

CHINA YOUZAN

08083.HK

Annual Report / 年報 2018

A Better Business with Youzan

做生意 用有贊



中國有贊有限公司
CHINA YOUZAN LIMITED

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FORWARD-LOOKING STATEMENTS

This annual report contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

前瞻性陳述

本年報載有若干陳述帶有前瞻性或使用類似前瞻性詞彙。該等前瞻性陳述乃基於本公司董事會當前對其所經營行業及市場的信念、假設及期望而作出。該等前瞻性陳述受風險、不明朗因素及其他非本公司所能控制之因素影響，可能令實際結果或業績與該等前瞻性陳述所明示或暗示之情況有重大差別。

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board of the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of China Youzan Limited (the “Company”, together with its subsidiaries, the “Group” or “We”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this report or any statement herein misleading.

香港聯合交易所有限公司（「聯交所」）GEM的特色

GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在主板上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於**GEM**上市公司普遍為中小型公司，在**GEM**買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在**GEM**買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及香港聯合交易所有限公司對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所**GEM**證券上市規則（「**GEM**上市規則」）而刊載，旨在提供有關中國有贊有限公司（「本公司」，連同其附屬公司統稱「本集團」或「我們」）的資料；本公司的董事（「董事」）願就本報告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. Guan Guisen
Mr. Cao Chunmeng
Mr. Yan Xiaotian
Mr. Zhu Ning
Mr. Cui Yusong
Mr. Yu Tao
Ms. Ying Hangyan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Fong Chi Wah
Mr. Gu Jiawang
Mr. Xu Yanqing
Mr. Deng Tao

COMPANY SECRETARY

Mr. Fung Kwok Leung

COMPLIANCE OFFICER

Mr. Guan Guisen

AUTHORISED REPRESENTATIVES

Mr. Yu Tao
Mr. Cao Chunmeng

AUDIT COMMITTEE

Dr. Fong Chi Wah (*Chairman*)
Mr. Gu Jiawang
Mr. Deng Tao

REMUNERATION COMMITTEE

Mr. Guan Guisen
Mr. Zhu Ning
Dr. Fong Chi Wah
Mr. Gu Jiawang
Mr. Deng Tao (*Chairman*)

執行董事

關貴森先生
曹春萌先生
閻曉田先生
朱寧先生
崔玉松先生
俞韜先生
應杭艷女士

獨立非執行董事

方志華博士
谷嘉旺先生
徐燕青先生
鄧濤先生

公司秘書

馮國良先生

監察主任

關貴森先生

法定代表

俞韜先生
曹春萌先生

審核委員會

方志華博士 (*主席*)
谷嘉旺先生
鄧濤先生

薪酬委員會

關貴森先生
朱寧先生
方志華博士
谷嘉旺先生
鄧濤先生 (*主席*)

CORPORATE INFORMATION

公司資料

NOMINATION COMMITTEE

Mr. Guan Guisen
Mr. Zhu Ning
Dr. Fong Chi Wah
Mr. Gu Jiawang
Mr. Deng Tao (*Chairman*)

RISK COMMITTEE

Mr. Yan Xiaotian (*Chairman*)
Mr. Cui Yusong
Mr. Yu Tao
Mr. Deng Tao

AUDITORS

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

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking
Corporation Limited

SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 2708, 27/F, The Center
99 Queen's Road Central, Hong Kong

STOCK CODE

8083

提名委員會

關貴森先生
朱寧先生
方志華博士
谷嘉旺先生
鄧濤先生 (*主席*)

風險委員會

閻曉田先生 (*主席*)
崔玉松先生
俞韜先生
鄧濤先生

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
利園二期二十九樓

主要往來銀行

香港上海匯豐銀行有限公司

股份過戶登記處

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香港皇后大道東183號
合和中心17樓1712-1716號舖

註冊辦事處

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

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香港皇后大道中99號
中環中心27樓2708室

股份代號

8083

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders:

First of all, I would like to thank you all for your understanding and support of our works. The past year marked a significant milestone for China Youzan Limited (formerly known as "China Innovationpay Group Limited") ("China Youzan", the "Company", together with its subsidiaries, the "Group"). In facing the global environment with intensifying fierce competition, we still firmly implemented the acquisitions of Qima Holdings Ltd. and its subsidiaries (collectively the "Youzan Group"), and renamed the Company as well as deepening our business development in the same year.

We found out that in recent years, there is an obvious growing trend for Chinese merchants to use third-party online and offline SaaS (Software as a Service) solutions to handle business related works. With the emergence of WeChat "Mini Program" and other products that can be used for enterprise intelligent operation, Chinese merchants begin to use third-party SaaS services for marketing activities, communicate with customers and analyze customer consumption behavior, so as to improve business efficiency, achieve precision marketing and customer repeated purchase. The business of merchants had already gradually shifted from focusing on "goods" to "people", grasping customer consumption behavior and maximizing the value of an individual customer has become the primary goal of merchants.

This trend has driven the shifting of merchants' demand for a single traffic platform and portal to the need for high-quality SaaS service. In light of this, China Youzan started a new milestone in 2018, and gradually sought for breakthroughs on its existing business model and basis to meet the operation needs of merchants. As the pioneer in the decentralized e-commerce sector, China Youzan has already formed a sound commercial closed-loop regime. By means of informatization and Internet, we improved the operation efficiency of merchants, linked up the online and offline channels, and directed the entire ecosystem into the refined operation of big data. With the accumulation of the number of merchants and existing technologies, China Youzan is able to achieve more intelligent purchasing, pricing, marketing and customer relationship maintenance for merchants.

尊敬的股東：

首先，感謝大家一直以來對中國有贊有限公司（前稱「中國創新支付集團有限公司」）（「中國有贊」、「本公司」，連同其附屬公司統稱「本集團」）工作的理解與支持。過去的一年，對於公司來說是一個重大的里程碑，面對全球日趨激烈的競爭環境，我們依然堅定地落實Qima Holdings Ltd. 及其附屬公司（統稱「有贊集團」）的收購事項，同年進行公司更名和業務深化。

我們發現近年來中國商家使用第三方線上線下SaaS（軟件即服務）解決方案處理業務相關工作的趨勢愈加明顯。隨著可用於企業智能運營的微信「小程序」等產品的出現，中國商家開始使用第三方SaaS服務進行營銷活動、與客戶進行溝通及分析客戶消費模式，務求達到提高營商效率、精準營銷及客戶複購等目的。商家生意已經從圍繞「貨」漸漸轉向至圍繞「人」，把客戶攥在自己手裡，最大化客戶本身價值成為商家首要目標。

這一趨勢推動了商家由對於單一流量平台和入口的需求，轉變為對高品質SaaS服務的需求。正因如此，中國有贊二零一八年從一個新的里程碑出發，逐步在既有業務模式及基礎之上，尋求突破，滿足商家運營上的需求。中國有贊作為去中心化電子商貿領域的引領者已形成較好的商業閉環，我們通過信息化、互聯網化手段提升商家經營效率，打通線上、線下渠道，並引領整個生態進入大數據精細化運營。隨著商家數量及既有技術的積累，今天的中國有贊已能夠替商家實現更智能化的進貨、定價、營銷及維護客戶關係。

CHAIRMAN'S STATEMENT

主席報告書

After the completion of the acquisition of Youzan Group in 2018, the merchant service segment was added into the principal operation of China Youzan in addition to the original third-party payment service segment. During the period under review, the Group's revenue was approximately HK\$684 million, of which, the revenue from the newly added merchant service segment was approximately HK\$503 million, representing approximately 73.5% of the total revenue of the Group. In the same year, the revenue from the third-party payment service segment was approximately HK\$154 million, accounting for approximately 22.5% of the total revenue of the Group and representing an increase of approximately HK\$17 million or approximately 12.4% as compared with approximately HK\$137 million in 2017. The increase was primarily attributable to the expansion of the existing third-party payment service and the increase in business brought by the acquisition of Youzan Group.

