor Technology Company Limited for the period from August 2012 to August 2014 and for the period from August 2014 to August 2015 respectively. Mr. Peng is a veteran with extensive experience in semiconductor related fields. Mr. Peng obtained a Bachelor's degree and a Master's degree in microelectronics from East China Normal University in 2009 and 2012 respectively. Mr. Peng is the joint inventor for certain invention patents in semiconductor related fields.

潘先生於二零一七年八月至二零一九年擔任城貿控股有限公司(先前在新加坡交易所有限公司主板上市的公司)的獨立非執行董事。彼亦在二零一六年二月至二零一七年七月期間擔任永勝醫療控股有限公司(股份代號: 1612)的非執行董事的替代董事、在二零一七年二月至二零一七年五月期間擔任中國安芯控股有限公司(先前在聯交所主板上市的公司)的首席執行官及公司秘書以及在二零零八年九月至二零一一年八月期間擔任太陽國際資源有限公司(股份代號: 8029)之獨立非執行董事。對於譽滿國際(控股)有限公司(股份代號: 8212), 潘先生在二零一零年六月至二零一一年四月期間擔任首席財務官及公司秘書、在二零一零年十月至二零一一年七月期間擔任執行董事及在二零一一年七月至二零一一年十二月期間擔任非執行董事。潘先生在二零零六年十二月至二零零八年七月期間及二零零八年七月至二零零九年十一月期間分別擔任環能國際控股有限公司(股份代號: 1102)的獨立非執行董事兼首席財務官。彼在二零零二年三月至二零零八年六月擔任樹熊金融集團有限公司(股份代號: 8226)的財務總監兼公司秘書。

彭波波先生, 33歲, 於二零一八年十二月二十七日獲委任為本公司之獨立非執行董事及審核委員會成員。彭先生於二零一五年十二月起加入中興通訊股份有限公司微電子研究院擔任高級工程師, 並於二零一七年六月起晉升及獲委任為專家工程師。在此之前, 彭先生曾自二零一二年八月至二零一四年八月及自二零一四年八月至二零一五年八月分別獲委任為愛德萬測試半導體科技(上海)有限公司之工程師及高級工程師。彭先生是一位在半導體相關領域擁有豐富經驗的資深人士。彭先生先後於二零零九年及二零一二年於華東師範大學微電子學分別取得學士學位及碩士學位。彭先生是半導體相關領域某些發明專利的聯合發明人。

Mr. Tsui Francis King Chung, aged 59, is an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from 16 December 2019. Mr. Tsui has extensive experiences in financial advisory services, investor relations, corporate restructuring, direct investment and business development consultancy. Mr. Tsui is an independent non-executive director of Delta-Asia Financial Group in Hong Kong and Macau since 2018. Mr. Tsui was an independent non-executive director of listed entities including Affluent Partners Holdings Limited (formerly Man Sang Jewellery Holdings Limited) which was listed on the Stock Exchange (stock code: 1466), from 2014 to 2016; China MetroRural Holdings Limited which was listed on the NYSE MKT (ticker symbol: CNR) and the successor of Man Sang Holdings Inc. pursuant to a reorganisation in 2009, from 2009 to 2014; and Man Sang Holdings Inc which was listed on the American Stock Exchange, from 2006 to 2009. Since 2000, Mr. Tsui has founded and served as the President and Director of DMC Investment Co. Ltd., a private investment company in Hong Kong active in direct investment. From 2007 to 2011, he was the International President of Asian Outreach International. Currently, he serves on the Board of AsiaCMS Berhad headquartered at Kuala Lumpur, Malaysia and also the Board of Asian Access of the U.S. Mr. Tsui holds a Bachelor of Arts and Master of Philosophy from the University of Hong Kong.

Mr. Tang Yat Ming Edward, aged 55, is an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from 16 December 2019. Mr. Tang is currently the chief financial officer of SBE International Limited since 2017. Mr. Tang was an executive director, chief financial officer, company secretary and authorised representative of National Arts Entertainment and Culture Group Limited (formerly National Arts Holdings Limited) which was listed on the Stock Exchange (stock code: 8228), from 2008 to 2011. Mr. Tang has over 20 years of extensive experience in financial reporting, business advisory, auditing, accounting, merger and acquisitions. Mr. Tang holds a Bachelor of Commerce degree from the University of Manitoba, Canada. Mr. Tang is a member of the Hong Kong Institute of Certified Public Accountants and a chartered financial analyst of Association for Investment Management and Research.

崔勁中先生，59歲，自二零一九年十二月十六日起為本公司之獨立非執行董事以及審核委員會、薪酬委員會及提名委員會之成員。崔先生於財務顧問服務、投資者關係、企業重組、直接投資及業務發展顧問方面擁有豐富經驗。自二零一八年，崔先生是滙業財經集團在香港和澳門之獨立非執行董事。崔先生曾擔任上市公司的獨立非執行董事，其中任期包括於二零一四年至二零一六年出任在聯交所上市的錢唐控股有限公司(前稱民生珠寶控股有限公司，股份代號：1466)之董事；於二零零九年至二零一四年出任於二零零九年重組後Man Sang Holdings Inc.的繼任公司，在紐約證券交易所市場上市的China MetroRural Holdings Limited(股票簡稱：CNR)之董事；及於二零零六年至二零零九年出任在美國交易所上市的Man Sang Holdings Inc.之董事。自二零零零年，崔先生曾創辦並擔任DMC Investment Co., Ltd.(一家活躍於直接投資領域的香港私人投資公司)的總裁兼董事。從二零零七年至二零一一年，彼為Asian Outreach International的會長。目前，彼同時是總部位於馬來西亞吉隆坡的AsiaCMS Berhad及源自美國的Asian Access的董事會成員。崔先生獲得香港大學文學士和哲學碩士學位。

鄧日明先生，55歲，自二零一九年十二月十六日起為本公司之獨立非執行董事以及審核委員會、薪酬委員會及提名委員會之成員。鄧先生自二零一七年起至目前擔任津世資源有限公司的首席財務官。鄧先生曾於二零零八年至二零一一年在聯交所上市的國藝娛樂文化集團有限公司(前稱國藝控股有限公司，股份代號：8228)出任執行董事、首席財務官、公司秘書及授權代表。鄧先生在財務報告、業務諮詢、審計、會計、合併和收購方面擁有超過20年的豐富經驗。鄧先生擁有加拿大曼尼托巴大學的商業學士學位。鄧先生為香港會計師公會會員及投資管理與研究協會特許金融分析師。

SENIOR MANAGEMENT

Ms. Yeung Wai Ling, aged 39, is the chief financial officer and company secretary of the Group. Ms. Yeung graduated from Hong Kong Baptist University and received a bachelor degree in Business Administration (Accounting). She is a member of the Hong Kong Institute of Certified Public Accountants. Before joining the Group in 2015, she has worked in international accounting firm and Singapore listed company. She has extensive experience in auditing and financial reporting.

Mr. Lu Qinglu, aged 47, is currently the director and general manager of the LCE Group. Mr. Lu graduated from East China Normal University with a master's degree in business administration. Mr. Lu established Lucky Creation Enterprise (Shanghai) Limited and Jianyi Information Technology (Shanghai) Limited, being a director and general manager since July 2010 and is also an executive partner of 上海尚象投資管理合夥企業(有限合夥) since March 2016. Mr. Lu has been active in the investment and consultancy management of the internet sector in the PRC and Hong Kong.

Mr. Kwan Che Hang Jason, aged 52, was appointed as an executive Director of the Company in December 2013 to May 2018 and is currently the general manager of O2O solutions segment. He was the founder and chief executive officer of Smartac Group. He graduated in 1991 from the University of British Columbia, Canada with a Bachelor of Commerce degree and in 2010 from the EMBA program of Cheung Kong Graduate School of Business. During the period of his university studies, Mr. Kwan was the first Chinese marketing executive working for the Vancouver Board of Trade, as well as a part-time writer for the financial section of a local magazine. After graduation, Mr. Kwan joined the Jardines Group and was assigned to work in the IT division of the Jardines Group. In 1995, Mr. Kwan was assigned as the regional manager in Vietnam, and a year later he was assigned to work in the Shanghai subsidiary. In 1998, Mr. Kwan was promoted as the general manager of Eastern China region where he worked until 1999. In 2000, Mr. Kwan founded the Smartac Group and had opened 9 branch offices in China focusing on IT system integration business. In 2002, Mr. Kwan was a member of the executive committee and the chairman of the IT Committee of the Hong Kong Chamber of Commerce (Shanghai). In 2007, the Suzhou subsidiary of Smartac Group was selected as one of the key developing enterprises in the Suzhou Industrial Park ("SIP") and had been granted the right to construct an office block in the SIP which is now used as the investment properties of the Group. Mr. Kwan is highly experienced in providing services in mobile internet technology, O2O solutions and retail big data service operation. Mr. Kwan is the brother of Mr. Kwan Che Ho Jacky.

高級管理人員

楊慧玲女士，39歲，為本集團首席財務官兼公司秘書。楊女士畢業於香港浸會大學，獲得工商管理會計學學士學位，為香港會計師公會會員。於二零一五年加入本集團前，楊女士就職於國際會計師事務所與新加坡上市公司，擁有豐富的審計及財務報告經驗。

路慶魯先生，現年47歲，目前為LCE集團之董事兼總經理。路先生畢業於華東師範大學，獲得工商管理碩士學位。路先生成立上海建運信息技術有限公司及建宜信息技術(上海)有限公司，自二零一零年七月起擔任有關公司之董事兼總經理，亦自二零一六年三月起擔任上海尚象投資管理合夥企業(有限合夥)之執行合夥人。路先生一直活躍於中國及香港互聯網業之投資與諮詢管理。

關志恒先生，現年52歲，於二零一三年十二月至二零一八年五月出任本公司執行董事，目前為O2O解決方案分部總經理。關先生為盈聯集團之創辦人及首席執行官。彼於一九九一年畢業於加拿大英屬哥倫比亞大學並獲得金融商科學士，並於二零一零年畢業於長江商學院之EMBA課程。關先生於大學期間曾出任溫哥華貿易局首位華人會籍銷售代表，並為溫哥華當地雜誌兼任編寫財經專欄。關先生於大學畢業後即加入怡和集團，並獲委派至怡和集團旗下之資訊科技部門工作。關先生於一九九五年獲派駐越南出任區域經理，於一年後再調任至上海分公司。關先生在一九九八年獲升任為華東區總經理，直至一九九九年離任。關先生於二零零零年創辦了盈聯集團，曾在中國設立9個分公司辦事處，主要從事資訊系統整合之業務。關先生於二零零二年曾擔任上海香港商會執行委員會理事和資訊科技委員會主席。於二零零七年，盈聯集團在蘇州之附屬公司獲蘇州工業園區(「蘇州工業園區」)認定為重點培養企業，並獲批准在蘇州工業園區內興建辦公大樓，目前用作本集團之投資物業。關先生在提供移動互聯網技術、O2O解決方案及零售大數據的服務運營均具有豐富經驗。關先生為關志豪先生之兄弟。

Mr. Kwan Che Ho Jacky, aged 47, joined the Group's non-wholly owned subsidiary — Smartac Solutions (Suzhou) Limited (“**Smartac Solutions**”) in December 2014 as retail business general manager and is currently the general manager of Shanghai branch office of O2O solutions segment. He graduated from the University of British Columbia with a Master degree of Engineering in 1997. He joined the Hong Kong GEM listed company — Proactive Technology Holdings Limited in 1999, engaged in business communication services and specialised in VoIP communications and call center operations. In 2001, he joined Smartac Group which was acquired by the Group as a non-wholly owned subsidiary in 2013 as sales and marketing general manager. Over these years, he provided application solutions, established and maintained communications and call center systems for various companies in logistics, retail and foreign financial industries such as UPS, TNT, IKEA in China, Hang Lung Properties, UBS, BNP Paribas, Standard Chartered Bank. Mr. Kwan is the brother of Mr. Kwan Che Hang Jason.

Mr. Zhang Fang, aged 40, software development general manager of Smartac Solutions, was responsible for developing online to offline software solutions, SCRM system and processing massive software data distribution and analysis. Mr. Zhang joined Smartac Solutions in 2006 and had worked as senior software developer, project manager, CRM department manager and developer director during the period from 2006 to August 2014. He was promoted to software development general manager in August 2014. Mr. Zhang graduated from Shanghai East China Normal University and joined the direct marketing company — Shanghai Mecox Lane International Mailorder Company Limited to develop invoicing and workflow systems. He had also involved in the development of customer relationship management, enterprise resource planning, management information systems, call center software and was responsible for software projects and database management.

關志豪先生，現年47歲，於二零一四年十二月加入本集團非全資附屬公司蘇州盈聯智能科技股份有限公司（「蘇州盈聯」），擔任零售業務總經理，目前為O2O解決方案分部上海分公司辦事處總經理。關先生於一九九七年畢業於加拿大英屬哥倫比亞大學工程系碩士，於一九九九年加入香港GEM上市公司寶訊科技控股有限公司，從事企業通信業務，專注於VoIP通信及呼叫中心業務。彼於二零零一年加入盈聯集團（二零一三年被本集團收購為非全資附屬公司），擔任銷售市場總經理。關先生多年來為物流、零售和外資金融行業等行業提供應用解決方案，其中為UPS、TNT、中國宜家、恒隆地產、瑞銀集團、法國巴黎銀行及渣打銀行等公司建立及維護通訊及呼叫中心系統。關先生為關志恒先生之兄弟。

張放先生，現年40歲，為蘇州盈聯的軟件開發總經理，負責開發線上到線下的軟件解決方案、社交會員管理平台系統及處理大型軟件的資料流程及分析。張先生於二零零六年加入蘇州盈聯，於二零零六年至二零一四年八月期間擔任高級軟件開發工程師、項目經理、客戶關係管理部門經理及開發總監。彼於二零一四年八月獲晉升為軟件開發總經理。張先生畢業於上海華東師範大學，加入直接行銷企業上海麥考林國際郵購有限公司，從事研發進銷存與 workflow 系統。彼亦曾參與研發客戶關係管理、企業資源規劃、管理資訊系統及呼叫中心軟件，並負責軟件專案及資料庫管理。

Corporate Governance Report

企業管治報告

The Company recognises the importance of good corporate governance to safeguard the interest of the Company's shareholders (the "**Shareholders**") and achieved these by an effective board, segregation of duties with clear accountability, sound internal controls, appropriate risk assessment procedures and transparency to all the Shareholders. Save as disclosed below, the Company has complied with the code provisions (the "**Code Provisions**") of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange throughout the year ended 31 December 2019. Under the Code Provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yang Xin Min has ceased the position of the chief executive officer ("**CEO**") of the Group with effect from 16 December 2019. Following the appointment of Mr. Ho Chi Kin as CEO of the Group on the same date, the Company has re-complied with Code Provision A.2.1 of the Listing Rules.

The Board periodically reviews and monitors the Company's policies and practices on corporate governance or compliance with legal and regulatory requirements and employees' code of conduct to ensure that the Group's operations are conducted in accordance with the standards of the CG Code and applicable disclosure requirements. Directors and senior management are provided with appropriate ongoing training, continuing professional development for regular updates of the legal and regulatory requirements relevant to their duties.

BOARD OF DIRECTORS

Board Composition

The Board is responsible for supervision of the management of the business and affairs, approval of strategic plans and reviewing of financial performance. The Board currently comprises seven members, including one executive Director, one non-executive Director and five independent non-executive Directors.

Non-executive Director

Yang Xin Min (*Chairman*)

Executive Director

Ho Chi Kin (*Chief Executive Officer*)

Independent non-executive Directors

Dr. Cheng Faat Ting Gary
Mr. Poon Lai Yin Michael
Mr. Peng Bobo
Mr. Tsui Francis King Chung
Mr. Tang Yat Ming Edward

本公司深知良好企業管治對保障本公司股東(「股東」)權益之重要性，並透過有效之董事會，明確分工與問責、完備內部監控、恰當風險評估程序及對所有股東維持高透明度以達致良好企業管治。除下文所披露者外，截至二零一九年十二月三十一日止年度，本公司已遵守聯交所證券上市規則(「上市規則」)附錄14所載企業管治守則(「企業管治守則」)的守則條文(「守則條文」)。根據守則條文第A.2.1條，主席與首席執行官之角色應有區分，且不應由一人同時兼任。楊新民先生已自二零一九年十二月十六日起不再擔任本集團首席執行官(「首席執行官」)。隨著何致堅先生於同日獲委任為本集團首席執行官，本公司已重新遵守上市規則守則條文第A.2.1條。

董事會定期檢討及監察本公司有關企業管治或遵守法律及監管規定及僱員行為守則之政策及慣例，以確保本集團的營運乃根據企業管治守則的標準及適用的披露規定進行。向董事及高級管理層提供適當的持續培訓、持續的專業發展，以定期更新與其職責相關的法律法規要求。

董事會

董事會組成

董事會負責監督業務及事務之管理、批准策略規劃以及檢討財務表現。董事會現由七名成員組成，包括一名執行董事、一名非執行董事及五名獨立非執行董事。

非執行董事

楊新民(主席)

執行董事

何致堅(首席執行官)

獨立非執行董事

鄭發丁博士
潘禮賢先生
彭波波先生
崔勁中先生
鄧日明先生

The changes to the composition of the Board and Board committees during the year ended 31 December 2019 and up to the date of this report were as follows:

- (a) Mr. Yang Xin Min resigned as an executive Director, the CEO, a member of the Remuneration Committee, a member of the Nomination Committee and an authorised representative of the Company and was re-designated as a non-executive Director with effect from 16 December 2019.
- (b) Mr. Ho Chi Kin was appointed as an executive Director, the CEO, a member of the Remuneration Committee, a member of the Nomination Committee and an authorised representative of the Company with effect from 16 December 2019.
- (c) Mr. Tsui Francis King Chung was appointed as an independent non-executive Director, a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee of the Company with effect from 16 December 2019.
- (d) Mr. Tang Yat Ming Edward was appointed as an independent non-executive Director, a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee of the Company with effect from 16 December 2019.
- (e) Mr. Yang Zhen resigned as an executive Director of the Company with effect from 16 December 2019.

During the year ended 31 December 2019, the Company had at all times complied with Rules 3.10 and Rules 3.10A of the Listing Rules.

The biographical details of the Directors are disclosed under the section headed "Profile of Directors and Senior Management" section of this annual report. An updated list of the Directors and their roles and functions is available on the websites of the Company and the Stock Exchange.

Roles and Responsibilities of the Board and Delegation by the Board

The overall management and control of the Company's business are vested in its Board, which assumes responsibility for its leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. All Directors carry out their duties in good faith, take decisions objectively and act in the interests of the Company and Shareholders at all times.

截至二零一九年十二月三十一日止年度及直至本報告日期，董事會及董事委員會組成的變動如下：

- (a) 自二零一九年十二月十六日起，楊新民先生辭任本公司之執行董事、首席執行官、薪酬委員會成員、提名委員會成員及授權代表，並調任為非執行董事。
- (b) 自二零一九年十二月十六日起，何致堅先生獲委任為本公司之執行董事、首席執行官、薪酬委員會成員、提名委員會成員及授權代表。
- (c) 自二零一九年十二月十六日起，崔勁中先生獲委任為本公司之獨立非執行董事、審核委員會成員、薪酬委員會成員及提名委員會成員。
- (d) 自二零一九年十二月十六日起，鄧日明先生獲委任為本公司之獨立非執行董事、審核委員會成員、薪酬委員會成員及提名委員會成員。
- (e) 自二零一九年十二月十六日起，楊震先生辭任本公司之執行董事。

截至二零一九年十二月三十一日止年度，本公司一直遵守上市規則第3.10條及第3.10A條。

董事的履歷詳情於本年報「董事及高級管理人員簡介」一節披露。最新董事名單及其角色與職能刊登於本公司及聯交所網站。

董事會角色及職責以及董事會轉授職權

董事會負責本公司業務之整體管理及監控，並肩負領導及監控本公司的責任，透過指導及監督本公司事務而共同承擔本公司成功發展之責任。全體董事均真誠履行其職務、作出客觀決策及時刻以本公司及股東利益為依歸行事。

Management, under the leadership of the CEO, is responsible for the day-to-day management of the Group's businesses and the implementation of the strategies and policies as determined by the Board. The delegations to the management are periodically reviewed by the Board to ensure that they are appropriate and continue to be beneficial to the Group as a whole. All Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense, upon reasonable request made to the Board and are encouraged to access and to consult with the Company's executive Directors and management independently.

Chairman and CEO

Currently, the Chairman of the Board and the CEO of the Group are Mr. Yang Xin Min and Mr. Ho Chi Kin (who was appointed on 16 December 2019 in replacement of Mr. Yang Xin Min) respectively. The roles of Chairman and CEO are segregated and their respective responsibilities are clearly defined and set out in writing.

The Chairman, Mr. Yang Xin Min, who is a non-executive Director, is responsible for providing leadership for the Board on corporate and strategic planning, overseeing the functioning of the Board and encouraging all Directors to have active contributions to the Board's affairs.

The CEO, Mr. Ho Chi Kin, who is an executive Director, supported by management, is responsible for managing the Group's business, including implementation of major strategies, making day-to-day decisions and managing business operations.

Appointments, Re-election and Removal of Directors

All Directors have formal letters of appointment with the Company, which set out the key terms of their appointments. Executive Director was appointed for a term of five years while each non-executive Director and independent non-executive Director was appointed for a term of one year from the date of appointment. The term of appointment of each Director is subject to retirement by rotation and re-election at each annual general meeting in accordance with the articles of association of the Company and the Listing Rules.

管理層在行政總裁的領導下，負責本集團業務的日常管理以及實行董事會釐定之策略及政策。董事會定期檢討向管理層的轉授情況，確保適當並繼續對本集團整體有利。全體董事可於履行職務時透過向董事會作出合理請求而尋求獨立專業意見，費用由本公司承擔，且彼等獲鼓勵獨立聯絡及諮詢本公司執行董事及管理層。

主席及首席執行官

目前，本集團董事會主席及首席執行官分別為楊新民先生及何致堅先生（於二零一九年十二月十六日獲委任以接替楊新民先生）。主席及首席執行官之職位彼此分開，彼等各自的責任已清楚界定並已書面載列。

主席兼非執行董事楊新民先生負責領導董事會進行企業及策略規劃，監督董事會功能，並鼓勵全體董事對董事會事務作出積極貢獻。

首席執行官兼執行董事何致堅先生在管理層的支持下，負責管理本集團業務，包括實行重要策略、制定日常決策及管理業務營運。

委任、重選及罷免董事

全體董事均與本公司訂有正式委任書，當中載有彼等獲委任的主要條款。執行董事獲委任之任期為自獲委任之日起計五年，而各非執行董事及獨立非執行董事獲委任之任期為自獲委任之日起計一年。根據本公司組織章程細則及上市規則，各董事須輪值退任，並於各股東周年大會上膺選連任。

According to the articles of association, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

In accordance with the articles of association, Mr. Yang Xin Min shall retire by rotation at the 2019 annual general meeting of the Company. He, being eligible, will offer himself for re-election at the forthcoming annual general meeting of the Company. Mr. Ho Chi Kin, Mr. Tsui Francis King Chung and Mr. Tang Yat Ming Edward who were new Directors appointed by the Board will hold office until the first general meeting of the Company after their appointments on 16 December 2019 and shall then be eligible for re-election in the coming annual general meeting of the Company.

The biographies of the Directors proposed to be re-elected at the annual general meeting are set out in the circular sent with this annual report to provide information to Shareholders to decide on their re-elections.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company considers all of the independent non-executive Directors to be independent.

Board Diversity Policy

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level for the benefits of diversity on the Board and enabling the Board to discharge its duties and responsibilities effectively.

根據組織章程細則，於各股東周年大會，當時三分之一董事須輪值退任，惟各董事須最少每三年輪值退任一次。退任董事符合資格重選連任並須繼續於其退任之大會上擔任董事。任何獲董事會委任填補臨時空缺的董事須任職直至其獲委任後的首屆股東大會為止，並於該大會上膺選連任，而任何獲董事會委任加入現有董事會的董事任期應僅至本公司下屆股東大會為止，屆時將符合資格膺選連任。

根據組織章程細則，楊新民先生須於本公司二零一九年股東周年大會上輪值退任。彼將符合資格及願意於本公司應屆股東周年大會上膺選連任。獲董事會委任的新董事何致堅先生、崔勁中先生及鄧日明先生將任職直至彼等於二零一九年十二月十六日獲委任後的本公司首屆股東大會為止，並符合資格於本公司應屆股東周年大會上膺選連任。

擬於股東周年大會上重選的董事履歷已載於連同本年報寄發之通函內，以向股東提供資料，就董事重選作出決定。

本公司已收到各獨立非執行董事根據上市規則第3.13條作出有關其獨立性之年度確認書。根據有關確認書，本公司認為所有獨立非執行董事均為獨立人士。

董事會多元化政策

為達致可持續平衡發展，本公司認為董事會層面增加多元化乃支持其達致策略目標及可持續發展之重要因素。設計董事會之組成時，從多方面考慮董事會多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期以及董事會可能不時認為相關及適用之任何其他因素。我們高度重視就董事會多元化確保董事會成員之技能及經驗平衡，讓董事會得以有效履行職務及職責。

Selection of candidates will be based on the Company's nomination policy and will take into account the Board diversity policy. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. The Nomination Committee shall report its findings and make recommendation to the Board. Such policy and objectives will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board.

Nomination Policy

Objectives

The Nomination Committee assists the Board in making recommendations to the Board on the appointment of Directors and succession planning for Directors. The Nomination Policy provides the key selection criteria and principles of the Nomination Committee in making any such recommendations.

Selection Criteria

When making recommendations regarding the appointment of any proposed candidate to the Board or reappointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- Reputation for integrity;
- Relevant skills and experience in the information technology industry and other relevant sectors;
- Commitment in respect of sufficient time, interest and attention to the Company's business;
- Diversity in all aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge;
- Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive Director; and
- Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

本公司將根據其提名政策並考慮董事會多元化政策甄選董事，並將於審慎考慮對董事會多元化之裨益及董事會之需要後基於獲選舉董事將為董事會帶來之優勢及貢獻而非專注於單一多元化層面而作出最終決定。提名委員會將向董事會報告其結果及提出推薦建議。有關政策及目標將不時予以檢討，以確保適用於優化董事會之組成。

提名政策

目標

提名委員會協助董事會就董事之任命及董事繼任計劃向董事會提出推薦建議。提名政策訂明提名委員會提出任何該等推薦建議所依據主要甄選標準及原則。

甄選標準

提出推薦建議委任任何建議候選人出任董事會成員或重新委任任何現任董事會成員時，提名委員會將考慮各項因素以評估建議候選人是否合適，包括但不限於下列各項：

- 誠信之聲譽；
- 於資訊科技行業及其他相關範疇之有關技能及經驗；
- 就為本公司業務投入足夠時間、興趣及注意之承諾；
- 於各方面之多元化程度，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識；
- 是否符合上市規則第3.13條所規定有關委任獨立非執行董事之獨立標準；及
- 提名委員會或董事會可能不時釐定之任何其他相關因素。

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's articles of association and other applicable rules and regulations.

Nomination Procedures

The Secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration.

In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.

In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

Please refer to the "Procedures for shareholders to propose candidates for election as Directors", which is available on the Company's website, for procedures for shareholders' nomination of any proposed candidate for election as a Director.

The Nomination Committee shall review and monitor the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board on an annual basis and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

Review of the Nomination Policy

The Nomination Committee will review the Nomination Policy periodically in line with the Company's strategy and recommend any proposed changes to the Board for approval.

委任任何建議候選人出任董事會成員或重新委任任何現任董事會成員時應符合本公司組織章程細則及其他適用規則及規例。

提名程序

提名委員會秘書應召開會議並邀請董事會成員提名候選人(如有)供提名委員會考慮。提名委員會亦可提名候選人以供考慮。

就委任任何建議候選人出任董事會成員而言，提名委員會應就該名候選人進行充足盡職審查，並提出推薦建議供董事會考慮及批准。

就重新委任任何現任董事會成員而言，提名委員會應就其有關建議候選人於股東大會接受重選之意見及建議向董事會提出推薦建議。

有關股東提名任何建議候選人參選董事之程序，請參閱本公司網站所載「股東提名候選人參選董事的程序」。

提名委員會應每年檢討及監察董事會之結構、規模及組成(包括技能、知識、經驗及觀點多元化)，並就任何建議變動向董事會提出建議，以配合本公司之公司策略。

董事會有權就所有有關其建議候選人於股東大會參選之事宜作出最終決策。

檢討提名政策

提名委員會將定期檢討提名政策，以配合本公司策略，並向董事會提出任何建議變動，以供批准。

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) set out in Appendix 10 to the Listing Rules as its code of conduct for dealing in securities of the Company by the Directors.

The Company, having made specific enquiries from all the Directors that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2019.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance coverage on directors' and officers' liabilities of the Company in respect of any legal actions taken against the Directors and officers of the Company arising out of corporate activities.

Directors' Induction and Continuing Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure proper understanding of the Company's operations and businesses as well as responsibilities under relevant statutes, laws, rules and regulations. The company secretary of the Company (the **"Company Secretary"**) from time to time provides the Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements. The Company Secretary maintains records of trainings attended by the Directors and the summary of trainings is set out on page 36 of this annual report.

BOARD COMMITTEES

The Board has established three Board Committees to oversee various aspects of the Group's affairs: the Audit Committee, the Remuneration Committee and the Nomination Committee. Terms of reference of all Board committees are available on the websites of the Stock Exchange and the Company.

Audit Committee

The Audit Committee currently comprises five independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Mr. Peng Bobo, Mr. Tsui Francis King Chung, Mr. Tang Yat Ming Edward and is chaired by Dr. Cheng Faat Ting Gary who has substantial accounting and related financial management expertise.

董事進行證券交易

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「**標準守則**」)作為董事買賣本公司證券的行為守則。

經向全體董事作出特定查詢後，本公司確認彼等於截至二零一九年十二月三十一日止年度一直遵守標準守則所載規定標準。

董事及高級職員之責任保險

本公司已為本公司的董事及高級職員因公司業務而招致針對本公司的董事及高級職員之任何法律行動所承擔之責任安排投購適當之保險。

董事就職及持續專業發展

各新委任董事接受必需就職及資料，以確保正確了解本公司營運及業務以及根據相關法律條文、法律、規則及法規的責任。本公司的公司秘書(「**公司秘書**」)不時向董事提供有關上市規則及其他相關法律及監管規定的最新發展及變動。公司秘書存置董事出席培訓之記錄，培訓概要載於本年報第36頁。

董事委員會

董事會已成立三個董事委員會以監督本集團事務的各個方面：審核委員會、薪酬委員會及提名委員會。所有董事委員會的職權範圍刊登於聯交所及本公司網站。

審核委員會

審核委員會現時由五名獨立非執行董事組成，即潘禮賢先生、彭波波先生、崔勁中先生、鄧日明先生並由鄭發丁博士出任主席，鄭發丁博士具備豐富會計及相關財務管理經驗。

The Audit Committee is responsible for (i) monitoring and reviewing the effectiveness of the Group's financial reporting system, risk management and internal control systems; (ii) reviewing the Group's financial information; and (iii) overseeing the relationship with the auditor of the Company. The work performed by the Audit Committee during the year ended 31 December 2019 were:

- Reviewed the interim results and annual results;
- Reviewed the auditing and financial reporting matters, including the management letter from the external auditors in relation to the audit of the Group for the year ended 31 December 2019;
- Recommended to the Board on the appointment of external auditors;
- Reviewed and approved the internal audit plans; and
- Reviewed the adequacy and effectiveness of financial reporting system, risk management and internal control systems.

Auditor's Remuneration

An analysis of the remuneration paid to the external auditor of the Company, RSM Hong Kong, in respect of audit services and non-audit services for the year ended 31 December 2019 is set out below:

Service category	服務類別	Fees paid/ payable 已付／應付費用 HK\$'000 港幣千元
Audit service	審核服務	
• Annual audit for 2019	• 二零一九年年度審核	1,280
Non-audit service	非審核服務	
• Agreed upon procedures	• 協定程序	340
• Taxation	• 稅務	26
		1,646

審核委員會負責 (i) 監察及審閱本集團財務申報系統以及風險管理及內部監控系統的成效；(ii) 審閱本集團的財務資料；及 (iii) 監督與本公司核數師的關係。審核委員會於截至二零一九年十二月三十一日止年度進行的工作為：

- 審閱中期業績及年度業績；
- 審閱審核及財務報告事宜包括外聘核數師就本集團截至二零一九年十二月三十一日止年度審核事宜發出之管理層函件；
- 就委任外聘核數師向董事會作出推薦建議；
- 審閱及批准內部審核計劃；及
- 檢討財務報告系統、風險管理及內部監控系統是否充足及其成效。

核數師酬金

截至二零一九年十二月三十一日止年度，就審核服務及非審核服務支付予本公司外聘核數師羅申美會計師事務所之酬金分析如下：

Remuneration Committee

The Remuneration Committee currently comprises one executive Director, namely Mr. Ho Chi Kin and four independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Mr. Tsui Francis King Chung, Mr. Tang Yat Ming Edward and is chaired by Dr. Cheng Faat Ting Gary. A majority of the members of the Remuneration Committee consists of independent non-executive Directors.

The Remuneration Committee is responsible for (i) reviewing the remuneration packages of the executive Directors and senior management; (ii) making recommendations to the Board on the Directors' fee structure; and (iii) reviewing and approving compensation-related issues.

During the year ended 31 December 2019, the Remuneration Committee reviewed the adjustment and proposals of director fee, salary and discretionary bonus of Directors and senior management.

Remuneration payable to members of senior management of the Company (excluding Directors) for the year of 2019 is within the following bands:

薪酬委員會

薪酬委員會目前由一名執行董事何致堅先生及四名獨立非執行董事組成，即潘禮賢先生、崔勁中先生、鄧日明先生，並由鄭發丁博士出任主席。薪酬委員會的大多數成員由獨立非執行董事組成。

薪酬委員會負責 (i) 檢討執行董事及高級管理人員之薪酬待遇；(ii) 就董事袍金結構向董事會作出推薦建議；及 (iii) 審閱及批准補償相關事宜。

截至二零一九年十二月三十一日止年度，薪酬委員會已審閱董事袍金、薪金以及董事及高級管理人員之酌情花紅調整及建議。

二零一九年度應付本公司高級管理人員（不包括董事）之酬金介乎以下範圍：

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil to RMB500,000	零至人民幣 500,000 元	2	3
RMB500,001 to RMB1,000,000	人民幣 500,001 元至 人民幣 1,000,000 元	1	1
RMB1,000,001 to RMB1,500,000	人民幣 1,000,001 元至 人民幣 1,500,000 元	2	1

Nomination Committee

The Nomination Committee currently comprises one executive Director, namely Mr. Ho Chi Kin and four independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Mr. Tsui Francis King Chung, Mr. Tang Yat Ming Edward and is chaired by Dr. Cheng Faat Ting Gary.

The Nomination Committee is responsible for (i) reviewing the structure, size and composition of the Board; (ii) assessing the suitability and qualification of any proposed director candidate; (iii) assessing the independence of the independent non-executive Directors; (iv) making recommendation to the Board on the appointment or re-appointment of Directors; and (v) monitoring and reviewing the implementation of the Board Diversity Policy and Nomination Policy.

The work performed by the Nomination Committee during the year ended 31 December 2019 were:

- Reviewed the structure, size and composition of the Board;
- Assessed the independence of each independent non-executive Directors; and
- Reviewed and made recommendations to the Board on the appointment and re-appointment of the Directors.

提名委員會

提名委員會目前由一名執行董事何致堅先生及四名獨立非執行董事組成，即潘禮賢先生、崔勁中先生、鄧日明先生，並由鄭發丁博士出任主席。

提名委員會負責 (i) 檢討董事會的結構、規模及組成；(ii) 評估任何建議董事候選人是否合適及其資格；(iii) 評估獨立非執行董事的獨立性；(iv) 向董事會推薦建議董事之任命及重新委任；及(v) 監察及檢討實行董事會多元化政策及提名政策。

提名委員會於截至二零一九年十二月三十一日止年度進行的工作為：

- 檢討董事會的結構、規模及組成；
- 評估各獨立非執行董事的獨立性；及
- 審視並向董事會推薦建議董事之任命及重新委任。

2019 BOARD AND COMMITTEE ATTENDANCE AND TRAINING RECORDS

The attendance of the Directors at the Board meetings, and Board Committee meetings, annual general meeting of the Company and training for the year ended 31 December 2019 was as follows:

二零一九年董事會及委員會出席會議及培訓記錄

董事於本公司截至二零一九年十二月三十一日止年度董事會會議、董事委員會會議、股東周年大會的出席情況以及培訓如下：

		Attendance/Number of meeting(s) held during the respective term of services 於各自任期期間出席／舉行會議次數					
Directors	董事	Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	Annual General Meeting 股東周年大會	Training (Note) 培訓 (附註)
Non-executive Director	非執行董事						
Yang Xin Min (Chairman)	楊新民(主席)	11/11		5/5	3/3	1/1	✓
Executive Director	執行董事						
Ho Chi Kin (Chief Executive Officer)	何致堅(首席執行官)	1/1		1/1	1/1		✓
Independent Non-executive Directors	獨立非執行董事						
Dr. Cheng Faat Ting Gary	鄭發丁博士	11/11	2/2	6/6	4/4	1/1	✓
Mr. Poon Lai Yin Michael	潘禮賢先生	11/11	2/2	6/6	4/4	1/1	✓
Mr. Peng Bobo	彭波波先生	11/11	2/2			1/1	✓
Mr. Tsui Francis King Chung	崔勁中先生	1/1		1/1	1/1		✓
Mr. Tang Yat Ming Edward	鄧日明先生	1/1		1/1	1/1		✓
Directors resigned during the year	年內辭任董事						
Mr. Yang Zhen	楊震先生	11/11				1/1	✓
Number of meetings held in 2019	於二零一九年舉行之會議數目	11	2	6	4	1	

Note: Trainings included attending seminars and/or reading materials on legal and regulatory updates, corporate governance, director's duties and responsibilities.

附註：培訓包括參加有關法律及監管最新情況、企業管理、董事職務及責任的研討會及／或閱讀有關資料。

Apart from meetings in person or by other electronic means, the Board and Board committees also circulate written resolutions for approval by the relevant members of the Board and Board committees in compliance with the Company's articles of association and Code Provision of the CG Code.

除親身或以其他電子方式出席會議，董事會及董事委員會亦根據本公司組織章程細則及企業管治守則的守則條文傳閱書面決議案，以供董事會及董事委員會相關成員批准。

Company Secretary

The Company Secretary, Ms. Yeung Wai Ling, supports the Board and Board committees by ensuring good information flow within the Board and that the Board's policy and procedures and all applicable rules and regulations are followed. The Company Secretary is responsible for advising the Board on corporate governance matters and facilitating the induction and continuous professional development of Directors. During the ended 31 December 2019, the Company Secretary received not less than 15 hours of relevant professional training to update her skills and knowledge. Her biography is set out in this annual report under the section headed "Profiles of Directors and Senior Management".

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibilities for the preparation of financial statements for each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the auditors of the Company about their responsibilities for the audit of the Group's consolidated financial statements is set out in the Independent Auditor's Report on pages 83 to 90.

Risk Management and Internal Controls

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems on an ongoing basis in order to safeguard the Group's assets, investments and the shareholders' interest, and in reviewing their effectiveness at least annually through the Audit Committee.

The Group has engaged an external independent professional firm as the outsourced internal auditor which provides an independent review on the effectiveness of the Group's risk management and internal control systems on an annual basis and in fulfilling its duties to oversee corporate governance and material controls in the Group's financial, operational and compliance controls. The systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

公司秘書

公司秘書楊慧玲女士透過確保董事會內良好資訊流通以及遵循董事會政策及程序以及所有適用規則及法規，協助董事會及董事委員會。公司秘書負責就企業管治事宜向董事會提供意見，並促進董事的就職及持續專業發展。截至二零一九年十二月三十一日止年度，公司秘書已接受不少於15小時相關專業培訓以掌握最新技能及知識。其履歷載於本年報「董事及高級管理人員簡介」一節。

問責及審核

財務報告

董事確認彼等編製各財政期間財務報表之責任，以真實和公平地反映本集團該期間之財政狀況及業績與現金流量。董事經作出一切合理查詢後確認，就彼等所深知、全悉及確信，彼等並不知悉任何與可能對本集團持續經營能力構成重大疑慮之事件或情況相關之重大不確定因素。

有關本公司核數師就審核本集團綜合財務報表須承擔責任之聲明，載於第83至90頁之獨立核數師報告內。

風險管理及內部監控

為保障本集團資產、投資及股東利益，董事會確認其持續監督本集團風險管理及內部監控系統之責任，並透過審核委員會最少每年檢討其成效。

本集團已委聘外部獨立專業公司為外判內部核數師，每年就本集團風險管理及內部監控系統之成效進行獨立檢討，並履行其監督本集團財務、營運及合規監控方面之企業管治及重大控制之職務。由於該等系統及內部監控旨在管理而非消除未能達致業務目標之風險，故僅可合理而非絕對保證不會有重大失實陳述或損失。

During the year ended 31 December 2019, the Group's internal auditor conducted selective reviews of the effectiveness of the systems of risk management and internal controls of the Group based on the audit plan agreed annually by the Audit Committee over financial, operational and compliance controls. These results were assessed by Group's internal auditor and reported to the Audit Committee, which then reviewed and reported the same to the Board. The Board and Audit Committee closely monitor the findings conducted and recommendations proposed by the internal auditor and also the corrective measures taken by relevant departments.

Based on the risk management and internal control systems established and maintained by the Group, the work performed by the internal auditor, and reviews performed by the management, the Audit Committee and the Board were not aware of any areas of concern that would have a material impact on the Group's financial position or operating results, and considered that the risk management and internal control systems to be generally effective and adequate.