At present, the businesses of the Company are developing in its expected direction. Despite still incurring losses for the time being, we have laid a solid foundation for our future development. We expect that the businesses of the Company will grow significantly in the coming year, and at the same time, products and services will successively enter into commercialization stage. Our vision is to become the most trusted leader in the merchant service sector in China. We understand that as the pioneer of SaaS service providers as well as the innovator of the big data retail consumption ecosystem, our services are bringing fundamental changes to the business models of merchants.

中國有贊於二零一八年完成有贊集團收購項目，主要業務收入在原有第三方支付服務分部上增加了商家服務分部。回顧期內，本集團之營業額約為港幣6.84億元，其中新增商家服務分部之營業額約為港幣5.03億元，佔集團總營業額約73.5%。同年度，自第三方支付服務分部的營業額約為港幣1.54億元，佔集團總營業額約22.5%，較二零一七年度約港幣1.37億元增加約港幣0.17億元，升幅約為12.4%。該增加主要是由於拓展現有第三方支付服務以及收購有贊集團項目後業務增長所致。

目前公司的業務已經進入了預期的發展方向，雖然依然虧損，但是已經為未來發展奠定堅實的基礎，我們預期公司業務在下一年度中將會更顯著的增長，同時產品及服務亦會陸續進入商業化階段。我們的願景是成為中國商家服務領域裡最被信任的引領者。我們意識到，作為 SaaS 服務商裡的開拓者，及大數據零售消費生態模式的創新者，我們的服務正在為商家的營商模式帶來根本性的改變。

CHAIRMAN'S STATEMENT

主席報告書

In the future, merchant SaaS service in the PRC market will further move to “vertical” development and extend to customized services for specific industries. New SaaS service providers will also emerge in various vertical industry segments. As a pioneer of merchant SaaS service in China, I believe China Youzan will continue to lead the entire merchant service ecosystem in the future.

ACKNOWLEDGEMENT

I would like to express my sincere thanks to all of my China Youzan colleagues at all positions, past and present, whose hard works and commitment are the foundation of the Group's success. During my term, what I was utmost delighted to see was our Group had completed major strategic tasks one after another, including the acquisition of Youzan Group. Besides, I would like to express my gratitude to our shareholders and other stakeholders for their continuous tremendous support to the Group. It is their trust and contributions that enable the Group to stand here today and look into the future. The Company will reward all of you with relentless efforts and performance.

Mr. Guan Guisen

Chairman of the Board

Hong Kong, 26 March 2019

未來，中國市場的商家SaaS服務將進一步向「垂直化」發展，同時會往特定行業定制化服務延伸。各大垂直行業細分領域也會不斷湧出新興SaaS服務供應商。作為中國商家SaaS服務的先驅，本人相信中國有贊能夠在往後日子繼續領導整個商家服務的生態體系。

致謝

我衷心感謝過去或現在與我共同奮鬥，在各崗位緊守職責的中國有贊員工，他們的努力和投入是集團成功的基石。任內所見，最欣喜的莫過於集團完成一項又一項重大戰略工作，包括收購有贊集團等。另外，我要感謝股東及其他持份者一直以來對本集團的鼎力支持。集團能夠站在今天展望將來都歸功於他們的信任和付出，公司將通過堅持不懈的努力取得業績回報諸位。

關貴森先生

董事會主席

香港，二零一九年三月二十六日

ABOUT CHINA YOUZAN

關於中國有贊

China Youzan Limited is a renowned investment holding company committed to providing innovative and technological advancement in technology services, payment service for merchants as well as online and offline e-commerce solutions which also known as SaaS (Software as a Service). Our Group consists of the Company, Shenzhen Innovationpay Co., Limited and its subsidiaries, Country Praise Enterprises Limited (“CPE”) and its subsidiaries (collectively the “CPE Group”) and Youzan Group.

The Company was listed on the GEM of The Stock Exchange (stock code: 8083) in 2000. At present, the Group mainly operates its business across the People’s Republic of China (the “PRC”), employing nearly 2,206 employees. The Group currently offers online and offline merchants suites of comprehensive solutions comprising third-party payments and variety of SaaS products and comprehensive service through its e-commerce platform, like marketing and customer engagement tools to facilitate the process of transactions between merchants and their customers. As at 31 December 2018, the Group’s operation consists of four operating segments, which are (i) merchant service – provision of e-commerce platform with a variety of SaaS products and comprehensive services in the PRC through Youzan Group, which owns Youzan WeiMall, Youzan Retail, Youzan Beauty and other SaaS products; (ii) third-party payment service; (iii) Onecomm – provision of third-party payment system solution and sales of integrated smart point of sales devices; and (iv) general trading.

As previously disclosed in the circular dated 2 January 2018, Youzan Group derived its revenue from (i) transaction fee charged for transactions conducted on its e-commerce platform based SaaS products; and (ii) licence fee, premium functions, membership and other services charged for various e-commerce platform based SaaS products and solutions offering to merchants with aim to enhance their future transactions. Following the completion of the acquisition in April 2018, the Group has evolved to providing comprehensive and all-round e-commerce platform, which mainly includes e-commerce SaaS, store SaaS, distribution service, advertising service, value-added service and PaaS cloud service, constitute the Group’s merchant service sector. For details, please refer to the section below – “(A) MERCHANT SERVICE SEGMENT”.

中國有贊有限公司為一家致力於為商家提供科技服務及支付服務以及線上線下電子商務解決方案（亦稱為SaaS（軟件即服務））的創新與科技進步的知名投資控股有限公司。本集團包括本公司、深圳前海中創匯通互聯網金融服務有限公司及其附屬公司、Country Praise Enterprises Limited（「CPE」）及其附屬公司（統稱「CPE集團」）以及有贊集團。

本集團二零零零年於聯交所GEM上市（股份代號：8083），現時業務主要集中於中華人民共和國（「中國」），合共聘用接近2,206名員工。本集團現時透過電商平台為線上及線下商家提供各種綜合解決方案，包含第三方支付和各種SaaS產品及綜合服務，如市場推廣及顧客契合工具，以提升商家與其顧客的交易過程。截至二零一八年十二月三十一日，本集團的業務由四個經營分部組成，即(i)商家服務—透過有贊集團（其擁有有贊微商城，有贊零售，有贊美業等SaaS產品）於中國提供各種電商平台的SaaS產品和綜合服務；(ii)第三方支付服務；(iii)一鳴神州—提供第三方支付系統解決方案及銷售綜合智能銷售點裝置；及(iv)一般貿易。

如二零一八年一月二日通函所述，有贊集團的收益來自(i)通過基於其電商平台的SaaS產品進行交易的交易費；(ii)對各種基於電商平台的SaaS產品和解決方案所收取的授權費、高級功能、會員資格和其他服務收費，旨在增強商家未來的交易。於二零一八年四月完成收購事項後，本集團已發展為提供全面及全方位電商平台，主要包括電商SaaS、門店SaaS、分銷服務、廣告服務、增值服務及PaaS雲服務，構成本集團的商家服務分部。有關詳情，請參閱以下部分—「(A)商家服務分部」。

ABOUT CHINA YOUZAN

關於中國有贊

With the expansion and in-depth development of its business, the Group began to focus on the merchant service segment and third-party payment service segment since 2018.

(A) MERCHANT SERVICE SEGMENT

The merchant service is to help each and every merchant who values products and services to privatize customer assets, expand the internet customer base, and boost operating efficiency, help merchants achieve all around success. At the same time, it also satisfies merchants' needs on customer operation and precision marketing and provides all-rounded coverage on merchants' business scenarios to increase potential customers and reduce existing customer loss. The merchant service mainly consists of e-commerce SaaS, store SaaS, distribution service, advertising service, value-added service and PaaS cloud service.

- E-commerce SaaS: The e-commerce SaaS provides merchants with a one-stop solution in building up online stores for both traditional merchants and internet merchants. Registered merchants are accessible to more than 1,000 functions to manage their online stores. The e-commerce SaaS mainly consists of "Youzan WeiMall".
- Store SaaS: The store SaaS provides merchants with one-stop solutions in improving the operation efficiency of their physical stores. At present, the store SaaS is on its initial stage of commercialization. The store SaaS mainly consists of "Youzan Retail", "Youzan Chain", "Youzan Beauty" and "Youzan Catering".
- Distribution Service: The distribution service and SaaS service are highly mutually beneficial and win-win and it aims to set up a commercial system that links merchants on different points of the distribution chain.

隨著本集團擴張及業務深化，本集團自二零一八年起開始專注於商家服務分部，及第三方支付服務分部。

(A) 商家服務分部

商家服務旨在幫助每名重視產品及服務的商家將客戶資產私有化、擴大互聯網客戶基礎、提升運營效率及幫助商家取得全面成功。同時，其亦滿足商家實現客戶經營和精準營銷的需求，全方位覆蓋商家的經營場景，增加潛在客戶的同時減少現有客戶的流失。商家服務主要包括電商SaaS、門店SaaS、分銷服務、廣告服務、增值服務及PaaS雲服務。

- 電商SaaS：電商SaaS為商家提供一站式解決方案，為傳統商家及互聯網商家建立線上商店，註冊商家可通過一千多個功能管理其線上商店。電商SaaS主要包括「有贊微商城」。
- 門店SaaS：門店SaaS為商家提供可提高彼等的實體店運營效率的一站式解決方案。目前，門店SaaS正處於商業化初始階段，主要包括「有贊零售」、「有贊連鎖」、「有贊美業」及「有贊餐飲」。
- 分銷服務：分銷服務與SaaS服務是高度互惠共贏，其旨在建立一個商業體系，將銷售鏈條上不同環節的商家連接起來。

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- **Advertising Service:** The advertising service helps merchants to enlarge their brand influence and improve their operation efficiency by offering various online marketing and advertising channels. Merchants can make strong connection with their consumers through direct and indirect marketing and promoting activities integrated in our products and therefore privatize the consumers' membership as long-term profit generating assets by way of consumers' repeat purchase.
- **Value-added Service:** The value-added service improves the transaction conversion rate and capital turnover efficiency of merchants by providing such services as transaction endorsement and quick payment collection for Youzan merchants to enhance the trust between consumers and merchants, for the purpose of improving the customer base and operational efficiency of merchants.
- **PaaS Cloud Service:** Youzan Cloud aims to create ecological products with more value for merchants by aggregating third-party development resources to help merchants realizing business customization in terms of business process, page templates, visual components, business logic, and interface messages based on the existing standardized SaaS products.
- **廣告服務:** 廣告服務透過提供各類線上營銷及推廣渠道幫助商家擴大品牌影響力及提升運營效率。商家可通過融入產品內的直接及間接營銷及推廣活動與消費者建立緊密聯繫，從而透過消費者的反復購買將消費者的會員資格轉化為長期盈利資產。
- **增值服務:** 增值服務通過為有贊商家提供交易背書、快速回款等服務，提高消費者與商家間的信任度從而提升商家的交易轉化率和資金周轉效率，達到提升商家的客戶基礎和運營效率的目的。
- **PaaS雲服務:** 有贊雲旨在通過聚集第三方開發資源，幫助商家在已有的標準化SaaS產品基礎上，實現業務流程、頁面模板、可視組件、業務邏輯、接口消息的業務定制，從而為商家創造更多價值的生態化產品。

(B) THIRD-PARTY PAYMENT SERVICE SEGMENT

The third-party payment service aims at helping merchants to manage their assets and complete their online and offline transactions by providing various payment channels. Companies under the Group possess the "Certificate for Approval for Payment Business" issued by the People's Bank of China, which entitle them to operate the third-party payment business, physical prepaid cards business and virtual prepaid cards business in Mainland China. The third-party payment service mainly consists of the internet payment service, integrated payment service, cross-border Renminbi payment service and prepaid card service.

(B) 第三方支付服務分部

第三方支付服務旨在幫助商家管理資產、並通過提供多種支付渠道完成其線上線下交易。本集團旗下公司持有由中國人民銀行頒發的「支付業務許可證」，能夠在中國內地持牌經營第三方支付業務、實體預付卡業務及虛擬預付卡業務。第三方支付服務主要包括互聯網支付服務、綜合支付服務、跨境人民幣支付服務及預付卡服務。

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- Internet Payment Service: The internet payment service provides a speedy B2C and B2B mobile and internet payment gateway service to our merchants. All Chinese popular payment paths, such as WeChat Pay, ApplePay, AliPay and China Unionpay, have been built into the Group's payment gateway in providing our internet payment service.
- Integrated Payment Service: Integrated payment service can provide merchants with all-rounded support such as membership management and omni-channel, self-marketing services.
- Cross-border Renminbi Payment Service: The cross-border Renminbi payment service provides merchants with payment services in doing their businesses of cross-border trading in goods/ services.
- Prepaid Card Service: Virtual prepaid card service is the main contributor to the prepaid card service. Through the joint confirmed cooperation with the Group's distributors, the virtual prepaid card operating platform establishes an online and offline payment service by a virtual prepaid card product to support the needs under various payment handling conditions, help the distributors to develop and operate their own customers.
- 互聯網支付服務：互聯網支付服務為商家提供基於B2C及B2B的快捷移動支付網關服務。所有於中國盛行的支付方式（如微信支付、ApplePay、支付寶及中國銀聯）均已整合至本集團的支付網關以提供互聯網支付服務。
- 綜合支付服務：綜合支付服務可向商家提供全方位的支持，例如會員管理及全渠道自我營銷服務。
- 跨境人民幣支付服務：跨境人民幣支付服務向商家的貨品／服務跨境貿易業務提供支付服務。
- 預付卡服務：虛擬預付卡服務為預付卡服務的主要貢獻者。虛擬預付卡運營平台通過虛擬預付卡產品，打造線上線下的支付服務，以支持各種支付受理環境需要，與本集團分銷商以聯名認同的合作方式，幫助分銷商發展和經營客戶。

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BUSINESS PHILOSOPHY OF CHINA YOUZAN

The business philosophy of China Youzan is to help merchants in the Internet era to privatize customer assets, expand the Internet customer base, and boost operating efficiency through products and services, with a view to assisting businesses to succeed.

To fully implement our business philosophy, we must understand what merchants need and what problems they need to solve. The success of merchants' business requires a wide variety of support and auxiliary service. Therefore, the core of our work is to provide the most suitable "solution" to them. Our products can serve merchants from all aspects. For example, providing operating systems to improve the operating efficiency of merchants, and providing training service to make the employees of merchants competent for their job responsibilities, etc.