POLICY AND PROCEDURES OF INSIDE INFORMATION HANDLING AND DISSEMINATION

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

- The Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- The Group strictly prohibits unauthorised use of confidential or inside information applicable to all employees of the Group;
- The Group strictly keeps inside information confidential and restricts to relevant parties on a need-to-know basis so as to ensure confidentiality until consistent and timely disclosure of the inside information in an equal and timely manner by way of financial reporting, company announcements and its website; and
- The Board consults the Company's legal advisor in assisting to assess whether the relevant information is considered to be inside information which needs to be disclosed as soon as reasonably practicable.

截至二零一九年十二月三十一日止年度，本集團內部核數師根據審核委員會每年同意有關財務、營運及合規監控方面之審核計劃對本集團風險管理及內部監控系統之成效進行篩查檢討。有關結果由本集團內部核數師評估並向審核委員會報告，審核委員會審閱有關資料後向董事會報告。董事會及審核委員會密切監控內部核數師得出之結果及提出之建議以及有關部門採取之糾正措施。

基於本集團建立並維持的風險管理及內部監控系統、內部核數師進行的工作以及管理層進行的審閱，審核委員會及董事會並不知悉任何會對本集團財務狀況或經營業績構成重大影響之疑慮，並認為風險管理及內部監控系統整體有效及充足。

處理及發佈內幕消息之政策及程序

本集團確認其根據證券及期貨條例以及上市規則須履行之責任，首要原則為內幕消息須在決定後即時公佈。處理及發佈內幕消息之程序及內部監控如下：

- 本集團處理事務時會充分考慮上市規則項下披露規定及香港證券及期貨事務監察委員會於二零一二年六月頒佈之「內幕消息披露指引」；
- 本集團嚴格禁止未經授權使用本集團全體僱員適用之機密或內幕消息；
- 本集團嚴格保持內幕消息機密，並僅根據知情需要向有關人士披露內幕消息，從而確保於透過財務報告、公司公告及其網站以公平及時之方式貫徹一致且及時披露內幕消息前保持機密；及
- 董事會諮詢本公司法律顧問以評估有關消息是否被視為須在合理實際可行情況下盡快披露之內幕消息。

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

Procedures for Shareholders to Convene an Extraordinary General Meeting

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

Shareholders may also propose a person for election as director and the procedures for shareholders to propose candidates for election as Directors are available on the Company's website.

Putting Forward Proposals at General Meetings

Shareholders are welcomed to put forward proposals relating to the operations and management of the Group to be discussed at general meetings. The proposals shall be sent to the Company Secretary by a written requisition with his detailed contact information to the Company's head office and principal place of business in Hong Kong (details of which are set out in the section headed "Corporate Information" of this annual report). Shareholders who wish to put forward a proposal should convene an extraordinary general meeting by following the procedures set out in "Procedures for Shareholders to Convene an Extraordinary General Meeting" above.

Right to Put Enquiries to the Board

Shareholders have a right to put enquiries to the Board. All enquiries should be in writing and sent to the Company Secretary at Room 1204, 12th Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong or by email to investors@smartacgroup.com.

股東權利

為保障股東權益及權利，本公司於股東大會就各項大致獨立之事項(包括選舉個別董事)提呈獨立決議案。所有於股東大會提呈之決議案將根據上市規則以按股數投票方式表決，而表決結果將於各股東大會結束後於本公司及聯交所網站登載。

股東召開股東特別大會之程序

根據本公司組織章程細則第58條，任何於遞呈要求日期持有本公司繳足股本(附帶權利可於本公司股東大會表決)不少於十分之一之一名或多名股東有權隨時向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明之任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘董事會未有於遞呈要求後二十一日內召開有關大會，則要求人可以同一方式自行召開股東特別大會，而本公司須向要求人彌償要求人因董事會未能召開股東特別大會而產生之所有合理支出。

股東亦可建議他人參選董事，股東建議候選人參選董事的程序載於本公司網站。

於股東大會提呈建議

本公司歡迎股東提呈有關本集團營運及管理的建議於股東大會上討論。有關建議須透過書面要求寄交予公司秘書，其詳細聯絡資料寄交予本公司總辦事處及香港主要營業地點(其詳情載於本年報「公司資料」一節)。擬提呈建議的股東應遵照上文「股東召開股東特別大會之程序」所載的程序召開股東特別大會。

向董事會作出查詢之權利

股東有權向董事會作出查詢。所有查詢必須以書面提出，並郵寄至公司秘書，地址為香港銅鑼灣告士打道262號中糧大廈12樓1204室，或電郵至 investors@smartacgroup.com。

DIVIDEND POLICY

The Company considers stable and sustainable returns to Shareholders to be our goal. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

- (i) the Group's actual and expected financial performance;
- (ii) the Group's actual and future operations and liquidity position;
- (iii) the Group's expected working capital requirements, future expansion plans and future commitments at the time of declaration of dividend;
- (iv) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (v) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (vi) any restrictions under the Companies Law of the Cayman Islands and any applicable laws, rules and regulations relevant to the Group;
- (vii) the retained earnings and distributable reserves of the Company and each of the members of the Group;
- (viii) general economic conditions, business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- (ix) any other factors that the Board deems appropriate.

The Dividend Policy and the declaration and/or payment of future dividends under the Dividend Policy are subject to the Board's continuing determination that the Dividend Policy and the declaration and/or payment of dividends would be in the best interests of the Group and shareholders, and are in compliance with all applicable laws and regulations.

The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable Dividend Policy.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time.

股息政策

本公司認為我們之目標乃為股東帶來穩定及可持續回報。董事會將於決定是否建議派發股息及釐定股息金額時考慮(其中包括):

- (i) 本集團實際及預期財務表現;
- (ii) 本集團實際及未來經營及流動資金狀況;
- (iii) 本集團於宣派股息時之預期營運資金需要、未來擴展計劃及未來承擔;
- (iv) 本集團債務對權益比率、權益回報及有關財務契諾水平;
- (v) 本集團貸款人可能施加關於派付股息之任何限制;
- (vi) 開曼群島公司法以及與本集團有關之任何適用法例、規則及規例項下任何限制;
- (vii) 本公司及本集團各成員公司之保留盈利及可分派儲備;
- (viii) 整體經濟環境、本集團業務週期以及其他可能對本集團業務或財務表現及狀況構成影響之內部或外部因素; 及
- (ix) 董事會視為適當之任何其他因素。

股息政策以及根據股息政策宣派及/或派付未來股息須待董事會持續釐定股息政策以及宣派及/或派付股息會否符合本集團及股東最佳利益且符合所有適用法例及規例後, 方可作實。

董事會致力於達致股東期望與根據可持續股息政策審慎管理資本之間取得平衡。

董事會將持續檢討股息政策並保留其全權及絕對酌情權利, 隨時更新、修訂、修改及/或取消股息政策。

The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time, there can be no assurance that dividends will be paid in any particular amount for any given period.

Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the abovementioned factors.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of good communications with all shareholders. The Company's general meeting is a valuable forum for the Board to communicate directly with the shareholders. The Chairmen of the Board Committees are present to answer shareholders' questions. The Company aims to be open and transparent with Shareholders and encourages Shareholders' active participation at the Company's general meetings.

Information would be communicated to the Shareholders mainly through the Company's corporate communications (such as interim and annual reports, announcements and circulars), annual general meeting and other general meetings, as well as disclosure on the websites of the Company and the Stock Exchange. Interim reports, annual reports and circulars are sent to the Shareholders in a timely manner and are also available on the websites of the Company and the Stock Exchange. The Company's and the Stock Exchange's websites provides Shareholders with the corporate information.

The Company's annual general meeting allows the Directors to meet and communicate with Shareholders. The Company ensures that Shareholders' views are communicated to the Board. The notice of annual general meeting is distributed to all Shareholders at least 21 days prior to the annual general meeting and the accompanying circular also sets out the procedures for conducting a poll and other relevant information of the proposed resolutions. Voting results are posted on the websites of the Company and the Stock Exchange on the day of the annual general meeting.

Shareholders and investors may also contact the Company by email to investors@smartacgroup.com or by mail to the Company Secretary at Room 1204, 12th Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong. The website of the Company at www.smartacgroup.com also provides a medium to make information of the Group available to shareholders.

Constitutional Documents

There has been no change in the Company's constitutional documents during the year and up to the date of this annual report.

股息政策絕不構成本集團在未來股息方面之具法律約束力承擔及／或絕無規定本集團須於任何時間或不時宣派股息，亦無法保證將就任何指定期間派付任何特定金額之股息。

即使董事會決定建議及派付股息，有關形式、頻率及金額仍將視乎上述因素而定。

與股東及投資者溝通

董事會深明與所有股東保持良好溝通至關重要。本公司股東大會提供寶貴場合讓董事會直接與股東溝通。董事委員會主席出席大會回答股東提問。本公司旨在對股東保持公開透明，並鼓勵股東積極參與本公司的股東大會。

本公司主要透過本公司的公司通訊（如中期及年度報告、公告及通函）、股東周年大會及其他股東大會以及在本公司及聯交所網站上之披露向股東傳達資料。中期報告、年度報告及通函將適時寄發予股東，亦可於本公司及聯交所網站查閱。本公司及聯交所網站為股東提供公司資料。

本公司之股東周年大會讓董事可與股東會面及溝通。本公司確保股東之意見可傳達至董事會。股東周年大會通告於股東周年大會前最少21天發送予所有股東，而附隨之通函亦載列以按股數投票方式表決之程序及建議決議案之其他相關資料。投票結果會於股東周年大會當日刊登於本公司及聯交所網站。

股東及投資者如欲聯絡本公司，可電郵至 investors@smartacgroup.com 或郵寄至公司秘書，地址為香港銅鑼灣告士打道262號中糧大廈12樓1204室。本公司網站 www.smartacgroup.com 亦為股東提供本集團資訊之渠道。

組織章程文件

於本年度及直至本年度報告日期，本公司的組織章程文件概無變動。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

The Environmental, Social and Governance (“**ESG**”) Report published by the Company and its subsidiaries (collectively the “**Group**” or “**we**”) elaborates their commitment and strategies and summarises the efforts and achievements on corporate social responsibility and sustainable development for the reporting period from 1 January 2019 to 31 December 2019 (the “**Year**”). As for the information on corporate governance, please refer to the Corporate Governance Report on page 26 to 41 of this annual report.

Scope of the ESG Report

The ESG Report of the Year focuses on the sustainability approach, performance in environmental and social aspects of our core business in the PRC and Hong Kong, namely (i) sales of software and provision of O2O consultation service; (ii) provision of electronic payment solutions and services; and (iii) management, operation and provision of online shops and e-commerce platforms. The key performance indicators (“**KPIs**”) disclosed in the ESG Report focused on our subsidiaries located in Suzhou and Shanghai of the PRC. The Group will make continual efforts in reviewing the performance in environmental and social aspects, and consider expanding the scope of the ESG Report in the future.

Reporting Framework

The ESG Report was prepared in accordance with Appendix 27 “Environmental, Social and Governance Reporting Guide” to the Listing Rules.

Information and Feedbacks

For detailed information about our environmental, social and corporate governance, please refer to our official website (www.smartacgroup.com) and this annual report. Your opinions will be highly valued. Should you have any advice, please contact us at investors@smartacgroup.com.

有關本報告

本公司及其附屬公司(統稱「**本集團**」或「**我們**」)所刊發的環境、社會及管治(「**環境、社會及管治**」)報告闡述於二零一九年一月一日至二零一九年十二月三十一日止報告期間(「**本年度**」)的承諾及策略，亦概述在企業社會責任及可持續發展方面的努力及成就。關於企業管治的資料，請參閱本年度報告第26至41頁的企業管治報告。

環境、社會及管治報告範圍

本年度環境、社會及管治報告針對我們於中國及香港的核心業務在環境及社會方面的可持續性方法及表現，即(i)軟件銷售及提供O2O諮詢服務；(ii)提供電子支付解決方案及服務；及(iii)線上店舖及電子商務平台的管理、營運及提供營銷策略。環境、社會及管治報告所披露的關鍵績效指標(「**關鍵績效指標**」)集中於我們在中國蘇州及上海的附屬公司。本集團將不斷努力檢討環境及社會層面的績效，並於日後考慮擴大環境、社會及管治報告範圍。

報告架構

本環境、社會及管治報告已根據上市規則附錄27《環境、社會及管治報告指引》編製。

資料及回饋

有關我們環境、社會及企業管治的詳情，請參閱官方網站(www.smartacgroup.com)及本年度報告。本集團非常重視閣下的意見，若閣下有任何建議，請透過 investors@smartacgroup.com 聯絡我們。

ESG MANAGEMENT

The Group fulfills its social responsibility willingly and appreciates the benefits of good ESG management for providing a long-term sustainable development strategy. In order to ensure the establishment of competent ESG risk management measures and internal control system, the Board is responsible for directing the sustainability strategies and the reporting of ESG, while the management of the Group would execute the strategies and practise sustainability in their daily operation.

The Board reviews and revises the Group's policy on sustainable development from time to time to ensure the effectiveness of the system for accomplishing the expectations and needs of the stakeholders. Internal reviews, such as independent assessments and analysis, are also arranged to improve ESG management.

Stakeholder Engagement

Communication with Stakeholders

The Group recognises the importance of stakeholders' views to our business. Exemplifying our commitment to communicating with stakeholders, including both internal and external parties, we have established diversified channels to understand their expectations and needs, which are essential to our business development.

環境、社會及管治的管理

本集團樂於履行其社會責任，並肯定良好環境、社會及管治的管理為提供長期可持續發展策略帶來的好處。為確保建立有效的環境、社會及管治風險管理措施及內部控制系統，董事會負責指導可持續發展策略及環境、社會及管治匯報工作，而本集團的管理人員將在日常營運中執行該等策略並實踐可持續發展。

董事會不時檢討及修訂本集團的可持續發展政策，以確保該制度有效達成持份者的期望及需要。本集團亦已安排內部檢討（例如獨立評估及分析）以改善環境、社會及管治的管理工作。

持份者的參與

與持份者溝通

本集團深明持份者觀點對業務的重要性。通過設立不同渠道，我們致力與內部及外部持份者溝通，以了解各持份者的期望及需要，對業務發展實屬重要。

Stakeholders 持份者	Expectations and Requirements 期望及要求	Means of Communication and Response 溝通及回應方法
Government and Regulators 政府及監管機構	<ul style="list-style-type: none">Compliance with national policies, laws and regulation 遵守國家政策、法律及法規Support local economic growth 促進地方經濟增長Drive local employment 促進地方就業Pay taxes in full and on time 按時足額繳稅	<ul style="list-style-type: none">Regular information reporting 定期匯報資訊Examinations and inspections 審核及檢查

Stakeholders 持份者	Expectations and Requirements 期望及要求	Means of Communication and Response 溝通及回應方法
Shareholders 股東	<ul style="list-style-type: none"> Returns 收益回報 Compliant operation 合規經營 Raise in Company value 提升公司價值 Transparency of information and effective communication 訊息透明度及有效溝通 	<ul style="list-style-type: none"> General meetings 股東大會 Announcements 公告 Email, telephone communication and company website 電郵、電話溝通及公司網站
Partners 合作夥伴	<ul style="list-style-type: none"> Operate with integrity 誠信經營 Equal rivalry 公平競爭 Performance of contracts 依法履約 Mutual benefits and win-win result 互利共贏 	<ul style="list-style-type: none"> Business communications 業務溝通 Engagement and cooperation 洽談合作
Customers 客戶	<ul style="list-style-type: none"> Outstanding products and services 優質產品及服務 Health and safety 健康及安全 Performance of contracts 依法履約 Operate with integrity 誠信經營 	<ul style="list-style-type: none"> Customer service centre and hotlines 客戶服務中心及熱線 Customer communication meetings 客戶溝通會議 Calling for feedback 回訪
Environment 環境	<ul style="list-style-type: none"> Energy saving and emission reduction 節能減排 	<ul style="list-style-type: none"> Reporting 遞交報告
Industry 行業	<ul style="list-style-type: none"> Drive industry development 促進行業發展 	<ul style="list-style-type: none"> Participation in industry forums 參與行業論壇 Visits and inspections 訪問及檢查
Employees 僱員	<ul style="list-style-type: none"> Protection of rights 保障權利 Occupational health and safety 職業健康及安全 Remunerations and benefits 薪酬及福利 Career development 事業發展 	<ul style="list-style-type: none"> Employee communication meetings 僱員溝通會議 House journal and intranet 企業期刊及內聯網 Trainings and workshops 培訓及工作坊 Employee activity 員工活動
Community and the Public 社區及公眾	<ul style="list-style-type: none"> Improve community environment 改善社區環境 	<ul style="list-style-type: none"> Company website 公司網站 Announcements 公告 Social media platforms 社交媒體平台

We have engaged employees from different departments in the preparation of ESG Report, which enables us to better recognise our current environmental and social development. The information and data collected act as a summary of our environmental and social initiatives carried out during the Year and form the basis for us to map out short-term and long-term strategies for sustainable development.

Materiality Assessment

The Group commissioned an independent third-party consultant for assistance in conducting a just and fair materiality assessment during the preparation of the ESG Report, thereby ensuring comprehensive disclosure of information. The materiality assessment was performed in the following three main phases:

- (i) identifying potential material ESG issues that might affect the Group's business or stakeholders;
- (ii) inviting internal and external stakeholders, including employees, management, directors, clients, suppliers, and community, to conduct questionnaire survey for understanding their views and expectations of the Group's response to and disclosures of ESG issues; and
- (iii) prioritising the preliminarily identified ESG issues based on the analysis results of the questionnaire survey.

我們邀請不同部門的僱員參與編製環境、社會及管治報告，從而對現時環境及社會發展有更深入的認識。所收集資料及數據為我們本年度所開展的環境及社會相關工作之概要，亦為我們就可持續發展制定短期及長期策略的基礎。

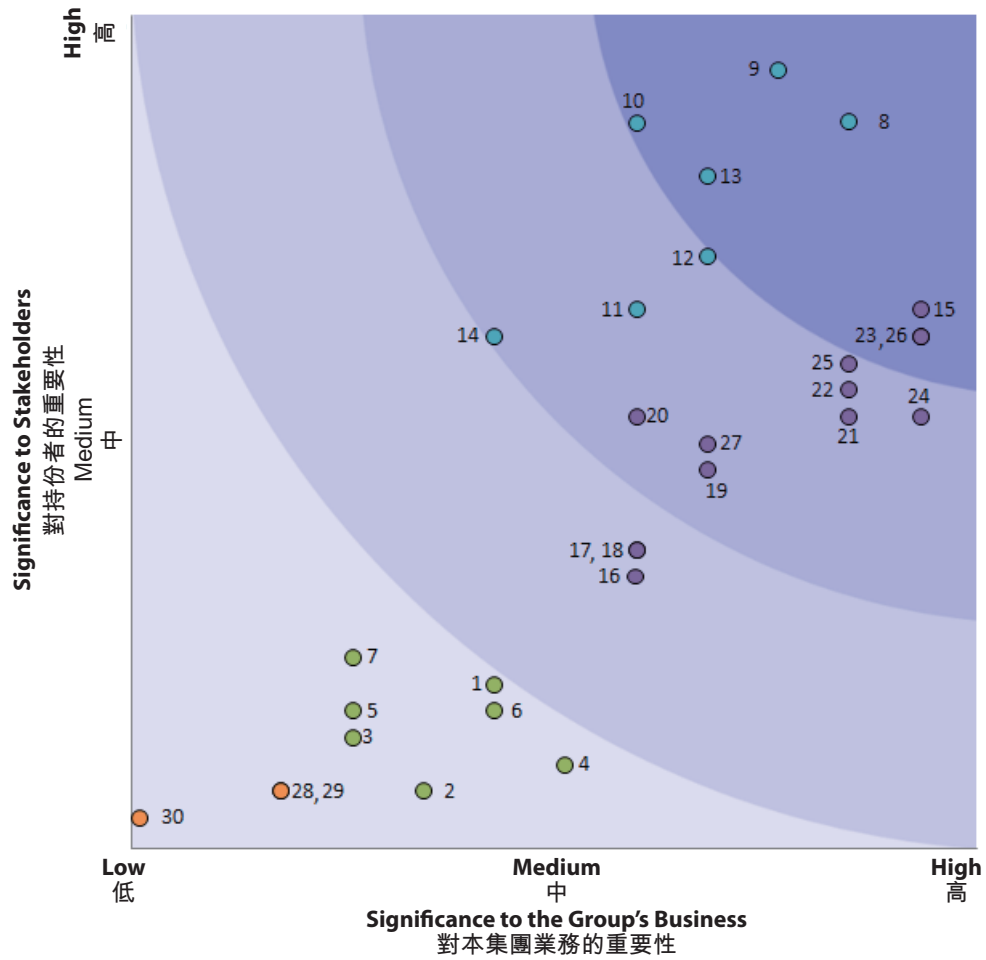
重要性評估

本集團委託獨立第三方顧問於編製環境、社會及管治報告時就進行公正及公平的重要性評估提供協助，確保全面披露有關資料。重要性評估分以下三個主要階段進行：

- (i) 確認可能影響本集團業務或持份者的環境、社會及管治方面的潛在重要議題；
- (ii) 邀請內部及外部持份者（包括僱員、管理層、董事、客戶、供應商及社區）進行問卷調查，以了解其對本集團回應及披露環境、社會及管治事宜的觀點及期望；及
- (iii) 根據問卷調查的分析結果，確立初步確定的環境、社會及管治議題的優先次序。

We have mapped 30 ESG issues onto a matrix reflecting their significance to stakeholders (y-axis), and to our business (x-axis).

我們以矩陣圖繪製了30項環境、社會及管治議題對持份者(y軸)及對我們業務(x軸)的重要性。



Environment 環境	Labour Practices 勞工常規	Operation Practices 營運慣例	Community Investment 社區投資
1 Environmental Compliance 環境合規	8 Employment Compliance 僱傭合規	15 Operational Compliance 營運合規	28 Charity 公益慈善
2 Greenhouse Gas Emission 溫室氣體排放	9 Employees' Remuneration and Benefits 僱員薪酬及福利	16 Managing Environmental Risks of Supply Chain 管理供應鏈的環境風險	29 Promotion of Community Development 促進社區發展
3 Waste Management 廢棄物管理	10 Employees' Working Hours and Rest Period 僱員工作時數及休息時間	17 Managing Social Risks of Supply Chain 管理供應鏈的社會風險	30 Poverty Alleviation 扶貧工作
4 Energy Consumption 能源消耗	11 Diversity and Equal Opportunity 多元化及平等機會	18 Procurement Practices 採購慣例	
5 Use of Water Resources 水資源使用	12 Occupational Health and Safety 職業健康及安全	19 Quality Management 質量管理	
6 Green Office 綠色辦公室	13 Training and Development 培訓與發展	20 Customer Health and Safety 客戶健康及安全	
7 Responding to Climate Change 應對氣候變化	14 Prevention of Child Labour and Forced Labour 防止童工及強制勞工	21 Responsible Sales and Marketing 負責任營銷及推廣	
		22 Customer Service Management 客戶服務管理	
		23 Intellectual Property Protection 知識產權保護	
		24 Research and Development 研究與開發	
		25 Information Security 資料安全	
		26 Customer Privacy Protection 客戶私隱保障	
		27 Anti-corruption 反貪污	

Through the aforementioned procedures, we have eventually identified 7 most material ESG issues and responded in the following corresponding sections.

透過以上過程，我們最終識別7項最重要環境、社會及管治議題，並於以下對應章節作出回應。

Material Aspect

重要議題

Corresponding Section

對應章節

8 Employment Compliance
僱傭合規

Employment and Labour Practices
僱傭及勞工常規

- Employment
僱傭
- Labour Standards
勞工標準

9 Employees' Remuneration and Benefits
僱員薪酬及福利

Employment and Labour Practices
僱傭及勞工常規

- Employment
僱傭
- Salary and Benefits
薪酬及福利
- Labour Standards
勞工標準

10 Employees' Working Hours and Rest Period
僱員工作時數及休息時間

Employment and Labour Practices
僱傭及勞工常規

- Employment
僱傭
- Salary and Benefits
薪酬及福利
- Labour Standards
勞工標準

13 Training and Development
培訓與發展

Employment and Labour Practices
僱傭及勞工常規

- Development and Training
發展及培訓

15 Operational Compliance
營運合規

Operating Practices
營運慣例

- Product Responsibility
產品責任
- Data and Privacy Protection
資料及私隱保障

Material Aspect
重要議題

Corresponding Section
對應章節

23 Intellectual Property Protection
知識產權保護

Operating Practices
營運慣例
➤ Data and Privacy Protection
資料及私隱保障

26 Customer Privacy Protection
客戶私隱保障

Operating Practices
營運慣例
➤ Data and Privacy Protection
資料及私隱保障

ENVIRONMENTAL PROTECTION

環境保護

Emissions

排放物

Due to the absence of manufacturing and construction activities, the operations of the Group do not generate significant air or water pollutants. The wastewater generated by the Group is mainly domestic sewage and is discharged into municipal wastewater treatment plant for further treatment. The key environmental impacts of the Group's operations would be the indirect greenhouse gas ("GHG") emissions from electricity, water consumption at the workplace, overseas business travel, and paper waste disposal at landfills. The wastes generated by the Group are contributed by daily office operation. Non-hazardous waste produced includes general domestic waste and waste paper; whereas hazardous waste includes tube lights, batteries and computers. During the Year, hazardous waste was produced only by the Group's subsidiaries in Suzhou, amounting to 21 kg (2018: 24 kg), with every square metre of floor area of the subsidiaries producing 0.04 kg of hazardous waste (2018: 0.05 kg/m²). No hazardous waste with significant environmental impact is produced due to the Group's business nature.

由於本集團業務並無涉及製造及建築活動，故此不會產生重大空氣或水污染物。本集團產生的廢水主要為生活廢水，並排放至城市污水處理廠作進一步處理。本集團業務對環境造成的主要影響為來自工作場所之耗電、用水、海外差旅及棄置廢紙於堆填區所產生之間接溫室氣體（「溫室氣體」）排放。本集團產生的廢棄物主要來自日常辦公室營運。本集團所產生的無害廢棄物包括一般生活廢物及廢紙；有害廢棄物則包括光管、電池及電腦。本年度，只有本集團於蘇州的附屬公司產生21公斤（二零一八年：24公斤）的有害廢棄物，附屬公司每平方米樓面面積產生0.04公斤（二零一八年：0.05公斤／平方米）的有害廢棄物。基於本集團的業務性質，本集團並無產生對環境造成重大影響的有害廢棄物。

The data related to GHG emissions and non-hazardous waste generation of the Group's subsidiaries in Suzhou and Shanghai are as follows:

本集團於蘇州及上海的附屬公司的溫室氣體排放量及產生的無害廢棄物相關數據如下：

Indicators 指標		2019 二零一九年	2018 二零一八年
Total GHG emissions (tonnes CO ₂ e)	溫室氣體排放總量 (噸二氧化碳當量)	234	303
Scope 1 — direct emissions (tonnes CO ₂ e)	範圍1 — 直接排放量 (噸二氧化碳當量)	74	118
Scope 2 — energy indirect emissions (tonnes CO ₂ e)	範圍2 — 能源間接排放量 (噸二氧化碳當量)	148	173
Scope 3 — other indirect emissions (tonnes CO ₂ e)	範圍3 — 其他間接排放量 (噸二氧化碳當量)	12	12
Intensity of GHG emissions (tonnes CO ₂ e/m ² floor area)	溫室氣體排放密度 (噸二氧化碳當量/平方米樓面面積)	0.22	0.28
Intensity of GHG emissions (tonnes CO ₂ e/RMB'000)	溫室氣體排放密度 (噸二氧化碳當量/人民幣千元)	0.01	0.02
Total non-hazardous waste produced ¹ (kg)	所產生無害廢棄物總量 ¹ (公斤)	3,351	3,380
Intensity of non-hazardous waste produced (kg/m ² floor area)	所產生無害廢棄物密度 (公斤/平方米樓面面積)	3	3
Intensity of non-hazardous waste produced (kg/RMB'000)	所產生無害廢棄物密度 (公斤/人民幣千元)	0.13	0.19

¹ The data of non-hazardous waste, including general domestic waste, are based on the best estimation by the management.

¹ 無害廢棄物(包括一般生活廢物)數據乃基於管理層的最佳估計。

Use of Resources

Resources used by the Group are mainly attributed to electricity and water consumption at its offices. In addition, the use of packaging materials is not involved in the Group's business. During the Year, water consumption of the Group's subsidiaries in Shanghai was amounted to 480 m³ (2018: 490 m³), with every square metre of floor area of the subsidiaries consuming 0.87 m³ of water (2018: 0.89 m³/m²). For the Group's subsidiaries in Suzhou, the data on water consumption is unavailable since the water bills were paid as the entire building, covering lessees' water bills that were included in their management fees.

The total electricity consumption and intensity of the Group's subsidiaries in Suzhou and Shanghai are as follows:

Indicators 指標		2019 二零一九年	2018 二零一八年
Total electricity consumption (MWh)	耗電總量(兆瓦時)	210	246
Intensity of electricity consumption (MWh/m ² floor area)	耗電密度(兆瓦時/平方米 樓面面積)	0.20	0.24
Intensity of electricity consumption (MWh/RMB'000)	耗電密度(兆瓦時/人民幣千元)	0.01	0.01

Emission Reduction and Resource Conservation

The Group believes that saving energy, water and other resources are of great significance to reduce GHG emissions and waste generation during operation, as well as helping achieve its sustainable development and reducing operational costs.

The Group has adopted a number of measures to maximise energy utilisation efficiency. For example, we encourage our employees to switch off air conditioners, computers, lights and all electric devices after work to avoid energy wastage. We also promote the use of natural light so as to minimise electricity used for lighting. Filters of air conditioners are regularly cleaned for improving refrigerating efficiency. Due to the GHG emissions caused by vehicles and planes, priority is given to teleconferencing to avoid unnecessary business travel.

資源使用

本集團使用的能源主要為其辦公室的電力消耗及用水。此外，本集團業務並不涉及包裝材料的使用。本年度，本集團於上海的附屬公司的耗水量為480立方米(二零一八年：490立方米)，附屬公司每平方米樓面面積的耗水量為0.87立方米(二零一八年：0.89立方米/平方米)。對於本集團於蘇州的附屬公司，由於整幢樓宇的水費乃統一繳付，涵蓋已包含在管理費中之承租人的水費，因此並無耗水量數據。

本集團於蘇州及上海的附屬公司的耗電總量及密度如下：

減少排放物及節約資源

本集團相信節約能源、用水及其他資源對減少營運時產生的溫室氣體排放及廢棄物非常重要，並有助於達成可持續發展及減少企業營運成本。

本集團已採取多項措施以提高能源使用效益。例如，我們鼓勵僱員下班後關掉冷氣機、電腦、電燈及所有電子儀器，以避免浪費能源。我們亦推動使用自然光，以減少照明所用電力。我們定期清潔冷氣機隔塵網以改善製冷效能。由於車輛及飛機會造成溫室氣體排放，故我們優先採用電話會議以避免不必要的差旅。

To reduce water consumption, the Group has launched multiple water efficiency initiatives. To raise the water-saving awareness among the Group, we encourage our employees to conserve water by controlling faucet at small to medium water flow. Maintenance on water equipment is intensified whereas regular inspection and replacement of ageing water pipes are conducted, so as to minimise water leakage and maximise water use efficiency.

Since the Group operates its business principally in offices, green office practices are particularly crucial in demonstrating our efforts in environmental protection. Procurement of office supplies is centralised and based on office needs in order to avoid wastage. We also promote paper conservation by encouraging employees to reuse single-sided printed papers and to adopt double-sided printing mode. Where possible, documents are edited on the computer before finalisation to avoid paper waste caused by reprinting. Recyclable consumables are placed in designated areas before being collected by property management, while consumables for courier services are collected and recycled by courier companies.

Environment and Natural Resources Protection

Although the Group's operations do not exert significant adverse effects on the environment and natural resources, we strive to minimise the potential environmental impacts. The Group understands the importance of employees' support and participation in protecting the environment and natural resources. In this connection, employees are frequently reminded through emails and intranet to integrate the awareness of environmental protection into their daily work. In strict compliance with all the national and regional laws and regulations regarding pollution control and environmental protection, including the *Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste* and *Environmental Protection Law of the PRC*, the Group continued to execute its practices that improve energy efficiency and give careful consideration to conserve resources during the Year.

為減少耗水量，本集團推出多項節約用水措施。為提升本集團內節約用水意識，我們鼓勵僱員將水龍頭的水流量維持於低至中等以節省用水。我們加強對用水設備的保養，定期檢查及更換老化水管，以減少漏水及提高用水效益。

由於本集團主要於辦公室經營業務，實踐綠色辦公對我們於保護環境方面的工作尤其重要。我們根據辦公需要，集中採購辦公室物資，以減少浪費。我們亦透過鼓勵僱員循環再用單面印刷紙張及採用雙面印刷模式，推廣節約用紙。在可行情況下，文件在落實前盡量以電腦進行編輯，避免重印引致浪費紙張。我們將可回收消耗品放置於指定地點以待物業管理人員收集，而速遞服務的消耗品則由速遞公司收集並循環再用。

環境及天然資源保護

儘管本集團的營運並不會對環境及天然資源造成重大的負面影響，我們仍致力於將其對環境之潛在影響降到最低。本集團深明僱員的支持及參與對環境及天然資源保護的重要性。為此，我們經常以電郵及集團內聯網提醒僱員將環境保護的意識融入彼等日常工作。為嚴格遵守所有國家及地區有關污染控制及環境保護的法例及法規（包括《中華人民共和國固體廢物污染環境防治法》及《中華人民共和國環境保護法》），本集團於本年度繼續執行改善能源效益的措施，並作周詳考慮以保護資源。

EMPLOYMENT AND LABOUR PRACTICES

Employment

Employees are the most valuable assets and the core competitive advantage of the Group. The Group's practices and policies 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) other benefits and welfare continued to comply with relevant laws and regulations, including but not limited to the *Labour Law of the PRC* and *Employment Ordinance* of Hong Kong. In order to ensure our employees' understanding of the Group's policies, employee handbook has been issued to each employee. Terms and conditions of employment, staff compensation and benefits (including yearly bonus, allowances, leave entitlement, medical benefits, social security, mandatory provident fund and training), chance of promotion, occupational health and safety, complaint channels and office rules are clearly stated in the employee handbook.

The Group conducts recruitment and promotion in accordance to employees' ability, performance, experience and the requirements of the position. No discriminatory policies or activities based on race, religion, gender, marital status and disability will be allowed. The Group endeavours to provide a good working environment free from discrimination and harassment by putting the principle of equality and fairness into practice. We understand the importance of employees' opinions in enhancing workplace productivity and building a united and harmonious professional team. Therefore, contribution of valuable opinions from employees through verbal or written channels is encouraged to promote effective communication within the Group.

僱傭及勞工常規

僱傭

僱員是本集團最寶貴的資產和競爭優勢之核心所在。本集團有關(i)薪酬及解僱；(ii)招聘及晉升；(iii)工作時數；(iv)假期；(v)平等機會；(vi)多元化；(vii)反歧視；及(viii)其他待遇及福利之常規及政策均持續遵守相關法律及法規(包括但不限於《中華人民共和國勞動法》及香港的《僱傭條例》)。為確保僱員了解本集團之政策，每名僱員均獲發僱員手冊。僱員手冊清楚載列關於僱傭、員工薪酬及福利(包括年度花紅、津貼、可享假期、醫療福利、社會保障、強制性公積金及培訓)、晉升渠道、職業健康及安全、投訴渠道及辦公室規則之條款及細則。

本集團根據僱員的能力、表現、經驗及職位所需進行招聘及晉升。本集團政策或活動不帶有種族、宗教、性別、婚姻狀況及殘疾歧視成分。本集團致力透過實踐平等及公平原則，提供一個免受歧視及騷擾的良好工作環境。我們深明僱員意見對提升工作場所生產力及建立團結和諧的專業團隊至關重要。因此，我們鼓勵僱員透過口頭或書面渠道表達寶貴意見，促進本集團內部有效溝通。

Salary and Benefits

The Group offers competitive remuneration and implements a sound performance appraisal system with appropriate incentives. Salaries are reviewed and adjusted on a yearly basis. Working hours are clearly set out in the employment contract. When working hours are extended, employees will be entitled to overtime pay or compensation leave upon prior approval of their managers. The Group offers our employees a yearly bonus based on their performance appraisals and the market trend. Employees are also entitled to paid leave for statutory holidays, annual leave, sick leave, marriage leave, compassionate leave and maternity leave.

To create a harmonious working environment and enhance employees' sense of belongings towards the Group, the Group organises leisure activities to employees from time to time. For example, the Group has organised annual party and offered birthday and festive gifts to the employees in Shanghai during the Year.

Health and Safety

To protect employees' occupational health and safety, the Group is committed to creating a safe, healthy and comfortable working environment. The Group complies with relevant laws and regulations on occupational health and safety, including but not limited to the *Law of the PRC on the Prevention and Control of Occupational Diseases* and *Occupational Safety and Health Ordinance of Hong Kong*.

薪酬及福利

本集團提供具競爭力的薪酬，並設有完善的表現評核制度，實行適當獎勵措施。薪金會按年進行檢討及調整。僱傭合約亦清楚列明工作時數。倘工時延長，在獲其經理事先批准下，僱員將有權享有加班工資或補假。本集團根據表現評核及市場趨勢給予僱員年度花紅。僱員亦享有法定假期、年假、病假、婚假、恩恤假及產假等有薪假期。

為營造和諧的工作環境及提升僱員對本集團的歸屬感，本集團不時為僱員舉辦休閒活動。例如，本集團於本年度舉辦年會並向上海僱員提供生日及節日禮物。

健康與安全

為保護僱員之職業健康與安全，本集團致力營造安全、健康及舒適之工作環境。本集團已遵守職業健康與安全方面之相關法律及法規，包括但不限於《中華人民共和國職業病防治法》及香港的《職業安全及健康條例》。

The Group offers its employees medical insurance coverage and health check plans. Employees are trained to follow the safety rules and regulations in accordance to employee handbook and employment contract. Training on utilising available and appropriate protection measures at all times is also provided to employees, in order to avoid accidents and protect both themselves and their coworkers from safety risks. The Group is obliged to provide necessary personal protective equipment up to national standard at workplaces such as warehouse. Employees have to keep the environment clean and tidy to ensure the nattiness of the workplaces. For employees operating special equipment like forklift, they are required to obtain a valid license and pass our specific tests. In addition, fire safety is regarded as an integral part of our business operation. We have established a comprehensive fire protection system, clarifying departmental responsibilities and setting out rules regarding fire safety. Regular safety checks have been conducted to identify potential safety risks. During the Year, subsidiaries in Suzhou and Shanghai have conducted multiple fire drills and safety checks to promote awareness of health and safety among our employees.

During the Year, the Group did not encounter any major accidents, employee fatalities or serious work-related injuries during operation.

Development and Training

The Group believes that expertise and knowledge of our employees are the keys to its business success. In face of today's changing market environment, employees are encouraged to enrich their knowledge and improve their skills and abilities through high quality training, so as to continually enhance the Group's performance and keep it in the forefront of the competitors. Therefore, the Group is committed to providing high quality training for employees.

The Group provides induction training for new employees on the business operation, vision and mission, core values, business goals and overview, and the product knowledge. On-the-job training, covering knowledge of company policies, safety, management and technical skills, is also provided to improve employees' performance. Employees are encouraged to enroll in external training courses with the whole or part of training fees subsidised by the Group upon the approval from the human resources department and related department manager.

本集團為僱員提供醫療保險及健康檢查計劃。僱員會根據僱員手冊及僱傭合約接受培訓以遵從安全規則及規例。本集團亦培訓僱員於任何時間使用可用且合適之保護措施，以防止事故發生並保護自身及彼等同事免受安全風險。本集團有責任在倉庫等工作場所提供符合國家標準的必要個人防護裝備。僱員亦需保持環境清潔整齊，確保工作場所整潔。操作叉車等特殊設備的員工須取得有效牌照及通過我們的特定測試。此外，消防安全被視為業務經營中不可或缺的部分。我們已設立完善的火警監控系統，釐清部門責任及訂明有關消防安全的規則。我們定期進行安全檢查以確認潛在安全風險。於本年度，蘇州及上海的附屬公司已進行多項消防演習及安全檢查，提高僱員的健康及安全意識。

於本年度，本集團並沒有於業務中遭遇任何重大意外、人員傷亡或嚴重工傷事故。

發展及培訓

本集團相信僱員的專業技能及知識為業務成功之關鍵所在。為應對現今不斷轉變的市場環境，本集團鼓勵僱員透過高質量之培訓豐富彼等之知識並提升彼等之技能及能力，以持續提升本集團之表現及使其一直領先競爭對手。因此，本集團致力為僱員提供高質素的培訓。

本集團為新僱員提供入職培訓，以協助彼等熟悉本集團之業務營運、願景及使命、核心價值、業務目標及概覽以及產品知識。本集團亦提供在職培訓以提升僱員表現，涵蓋公司政策、安全、管理及技能等知識。我們亦鼓勵員工參加外部培訓課程。於獲得人力資源部及相關部門經理批准後，本集團會資助員工全部或部份培訓費用。

Besides training, the Group also conducts regular appraisal of the employees' working performance. The results of the appraisal act as the basis of salary adjustment and promotion. As such, employees are encouraged to improve their working performance, thereby ensuring efficient business operation and enhancing the overall business performance of the Group.

Labour Standards

Recruitment of child labour is strictly prohibited within the Group. Applicant's identity information is verified during the recruitment process. The Group enters into employment contract with employees in accordance with local laws and regulations, including but not limited to the *Labour Contract Law of the PRC* and *Employment Ordinance* of Hong Kong, with their job duties and working hours clearly stated in the contract to avoid any forms of forced labour. Working overtime is not encouraged within the Group and employees are entitled to overtime pay or compensation leave if they are required to work overtime. Also, the Group strictly abides by the law relating to minimum wage, such as the *Labour Law of the PRC* and *Minimum Wage Ordinance* of Hong Kong. Monthly salary payments, social insurance and mandatory provident fund contributions are made on time according to the employee handbook.

OPERATING PRACTICES

Supply Chain Management

The Group values the partnership with suppliers and strives to jointly promote sustainable development. The Group has established a comprehensive supplier management system, which has set out the accountability of different departments, to assess the suitability of potential suppliers and evaluate the performances of existing suppliers. The Group only cooperates with suppliers holding relevant business or production license to ensure the quality of our products and services. Assessment of potential suppliers' quality management system, production and delivery conditions, are conducted during the selection of suppliers. Existing suppliers are annually evaluated on the basis of their technical standards, quality of services and products, and client satisfaction.

除培訓外，本集團亦定期評估僱員的工作表現。評估結果會作為薪金調整及晉升的基準。因此，我們鼓勵僱員改善工作表現，從而確保本集團業務的有效營運及提升整體業務表現。

勞工準則

本集團內部嚴格禁止聘請童工。於招聘過程中，我們嚴格核實申請人的身份。本集團根據當地法例及法規（包括但不限於《中華人民共和國勞動合同法》及香港的《僱傭條例》）與僱員訂立僱傭合約，彼等職責及工時明列於合約中，以防止任何形式的強制勞工。本集團內部不鼓勵員工加班工作，而僱員如需加班工作，則享有加班工資或補假。此外，本集團嚴格遵守有關最低工資的法律，例如《中華人民共和國勞動法》及香港的《最低工資條例》。月薪、社會保障及強制性公積金供款亦按照僱員手冊準時支付。

營運慣例

供應鏈管理

本集團重視與供應商之夥伴關係，並致力共同推動可持續發展。本集團已成立全面供應商管理制度，當中列明不同部門所承擔的責任，以評核潛在供應商是否合適及對現有供應商的表現作出評估。為確保產品及服務質素，本集團僅與具備相關業務或生產牌照的供應商合作。在選擇供應商的過程中，本集團評估潛在供應商的生產及交付條件，以及其質量管理制度，至於現有供應商方面，我們則每年按其技術標準、服務及產品質素以及客戶滿意度為基準進行評估。

Product Responsibility

The Group complies with laws and regulations relating to its business operation in areas like health and safety and advertising matters. The laws and regulations included but not limited to the *Advertising Law of the PRC* and *Product Quality Law of the PRC*. The Group stresses the importance of providing customers with accurate and true information. All product information, including descriptions and pictures, strictly comply with national laws and regulations on online shopping platform. The Group also pays high attention to the quality and safety of its services. A rigorous quality inspection system is implemented to assure the quality of products. Inspection of product labels, appearance and other criteria is conducted upon product arrival. For returned products, they will be inspected with stricter standards. The Group has established an enterprise resource planning system for managing goods record and delivery. We also strive to provide a sound system of customer service. Performance of customer service representatives is reviewed regularly, following the criteria like timeliness of response and courtesy, to ensure the quality of customer service. When a complaint is received, it would be assessed immediately. Internal investigation will be conducted to identify the possible causes of the issue, so that corresponding remedial actions can be taken.

Data and Privacy Protection

The Group strictly abides by the *Trademark Law of the PRC*, *Patent Law of the PRC*, *Copyright Law of the PRC*, and other relevant laws and regulations during operation. The Group attaches importance to data protection. It is the Group policy to forbid all personnel from using personal devices to backup company's files. Authorisation is necessary for staff to view client information. Source code backup is performed from time to time to protect critical information from losing due to any system crashes and errors.

Due to the Group's business nature, the protection of intellectual property rights of customers, suppliers and the Group is an important task. Protective clauses are included in the contracts entered into with customers and suppliers to safeguard the intellectual property rights and confidentiality of all parties.

產品責任

本集團遵守有關業務營運之健康及安全以及廣告事宜的法例及法規。該等法例及法規包括但不限於《中華人民共和國廣告法》及《中華人民共和國產品質量法》。本集團強調向客戶提供準確及真實資訊的重要性。所有產品資料(包括描述及圖片)均嚴格遵守有關網上購物平台的國家法例及法規。本集團亦高度重視其服務質素及安全，並實施嚴格的質量檢查制度，以確保產品質素。我們會於產品到達時檢查產品標籤、外觀及其他標準。而退回的產品則會以更嚴格的標準進行檢查。本集團就貨品記錄及交付管理成立企業資源計劃系統。我們亦致力提供健全的客戶服務系統。為確保客戶服務質素，本集團按照回應時間及禮貌等標準定期檢討客戶服務代表的表現。我們會即時評核所有已接獲的投訴個案。就事件進行內部調查，確認事件可能出現的原因，並採取相應補救行動。

資料及私隱保障

本集團於營運期間嚴格遵守《中華人民共和國商標法》、《中華人民共和國專利法》、《中華人民共和國著作權法》及其他相關法例及法規。本集團強調保障資料的重要性。本集團已制定政策禁止所有人員使用個人設備將公司文件備份。員工須獲得授權方可查看客戶資料。我們亦會不時進行源代碼備份工作，以保障最重要資訊免因系統故障或錯誤事故而遺失。

由於本集團的業務性質，保護客戶、供應商及本集團之知識產權為重要任務。本集團與客戶及供應商訂立之合約中包括保護性條款，以保障所有訂約方之知識產權及機密資料。

In consistence with employee handbook and employment contract, employees are not allowed to disclose any information obtained in connection with their employment, including but not limited to trade secrets, know-how, client information, supplier information and other proprietary information, for the benefits of his/her own and others.

Anti-corruption

The Group strictly complies with all the national and regional laws and regulations relating to extortion, fraud and money laundering, such as the *Criminal Law of the PRC* and *Prevention of Bribery Ordinance* of Hong Kong. To promote integrity and prevent unethical pursuits, the Group has implemented an effective whistle-blowing policy for reporting wrongdoings in accordance with employee handbook. Integrity agreement with external parties has been signed to avoid any advantage given or received in the conduct of the Group's business.

During the Year, no violation of laws, regulations, or internal provisions of the Group relating to anti-corruption had occurred during operation.

Community Investment

In addition to focusing on its business development, the Group always strives to build and maintain close relationship with local community and contribute to local development. Meanwhile, the Group actively encourages employees to participate in voluntary activities to benefit local communities and render assistance to the needy.

根據僱員手冊及僱傭合約，僱員不得透露受聘期間所獲得之任何資料，包括但不限於商業機密、技術知識、客戶資料、供應商資料及其他專有資料，且不准利用該等資料為其本人及其他人士謀取利益。

反貪污

本集團嚴格遵守有關勒索、欺詐及洗黑錢的所有國家及地區法律法規（如《中華人民共和國刑法》及香港的《防止賄賂條例》）。為推崇誠信及防止不道德活動，本集團已實施有效舉報政策，供僱員根據僱員手冊舉報不當行為。本集團已與合作的外部人士簽署廉潔協議，避免任何一方於進行本集團業務時提供或收取任何利益。

於本年度，本集團概無於營運中違反與反貪污有關的法律、法規或本集團之內部條例。

社區投資

除專注於業務發展外，本集團一直致力與當地社區建立及維持緊密關係，為當地發展作出貢獻。同時，本集團積極鼓勵僱員參與志工活動，以惠澤當地社區及幫助有需要的人士。

APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE 附錄：《環境、社會及管治報告指引》
內容索引

ESG Indicators 環境、社會及管治指標	Description 描述	Sections 章節
Environmental 環境		
Aspect A1: Emissions 層面 A1：排放物		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Environmental Protection > Emissions > Emission Reduction and Resource Conservation > Environment and Natural Resources Protection 環境保護 > 排放物 > 減少排放物及節約資源 > 環境及天然資源保護
KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Not applicable to the Group's business 不適用於本集團業務
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity. 溫室氣體總排放量（按噸計）及（如適用）密度。	Environmental Protection > Emissions 環境保護 > 排放物
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生有害廢棄物總量	Environmental Protection > Emissions 環境保護 > 排放物
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生無害廢棄物總量（按噸計）及（如適用）密度。	Environmental Protection > Emissions 環境保護 > 排放物
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Environmental Protection > Emission Reduction and Resource Conservation 環境保護 > 減少排放物及節約資源
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Environmental Protection > Emissions 環境保護 > 排放物

ESG Indicators 環境、社會及管治指標	Description 描述	Sections 章節
Aspect A2: Use of Resources		
層面 A2：資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Environmental Protection ➤ Use of Resources 環境保護 ➤ 資源使用
KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity. 按類型劃分的直接及/或間接能源總耗量(以千個千瓦時計)及密度。	Environmental Protection ➤ Use of Resources 環境保護 ➤ 資源使用
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity. 總耗水量及密度。	Environmental Protection ➤ Use of Resources 環境保護 ➤ 資源使用
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Environmental Protection ➤ Emission Reduction and Resource Conservation 環境保護 ➤ 減少排放物及節約資源
KPI A2.4 關鍵績效指標 A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	Environmental Protection ➤ Emission Reduction and Resource Conservation 環境保護 ➤ 減少排放物及節約資源
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(按噸計)及(如適用)每生產單位佔量。	Not applicable to the Group's business 不適用於本集團業務
Aspect A3: The Environment and Natural Resources		
層面 A3：環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Environmental Protection ➤ Environment and Natural Resources Protection 環境保護 ➤ 環境及天然資源保護
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Environmental Protection ➤ Environment and Natural Resources Protection 環境保護 ➤ 環境及天然資源保護

ESG Indicators 環境、社會及管治指標	Description 描述	Sections 章節
Social		
社會		
Employment and Labour Practices		
僱傭及勞工常規		
Aspect B1: Employment		
層面 B1：僱傭		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Employment and Labour Practices ➤ Employment 僱傭及勞工常規 ➤ 僱傭
一般披露		
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Not disclosed
關鍵績效指標 B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	未披露
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Not disclosed
關鍵績效指標 B1.2	按性別、年齡組別及地區劃分的僱員流失比率。	未披露

ESG Indicators 環境、社會及管治指標	Description 描述	Sections 章節
Aspect B2: Health and Safety		
層面 B2：健康與安全		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employment and Labour Practices ➤ Health and Safety
一般披露	有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	僱傭及勞工常規 ➤ 健康與安全
KPI B2.1	Number and rate of work-related fatalities.	Employment and Labour Practices ➤ Health and Safety
關鍵績效指標 B2.1	因工作關係而死亡的人數及比率。	僱傭及勞工常規 ➤ 健康與安全
KPI B2.2	Lost days due to work injury.	Employment and Labour Practices ➤ Health and Safety
關鍵績效指標 B2.2	因工傷損失工作日數。	僱傭及勞工常規 ➤ 健康與安全
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employment and Labour Practices ➤ Health and Safety
關鍵績效指標 B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	僱傭及勞工常規 ➤ 健康與安全
Aspect B3: Development and Training		
層面 B3：發展及培訓		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment and Labour Practices ➤ Development and Training
一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	僱傭及勞工常規 ➤ 發展及培訓
KPI B3.1	The percentage of employees trained by gender and employee category.	Not disclosed
關鍵績效指標 B3.1	按性別及僱員類別劃分的受訓僱員百分比。	未披露
KPI B3.2	The average training hours completed per employee by gender and employee category.	Not disclosed
關鍵績效指標 B3.2	按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	未披露

ESG Indicators 環境、社會及管治指標	Description 描述	Sections 章節
Aspect B4: Labour Standards 層面 B4：勞工準則		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工及強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Employment and Labour Practices ➤ Labour Standards 僱傭及勞工常規 ➤ 勞工準則
KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Employment and Labour Practices ➤ Labour Standards 僱傭及勞工常規 ➤ 勞工準則
KPI B4.2 關鍵績效指標 B4.2	Description of steps taken to eliminate such labour practices when discovered. 描述在發現童工及強制勞工情況時消除有關情況所採取的	Not disclosed 未披露
Operating Practices 營運慣例		
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Operating Practices ➤ Supply Chain Management 營運慣例 ➤ 供應鏈管理
KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Not disclosed 未披露
KPI B5.2 關鍵績效指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented and how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Operating Practices ➤ Supply Chain Management 營運慣例 ➤ 供應鏈管理

ESG Indicators 環境、社會及管治指標	Description 描述	Sections 章節
Aspect B6: Product Responsibility		
層面 B6：產品責任		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Operating Practices ➤ Product Responsibility 營運慣例 ➤ 產品責任
KPI B6.1 關鍵績效指標 B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	Not applicable to the Group's business 不適用於本集團業務
KPI B6.2 關鍵績效指標 B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Operating Practices ➤ Product Responsibility 營運慣例 ➤ 產品責任
KPI B6.3 關鍵績效指標 B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Operating Practices ➤ Data and Privacy Protection 營運慣例 ➤ 資料及私隱保障
KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Operating Practices ➤ Product Responsibility 營運慣例 ➤ 產品責任
KPI B6.5 關鍵績效指標 B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	Operating Practices ➤ Data and Privacy Protection 營運慣例 ➤ 資料及私隱保障

ESG Indicators 環境、社會及管治指標	Description 描述	Sections 章節
Aspect B7: Anti-corruption		
層面 B7：反貪污		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Operating Practices ➤ Anti-corruption
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	營運慣例 ➤ 反貪污
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operating Practices ➤ Anti-corruption
關鍵績效指標 B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	營運慣例 ➤ 反貪污
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Operating Practices ➤ Anti-corruption
關鍵績效指標 B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	營運慣例 ➤ 反貪污
Community		
社區		
Aspect B8: Community Investment		
層面 B8：社區投資		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Operating Practices ➤ Community Investment
一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	營運慣例 ➤ 社區投資
KPI B8.1	Focus areas of contribution.	Not disclosed
關鍵績效指標 B8.1	專注貢獻範疇。	未披露
KPI B8.2	Resources contributed to the focus areas.	Not disclosed
關鍵績效指標 B8.2	在專注範疇所動用資源。	未披露

Directors' Report

董事會報告

PRINCIPAL ACTIVITIES

The Group is principally engaged in providing (i) software sales and O2O consultation services; (ii) electronic payment solutions and services and (iii) management, operation and market strategy of online shops and e-commerce platforms.

The principal activities of the Company's subsidiaries are set out in note 26 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segment is set out in note 10 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 91 to 93.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 4.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

主要業務

本集團主要從事提供(i)軟件銷售及O2O諮詢服務；(ii)電子支付解決方案及服務及(iii)線上店舖及電子商務平台的管理、營運及營銷策略。

本公司附屬公司之主要業務載於綜合財務報表附註26。

本集團本年度按經營分部之表現分析載於綜合財務報表附註10。

業績及分派

本集團截至二零一九年十二月三十一日止年度之業績載於第91至93頁之綜合損益與其他全面收益表。

董事會不建議就截至二零一九年十二月三十一日止年度派付末期股息(二零一八年：無)。

五年財務摘要

本集團過去五個財政年度之業績及資產與負債摘要載於第4頁。

物業、廠房及設備

本集團本年度物業、廠房及設備變動詳情載於綜合財務報表附註19。

PROPERTY HELD FOR INVESTMENT

As at 31 December 2019, the Group has investment properties located in Yinglian International Epibolic Centre, No. 288 Dongping Street, Suzhou Industrial District, Suzhou City, Jiangsu Province, the PRC. The investment properties are held for commercial use and on medium term lease. Details of the investment properties are set out in note 20 to the consolidated financial statements.

SHARE ISSUED DURING THE YEAR

Details of the shares issued during the year ended 31 December 2019 are set out in note 38 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 96.

DISTRIBUTABLE RESERVES

Pursuant to the Companies Law of the Cayman Islands and the Company's articles of association, in addition to the retained profits of the Company, the ordinary share premium account of the Company is also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. Accordingly, the Company's reserves available for distribution to shareholders as at 31 December 2019 amounted to RMB44,418,000 (2018: RMB116,393,000).

持作投資之物業

於二零一九年十二月三十一日，本集團擁有位於中國江蘇省蘇州市蘇州工業園區東平街288號盈聯國際外包中心之投資物業。該等投資物業乃持作商業用途並以中期租約持有。該等投資物業之詳情載於綜合財務報表附註20。

本年度已發行股份

截至二零一九年十二月三十一日止年度之已發行股份詳情載於綜合財務報表附註38。

儲備

本集團本年度儲備變動詳情載於第96頁之綜合權益變動表。

可分派儲備

根據開曼群島公司法及本公司之組織章程細則，除本公司之保留溢利外，本公司之普通股溢價賬亦可分派予股東，惟前提是本公司將有能力支付其於緊隨擬支付任何有關分派當日後到期之日常業務債項。因此，於二零一九年十二月三十一日，本公司可分派予股東之儲備為人民幣44,418,000元(二零一八年：人民幣116,393,000元)。

DIRECTORS

The Directors who held office during the year and as at the date of this report are shown below. Their biographies are set out on pages 19 to 23.

Non-Executive Director

Mr. Yang Xin Min, *Chairman*
(re-designated as non-executive Director on 16 December 2019)

Executive Directors

Mr. Yang Zhen
(resigned on 16 December 2019)
Mr. Ho Chi Kin, *Chief Executive Officer*
(appointed on 16 December 2019)

Independent Non-Executive Directors

Dr. Cheng Faat Ting Gary
Mr. Poon Lai Yin Michael
Mr. Peng Bobo
Mr. Tsui Francis King Chung
(appointed on 16 December 2019)
Mr. Tang Yat Ming Edward
(appointed on 16 December 2019)

Each of the above Directors has entered into a service contract with the Company for a term of one to five years. Each service contract will continue thereafter unless terminated by either party thereto giving to the other at least one to three months' notice in writing.

The Company has received from each independent non-executive Director a written annual confirmation letter of his independence pursuant to paragraph 12B of Appendix 16 of the Listing Rules and considers each of the INEDs is independent.

董事

於本年度及於本報告日期之在任董事列示如下。彼等之簡歷載於第19至23頁。

非執行董事

楊新民先生，*主席*
(於二零一九年十二月十六日調任為
非執行董事)

執行董事

楊震先生
(於二零一九年十二月十六日辭任)
何致堅先生，*首席執行官*
(於二零一九年十二月十六日獲委任)

獨立非執行董事

鄭發丁博士
潘禮賢先生
彭波波先生
崔勁中先生
(於二零一九年十二月十六日獲委任)
鄧日明先生
(於二零一九年十二月十六日獲委任)

上述董事均與本公司訂立任期一至五年之服務合約。各服務合約均於到期後自動重續，除非其中一方向另一方發出最少一至三個月書面通知終止。

本公司已接獲各獨立非執行董事根據上市規則附錄16第12B段就其獨立身份發出之書面年度確認函件，並認為各獨立非執行董事均為獨立人士。

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

As at 31 December 2019, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO") which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares

Name of Director	Capacity	Number and Class of Shares 股份數目及類別	Approximate Percentage of Total Share Capital 佔股本總額概約百分比
Yang Xin Min 楊新民	Beneficial owner 實益擁有人	592,573,880 ordinary shares 普通股	10.51%

董事及最高行政人員於本公司及其相聯法團之股份、相關股份及債權證中之權益及淡倉

於二零一九年十二月三十一日，本公司董事及最高行政人員於本公司或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」))之股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例有關條文董事被視為或當作擁有之權益及淡倉);或(b)根據證券及期貨條例第352條須登記於該條文所指登記冊之權益及淡倉;或(c)根據標準守則須知會本公司及聯交所之權益及淡倉如下:

股份之好倉

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, so far as was known to the Directors and the chief executive of the Company, the following persons had an interest or short position in the shares and underlying shares in would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

Long positions in the shares

Name of Shareholder	Capacity	Number and Class of Shares 股份數目及類別	Approximate Percentage of Total Share Capital 佔股本總額概約百分比
Yang Xin Min 楊新民	Beneficial owner 實益擁有人	592,573,880 ordinary shares 普通股	10.51%

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had any interest, either direct or indirect, in any business, which may compete or constitute a competition with the business of the Group.

主要股東於本公司股份及相關股份中之權益及淡倉

於二零一九年十二月三十一日，就本公司董事及最高行政人員所知，以下人士於股份及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；或直接或間接擁有附帶權利可於任何情況下在本公司或本集團任何其他成員公司之股東大會上投票之任何類別股本面值5%或以上之權益。

股份之好倉

董事於競爭業務之權益

概無董事於任何可能與本集團業務競爭或構成競爭之業務中擁有任何直接或間接權益。

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

Details of the connected transactions and related party transactions are disclosed in this report and in note 45 to the consolidated financial statements respectively.

Save for the above, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any its subsidiaries was a party and in which a Director of the Company or his connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

董事於與本集團業務有關之重大交易、安排或合約中擁有重大權益

有關關連交易及關聯方交易之詳情分別於本報告及綜合財務報表附註45中披露。

除上文所述外，概無其他由本公司或其任何附屬公司訂立與本集團業務有關之重大交易、安排或合約於本年度結束時或於本年度任何時間仍然存續，而本公司董事或與其有關連之實體於當中直接或間接擁有重大權益。

於本年度任何時間，本公司或其任何附屬公司概無訂立任何安排致使本公司董事可透過購入本公司或任何其他法人團體之股份或債權證而獲益。

管理合約

於本年度概無訂立或存有與本公司或其附屬公司全部或任何重大部分業務之管理及行政有關之合約。

獲准許彌償條文

一項以董事利益訂立之獲准許彌償條文現正生效並於整個財政年度維持有效。本公司已就其董事及要員可能面對之法律行動辦理及投購適當保險。

SHARE OPTIONS GRANTED PURSUANT TO THE SHARE OPTION SCHEME

Pursuant to the written resolution by the shareholders of the Company on 24 September 2002, the Share Option Scheme (the "Old Scheme") was approved and adopted. The Old Scheme was terminated by a resolution passed by the shareholders in the Company's annual general meeting held on 27 May 2011. No further options can be granted under the Old Scheme but in all other respects the provisions of the Old Scheme shall remain in full force and effect.

On 27 May 2011, the shareholders passed a resolution in the annual general meeting to approve and adopt a new Share Option Scheme (the "New Scheme") and the Board may, at its discretion, grant options ("Options") to eligible participants as defined in (ii) below.

The total number of shares in respect of which options may be granted under the New Scheme shall be 230,936,210 shares, representing approximately 4.1% of the issued share capital of the Company as at the date of this annual report.

(i) Purpose

The purpose of the New Scheme is to enable the Company to grant Options to eligible participants as incentives or rewards for their contribution to the Company and/or any of its subsidiaries. Through the New Scheme, the Company can motivate and reward the Eligible Participants who have contributed to the Company by enhancing its performance, improving its management and operation, and providing it with good advice and ideas.

(ii) Eligible participants

The eligible participants of the New Scheme to whom Option(s) may be granted by the Board shall include any employees, Non-Executive Directors, Directors, advisors, consultants, and any shareholders of any members of the Group or any invested entities or any holders of any securities issued by any members of the Group or any invested entities.

根據購股權計劃授出購股權

根據本公司股東於二零零二年九月二十四日之書面決議案，購股權計劃(「舊計劃」)已獲批准及採納。在二零一一年五月二十七日舉行之本公司股東周年大會上，股東通過一項決議案以終止舊計劃。此後不可再根據舊計劃授出購股權，惟舊計劃之條文於所有其他方面將繼續全面生效及具有效力。

於二零一一年五月二十七日，股東在股東周年大會上通過一項決議案，以批准及採納一項新購股權計劃(「新計劃」)，據此，董事會可酌情向合資格參與者(定義見下文(ii))授予購股權(「購股權」)。

根據新計劃可能授出之購股權所涉及股份總數將為230,936,210股，相當於本公司於本年報日期已發行股本約4.1%。

(i) 目的

新計劃之目的為讓本公司可向合資格參與者授出購股權，作為鼓勵或獎賞彼等對本公司及／或其任何附屬公司作出貢獻。本公司通過新計劃，可激勵並獎勵提升本公司表現、改善其管理營運並向其提供可取建議及意見之合資格參與者。

(ii) 合資格參與者

可獲董事會授予購股權之新計劃合資格參與者包括本集團任何成員公司或任何被投資實體之僱員、非執行董事、董事、諮詢人、顧問及任何股東或本集團任何成員公司或任何被投資實體所發行任何證券之任何持有人。

(iii) Maximum number of shares

- (a) The total number of shares which may be issued upon exercise of all Options which may be granted under the New Scheme and any other share option schemes of the Company ("**Scheme Mandate Limit**") shall not exceed 10% of the total number of shares in issue as at the date on which the New Scheme will be approved and adopted by the shareholders, unless the Company obtains a refresh approval from the shareholders pursuant to paragraph (b) below. Options lapsed in accordance with the terms of the New Scheme shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (b) The Company may seek approval of the shareholders in general meetings to renew the Scheme Mandate Limit provided that the Scheme Mandate Limit so renewed must not exceed 10% of the shares in issue as at the date of the approval of the renewal by the shareholders. Upon any such renewal, all Options granted under the New Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed Scheme Mandate Limit has been exceeded. In seeking the approval, the Company shall send a circular to the shareholders.
- (c) The Company may grant Options to the eligible participant(s) beyond the Scheme Mandate Limit if the grant of such Options is specifically approved by the shareholders in general meeting. In seeking such approval, a circular must be sent to the shareholders containing a generic description of the identified eligible participant(s), the number and terms of the Options to be granted, the purpose of granting Options to the identified eligible participant(s), and how the terms of these Options serve such purpose.

(iii) 股份數目上限

- (a) 根據新計劃及本公司任何其他購股權計劃可能授出之所有購股權獲行使時，可予發行之股份總數(「**計劃授權上限**」)不得超過股東將予批准及採納新計劃當日已發行股份總數之10%，惟本公司根據下文第(b)段獲得股東之更新批准者除外。計算是否超逾計劃授權上限時，根據新計劃條款已失效之購股權將不予計算。
- (b) 本公司可於股東大會上尋求股東批准以更新計劃授權上限，惟以此方式更新之計劃授權上限不得超過股東批准更新當日已發行股份之10%。經任何該等更新後，計算是否超逾經更新計劃授權上限時，於批准該等更新前根據新計劃及本公司任何其他購股權計劃授出之所有購股權(包括根據新計劃及本公司任何其他購股權計劃尚未行使、已註銷、已失效之購股權及已行使之購股權)將不予計算。為尋求股東批准，本公司應向股東寄發一份通函。
- (c) 本公司可向合資格參與者授出超逾計劃授權上限之購股權，惟該等購股權之授出須經股東於股東大會上明確批准。為尋求股東批准，本公司須向股東寄發一份通函，當中總體說明已確定合資格參與者、將授出購股權之數目及條款、向已確定合資格參與者授出購股權之目的，以及該等購股權之條款如何達致有關目的。

Notwithstanding the above, the maximum number of shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 30% of the total number of shares in issue from time to time.

儘管上文已有所規定，所有根據新計劃已授出但尚未行使之購股權及根據本公司任何其他購股權計劃可能授出之購股權獲行使時，可予發行之股份數目上限不得超過不時已發行股份總數30%。

(iv) Maximum entitlement of each eligible participant

- (a) The total number of shares issued and to be issued upon exercise of the Options granted under the New Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding Options) to each eligible participant in any 12-month period must not exceed 1% of the then total issued share capital of the Company (the "**Individual Limit**").
- (b) Any further grant of Options to an eligible participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the shareholders' approval in general meeting of the Company with such eligible participant and his associates abstaining from voting. A circular must be sent to the shareholders disclosing the identity of the identified eligible participant(s), the number and terms of the Options granted and to be granted, the number and terms of Options to be granted to such identified eligible participant(s) must be fixed before the shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price.

(iv) 每名合資格參與者之配額上限

- (a) 在任何12個月期間內每名合資格參與者根據新計劃及本公司任何其他購股權計劃獲授之購股權(包括已行使、已註銷及尚未行使之購股權)獲行使時，已發行及將予發行之股份總數不得超過本公司當時已發行股本總額之1%([**個別上限**])。
- (b) 若向合資格參與者進一步授出購股權會導致在截至再授出購股權日期(包括該日)止任何12個月期間內獲進一步授出任何購股權超出個別上限(包括已行使、已註銷及尚未行使之購股權)，均須經股東於本公司股東大會上批准(該合資格參與者及其聯繫人必須於會上放棄表決)。本公司須向股東寄發一份通函，當中披露已確定合資格參與者之身份、已授出及將予授出購股權之數目及條款，該等已確定合資格參與者獲授購股權之數目及條款須於股東批准前釐定，而計算行使價時，提呈進一步授出購股權之董事會會議日期應被視為授出日期。

(v) Offer acceptance period and option price

An offer of grant of an Option may be accepted by an eligible participant within 28 days from the date of the offer of grant of the Option. A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an Option. To the extent that the offer of grant of an Option is not accepted within twenty-eight (28) days from the date on which the offer for the grant of Options is made in the manner indicated herein, it will be deemed to have been irrevocably declined and lapsed automatically.

(vi) Timing for exercise of Options

An Option shall be exercisable in whole or in part and in accordance with the terms of the New Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the offer for the grant of Options is made but shall end in any event not later than 10 years commencing from the date the Board makes an offer of the grant of an Option subject to the provisions for early termination thereof. The Directors have the discretion to impose a minimum period for which an Option has to be held before the exercise of the subscription rights attaching thereto on case by case basis.

(vii) Subscription price

Subject to the adjustment made in accordance with the terms of the New Scheme, the exercise price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of making the offer of grant of an option (which shall be stated in the letter containing the offer of grant of an option) but in any case the exercise price must be at least the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

(v) 接納提呈之時間及購股權價格

合資格參與者可於獲授購股權要約當日起計28日內接納獲授購股權要約，而接納獲授購股權要約時須支付代價港幣1.00元。倘獲授之購股權要約未有於獲授購股權要約日期起計二十八(28)日內按本條款所示方式接納，其將視為已被不可撤回地拒絕並自動失效。

(vi) 行使購股權之時間

購股權可按照新計劃之條款於董事決定並已知會各承授人之期間內任何時間全部或部分行使，該期間可自獲授購股權要約當日開始，惟在任何情況下不得遲於董事會授出購股權要約當日起計10年（惟可根據該計劃條文提早終止）。董事可按個別情況酌情釐定須於行使購股權所附帶認購權前持有購股權之最短期限。

(vii) 認購價

受按新計劃條款作出調整規限，任何特定購股權之行使價應為董事會於授出購股權要約時全權酌情釐定之價格（其須於載有授出購股權要約之函件內訂明），惟在任何情況下行使價必須最少為下列各項中之最高者：(i) 股份於授出購股權要約當日（須為交易日）於聯交所每日報價表所示收市價；(ii) 股份於緊接授出購股權要約日期前5個營業日於聯交所每日報價表所示平均收市價；及(iii) 股份面值。

For the year ended 31 December 2019 and 2018, no Options have been granted by the Company under the Old Scheme and the New Scheme.

CONNECTED TRANSACTION

On 3 July 2019, Solomedia (Yixing) Limited*(鴿子數碼科技(宜興)有限公司), an indirect wholly-owned subsidiary of the Company, as the purchaser, entered into a transfer agreement with Yixing Zen Tea Yiwei Culture Communication Company Limited*(宜興禪茶一味文化傳播有限公司) as the vendor, for the transfer of certain registered trademarks and the WeChat official account of the vendor.

Since the sole shareholder and director of the vendor is the director of the purchaser, accordingly, the vendor is a connected person of the Company at the subsidiary level and the entering into of the transfer agreement and the transaction contemplated thereunder constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. However, as all the applicable percentage ratios under the transfer agreement are less than 0.1%, this transaction is a de minimis transaction which is fully exempted from the disclosure requirement pursuant to Rule 14A.76 of the Listing Rules.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2019, the Group entered into transactions with related parties as set out in note 45 to the consolidated financial statements. Apart from the items disclosed in the section "Connected Transactions", all other material related party transactions did not constitute non-exempt connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 26 to 41.

* For identification purposes only

截至二零一九年及二零一八年十二月三十一日止年度，本公司並無根據舊計劃及新計劃授出任何購股權。

關連交易

於二零一九年七月三日，本公司的間接全資附屬公司鴿子數碼科技(宜興)有限公司(作為買方)與宜興禪茶一味文化傳播有限公司(作為賣方)訂立轉讓協議，以轉讓賣方的若干註冊商標及微信公眾號。

由於賣方的唯一股東及董事為買方的董事，因此根據上市規則第14A章，賣方為本公司於附屬公司層面的關連人士，而訂立轉讓協議及其項下擬進行的交易構成本公司的關連交易。然而，由於轉讓協議項下所有適用百分比率均低於0.1%，本交易根據上市規則第14A.76條為符合最低豁免水平的交易而獲全面豁免遵守披露規定。

關聯方交易

截至二零一九年十二月三十一日止年度，本集團與關聯方訂立交易(誠如綜合財務報表附註45所載)。除「關連交易」一節所披露項目外，所有其他重大關聯方交易並無構成上市規則第14A章所界定不可豁免關連交易或持續關連交易。

企業管治

本公司致力維持最高標準之企業管治常規。有關本公司所採納企業管治常規之資料，載於第26至41頁之企業管治報告內。

* 僅供識別

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the aggregate revenue attributable to the largest customer and the five largest customers of the Group accounted for approximately 7.0% and 27.7% of the Group's total revenue for the year respectively; and the aggregate purchases from the largest and the five largest suppliers of the Group accounted for approximately 12.8% and 49.3% of the Group's total purchases for the year, respectively.

As far as the Directors are aware, none of the Directors of the Company, their respective associates (as defined in the Listing Rules), and the existing shareholders of the Company who own more than 5% of the Company's issued share capital, had any interests in the Group's five largest customers or suppliers at any time during the year.

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 International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Details of responsibilities of Directors for the consolidated financial statements are set out in the Independent Auditor's Report on page 87. The Directors are responsible for the proper keeping of accounting record in order to secure assets of the Company and the Group.

The Directors are also responsible for adopting reasonable measures to prevent and check any fraudulences and irregularities.

主要客戶及供應商

截至二零一九年十二月三十一日止年度，本集團最大及五大客戶之收入總額分別佔本集團本年度收入總額約7.0%及27.7%；本集團向其最大及五大供應商之採購總額分別佔本集團本年度採購總額約12.8%及49.3%。

據董事所知，於本年度任何時間，本公司董事、其各自之聯繫人（定義見上市規則）及擁有本公司已發行股本5%以上之本公司現有股東，概無在本集團五大客戶或供應商中擁有任何權益。

董事就綜合財務報表須承擔之責任

董事須負責根據國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定編製真實及公允之綜合財務報表，並對其認為編製不存在由於欺詐或錯誤而導致之重大錯誤陳述之綜合財務報表所需必要內部監控負責。有關董事就綜合財務報表須承擔之責任詳情載於第87頁之獨立核數師報告。董事須負責存置妥當會計記錄，以保障本公司及本集團資產。

董事亦須負責採取合理措施防止及查察有否任何欺詐及不合常規之情況。

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2019 is set out in the section headed "Management Discussion and Analysis" on pages 8 to 18 of this annual report which forms part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various risks, including some which are specific to the Group or the industries in which the Group operates as well as others that are common to most businesses. The Group's major risks are summarised below.

Financial risk

The Group's activities expose it to a variety of financial risks including foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management procedures covers the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Details about the Group's financial risk management are set out in note 6 to the consolidated financial statements.

Manpower and retention risk

The 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 the Group. The Group will provide attractive remuneration package to suitable candidates and personnel, propose incentives to retain talents and optimise internal training and promotion mechanism.

Risk of rapid technological change

The industry development of the segments engaged by the Group changes rapidly. If the Group fails to promptly react to the change in technologies to satisfy customers' demands, it might result in an adverse impact on the financial status and operating results of the Group. The Group, therefore, strives to response swiftly to the market to provide more comprehensive product solutions and services to customers.

業務回顧

本集團截至二零一九年十二月三十一日止年度之業務回顧載於本年報第8至18頁「管理層討論及分析」一節，並構成本報告其中一部分。

主要風險及不明朗因素

董事知悉本集團面對各種風險，包括若干為本集團或本集團所經營行業特有之風險以及其他為大多數行業面對之常見風險。本集團之主要風險於下文概述。

財務風險

本集團業務承受各種財務風險，包括外幣風險、信貸風險、流動資金風險及利率風險。本集團整體風險管理程序涵蓋金融市場之難以預測性，並尋求盡量降低可能對本集團財務表現造成之不利影響。有關本集團財務風險管理之詳情載於綜合財務報表附註6。

人力供應及留聘人才之風險

本集團可能面對無法吸引及留聘具備為達致本集團業務目標所需適當及必要技能、經驗及才能之主要人員及人才之風險。本集團將向合適人選及人員提供具吸引力之薪酬待遇，提出激勵措施留聘人才及優化內部培訓及晉升機制。

技術急速轉變之風險

本集團所從事分部之行業發展變化迅速。倘本集團未能及時應對技術變革以滿足客戶需求，將可能對本集團之財務狀況及經營業績造成不利影響。因此，本集團努力迅速回應市場，為客戶提供更全面之產品解決方案及服務。

Risk of change in economy, politics and government policies

Most assets of the Group were located in the PRC and approximately 78% of the income was from the business in the PRC in 2019. Therefore, the operating results, financial status and prospects of the Group are influenced by the changes in economy, politics and government policies in the PRC. Hence, the Company will reinforce the communications with business partners, enhance the innovation on technology, strengthen the aftersales maintenance market, consolidate and ensure stable and healthy development of the PRC market.

Risk of data loss or operation interruption

The Group is dependent on information technology systems and networks. Any material disruption or slowdown of the information technology systems could cause loss of the intellectual property rights of customers, suppliers and the Group. Therefore, the Group established internal policy on source code management, data security, regular system checks and data backup to safeguard data security and integrity.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group committed to implement various ways to encourage in compliance with environmental legislation and promote awareness towards environmental protection to the employees. It implements green office practices such as setting default double-sided printing, promoting to reuse single-side printed papers, encouraging staff to maintain electronic records in order to reduce paper consumption, reducing energy consumption by switching off idle lightings and electrical appliances and setting optimal temperature on the air conditioning. The Group will continuously review its environmental practices and consider implementing further measures in its operation.

For details, please refer to the section headed "Environmental, Social and Governance Report" on pages 42 to 65 of this annual report.

經濟、政治及政府政策變動之風險

於二零一九年，本集團大部分資產位於中國，且收入約78%乃源自中國業務。因此，本集團之經營業績、財務狀況及前景均受中國經濟、政治及政府政策變動影響。為此，本公司將加強與業務合作夥伴溝通，促進技術創新，增強售後維護市場，鞏固並確保中國市場穩健發展。

數據遺失或運作中斷之風險

本集團依賴資訊科技系統及網絡。任何資訊科技系統之嚴重中斷或減速均可能導致客戶、供應商及本集團遺失知識產權。因此，本集團制定有關源代碼管理、數據保安、定期系統檢查及數據備份之內部政策，以保障數據安全及完整。

環境政策及表現

本集團致力推行各項措施，鼓勵遵守環境法例及向僱員推廣環保意識。本集團推行環保辦公室措施，例如預設雙面列印、提倡重用單面印刷紙張、鼓勵員工使用電子記錄以減少用紙、關掉閒置照明設備及電器，並將空調設定於合適之溫度，從而達致節約能源。本集團將不斷檢討其環保常規，並考慮於業務營運中進一步推行環保措施。

詳情請參閱本年報第42至65頁「環境、社會及管治報告」一節。

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's business is mainly operated by its subsidiaries in Hong Kong and the PRC. The Company was incorporated in the Cayman Islands and is listed on the Main Board of the Stock Exchange. The Group accordingly shall comply with relevant laws and regulations in the operating regions. During the year ended 31 December 2019 and up to the date of this annual report, as far as the Company is aware, there was no material breach or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group. The Group will seek for professional legal opinions from legal advisors when necessary to ensure that the Group's transactions and business are in conformity with all applicable laws and regulations.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises that employees are the valuable assets and regards the personal development of its employees as highly important. The Group wants to continue to be an attractive employer for committed employees. During the year ended 31 December 2019, there was no dispute on salary payments and all accrued remunerations, in all kinds, were settled on or before their respective due dates, as stipulated under individual employee's employment contract. The Group also ensures that all the employees are reasonably remunerated by regular review and the policies on salary increment, promotion, bonus, allowances and all other related benefits are updated from time to time. Being people-oriented, the Group is committed to provide a safe and healthy workplace for its employees and encourage them to have a work-life balance. For details of employment and labour practices, please refer to the section headed "Environmental, Social and Governance Report" on pages 53 to 56 of this annual report.

The Group appreciates the importance of maintaining good relationship with customers and suppliers to meet its immediate and long-term business goals. The Group values the feedback from customers through regular communication to provide customers with enhanced services and address their concerns in a timely manner. For suppliers, the Group assures their performance for the quality of delivered products.

遵守相關法律及法規

本集團主要透過其香港及中國附屬公司經營業務。本公司於開曼群島註冊成立並於聯交所主板上市。因此，本集團須遵守營運地區之相關法律及法規。於截至二零一九年十二月三十一日止年度及直至本年報日期止，就本公司所知，本集團並無嚴重違反或不遵守適用法律及法規，以致對本集團業務及營運造成重大影響。本集團將於必要時向法律顧問徵求專業法律意見，以確保本集團之交易及業務遵守所有適用法律及法規。

與僱員、客戶及供應商之重要關係

本集團深明僱員為寶貴資產，並高度重視僱員之個人發展。本集團有意繼續成為能吸引忠誠僱員之僱主。於截至二零一九年十二月三十一日止年度，概無有關薪金付款之糾紛，且所有應計薪酬均於僱員個人聘用合約所訂明各自到期日或之前結付。本集團亦定期檢討以確保全體僱員獲合理報酬，並不時更新有關加薪、晉升、花紅、津貼及所有其他相關福利之政策。本集團以人為本，致力為僱員提供安全及健康之工作環境，鼓勵僱員在工作與生活中取得平衡。有關僱傭及勞工常規之詳情，請參閱本年報第53至56頁「環境、社會及管治報告」一節。

本集團重視與客戶及供應商維持良好關係，以達致其當前及長期業務目標。本集團重視客戶之意見反饋，通過定期溝通向客戶提供增值服務及適時處理客戶所關注事宜。就供應商而言，本集團對供應商交付產品品質之表現作出肯定。

During the year ended 31 December 2019, there is no circumstance of any event between the Group and its employees, customers and suppliers which will have a significant impact on the Group's business and on which the Group's success depends.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float as required under the Listing Rules during the year.

NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 5 March 2020, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with the other shareholder of an indirect owned subsidiary to acquire entire 30% equity interest in that subsidiary engaging in provision of mobile payment service, for a cash consideration of HK\$8,100,000 (equivalent to RMB7,262,000). The acquisition was completed on 6 March 2020.

On 5 March 2020, the Board proposed to change the English name of the Company to "Smartac International Holdings Limited" and adopt a dual foreign name in Chinese of "環球智能控股有限公司" (the "**Proposed Change of Company Name**"). The Proposed Change of Company Name is subject to conditions being satisfied of (i) passing of a special resolution by the shareholders of the Company at an extraordinary general meeting of the Company to approve the Proposed Change of Company Name; and (ii) approval by the Registrar of Companies in the Cayman Islands.

於截至二零一九年十二月三十一日止年度，本集團與其僱員、客戶及供應商之間概無出現任何將對本集團業務及其成功要素構成重大影響之情況。

購買、出售或贖回上市證券

本公司或其任何附屬公司於本年度概無購買、出售或贖回本公司任何上市證券。

優先購買權

根據本公司組織章程細則或開曼群島公司法，概無任何有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

足夠公眾持股量

根據本公司從公開途徑獲得之資料及根據董事於本報告刊發前最後實際可行日期所知，本公司已於本年度維持上市規則規定之足夠公眾持股量。

報告期後之非調整事項

於二零二零年三月五日，一間全資附屬公司與間接附屬公司的其他股東訂立買賣協議，以收購從事提供流動支付服務的附屬公司的全部30%股權，現金代價為港幣8,100,000元（相等於人民幣7,262,000元）。收購已於二零二零年三月六日完成。

於二零二零年三月五日，董事會建議將本公司英文名稱更改為「Smartac International Holdings Limited」，並採納雙重中文外國名稱「環球智能控股有限公司」（「**建議更改公司名稱**」）。建議更改公司名稱須待：(i) 本公司股東於本公司股東特別大會通過特別決議案批准建議更改公司名稱；及(ii) 開曼群島公司註冊處處長批准後，方可作實。

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impact on the Group's financial position, cash flows and operating results at the date on which these financial statements are authorised for issue.

AUDITOR

The consolidated financial statement has been audited by RSM Hong Kong who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of RSM Hong Kong will be put at the forthcoming Annual General Meeting.

By order of the Board

Yang Xin Min
Chairman

27 March 2020

二零一九冠狀病毒於二零二零年年初爆發後，全球已經及繼續實施一系列預防及控制措施。本集團正密切留意二零一九冠狀病毒疫情的發展及其對業務及經濟活動所造成的干擾，亦會評估其對本集團財務狀況、現金流量及經營業績的影響。鑒於二零一九冠狀病毒疫情性質多變，於此等財務報表獲授權刊發日期，並未能合理估計其對本集團財務狀況、現金流量及經營業績的影響。

核數師

綜合財務報表已由羅申美會計師事務所審核，而羅申美會計師事務所會退任並符合資格及願意重選連任。有關續聘羅申美會計師事務所之決議案將於應屆股東周年大會提呈。

承董事會命

楊新民
主席

二零二零年三月二十七日

Independent Auditor's Report

獨立核數師報告

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

致中國智能集團控股有限公司之股東
(於開曼群島註冊成立之有限公司)



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OPINION

We have audited the consolidated financial statements of Smartac Group China Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 91 to 252, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

我們已審核載列於第91頁至252頁中國智能集團控股有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)之綜合財務報表，該等綜合財務報表包括於二零一九年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益與其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註包括重要會計政策概要。

我們認為，該等綜合財務報表已根據國際會計準則委員會(「**國際會計準則委員會**」)頒佈之國際財務報告準則(「**國際財務報告準則**」)真實及公允地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況及其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之披露規定妥為編製。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (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.

KEY AUDIT MATTERS

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

Impairment assessment of goodwill and intangible assets of LCE Group Limited and its subsidiaries under E-commerce solutions segment.

意見之基礎

我們根據香港會計師公會（「**香港會計師公會**」）頒佈之香港核數準則（「**香港核數準則**」）進行審核工作。我們在該等準則下承擔之責任已在本報告「核數師就審核綜合財務報表須承擔之責任」一節中作進一步闡述。根據香港會計師公會頒佈之專業會計師道德守則（「**守則**」），我們獨立於貴集團，且我們已根據守則履行我們的其他道德責任。我們相信，我們已獲得之審核憑證能充份及適當地為我們的意見提供基礎。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表之審核最為重要之事項。該等事項乃於我們審核整體綜合財務報表及出具意見時進行處理，且我們不會就該等事項提供單獨之意見。我們已識別之關鍵審核事項為：

電子商務解決方案分部下之LCE Group Limited及其附屬公司的商譽及無形資產減值評估。

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

Key Audit Matter 關鍵審核事項

How our audit addressed the Key Audit Matter 我們的審核如何處理關鍵審核事項

Impairment assessment of goodwill and intangible assets of LCE Group Limited and its subsidiaries (the "LCE Group") under E-commerce solutions segment
電子商務解決方案分部下之LCE Group Limited及其附屬公司(「LCE集團」)的商譽及無形資產減值評估

Our procedures in relation to this matter include:
我們就此事項執行之程序包括：

Refer to notes 5(ii)(c), 5(ii)(d), 24(a) and 25 to the consolidated financial statements

茲提述綜合財務報表附註5(ii)(c)、5(ii)(d)、24(a)及25

The Group recorded goodwill and intangible assets arising from the acquisition of 51% equity interest in LCE Group Limited in 2017. The carrying amounts of goodwill and intangible assets amounted to RMB11,451,000 and RMB26,962,000 respectively as at 31 December 2019 (before impairment loss for the year), attributable to cash-generating unit ("CGU") of E-commerce solutions segment. Goodwill is required to be tested for impairment on an annual basis. The LCE Group recorded operating loss of RMB11,688,000 (before tax and impairment loss) for the year ended 31 December 2019 under E-commerce solutions segment. This indicated that the carrying amounts of goodwill and intangible assets attributable to the CGU of E-commerce solutions segment might be impaired.

貴集團錄得因於二零一七年收購LCE Group Limited之51%股權而產生之商譽及無形資產。於二零一九年十二月三十一日，源自電子商務解決方案分部現金產生單位(「現金產生單位」)之商譽及無形資產之賬面值(未計年度減值虧損前)分別為人民幣11,451,000元及人民幣26,962,000元。商譽須每年進行減值測試。截至二零一九年十二月三十一日止年度，電子商務解決方案分部下之LCE集團錄得經營虧損人民幣11,688,000元(未計年度減值虧損前)。此顯示源自電子商務解決方案分部現金產生單位之商譽及無形資產之賬面值可能需要減值。

- Evaluating the independence, competence, capabilities and objectivity of external valuer; 評估外聘估值師之獨立身份、資歷、能力和客觀性；

- Assessing the integrity of the value in use model; 評估使用價值模式之完整性；

- Challenging the reasonableness of management's key assumptions based on our knowledge of the business and the industry; 根據我們對有關業務及行業之認知，對管理層之主要假設是否合理提出質疑；

- Reconciling input data to supporting evidence, such as approved budgets and considering the historical accuracy of those budgets; 將輸入數據與支持憑證(例如經審批預算)進行核對，並考慮該等預算過往之準確性；

- Assessing the appropriateness of the discount rates used with the assistance of our internal valuation specialists; and 在內部估值專家協助下，評估所採用貼現率是否恰當；及

- Assessing the adequacy of the disclosures in relation to the impairment assessment. 評估有關減值評估之披露資料是否充足。

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key Audit Matter

關鍵審核事項

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Impairment assessment of goodwill and intangible assets of LCE Group Limited and its subsidiaries (the "LCE Group") under E-commerce solutions segment (Continued)

電子商務解決方案分部**LCE Group Limited**及其附屬(「**LCE集團**」)公司的商譽及無形資產減值評估(續)

Impairment losses of RMB11,451,000 and RMB26,962,000 were recorded against goodwill and intangible assets respectively for the year ended 31 December 2019 to reduce the carrying amount of the CGU the assets belong to its recoverable amount.

截至二零一九年十二月三十一日止年度，商譽及無形資產分別錄得減值虧損人民幣11,451,000元及人民幣26,962,000元的，將資產現金產生單位之賬面值降至其可收回金額。

The recoverable amount was determined on the basis of value in use model that required significant management judgement in making assumptions about budgeted revenues, profit margins, growth rates and in selecting appropriate market discount rates.

可收回金額乃根據使用價值模式釐定，有關模式需要管理層於作出有關預算收入、利潤率、增長率之假設及挑選適當市場貼現率時作出重大判斷。

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 this 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 IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The 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。其他資料包括年度報告內之所有資料，但不包括綜合財務報表及我們就此發出之核數師報告。

我們對綜合財務報表之意見並不涵蓋其他資料，且我們亦不對其他資料發表任何形式之保證結論。

就我們審核綜合財務報表而言，我們的責任是閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解之情況有重大不一致，或者似乎有重大錯誤陳述。基於我們審核執行之工作，倘我們認為其他資料存在重大錯誤陳述，我們必須報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔之責任

董事須負責根據國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令綜合財務報表真實及公允地反映及落實董事認為編製綜合財務報表所必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及採用持續經營會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際之替代方案。

審核委員會協助董事履行監督貴集團財務匯報過程之責任。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表須承擔之責任

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

合理保證是高水平之保證，但不能保證按照香港核數準則進行之審核，總能發現某一重大錯誤陳述存在。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者所作出之經濟決定，則有關錯誤陳述可被視作為重大。

在根據香港核數準則進行審核的過程中，我們運用了專業判斷及保持了專業懷疑態度。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之風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當之審核憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審核相關之內部監控，以設計適當之審核程序，但目的並非對貴集團內部監控之有效性發表意見。

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

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

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

核數師就審核綜合財務報表須承擔之責任(續)

- 評估董事所採用會計政策之恰當性及所作會計估計及相關披露之合理性。
- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審核憑證，確定是否存在與事件或情況有關之重大不確定性，從而可能導致對貴集團之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內之相關披露。倘有關披露不足，則我們須修改我們的意見。我們的結論是基於截至核數師報告日止所取得之審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容(包括披露)，以及綜合財務報表是否公允反映相關交易及事件。
- 就貴集團內實體或業務活動之財務資料獲取充足、適當之審核憑證，以便對綜合財務報表發表意見。我們須負責貴集團審核之方向、監督及執行。我們對審核意見承擔全部責任。

我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等事項，包括我們在審核中識別出內部監控之任何重大缺陷。

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Chu Man Wah, Sharon.

**核數師就審核綜合財務報表須承擔
之責任(續)**

我們亦向審核委員會提交聲明，說明我們已符合有關獨立身份之相關道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立身份之所有關係及其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通之事項中，我們決定哪些事項對本期綜合財務報表之審核最為重要，因而構成關鍵審核事項。我們會在核數師報告中描述該等事項，除非法律及法規不允許對某件事項作出公開披露，或在極端罕見之情況下，倘合理預期在我們報告中溝通某事項而造成之負面後果將會超過其產生之公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審核項目合夥人為朱敏華女士。

RSM Hong Kong

Certified Public Accountants

Hong Kong

27 March 2020

羅申美會計師事務所

執業會計師

香港

二零二零年三月二十七日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益與其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註			
Revenue	收入	8	25,797	17,356
Cost of sales	銷售成本		(9,656)	(2,406)
Fair value gain/(loss) of investment properties	投資物業公允價值收益/(虧損)	20	1,200	(800)
Other income	其他收入	9	9,044	6,979
Hardware, telecom and direct operation costs	硬件、電訊及直接經營成本		(3,592)	(2,483)
Fair value gain of contingent shares payable	應付或然股份之公允價值收益	36	-	21,359
Employee benefits expenses	員工福利費用	14	(23,748)	(22,165)
Reversal of/(impairment loss) on other receivables	其他應收款撥回/(減值虧損)		190	(11,644)
Reversal of allowance for trade receivables	應收賬款撥備撥回		150	1,734
(Allowance for)/reversal of allowance for other receivables	其他應收款(撥備)/撥備撥回		(4)	681
Other operating expenses	其他經營費用		(12,109)	(14,715)
Depreciation	折舊		(3,042)	(1,819)
Amortisation of intangible assets	無形資產攤銷	25	(6,783)	(6,705)
Impairment loss on intangible assets	無形資產減值虧損	24(a)	(26,962)	-
Impairment loss on goodwill	商譽減值虧損	24	(11,451)	(48,432)
Provision for capital gain tax	資本增值稅撥備	32(c)	-	(566)
Loss from operations	經營虧損		(60,966)	(63,626)
Finance costs	財務成本	11	(597)	(533)
Share of result of an associate	應佔一間聯營公司業績	27	1,063	(176)
Loss before tax	除稅前虧損		(60,500)	(64,335)
Income tax credit	所得稅抵免	12	8,100	1,921

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益與其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss for the year	年度虧損	13	(52,400)	(62,414)
Other comprehensive income for the year:	本年度其他全面收益：			
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益之項目：</i>			
Fair value change of equity investment at fair value through other comprehensive income ("FVTOCI")	按公允值計入其他全面收益「按公允值計入其他全面收益」之股本投資公允值變動		-	830
<i>Items that may be reclassified to profit or loss:</i>	<i>可重新分類至損益之項目：</i>			
Exchange differences on translating foreign operations	換算境外業務產生之匯兌差額		3,756	(1,653)
Other comprehensive income for the year, net of tax	本年度其他全面收益(稅後)		3,756	(823)
Total comprehensive income for the year	本年度全面收益總額		(48,644)	(63,237)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益與其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		<i>Note</i> <i>附註</i>		
Loss for the year attributable to:	以下人士應佔本年度虧損：			
Owners of the Company	本公司股東		(37,926)	(56,688)
Non-controlling interests	非控股權益		(14,474)	(5,726)
			(52,400)	(62,414)
Total comprehensive income for the year attributable to:	以下人士應佔本年度全面收益總額：			
Owners of the Company	本公司股東		(34,129)	(57,784)
Non-controlling interests	非控股權益		(14,515)	(5,453)
			(48,644)	(63,237)
LOSS PER SHARE	每股虧損			
Basic (RMB cents)	基本(人民幣分)	<i>18(a)</i>	(0.67)	(1.17)
Diluted (RMB cents)	攤薄(人民幣分)	<i>18(b)</i>	(0.67)	(1.17)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註			
Non-current assets		非流動資產		
Property, plant and equipment	19	物業、廠房及設備	7,077	7,060
Investment properties	20	投資物業	57,000	55,800
Right-of-use assets	21	使用權資產	4,096	–
Construction in progress	22	在建工程	320	–
Prepaid land lease payments	23	土地租賃預付款	–	2,006
Goodwill	24	商譽	–	11,451
Intangible assets	25	無形資產	459	33,461
Investment in an associate	27	於一間聯營公司投資	3,934	2,871
Financial assets at FVTOCI	28	按公允值計入其他全面 收益之金融資產	–	–
			72,886	112,649
Current assets		流動資產		
Prepaid land lease payments	23	土地租賃預付款	–	56
Inventories	29	存貨	3,310	1,847
Trade and other receivables	30	應收賬款及其他應收款	19,524	10,193
Due from related parties	45(c)	應收關聯方款項	200	86
Due from non-controlling interest	33	應收非控股權益款項	–	33
Current tax assets		當期稅項資產	139	–
Cash and cash equivalents	31	現金及現金等價物	226,374	252,459
			249,547	264,674
Current liabilities		流動負債		
Trade and other payables	32	應付賬款及其他應付款	22,971	23,356
Contract liabilities		合約負債	107	242
Lease liabilities	35	租賃負債	1,330	–
Contingent shares payable	36	應付或然股份	–	–
Due to directors	33	應付董事款項	896	33
Due to related parties	45(c)	應付關聯方款項	5,949	5,964
Bank loans	34	銀行貸款	9,000	9,000
Current tax liabilities		當期稅項負債	119	598
			40,372	39,193

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net current assets	流動資產淨值		209,175	225,481
Total assets less current liabilities	總資產減流動負債		282,061	338,130
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	35	675	-
Deferred tax liabilities	遞延稅項負債	37	12,970	21,070
			13,645	21,070
NET ASSETS	淨資產		268,416	317,060
Capital and reserves	資本及儲備			
Share capital	股本	38	252,439	252,439
Reserves	儲備	40(a)	(10,850)	23,279
Equity attributable to owners of the Company	本公司股東應佔權益		241,589	275,718
Non-controlling interests ("NCI")	非控股權益(「非控股權益」)		26,827	41,342
TOTAL EQUITY	總權益		268,416	317,060

Approved by the Board of Directors on 27 March 2020 and are signed on its behalf by:

董事會於二零二零年三月二十七日批准及由下列人士代表簽署：

Yang Xin Min

楊新民

Director

董事

Ho Chi Kin

何致堅

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to owners of the Company 本公司股東應佔										
		Share capital	Share premium account	Statutory reserve	Foreign currency translation reserve	Capital reserve	Other reserve	Financial assets at FVTOCI reserve	Accumulated losses	Total	NCI	Total
		股本	股份溢價賬	法定儲備	匯兌儲備	資本儲備	其他儲備	資產儲備	累計虧損	總計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 38)	(note 40(b)(ii))	(note 40(b)(iii))	(note 40(b)(iii))	(note 40(b)(iv))	(note 40(b)(v))	(note 40(b)(vi))	(note 40(b)(vii))	(note 40(b)(viii))	(note 40(b)(ix))	(note 40(b)(x))
		(附註38)	(附註40(b)(ii))	(附註40(b)(iii))	(附註40(b)(iii))	(附註40(b)(iv))	(附註40(b)(v))	(附註40(b)(vi))	(附註40(b)(vii))	(附註40(b)(viii))	(附註40(b)(ix))	(附註40(b)(x))
At 1 January 2018	於二零一八年一月一日	214,067	1,075,224	172	(99,727)	(9,619)	(8,385)	-	(1,068,961)	102,771	47,709	150,480
Reclassify non-trading equity investment from available-for-sale to financial assets at FVTOCI	非買賣股本投資由可供出售金融資產重新分類至按公允價值計入其他全面收益之金融資產	-	-	-	-	-	-	(2,108)	2,108	-	-	-
Additional impairment losses for trade and other receivables	應收賬款及其他應收款之額外減值虧損	-	-	-	-	-	-	-	(1,609)	(1,609)	(914)	(2,523)
Adjustments on initial application of IFRS 9	就首次應用國際財務報告準則第9號之調整	-	-	-	-	-	-	(2,108)	499	(1,609)	(914)	(2,523)
Restated balance at 1 January 2018	於二零一八年一月一日之經重列結餘	214,067	1,075,224	172	(99,727)	(9,619)	(8,385)	(2,108)	(1,068,462)	101,162	46,795	147,957
Total comprehensive income for the year	本年度全面收益總額	-	-	-	(1,544)	-	-	448	(56,688)	(57,784)	(5,453)	(63,237)
Issue of new shares upon consideration shares granted (note 38(a))	於授出代價股時發行新股份(附註38(a))	2,554	2,860	-	-	-	-	-	-	5,414	-	5,414
Issue of new shares upon placement (note 38(b))	於配售時發行新股份(附註38(b))	35,818	191,108	-	-	-	-	-	-	226,926	-	226,926
Realisation of reserve upon disposal of a financial assets at FVTOCI	於出售按公允價值計入其他全面收益之金融資產時變現儲備	-	-	-	-	-	-	(340)	340	-	-	-
Changes in equity for the year	本年度權益變動	38,372	193,968	-	(1,544)	-	-	108	(56,348)	174,556	(5,453)	169,103
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	252,439	1,269,192	172	(101,271)	(9,619)	(8,385)	(2,000)	(1,124,810)	275,718	41,342	317,060
Total comprehensive income for the year	本年度全面收益總額	-	-	-	3,797	-	-	-	(37,926)	(34,129)	(14,515)	(48,644)
Changes in equity for the year	本年度權益變動	-	-	-	3,797	-	-	-	(37,926)	(34,129)	(14,515)	(48,644)
At 31 December 2019	於二零一九年十二月三十一日	252,439	1,269,192	172	(97,474)	(9,619)	(8,385)	(2,000)	(1,162,736)	241,589	26,827	268,416

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註		
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動產生之現金流量		
Loss before tax	除稅前虧損	(60,500)	(64,335)
Adjustments for:	經調整：		
Depreciation of property, plant and equipment	物業、廠房及設備拆舊	1,448	1,819
Depreciation of right-of-use assets	使用權資產拆舊	1,594	-
Amortisation of prepaid land lease payments	土地租賃預付款攤銷	-	56
Amortisation of intangible assets	無形資產攤銷	6,783	6,705
Interest income	利息收入	(2,714)	(223)
Finance costs	財務成本	597	533
Allowance for inventories	存貨撥備	1,718	-
Reversal of allowance for trade receivables	應收賬款撥備撥回	(150)	(1,734)
Allowance for/(reversal of allowance for) other receivables	其他應收款撥備／(撥備撥回)	4	(681)
Impairment loss on goodwill	商譽減值虧損	11,451	48,432
Impairment loss on intangible assets	無形資產減值虧損	26,962	-
(Reversal of)/impairment loss on other receivables	其他應收款(撥回)／減值虧損	(190)	11,644
Write-off of construction in progress	在建工程撇銷	-	12
Change in fair value of investment properties	投資物業之公允值變動	(1,200)	800
Change in fair value of contingent shares payable	應付或然股份之公允值變動	-	(21,359)
Share of result of an associate	應佔一間聯營公司業績	(1,063)	176
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(5)	(80)
Gain on disposal of construction in progress	出售在建工程收益	-	(3)
Provision for capital gain tax	資本增值稅撥備	-	566

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註		
Operating loss before working capital changes	營運資金變動前之經營虧損	(15,265)	(17,672)
Increase in inventories	存貨增加	(3,196)	(28)
(Increase)/decrease in trade and other receivables	應收賬款及其他應收款 (增加)/減少	(8,995)	27,543
Decrease/(increase) in due from non-controlling interest	應收非控股權益款項 減少/(增加)	33	(13)
(Increase)/decrease in due from related parties	應收關聯方款項 (增加)/減少	(114)	658
Decrease in trade and other payables	應付賬款及其他應付款 減少	(385)	(2,670)
(Decrease)/increase in contract liabilities	合約負債(減少)/增加	(135)	242
Increase/(decrease) in due to directors	應付董事款項 增加/(減少)	863	(63)
(Decrease)/increase in due to related parties	應付關聯方款項 (減少)/增加	(121)	277
Cash (used in)/generated from operations	經營活動(耗用)/產生之 現金	(27,315)	8,274
Income taxes paid	已付所得稅	(623)	(3,980)
Interest on lease liabilities	租賃負債利息	(119)	-
Net cash (used in)/generated from operating activities	經營活動(耗用)/產生之 淨現金	(28,057)	4,294

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES			
			投資活動產生之現金流量
Decrease in pledged bank deposits		-	19
Receipt of financial assets at fair value through profit or loss ("FVTPL")		-	3,468
Purchase of financial assets at FVTPL		-	(2,300)
Purchases of property, plant and equipment		(1,465)	(114)
Proceeds from disposal of construction in progress		-	4
Proceeds from disposal of property, plant and equipment		8	119
Proceeds from disposal of financial assets at FVTOCI		-	2,630
Payment for construction in progress		(320)	-
Purchase of intangible assets		(743)	-
Bank interests received		2,714	55
Net cash generated from investing activities		194	3,881

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生之現金流量			
Principal elements of lease payments	租賃付款本金部分		(1,623)	-
Repayment of bank loans	償還銀行貸款		(9,000)	(14,500)
Bank loans raised	籌集銀行貸款		9,000	13,000
Proceeds from issue of shares, net	發行股份所得款項淨額		-	226,926
Due to related parties	應付關聯方款項		-	200
Interests on bank loans and other finance cost paid	銀行貸款利息及其他 已付財務成本		(478)	(533)
Net cash (used in)/generated from financing activities	融資活動(耗用)/產生之 淨現金		(2,101)	225,093
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 (減少)/增加淨額		(29,964)	233,268
Effect of foreign exchange rate changes	匯率變動影響額		3,879	(1,341)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及 現金等價物		252,459	20,532
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之 現金及現金等價物		226,374	252,459
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等價物分析			
Cash and cash equivalents	現金及現金等價物	31	226,374	252,459

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1. GENERAL INFORMATION

Smartac Group China Holdings Limited (the “**Company**”) was incorporated on 18 July 2000 in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Room 1204, 12th Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay. 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 26 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 31 December 2019, Mr. Yang Xin Min is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”). IFRSs comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs 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

中國智能集團控股有限公司(「**本公司**」)於二零零零年七月十八日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。其主要營業地址為銅鑼灣告士打道262號中糧大廈12樓1204室。本公司之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。其附屬公司主要業務載於綜合財務報表附註26。

本公司董事認為，於二零一九年十二月三十一日，楊新民先生為本公司最終控制方。

2. 編製基準

該等綜合財務報表已根據國際會計準則委員會(「**國際會計準則委員會**」)頒佈之所有適用國際財務報告準則(「**國際財務報告準則**」)編製。國際財務報告準則包括國際財務報告準則(「**國際財務報告準則**」)；國際會計準則(「**國際會計準則**」)及詮釋。該等綜合財務報表亦符合聯交所證券上市規則之適用披露條文及香港公司條例(第622章)之披露規定。本集團所採納重要會計政策於下文披露。

國際會計準則委員會已頒佈若干新訂及經修訂國際財務報告準則，該等準則於本集團當前會計期間首次生效或可供提早採納。附註3載列該等綜合財務報表內所反映於當前及過往會計期間因首次應用該等與本集團有關之新訂及經修訂準則而引致之任何會計政策變動的資料。

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) Application of new and revised IFRSs

The IASB has issued a new IFRSs, IFRS 16 Leases, and a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

Except for IFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, and the related interpretations, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduced a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and leases of low-value assets.

3. 採納新訂及經修訂國際財務報告準則

(a) 應用新訂及經修訂國際財務報告準則

國際會計準則委員會已頒佈一項新的國際財務報告準則，即國際財務報告準則第16號租賃，以及若干於本集團當前會計期間首次生效的經修訂國際財務報告準則。

除國際財務報告準則第16號外，概無政策修訂對本集團於編製或呈報當前或過往業績及財務狀況產生重大影響。本集團並未採用任何於當前會計期間尚未生效的新準則或詮釋。

國際財務報告準則第16號租賃

國際財務報告準則第16號取代國際會計準則第17號租賃及相關詮釋、國際財務報告詮釋委員會詮釋第4號確定一項安排是否包含租賃、準則詮釋委員會詮釋第15號經營租賃—優惠及準則詮釋委員會詮釋第27號評估涉及租賃法律形式的交易實質。國際財務報告準則第16號引入了單一承租人會計模型，其要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下的租賃及低價值資產租賃除外。

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

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

IFRS 16 Leases (Continued)

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from IAS 17 substantially unchanged.

IFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied IFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under IAS 17.

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

國際財務報告準則第16號項下規定的出租人會計處理方法與國際會計準則第17號項下的規定大致維持不變。出租人將繼續根據國際會計準則第17號相類似的原則將租賃分類為經營或融資租賃。因此，國際財務報告準則第16號並無對本集團屬出租人的租賃造成影響。國際會計準則第17號提出的出租人會計處理規定大致維持不變。

國際財務報告準則第16號亦引入額外定性及定量披露要求，旨在讓財務報表使用者評估租賃對實體財務狀況、財務表現及現金流量的影響。

本集團自二零一九年一月一日起首次應用國際財務報告準則第16號。本集團選擇採用經修訂追溯法並因此已將初步應用的累計影響作為於二零一九年一月一日對期初權益結餘的調整予以確認。比較資料並無重列，且繼續根據國際會計準則第17號呈報。

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

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

IFRS 16 Leases (Continued)

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

(a) *New definition of a lease*

The change in the definition of a lease mainly relates to the concept of control. IFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in IFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under IAS 17 continue to be accounted for as leases under IFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

過往會計政策變動之性質及影響以及過渡選項之進一步詳情載列如下：

(a) *租賃的新定義*

租賃定義的轉變主要與控制權的概念有關。國際財務報告準則第16號根據客戶是否可於一段時間內控制已識別資產的使用(其可以訂明的使用次數決定)界定租賃。倘客戶同時有權指示已識別資產之用途及從該用途獲得絕大部分經濟利益，則控制權予以轉移。

本集團僅將國際財務準則第16號項下的新租賃定義應用於二零一九年一月一日或之後訂立或變更之合約。就於二零一九年一月一日前訂立的合約而言，本集團運用過渡性可行權宜方法，繼續沿用先前對現有安排是否屬租賃或包含租賃所作的評估。因此，先前根據國際會計準則第17號評估為租賃之合約，根據國際財務報告準則第16號繼續以租賃列賬，而先前評估為非租賃服務安排的合約繼續入賬為非法定合約。

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

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

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact

IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets which are exempt.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant group entities at the date of initial application. The average incremental borrowing rates applied by relevant group entities range from 8.43%–8.67%.

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(b) 承租人會計處理及過渡性影響

國際財務報告準則第16號取消承租人過往須按國際會計準則第17號，將租賃分類為經營租賃或融資租賃之規定。相反，本集團作為承租人時須將所有租賃資本化，包括先前根據國際會計準則第17號分類為經營租賃的租賃，惟短期租賃及低價值資產租賃除外。

就先前分類為經營租賃的租賃確認租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借款利率。相關集團實體所採用的平均增量借款利率介乎8.43%至8.67%。

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

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

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

To ease the transition to IFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of IFRS 16:

- (i) elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in a similar economic environment;
- (iii) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options;

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(b) 承租人會計處理及過渡性影響(續)

為方便過渡至國際財務報告準則第16號，本集團於首次應用國際財務報告準則第16號當日應用以下確認豁免及可行權宜方法：

- (i) 選擇不應用國際財務報告準則第16號有關確認租賃負債及使用權資產的規定應用於剩餘租期於首次應用國際財務報告準則第16號當日起計12個月內結束(即租期於二零一九年十二月三十一日或之前結束)的租賃；
- (ii) 就類似經濟環境內相似類別相關資產並具相似剩餘租期的租賃組合應用單一貼現率；
- (iii) 根據於首次應用日期的事實及情況使用事後方式為本集團具有延長選擇權的租賃釐定期；

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

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

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

- (iv) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- (v) relied on the assessment of whether leases are onerous by applying IAS 37 as an alternative to an impairment review.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(b) 承租人會計處理及過渡性影響(續)

- (iv) 於計量首次應用日期的使用權資產時撇除初始直接成本；及
- (v) 運用國際會計準則第37號作為減值評估的替代方法，以評估租賃是否有虧損性。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團將國際會計準則第12號所得稅規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，有關使用權資產及租賃負債之暫時差額並未於初步確認時於租期內確認。

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

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

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

The following table reconciles the operating lease commitments as disclosed in note 42 as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	2,939
Less: commitments relating to lease exempt from capitalisation:	減：獲豁免資本化之租賃相關承擔：	
— short-term leases and other leases with remaining lease term ending on or before 31 December 2019	— 短期租賃及剩餘租期於二零一九年十二月三十一日或之前屆滿之其他租賃	(303)
		2,636
Less: total future interest expenses	減：日後利息支出總額	(401)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日已確認租賃負債	2,235
Of which are:	其中：	
Current lease liabilities	當期租賃負債	1,485
Non-current lease liabilities	非當期租賃負債	750
		2,235

RMB'000
人民幣千元

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(b) 承租人會計處理及過渡性影響(續)

下表載列在附註42披露於二零一八年十二月三十一日的經營租賃承擔與於二零一九年一月一日已確認租賃負債的期初結餘的對賬：

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

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

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of consolidated financial position at 31 December 2018.

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments (“IFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

So far as the impact of the adoption of IFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of IFRS 16, other than changing the captions for the balances. Accordingly, instead of “Finance leases payables”, these amounts are included within “Lease liabilities”, and the depreciated carrying amount of the corresponding leased assets is identified as right-of-use assets. There is no impact on the opening balance of equity.

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(b) 承租人會計處理及過渡性影響(續)

先前分類為經營租賃之租賃相關使用權資產已按相等於餘下租賃負債的已確認金額之金額確認，並按與於二零一八年十二月三十一日之綜合財務狀況表確認之租賃有關之任何預付或應計租賃付款金額進行調整。

已付可退回租賃按金根據國際財務報告準則第9號金融工具(「國際財務報告準則第9號」)入賬，初步按公允值計量。於初步確認時對公允值的調整被視為額外租賃付款並計入使用權資產成本。

除採納國際財務報告準則第16號對先前分類為融資租賃之租賃造成的影響外，本集團於首次應用國際財務報告準則第16號當日毋須作出更改結餘標題以外之任何調整。因此，該等金額將計入「租賃負債」而非「融資租賃應付款」，而相應租賃資產折舊賬面值識別為使用權資產。其對權益期初結餘概無影響。

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

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

IFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

The following table summaries the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position:

Line items in the consolidated statement of financial position impacted by the adoption of IFRS 16	受採納國際財務報告準則第16號影響之綜合財務狀況表項目	Effects of adoption of IFRS 16 採納國際財務報告準則第16號之影響			
		Carrying amount as at 31 December 2018 於二零一八年十二月三十一日之賬面值 RMB'000 人民幣千元	Re-classification 重新分類 RMB'000 人民幣千元	Re-cognition of leases 租賃確認 RMB'000 人民幣千元	Carrying amount as at 1 January 2019 於二零一九年一月一日之賬面值 RMB'000 人民幣千元
Assets	資產				
Right-of-use assets	使用權資產	-	2,062	2,235	4,297
Prepaid land lease payments (Note)	土地租賃預付款(附註)	2,062	(2,062)	-	-
Liabilities	負債				
Lease liabilities	租賃負債	-	-	(2,235)	(2,235)

Note: Upfront payments for leasehold lands in the People's Republic of China (the "PRC") of own used properties were classified as prepaid land lease payments as at 31 December 2018. Upon application of IFRS 16, the current and non-current portion of prepaid land lease payments amounting to RMB56,000 and RMB2,006,000 respectively were classified to right-of-use assets.

附註：於二零一八年十二月三十一日，自用物業的中華人民共和國（「中國」）租賃土地的前期付款分類為土地租賃預付款。於應用國際財務報告準則第16號後，土地租賃預付款的即期及非當期部分分別人民幣56,000元及人民幣2,006,000元分類為使用權資產。

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(b) 承租人會計處理及過渡性影響(續)

下表概述採納國際財務報告準則第16號對本集團綜合財務狀況表的影響：

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

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

IFRS 16 Leases (Continued)

(c) *Impact of the financial results and cash flows of the Group*

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of profit or loss, as compared to the results if IAS 17 had been applied during the year.

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their principal element and interest element (note 41(a)). These elements are classified as financing cash outflows and operating cash outflows respectively. Although total cash flows are unaffected, the adoption of IFRS 16 therefore results in a significant change in presentation of cash flows within the cash flow statement (note 41(b)).

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(c) *對本集團財務業績及現金流量的影響*

於二零一九年一月一日初步確認使用權資產及租賃負債後，本集團作為承租人須確認租賃負債之未償還結餘累積之利息支出，以及使用權資產折舊，而非過往以直線法於租期內確認根據經營租賃產生之租賃支出之政策。與年內應用國際會計準則第17號的結果相比，此舉對本集團綜合損益表的呈報經營溢利產生正面影響。

於現金流量表中，本集團作為承租人須將根據資本化租賃所支付之租金分為本金部分及利息部分(附註41(a))。該等部分乃分別分類為融資現金流出及經營現金流出。儘管現金流量總額不受影響，但採納國際財務報告準則第16號導致現金流量表內現金流量之呈現方式發生重大變動(附註41(b))。

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

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

IFRS 16 Leases (Continued)

(c) *Impact of the financial results and cash flows of the Group (Continued)*

The following tables give an indication of the estimated impact of the adoption of IFRS 16 on the Group's financial result and cash flows for the year ended 31 December 2019, by adjusting the amounts reported under IFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under IAS 17 if this superseded standard had continued to apply in 2019 instead of IFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under IAS 17.

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(c) 對本集團財務業績及現金流量的影響(續)

下表顯示採納國際財務報告準則第16號對本集團截至二零一九年十二月三十一日止年度之財務業績及現金流量之估計影響，方法為調整該等綜合財務報表中根據國際財務報告準則第16號所呈報之金額以計算根據國際會計準則第17號應確認之估計假設金額(倘該被取代準則而非國際財務報告準則第16號於二零一九年繼續適用)，以及將二零一九年之該等假設金額與二零一八年根據國際會計準則第17號編製之實際相應金額進行比較。

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

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

IFRS 16 Leases (Continued)

(c) Impact of the financial results and cash flows of the Group (Continued)

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(c) 對本集團財務業績及現金流量的影響(續)

		2019 二零一九年				2018 二零一八年
		Amounts reported under IFRS 16	Add back: IFRS 16 depreciation and interest expense	Deduct: Estimated amounts related to operating lease as if under IAS 17	Hypothetical amounts for 2019 as if under IAS 17	Compared to amounts reported for 2018 under IAS 17
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Financial result for year ended 31 December 2019 impacted by the adoption of IFRS 16:						
受採納國際財務報告準則第16號影響之截至二零一九年十二月三十一日止年度之財務業績：						
Loss from operation	經營虧損	(60,966)	1,594	(1,664)	(61,036)	(63,626)
Finance costs	財務成本	(597)	119	-	(478)	(533)
Loss before taxation	除稅前虧損	(60,500)	1,713	(1,664)	(60,451)	(64,335)
Loss for the year	年內虧損	(52,400)	1,713	(1,664)	(52,351)	(62,414)

(note 1)
(附註1)

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

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

IFRS 16 Leases (Continued)

(c) Impact of the financial results and cash flows of the Group (Continued)

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(c) 對本集團財務業績及現金流量的影響(續)

	2019 二零一九年	2018 二零一八年
	Estimated amounts related to operating leases as if under IAS 17	Hypothetical amounts for 2019 as if under IAS 17
	根據國際財務報告準則第16號呈報之金額 RMB000 人民幣千元	有關經營租賃之估計金額(猶如根據國際會計準則第17號) RMB000 人民幣千元
	(note 1) (附註1)	二零一九年之假設金額(猶如根據國際會計準則第17號) RMB000 人民幣千元
	(note 2) (附註2)	Compared to amounts reported for 2018 under IAS 17 與二零一八年根據國際會計準則第17號呈報之金額比較 RMB000 人民幣千元
Line items in the consolidated cash flow statement for year ended 31 December 2019 impacted by the adoption of IFRS 16:		
Cash (used in)/generated from operations	經營(所用)/所得現金	經營(所用)/所得現金
Interest element of lease paid	已付租賃利息部分	已付租賃利息部分
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額	經營活動(所用)/所得現金淨額
Principal elements of lease paid	已付租賃本金部分	已付租賃本金部分
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	融資活動(所用)/所得現金淨額
	(27,315)	(1,664)
	(119)	119
	(28,057)	(1,545)
	(1,623)	1,623
	(2,101)	1,623
	(28,979)	(29,602)
		-
		-
		-
		-
		4,294
		-
		-
		225,093

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

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

IFRS 16 Leases (Continued)

(c) Impact of the financial results and cash flows of the Group (Continued)

Note 1: The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if IAS 17 had still applied in 2019. This estimate assumes that there was no difference between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under IAS 17, if IAS 17 had still applied in 2019. Any potential net tax effect is ignored.

Note 2: In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if IAS 17 still applied.

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(c) 對本集團財務業績及現金流量的影響(續)

附註1: 「有關經營租賃之估計金額」指分類為經營租賃的有關租賃於二零一九年對現金流量金額之估計，猶如國際會計準則第17號於二零一九年仍然適用。該估計假設租金與現金流量之間並無差異，且所有於二零一九年訂立的新租約已根據國際會計準則第17號分類為經營租賃，猶如國際會計準則第17號於二零一九年仍然適用。任何潛在淨稅項影響都會被忽略。

附註2: 於此影響表中，該等現金流出由融資重新分類至經營，以計算經營活動所得之現金淨額及融資活動所用之現金淨額的假設金額，猶如國際會計準則第17號仍然適用。

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

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

IFRS 16 Leases (Continued)

(d) Leasehold investment properties

Under IFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for capital appreciation. The adoption of IFRS 16 does not have a significant impact on the Group's consolidated financial statements as the Group previously elected to apply IAS 40, *Investment properties*, to account for all of its leasehold properties that were held for investment purposes as at 31 December 2018. Consequentially, these leasehold investment properties continue to be carried at fair value.

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

(d) 租賃投資物業

根據國際財務報告準則第16號，倘持有該等物業為旨在賺取租金收入及／或資本增值，本集團須將所有租賃物業列為投資物業。採納國際財務報告準則第16號對本集團之綜合財務報表並無重大影響，原因為本集團先前選擇應用國際會計準則第40號投資物業，將其於二零一八年十二月三十一日持作投資用途的所有租賃物業入賬。因此，該等租賃投資物業繼續按公允值列賬。

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

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

The Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2019. These new and revised IFRSs include the following which may be relevant to the Group.

3. 採納新訂及經修訂國際財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂國際財務報告準則

本集團並無提早應用已頒佈但尚未於二零一九年一月一日開始之財政年度生效之新訂及經修訂國際財務報告準則。該等新訂及經修訂國際財務報告準則包括以下可能與本集團有關之準則。

**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**

Amendments to IFRS 3 Definition of a Business
國際財務報告準則第3號業務的定義的修訂

1 January 2020
二零二零年一月一日

Amendments to IAS 1 and IAS 8 Definition of Material
國際會計準則第1號及國際會計準則第8號重大的定義的修訂

1 January 2020
二零二零年一月一日

Revised Conceptual Framework for Financial Reporting
財務報告之經修訂概念框架

1 January 2020
二零二零年一月一日

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 it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團正在評估該等修訂及新訂準則預期於首次應用期間的影響。直到目前為止，採納該等修訂預期不會對綜合財務報表產生重大影響。

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. investment properties and certain financial instruments that are measured at fair value).