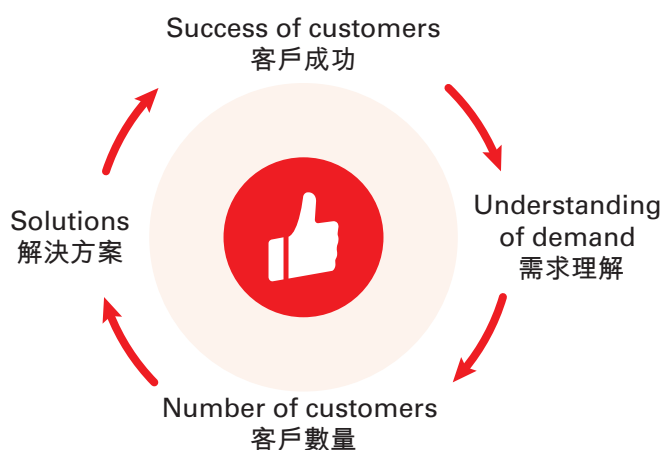
The core thinking of China Youzan is to help merchants achieving business success while maintaining our own business growth and eventually achieve a win-win situation. In general, the success of customers is our real success. China Youzan hopes to bring sustainable value to shareholders, investors, employees, customers, suppliers and communities in the short, medium and long term, and becomes the most trusted leader in the merchant service sector, the pioneer among SaaS service providers, and the innovator of big data retail consumption ecosystem in China.

中國有贊的經營理念

中國有贊的經營理念是，通過產品和服務，幫助互聯網時代的生意人私有化顧客資產、拓展互聯網客群、提高經營效率，全面助力商家成功。

要充份貫徹我們的經營理念，我們必須理解商家需要的是什麼以及要解決什麼問題。商家營商成功需要各式各樣的支持及輔助，因此我們的核心工作是提供最合適的「解決方案」給他們，我們的產品能夠從各個層面、各個方面替商家服務，比如提供運營系統讓商家能夠提高運營效率、提供培訓服務令商家的員工能夠勝任其崗位的職責等。

中國有贊的核心思想是幫助商家營商成功的同時，保持我們自己的業務增長，最終達成一個雙贏的局面。總結來說，客戶成功，我們才是真正的成功。中國有贊希望於短期、中期及長期為股東及投資者、員工、客戶、供應商及社區帶來可持續價值，成為中國商家服務領域裡最被信任的引領者；SaaS服務商裡的開拓者；及大數據零售消費生態模式的創新者。



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MERCHANTS CASES

商家示例

Name of Merchants 商家名稱	Industries 所在行業	Merchant Experience 商家體驗
GUOLIN 果琳	Fresh fruit retail 新鮮水果零售	Through the multi-outlet LBS functions of “Youzan WeiMall”, the integration of online and offline commodities, inventory and marketing are achieved. We retain outlet old customers and expand online new customers by adopting the models of multi-person grouping and self-picking up goods 通過「有贊微商城」多網點LBS功能，實現線上線下商品、庫存、行銷一體化；採用多人拼團及到店自提的模式，留存門店老客戶，擴展線上新客戶
China Youzan: We provide a complete online and offline all-rounded business plan for new retail merchants 中國有贊：面對新零售商家，我們提供完善的線上線下全方位經營方案		
HSTYLE 韓都衣舍	Women’s clothing retail 女裝成衣零售	By leveraging on the “coupon sharing” function of “Youzan Mini Program”, rapid business expansion and volume flow aggregation are achieved. During the two days warm-up period, more than 100,000 customers participated the activity, and the conversion rate was as high as 10.0%. 借助「有贊小程序」「瓜分券」功能，實現快速業務拓展及流量聚合。活動預熱兩天，參與客戶超過十萬人，轉化率高達10.0%。
China Youzan: We aim to make every merchant have its “Mini Program” in meeting its needs to accelerate its business expansion through integrated marketing via WeChat public account, Mini Program and WeChat group 中國有贊：讓每一個商家擁有合適自己的「小程序」，通過微信公眾號、小程序、微信群一體化營銷加速業務拓展		
AROMA YOKA 香氣優選	New media e-commerce 新媒體電商	By becoming the distribution market supplier of China Youzan, we vigorously develop sales channels to achieve all-round promotion of our own brands with monthly turnover of a single product exceeding RMB6,000,000. On 11 November 2018, through the four-dimensional interactive store coupons, i.e. outlet coupons, community group purchase, Youzan marketing and distribution channels, the on day GMV had exceeded RMB1 million, representing an increase of 2.6 times as compared with the same period of 2017. 通過成為中國有贊分銷市場供應商，大力發展銷售渠道，實現自有品牌全方位推廣，單月單品營業額超人民幣600.0萬元。二零一八年十一月十一日，通過店鋪優惠券、社群團購、有贊市場推廣及分銷渠道，四維互動，實現當日GMV突破人民幣一百萬元，較二零一七年同期增長2.6倍。
China Youzan: We provide one-stop solutions for new media e-commerce, including online marketing, fans interaction, distribution channels, warehousing and logistics and other comprehensive product and service support 中國有贊：為新媒體電商提供一站式解決方案，包括線上行銷、粉絲互動、分銷渠道倉儲物流等全方位產品服務支援		

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Name of Merchants 商家名稱	Industries 所在行業	Merchant Experience 商家體驗
CHANG NING RESERVE 昌寧號茶鋪	Tea drinks and beverages retail 茶飲酒水零售	The most important issue of new retail is system selection. "Youzan Chain" is able to meet the commercial settings of tea tasting in stores and online tea purchasing. The powerful data analysis function and clear member portrait have enabled CHANG NING RESERVE to better meet customer needs and improve customer stickiness. 新零售最重要的是系統選擇，「有贊連鎖」能夠滿足門店品茶、網店購茶的商業設定。強大的資料分析功能、清晰的會員畫像讓昌寧號茶鋪更好滿足客戶需求，提高客戶黏性。
China Youzan: We provide chain stores with comprehensive integrated management solutions covering store profit sharing, capital collection, fans management and flow conversion 中國有贊：為連鎖店提供門店分潤、資金歸集、粉絲管理、引流轉化等全方位一體化經營管理解決方案		

BOOK COW 奶牛布克	Mother and infant products retail 母嬰用品零售	In 2018, BOOK COW reached cooperation with "Youzan Retail" to help achieving online operation in different segments such as store commodities, orders, members, assets and sourcing channels. Apart from the basic management functions, the online store marketing and members value accumulation functions provided by "Youzan Retail" have also become the essential tools for BOOK COW to solicit and expand new customers and retain old customers. 二零一八年，奶牛布克與「有贊零售」達成合作，幫助奶牛布克實現門店商品、訂單、會員、資產、進貨渠道等各個板塊的線上化經營。除了基礎的管理功能之外，「有贊零售」所提供的網店行銷、會員儲值功能也成為奶牛布克的引流拓客、維繫舊客的必備工具。
China Youzan: We provide integrated online and offline business solutions for store merchants in terms of commodities, inventory, orders, assets, members and marketing 中國有贊：為門店商家提供商品、庫存、訂單、資產、會員、行銷線上線下一體化經營解決方案		

NATURADE 奈瑞兒	Beauty and body care 美容美體	NATURADE began in-depth development cooperation with China Youzan since the end of 2017 and launched several "Beauty" applets, among which, the reservation applet can help improving user experience. Marketing tools such as flower groups, new invitation groups and credit points redemption can increase the number of store visits of old customers and attract new customers around the community peripheral. The weight-losing program and the third-party weighing device used in stores can be opened up to facilitate users to inquire relevant data. 奈瑞兒從二零一七年底開始與中國有贊進行深度開發合作，上線數個「美業」小程序，其中上線預約小程序提升使用者使用體驗；鮮花團、邀新團、積分兌換等行銷工具能夠提升舊有客戶到店次數，並吸引社區周邊新客進店；減重程式，及門店使用的第三方稱重器打通，方便使用者查詢相關數據。
China Youzan: We help the merchants of "Youzan Beauty" to solve the core problems of store operation, such as user reservation and experience, marketing and customer expansion, member management and internal cooperation 中國有贊：幫助「有贊美業」商家解決用戶預約體驗、行銷拓客、會員管理、內部協作等門店經營核心問題		

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PRINCIPAL PLACE OF BUSINESS OF CHINA YOUZAN

中國有贊的主要運營地點



Hangzhou
杭州

Group Headquarters of China Youzan
中國有贊集團總部

Beijing
北京

Marketing Center of China Youzan
中國有贊市場營銷中心
Beijing R&D Center
北京研發中心

Shanghai
上海

Regional Operating Center
區域運營中心

Guangzhou
廣州

Regional Operating Center
區域運營中心

Shenzhen
深圳

Headquarters of China Youzan Beauty
中國有贊美業總部

Hong Kong
香港

Hong Kong Office of China Youzan
中國有贊香港辦公室

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FINANCIAL HIGHLIGHTS OF 2018

For the year ended 31 December

二零一八年財務摘要

截至十二月三十一日止年度

Results of the Group	集團業績	2018	2017	Changes
		二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	變幅 %
Revenue	營業額	684,459	207,856	229.3%
Gross profit	毛利	230,978	26,102	784.9%
Gross profit margin (%)	毛利率(%)	33.7%	12.6%	21.1%
Loss before tax	除稅前虧損	(893,204)	(135,548)	(559.0%)
Loss for the year	本年度虧損	(839,444)	(135,094)	(521.4%)
Loss per share	每股虧損			
– Basic (cents per share)	– 基本(每股港仙)	(4.50)	(1.67)	(169.5%)
Financial position	財務狀況			
Total assets	總資產	7,610,631	1,392,495	446.5%
Net assets	資產淨值	4,423,015	1,232,539	258.9%

During the year ended 31 December 2018 (the “Reporting Period”), the Group’s revenue was approximately HK\$684,459,000 (2017: approximately HK\$207,856,000), a 229.3% increase as compared to last year. The increase in revenue was mainly attributable to the expansion of the existing third-party payment service business and the inclusion of the revenue from merchant service as a new business segment upon the completion of the acquisition of the 51.0% equity interest in Youzan Group on 18 April 2018. The Group recorded a gross profit of approximately HK\$230,978,000 (2017: approximately HK\$26,102,000), representing an increase of 784.9% as compared with last year. The increase in gross profit was mainly attributable to the inclusion of the revenue from merchant service as a new business segment as well as the growth in the third-party payment service segment upon the completion of the acquisition of the 51.0% of Youzan Group on 18 April 2018. During the Reporting Period, the gross profit margin of the Group increased from 12.6% of last year to 33.7% of this year. The increase in gross profit margin was mainly contributable to the newly added merchant service segment.

截至二零一八年十二月三十一日止年度(「報告期」)，本集團營業額約為684,459,000港元(二零一七年：約207,856,000港元)，較去年增加229.3%。營業額增加主要由於拓展現有第三方支付業務以及自二零一八年四月十八日完成收購有贊集團51.0%股權以來新業務分類之商家服務業務之入賬所致。本集團錄得毛利約230,978,000港元(二零一七年：約26,102,000港元)，較去年增加784.9%。毛利增加主要由於自二零一八年四月十八日完成收購有贊集團51.0%股權以來，新業務分類之商家服務分部入賬及第三方支付服務分部之增長所致。報告期內集團毛利率由去年12.6%增加至本年度33.7%。毛利率的增長主要得益於新增商家服務分部的貢獻。

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During the Reporting Period, the Group recorded a loss for the year amounted to approximately HK\$839,444,000 (2017: loss of approximately HK\$135,094,000). The increase in loss was mainly due to the increase in selling and distribution expenses, administrative expenses, intangible assets amortisation and other operating expenses since the acquisition of Youzan Group, as well as the granting of Awarded Shares under the Share Award Scheme. Of the above losses, approximately HK\$56,597,000 (2017: Nil) was from goodwill impairment.

DIVIDENDS

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

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2018, the Company had cash and cash equivalents of approximately HK\$490,420,000 (2017: approximately HK\$314,270,000).

As at 31 December 2018, the Company had no bank borrowings (2017: Nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITY

Details of capital commitments of the Group are set out in note 50 to the accompanying consolidated financial statements. Details of contingent liability of the Group are set out in note 49 to the accompanying financial statements.

PLEDGE OF ASSETS

As at 31 December 2018, unlisted equity securities with carrying amount of approximately HK\$126,390,000 (2017: approximately HK\$108,227,000) were pledged as security for borrowings of the underlying investee company. The pledge was subsequently released on 29 January 2019.

報告期內，本集團錄得年度虧損約839,444,000港元（二零一七年：虧損約135,094,000港元）。虧損增加乃主要由於收購有贊集團以來銷售及分銷開支、行政開支、無形資產攤銷及其他經營開支增加，以及根據股份獎勵計劃授出獎勵股份所致。上述虧損中，約56,597,000港元（二零一七年：無）乃來自商譽減值。

股息

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

財務資源及流動資金

於二零一八年十二月三十一日，本公司現金及現金等價物約為490,420,000港元（二零一七年：約314,270,000港元）。

於二零一八年十二月三十一日，本公司概無任何銀行借款（二零一七年：無）。

資本承擔及或然負債

本集團資本承擔詳情載於隨附財務報表附註50。本集團或然負債詳情載於隨附財務報表附註49。

資產抵押

於二零一八年十二月三十一日，賬面值約126,390,000港元（二零一七年：約108,227,000港元）之非上市股本證券已就授予相關被投資公司借貸作抵押。抵押其後於二零一九年一月二十九日解除。

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FOREIGN EXCHANGE EXPOSURE

Since the Group's operations are mainly located in the PRC and its transactions, monetary assets and liabilities are primarily denominated in Renminbi, there is minimal exposure to foreign currency risks. The Group monitors its foreign currency risks and will consider hedging significant currency exposures should the need arises.

MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2018, the Group has no plan for material investments or acquisition of capital assets. Nevertheless, the Group is constantly looking for such opportunities to enhance the shareholders' value.

INTELLECTUAL PROPERTY

As at 31 December 2018, the Group had 261 (2017: 34) registered trademarks, all of which have been approved. At the same time, the Group had 75 software copyrights (2017: 50) and 17 patents (2017: 6), 15 of which are in the review stage.

EMPLOYEES

As at 31 December 2018, the Group has approximately 2,206 employees (2017: 239). Employees are remunerated according to their performance and work experience. In addition to basic salaries and retirement scheme, staff benefits include performance bonus, employee share options and Share Award Scheme. The Directors believe that good quality of its employees is a company asset which affects growth and improves profitability. The Group recognizes the importance of staff training and thus regularly provides internal and external training for its staff to enhance their skills and knowledge.

LITIGATION

As at 31 December 2018, the Group has no material outstanding litigation.