The preparation of consolidated financial statements in conformity with IFRSs 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.

(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.

4. 重要會計政策

除下文會計政策另有所述者(如投資物業及若干按公允值計量之金融工具)外,該等綜合財務報表已按歷史成本準則編製。

編製符合國際財務報告準則的綜合財務報表需要使用若干主要會計估計,亦需要管理層在應用本集團會計政策過程中作出其判斷。倘涉及高度的判斷及高度複雜性,或對綜合財務報表而言屬重大假設及估計之範疇,乃於附註5披露。

於編製該等綜合財務報表時採用之重要會計政策載列如下。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司直至十二月三十一日止的財務報表。附屬公司乃指本集團具有控制權的實體。當本集團有權從實體參與活動中獲得可變回報並且能夠利用權利支配回報時,表明本集團對實體具有控制權。當本集團有權引導相關活動(比如對實體收益有重大影響的活動)時,亦說明本集團對實體具有控制權。

在評估控制權時,本集團會考慮其自有的潛在表決權以及其他方擁有的潛在表決權,來確定是否有控制權。倘持有者有實際能力執行該權利,則只能考慮潛在表決權。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

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.

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 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 the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

4. 重要會計政策(續)

(a) 綜合賬目(續)

附屬公司乃自控制權轉讓予本集團當日起綜合入賬，並自控制權終止當日起不再綜合入賬。

出售附屬公司而導致失去控制權之損益乃指(i)出售代價公允價值連同於該附屬公司任何保留投資公允價值與(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。

本集團內公司間之交易、結餘及未變現溢利已對銷。未變現之虧損亦對銷，除非有關交易證明資產之轉讓出現減值。附屬公司之會計政策在需要時已作修改，以確保其與本集團採納之政策一致。

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。於綜合損益與其他全面收益表內，非控股權益呈列為年度損益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。

即使導致非控股權益結餘出現虧絀，損益及其他全面收益各項目歸屬於本公司擁有人及非控股股東。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

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 the 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).

(b) Business combination 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.

4. 重要會計政策(續)

(a) 綜合賬目(續)

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附屬公司相關權益之變動。非控股權益被調整之金額與已付或已收代價公允值之間之任何差額直接於權益內確認並歸屬於本公司擁有人。

於本公司綜合財務狀況表內，於一間附屬公司之投資以成本扣除減值虧損入賬，除非有關投資被分類為持作出售(或計入分類為持作出售之出售組別)。

(b) 業務合併及商譽

本集團採用收購法為業務合併中所收購之附屬公司列賬。業務合併時轉讓之代價乃按於收購日期所付出資產之公允值、所發行之股本工具、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支出。於收購時附屬公司之可識別資產及負債按其於收購日期之公允值計量。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(b) Business combination and goodwill (Continued)**

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.

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.

4. 重要會計政策(續)**(b) 業務合併及商譽(續)**

該轉讓代價總額超出本集團應佔附屬公司可識別資產及負債之公允淨值之差額乃列作商譽。本集團應佔可識別資產及負債之公允淨值超出轉讓代價總額之任何差額乃於綜合損益內確認為本集團應佔議價收購收益。

對於分段進行之業務合併，先前已持有之附屬公司股權乃按收購日期之公允值重新計量，而由此產生之損益於綜合損益內確認。公允值會加入至業務合併轉讓代價總額以計算商譽。

於附屬公司之非控股權益初步按非控股股東應佔該附屬公司於收購當日之可識別資產及負債之公允淨值比例計量。

於初步確認後，商譽按成本減累計減值虧損計量。就減值測試而言，因業務合併而購入之商譽乃分配至預期從合併協同效應中獲利之各個現金產生單位(「現金產生單位」)或各組現金產生單位。各獲分配商譽之各個或各組單位指就內部管理而言本集團監察商譽之最低層面。商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時作更頻密檢討。包含商譽之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允值減出售成本兩者中之較高者。任何減值即時確認為支出，且其後不會回撥。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

4. 重要會計政策(續)

(c) 聯營公司

聯營公司為本集團對其擁有重大影響力之實體。重大影響力乃指有權參與相關實體之財務及經營政策決定，而非控制或共同控制相關政策之能力。現時可行使或可兌換之潛在投票權(包括其他實體持有之潛在投票權)之存在及影響於評估本集團是否具有重大影響力時予以考慮。於評估潛在投票權是否構成重大影響力時，持有人行使或兌換該權利之意向及財務能力不予考慮。

於聯營公司投資於綜合財務報表按權益法列賬並初步按成本確認。於收購當中聯營公司之可識別資產及負債乃按其於收購日期之公允值進行計量。投資成本超出本集團應佔該聯營公司之可識別資產及負債之公允淨值部分列賬作商譽。商譽計入投資賬面值，且當出現客觀憑證投資減值時於各報告期末連同投資進行減值測試。本集團應佔可識別資產及負債之公允淨值超出收購成本之任何部分於綜合損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. 重要會計政策(續)

(c) 聯營公司(續)

本集團應佔聯營公司之收購後損益及其他全面收益於綜合損益與其他全面收益表確認。當本集團應佔聯營公司之虧損等於或超過其於聯營公司之權益(包括任何長期權益實質上構成本集團於聯營公司投資淨額)時,本集團於代表聯營公司產生責任或作出付款前不會確認進一步虧損。倘若聯營公司其後錄報溢利,本集團僅於其應佔溢利等於未確認之應佔虧損時恢復確認其應佔溢利。

因出售聯營公司導致失去重大影響力之損益乃指(i)出售代價公允值加於聯營公司保留任何投資公允值與(ii)本集團於聯營公司之全部賬面值(包括商譽)及任何相關累計外幣匯兌儲備之差額。倘若於聯營公司投資成為合營企業投資,則本集團持續應用權益法且並無就保留權益重新計量。

本集團與其聯營公司交易之未變現溢利乃以本集團於聯營公司之權益為限進行抵銷。除非交易提供所轉讓資產之減值憑證,否則未變現虧損亦予以抵銷。聯營公司之會計政策於必要時作出變更以確保與本集團所採納政策一致。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) 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 Renminbi ("**RMB**") which is the Company's presentation currency and the functional currency of the principal operating subsidiaries of the Group. The functional currency of the Company is Hong Kong dollars ("**HK\$**"). The directors consider that choosing RMB as the presentation currency best suits the need of shareholders and investors.

(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.

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.

4. 重要會計政策(續)

(d) 外幣換算

(i) 功能及呈報貨幣

本集團各實體之財務報表所包括之項目，均以該實體營運之主要經濟環境之貨幣(「**功能貨幣**」)計量。本綜合財務報表乃以人民幣(「**人民幣**」)呈報，人民幣為本公司之呈報貨幣及本集團主要附屬公司之功能貨幣。本公司功能貨幣為港幣(「**港幣**」)。董事認為選擇人民幣作為呈報貨幣最為符合股東及投資者需求。

(ii) 各實體財務報表中的交易及結餘

外幣交易於初步確認時均採用交易當日之匯率換算為功能貨幣。外幣之貨幣性資產及負債均按各報告期末之匯率換算。按此換算政策產生之盈虧均於損益內確認。

按公允值及以外幣計量的非貨幣項目乃按釐定公允值當日的匯率換算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4. 重要會計政策(續)****(d) Foreign currency translation (Continued)****(d) 外幣換算(續)****(ii) Transactions and balances in each entity's financial statements (Continued)****(ii) 各實體財務報表中的交易及結餘(續)**

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.

當非貨幣項目之盈虧於其他全面收益確認時，該盈虧的任何匯兌部份於其他全面收益確認。當非貨幣項目之盈虧於損益確認時，該盈虧的任何匯兌部份於損益確認。

(iii) Translation on consolidation**(iii) 綜合賬目之換算**

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:

本集團旗下所有實體如擁有與本公司之呈報貨幣不一致之功能貨幣，則其業績及財務狀況均按以下方式換算為本公司之呈報貨幣：

- 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.

- 各財務狀況表呈報之資產及負債均按照該財務狀況表結算日之收市匯率換算；
- 收入及支出均按該期間的平均匯率換算（若此平均匯率未能合理反映交易日匯率所帶來之累計影響，在此情況下，收入及支出則按交易當日之匯率換算）；及
- 所有匯兌差額均於其他全面收益中確認，並累計於外幣匯兌儲備中。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) 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 and of borrowings are recognised in the 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.

(e) Property, plant and equipment

Property, plant and equipment, including buildings for administrative purposes (other than properties under construction as described below), 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)

(d) 外幣換算(續)

(iii) 綜合賬目之換算(續)

於綜合賬目時，因換算組成於境外實體之淨投資的貨幣部分及借款而產生之匯兌差額於其他全面收益中確認並於外幣匯兌儲備中累計。出售境外經營業務時，該等匯兌差額乃重新分類至綜合損益內作為出售損益之一部份。

收購境外實體所產生之商譽及公允值調整均列為境外實體之資產及負債，並按收市匯率換算。

(e) 物業、廠房及設備

物業、廠房及設備(包括作行政用途之樓宇，惟不包括下文所述之在建物業)以按成本減隨後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

其後成本乃納入資產賬面值或確認為個別資產(如適用)，但只有在該項目有可能為本集團流入未來經濟利益，以及能可靠計量該項目之成本情況下才以此方式處理。所有其他維修及保養費用於其所產生之期間在損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(e) 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:

Buildings and leasehold improvement	3.33%–33.33%, over the lease term
Office equipment and fixtures	12.5%–33.33%, over the lease term
Motor vehicles	12.5%–25%

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

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

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.

4. 重要會計政策(續)**(e) 物業、廠房及設備(續)**

物業、廠房及設備乃以直線法於估計可使用年內，按足以撇銷其成本減去其殘值計算折舊。主要年率如下：

樓宇及租賃翻新	3.33%–33.33%， 按租賃期限計
辦公室設備及裝置	12.5%–33.33%， 按租賃期限計
汽車	12.5% – 25%

殘值、可使用年期及折舊方法會於各報告期末予以審閱及調整(如適用)。

在建工程指正在興建中的樓宇以及待安裝的廠房及設備，以成本扣除減值虧損入賬。折舊於有關資產可供使用時開始計提。

出售物業、廠房及設備之損益指出售相關資產所得款項淨額與賬面值兩者之差額，並於損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Investment properties

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

After initial recognition, the investment properties are stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment properties are recognised in profit or loss for the period in which they arise.

The gain or loss on disposal of investment properties is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 4(u).

In the comparative period, when the Group held a property interest under an operating lease and used the property to earn rental income and/or for capital appreciation, the Group could elect on a property-by-property basis to classify and account for such interest as an investment property. Any such property interest which had been classified as an investment property was accounted for as if it were held under a finance lease, and the same accounting policies were applied to that interest as were applied to other investment properties leased under finance leases.

4. 重要會計政策(續)

(f) 投資物業

投資物業指賺取租金及／或資本增值的土地及／或樓宇。擁有投資物業最初乃以其成本計量，包括該物業的所有直接成本。

於初始確認後，投資物業以外部獨立評估師的估值為基礎計量其公允值。投資物業公允值變動產生的損益於該等變動產生期間的損益中確認。

出售投資物業之損益指出售物業所得款項淨額與賬面值之間的差額，並在損益中確認。投資物業租金收入乃採用附註4(u)所述的會計法。

於比較期間，當本集團根據經營租賃持有物業權益並利用物業賺取租金收入及／或達致資本增值時，本集團可選擇將該權益按個別物業基準分類及入賬為投資物業。此等已分類為投資物業的任何物業權益的入賬方式猶如根據融資租賃持有的權益，而該權益亦會應用與根據融資租賃租賃的其他投資物業相同的會計處理政策。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(g) Leases**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) The Group as a lessee

Policy applicable from 1 January 2019

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

4. 重要會計政策(續)**(g) 租賃**

本集團於合約起始時評估合約是否屬於或包含租賃。倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。當客戶有權指示已識別資產的用途並從該用途中獲得絕大部份經濟利益時，即表示擁有控制權。

(i) 本集團作為承租人

自二零一九年一月一日起適用的政策

倘合約包含租賃部分及非租賃部分，則本集團已選擇不區分非租賃部分，並將各租賃部分及任何相關非租賃部分入賬列作所有租賃的單一租賃部分。

本集團於租賃開始日期確認使用權資產及租賃負債，惟租期為12個月或更短的短期租賃及低價值資產租賃除外。當本集團就低價值資產訂立租賃時，本公司決定是否按個別租賃基準將該租賃資本化。與並無資本化的租賃相關的租賃付款於租期內按系統化基準確認為開支。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable from 1 January 2019 (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 4(f).

4. 重要會計政策(續)

(g) 租賃(續)

(i) 本集團作為承租人(續)

自二零一九年一月一日起適用的政策(續)

倘租賃已資本化，有關租賃負債按租期內應付租賃付款的現值進行初步確認，並採用租賃中隱含的利率貼現或，倘該利率無法即時釐定，則採用有關增量借款利率。於初步確認後，租賃負債以攤銷成本計量，而利息支出則採用實際利率法計算。不取決於指數或比率的可變租賃付款不納入租賃負債的計量，因此該等可變租賃付款於其產生的會計期間於損益內扣除。

於資本化租賃時確認的使用權資產初步按成本計量，其成本包括租賃負債的初始金額，加上於開始日期或之前作出的任何租賃付款及所產生的任何初始直接成本。在適用的情況下，使用權資產的成本亦包括拆卸及移除相關資產，或還原相關資產或其所在地產生的估計成本，並貼現至其現值及扣減收到的任何租賃獎勵。使用權資產其後按成本減累計折舊及減值虧損列賬，惟符合投資物業定義的使用權資產會根據附註4(f)按公允值列賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4. 重要會計政策(續)****(g) Leases (Continued)****(g) 租賃(續)****(i) The Group as a lessee (Continued)****(i) 本集團作為承租人(續)**

Policy applicable from 1 January 2019 (Continued)

自二零一九年一月一日起適用的政策(續)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

對於本集團可合理確定在租期結束時取得相關租賃資產所有權的使用權資產，自開始日期至可使用年期結束的期間內折舊。否則，使用權資產應按估計可使用年期及租期(以較短者為準)以直線法折舊。

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

已付可退還租賃按金乃根據國際財務報告準則第9號進行會計處理，並初步按公允值計量。初步確認時的公允值調整被視為額外租賃付款並計入使用權資產成本。

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

當指數或利率變動引致未來租賃付款變動，或本集團根據殘值擔保預期應付款項的估計有變，或當重新評估本集團是否將合理確定行使購買、延期或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量時，就使用權資產的賬面值作出相應調整，倘使用權資產的賬面值減至零，則於損益入賬。

The Group presents right-of-use assets that do not meet the definition of investment properties and lease liabilities separately in the consolidated statement of financial position.

本集團將不符合投資物業及租賃負債定義的使用權資產單獨呈列於綜合財務狀況表內。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Leases (Continued)

(i) The Group as a lessee (Continued)

Policy prior to 1 January 2019

In the comparative period, as a lessee, the Group classified 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 land lease payments are stated at cost and subsequently amortised on the straight-line basis over the remaining term of the lease.

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

4. 重要會計政策(續)

(g) 租賃(續)

(i) 本集團作為承租人(續)

二零一九年一月一日前的政策

於比較期間，本集團作為承租人將資產所有權的絕大部分風險及回報不會轉移至本集團的租賃入賬列作經營租賃。租賃付款(減任何來自出租人的已收租賃優惠)於租期內按直線法確認為開支。

土地租賃預付款項按成本列賬及隨後於餘下租期內以直線法攤銷。

(ii) 本集團作為出租人

當本集團作為出租人，其於租賃開始時釐定各租賃屬融資租賃或經營租賃。倘租賃將相關資產所有權附帶的絕大部分風險及回報轉移至承租人，則該租賃分類為融資租賃。若並非如此，則租賃分類為經營租賃。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(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 software development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes);
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

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 of 5 years. 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) Intangible assets acquired in a business combination and acquired separately

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

4. 重要會計政策(續)**(h) 研發支出**

研究活動支出在其產生之期間被確認為支出。只有在以下所有條件均獲滿足時，有關本集團軟件開發之內部產生的無形資產方予確認：

- 創建的資產可予識別(比如軟件與新程式)；
- 創建的資產可能會產生未來經濟收益；及
- 資產的開發成本能夠可靠計量。

內部產生的無形資產乃以其成本減去累計攤銷與減值虧損列賬。攤銷乃按照直線法於其估計使用年限(5年)內計算。當內部產生的無形資產不能被確認時，開發支出在其產生的期間內於損益中確認。

(i) 業務合併中收購及單獨收購的無形資產

倘於業務合併所收購之無形資產符合無形資產之定義，且其公允值能可靠計量，則有關無形資產會與商譽分開識別及確認。該等無形資產之成本為於收購當日之公允值。

於初始確認後，於業務合併所收購之無形資產乃按與分開收購的無形資產相同的基準，按成本扣除累計攤銷及累計減值虧損列賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(i) Intangible assets acquired in a business combination and acquired separately (Continued)**

Amortisation of intangible assets is charged to profit or loss on a straight line basis over their estimated useful lives as follows:

Software development costs	5 years
Customers relationship	6 years
Computer software	5 years
Trademark	9 years

Both the period and method of amortisation are reviewed annually.

(j) 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 comprises all cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Contract liabilities

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

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

4. 重要會計政策(續)**(i) 業務合併中收購及單獨收購的無形資產(續)**

無形資產之攤銷乃以直線法按其如下估計可使用年期於損益內扣除：

軟件開發成本	5年
客戶關係	6年
電腦軟件	5年
商標	9年

攤銷年期及方法均每年審閱一次。

(j) 存貨

存貨按成本及可變現淨值兩者中較低者呈列。成本乃按先入先出法釐定。製成品之成本包括所有採購成本及將存貨達至現行地點及狀況所產生之其他成本。可變現淨值乃指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將產生之必要成本計算。

(k) 合約負債

本集團確認相關收益前，合約負債在客戶支代價時確認。如本集團有無條件權利在本集團確認相關收益前收取代價，則合約負債亦會獲確認。在相關情況下，相應應收款項亦會獲確認。

合約計及重大融資成分時，合約結餘計入按實際利率法累計的利息。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(i) Recognition and derecognition of financial instruments**

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group's 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.

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.

4. 重要會計政策(續)**(i) 確認及終止確認金融工具**

當本集團實體成為工具合同條文的一方時，金融資產及金融負債於綜合財務狀況表確認。

金融資產及金融負債初步按公允值計量。收購或發行金融資產及金融負債直接應佔之交易成本(除按公允價計入損益之金融資產及金融負債外)於初步確認時加入或扣除自金融資產及金融負債(如適用)之賬面值。收購按公允值計入損益之金融資產及金融負債直接應佔之交易成本即時於損益確認。

本集團僅於自資產收取現金流量之合約權利屆滿時，或將金融資產及資產擁有權絕大部分風險及回報轉讓予另一實體時，方會終止確認金融資產。倘本集團既未轉讓亦無保留所有權絕大部分風險及回報並繼續控制已轉讓資產，本集團則於該資產確認其保留之權利，以及須支付相關的負債金額。倘本集團保留已轉讓金融資產所有權絕大部分風險及回報，本集團則繼續確認金融資產，並就已收取所得款項確認已抵押借款。

本集團僅於本集團之責任獲解除、註銷或已屆滿時取消確認金融負債。取消確認金融負債之賬面值與已付及應付代價(包括任何已轉讓非現金資產或所承擔負債)之差額於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

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 Group 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.

4. 重要會計政策(續)

(m) 金融資產

所有以正常方式買賣的金融資產按交易日基準確認及終止確認。以正常方式買賣指需要按市場規則或慣例在設定之時限內交付資產之金融資產買賣。所有已確認金融資產其後全數按攤銷成本或公允值計量，視乎金融資產分類而定。

股本工具

於股本證券之投資被分類為按公允值計入損益，除非該等股權投資並非以買賣目的而持有且於初始確認投資時，本集團選擇指定投資於按公允值計入其他全面收損(不可劃轉)，因此，其後公允值變動於其他全面收益確認。該等選擇以個別工具基準作出，並僅於本集團認為投資符合從發行人角度之股本定義時方可能作出。作出該選擇後，於其他全面收益累計之金額仍將保留在公允值儲備(不可劃轉)直至出售投資為止。於出售時，於公允值儲備(不可劃轉)累計之金額轉入保留盈利，且不會轉入損益。股本證券投資之股息(不論分類為按公允值計入損益或按公允值計入其他全面收益)作為其他收入於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(n) Trade and other receivables**

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

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(o) 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. Cash and cash equivalents are assessed for expected credit losses ("ECLs").

(p) 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 IFRSs. 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 in (q) to (t) below.

4. 重要會計政策(續)**(n) 應收賬款及其他應收款**

應收款項於本集團有無條件權利收取代價時方會確認。在該代價到期應付前，收取代價的權利僅隨時間推移即會成為無條件。倘收益於本集團有無條件權利收取代價前已經確認，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減信貸虧損撥備列賬。

(o) 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、存放在銀行及其他金融機構之活期存款，以及可隨時兌換作確定數目現金之短期高流通投資，該等投資之到期日為獲得日期起三個月內，且價值變動風險不大。現金及現金等價物已評估預期信貸虧損(「預期信貸虧損」)。

(p) 金融負債及股本工具

金融負債及股本工具乃根據所訂立合約安排的內容及國際財務報告準則有關金融負債及股本工具之定義進行分類。股本工具指證明於扣減本集團之所有負債後於其資產中餘下權益之任何合約。就特定金融負債及股本工具採納之會計政策載列於下文(q)至(t)段。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) 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.

(r) 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.

(s) Contingent shares payable

Contingent shares payable is classified as financial liability as it is resulted from a contract under contingent consideration arrangement. The amount is initially recognised and subsequently measured at fair value. Change in fair value is recognised in profit or loss when it arises.

(t) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 重要會計政策 (續)

(q) 借款

借款初始按公允值確認並扣除所涉交易成本，其後以實際利率法按攤銷成本計量。

借款分類為流動負債，除非本集團可無條件推遲結算負債至呈報期後最少12個月。

(r) 應付賬款及其他應付款

應付賬款及其他應付款初始按公允值確認，其後以實際利率法按攤銷成本計量，除非貼現影響並不重大，在此情況下，則按成本入賬。

(s) 應付或然股份

根據或然代價安排之合約所產生的應付或然股份分類為金融負債。有關金額按公允值初始確認並隨後計量，公允值變動自其產生起於損益中確認。

(t) 股本工具

本公司發行的股本工具按已收款項扣除直接發行成本入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) 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 merchandises is recognised when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution 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 customers 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.

Commission income is recognised when the control of services is delivered, the revenue and cost can be measured reliably, and have right to receive as income.

Revenue from sales of hardware and software and installation service is recognised when the control of goods and services have been transferred to customer upon completion of installation. A receivable is recognised by the Group when the hardware being delivered or/and software being installed at customers' location as this presents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

4. 重要會計政策(續)

(u) 收入確認

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額(不包括代表第三方收取的金額)轉移至客戶或承租人有權動用資產時,方會確認收入。收入不包括增值稅或其他銷售稅,並經扣除任何貿易折扣。

當貨品控制權已轉移(即貨品已交付予客戶目的地(交貨)時,方會確認銷售商品收入。交貨後,客戶可全權酌情決定發貨方式及商品售價,並承擔轉售商品之主要責任及商品報廢及損失之風險。本集團於貨品交付至客戶時確認應收款,原因是此乃代表收取代價之權利成為無條件之某個時間點,猶如僅須待時間過去便可收取到期之付款。

當轉移服務控制權、收入及成本能可靠計量及有權收取為收入時,方會確認佣金收入。

當貨品及服務之控制權已於完成安裝時轉移至客戶時,方會確認銷售硬件及軟件以及安裝服務收入。本集團於客戶地點交付硬件或/及安裝軟件時確認應收款,原因是此乃代表收取代價之權利成為無條件之某個時間點,猶如僅須待時間過去便可收取到期之付款。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Revenue recognition (Continued)

Other IT support service and other service income is 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 or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

(v) 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)

(u) 收入確認(續)

其他資訊科技支援服務及其他服務收入於提供服務時確認。

利息收入於產生時按實際利率法確認。就按攤銷成本或按公允值計入損益(可劃轉)計量且並無出現信貸減值的金融資產而言，按資產的總賬面值採用實際利率。就出現信貸減值的金融資產而言，資產的攤銷成本(即扣除虧損撥備的總賬面值)採用實際利率。

經營租賃的應收租金收入於租期所涵蓋的期間內按分期等額於損益確認，惟出現另一個能更清楚地反映租賃資產所得利益之基準除外。

(v) 僱員福利

(i) 僱員應享假期

僱員應享年假及長期服務假期於賦予僱員時確認。截至報告期間止已就僱員因所提供服務享有的年假及長期服務假期的估計負債作出撥備。

僱員應享之病假及產假將於正式休假時方可確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4. 重要會計政策(續)****(v) Employee benefits (Continued)****(v) 僱員福利(續)****(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.

Obligation for contributions to the local government of the PRC defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred.

(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.

(w) Borrowing costs

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

(ii) 退休金承擔

本集團向所有僱員適用之定額供款退休計劃供款。本集團及僱員向有關計劃作出之供款乃根據僱員之基本薪金的百分比計算。扣除損益之退休福利計劃成本乃指本集團應付予基金之供款。

根據中國有關勞動規則和法規對中國地方政府界定供款退休計劃供款的承擔，於產生時在損益中確認作支出。

(iii) 解僱補償

解僱補償在以下兩種情況中以較早發生的日期時確認：當本集團不可撤回該等補償的要約，及當本集團確認重組成本並涉及支付解僱補償時。

(w) 借款成本

所有借款成本乃於其產生期間在損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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.

(y) 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.

4. 重要會計政策(續)

(x) 政府補助

當合理保證本集團將遵守政府補助的附帶條件及將接獲補助時，確認政府補助。

有關收入的政府補助將予以遞延，並將於須配合擬補助的成本的期間內在損益中確認。

用作補償本集團已產生支出或虧損或旨在為本集團提供即時財務資助而無未來相關成本之應收政府補助於應收期間在損益中確認。

(y) 稅項

所得稅是指即期稅項及遞延稅項之總額。

即期應付稅項乃根據本年度之應課稅溢利計算。應課稅溢利與於損益確認之溢利淨額有所不同，原因是應課稅溢利不包括其他年度之應課稅或可予扣稅之收入或支出項目，及免稅或不可扣稅之項目。本集團有關即期稅項之負債乃採用於報告期末已實行或實質已實行之稅率計算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Taxation (Continued)

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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and an associate, 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.

4. 重要會計政策(續)

(y) 稅項(續)

遞延稅項乃就綜合財務報表內資產及負債之賬面值與採用應課稅溢利計算之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入賬，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額乃因商譽或初始確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債乃按於附屬公司及一間聯營公司投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回，並預期該暫時差額將不會在可見將來沖回者除外。

遞延稅項資產之賬面值乃於各報告期末進行檢討，並調低至預期將不可能有充裕之應課稅溢利以收回所有或部份資產。

遞延稅項乃根據於報告期末已實行或實質實行之稅率，按預期在負債償還或資產變現期間適用之稅率計算。遞延稅項乃於損益中確認，惟倘遞延稅項與在其他全面收益確認或直接於權益確認的項目有關時，則在此情況下亦會於其他全面收益或直接於權益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Taxation (Continued)

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 properties are depreciable and are held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties is measured based on the expected manner as to how the properties will be recovered.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

4. 重要會計政策(續)

(y) 稅項(續)

遞延稅項資產與負債計量反映了於報表期末按本集團期望遵循的方式進行的稅收結果，從而收回或支付資產及負債之賬面價值。

在計量以公允值模式計量的投資物業遞延稅項時，假定該等物業的賬面值將透過出售來收回，除非該假設不成立。當投資物業可折舊並在本集團經營模式內(其營業目標是隨著時間消耗投資物業包含的絕大部分經濟效益，而不是透過出售方式)被持有時，該假設不成立。倘該假設不成立，該等投資物業的遞延稅項則按物業預期之收回方式計量。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團將國際會計準則第12號所得稅規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，有關使用權資產及租賃負債之暫時差額並未於初步確認時於租期內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(y) 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.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(z) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

4. 重要會計政策(續)**(y) 稅項(續)**

當可合法執行權利許可即期稅項資產與即期稅項負債抵銷，以及當有關之所得稅是由同一稅務機構所徵收，並且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相抵銷。

在評估所得稅處理方法的任何不確定性時，本集團考慮相關稅務機構是否可能接受獨立組別實體於其所得稅備案內所使用或擬使用的不確定稅項處理方法。若屬可能，即期及遞延稅項會按與所得稅備案一致的稅項處理方法釐定。若相關稅務機構不可能接受不確定稅項處理方法，各不確定性的影響會使用最近似金額或預期價值反映。

(z) 非金融資產減值

具有無限使用年期或尚未可供使用的無形資產每年及每當有事件發生或環境出現變化顯示賬面值可能不可收回時檢討有否減值。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of non-financial assets (Continued)

The carrying amounts of other 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. 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 CGUs 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.

4. 重要會計政策(續)

(z) 非金融資產減值(續)

其他非金融資產之賬面值於各報告日期評估有無減值跡象，倘資產已減值，則作為支出透過綜合損益表撇減至其估計可收回金額。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除外。在此種情況下，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允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。因估計變動而造成其後可收回金額增加將撥回減值計入損益。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Impairment of financial assets

The Group recognises a loss allowance for ECL on trade receivables. 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.

4. 重要會計政策(續)

(aa) 金融資產減值

本集團就應收賬款應收款之預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自各金融工具初步確認時起的信貸風險變動。

本集團一直就應收賬款確認全期預期信貸虧損。該等金融資產之預期信貸虧損基於本集團過往信貸虧損經驗、根據債務人特定因素、整體經濟狀況及於報告日期對當前狀況及未來狀況預測評估(包括金錢時間值，倘適用)調整之撥備矩陣進行估計。

就所有其他金融工具而言，本集團於初步確認以來信貸風險大幅增加時確認全期預期信貸虧損。然而，倘金融工具信貸風險自初步確認以來並無大幅增加，本集團按相等於12個月預期信貸虧損之金額計量金融工具之虧損撥備。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Impairment of financial assets (Continued)

Lifetime ECL represents the ECLs 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.

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.

4. 重要會計政策(續)

(aa) 金融資產減值(續)

全期預期信貸虧損指於金融工具的預期可使用年期內由所有可能違約事件造成的預期信貸虧損。相反，12個月預期信貸虧損指於報告日期後12個月內可能發生的金融工具違約事件預期會造成的全期預期信貸虧損部分。

信貸風險重大增加

於評估金融工具的信貸風險自初步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步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。所考慮的前瞻性資料包括本集團債務人所處行業的未來前景資料(來自經濟專家報告、財經分析員、政府機構、相關智庫和其他類似組織)，以及與本集團核心業務相關實際及預測經濟資料之多個外部來源的考慮因素。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4. 重要會計政策(續)****(aa) Impairment of financial assets (Continued)****(aa) 金融資產減值(續)****Significant increase in credit risk (Continued)****信貸風險重大增加(續)**

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

尤其是，於評估信貸風險是否自初步確認以來已大幅增加時已計入下列資料：

- 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;
- 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.

- 金融工具的外部(如有)或內部信貸評級的實際或預期嚴重轉差；
- 特定金融工具的信貸風險的外部市場指標嚴重轉差；
- 預期導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人的經營業績實際或預期嚴重轉差；
- 同一債務人其他金融工具之信貸風險大幅增加；
- 債務人的監管、經濟或科技環境的實際或預期重大不利變動，導致債務人履行其債務責任的能力大幅下降。

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.

不論上述評估結果如何，本集團假定當合約付款逾期超過30天時，金融資產的信貸風險自初步確認以來已大幅增加，除非本集團有合理及可支持的資料證明情況並非如此則另作別論。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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.

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.

4. 重要會計政策(續)

(aa) 金融資產減值(續)

信貸風險重大增加(續)

儘管上文所述，倘金融工具的信貸風險於報告日期被釐定為較低，本集團假設金融工具的信貸風險自初步確認起並無大幅增加。在下列情況下，金融工具被釐定為信貸風險較低：

- (i) 其違約風險較低；
- (ii) 借款人有強大能力於短期履行其合約現金流量責任；及
- (iii) 較長期的經濟及業務狀況存在不利變動，惟將未必削弱借款人達成其合約現金流量責任的能力。

當根據全球理解的定義資產之外部信貸評級為「投資級別」或在外部評級並不適用的情況下資產之內部評級為「表現良好」，本集團認為金融資產之信貸風險甚低。表現良好指交易對手具備穩健的財務狀況及並無逾期款項。

本集團定期監察用作識別信貸風險是否大幅增加的準則之效力，並於適當時作出修改，以確保有關準則能於有關金額逾期前識別信貸風險是否大幅增加。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4. 重要會計政策(續)****(aa) Impairment of financial assets (Continued)****(aa) 金融資產減值(續)****Definition of default****違約之定義**

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.

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，原因為過往經驗顯示符合以下任何一項條件之應收款項一般無法收回。

- 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).

- 交易對手違反財務契諾；或

- 內部產生或獲取自外部來源之資料顯示，債務人不太可能向債權人(包括本集團)全額還款(不考慮本集團持有之任何抵押品)。

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

不論上述分析如何，本集團認為，倘金融資產逾期超過90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。

Credit-impaired financial assets**信貸減值金融資產**

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:

當一項或多項對金融資產估計未來現金流量有負面影響之事件發生時，金融資產會被視為出現信貸減值。金融資產出現信貸減值之證據包括以下可觀察事件：

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;

- 發行人或交易對手面對重大財務困難；
- 違反合約，如拖欠或逾期還款事件；

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

- 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;
- 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)

(aa) 金融資產減值(續)

信貸減值金融資產(續)

- 由於與交易對手財困相關的經濟或合約原因，交易對手的貸款人已向交易對手授予貸款人原本不會考慮的特許權；
- 交易對手可能破產或進行其他財務重組；或
- 該金融資產因財困而失去活躍市場。

撇銷政策

當有資料顯示債權人陷入嚴重財困，且並無實際收回資產之可能性之時(例如債權人已被清盤或進入破產程序)，或就應收賬款而言，當有關金額逾期超過兩年(以較早者發生為準)，本集團將撇銷金融資產。已撇銷之金融資產仍可根據本集團之收回程序並在適當情況下考慮法律意見後實施強制執行活動。任何收回之資產會於損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**4. 重要會計政策(續)****(aa) Impairment of financial assets (Continued)****(aa) 金融資產減值(續)****Measurement and recognition of ECL****預期信貸虧損之計量及確認**

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.

計量預期信貸虧損時，會綜合考慮違約概率、違約損失率(即倘違約時的損失程度)及違約風險的函數。評估違約概率及違約損失率的依據是過往數據，並按前瞻性資料調整。至於違約風險的函數，就金融資產而言，其於資產於報告日期之賬面總值中反映。

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.

就金融資產而言，預期信貸虧損按根據合約應付本集團之所有合約現金流量與本集團預期可收取之所有現金流量(按原定實際利率貼現)之間的差額估算。

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.

倘本集團於上個報告期間以相等於全期預期信貸虧損的金額計量一項金融工具的虧損撥備，但於本報告日期釐定該全期預期信貸虧損的條件不再符合，則本集團於本報告日期按相等於12個月預期信貸虧損的金額計量虧損撥備，惟使用簡單法計算之資產除外。

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.

本集團通過調整所有金融工具的賬面值於損益確認彼等之減值收益或虧損，此種情況下透過虧損撥備賬確認相應調整。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) 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.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow 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.

(ac) 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 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)

(ab) 撥備及或然負債

如果本集團目前須就已發生的事件承擔法定或推定責任，並可能需要流出經濟利益以清償有關責任，且可作出可靠估計，本集團便會就不確定時間或金額之負債確認撥備。如果貨幣時間價值重大，有關撥備則按預計清償責任所需支出的現值列賬。

倘經濟效益流出之可能情況較低，或無法可靠估計有關金額，則披露該責任為或然負債，惟經濟利益流出之機會極微者除外。可能責任須視乎一宗或多宗日後事件是否發生方可確認及披露為或然負債，惟經濟利益流出之機會極微者除外。

(ac) 報告期後事項

為本集團於報告期末之狀況提供額外資料之報告期後事項均屬於調整事項，並於綜合財務報表內反映。倘並非調整事項的報告期後事項屬重大時，則於綜合財務報表附註中披露。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES

(i) Critical judgement in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgement that has the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Contingent Liabilities

As described in note 36 to the consolidated financial statements, the Company acquired 51% equity interest in LCE Group Limited (“**LCE Group**”) and its subsidiaries (the “**LCE Group**”) in 2017. Neither the Company nor the vendor has reported the transaction to the relevant PRC tax authorities. The PRC tax authorities however could impose penalty on unpaid enterprise income tax (“**EIT**”) according to the relevant PRC laws and regulations. The directors, after consulting the Group’s PRC legal counsel, are of opinion that a provision of RMB6,602,000 had been adequately made, and considered that the risk of having a penalty imposed by the PRC tax authorities is reasonably low. The penalty was disclosed as contingent liabilities.

(b) Deferred tax for investment properties

For the purpose 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 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 is recovered through sale is rebutted.

5. 重要判斷及主要估計

(i) 應用會計政策之重要判斷

在應用會計政策之過程中，董事已作出以下對綜合財務報表內所確認數額具重大影響之判斷。

(a) 或然負債

誠如綜合財務報表附註36所述，本公司於二零一七年收購LCE Group Limited（「**LCE Group**」）及其附屬公司（「**LCE集團**」）之51%股權。本公司及賣方均無就交易向相關中國稅務機構呈報。而根據相關中國法律及法規，中國稅務機構可就未繳企業所得稅（「**企業所得稅**」）施加滯納金。董事於諮詢本集團之中國法律顧問後認為，人民幣6,602,000元的撥備屬充分，並認為受中國稅務機構施加滯納金之風險尚可偏低。

(b) 投資物業之遞延稅項

就計量以公允價值模式計量之投資物業遞延稅項而言，董事已檢討本集團投資物業組合併得出結論認為，本集團之投資物業乃根據旨在隨著時間（而不是通過出售）消耗有關投資物業所包含之絕大部分經濟利益的商業模式持有。因此，於釐定本集團投資物業之遞延稅項時，董事採納的假設為投資物業使用公允價值計量之模式可通過出售收回不成立。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

(i) Critical judgement in applying accounting policies (Continued)

(c) Significant increase in credit risk

As explained in accounting policy disclosed in note 4(aa), ECLs 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. IFRS 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.

(d) Determining the lease term

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation.

Generally, periods covered by an extension option in other properties leases have not been included in the lease liability because the Group could replace the assets without significant cost or business disruption. See note 21 to the consolidated financial statements for further information.

5. 重要判斷及主要估計(續)

(i) 應用會計政策之重要判斷(續)

(c) 信貸風險顯著上升

誠如附註4(aa)披露的會計政策所述，預期信貸虧損就第1階段資產按等於12個月預期信貸虧損的撥備計量，就第2階段或第3階段資產按等於全期預期信貸虧損的撥備計量。資產在其信貸風險自初步確認後顯著增加時轉入第2階段。國際財務報告準則第9號並無界定如何構成信貸風險顯著上升。在評估資產的信貸風險是否已顯著增加時，本集團考慮定性及定量的合理且有依據的前瞻性信息。

(d) 釐定租期

於包括本集團可行使的續期選擇權的租約的開始日期釐定租期時，本集團考慮為本集團行使選擇權創造經濟激勵的所有相關因素及情況(包括有利條款、進行的租賃裝修及相關資產對本集團經營的重要性)，評估行使續期選擇權的可能性。

一般而言，續期選擇權於其他物業租賃所涵蓋的期間並無計入租賃負債，乃由於本集團可在無重大成本或業務干擾下取代資產。進一步資料見綜合財務報表附註21。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

(i) Critical judgement in applying accounting policies (Continued)

(d) Determining the lease term (Continued)

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. During the current financial year, no lease term has been reassessed.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of 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) 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, RMB8,100,000 of income tax was credited to profit or loss based on the estimated assessable profits (2018: RMB1,921,000).

5. 重要判斷及主要估計(續)

(i) 應用會計政策之重要判斷(續)

(d) 釐定租期(續)

當在本集團控制範圍內的情況下發生重大事件或重大變化，則租期會被重新評估。於本財政年度，並無租期被重新評估。

(ii) 估計不確定因素之主要來源

下文載述於報告期末存在重大風險可能導致須對下一財政年度資產及負債賬面值作出重大調整之未來主要假設及其他估計不確定因素之主要來源。

(a) 所得稅

本集團須繳納數個司法管轄權區的所得稅。在釐定所得稅撥備時，須作出重大估計。在日常業務中許多交易及計算不確定最終稅項。倘該等事項的最終稅務結果與初步入賬金額不同，該等差額將影響稅務釐定期內所得稅及遞延稅項撥備。

於本年度，根據估計應課稅溢利之所得稅抵免人民幣8,100,000元(二零一八年：人民幣1,921,000元)已計入損益。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(b) Impairment of property, plant and equipment, construction in progress and right-of-use assets

Property, plant and equipment, construction in progress and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

The carrying amount of property, plant and equipment, construction in progress and right-of-use assets as at 31 December 2019 were RMB7,077,000 (2018: RMB7,060,000), RMB320,000 (2018: Nil) and RMB4,096,000 (2018: Nil) respectively.