外匯風險

由於本集團之業務主要位於中國，其交易、貨幣資產及負債均主要按人民幣計值，故外匯風險輕微。本集團監察其外匯風險，並於有需要時考慮對沖重大貨幣風險。

重大投資或資本資產

於二零一八年十二月三十一日，本集團並無任何有關重大投資或收購資本資產的計劃。然而，本集團不斷物色可提升股東價值的商機。

知識產權

於二零一八年十二月三十一日，本集團已註冊二百六十一項商標（二零一七年：三十四項），全部商標已獲批准。同時，本集團擁有七十五項軟件著作權（二零一七年：五十項）及十七項專利（二零一七年：六項），其中十五項專利在審查階段。

僱員

於二零一八年十二月三十一日，本集團共聘用約2,206名僱員（二零一七年：239名）。僱員薪酬待遇乃按其表現及工作經驗而定。除基本薪金及退休計劃之外，員工福利亦包括表現花紅、員工購股權及股份獎勵計劃。董事認為，僱員是本公司的重要資產，亦是促進本集團發展及提高盈利能力之關鍵因素。本集團深知僱員培訓之重要性。故定期為僱員提供內部及外間培訓，以加強其技能及產品知識。

訴訟

於二零一八年十二月三十一日，本集團並無重大未決訴訟。

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MAJOR EVENTS OF LISTED COMPANIES IN 2018

1. Despatch of circular in relation to Major Transaction – Acquisition of 51% Equity Interest in Youzan Group

On 2 January 2018, the Company dispatched the circular in relation to the Major Transaction – Acquisition of 51% equity interest in Youzan Group.

On 26 January 2018, all of the proposed ordinary resolutions as set out in the notice of the SGM contained in the circular were duly passed at the SGM.

For details of the transaction and the poll results in respect of each of the resolutions, please refer to the Company announcement dated 2 January 2018 and 26 January 2018 respectively.

2. Completion of the Specific Mandate Placing

It is related to the Major Acquisition announcement of the Company dated 28 March 2017.

The conditions set out in the Specific Mandate Placing Agreement have been fulfilled and the Specific Mandate Placing was completed on 16 April 2018 in accordance with the terms and conditions of the Specific Mandate Placing Agreement. A total of 386,000,000 Specific Mandate Placing Shares have been successfully placed by the Placing Agent to not fewer than six Specific Mandate Placees at the Specific Mandate Placing Price of HK\$0.5 per Specific Mandate Placing Share pursuant to the Specific Mandate Placing Agreement. The net proceeds from the Specific Mandate Placing received by the Company, after deducting all related costs, fees, expenses and commission, amount to approximately HK\$187,479,500.

For details of the transaction, please refer to the Company announcement dated 16 April 2018.

二零一八年上市公司重大事項

1. 寄發有關主要交易－收購有贊集團之51%股權

於二零一八年一月二日，本公司寄發有關主要交易－收購有贊集團之51%股權之通函。

於二零一八年一月二十六日，載於通函內之股東特別大會通告所載之所有建議普通決議案已於股東特別大會上獲正式通過。

上述交易及各決議案之投票表決結果，請參閱本公司日期分別為二零一八年一月二日及二零一八年一月二十六日之公告。

2. 完成特別授權配售事項

茲提述本公司日期為二零一七年三月二十八日有關主要收購事項之公告。

特別授權配售協議所載之條件已獲達成，且特別授權配售事項已於二零一八年四月十六日根據特別授權配售協議之條款及條件完成。根據特別授權配售協議，合共386,000,000股特別授權配售股份已由配售代理按特別授權配售價每股特別授權配售股份0.5港元成功配售予不少於六名特別授權承配人。經扣除所有相關成本、費用、開支及佣金後，本公司收取的特別授權配售事項之所得款項淨額約為187,479,500港元。

有關上述交易詳情，請參閱本公司日期為二零一八年四月十六日之公告。

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3. Completion of the acquisition of Youzan Group

The conditions set out in the Sale and Purchase Agreement had been fulfilled and the Acquisition was completed on 18 April 2018 in accordance with the terms and conditions of the Sale and Purchase Agreement.

Upon Completion, 5,516,052,632 Consideration Shares were issued to the Sellers in proportion to their shareholding in Youzan Group at the issue price of HK\$0.38 (Closing price as at completion date: HK\$0.54) per Consideration Share to satisfy the Consideration of HK\$2,096,100,000.

For details of the transaction, please refer to the Company announcement dated 18 April 2018.

4. Adoption of Share Award Scheme

On 31 May 2018 (after trading hours), the Board approved the adoption of the Share Award Scheme with immediate effect, pursuant to which all Eligible Persons will be entitled to participate. The purpose of the Scheme is to recognise the contributions by certain Eligible Persons and provide them with incentives in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

For details, please refer to the Company's announcement dated 31 May 2018.

5. Change of Company Name

The resolution for the change of Company name was approved by the Shareholders at the SGM held on 8 May 2018. The change of Company name became effective on 21 May 2018.

The English name of the Company has been changed from "China Innovationpay Group Limited" to "China Youzan Limited" and the Chinese name of the Company has been changed from "中國創新支付集團有限公司" to "中國有贊有限公司".

3. 完成收購有贊集團

買賣協議所載之條件已獲達成，且收購事項已於二零一八年四月十八日根據買賣協議之條款及條件完成。

於完成後，5,516,052,632股代價股份按賣方於有贊集團之股權比例發行予賣方，發行價為每股代價股份0.38港元（完成日收市價：0.54港元），以償付代價2,096,100,000港元。

有關上述交易，請參閱本公司日期為二零一八年四月十八日之公告。

4. 採納股份獎勵計劃

於二零一八年五月三十一日（交易時段後），董事會批准採納股份獎勵計劃，即時生效，據此，所有合資格人士將有權參與。計劃之目的乃嘉許若干合資格人士之貢獻並向彼等提供獎勵，以挽留彼等服務於本集團之持續運營及發展，並為本集團之進一步發展吸引合適人員。

有關詳情，請參閱本公司日期為二零一八年五月三十一日之公告。

5. 更改公司名稱

更改公司名稱於二零一八年五月八日舉行之股東特別大會上獲股東批准通過後，更改公司名稱已於二零一八年五月二十一日生效。

本公司之英文名稱已由「China Innovationpay Group Limited」更改為「China Youzan Limited」，而中文名稱已由「中國創新支付集團有限公司」更改為「中國有贊有限公司」。

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Change of Stock Short Names

The English stock short name of the Company has been changed from “INNOVATIONPAY” to “CHINA YOUZAN” and the Chinese stock short name has been changed from “中國創新支付” to “中國有贊” from 9:00 a.m. on 15 June 2018. The stock code of the Company remains unchanged as “8083”.

Effect of the Change of Company Name

The change of Company name would not affect any rights of the Shareholders or the Group’s daily business operations and its financial position.

Change of Company Logo

The logo of the Company has been changed from “” to “” effective from 1 June 2018.

Change of Company Website

The website of the Company has been changed from <http://www.innovationpay.com.hk> to <http://www.Chinayouzan.com> effective from 1 June 2018.

6. Connected Transaction: Subscription of Shares in a Non-Wholly Owned Subsidiary

On 16 July 2018, the Company and Franchise Fund Limited entered into the Subscription Agreement with Qima Holdings Ltd. (“Qima Holdings”), a non-wholly owned subsidiary of the Company, in relation to the subscription of approximately 21,000,000 Qima Holdings Shares and approximately 7,000,000 Qima Holdings Shares respectively, in the respective consideration of approximately US\$30 million and approximately US\$10 million payable in cash upon the completion of the transaction.

Upon the completion of the transaction, the Company held approximately 51.48% of the total issued shares of Qima Holdings, which remained as a non-wholly owned subsidiary of the Company.


更改股份簡稱

本公司之英文股份簡稱已由「INNOVATIONPAY」更改為「CHINA YOUZAN」，而中文股份簡稱已由「中國創新支付」更改為「中國有贊」，自二零一八年六月十五日上午九時正起生效。本公司之股份代號維持不變為「8083」。

更改公司名稱之影響

更改公司名稱將不會影響股東之任何權利或本集團之日常業務運營及其財務狀況。

更改公司標誌

本公司標誌已由「」更改為「」，自二零一八年六月一日起生效。

更改公司網址

本公司網址已由 <http://www.innovationpay.com.hk> 更改為 <http://www.Chinayouzan.com>，自二零一八年六月一日起生效。

6. 關連交易：認購一間非全資附屬公司的股份

於二零一八年七月十六日，本公司及Franchise Fund Limited與Qima Holdings Ltd.（本公司非全資附屬公司）（「Qima Holdings」）訂立認購協議，內容有關分別認購約21,000,000股Qima Holdings股份及約7,000,000股Qima Holdings股份，代價分別約為30,000,000美元及約10,000,000美元，須於完成交易時以現金支付。

於交易完成時，本公司持有Qima Holdings全部已發行股份的約51.48%，並繼續為本公司非全資附屬公司。

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7. Change in Use of Proceeds

References are made to the Circular and Completion Announcement dated 2 January 2018 and 18 April 2018 respectively. The net proceeds from the SM Placing received by the Company, after deducting all related costs, fees, expenses and commission, amounted to approximately HK\$187 million, of which HK\$110 million will be used for business of Youzan Group through the Loan Agreement and approximately HK\$77.5 million will be used for the third-party payment service business of the Group. Having considered the reasons mentioned in the section headed "Reasons for and benefits of the Subscription" set out in the announcement dated 16 July 2018, the Directors decided to reallocate all the net proceeds from the SM Placing to subscribe Qima Holding Shares under the Subscription.

For details please refer to the Company announcement dated 16 July 2018.

8. Grant of Shares Under the Share Award Scheme and Issue of New Shares Under General Mandate

(i) *Grant of Awarded Shares*

On 7 September 2018, the Company granted 551,522,400 Awarded Shares, representing approximately 4.28% of the total issued Shares as at 7 September 2018, to 388 Selected Participants across ten different key business units of the Group, all of whom are not connected persons of the Company (the "Grantees"), in accordance with the Scheme Rules at nil consideration (the "Grant").

7. 變更所得款項用途

茲提述分別於二零一八年一月二日及二零一八年四月十八日之通函及完成公告。經扣除所有相關成本、費用、開支及佣金後，本公司收取的特別授權配售事項之所得款項淨額為約187,000,000港元，其中110,000,000港元將透過貸款協議用於有贊集團的業務，而約77,500,000港元將用於本集團第三方支付服務業務。經考慮於二零一八年七月十六日之公告所載「進行認購事項的理由及裨益」一節所述理由，董事決定重新分配全部特別授權配售事項所得款項淨額以認購該認購事項下之Qima Holding股份。

有關詳情，請參閱本公司日期為二零一八年七月十六日之公告。

8. 根據股份獎勵計劃授出股份及根據一般授權發行新股份

(i) *授出獎勵股份*

於二零一八年九月七日，本公司根據計劃規則向388名來自本集團十個不同主要業務單位之選定參與人（均非本公司之關連人士）（「承授人」）無償授出551,522,400股獎勵股份，相當於二零一八年九月七日已發行股份總數約4.28%（「授出」）。

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Selection criteria

The Grantees were selected by the Board after taking into account, among other matters, recommendations from their supervisors, years of services and their seniority, details of which are as follows:

- Recommendations from supervisors: Positive recommendations obtained indicating quality of the potential participants of the Scheme, potentials of becoming management and possession of experience in their respective professional fields.
- Years of services: Normally one year or above.
- Seniority: Team leader level or above.

In determining the selection of the Grantees and their respective number of Awarded Shares, the Board considered various aforementioned factors as a whole, instead of a standalone factor.

Vesting conditions

The Awards are subject to the acceptance of the Grantees and a minimum of two years of continuous services to the Company or any of its subsidiaries.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, all of the Grantees are not connected persons of the Company or its associates.

甄選標準

承授人乃由董事會經考慮（其中包括）上級推薦、服務年期及其資歷後選定，其詳情如下：

- 上級推薦：取得正面評價，證明計劃潛在參與者為優秀人才、具有成為管理層之潛質及於其各自之專業領域擁有經驗。
- 服務年期：一般為一年或以上。
- 資歷：小組組長級別或以上。

於甄選承授人及釐定其各自之獎勵股份數目時，董事會整體考慮上述各種因素，而非單一因素。

歸屬條件

獎勵須待承授人接納及於本公司或其任何附屬公司連續服務最少兩年後，方可作實。

經董事作出一切合理查詢後所深知、全悉及確信，承授人均非本公司或其聯繫人之關連人士。

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(ii) *Issue of New Shares Under General Mandate Pursuant to the Share Award Scheme*

The Board has approved the allotment and issue of 551,522,400 new Shares to the Trustee at HK\$0.63 per Share, being the closing price of the Shares as at the date immediately preceding 7 September 2018, under the General Mandate in order to satisfy the Awards granted to the Grantees pursuant to the Scheme Rules as incentives for their contributions to the Group.

As approved by the Shareholders at the annual general meeting held on 4 May 2018, the Company can allot and issue up to a total of 2,576,201,565 Shares under the General Mandate. Accordingly, the new shares were allotted and issued by utilizing part of the General Mandate. After completion of issue and allotment of the new shares, the remaining balance of the General Mandate stood at 2,024,679,165 Shares.

Upon the allotment and issue of the new shares, Computershare Hong Kong Trustee Limited ("the Trustee") held the new shares on trust for the Grantees, which were transferred to the Grantees at no cost upon satisfaction of the abovementioned vesting conditions. Accordingly, no funds were raised from the issue of the new shares.

The new shares allotted and issued by the Company to the Trustee represent (i) approximately 4.28% of the total issued share capital of the Company as at 7 September 2018; and (ii) approximately 4.10% of the total issued share capital of the Company as enlarged by such allotment and issue. The new shares, when issued and allotted, shall rank *pari passu* among themselves and with the fully paid Shares in issue. Pursuant to the Scheme Rules, the Trustee shall not exercise any voting rights and powers in respect of any Shares held under the Trust.

Please refer to the Company's announcement dated 7 September 2018 for further information.

(ii) *根據股份獎勵計劃發行一般授權項下之新股份*

董事會宣佈，其已批准根據一般授權按每股股份0.63港元（即緊接二零一八年九月七日前當日之股份收市價）向受託人配發及發行551,522,400股新股份，以履行根據計劃規則就承授人對本集團所作出貢獻而向彼等授予之獎勵。

經股東於二零一八年五月四日舉行之股東週年大會上批准，本公司可根據一般授權配發及發行最多合共2,576,201,565股股份。因此，動用部分一般授權以配發及發行新股份。於完成發行及配發新股份後，一般授權餘下可發行之股份數目為2,024,679,165股。

於新股份配發及發行後，香港中央證券信託有限公司（「受託人」）以信託方式為承授人持有新股份，有關股份其後於上述歸屬條件獲達成時無償轉讓予承授人。因此，不會就發行新股份籌集新資金。

本公司向受託人配發及發行之新股份相當於(i)本公司於二零一八年九月七日已發行股本總額約4.28%；及(ii)本公司經配發及發行新股份後所擴大之已發行股本總額約4.10%。新股份於發行及配發時，將於彼此之間及與已發行繳足股份享有同等地位。根據計劃規則，受託人不得行使根據信託持有之任何股份所附帶之任何投票權利及權力。

詳細內容請參考本公司二零一八年九月七日之公告。

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EVENT AFTER REPORTING PERIOD

On 19 November 2018, the Board announced the awarding of 314,376,000 Awarded Shares and subsequently reduced to 304,247,200 Awarded Shares (“Second Awards”) on 24 January 2019. On 1 February 2019, the Company received all approvals and allotted 304,247,200 Awarded Shares to the Trustee on the same day. The fair value of Awarded Shares for the Second Awards is HK\$0.55 per share. Details of the Second Awards can be found in the Company’s announcements dated 19 November 2018, 24 January 2019, 25 January 2019 and 1 February 2019.