5. 重要判斷及主要估計(續)

(ii) 估計不確定因素之主要來源 (續)

(b) 物業、廠房及設備、在建 工程及使用權資產之減值

物業、廠房及設備、在建工程及使用權資產乃按成本減累計折舊及減值列賬(如有)。在釐定資產是否減值時，本集團須行使判斷及作出估計，特別是評估：(1) 是否有事件已發生或有任何指標可能影響資產淨值；(2) 資產賬面值是否能夠以可收回金額(如為使用價值)支持，即按照持續使用資產估計的未來現金流量的淨現值；及(3) 將應用於估計可收回金額的適當關鍵假設(包括現金流量預測及適當的貼現率)。當無法估計個別資產(包括使用權資產)的可收回金額時，本集團估計資產所屬現金產生單位的可收回金額。假設及估計(包括現金流量預測之貼現率或增長率)變動，會對減值測試所使用之淨現值造成重大影響。

於二零一九年十二月三十一日，物業、廠房及設備、在建工程及使用權資產的賬面值分別為人民幣7,077,000元(二零一八年：人民幣7,060,000元)、人民幣320,000元(二零一八年：無)及人民幣4,096,000元(二零一八年：無)。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(c) 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. Changes in assumptions and estimates used may have a significant effect on the consolidated statement of profit or loss and consolidated statement of financial position.

The carrying amount of goodwill at 31 December 2019 was nil (2018: RMB11,451,000) after an impairment loss of RMB11,451,000 was recognised during the year in relation to the CGU of E-commerce solutions segment (2018: RMB48,432,000). Details of the impairment loss calculation are provided in note 24(a) to the consolidated financial statements.

5. 重要判斷及主要估計(續)

(ii) 估計不確定因素之主要來源 (續)

(c) 商譽減值

釐定商譽有否減值須估計獲分配商譽之現金產生單位的使用價值。計算使用價值要求本集團估計預期自現金產生單位產生的未來現金流及適當折現率以計算現值。所使用的假設及估計之變動可能對綜合收益表及綜合財務狀況表有重大影響。

於年內，就電子商務解決方案分部的現金產生單位確認減值虧損人民幣11,451,000元(二零一八年：人民幣48,432,000元)後，商譽於二零一九年十二月三十一日的賬面值為無(二零一八年：人民幣11,451,000元)。減值虧損計算方法之詳情載於綜合財務報表附註24(a)。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(d) Amortisation and impairment on intangible assets

The Group determines the estimated useful lives and related amortisation for the Group's intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for the intangible assets with a finite useful life are reviewed by the management at least at the end of each reporting period. The Group assesses whether any indication of impairment in accordance with the accounting policy. The recoverable amounts of intangible assets have been determined based on value in use calculations of each CGU the intangible assets belonged which 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.

Impairment loss of RMB26,962,000 was recognised for the year ended 31 December 2019 (2018: Nil). The carrying amount of intangible assets as at 31 December 2019 was RMB459,000 (2018: RMB33,461,000).

5. 重要判斷及主要估計(續)

(ii) 估計不確定因素之主要來源 (續)

(d) 無形資產之攤銷及減值

本集團決定無形資產的預計可用年期及有關攤銷。無形資產之可用年期基於資產預期用途及市場需求或服務產出變動導致的技術過時而評估為固定期限或無固定期限。固定可用年期之無形資產於預計可用經濟年期內攤銷，並於有跡象顯示無形資產可能減值時評估減值。管理層至少於各報告期末評估固定可使用年期之無形資產之攤銷期及攤銷方法。本集團根據會計政策評估是否存在任何減值跡象。無形資產之可收回金額乃根據無形資產所歸屬之各現金產生單位的使用價值計算。為計算現值，本集團須估計該現金產生單位可能產生之未來現金流及適當的貼現率。

截至二零一九年十二月三十一日止年度，確認減值虧損人民幣26,962,000元(二零一八年：無)。於二零一九年十二月三十一日，無形資產的賬面值為人民幣459,000元(二零一八年：人民幣33,461,000元)。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(e) Fair values of investment properties

The Group appointed an independent professional valuer to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

The carrying amount of investment properties as at 31 December 2019 was RMB57,000,000 (2018: RMB55,800,000) after recognition of the fair value gain of RMB1,200,000 (2018: RMB800,000 loss) in the profit or loss during the year.

(f) Impairment of trade receivables

The management of the Group estimates the amount of impairment loss for ECL on trade receivables based on the credit risk of trade receivables. 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. 重要判斷及主要估計(續)

(ii) 估計不確定因素之主要來源 (續)

(e) 投資物業的公允值

本集團委任一名獨立的外聘估值師來評估投資物業的公允值。在確定其公允值時，估值師採用涉及若干估計的估值方法。董事判斷並確認所使用的估值方法及參數能反映當前市場情況。

年內，於損益確認公允值收益人民幣1,200,000元(二零一八年：虧損人民幣800,000元)後，投資物業於二零一九年十二月三十一日的賬面值為人民幣57,000,000元(二零一八年：人民幣55,800,000元)。

(f) 應收賬款減值

本集團管理層評估於各報告期結束時是否有客觀證據顯示應收賬款已減值。本集團有關呆壞賬的撥備政策乃基於評估賬款可收回性及賬齡分析及按管理層判斷。評估該等應收款項之最終可變現數額須作出大量判斷，包括評估各客戶當時之信用價值及過往收賬記錄。倘本集團客戶之財政狀況轉壞導致減低其付款能力，則將須作出額外撥備。

5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(f) Impairment of trade receivables (Continued)

As at 31 December 2019, the carrying amount of trade receivables was RMB5,863,000 (net of allowance for doubtful debts of RMB410,000) (2018: RMB2,093,000 (net of allowance for doubtful debts of RMB560,000)).

(g) 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 2019, RMB1,718,000 of allowance for slow-moving inventories was recognised in profit or loss (2018: Nil).

5. 重要判斷及主要估計(續)

(ii) 估計不確定因素之主要來源 (續)

(f) 應收賬款減值(續)

於二零一九年十二月三十一日，應收賬款之賬面值為人民幣5,863,000元(扣除呆賬撥備人民幣410,000元)(二零一八年：人民幣2,093,000元(扣除呆賬撥備人民幣560,000元))。

(g) 滯銷存貨撥備

滯銷存貨撥備乃根據存貨賬齡及估計可變現淨值作出撥備。撥備金額的評估涉及判斷及估計。倘日後實際結果有別於原來估計，該等差額將影響估計變動的期間內存貨的賬面值及撥備支出／撥回。

於二零一九年十二月三十一日，於損益確認滯銷存貨撥備人民幣1,718,000元(二零一八年：無)。

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency 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 HK\$, RMB and United States dollars ("US\$"). 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.

At 31 December 2019, if the RMB had weakened 5 per cent against the HK\$ with all other variables held constant, consolidated loss after tax for the year would have been RMB377,000 lower (2018: RMB323,000 higher), arising mainly as a result of the foreign exchange difference on cash and cash equivalents and accruals and other payables (2018: accruals and other payables) denominated in HK\$/RMB. If the RMB had strengthened 5 per cent against the HK\$ with all other variables held constant, consolidated loss after tax for the year would have been RMB377,000 higher (2018: RMB323,000 lower), arising mainly as a result of the foreign exchange difference on cash and cash equivalents and accruals and other payables (2018: accruals and other payables) denominated in HK\$/RMB.

6. 財務風險管理

本集團之業務承受各種財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃針對金融市場之難以預測性，並尋求將對本集團財務表現造成之潛在不利影響減至最低。

(a) 外幣風險

本集團大部分業務交易、資產及負債主要以港幣、人民幣及美金(「美金」)計值，因而承受若干外幣風險。本集團目前並無就外幣交易、資產及負債制定外幣對沖政策。本集團密切監察其外幣風險，並將於需要時考慮對沖重大外幣風險。

於二零一九年十二月三十一日，倘人民幣兌港幣貶值5%，而所有其他變量維持不變，則年內除稅後綜合虧損將減少人民幣377,000元(二零一八年：增加人民幣323,000元)，主要由於以港幣／人民幣計值之現金及現等價物及應計費用及其他應付款項(二零一八年：應計費用及其他應付款項)之外匯差額所致。倘人民幣兌港幣升值5%，而所有其他變量維持不變，則年內除稅後綜合虧損將增加人民幣377,000元(二零一八年：減少人民幣323,000元)，主要由於以港幣／人民幣計值之現金及現等價物及應計費用及其他應付款項(二零一八年：應計費用及其他應付款項)之外匯差額所致。

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) 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 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.

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. Normally, the Group does not obtain collateral from customers.

The Group has concentration of credit risk as 53% (2018: 75%) of the total trade receivables were due from the Group's five highest customers as at 31 December 2019 and all of the customers are located in the PRC or the United States (the "US").

6. 財務風險管理(續)

(b) 信貸風險

信貸風險為交易對手將無法履行其於金融工具或客戶合約項下責任而導致財務虧損之風險。本集團面對其經營活動(主要為應收賬款)及其融資活動(包括外匯交易及其他金融工具)產生之信貸風險。本集團所面對現金及現金等價物產生之信貸風險有限, 原因為交易對手為獲國際信貸評級機構評為高信貸評級之銀行及金融機構, 就此, 本集團認為信貸風險屬低。

應收賬款

客戶信貸風險由各業務單位管理, 並須受本集團所制定有關管理客戶信貸風險之政策、程序及監控規限。就所有要求信貸超過某特定金額之客戶進行個別信貸評估。該等評估專注於客戶過往支付到期款項之記錄及目前付款之能力, 並會考慮客戶特定相關資料及客戶營運所在經濟環境相關資料。一般而言, 本集團並無自客戶取得抵押品。

於二零一九年十二月三十一日, 本集團具有信貸集中風險, 乃由於應收賬款總額53%(二零一八年: 75%)為應收本集團五大客戶, 而所有客戶位於中國或美國(「美國」)。

6. FINANCIAL RISK MANAGEMENT (Continued)**(b) Credit risk (Continued)****Trade receivables (Continued)**

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a Markov chain model. 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.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2019:

		Expected loss rate 預期虧損率		Gross carrying amount 賬面總值		Loss allowance 虧損撥備	
		2019 二零一九年	2018 二零一八年	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Current (not past due)	即期(並未逾期)	2.54%	8.09%	5,668	1,991	(144)	(161)
Up to 3 months past due	逾期3個月內	16.96%	22.2%	336	180	(57)	(40)
3 to 6 months past due	逾期3至6個月	60.71%	-	28	-	(17)	-
6 months to 1 year past due	逾期6個月至1年	72.73%	71.8%	143	195	(104)	(140)
Over 1 year past due	逾期1年以上	89.80%	76.3%	98	287	(88)	(219)
				6,273	2,653	(410)	(560)

Expected loss rates are estimated based on actual loss experience over the past few years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

6. 財務風險管理(續)**(b) 信貸風險(續)****應收賬款(續)**

本集團採用馬可夫鏈模式計算全期預期信貸虧損之金額計量應收賬款之虧損撥備。由於本集團過往信貸虧損經驗並無顯示不同客戶分類有顯著不同之虧損模式，故基於過往逾期狀況之虧損撥備無再進一步區分本集團不同客戶基礎。

下表提供有關本集團於二零一九年十二月三十一日所面對應收賬款之信貸風險及預期信貸虧損之資料：

6. FINANCIAL RISK MANAGEMENT (Continued)**(b) Credit risk (Continued)****Trade receivables (Continued)**

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於一月一日	560	2,681
Written off during the year	年內撇銷	-	(387)
Reversals	撥回	(150)	(1,734)
At 31 December	於十二月三十一日	410	560

The following significant changes in the gross carrying amounts of trade receivables contributed to the decrease in the loss allowance during 2019:

- settlement made by trade receivables recognised as at 31 December 2018; and
- new customers with higher creditworthiness.

6. 財務風險管理 (續)**(b) 信貸風險 (續)****應收賬款 (續)**

本年度應收賬款之虧損撥備賬變動如下：

	2019	2018
	二零一九年	二零一八年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
At 1 January	560	2,681
Written off during the year	-	(387)
Reversals	(150)	(1,734)
At 31 December	410	560

於二零一九年，以下應收賬款賬面總值之重大變動導致虧損撥備減少：

- 於二零一八年十二月三十一日已確認應收賬款已付款；及
- 新客戶的信用能力較高。

6. FINANCIAL RISK MANAGEMENT (Continued)**(b) Credit risk (Continued)****Financial assets at amortised cost**

All of the Group's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12-month expected losses.

Financial assets at amortised cost include the Group's deposits and other receivables.

Movement in the loss allowance account in respect of financial assets at amortised cost during the year is as follows:

6. 信貸風險(續)**(b) 信貸風險(續)****按攤銷成本列賬之金融資產**

本集團所有按攤銷成本列賬之金融資產之信貸風險均被視為偏低，故於年內確認之虧損撥備限於12個月預期虧損。

按攤銷成本列賬之金融資產包括本集團按金及其他應收款。

於本年度，按攤銷成本列賬之金融資產虧損撥備變動如下：

		Deposits	Other	Total
		按金	其他應收款	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	332	581	913
Written off during the year	年內撇銷	(116)	(42)	(158)
Reversal of impairment loss recognised for the year	本年度確認之減值虧損撥回	(174)	(507)	(681)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	42	32	74
Impairment loss/(reversal of impairment loss) recognised for the year	本年度確認之減值虧損/(減值虧損撥回)	32	(28)	4
At 31 December 2019	於二零一九年十二月三十一日	74	4	78

6. FINANCIAL RISK MANAGEMENT (Continued)**(c) 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.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative of financial liabilities is as follows:

6. 信貸風險 (續)**(c) 流動資金風險**

本集團之政策為定期監察目前及預期之流動資金需要，從而確保本集團維持足夠現金儲備以應付其短期及較長期的流動資金需要。

根據本集團非衍生金融負債之合約未貼現現金流量作出到期分析如下：

		The Group 本集團			
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
		一年內	一至兩年	兩至五年	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2019	於二零一九年 十二月三十一日				
Trade and other payables	應付賬款及 其他應付款	22,971	-	-	22,971
Lease liabilities	租賃負債	1,451	709	-	2,160
Due to directors	應付董事款項	896	-	-	896
Due to related parties	應付關聯方款項	5,984	-	-	5,984
Bank loans	銀行貸款	9,255	-	-	9,255
At 31 December 2018	於二零一八年 十二月三十一日				
Trade and other payables	應付賬款及 其他應付款	23,356	-	-	23,356
Due to directors	應付董事款項	33	-	-	33
Due to related parties	應付關聯方款項	5,999	-	-	5,999
Bank loans	銀行貸款	9,252	-	-	9,252

6. FINANCIAL RISK MANAGEMENT (Continued)**(d) Interest rate risk**

The Group's exposure to interest rate risk arises from its bank balances and short-term bank loans. These balances bear interests at variable rates that vary with the then prevailing market condition.

At 31 December 2019, if interest rates at that date had been 25 basis points higher/lower with all other variables held constant, consolidated loss after tax for the year would have been RMB73,000 lower/higher (2018: RMB621,000 lower/higher), arising mainly as a result of higher/lower interest income/expenses on bank interest-bearing deposits (2018: bank interest-bearing deposits and bank loans).

Other than the bank balances as mentioned above, the Group's deposits at current accounts, fixed time deposits, due to a related party and short-term bank loans bear interest at fixed interest rates and therefore are subject to fair value interest rate risks.

(e) Categories of financial instruments at 31 December:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets measured at amortised cost	按攤銷成本計量之金融資產	244,309	261,695
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本列賬之金融負債	38,816	38,353

6. 信貸風險(續)**(d) 利率風險**

本集團所面對利率風險源自其銀行結存及短期銀行貸款。該等結餘按視乎當時市況而定之浮動利率計息。

於二零一九年十二月三十一日，倘當日利率上升／下降25個基點，而所有其他變數保持不變，則本年度除稅後綜合虧損將減少／增加人民幣73,000元(二零一八年：減少／增加人民幣621,000元)，主要由於計息銀行存款及銀行貸款(二零一八年：計息銀行存款及銀行貸款)之利息收入／支出增加／減少所致。

除上述銀行結存及銀行貸款外，本集團之往來賬戶存款、定期存款、應付一名關聯方款項及短期銀行貸款按固定利率計息，故須承受公允值利率風險。

(e) 於十二月三十一日之金融工具類別：

6. FINANCIAL RISK MANAGEMENT (Continued)

(f) 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. 信貸風險(續)

(f) 公允值

本集團於綜合財務狀況表內反映之金融資產及金融負債賬面值與其各自公允值相若。

7. 公允值計量

公允值指市場參與者之間於計量日，在有序交易中出售資產將收取或轉讓負債將支付的價格。下文公允值計量之披露資料使用將計量公允值所用估值方法之參數歸類為三個層級之公允值層級架構：

第一層參數：本集團可於計量日獲得之相同資產或負債於活躍市場之報價(未經調整)。

第二層參數：第一層所包括報價以外，資產或負債可直接或間接觀察得出之參數。

第三層參數：資產或負債不可觀察得出之參數。

本集團之政策乃確認三個級別中截至引致轉撥之事件或情況變動當日之轉入或轉出。

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets/liabilities measured at fair value based on level 3:

Description		Assets/(liabilities) at fair value through profit or loss 按公允值計入損益之資產/(負債)		Contingent	
				Investment properties	shares payables
		RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	
At 1 January 2019	於二零一九年一月一日	55,800	-	55,800	
Total gains or losses recognised in profit or loss (#)	於損益確認之收益或虧損總額(#)	1,200	-	1,200	
At 31 December 2019	於二零一九年十二月三十一日	57,000	-	57,000	
(#) Include gains or losses for assets held at end of reporting period	(#) 包括於報告期末所持資產之收益或虧損	1,200	-	1,200	
At 1 January 2018	於二零一八年一月一日	56,600	(26,488)	30,112	
Shares issued upon fulfilment of profits target	於達致溢利目標後發行之股份	-	5,414	5,414	
Exchange difference	匯兌差額	-	(285)	(285)	
Total gains or losses recognised in profit or loss (#)	於損益確認之收益或虧損總額(#)	(800)	21,359	20,559	
At 31 December 2018	於二零一八年十二月三十一日	55,800	-	55,800	
(#) Include gains or losses for assets held at end of reporting period	(#) 包括於報告期末所持資產之收益或虧損	(800)	21,359	20,559	

The total gains or losses recognised in profit or loss including those assets and liabilities at end of reporting period are presented in the face (2018: face) of the consolidated statement of profit or loss and other comprehensive income.

於損益確認之收益或虧損總額(包括該等於報告期末之資產及負債)在綜合損益與其他全面收益表中獨立呈列(二零一八年:獨立呈列)。

7. 公允值計量(續)

(b) 根據第三層按公允值計量之資產/負債對賬:

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2019:

The Group's chief financial officer ("CFO") is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The CFO reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the CFO and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

7. 公允值計量(續)

(c) 有關本集團所採用估值程序以及於二零一九年十二月三十一日之公允值計量所使用估值方法及參數之披露資料：

本集團之首席財務官(「首席財務官」)負責財務申報所需資產與負債之公允值計量，包括第三層公允值計量。首席財務官直接向董事會匯報該等公允值計量。首席財務官與董事會每年最少兩次討論估值程序與有關結果。

就第三層公允值計量而言，本集團一般會外聘具認可專業資格並有近期估值經驗之估值專家進行。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2019: (Continued)

Level 3 fair value measurements

Description 描述	Valuation technique 估值方法	Unobservable inputs 不可觀察參數	Range 範圍	Effect on fair value for increase of inputs 參數增加對公允值之影響	Fair value 公允值	
					2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
					asset 資產	asset 資產
Investment properties — Commercial PRC 投資物業 — 中國商業	Income capitalisation approach 收入資本化	Yield 收益率	4%–6% (2018: 4%–6%) (二零一八年：4%–6%)	Higher of the yield, lower of fair value 收益率增加， 公允值減少	57,000	55,800
		Market rent 市場租金	Monthly office rental RMB41–42/sq.m. (2018: RMB42/sq.m.) 辦公室每月租金每平方米 人民幣41元至人民幣42元 (二零一八年： 每平方米人民幣42元)	Higher of the market rent, higher of fair value 市場租金增加， 公允值增加		
			Monthly car-park space RMB156–260/unit (2018: RMB150–250/unit) 停車位每月單位人民幣156元至 人民幣260元(二零一八年：每 單位人民幣150元至250元)			
Financial assets at FVTOCI 按公允值計入其他全面 收益之金融資產	Guideline public company method 指標公眾公司法	Discount for Lack of Marketability ("DLOM") 缺乏市場流通性 折讓(「缺乏市場 流通性折讓」)	13% (2018:15%) (二零一八年：15%)	Higher of DLOM, lower of fair value 缺乏市場流通性折讓 增加，公允值減少	–	–

7. 公允值計量(續)

(c) 有關本集團所採用估值程序以及於二零一九年十二月三十一日之公允值計量所使用估值方法及參數之披露資料：(續)

第三層公允值計量

8. REVENUE**Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major service line for the year is as follows:

8. 收入**收入分類**

本年度按主要服務範圍劃分來自客戶合約之收入分類如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue from contracts with customers within the scope of IFRS 15	於國際財務報告準則第15號範圍內來自客戶合約之收入		
Disaggregated by major service line	按主要服務範圍分類		
Sale of merchandises	商品銷售	12,705	2,407
Commission income	佣金收入	10,390	10,961
Sales of hardware and software and installation service	銷售硬件及軟件以及安裝服務	1,740	3,531
Other IT support service	其他資訊科技支援服務	962	369
Other service income	其他服務收入	-	88
		25,797	17,356

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

8. REVENUE (Continued)

Disaggregation of revenue (Continued)

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major service lines and geographical regions:

8. 收入(續)

收入分類(續)

本集團於下列主要產品或服務範圍及地區隨時間及於某個時間點轉移服務所得收入：

For the year ended 31 December	截至十二月三十一日止年度	Sales of merchandises		Commission income		Sales of hardware and software and installation service		Other IT support service		Other service income		Total	
		商品銷售		佣金收入		銷售硬件及軟件以及安裝服務		其他資訊科技支援服務		其他服務收入		總計	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Primary geographical markets	主要地區市場												
Hong Kong	香港	-	-	3,423	2,025	-	-	-	266	-	-	3,423	2,291
PRC except Hong Kong	中國(不包括香港)	10,503	2,407	6,967	8,936	1,740	3,531	962	103	-	88	20,172	15,065
The US	美國	2,202	-	-	-	-	-	-	-	-	-	2,202	-
Revenue from external customers	來自外部客戶之收入	12,705	2,407	10,390	10,961	1,740	3,531	962	369	-	88	25,797	17,356
Timing of revenue recognition	確認收入之時間												
Goods and services transferred at a point in time	於某個時間點轉移貨品及服務	12,705	2,407	-	-	1,740	3,531	-	-	-	-	14,445	5,938
Services transferred over time	隨時間轉移服務	-	-	10,390	10,961	-	-	962	369	-	88	11,352	11,418
Total	總計	12,705	2,407	10,390	10,961	1,740	3,531	962	369	-	88	25,797	17,356

9. OTHER INCOME

9. 其他收入

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank interest income	銀行利息收入	2,714	55
Interest on other investments	其他投資利息	-	168
Government grants*	政府補助*	702	1,279
Net foreign exchange gain	外匯收益淨額	395	-
Gross rental income from investment properties	投資物業之租金收入總額	2,973	2,898
Property management fee and related income	物業管理費及相關收入	1,867	1,735
Value added tax refund	增值稅退款	120	360
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	5	80
Gain on disposal of construction in progress	出售在建工程之收益	-	3
Others	其他	268	401
		9,044	6,979

* The government grants represented government subsidy granted to enterprise, who had fulfilled certain requirements such as engaging in research and development activities, duly paid taxes in previous years, by the local government that the subsidiaries operate.

* 政府補助指附屬公司營運所在地之當地政府向符合若干規定(例如於過往年度參與研發活動、依時繳稅)之企業授出之政府資助。

10. SEGMENT INFORMATION

The Group has three (2018: three) reportable segments as follows:

- | | |
|---|---|
| (i) Online to Offline (“ O2O ”) solutions segment
線上線下(「 O2O 」)解決方案分部 | – Sale of software and provision of O2O consultation service
軟件銷售及提供O2O諮詢服務 |
| (ii) Integrated digital marketing (“ IDM ”) solutions segment
綜合電子推廣(「 綜合電子推廣 」)解決方案分部 | – Provision of electronic payment solutions and services
提供電子支付解決方案及服務 |
| (iii) E-commerce solutions segment
電子商務解決方案分部 | – Management, operation and provision of market strategy of online shops and e-commerce platforms
線上店舖及電子商務平台的管理、營運及提供營銷策略 |

During the year, certain subsidiaries under IDM solutions segment started engaging in E-commerce solutions operations to cope with the Group’s business plan due to the change of their business operations. No restatement of comparative information presented as these subsidiaries started to engage in E-commerce solutions operation in 2019.

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. Each of the above operating segments corresponds to related subsidiaries engaging in the respective segment activities.

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 corporate income and expenses. Segment assets do not include corporate assets. Segment liabilities do not include corporate liabilities.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

10. 分部資料

本集團有以下三個(二零一八年：三個)呈報分部：

於本年度，綜合電子推廣解決方案分部的若干附屬公司因業務營運變動而開始從事電子商務解決方案營運以配合本集團的業務計劃。由於該等附屬公司於二零一九年開始從事電子商務解決方案營運，因此呈列的比較資料未經重列。

本集團之呈報分部是提供不同產品和服務之策略業務單位。由於各業務需要不同技術及營銷策略，故彼等乃分開進行管理。以上各經營分部對應從事相關分部活動之附屬公司。

經營分部之會計政策與綜合財務報表附註4所述者一致。分部損益不包括企業收入及支出。分部資產不包括企業資產。分部負債不包括企業負債。

本集團將分部間之銷售及轉讓按向第三方(即按現行市價)進行之銷售或轉讓計算。

10. SEGMENT INFORMATION (Continued)

10. 分部資料(續)

(i) Information about reportable segments profit or loss, assets and liabilities:

(i) 呈報分部之損益、資產及負債資料：

		O2O solutions segment		IDM solutions segment		E-commerce solutions segment		Total	
		O2O 解決方案分部		綜合電子推廣解決方案分部		電子商務解決方案分部		總計	
		2019	2018	2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended 31 December	截至十二月三十一日止年度								
Revenue from external customers	來自外部客戶之收入	2,701	3,900	3,424	2,113	19,672	11,343	25,797	17,356
Segment profit/(loss)	分部溢利/(虧損)	698	(5,514)	(87)	(14,978)	(43,535)	(55,838)	(42,924)	(76,330)
Interest revenue	利息收入	5	7	-	4	64	34	69	45
Interest expense	利息支出	478	533	66	-	53	-	597	533
Depreciation and amortisation	折舊及攤銷	715	1,030	1,048	713	8,062	6,781	9,825	8,524
Share of result of an associate	應佔一間聯營公司業績	-	-	1,063	(176)	-	-	1,063	(176)
Income tax expense/(credit)	所得稅費用/(抵免)	249	(251)	-	-	(8,349)	(1,670)	(8,100)	(1,921)
Reversal of/(allowance for) trade receivables	應收賬款撥備撥回/(撥備)	165	211	(8)	21	(7)	1,502	150	1,734
(Allowance for)/reversal of allowance for other receivables	其他應收款(撥備)/撥備撥回	(7)	27	20	483	(17)	171	(4)	681
Impairment loss on goodwill	商譽減值虧損	-	-	-	-	11,451	48,432	11,451	48,432
Reversal of/(impairment loss) on other receivables	其他應收款撥回/(減值虧損)	-	-	-	(11,644)	190	-	190	(11,644)
Impairment loss on non-current assets	非流動資產減值虧損	-	-	-	12	26,962	-	26,962	12
Additions to segment non-current assets	分部非流動資產添置	38	35	41	67	3,831	12	3,910	114
At 31 December	於十二月三十一日								
Segment assets	分部資產	67,690	66,747	13,329	14,995	54,753	71,863	135,772	153,605
Segment liabilities	分部負債	(24,932)	(24,694)	(3,938)	(5,980)	(14,747)	(20,782)	(43,617)	(51,456)
Investment in an associate	於一間聯營公司投資	-	-	3,934	2,871	-	-	3,934	2,871

10. SEGMENT INFORMATION (Continued)

10. 分部資料(續)

(ii) Reconciliations of reportable segments:

(ii) 呈報分部對賬：

Revenue and profit or loss:

收入與損益：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收入		
Consolidated revenue	綜合收入	25,797	17,356
Profit or loss	損益		
Total loss of reportable segments	呈報分部虧損總額	(42,924)	(76,330)
Unallocated amounts:	未分配金額：		
Unallocated head office and corporate expenses	未分配總辦事處及企業費用	(9,476)	(6,877)
Fair value gain on contingent shares payable	應付或然股份之公允值收益	-	21,359
Provision for capital gain tax	資本增值稅撥備	-	(566)
Consolidated loss for the year	本年度綜合虧損	(52,400)	(62,414)

10. SEGMENT INFORMATION (Continued)

10. 分部資料(續)

(ii) Reconciliations of reportable segments:
(Continued)

(ii) 呈報分部對賬：(續)

Assets and liabilities:

資產與負債：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Assets	資產		
Total assets of reportable segments	呈報分部總資產	135,772	153,605
Unallocated amounts:	未分配金額：		
Unallocated head office and corporate assets	未分配總辦事處及企業資產	186,661	223,718
Consolidated total assets	綜合總資產	322,433	377,323
Liabilities	負債		
Total liabilities of reportable segments	呈報分部總負債	43,617	51,456
Unallocated amounts:	未分配金額：		
Unallocated head office and corporate liabilities	未分配總辦事處及企業負債	10,400	8,807
Consolidated total liabilities	綜合總負債	54,017	60,263

10. SEGMENT INFORMATION (Continued)**(iii) Geographical information:****Revenue**

The Group's revenue from external customers by location of operations was disclosed in note 8 to the consolidated financial statements.

The Group's non-current assets are substantially located in the PRC.

(iv) Revenue from major customers:

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Customer A	客戶 A	-	3,713
Customer B	客戶 B	-	2,988
Customer C	客戶 C	-	1,225
Customer D	客戶 D	-	1,031

Each of the major customers represents a single external customer whose sale transaction is generated from E-commerce solutions segment and O2O solutions segment of the Group.

10. 分部資料(續)**(iii) 地理資料：****收入**

本集團來自外部客戶之收入(按營運地點劃分)於綜合財務報表附註8披露。

本集團之非流動資產大部分位於中國。

(iv) 來自主要客戶之收入：

各主要客戶為銷售交易來自本集團電子商務解決方案分部及O2O解決方案分部之單一外部客戶。

11. FINANCE COSTS**11. 財務成本**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest expenses on lease liabilities (note 21)	租賃負債利息支出(附註21)	119	-
Interest expenses on bank loans	銀行貸款利息支出	478	533
		597	533

12. INCOME TAX CREDIT**12. 所得稅抵免**

Income tax has been recognised in profit or loss as follows:

已於損益確認之所得稅如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current tax — PRC EIT Provision for the year	本期稅項 — 中國企業所得稅 年內撥備	-	-
Deferred tax (note 37) Provision for the year	遞延稅項(附註37) 年內撥備	(8,100)	(1,921)
Income tax credit	所得稅抵免	(8,100)	(1,921)

12. INCOME TAX CREDIT (Continued)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong profits tax has been made in the consolidated financial statements since the Group has sufficient tax loss brought forward to set off against the assessable profit for the years ended 31 December 2019 and 2018.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group's subsidiaries operate, based on existing legislation, interpretation and practices in respect thereof.

One of the Group's subsidiaries operating in Suzhou, the PRC, was recognised as an advance technology enterprise (高新技術企業) in 2019 and was entitled to enjoy an income tax concession at preferential rate of 15% effective from 1 January 2019. In order to enjoy the preferential rate of 15%, the subsidiary is required to apply for renewal every three years from first year of approval.

12. 所得稅抵免(續)

根據開曼群島及英屬處女群島(「英屬處女群島」)之規則及規例，本集團毋須繳納開曼群島及英屬處女群島之任何所得稅。

截至二零一九年及二零一八年十二月三十一日止年度，由於本集團有充足稅項虧損可供撥作抵銷應課稅溢利，故並無於綜合財務報表就香港利得稅計提撥備。

本集團已就其他地區所產生應課稅溢利根據旗下附屬公司營運所在司法管轄區之現有相關法例、詮釋及慣例，按其適用現行稅率計算稅項支出。

本集團其中一間於中國蘇州經營業務之附屬公司於二零一九年獲確認為高新技術企業，並自二零一九年一月一日起有權享有15%所得稅優惠稅率。為享有15%優惠稅率，該附屬公司須自獲審批後首年起計每三年申請重續有關資格。

12. INCOME TAX CREDIT (Continued)

The reconciliation between the income tax credit and the product of loss before tax multiplied by the PRC EIT rate is as follows:

12. 所得稅抵免(續)

所得稅抵免與除稅前虧損乘以中國企業所得稅稅率之結果對賬如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss before tax	除稅前虧損	(60,500)	(64,335)
Tax at the PRC EIT rate of 25% (2018: 25%)	按中國企業所得稅稅率 25% (二零一八年：25%) 計算之稅項	(15,125)	(16,084)
Tax effect of income that is not taxable	毋須課稅收入之稅務影響	(843)	(4,134)
Tax effect of expenses that are not deductible	不可扣稅支出之稅務影響	5,679	17,170
Tax effect of temporary differences and tax losses not recognised	未確認暫時差額及稅項虧損之稅務影響	1,489	2,197
Tax effect of utilisation of tax losses not previously recognised	動用先前未確認稅項虧損之稅務影響	(317)	(49)
Tax effect of tax concession	稅項優惠之稅務影響	(8)	-
Tax effect of different tax rates of subsidiaries	附屬公司不同稅率之稅務影響	1,025	(1,021)
Income tax credit	所得稅抵免	(8,100)	(1,921)

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13. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/ (crediting) the following:

13. 年度虧損

本集團本年度虧損已扣除／(計入) 下列各項：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Allowance for inventories [#]	存貨撥備 [#]	1,718	-
Amortisation of prepaid land lease payments [#]	土地租賃預付款攤銷 [#]	-	56
Auditor's remuneration [#]	核數師酬金 [#]		
— Audit services	— 核數服務	1,128	1,099
— Current year	— 本年度	261	34
— Other services	— 其他服務	1,389	1,133
Cost of inventories sold	存貨銷售成本	9,423	1,958
Depreciation on property, plant and equipment	物業、廠房及設備折舊	1,448	1,819
Depreciation on right-of-use assets	使用權資產折舊	1,594	-
		3,042	1,819
Direct operating expenses of investment properties that generate rental income [#]	可產生租金收入之投資物業直接經營費用 [#]	612	470
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(5)	(80)
Gain on disposal of construction in progress	出售在建工程收益	-	(3)
Research and development costs [*]	研發成本 ^{**}	-	1,625
Write-off on construction in progress [#]	在建工程撇銷 [#]	-	12
Operating leases [#] charges in respect of	涉及以下各項之經營租賃 [#] 費用		
— Office premises in Hong Kong	— 香港之寫字樓物業	-	873
— Leasehold land in the PRC	— 中國之租賃土地	-	1,843
		-	2,716

[#] Included in other operating expenses.

^{*} Research and development costs mainly consisted of staff cost which was excluded from employee benefit expenses as disclosed in the face of the consolidated financial statements.

[#] 包括在其他經營費用。

^{*} 研發成本主要包括並未計入綜合財務報表內獨立披露之員工福利費用之員工成本。

14. EMPLOYEE BENEFITS EXPENSES

14. 員工福利費用

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Staff costs (including directors' emoluments and amount classified as research and development cost)	員工成本(包括董事酬金及分類為研發成本的金額)		
— Salaries, bonus and allowance	— 薪金、花紅及津貼	21,924	21,461
— Retirement benefit scheme contributions	— 退休福利計劃供款	1,766	1,884
— Severance payment	— 遣散費	58	445
		23,748	23,790

The five highest paid individuals in the Group during the year included two (2018: two) directors whose emoluments are reflected in the analysis presented in note 15 to the consolidated financial statements. The emoluments of the remaining three (2018: three) individuals are set out below:

本集團本年度五名最高薪酬人士包括兩名(二零一八年：兩名)董事，其酬金已於綜合財務報表附註15所列分析內反映。其餘三名(二零一八年：三名)人士之酬金如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	2,808	2,262
Retirement benefit scheme contributions	退休福利計劃供款	86	101
		2,894	2,363

14. EMPLOYEE BENEFITS EXPENSES (Continued)

The emoluments fell within the following band:

14. 員工福利費用(續)

其酬金組別如下：

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000 (equivalent to Nil to RMB882,000 (2018: Nil to RMB846,000))	港幣零元至港幣 1,000,000 元 (相等於人民幣零元至 人民幣 882,000 元 (二零一八年：人民幣零元至 人民幣 846,000 元))	1	2
HK\$1,000,001 to HK\$1,500,000 (equivalent to RMB882,001 to RMB1,322,000 (2018: RMB846,001 to RMB1,268,000))	港幣 1,000,001 元至 港幣 1,500,000 元(相等於 人民幣 882,001 元至 人民幣 1,322,000 元 (二零一八年： 人民幣 846,001 元至 人民幣 1,268,000 元))	2	1

During the year, no amount was paid or payable by the Group to the directors or any of the five highest paid individuals set out below as an inducement to join or upon joining the Group or as compensation for loss of office.

於本年度，本集團並無支付或應付下文所載董事或任何五名最高薪酬人士之款項，作為吸引彼等加盟或於加盟本集團時之獎勵，或作為離職時之補償。

15. BENEFITS AND INTERESTS OF DIRECTORS

15. 董事福利及權益

(a) Directors' emoluments

(a) 董事酬金

The remuneration of each director is set out below:

各董事之薪酬載述如下：

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度				
		Fees	Salaries and allowances	Discretionary bonus	Retirement benefit scheme contributions	Total
		袍金 RMB'000 人民幣千元	薪金及津貼 RMB'000 人民幣千元	酌情花紅 RMB'000 人民幣千元	退休福利 計劃供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Name of director	董事名稱					
Executive directors	執行董事					
Mr. Yang Xin Min (redesigned as a non-executive director on 16 December 2019)	楊新民先生(於二零一九年十二月十六日調任為非執行董事)	-	1,413	881	-	2,294
Mr. Yang Zhen (resigned on 16 December 2019)	楊震先生(於二零一九年十二月十六日辭任)	-	842	882	39	1,763
Mr. Ho Chi Kin (appointed on 16 December 2019)	何致堅先生(於二零一九年十二月十六日獲委任)	-	131	-	1	132
		-	2,386	1,763	40	4,189
Independent Non-executive directors	獨立非執行董事					
Dr. Cheng Faat Ting Gary	鄭發丁博士	223	2	-	-	225
Mr. Poon Lai Yin Michael	潘禮賢先生	223	2	-	-	225
Mr. Peng Bobo	彭波波先生	181	2	-	-	183
Mr. Tsui Francis King Chung (appointed on 16 December 2019)	崔勁中先生(於二零一九年十二月十六日獲委任)	12	-	-	-	12
Mr. Tang Yat Ming Edward (appointed on 16 December 2019)	鄧日明先生(於二零一九年十二月十六日獲委任)	12	-	-	-	12
		651	6	-	-	657
Total for 2019	於二零一九年總計	651	2,392	1,763	40	4,846

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15. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

The remuneration of each director is set out below:
(Continued)

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度			
		Fees	Salaries and allowances	Retirement benefit contributions	Total
		袍金	薪金及津貼	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Name of director	董事名稱				
Executive directors	執行董事				
Mr. Yang Xin Min	楊新民先生	-	1,353	-	1,353
Mr. Kwan Che Hang Jason (resigned on 1 June 2018)	關志恒先生 (於二零一八年六月一日辭任)	63	523	10	596
Mr. Yang Zhen	楊震先生	-	609	15	624
		63	2,485	25	2,573
Independent Non-executive directors	獨立非執行董事				
Dr. Cheng Faat Ting Gary	鄭發丁博士	93	-	-	93
Mr. Poon Lai Yin Michael	潘禮賢先生	85	-	-	85
Mr. Peng Bobo (appointed on 27 December 2018)	彭波波先生(於二零一八年十二月二十七日獲委任)	1	-	-	1
Mr. Yang Wei Qing (resigned on 14 November 2018)	楊偉慶先生(於二零一八年十一月十四日辭任)	74	-	-	74
		253	-	-	253
Total for 2018	於二零一八年總計	316	2,485	25	2,826

Neither the chief executive nor any of the directors waived any emoluments during the year (2018: Nil).

15. 董事福利及權益(續)

(a) 董事酬金(續)

各董事之薪酬載述如下：(續)

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

Fees	Salaries and allowances	Retirement benefit contributions	Total
袍金	薪金及津貼	退休福利計劃供款	總計
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元

年內，主要行政人員及任何董事概無豁免收取任何酬金(二零一八年：無)。

15. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(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. DEFINED CONTRIBUTION RETIREMENT PLAN

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,500 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme (the "Scheme") operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of this subsidiary with respect to the central pension scheme is to meet the required contributions under the Scheme.

The Group's total contributions to these schemes charged to the profit or loss during the year ended 31 December 2019 amounted to RMB1,766,000 (2018: RMB1,884,000) representing contributions paid and payable by the Group to the schemes at the appropriate rates set by the local government where the subsidiaries operate.

15. 董事福利及權益(續)

(b) 董事於交易、安排或合約之重大權益

於年末或年內任何時間並無存續任何由本公司訂立而本公司董事及其關連人士直接或間接擁有重大權益且與本集團業務有關之重大交易、安排及合約。

16. 定額供款退休計劃

本集團根據香港強制性公積金計劃條例為香港之所有合資格僱員設立一項強制性公積金計劃(「強積金計劃」)。本集團乃以僱員薪金及工資的5%計算強積金計劃供款，惟每名僱員之每月最高供款額為港幣1,500元。向強積金計劃供款後，供款即歸僱員所有。

本集團中國附屬公司的員工為當地市政府運作的中央退休基金計劃(「該計劃」)的成員。該等附屬公司須按員工的基本薪金及工資支付一定比例的金額至中央退休基金計劃以資助退休金。當地市政府履行承擔該等附屬公司所有現在已退休或將來會退休的員工的退休金的義務。就中央退休基金計劃，該附屬公司僅須達到該計劃中的供款要求。

截至二零一九年十二月三十一日止年度，本集團於損益中扣除向該等計劃繳納之供款總額約為人民幣1,766,000元(二零一八年：人民幣1,884,000元)，即本集團按附屬公司營運所在地之當地政府設定之適用費率向該等計劃已繳納及應繳納之供款數額。

17. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

18. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of RMB37,926,000 (2018: RMB56,688,000) and the weighted average number of ordinary shares of 5,635,970,924 (2018: 4,838,535,136) in issue during the year.

(b) Diluted loss per share

No diluted loss per share for the year ended 31 December 2019 and 2018 is presented as the Company had no potential ordinary shares outstanding.

17. 股息

董事不建議就截至二零一九年十二月三十一日止年度派付任何股息(二零一八年：無)。

18. 每股虧損

(a) 每股基本虧損

本公司股東應佔每股基本虧損乃根據本公司股東應佔本年度虧損約人民幣37,926,000元(二零一八年：人民幣56,688,000元)及年內已發行普通股之加權平均數5,635,970,924股(二零一八年：4,838,535,136股)計算。

(b) 每股攤薄虧損

截至二零一九年及二零一八年十二月三十一日止年度，由於本公司並無發行在外之潛在普通股，故並無呈列每股攤薄虧損。

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、廠房及設備

		Buildings and leasehold improvement	Office equipment and fixtures	Motor vehicles	Total
		樓宇及 租賃翻新	辦公室 設備與裝置	汽車	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本				
At 1 January 2018	二零一八年一月一日	8,729	8,627	2,383	19,739
Additions	添置	36	78	-	114
Write-off	撇銷	(642)	(3,601)	-	(4,243)
Disposals	出售	-	(498)	-	(498)
Exchange differences	匯兌差額	7	26	-	33
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	8,130	4,632	2,383	15,145
Additions	添置	177	185	1,103	1,465
Disposals	出售	-	(44)	-	(44)
Exchange differences	匯兌差額	4	11	-	15
At 31 December 2019	於二零一九年 十二月三十一日	8,311	4,784	3,486	16,581
Accumulated depreciation and impairment	累計折舊及減值				
At 1 January 2018	二零一八年一月一日	2,507	7,437	1,002	10,946
Charge for the year	年內支出	717	561	541	1,819
Write-off	撇銷	(642)	(3,601)	-	(4,243)
Disposals	出售	-	(459)	-	(459)
Exchange differences	匯兌差額	5	17	-	22
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	2,587	3,955	1,543	8,085
Charge for the year	年內支出	733	228	487	1,448
Disposals	出售	-	(41)	-	(41)
Exchange differences	匯兌差額	3	9	-	12
At 31 December 2019	於二零一九年 十二月三十一日	3,323	4,151	2,030	9,504

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19. PROPERTY, PLANT AND EQUIPMENT (Continued)

19. 物業、廠房及設備(續)

		Buildings and leasehold improvement	Office equipment and fixtures	Motor vehicles	Total
		樓宇及 租賃翻新	辦公室 設備與裝置	汽車	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Carrying amount	賬面值				
At 31 December 2019	於二零一九年 十二月三十一日	4,988	633	1,456	7,077
At 31 December 2018	於二零一八年 十二月三十一日	5,543	677	840	7,060

Notes: At 31 December 2019, the carrying amount of the Group's property, plant and equipment pledged as security for the Group's bank loans of RMB9,000,000 (2018: RMB9,000,000) (note 34) amounted to RMB4,812,000 (2018: RMB5,248,000).

附註：於二零一九年十二月三十一日，本集團質押作為本集團銀行貸款人民幣9,000,000元(二零一八年：人民幣9,000,000元)(附註34)之抵押品之物業、廠房及設備之賬面值約為人民幣4,812,000元(二零一八年：人民幣5,248,000元)。

20. INVESTMENT PROPERTIES

The Group leases out the investment properties under operating leases with rentals payable monthly. The leases typically run for an initial period of one to five years, with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於一月一日	55,800	56,600
Fair value gain/(loss)	公允值收益/(虧損)	1,200	(800)
At 31 December	於十二月三十一日	57,000	55,800

The fair value of the Group's investment properties at 31 December 2019 and 2018 was valued on income capitalisation approach by taking into account the net rental income of the existing lease and achievable in the existing market with due allowance for the reversionary income potential of the lease. The valuation was performed by Grant Sherman Appraisal Limited, an independent firm of chartered surveyors.

There was no change in the valuation approach for the years ended 31 December 2019 and 2018. The fair value of the Group's investment properties is within level 3 of the fair value hierarchy.

20. 投資物業

本集團根據經營租賃租賃辦公室及土地，按月繳付租金。租賃初步租期為一至五年，而承租人擁有在初步租期後單方面續租權利。大部分租賃合約均包含市場檢討條款，容許承租人行使續約選擇權。

在租賃安排下，由於所有租賃均以集團實體之相應功能貨幣計值，故本集團並無承受外幣風險。租賃合約並不包含殘值擔保及／或承租人於租賃完結時購買租賃之選擇權。

於二零一九年及二零一八年十二月三十一日，本集團投資物業之公允值乃採用收入資本化法估值，已計及現有租約及可於現有市場取得之租金收入淨額，並就租賃可復歸潛在收入作出適當考慮。是項估值由獨立特許測量師行中證評估有限公司進行。

截至二零一九年及二零一八年十二月三十一日止年度之估值方法並無變動。本集團投資物業之公允值在公允值層級第三層範圍內。

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20. INVESTMENT PROPERTIES (Continued)

The Group's investment properties at its carrying amounts are analysed as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
The PRC:	中國：		
Medium-term lease	中期租賃	57,000	55,800

At 31 December 2019, the investment properties were pledged as security for the Group's bank loans (note 34).

20. 投資物業(續)

本集團投資物業按賬面值分析如下：

於二零一九年十二月三十一日，投資物業已質押作為本集團銀行貸款之抵押品(附註34)。

21. RIGHT-OF-USE ASSETS

		Leasehold lands 租賃土地 RMB'000 人民幣千元	Leased properties 租賃物業 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019 (note 3(a)(b))	於二零一九年一月一日 (附註3(a)(b))	2,062	2,235	4,297
Additions	添置	-	1,382	1,382
Depreciation	折舊	(56)	(1,538)	(1,594)
Exchange differences	匯兌差額	-	11	11
At 31 December 2019	於二零一九年 十二月三十一日	2,006	2,090	4,096

Lease liabilities of RMB2,005,000 are recognised with related right-of-use assets of RMB4,096,000 as at 31 December 2019. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

21. 使用權資產

於二零一九年十二月三十一日，租賃負債人民幣2,005,000元與有關使用權資產人民幣4,096,000元一同確認。除出租人持有的租賃資產之擔保權益外，租賃協議不施加任何契約。租賃資產不得用作借貸擔保。

21. RIGHT-OF-USE ASSETS (Continued)**21. 使用權資產(續)**

		2019 二零一九年 RMB'000 人民幣千元
Depreciation on right-of-use assets	使用權資產折舊	1,594
Interest expense on lease liabilities (included in finance cost) (note 11)	租賃負債利息支出(計入財務成本) (附註11)	119
Expenses relating to short-term lease (included in other operating expenses)	有關短期租賃支出 (計入其他經營費用)	716

Details of total cash outflow for leases is set out in note 41(b).

租賃現金流量總額詳情載於附註41(b)。

For both years, the Group leases offices and land for its operations. Lease contracts are entered into for fixed term of one to three years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於兩個年度，本集團均就其營運租賃辦公室及土地。所訂立之租賃合約為期一至三年，但如下文所述般帶有續期及終止選擇權。租賃條款按個別基準進行磋商，並包含多種不同的條款及條件。於釐定租期及評估不可撤回期間之長度時，本集團應用合約定義及並釐定合約可強制執行的期間。

In addition, the Group owns an office building located in the PRC. The Group is the registered owner of this property interest, including the underlying leasehold lands. Lump sum payments were made upfront to acquire the land interest. The leasehold land components of this owned property is presented separately only if the payments made can be allocated reliably.

此外，本集團擁有一幢位於中國的辦公室大樓。本集團為此物業權益(包括相關租賃土地)之註冊擁有人。已作出一次性付款以取得土地權益。此自有物業之租賃土地組成部分僅在能可靠分配所作出之付款時單獨呈列。

At 31 December 2019, the carrying amount of the Group's right-of-use assets related to leasehold lands of RMB2,006,000 (2018: RMB2,062,000 classified under prepaid land lease payments) were pledged as security for the Group's bank loans (note 34).

於二零一九年十二月三十一日，本集團有關租賃土地賬面值為人民幣2,006,000元(二零一八年：人民幣2,062,000元分類為土地租賃預付款)之使用權資產已質押作為本集團銀行貸款之抵押品(附註34)。

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22. CONSTRUCTION IN PROGRESS

22. 在建工程

		RMB'000 人民幣千元
Cost	成本	
At 1 January 2018	二零一八年一月一日	978
Disposal	出售	(1)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	977
Additions	添置	320
At 31 December 2019	於二零一九年十二月三十一日	1,297
Accumulated impairment	累計減值	
At 1 January 2018	二零一八年一月一日	(965)
Impairment	減值	(12)
At 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年十二月三十一日， 二零一九年一月一日及 二零一九年十二月三十一日	(977)
Carrying amount	賬面值	
At 31 December 2019	於二零一九年十二月三十一日	320
At 31 December 2018	於二零一八年十二月三十一日	-

The Group's construction in progress as at 31 December 2019 comprises costs incurred on computer hardware, machinery, equipment pending installation and leasehold improvement of an office in the PRC.

All projects from IDM solutions segment were terminated during 2018, all construction in progress of computer hardware, machinery and equipment pending installation was fully impaired for the year ended 31 December 2018.

本集團於二零一九年十二月三十一日之在建工程包括尚待安裝之電腦硬件、機器及設備及一個位於中國的辦公室租賃翻新所產生成本。

綜合電子推廣解決方案分部之所有項目於二零一八年終止，待安裝電腦硬件、機器及設備之所有在建工程已於截至二零一八年十二月三十一日止年度全數減值。

23. PREPAID LAND LEASE PAYMENTS

The Group's interests in prepaid land lease payments represent prepaid operating lease payments and their net book values are analysed as follows:

23. 土地租賃預付款

本集團於土地租賃預付款之權益指預付經營租賃付款，彼等之賬面淨值分析如下：

		RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	2,118
Amortisation for the year	年內攤銷	(56)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	2,062
Reclassification due to adoption of IFRS 16 (note 3 (a)(b))	採納國際財務報告準則第16號 重新分類(附註3(a)(b))	(2,062)
At 31 December 2019	於二零一九年十二月三十一日	-
		2018 二零一八年 RMB'000 人民幣千元
Current portion	流動部分	56
Non-current portion	非流動部分	2,006
Non-current portion	非流動部分	2,062

As at 31 December 2018, the Group's leasehold properties are located in the PRC under medium-lease of fifty years.

於二零一八年十二月三十一日，本集團之租賃物業位於中國以五十年之中期租約持有。

As at 31 December 2018, the prepaid land lease payments were pledged as security for the Group's bank loans (note 34).

於二零一八年十二月三十一日，土地租賃預付款已質押作為本集團銀行貸款之抵押品(附註34)。

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24. GOODWILL

24. 商譽

		O2O solutions segment O2O 解決方案分部			Total 總計 RMB'000 人民幣千元
		E-commerce solutions segment 電子商務 解決方案分部 RMB'000 人民幣千元	Software development 軟件開發 RMB'000 人民幣千元	Hardware installation 硬件安裝 RMB'000 人民幣千元	
		(note (a)) (附註(a))	(note (b)) (附註(b))	(note (b)) (附註(b))	
Cost	成本				
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年 十二月三十一日、 二零一九年一月一日 及二零一九年 十二月三十一日	59,883	56,093	1,246	117,222
Accumulated impairment losses	累計減值虧損				
At 1 January 2018 Impairment loss	於二零一八年一月一日 減值虧損	- 48,432	56,093 -	1,246 -	57,339 48,432
At 31 December 2018 and 1 January 2019 Impairment loss	於二零一八年 十二月三十一日及 二零一九年一月一日 減值虧損	48,432 11,451	56,093 -	1,246 -	105,771 11,451
At 31 December 2019	於二零一九年 十二月三十一日	59,883	56,093	1,246	117,222
Carrying amount	賬面值				
At 31 December 2019	於二零一九年 十二月三十一日	-	-	-	-
At 31 December 2018	於二零一八年 十二月三十一日	11,451	-	-	11,451

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination.

於業務合併時收購之商譽乃於收購時分配至預期可受惠於業務合併之現金產生單位。

24. GOODWILL (Continued)

Notes:

- (a) The Group acquired 51% of the equity interest in LCE Group in 2017. The goodwill arising from the acquisition is wholly allocated to CGU of E-commerce solutions operations.

The recoverable amount of the CGU has been determined on the basis of its 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 turnover 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 CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the business of the CGU operates. Budgeted gross margin and turnover 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% (2018: 3%). This rate does not exceed the average long-term growth rate for the relevant markets. The pre-tax rates used to discount the forecast cash flows is 22.5% (2018: 24.4%).

Before impairment testing, the carrying amount of goodwill allocated to CGU of E-commerce solutions operations was RMB11,451,000 (2018: RMB59,889,000). This CGU of E-commerce solutions operations did not perform as expected because of:

- (i) the decrease in commission rate offered by brand partners due to the change of e-commerce channel;
- (ii) some brand partners turndown the engagement with the LCE Group due to the economic uncertainty in local market; and
- (iii) certain brand partners did not renew their agency agreements with the LCE Group due to the poor sales performance from the e-commerce platform management by the LCE Group.

24. 商譽(續)

附註：

- (a) 於二零一七年，本集團收購LCE Group之51%股權。該收購所產生商譽全數分配至電子商務解決方案分部之現金產生單位。

現金產生單位的可收回金額乃根據其使用價值採用貼現現金流量法釐定。貼現現金流量法之主要假設乃與期內之貼現率、增長率及預算毛利率及營業額有關。本集團採用除稅前比率估計貼現率，有關除稅前比率反映現金產生單位之貨幣時值及特定風險之現時市場評估。增長率乃根據現金產生單位業務經營所在地區之長期平均經濟增長率計算。預算毛利率及營業額乃基於過去慣例及市場發展預期計算。

本集團編製之現金流量預測，乃源自經董事通過未來五年及剩餘期間的增長率為3% (二零一八年：3%) 之最近期財務預算。該增長率不超過有關市場的平均長期增長率。預測現金流量所採用的除稅前貼現率為22.5% (二零一八年：24.4%)。

進行減值測試前，分配至電子商務解決方案營運現金單位之商譽之賬面值為人民幣11,451,000元 (二零一八年：人民幣59,889,000元)。電子商務解決方案營運現金產生單位表現未如預期，乃由於：

- (i) 因電子商務渠道出現變動，故品牌合作夥伴提供之佣金費率下降；
- (ii) 因本地市場存在經濟方面的不確定性，故若干品牌合作夥伴拒絕LCE集團參與；及
- (iii) 因由LCE集團管理之電子商務平台之銷售表現欠佳，故若干品牌合作夥伴並無與LCE集團重續代理商協議。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

24. GOODWILL (Continued)

Notes: (Continued)

(a) (Continued)

Accordingly, the Group has revised its cash flow forecasts for this CGU. The recoverable amount of the CGU has been substantially reduced to zero (2018: RMB54,024,000). Therefore, impairment losses on goodwill and non-current assets were recognised in profit or loss for the year ended 31 December 2019 and the charges to profit or loss are analysed as follows:

		2019 二零一九年 RMB'000 人民幣千元
Goodwill	商譽	11,451
Intangible assets (note 25)	無形資產(附註25)	26,962
Charged to profit or loss	於損益內扣除	38,413

(b) The Group acquired 51% of the equity interest in Virtual City Limited ("VCL") in 2013. The goodwill arising from the acquisition is allocated to CGU of software development and CGU of hardware installation respectively under the O2O solutions segment.

The recoverable amounts of the CGUs have 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 turnover 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 CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

24. 商譽(續)

附註：(續)

(a) (續)

本集團因而修訂其就此現金產生單位之現金流量預測。現金產生單位之可回收金額大幅降至零(二零一八年：人民幣54,024,000元)。因此，商譽及非流動資產之減值虧損於截至二零一九年十二月三十一日止年度之損益確認，而於損益扣除之分析如下：

(b) 本集團於二零一三年收購Virtual City Limited(「VCL」)之51%股權。此項收購產生的商譽分別分配至O2O解決方案分部下軟件開發及硬件安裝的兩個現金產生單位。

現金產生單位的可收回金額乃根據其使用價值採用貼現現金流量法釐定。貼現現金流量法之主要假設乃與期內之貼現率、增長率及預算毛利率及營業額有關。本集團採用除稅前比率估計貼現率，有關除稅前比率反映現金產生單位之貨幣時值及特定風險之現時市場評估。增長率乃根據現金產生單位業務經營所在地區之長期平均經濟增長率計算。預算毛利率及營業額乃基於過去慣例及市場發展預期計算。

24. GOODWILL (Continued)

Notes: (Continued)

(b) (Continued)

The Group prepared 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% in 2017. This rate did not exceed the average long-term growth rate for the relevant markets. The rates used to discount the forecast cash flows from the Group's software development activities was 19.4% for the year ended 31 December 2017. The amount was fully impaired in 2017.

The decrease in customers' demand was attributable to the keen competition in the market and the PRC's economic downturn threatened the revenue generated from the CGU of software development. The situation has still not yet been improved since 2018. Hence, the recoverable amount of the CGU of software development was still below the carrying amount of the assets belong. No reversal of impairment on software development cost was required in 2019.

24. 商譽(續)

附註：(續)

(b) (續)

本集團編製之現金流量預測，乃源自董事所批准採用二零一七年增長率3%計算未來五年及剩餘期間之最近期財務預算。該增長率不超過有關市場平均長期增長率。截至二零一七年十二月三十一日止年度，本集團軟件開發業務之預測現金流量所採用貼現率為19.4%。有關金額於二零一七年全面減值。

客戶需求下跌乃由於市場激烈競爭及軟件開發現金產生單位所產生收入面對中國經濟下行之威脅。有關情況自二零一八年起仍未見改善。因此，軟件開發現金產生單位之可收回金額仍低於資產所屬現金產生單位之賬面值，故於二零一九年毋須撥回軟件開發成本之減值。

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25. INTANGIBLE ASSETS

25. 無形資產

		Software development costs 軟件開發成本 RMB'000 人民幣千元 <i>(note (a))</i> <i>(附註(a))</i>	Customer relationship 客戶關係 RMB'000 人民幣千元 <i>(note (b))</i> <i>(附註(b))</i>	Computer Software 電腦軟件 RMB'000 人民幣千元 <i>(note (c))</i> <i>(附註(c))</i>	Trademark 商標 RMB'000 人民幣千元 <i>(note (d))</i> <i>(附註(d))</i>	Total 總計 RMB'000 人民幣千元
Cost	成本					
At 1 January 2018, 31 December 2018 and 1 January 2019	於二零一八年一月一日、 二零一八年十二月三十一日 及二零一九年一月一日	55,752	40,076	90	-	95,918
Additions	添置	-	-	283	460	743
At 31 December 2019	於二零一九年十二月三十一日	55,752	40,076	373	460	96,661
Accumulated amortisation and impairment losses	累計攤銷及減值虧損					
At 1 January 2018	於二零一八年一月一日	55,752	-	-	-	55,752
Amortisation for the year	年內攤銷	-	6,679	26	-	6,705
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	55,752	6,679	26	-	62,457
Amortisation for the year	年內攤銷	-	6,679	77	27	6,783
Impairment loss <i>(note 24(a))</i>	減值虧損 <i>(附註 24(a))</i>	-	26,718	244	-	26,962
At 31 December 2019	於二零一九年十二月三十一日	55,752	40,076	347	27	96,202
Carrying amount	賬面值					
At 31 December 2019	於二零一九年十二月三十一日	-	-	26	433	459
At 31 December 2018	於二零一八年十二月三十一日	-	33,397	64	-	33,461

25. INTANGIBLE ASSETS (Continued)

Notes:

- (a) Software development costs represent the self-developed software for sales and are amortised over the estimated useful life of 5 years. Software development costs belong to the CGU of software development under O2O solutions segment, details of the impairment testing are set out in note 24(b).
- (b) Customer relationship represents the customer base and other business relationships built up in E-commerce solutions operations and is amortised over the estimated useful life of 6 years. Customer relationship belongs to the CGU of E-commerce solutions operations, details of impairment testing are set out in note 24(a).
- (c) Computer software represents software acquired from third party and is amortised over the useful life of 5 years.
- (d) Trademark represents trademark acquired from a third party and is amortised over the useful life of 9 years.

25. 無形資產(續)

附註：

- (a) 軟件開發成本指自主開發以供出售之軟件，並於5年預計可用年期內攤銷。軟件開發成本屬O2O解決方案分部下軟件開發之現金產生單位，其減值測試詳情載於附註24(b)。
- (b) 客戶關係指客戶基礎及在電子商務解決方案分部建立之其他業務關係，並於6年預計可用年期內攤銷。客戶關係屬電子商務解決方案分部之現金產生單位，其減值測試詳情載於附註24(a)。
- (c) 電腦軟件指自第三方購入之軟件，並於5年可用年期內攤銷。
- (d) 商標指自第三方取得之商標，並於9年可使用年期內攤銷。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

26. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2019 are as follows:

26. 於附屬公司之投資

於二零一九年十二月三十一日之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊/ 成立地點 及經營地	Issued capital/ registered capital 已發行股本/ 註冊資本	Percentage of ownership interest 擁有權益之比例		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Virtual City Limited	BVI 英屬處女群島	US\$11,000 美金 11,000 元	55.45%	–	Investment holding 投資控股
Smartac Group Limited 盈聯智能集團有限公司	HK 香港	HK\$14,450,001 港幣 14,450,001 元	–	100%	Investment holding 投資控股
Smartac International Limited 盈聯智能國際有限公司	HK 香港	HK\$1 港幣 1 元	–	100%	Investment holding 投資控股
Smartac Asia Limited 盈聯智能亞洲有限公司	HK 香港	HK\$1,000 港幣 1,000 元	–	100%	Inactive 暫不活躍
Smartac Intelligent Systems Macau Limited 盈聯智能系統(澳門) 有限公司	Macau 澳門	MOP100,000 澳門幣 100,000 元	–	100%	Inactive 暫不活躍
Korea Accelerator Incorporated	Korea 韓國	KRW500,000,000 500,000,000 韓圓	–	100%	Inactive 暫不活躍
Cloutac Networks Limited 托雲網絡科技有限公司	HK 香港	HK\$1,160,000 港幣 1,160,000 元	–	51%	Inactive 暫不活躍

26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊/ 成立地點 及經營地	Issued capital/ registered capital 已發行股本/ 註冊資本	Percentage of ownership interest 擁有權益之比例		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Smartac China Limited 盈聯智能中國有限公司	HK 香港	HK\$15,612,500 港幣 15,612,500 元	-	100%	Investment holding 投資控股
盈聯卡內基信息科技(蘇州) 有限公司* (PCS Carnegie Technology (Suzhou) Limited)*	The PRC 中國	US\$3,310,000 美金 3,310,000 元	-	100%	Investment holding 投資控股
蘇州盈聯智能科技股份 有限公司^ (Smartac Solutions (Suzhou) Ltd.)*	The PRC 中國	RMB34,800,000 人民幣 34,800,000 元	-	97.27%	Software development and IT support services 軟件開發及資訊科技 支援服務
蘇州樂逛智能科技有限公司^ (ShopperConnect (Suzhou) Limited)*	The PRC 中國	RMB2,000,000 人民幣 2,000,000 元	-	85%	Software development and IT support services 軟件開發及資訊科技 支援服務
Tosun Limited 騰信有限公司	BVI 英屬處女群島	US\$1 美金 1 元	100%	-	Investment holding 投資控股
Cosmartec Limited 環宇智能技術有限公司	HK 香港	HK\$30,000,000 港幣 30,000,000 元	-	100%	Investment holding and provision of electronic payment related services 投資控股及提供電子支付 相關服務

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊/ 成立地點 及經營地	Issued capital/ registered capital 已發行股本/ 註冊資本	Percentage of ownership interest 擁有權益之比例		Principal activities 主要業務
			Direct 直接	Indirect 間接	
上海簡而秀網絡科技 有限公司* (Shanghai Jianerxiu Network Technology Co., Limited)*	The PRC 中國	RMB10,000,000 人民幣 10,000,000 元	-	100%	Management, operation and provision of market strategy of online shops and e-commerce platforms 線上店舖及電子商務平台的 管理、營運及提供營銷 策略
Haihai Travel Cloud Limited 嗨嗨旅遊雲有限公司	HK 香港	HK\$21,400,000 港幣 21,400,000 元	-	70%	Provision of mobile payment service 提供移動支付服務
Select Sky Limited 華唯有限公司	HK 香港	HK\$24,000,000 港幣 24,000,000 元	-	100%	Investment holding 投資控股
鴿子數碼科技(宜興) 有限公司* (Solomedia (Yixing) Limited)*	The PRC 中國	HK\$50,000,000 港幣 50,000,000 元	-	100%	Trading of goods 銷售貨品
Great Sino Technology Development Limited ("GSTD") 華誠科技發展有限公司 (「華誠」)	HK 香港	HK\$237,000,000 港幣 237,000,000 元	-	100%	Investment holding 投資控股
鴿子數碼科技(上海) 有限公司* (Solomedia Digital (Shanghai) Limited)*	The PRC 中國	HK\$240,000,000 港幣 240,000,000 元	-	100%	Trading of goods 銷售貨品

26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊/ 成立地點 及經營地	Issued capital/ registered capital 已發行股本/ 註冊資本	Percentage of ownership interest 擁有權益之比例		Principal activities 主要業務
			Direct 直接	Indirect 間接	
宜興鴿子廣告傳媒有限公司 [^] (Yixing Solomedia Advertising Media Limited) [#]	The PRC 中國	RMB1,000,000 人民幣 1,000,000 元	-	100%	Inactive 暫不活躍
Fame Top Corporation Limited 名創有限公司	HK 香港	HK\$10,000 港幣 10,000 元	-	100%	Trading of goods 銷售貨品
LCE Group	BVI 英屬處女群島	US\$10,000 美金 10,000 元	51%	-	Investment holding 投資控股
LCE HK Limited	HK 香港	HK\$10,000 港幣 10,000 元	-	100%	Investment holding 投資控股
上海朔泓信息技術有限公司* (Shanghai Shouhong Information Technology Limited) [#]	The PRC 中國	RMB5,000,000 人民幣 5,000,000 元	-	100%	Trading of goods and provision of marketing strategy 銷售貨品及提供營銷策略
上海建運信息技術有限公司 [^] (Lucky Creation Enterprise (Shanghai) Limited) [#]	The PRC 中國	RMB5,000,000 人民幣 5,000,000 元	-	100%	Trading of goods and provision of marketing strategy, management of operation of online shop on e-commerce platforms 銷售貨品及提供電子商務 平台網店營銷策略 及營運管理

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊/ 成立地點 及經營地	Issued capital/ registered capital 已發行股本/ 註冊資本	Percentage of ownership interest 擁有權益之比例		Principal activities 主要業務
			Direct 直接	Indirect 間接	
建宜信息技術(上海)有限公司 [^] (Jianyi Information Technology (Shanghai) Limited) [#]	The PRC 中國	RMB1,467,259 人民幣 1,467,259 元	-	100%	Provision of marketing strategy, management of operation of online shop on e-commerce platforms 提供電子商務平台網店營銷策略及營運管理
Upfront Success Limited	BVI 英屬處女群島	US\$1 美金 1 元	100%	-	Investment holding 投資控股
Value Top Group Limited	BVI 英屬處女群島	US\$50,000 美金 50,000 元	-	100%	Investment holding 投資控股
World Gold Technology Limited	HK 香港	HK\$1 港幣 1 元	-	100%	Not yet commenced business 尚未開展業務
* These subsidiaries are foreign investment enterprises established pursuant to the law of the PRC.			* 該等附屬公司乃根據中國法律成立的外商投資企業。		
[^] These subsidiaries are registered with limited liability under the law of the PRC.			[^] 該等附屬公司乃根據中國法律註冊之有限責任公司。		
[#] Being English translated names			[#] 英文翻譯名稱		

26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資(續)

Notes:

The following table shows information on the subsidiaries that have NCI material to the Group. The financial information represents amounts before inter-company eliminations.

附註：

下表載列擁有對本集團而言屬重大非控股權益的附屬公司資料。財務資料代表集團內公司間對銷前之金額。

		VCL		LCE Group	
Date of incorporation 註冊成立日期		28 August 2013 二零一三年八月二十八日		27 March 2017 二零一七年三月二十七日	
Place of incorporation 註冊成立地點		BVI 英屬處女群島		BVI 英屬處女群島	
Principal place of business 主要營業地點		HK and the PRC 香港及中國		The PRC 中國	
% of ownership interests/voting rights held by NCI 非控股權益持有擁有權權益/投票權比例		44.55%		49%	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 31 December:	於十二月三十一日				
Non-current assets	非流動資產	64,381	63,808	227	33,562
Current assets	流動資產	11,278	11,578	21,325	26,850
Current liabilities	流動負債	(16,981)	(17,633)	(12,260)	(12,432)
Non-current liabilities	非流動負債	(13,099)	(12,851)	-	(8,349)
Net assets	淨資產	45,579	44,902	9,292	39,631
Accumulated NCI	累計非控股權益	20,305	20,004	4,553	19,419

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資(續)

Notes: (Continued)

附註：(續)

		VCL		LCE Group	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended 31 December:	截至十二月三十一日止年度				
Profit/(loss) and total comprehensive income	收益/(虧損)與全面收益總額	677	(4,750)	(30,339)	(7,500)
Loss allocated to NCI	分配至非控股權益之虧損	337	(1,854)	(14,866)	(3,675)
Net cash (used in)/generated from operating activities	經營活動(耗用)/產生之淨現金	-	(2,240)	(8,365)	11,784
Net cash (used in)/generated from investing activities	投資活動(耗用)/產生之淨現金	(25)	1,104	(502)	12
Net cash (used in)/generated from financing activities	融資活動(耗用)/產生之淨現金	(478)	597	-	-
Exchange reserves	匯兌儲備	(16)	(91)	70	-
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(519)	(630)	(8,797)	11,796

27. INVESTMENT IN AN ASSOCIATE

27. 於一間聯營公司之投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted investment:	非上市投資：		
Share of net assets	應佔淨資產	3,934	2,871
Goodwill	商譽	7,224	7,224
		11,158	10,095
Less: Accumulated impairment loss (note (b))	減：累計減值虧損(附註(b))	(7,224)	(7,224)
		3,934	2,871

Note:

附註：

(a) Details of the Group's associate at 31 December 2019 are as follows:

(a) 本集團於二零一九年十二月三十一日之聯營公司詳情如下：

Name 名稱	Place of establishment 成立地點	Registered capital 註冊資本	Percentage of ownership interest 擁有權益百分比	Principal activities 主要業務
上海澤維信息技術有限公司 ("Zewei") 上海澤維信息技術有限公司(「澤維」)	The PRC 中國	RMB6,060,606 人民幣6,060,606元	27.4%	Provision of information inquiries and sharing services 提供資訊查詢及分享服務

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27. INVESTMENT IN AN ASSOCIATE (Continued)

Note: (Continued)

(a) (Continued)

The following table shows information on the associate that is material to the Group. This associate is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the associate's adjusted management financial statements prepared under IFRS.

27. 於一間聯營公司之投資(續)

附註：(續)

(a) (續)

下表載列一間對本集團而言屬重大的聯營公司資料。該聯營公司採用權益會計法計入綜合財務報表。所呈列財務資料概要乃基於該聯營公司按國際財務報告準則編製之經調整管理財務報表。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 31 December:	於十二月三十一日：		
Non-current assets	非流動資產	310	539
Current assets	流動資產	16,608	11,585
Non-current liabilities	非流動負債	(206)	(206)
Current liabilities	流動負債	(2,356)	(1,441)
Net assets	淨資產	14,356	10,477
Group's share of net assets	本集團應佔淨資產	3,934	2,871
Goodwill	商譽	7,224	7,224
Group's share of carrying amount of interests	本集團應佔權益賬面值	11,158	10,095
Year ended 31 December:	截至十二月三十一日止年度：		
Revenue	收入	32,953	12,869
Profit/(loss) for the year and total comprehensive income	年內溢利/(虧損)及全面收益總額	3,879	(642)

27. INVESTMENT IN AN ASSOCIATE (Continued)*Notes: (Continued)*

- (b) The recoverable amount of the investment in Zewei, is determined from the value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rate and budgeted revenue. 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 investment in Zewei. The growth rate is based on long-term average economic growth rate of the geographical area in which Zewei operates. Budgeted revenue are based on expectations on market development of related operations.

The cash flow forecasts of Zewei were derived from the most recent financial budgets approved by the directors covering a five-year period using a growth rate of 3%. The pre-tax rate used to discount the forecast cash flow is 23.5% (2018: 21.5%). Since the recoverable amount of Zewei was approximate to its carrying amount, no impairment loss was recognised in 2019 (2018: Nil).

As at 31 December 2019, the bank and cash balances of the Group's associate in the PRC denominated in RMB amounted to RMB13,234,000 (2018: RMB10,994,000). Conversion of RMB into foreign currencies and remittance of RMB out of the PRC are subject to the foreign exchange control regulations imposed by the PRC government.

27. 於一間聯營公司之投資(續)*附註：(續)*

- (b) 投資澤維之可收回金額乃按使用價值計算釐定。使用價值計算所涉及主要假設乃與貼現率、增長率及預算營業額相關者。本集團使用反映當前市場之貨幣時間價值評估及投資澤維之特定風險之除稅前比率估計貼現率。增長率乃基於澤維營運所在地區之長期平均經濟增長率。預算營業額乃基於相關營運之預期市場發展。

澤維之現金流量預測乃源自董事所批准採用增長率3%計算涵蓋五年期之最近期財務預算。用以貼現預測現金流量之除稅前比率為23.5% (二零一八年：21.5%)。由於澤維之可收回金額與其賬面值相若，故並無於二零一九年確認減值虧損 (二零一八年：無)。

於二零一九年十二月三十一日，本集團之中國聯營公司以人民幣計值之銀行及現金結存為人民幣13,234,000元 (二零一八年：人民幣10,994,000元)。將人民幣兌換為外幣及匯出中國境外須遵守中國政府實施之外匯管制規定。

28. FINANCIAL ASSETS AT FVTOCI**28. 按公允值計入其他全面收益之金融資產**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Unlisted equity securities	非上市股本證券	-	-

The unlisted equity securities represented an investment of 1.81% equity interest in a private company established in the PRC.

非上市股本證券指於一間在中國成立之私人公司之 1.81% 股權投資。

The fair value of this investment at 31 December 2019 and 2018 was valued on market comparison approach with reference to market comparable ratio of listed companies engaging in similar business of the investee. The valuation was performed by AVISTA Valuation Advisory Limited ("AVISTA"), an independent valuation firm. By taking into account of the valuation prepared by AVISTA, the management considered the fair value of the financial assets at FVTOCI at 31 December 2019 was still immaterial.

此投資於二零一九年及二零一八年十二月三十一日之公允值乃以市場比較法並參照從事與投資對象相近業務之上市公司之市場可比率進行估值。估值由獨立估值公司艾華迪評估諮詢有限公司(「艾華迪」)進行。考慮艾華迪所編製之估值後，管理層認為按公允值計入其他全面收益之金融資產於二零一九年十二月三十一日之公允值仍為並不重大。

The above financial assets at FVTOCI are denominated in RMB.

上述按公允值計入其他全面收益之金融資產以人民幣計值。

During the year 2018, the Group disposed its 2.44% (which was diluted to 2.1803% during 2018) entire equity interests in another private company established in the PRC at a consideration of RMB2,800,000 and related cost incurred for the disposal was RMB170,000. The Group disposed the investment for the purpose of partial settlement of bank loan outstanding. The reserve related to this investment had been transferred from financial assets at FVTOCI reserves to accumulated losses upon disposal.

於二零一八年度，本集團出售其於另一間在中國成立之私人公司全部股權中之 2.44% 權益(於二零一八年攤薄至 2.1803%)，代價為人民幣 2,800,000 元，而出售所產生相關成本為人民幣 170,000 元。本集團出售有關投資，旨在結清部分未償還銀行貸款。與是項投資相關之儲備已於出售時由按公允值計入其他全面收益之金融資產轉撥至累計虧損。

29. INVENTORIES

29. 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Finished goods	製成品	5,991	2,795
Less: Allowance	減：撥備	(2,681)	(948)
		3,310	1,847

Reconciliation of allowance for inventories:

存貨撥備對賬：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	948	949
Write-off	撇銷	-	(39)
Allowance for the year	年內撥備	1,718	-
Exchange differences	匯兌差額	15	38
At 31 December	於十二月三十一日	2,681	948

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30. TRADE AND OTHER RECEIVABLES

30. 應收賬款及其他應收款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables (note (a))	應收賬款(附註(a))	6,273	2,653
Less: Allowance	減：撥備	(410)	(560)
		5,863	2,093
Deposits (note (b))	按金(附註(b))	7,578	2,472
Prepayments	預付款	1,789	1,076
Other receivables	其他應收款		
— Settlement obligation receivable (note (c))	— 應收清算責任(附註(c))	1,553	3,761
— Others (note (d))	— 其他(附註(d))	2,741	791
		19,524	10,193

30. TRADE AND OTHER RECEIVABLES (Continued)**30. 應收賬款及其他應收款(續)**

Note:

(a) Trade receivables

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 1 to 90 days. 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 and senior management.

The ageing analysis of the Group's trade receivables, based on the invoice date, and net of allowance, is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Up to 3 months	3個月內	5,799	1,950
3 to 6 months	3至6個月	10	-
6 months to 1 year	6個月至1年	46	63
Over 1 year	1年以上	8	80
		5,863	2,093

The carrying amounts of the Group's net trade receivables are denominated in the following currencies:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
HK\$	港幣	61	101
RMB	人民幣	3,585	1,992
US\$	美元	2,217	-
		5,863	2,093

附註：

(a) 應收賬款

本集團與客戶之貿易條款以信貸方式為主。信用期限一般介乎1至90天。新客戶通常須支付預付款。本集團力求保持嚴格控制未結清應收賬款。董事及高級管理人員定期審閱逾期餘額。

根據發票日期，本集團應收賬款（經扣除撥備）之賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Up to 3 months	3個月內	5,799	1,950
3 to 6 months	3至6個月	10	-
6 months to 1 year	6個月至1年	46	63
Over 1 year	1年以上	8	80
		5,863	2,093

本集團應收賬款淨額之賬面值以下列貨幣計值：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
HK\$	港幣	61	101
RMB	人民幣	3,585	1,992
US\$	美元	2,217	-
		5,863	2,093

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30. TRADE AND OTHER RECEIVABLES (Continued)

Note: (Continued)

- (b) Included amounts of RMB2,860,000 represented guarantee deposits paid to suppliers to ensure the stability of goods supply.
- (c) The amount as at 31 December 2019 was received after year end from an e-commerce partner for settlement of the obligations as disclosed in note 32(b).
- (d) Reversal of impairment loss of RMB190,000 (2018: RMB11,644,000 impairment loss) on VAT recoverable was recognised for the year ended 31 December 2019 due to utilisation of VAT recoverable during the year.

31. CASH AND CASH EQUIVALENTS

30. 應收賬款及其他應收款(續)

附註：(續)

- (b) 該等金額包括指向供應商支付保證金人民幣2,860,000元，以確保貨品供應穩定。
- (c) 誠如附註32(b)所披露，於二零一九年十二月三十一日之款項乃於年末後從電子商務夥伴就償付責任收取。
- (d) 截至二零一九年十二月三十一日止年度，由於在年內動用增值稅抵扣，故就增值稅抵扣確認減值虧損撥回人民幣190,000元(二零一八年：減值虧損人民幣11,644,000元)

31. 現金及現金等價物

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Bank and cash balances	銀行及現金結餘	85,931	252,459
Time deposits mature within three months (note (a))	三個月內到期之定期存款 (附註(a))	140,443	-
		226,374	252,459

31. CASH AND CASH EQUIVALENTS (Continued)

Note:

- (a) The Group placed time deposits with banks with high credit-rating assigned by international credit-rating agencies in Hong Kong, with fixed maturities and fixed interest rate which expose the Group to fair value interest rate risk.

The interest rate on short-term bank deposits were ranging from 2.08% to 2.45% in 2019 per annum.

The balance were denominated in HK\$.

- (b) As at 31 December 2019, bank balance of RMB1,636,000 (2018: RMB1,443,000) was restricted for the purpose of settlement obligations as set out in note 32(b).

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
US\$	美元	51	50
HK\$	港幣	212,664	229,764
RMB	人民幣	13,652	22,635
Others	其他	7	10
		226,374	252,459

As at 31 December 2019, the Group's bank and cash balances held by the PRC subsidiaries denominated in RMB amounted to RMB13,367,000 (2018: RMB22,633,000). Conversion of RMB out of the PRC are subject to the foreign exchange control regulations imposed by the PRC government.

31. 現金及現金等價物(續)

附註：

- (a) 本集團將定期存款存於獲國際信貸評級機構評為高信貸評級之香港銀行，其有固定到期日及按固定利率計息，令本集團承受公允值利率風險。

於二零一九年，短期銀行存款之年利率介乎2.08%至2.45%。

結餘均以港幣計值。

- (b) 於二零一九年十二月三十一日，人民幣1,636,000元(二零一八年：人民幣1,443,000元)銀行結存限於用作附註32(b)所載清算責任。

本集團現金及現金等價物之賬面值以下列貨幣計值：

於二零一九年十二月三十一日，本集團中國附屬公司所持以人民幣計值之銀行及現金結存約為人民幣13,367,000元(二零一八年：人民幣22,633,000元)。將人民幣兌換為外幣並匯出中國境外須遵守中國政府實施之外匯管制規定。

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32. TRADE AND OTHER PAYABLES

32. 應付賬款及其他應付款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade payables (note (a))	應付賬款(附註(a))	1,590	1,069
Other payables	其他應付款		
— Settlement obligation (note (b))	— 清算責任(附註(b))	3,190	5,204
— Other tax payables	— 其他應付稅項	301	114
— Rental deposits from tenants	— 自租戶收取之租約按金	1,159	1,147
— Others	— 其他	2,175	1,653
Capital gain tax payable (note (c))	資本增值稅應付款(附註(c))	6,602	6,467
Provision for social security costs	社會保障費用撥備	5,412	4,716
Accrued expenses	預提費用	2,542	2,986
		22,971	23,356

Note:

- (a) The ageing analysis of the Group's trade payables, based on the date of receipt of goods or service consumed, is as follows:

附註：

- (a) 根據收貨或享用服務日期，本集團應付賬款之賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Up to 3 months	3個月內	882	400
3 to 6 months	3至6個月	-	23
6 months to 1 year	6個月至1年	-	6
Over 1 year	1年以上	708	640
		1,590	1,069

32. TRADE AND OTHER PAYABLES (Continued)

Note: (Continued)

(a) (Continued)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	1,350	751
HK\$	港幣	240	318
		1,590	1,069

(b) The settlement obligations are recognised upon receipt of fund mainly from the end user customers of WeChat Pay service. The balance represents the Group's obligations to remit the same amount to designated contracted merchants. The settlement is normally done in the next two business day of the transaction date.

(c) As at 31 December 2019, the Group had provision of the capital gain tax of RMB6,602,000 (2018: RMB6,467,000) relating to the acquisition of LCE Group (note 36) (note 46). A provision of RMB566,000 was recognised upon issuance of consideration shares in 2018 as disclosed in note 38(a).

33. DUE FROM/TO NON-CONTROLLING INTEREST/DIRECTORS

The amounts due from/to non-controlling interest and directors are unsecured, interest-free and have no fixed term of repayment.

32. 應付賬款及其他應付款(續)

附註：(續)

(a) (續)

本集團應付賬款之賬面值以下列貨幣計值：

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	1,350	751
HK\$	港幣	240	318
		1,590	1,069

(b) 清算責任乃主要於收取微信支付服務終端客戶款項時確認。該結餘指於本集團匯出同等金額至指定合約商戶之責任。一般而言，清算將於交易日期後兩個營業日內完成。

(c) 於二零一九年十二月三十一日，本集團就收購LCE Group計提資本增值稅撥備人民幣6,602,000元(二零一八年：人民幣6,467,000元)(附註36)及(附註46)。誠如附註38(a)所披露，因於二零一八年發行代價股份而確認撥備人民幣566,000元。

33. 應收／應付董事及非控股權益款項

應收／應付非控股權益及董事之款項為無抵押、免息及並無固定償還期。

34. BANK LOANS AND BANKING FACILITIES

The analysis of the Group's bank loans is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Secured bank loans repayable within one year	須於一年內償還之 已抵押銀行貸款	9,000	9,000

The carrying amounts of the Group's bank loans are denominated in RMB.

34. 銀行貸款及銀行融資

本集團銀行貸款分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Secured bank loans repayable within one year	須於一年內償還之 已抵押銀行貸款	9,000	9,000

本集團銀行貸款之賬面值以人民幣計值。

The Group's bank loans are arranged at the following interest rates:

本集團之銀行貸款按下列利率計息：

		2019 二零一九年	2018 二零一八年
Bank loan at fixed rate of RMB9,000,000 (2018: RMB2,000,000)	按固定利率計息之銀行貸款 人民幣 9,000,000 元 (二零一八年： 人民幣 2,000,000 元)	5.44%	5.22%
Bank loan at floating rate of nil (2018: RMB7,000,000)	並無按浮動利率計息之 銀行貸款(二零一八年： 人民幣 7,000,000 元)	-	6.09%

The Group's bank loans are repayable within one year. Bank loan of RMB9,000,000 (2018: RMB2,000,000) is arranged at fixed interest rate and expose the Group to fair value interest rate risk while no bank loan is arranged at floating interest rate (2018: RMB7,000,000). As at 31 December 2018, bank loan at floating interest rate was exposing the Group to cash flow interest rate risk.

本集團之銀行貸款須於一年內償還。銀行貸款人民幣 9,000,000 元(二零一八年：人民幣 2,000,000 元)按固定利率計息及本集團承受公允值利率風險，而並無銀行貸款(二零一八年：人民幣 7,000,000 元)按浮動利率計息。於二零一八年十二月三十一日，按浮動利率計息之銀行貸款令本集團承受現金流量利率風險。

34. BANK LOANS AND BANKING FACILITIES (Continued)

As at 31 December 2019, the Group's banking facilities and bank loans totalling RMB9,000,000 (2018: RMB9,000,000) are secured by:

- Charge over the Group's building located in the PRC (note 19(b));
- Charge over the Group's investment properties (note 20);
- Charge over the Group's right-of-use assets related to leasehold lands in the PRC (note 21) (2018: prepaid land lease payments located in the PRC (note 23)); and
- Personal guarantee of a director of the Company's subsidiaries (note 45(b)).

34. 銀行貸款及銀行融資(續)

於二零一九年十二月三十一日，本集團銀行融資及銀行貸款合共為人民幣9,000,000元(二零一八年：人民幣9,000,000元)乃以下列項目抵押：

- 本集團位於中國之樓宇(附註19(b))；
- 本集團投資物業(附註20)；
- 本集團位於中國之租賃土地使用權資產(附註21)(二零一八年：位於中國土地租賃預付款(附註23))；及
- 本公司附屬公司一名董事之個人擔保(附註45(b))。

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35. LEASE LIABILITIES

35. 租賃負債

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款現值	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	1,451	-	1,330	-
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	709	-	675	-
		2,160	-	2,005	-
Less: Future finance charges	減：日後財務費用	(155)	-	N/A	N/A
Present value of lease obligations	租賃責任現值	2,005	-	2,005	-
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：12個月內到期 應付款項 (於流動負債 列示)			(1,330)	-
Amount due for settlement after 12 months	12個月後到期 應付款項			675	-

35. LEASE LIABILITIES (Continued)

The carrying amounts of the Group's lease liabilities are denominated in the following currencies:

		2019 二零一九年 RMB'000 人民幣千元
RMB	人民幣	1,588
HK\$	港幣	417
		2,005

The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Comparative information as at 31 December 2018 has not been restated. Further details on the impact of the transition to IFRS 16 are set out in note 3(a).

35. 租賃負債(續)

本集團租賃負債之賬面值以下列貨幣計值：

本集團使用經修訂追溯法首次應用國際財務報告準則第16號，並調整於二零一九年一月一日之期初結餘以確認有關之前根據國際會計準則分類為經營租賃之租賃之租賃負債。於二零一八年十二月三十一日之比較資料並未經重列。過渡至國際財務報告準則第16號之影響載於附註3(a)。

36. CONTINGENT SHARES PAYABLE

On 10 October 2017, the Company entered into a conditional sale and purchase agreement (the “**Agreement**”) to acquire 51% of the equity interests of LCE Group at HK\$168,300,000 (equivalent to RMB140,308,000) and to be settled by cash and contingent consideration as follow:

- (i) HK\$25,000,000 cash paid on 10 June 2017;
- (ii) HK\$45,000,000 cash paid on completion date (i.e. 28 December 2017); and
- (iii) HK\$98,300,000 to be satisfied by allotment of consideration shares to be issued to vendor, subject to the fulfilment of the profits target for the year ending 31 December 2017, 2018 and 2019 (“**Profits Target**”) and adjustment (if any) as set out below.

36. 應付或然股份

於二零一七年十月十日，本公司訂立有條件買賣協議（「**該協議**」），以收購LCE Group之51%股權，代價為港幣168,300,000元（相等於人民幣140,308,000元），並將透過現金及或然代價之方式結付如下：

- (i) 於二零一七年六月十日支付現金港幣25,000,000元；
- (ii) 於完成日期（即二零一七年十二月二十八日）支付現金港幣45,000,000元；及
- (iii) 港幣98,300,000元將透過向賣方配發代價股份的方式結付，惟須待達致截至二零一七年、二零一八年及二零一九年十二月三十一日止年度之溢利目標（「**溢利目標**」）後方可進行，並可按下文所載方式作出調整（如有）。

	Year 2017 二零一七年	Year 2018 二零一八年	Year 2019 二零一九年
Profits Target 溢利目標	RMB15 million 人民幣15百萬元	RMB28 million 人民幣28百萬元	RMB37 million 人民幣37百萬元
No. of shares issued 已發行股份數目	61,437,500	114,683,333	151,545,833
Consideration Shares in value 代價股份價值	App. RMB15,998,000 (equivalent to HK\$18,431,250) 約人民幣15,998,000元 (相等於港幣 18,431,250元)	App. RMB29,864,000 (equivalent to HK\$34,405,000) 約人民幣29,864,000元 (相等於港幣 34,405,000元)	App. RMB39,463,000 (equivalent to HK\$45,463,750) 約人民幣39,463,000元 (相等於港幣 45,463,750元)

36. CONTINGENT SHARES PAYABLE (Continued)

(iii) (Continued)

- Pursuant to the Agreement, no adjustment will be made to the consideration shares if audited consolidated net profits of the LCE Group (the “**Actual Profits**”) for each of the years ended 31 December 2017, 2018 and 2019 is not less than the Profits Target of respective years disclosed above.
- In the event that the Actual Profits for each of the years ended 31 December 2017, 2018 and 2019 is less than 100% but more than 50% of the Profits Target, the number and value of consideration shares to be issued for respective years will be adjusted according to the agreed terms and calculation.
- In the event that the Actual Profits for each of the years ended 31 December 2017, 2018 and 2019 is less 50% of the Profits Target, the value of consideration shares to be issued for respective years will become nil.

On 25 June 2018, the Company issued 61,437,500 consideration shares to the vendor as the LCE Group met the 2017 Profits Target.

The LCE Group recorded operating losses for the years ended 31 December 2018 and 2019 and was unable to meet the both 2018 and 2019 Profits Target. Hence, the directors of the Company confirmed that the LCE Group failed to meet both 2018 and 2019 Profits Target, and the Company was not required to issue the remaining consideration shares. The carrying amounts of the consideration shares was nil as of 31 December 2019 and 31 December 2018 as a result.

36. 應付或然股份(續)

(iii) (續)

- 根據該協議，倘LCE集團截至二零一七年、二零一八年及二零一九年十二月三十一日止年度各年之經審核綜合純利(「**實際溢利**」)不少於上文所披露各年度之溢利目標，代價股份將不會作出調整。
- 倘截至二零一七年、二零一八年及二零一九年十二月三十一日止年度各年之實際溢利少於溢利目標之100%但多於50%，將就各年度發行之代價股份數目及價值將會根據協定條款及計算調整。
- 倘截至二零一七年、二零一八年及二零一九年十二月三十一日止年度各年之實際溢利少於溢利目標之50%，將不就各年度發行之代價股份。

於二零一八年六月二十五日，由於LCE集團達至二零一七年之溢利目標，故本公司向賣方發行61,437,500股代價股份。

截至二零一八及二零一九年十二月三十一日止年度，LCE集團錄得經營虧損且未能達至二零一八年及二零一九年之溢利目標。因此，本公司董事確認LCE集團未能達至二零一八年及二零一九年之溢利目標，而本公司並毋須發行剩餘代價股份。因此，截至二零一九年十二月三十一日及二零一八年十二月三十一日，代價股份之賬面值為零。

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36. CONTINGENT SHARES PAYABLE (Continued)

36. 應付或然股份(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	-	26,488
Shares issued upon fulfilment of target profit (note 38(a))	於達致溢利目標後發行之股份(附註38(a))	-	(5,414)
Fair value change	公允值變動	-	(21,359)
Exchange difference	匯兌差額	-	285
At 31 December	於十二月三十一日	-	-

The fair value of the Group's contingent shares payable was within level 2 of fair value hierarchy.

本集團之應付或然股份之公允值在公允值層級第2層範圍內。

37. DEFERRED TAX

The following are the deferred tax liabilities recognised by the Group.

37. 遞延稅項

本集團確認之遞延稅項負債如下。

		Property, plant and equipment and other assets	Investment properties	Customer relationship	Total
		物業、廠房 及設備以及 其他資產	投資物業	客戶關係	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	(589)	(12,383)	(10,019)	(22,991)
Credited to profit or loss (note 12)	計入損益(附註12)	51	200	1,670	1,921
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	(538)	(12,183)	(8,349)	(21,070)
Credited/(charged) to profit or loss (note 12)	計入/(扣除)損益 (附註12)	51	(300)	8,349	8,100
At 31 December 2019	於二零一九年 十二月三十一日	(487)	(12,483)	-	(12,970)

At 31 December 2019, the Group has unused tax losses of RMB153,257,000 (2018: RMB173,604,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses of RMB153,257,000 (2018: RMB173,604,000) due to the unpredictability of future profit streams.

於二零一九年十二月三十一日，本集團有未使用之稅項虧損約人民幣153,257,000元(二零一八年：人民幣173,604,000元)可供用作抵銷未來溢利。由於無法預測未來溢利來源，故並無就稅項虧損約人民幣153,257,000元(二零一八年：人民幣173,604,000元)確認遞延稅項資產。

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37. DEFERRED TAX (Continued)

The unused tax losses of RMB137,868,000 (2018: RMB158,902,000) will expire as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Year 2019	二零一九年	-	24,448
Year 2020	二零二零年	74,500	74,488
Year 2021	二零二一年	27,737	28,921
Year 2022	二零二二年	23,104	23,110
Year 2023	二零二三年	8,118	7,935
Year 2024	二零二四年	4,409	-
		137,868	158,902

Apart from the tax losses as disclosed above, the remaining tax losses may be carried forward indefinitely.

37. 遞延稅項(續)

未使用之稅項虧損約人民幣137,868,000元(二零一八年:人民幣158,902,000元)到期時間如下:

除上述披露之稅項虧損外,餘下稅項虧損可無限期結轉。

38. SHARE CAPITAL

38. 股本

		The Company 本公司		
		Number of shares 股份數目	Nominal value of shares 股份面值 HK\$'000 港幣千元	
Authorised:	法定：			
Ordinary shares of HK\$0.05 each	每股面值港幣0.05元之普通股			
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	8,000,000,000		400,000
		Number of shares 股份數目	Nominal value of shares 股份面值 HK\$'000 港幣千元	Nominal value of shares 股份面值 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：			
At 1 January 2018	於二零一八年一月一日	4,762,033,424	238,101	214,067
Issue of new shares upon consideration share granted (note (a))	於授出代價股份時 發行新股份(附註(a))	61,437,500	3,072	2,554
Issue of new shares upon placement (note (b))	於配售時發行新股份 (附註(b))	812,500,000	40,625	35,818
At 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年 十二月三十一日、 二零一九年一月一日 及二零一九年 十二月三十一日	5,635,970,924	281,798	252,439

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38. SHARE CAPITAL (Continued)

Notes:

- (a) On 25 June 2018, 61,437,500 consideration shares were issued at HK\$0.106 with value of totalling of RMB5,414,000 (equivalent to HK\$6,513,000), of which RMB2,860,000 (equivalent to HK\$3,441,000) was credited to the Company's share premium account, and RMB2,554,000 (equivalent to HK\$3,072,000) was credited to share capital upon the fulfilment of Profits Target as disclosed in note 36.
- (b) On 26 November 2018, the Company and Zhongtai International Securities Limited entered into a placing agreement in respect of the placement of 812,500,000 ordinary shares of HK\$0.05 each at a price of HK\$0.32 per share. The placement was completed on 12 December 2018 and the premium on the issued shares, amounting to RMB191,108,000 (equivalent to HK\$216,755,000), net of share issue expenses of RMB2,310,000 (equivalent to HK\$2,620,000), was credited to the Company's share premium account and RMB35,818,000 (equivalent to HK\$40,625,000) was credited to share capital.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

38. 股本(續)

附註：

- (a) 於二零一八年六月二十五日，61,437,500股代價股份按港幣0.106元發行，合共價值人民幣5,414,000元(相等於港幣6,513,000元)，於達至附註36所披露之溢利目標後，其中人民幣2,860,000元(相等於港幣3,441,000元)計入本公司股份溢價賬及人民幣2,554,000元(相等於港幣3,072,000元)計入股本。
- (b) 於二零一八年十一月二十六日，本公司與中泰國際證券有限公司訂立配售協議，以按價格每股港幣0.32元配售812,500,000股每股面值港幣0.05元之普通股。是項配售於二零一八年十二月十二日完成，扣除股份發行費用人民幣2,310,000元(相等於港幣2,620,000元)後，發行股份所得溢價人民幣191,108,000元(相等於港幣216,755,000元)計入本公司股份溢價賬及人民幣35,818,000元(相等於港幣40,625,000元)計入股本。

本集團資本管理之目的是為了保障本集團持續經營之能力，以持續向股東提供回報及為其他權益相關者帶來得益。

38. SHARE CAPITAL (Continued)

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 amount of dividends paid to shareholders, if any, return capital to shareholders, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies and processes during the years ended 31 December 2018 and 2019.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, accumulated losses and other reserves).

38. 股本(續)

本集團根據經濟環境及相關資產風險特徵的變動管理資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東之股息款額(如有)、向股東返還資本、發行新股份、或出售資產以減低債務。於截至二零一八年及二零一九年十二月三十一日止年度有關目的、政策及流程並無變動。

本集團基於債務對經調整資本比率監察資本。該比率以債務淨額除以經調整資本計算。債務淨額以債務總額減現金及現金等價物計算。經調整資本包括權益的全部組成部分(即股本、股份溢價、累計虧損及其他儲備)。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Debt (a)	債務(a)	40,821	38,353
Less: Cash and cash equivalents	減：現金及現金等價物	(226,374)	(252,459)
Net debt	債務淨額	N/A 不適用	N/A 不適用
Equity (b)	權益(b)	241,589	275,718
Net debt-to-adjusted capital ratio	債務對經調整資本比率	N/A 不適用	N/A 不適用

38. SHARE CAPITAL (Continued)

- (a) Debt is defined as trade and other payables, due to directors, bank loans, lease liabilities and related parties as detailed in notes 32 and 33, 34, 35 and 45(c) to the consolidated financial statements.
- (b) Equity includes all capital and reserves attributable to the owners of the Company.

It is the Group's strategy to keep the debt-to-adjusted capital ratio as low as feasible. Net debt-to-adjusted capital ratio was not applicable for the year ended 31 December 2019 because the Group had RMB226,374,000 bank and cash balances arising from the share placement held near the year ended 31 December 2018 which can be sufficient to repay all the debts of the Group.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

The Group checks the substantial share interests showing the non-public float through the Stock Exchange's website and it demonstrates continuing compliance with the 25% limit throughout the year. At 31 December 2019, 89.47% (2018: 89.47%) of shares were in public hands.

38. 股本(續)

- (a) 債務界定為應付賬款及其他應付款、應付董事、銀行貸款、租賃負債及關聯方款項，詳情見綜合財務報表附註32、33、34、35及45(c)。
- (b) 權益包括本公司股東應佔所有資本及儲備。

本集團的策略是盡可能將債務對經調整資本比率維持在低水平。截至二零一九年十二月三十一日止年度，淨債務對經調整資本比率並不適用，原因為本集團於接近截至二零一八年十二月三十一日止年度持有因股份配售產生之銀行及現金結存人民幣226,374,000元，足以用作償還本集團所有債務。

唯一外部實施的資本要求是本集團為維持在聯交所上市而必須有至少25%股份由公眾持有。

本集團透過聯交所網站查詢顯示非公眾持股量之主要股份權益，其顯示於本年度一直持續符合25%限額之規定。於二零一九年十二月三十一日，89.47%（二零一八年：89.47%）股份由公眾持有。

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY**39. 本公司財務狀況表及儲備變動****(a) Statement of financial position of the Company****(a) 本公司財務狀況表**

		At 31 December 於十二月三十一日	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	30,726	55,361
Current assets	流動資產		
Prepayment and other receivables	預付款及其他應收款	1,046	521
Due from subsidiaries	應收附屬公司款項	6,229	-
Cash and cash equivalents	現金及現金等價物	185,495	223,197
		192,770	223,718
Current liabilities	流動負債		
Accruals and other payables	預提費用及其他應付款	9,446	8,807
Due to a director	應付董事款項	896	-
		10,342	8,807
Net current assets	流動資產淨額	182,428	214,911
NET ASSETS	淨資產	213,154	270,272
Capital and reserves	資本及儲備		
Share capital	股本	252,439	252,439
Reserves	儲備	(39,285)	17,833
TOTAL EQUITY	總權益	213,154	270,272

Approved by the Board of Directors on 27 March 2020
and are signed on its behalf by:

董事會於二零二零年三月二十七日
批准及由下列人士代表簽署：

Yang Xin Min
楊新民
Director
董事

Ho Chi Kin
何致堅
Director
董事

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

		Share premium account 股份溢價賬 RMB'000 人民幣千元	Foreign currency translation reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
		(note 40(b)(i)) (附註40(b)(i))	(note 40(b)(iii)) (附註40(b)(iii))		
At 1 January 2018	於二零一八年一月一日	1,075,224	(95,063)	(1,120,729)	(140,568)
Total comprehensive income for the year	本年度全面收益總額	-	(3,497)	(32,070)	(35,567)
Issue of new shares upon consideration share granted (note 38(a))	於授出代價股份時發行新股份(附註38(a))	2,860	-	-	2,860
Issue of new shares upon placement (note 38(b))	於配售時發行新股份(附註38(b))	191,108	-	-	191,108
Changes in equity for the year	本年度權益變動	193,968	(3,497)	(32,070)	158,401
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及於二零一九年一月一日	1,269,192	(98,560)	(1,152,799)	17,833
Total comprehensive income for the year	本年度全面收益總額	-	14,857	(71,975)	(57,118)
Changes in equity for the year	本年度權益變動	-	14,857	(71,975)	(57,118)
At 31 December 2019	於二零一九年十二月三十一日	1,269,192	(83,703)	(1,224,774)	(39,285)

39. 本公司財務狀況表及儲備變動(續)

(b) 本公司儲備變動

40. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein are presented in the Group's 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 premium arising from the issue of shares at a price in excess of their par value. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) 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.

(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(d) to the consolidated financial statements.

40. 儲備

(a) 本集團

本集團之儲備金額及其變動於本集團之綜合損益與其他全面收益表以及綜合權益變動表呈列。

(b) 儲備性質及目的

(i) 股份溢價賬

股份溢價賬乃指因按高於每股面值之價格發行股份而產生之溢價。根據開曼群島公司法，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中到期之債務。

(ii) 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。

(iii) 匯兌儲備

匯兌儲備包括換算境外業務的財務報表所產生的所有外匯差額。本公司根據綜合財務報表附註4(d)所載會計政策處理該儲備。

40. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iv) Capital reserve

The capital reserve represents the premium arising from further acquisition of the equity interest up to 100% in GSTD during the year ended 31 December 2015.

(v) Other reserve

Other reserve represents the non-distributable reserves regarding the disposal of discontinued operations during the year ended 31 December 2015.

(vi) Financial assets at FVTOCI reserve

The financial assets at FVTOCI reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(m) to the consolidated financial statements.

40. 儲備(續)

(b) 儲備性質及目的(續)

(iv) 資本儲備

資本儲備指截至二零一五年十二月三十一日止年度自進一步收購華誠100%股權產生之溢價。

(v) 其他儲備

其他儲備指截至二零一五年十二月三十一日止年度出售已終止經營業務相關不可分派儲備。

(vi) 按公允值計入其他全面收益之金融資產儲備

按公允值計入其他全面收益之金融資產儲備包括於報告期末持有之按公允值計入其他全面收益之金融資產之公允值累計變動淨額，並根據綜合財務報表附註4(m)所載會計政策處理。

41. NOTE TO CASH FLOW STATEMENT

(a) 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.

	1 January 2019	Impact on initial application of IFRS 16 首次應用 國際財務 報告準則 第16號 之影響	Restated balance at 1 January 2019	Additions of new leases	Cash flows	Interest expenses	Exchange difference	31 December 2019	
2019 二零一九年	二零一九年 一月一日 RMB'000 人民幣千元	二零一九年 一月一日 RMB'000 人民幣千元	於 二零一九年 一月一日之 經重列結餘 RMB'000 人民幣千元	添置新租賃 RMB'000 人民幣千元	現金流量 RMB'000 人民幣千元	利息支出 RMB'000 人民幣千元	匯兌差額 RMB'000 人民幣千元	二零一九年 十二月 三十一日 RMB'000 人民幣千元	
		(note 3(a)) (附註3(a))							
Bank loans (note 34)	銀行貸款(附註34)	9,000	-	9,000	-	(478)	478	-	9,000
Lease liabilities (note 35)	租賃負債(附註35)	-	2,235	2,235	1,382	(1,742)	119	11	2,005
Due to related parties	應付關聯方款項	700	-	700	-	-	-	-	700
		9,700	2,235	11,935	1,382	(2,220)	597	11	11,705

41. 現金流量表附註

(a) 融資活動產生之負債對賬

下表顯示本集團融資活動產生之負債變動詳情(包括現金及非現金變動)。融資活動產生之負債為現金流量已於或未來現金流量將於本集團綜合現金流量表內分類為融資活動產生之現金流量之負債。

	1 January 2018	Cash flows	Interest expenses	31 December 2018	
2018 二零一八年	二零一八年 一月一日 RMB'000 人民幣千元	現金流量 RMB'000 人民幣千元	利息支出 RMB'000 人民幣千元	二零一八年 十二月 三十一日 RMB'000 人民幣千元	
Bank loans (note 34)	銀行貸款(附註34)	10,500	(967)	(533)	9,000
Due to related parties	應付關聯方款項	500	200	-	700
		11,000	(767)	(533)	9,700

41. NOTE TO CASH FLOW STATEMENT (Continued)**(b) Total cash outflow for leases**

Amounts included in the cash flow statements for leases comprise the following:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within operating cash flows	計入經營現金流量	835	2,716
Within financing cash flows	計入融資現金流量	1,623	-
		2,458	2,716

These amounts relate to the following:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Lease rental paid	已付租賃租金	2,458	2,716

41. 現金流量表附註(續)**(b) 租賃之現金流量總額**

就租賃計入現金流量表之金額包括以下項目：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within operating cash flows	計入經營現金流量	835	2,716
Within financing cash flows	計入融資現金流量	1,623	-
		2,458	2,716

該等金額與以下項目有關：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Lease rental paid	已付租賃租金	2,458	2,716

42. OPERATING LEASE ARRANGEMENTS

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 RMB'000 人民幣千元
Within one year	一年內	1,887
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	1,052
		2,939

The Group leases offices and land under operating lease with fixed rental. The lease runs for an initial period of one to three years, with an option to renew when all terms are renegotiated.

The Group regularly entered into short-term leases for offices. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 21.

As at 31 December 2019, the outstanding lease commitments relating to leasing of office under short-term leases was RMB112,000.

42. 經營租賃安排

於二零一八年十二月三十一日，根據不可撤銷營運租約應付未來最低租賃款項總額如下：

		2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	1,887
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	1,052
		2,939

本集團按營運租約以固定租金租賃辦公室及土地。租約初步租期為一至三年，本集團有權於續約時重新磋商一切條款。

本集團定時就辦公室訂立短期租賃。於二零一九年十二月三十一日，短期租賃組合與附註21所披露之短期租賃支出之短期租賃組合相若。

於二零一九年十二月三十一日，有關短期租賃下之辦公室租賃之未償還租賃承擔為人民幣112,000元。

42. OPERATING LEASE ARRANGEMENTS (Continued)

At 31 December 2018, the total future minimum lease expected to be received under non-cancellable operating leases are as follows:

		2018 二零一八年 RMB'000 人民幣千元
Within 1 year	1年內	1,783
After 1 year but within 5 years	1年後但不超過5年	2,945
		4,728

Operating leases relate to investment properties owned by the Group with lease terms of one to three years, with an option to renew the lease after the date at which time all terms are negotiated. All operating lease contracts contain market review clauses in the vent that the lessee exercises its options to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to property which is located in a location with a constant increase in value over the least four years. The Group did not identify any indications that this situation will change.

42. 經營租賃安排(續)

於二零一八年十二月三十一日，根據不可撤銷營運租約預期收取之未來最低租賃款項總額如下：

		2018 二零一八年 RMB'000 人民幣千元
Within 1 year	1年內	1,783
After 1 year but within 5 years	1年後但不超過5年	2,945
		4,728

本集團所擁有與投資物業有關之經營租賃租期為一至三年，且有權於續約時重新磋商一切條款。所有經營租賃合約均包含承租人可選擇按照市場條件進行續租的條款。租期屆滿時，承租人並無購買物業的選擇權。

未擔保殘值並不會為本集團造成重大風險，乃由於與其有關之物業位於在最少四年內價值將持續增加的地點。本集團並未識別出任何跡象顯示此狀況將會變動。

**42. OPERATING LEASE ARRANGEMENTS
(Continued)**

Minimum lease payments receivable on leases are as follows:

		2019 二零一九年 RMB'000 人民幣千元
Within the first year	第一年內	2,775
In the second year	第二年	1,843
In the third year	第三年	1,225
In the fourth year	第四年	730
Total	合計	6,573

The following table presents the amounts reported in profit or loss:

		2019 二零一九年 RMB'000 人民幣千元
Lease income on operating leases	經營租賃之租賃收入	2,973

42. 經營租賃安排(續)

租賃之最低應收租賃付款如下：

下表呈列呈報於損益之金額：

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43. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Intangible assets	無形資產	–	270

44. OTHER COMMITMENTS

At 31 December 2019, the Group had certain commitments in respect of the outstanding capital contribution of the following associated company and subsidiaries:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cloutac Networks Limited	踏雲網絡有限公司	439	430
托雲網絡科技(上海)有限公司*	托雲網絡科技(上海)有限公司*	–	878
Cosmartec Limited	環宇智能技術有限公司	26,896	26,348
Shanghai Jianerxiu Network Technology Co., Limited	上海簡而秀網絡科技有限公司	10,000	–
Haihai Travel Cloud Limited	嗨嗨旅遊雲有限公司	4,465	4,374
Solomedia (Yixing) Limited	鴿子數碼科技(宜興)有限公司	–	22,835
Solomedia Digital (Shanghai) Limited	鴿子數碼科技(上海)有限公司	–	2,635

* The subsidiary was de-registered during the year.

43. 資本承擔

於報告期末已訂約但尚未產生之資本承擔如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Intangible assets	無形資產	–	270

44. 其他承擔

於二零一九年十二月三十一日，本集團就以下聯營公司及附屬公司的未完成出資金額有若干承擔：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cloutac Networks Limited	踏雲網絡有限公司	439	430
托雲網絡科技(上海)有限公司*	托雲網絡科技(上海)有限公司*	–	878
Cosmartec Limited	環宇智能技術有限公司	26,896	26,348
Shanghai Jianerxiu Network Technology Co., Limited	上海簡而秀網絡科技有限公司	10,000	–
Haihai Travel Cloud Limited	嗨嗨旅遊雲有限公司	4,465	4,374
Solomedia (Yixing) Limited	鴿子數碼科技(宜興)有限公司	–	22,835
Solomedia Digital (Shanghai) Limited	鴿子數碼科技(上海)有限公司	–	2,635

* 附屬公司於年內撤銷註冊。

45. RELATED PARTIES TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had entered into the following transactions with its related parties during the year.

(a) Transactions with related parties

Name of related parties 關聯方名稱	Relationship 關係	Nature of transaction 交易性質	2019	2018
			二零一九年	二零一八年
			RMB'000 人民幣千元	RMB'000 人民幣千元
蘇州小璐機器人有限公司	Controlled by a senior management personnel of the Group 受本集團一名高級管理人員控制	Service cost charged 支付服務費	-	449
怡峰商務諮詢(上海)有限公司	Controlled by a senior management personnel of the Group 受本集團一名高級管理人員控制	Service income received 收取服務收入	-	444

(b) Details of guarantees provided by related parties for banking facilities granted to the Group are as set out in note 34 to the consolidated financial statements.

45. 關聯方交易

除綜合財務報表其他部分披露的關聯方交易及結餘外，本集團亦曾於年內與其關聯方訂立以下交易。

(a) 與關聯方之交易

(b) 關聯方就本集團獲授之銀行融資提供之擔保詳情載於綜合財務報表附註34。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

45. RELATED PARTIES TRANSACTIONS (Continued)

45. 關聯方交易(續)

(c) Amounts due from/(to) related parties

(c) 應收/(應付)關聯方款項

Name of related parties 關聯方名稱	Relationship 關係	Terms 條款	2019	2018
			二零一九年	二零一八年
			RMB'000 人民幣千元	RMB'000 人民幣千元
Lucky Creation Enterprise Limited	Non-controlling interest of the Group 本集團非控股權益	Unsecured, interest-free and have no fixed term of repayment 無抵押、免息及並無固定償還期	(5,232)	(5,125)
Singutac Group Holdings Limited 奇點勢能控股有限公司	Controlled by a senior management personnel of the Group 受本集團一名高級管理人員控制	Unsecured, interest-free and have no fixed term of repayment 無抵押、免息及並無固定償還期	77	86
Evolve Consulting Limited	Controlled by a senior management personnel of the Group 受本集團一名高級管理人員控制	Unsecured, interest-free and have no fixed term of repayment 無抵押、免息及並無固定償還期	1	-
Kwan Che Ho, Jacky 關志豪	A senior management personnel of the Group 本集團高級管理人員	Unsecured, interest-bearing of 10% per annum and repayable on or before 30 June 2020 (2018: repayable on or before 15 June 2019) 無抵押、按10%之年利率計息及須於二零二零年六月三十日或之前償還(二零一八年：須於二零一九年六月十五日或之前償還)	(700)	(700)

45. RELATED PARTIES TRANSACTIONS (Continued) 45. 關聯方交易(續)

(c) Amounts due from/(to) related parties
(Continued)(c) 應收/(應付)關聯方款項
(續)

Name of related parties 關聯方名稱	Relationship 關係	Terms 條款	2019	2018
			二零一九年	二零一八年
			RMB'000 人民幣千元	RMB'000 人民幣千元
蘇州小璐機器人有限公司	Controlled by a senior management personnel of the Group 受本集團一名高級管理人員控制	Unsecured, interest-free and have no fixed term of repayment 無抵押、免息及並無固定償還期	121	-
Kwan Che Hang, Jason 關志恒	A senior management personnel of the Group 本集團高級管理人員	Unsecured, interest-free and have no fixed term of repayment 無抵押、免息及並無固定償還期	1	(106)
Zhang Fang 張放	A senior management personnel of the Group 本集團高級管理人員	Unsecured, interest-free and have no fixed term of repayment 無抵押、免息及並無固定償還期	(17)	(33)
Yang Xin Min 楊新民	A director of the Company 本公司董事	Unsecured, interest-free and have no fixed term of repayment 無抵押、免息及並無固定償還期	(896)	-
Yang Zhen* 楊震*	A former director and son of a director of the Company 本公司前董事及本公司一名董事之兒子	Unsecured, interest-free and have no fixed term of repayment 無抵押、免息及並無固定償還期	(896)	33

* Included in other payables as at 31 December 2019.

* 於二零一九年十二月三十一日計入其他應付款。

45. RELATED PARTIES TRANSACTIONS (Continued)

- (d) The compensation to the Group's key management personnel, including amounts paid to the Company's directors and certain of the highest paid employees, is disclosed in note 15 to the consolidated financial statements.

The remuneration of directors and other members of key management during the year was as follows:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Short-term benefits 短期利益	8,421	5,233

46. CONTINGENT LIABILITIES

The Company acquired 51% equity interests in LCE Group from the vendor (a BVI company) in 2017 as disclosed in note 36. This transaction is regarded as indirect transfer of the PRC subsidiaries of LCE Group by non-tax residents and fall within the scope as described in the Public Notice [2015] No. 7 ("Public Notice 7") issued by the State Administration of Taxation (the "SAT").

The capital gain derived from such indirect transfer will be subject to EIT and the withholding agent should withhold the EIT amount for settlement with the PRC tax authorities pursuant to the Public Notice [2017] No. 37 and Public Notice 7 issued by the SAT. The PRC tax authorities would demand from the withholding agent for the payment of EIT and impose penalty of 50% to 3 times of the unpaid EIT. The penalty may be relieved if the share transfer transaction has been voluntarily reported to the PRC tax authorities.

45. 關聯方交易 (續)

- (d) 本集團主要管理人員之酬金(包括支付予本公司董事及若干最高薪酬僱員之款項)於綜合財務報表附註15中披露。

年內董事及主要管理層其他成員之薪酬如下：

46. 或然負債

誠如附註36所披露，本公司於二零一七年向賣方(一間英屬處女群島公司)收購LCE Group之51%股權。是項交易被視為由非稅務居民間接轉讓LCE Group之中國附屬公司，且屬國家稅務總局(「國家稅務總局」)頒佈之公告[2015]7號(「7號公告」)所述範疇內。

該間接轉讓所得資本收益將須繳納企業所得稅，且扣繳義務人須根據國家稅務總局頒佈之公告[2017]37號及7號公告向稅務機構代扣代繳企業所得稅。中國稅務機構將要求扣繳義務人繳納企業所得稅，並施加相當於未繳企業所得稅50%至三倍之滯納金。倘本集團主動向中國稅務機構呈報該股份轉讓交易，則上述滯納金或將予解除。

46. CONTINGENT LIABILITIES (Continued)

On 28 December 2017, the Group paid RMB58,358,000 (equivalent to HK\$70,000,000) to the vendor. On 25 June 2018, the Company issued consideration shares of RMB5,414,000 (equivalent to HK\$6,541,000) to the vendor as part of the consideration (note 36). Neither the Group nor the vendor has reported the share transfer transaction or has settled the EIT to the PRC tax authorities upon consideration being partially settled according to the Agreement. The directors, after consulting the Group's PRC legal counsel, were of opinion that a provision of RMB5,581,000 calculated based on the cash consideration paid to the vendor as of 31 December 2017 and further provision of RMB566,000 regarding the shares granted during 2018 were sufficiently made. They considered that the risk of having a penalty imposed by the PRC tax authorities arising from non-compliance was reasonably low.

Apart from above, the Group has no other material contingent liabilities as at 31 December 2019.

47. EVENTS AFTER THE REPORTING PERIOD

- (a) On 5 March 2020, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with the other shareholder of an indirect owned subsidiary to acquire entire 30% equity interest in that subsidiary engaging in provision of mobile payment service, for a cash consideration of HK\$8,100,000 (equivalent to RMB7,262,000). The acquisition was completed on 6 March 2020.

46. 或然負債(續)

於二零一七年十二月二十八日，本集團向賣方支付人民幣58,358,000元(相等於港幣70,000,000元)。於二零一八年六月二十五日，本公司向賣方發行為數人民幣5,414,000元(相等於港幣6,541,000元)之代價股份作為部分代價(附註36)。根據該協議結付部分代價後，本集團或賣方概無向中國稅務機構呈報股份轉讓交易或繳納企業所得稅。董事諮詢本集團之中國法律顧問後，認為按截至二零一七年十二月三十一日已付賣方之現金代價計提撥備人民幣5,581,000元及就於二零一八年授出之股份計提額外撥備人民幣566,000元已充份作出。且認為因不合規而遭中國稅務機構徵收滯納金之風險屬合理偏低。

除上述者外，於二零一九年十二月三十一日，本集團並無其他重大或然負債。

47. 報告期後事項

- (a) 於二零二零年三月五日，本公司一間全資附屬公司與一間間接擁有附屬公司的其他股東訂立買賣協議以收購該從事提供流動支付服務的附屬公司的全數30%股權，現金代價為港幣8,100,000元(相等於人民幣7,262,000元)。該收購於二零二零年三月六日完成。

47. EVENTS AFTER THE REPORTING PERIOD (Continued)

- (b) On 5 March 2020, the board of directors of the Company proposed to change the English name of the Company to “Smartac International Holdings Limited” and adopt a dual foreign name in Chinese of “環球智能控股有限公司” (the “**Proposed Change of Company Name**”). The Proposed Change of Company Name is subject to conditions being satisfied of (i) passing of a special resolution by the shareholders of the Company at an extraordinary general meeting of the Company to approve the Proposed Change of Company Name; and (ii) approval by the Registrar of Companies in the Cayman Islands.
- (c) After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impact on the Group’s financial position, cash flows and operating results at the date on which these financial statements are authorised for issue.

47. 報告期後事項 (續)

- (b) 於二零二零年三月五日，本公司董事會建議將本公司英文名稱更改為「Smartac International Holdings Limited」，並採納雙重中文外國名稱「環球智能控股有限公司」（「**建議更改公司名稱**」）。建議更改公司名稱須待條件(i)本公司股東於本公司股東特別大會通過特別決議案批准建議更改公司名稱；及(ii)獲開曼群島公司註冊處處長批准，達成後，方可作實。
- (c) 在二零二零年初爆發2019冠狀病毒之後，全球已採取並繼續實施一系列預防及控制措施。本集團密切關注2019冠狀病毒爆發的事態發展及所導致的業務和經濟活動中斷，並評估其對本集團財務狀況、現金流量及經營業績的影響。鑑於2019冠狀病毒疫情的多變性質，在該等財務報表獲授權刊發之日，合理估計其對本集團財務狀況、現金流量及經營業績的影響並不切實可行。



SMARTAC GROUP CHINA HOLDINGS LIMITED

中國智能集團控股有限公司

Incorporated in the Cayman Islands with limited liability

於開曼群島註冊成立之有限公司

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