報告期後事件

於二零一八年十一月十九日，董事會宣佈授出314,376,000股獎勵股份，其後於二零一九年一月二十四日減少至304,247,200股獎勵股份（「第二次獎勵」）。於二零一九年二月一日，本公司已接獲所有批准，並於同日向承授人配發304,247,200股獎勵股份。第二次獎勵之獎勵股份公平值為每股0.55港元。第二次獎勵之詳情請參閱本公司日期為二零一八年十一月十九日、二零一九年一月二十四日、二零一九年一月二十五日及二零一九年二月一日之公告。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

EXECUTIVE DIRECTORS

Guan Guisen, Chairman of the Board/executive Director, aged 55, joined the Company on 28 February 2011. Mr. Guan acts as an executive Director, Chairman of the Company. Mr. Guan obtained his bachelor degree from China Central University of Finance and Economics (中央財經大學) in 1984 and a master degree from Graduate School of the PBOC (中國人民銀行研究生部) in 1987. Mr. Guan has over twenty years of senior management experience in finance, property development and investment in the PRC.

Mr. Guan was a deputy president of Hainan Technology and Industry Group (海南科工集團) from 1990 to 1994, a deputy president of Taihe Holdings Co., Ltd. (太合控股有限公司) from 2001 to 2003, a general manager of Taihe Real Estate Co., Ltd. (太合地產有限公司) from 2003 to 2007 and a director of China Union Pay Data Services Co., Ltd. (銀聯數據有限公司) from 2002 to 2005. From August 2008, Mr. Guan became the chairman of Beijing Dongsan Jinbi Investment Consultancy Co., Ltd. (北京東森金碧投資諮詢有限公司) and a director of China Union Loyalty Co., Ltd. (上海銀商資訊有限公司) from August 2008 to October 2014. From April 2010 to March 2011, Mr. Guan became the chairman of Beijing Shangyin Investment Consultancy Co., Ltd. (商銀融通(北京)投資諮詢有限公司).

Zhu Ning, executive Director/chief executive officer, aged 36, joined the Company in April 2018 and was appointed as an executive Director and the chief executive officer of the Company in May 2018. Mr. Zhu is the founder and the chief executive officer of Youzan Group (comprising Qima Holdings Ltd. and its subsidiaries) and is responsible for formulation of the overall development planning and business strategies as well as the daily management of Youzan Group. He is one of the pioneer user experience designers in the People's Republic of China. Before establishing Youzan Group, Mr. Zhu was a chief product designer of Alipay and a product designer of Baidu and has profound experience in the realm of internet, including but not limited to online payment, e-business, internet communities and online search services. He graduated from Henan Radio & Television University with a bachelor degree. He is currently the executive officer of China Prepay Group Limited ("China Prepay"), an indirect wholly-owned subsidiary of the Company.

執行董事

關貴森，董事局主席／執行董事，55歲，於二零一一年二月二十八日加盟本公司，任執行董事及本公司主席。彼於一九八四年取得中央財經大學之學士學位，後於一九八七年取得中國人民銀行研究生部之碩士學位。關先生於中國金融、物業發展及投資擁有超過二十年之高級管理經驗。

自一九九零年至一九九四年，關先生為海南科工集團副總裁。其後自二零零一年至二零零三年為太合控股有限公司副總裁，二零零三年至二零零七年為太合地產有限公司總經理。彼自二零零二年至二零零五年為銀聯數據有限公司董事。自二零零八年八月起，關先生為北京東森金碧投資諮詢有限公司的董事長，自二零零八年八月至二零一四年十月任上海銀商資訊有限公司之董事。自二零一零年四月至二零一一年三月關先生為商銀融通(北京)投資諮詢有限公司董事長。

朱寧，執行董事／首席執行官，36歲，於二零一八年四月加盟本公司，並於二零一八年五月獲委任為本公司執行董事及首席執行官。朱先生為有贊集團(由Qima Holdings Ltd.及其附屬公司組成)之創始人及首席執行官，並負責制定有贊集團之整體發展規劃及業務戰略以及日常管理。彼為中華人民共和國最早之用戶體驗設計師之一。在成立有贊集團前，朱先生曾擔任支付寶首席產品設計師及百度產品設計師，於互聯網領域(包括但不限於線上支付、電子商務、互聯網社區及線上搜索服務)有著豐富經驗。彼畢業於河南廣播電視大學，擁有學士學位。彼現時擔任本公司間接全資附屬公司China Prepay Group Limited(「China Prepay」)之執行官。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

Cui Yusong, executive Director/chief technology officer, aged 32, joined the Company in April 2018 and was appointed as an executive Director and the chief technology officer of the Company in May 2018. Mr. Cui is the co-founder and the chief technology officer of Youzan Group as well as the chief executive officer of Youzan Cloud. Mr. Cui is responsible for technology reserve, artificial intelligence and product strategic planning as well as management of the research and development (“R&D”) team of Youzan Group. Prior to joining Youzan Group, Mr. Cui served in a number of R&D or R&D management positions in Alipay, Alibaba Cloud and Taobao. Mr. Cui graduated from Shaoxing University with a bachelor degree in management. He is also the technology officer of China Prepay, an indirect wholly-owned subsidiary of the Company.

Yu Tao, executive Director/chief financial officer, aged 31, joined the Company in April 2018 and was appointed as an executive Director and the chief financial officer of the Company in May 2018. Mr. Yu graduated from Nankai University with a bachelor degree in management and is a member of each of Chartered Professional Accountants of Canada and Certified General Accountants Association of Canada. Mr. Yu joined Youzan Group in 2014 as the chief financial officer and is responsible for financial planning and management, business data analysis, research on users, investment and investor’s relations of Youzan Group. Prior to joining Youzan Group, he worked in Ernst & Young, Shantui Equipment Southern Africa (Pty) Ltd and Alipay. Mr. Yu is also the financial officer of China Prepay, an indirect wholly-owned subsidiary of the Company.

Ying Hangyan, executive Director/chief service officer, aged 37, joined the Company in April 2018 and was appointed as an executive Director and the chief service officer of the Company in May 2018. Ms. Ying graduated from Beijing Technology and Business University with a bachelor degree in economics and a master degree in engineering, majoring in science management and engineering. Ms. Ying joined Youzan Group in 2014 as chief service officer and is responsible for the management of client services and contract compliance of Youzan Group. Ms. Ying is also the service officer of China Prepay, an indirect wholly-owned subsidiary of the Company. Prior to joining Youzan Group, Ms. Ying worked in Lexmark Printers (Shenzhen) Co., Ltd (利盟打印機(深圳)有限公司), Huarun Sun Hung Kei Real Estate (Hangzhou) Co. Ltd (華潤新鴻基房地產(杭州)有限公司) and Tang Shuo Education (唐碩教育)。

崔玉松，執行董事／首席技術官，32歲，於二零一八年四月加盟本公司，並於二零一八年五月獲委任為本公司執行董事及首席技術官。崔先生為有贊集團之聯合創始人及首席技術官以及有贊雲之首席執行官。崔先生負責有贊集團之技術儲備、人工智慧及產品策略規劃以及研究及開發團隊管理。加入有贊集團前，崔先生曾於支付寶、阿里雲及淘寶網擔任若干研發或研發管理職位。崔先生畢業於紹興文理學院，擁有管理學學士學位。彼同時也擔任本公司間接全資附屬公司China Prepay之技術官。

俞韜，執行董事／首席財務官，31歲，於二零一八年四月加盟本公司，並於二零一八年五月獲委任為本公司執行董事及首席財務官。俞先生畢業於南開大學，擁有管理學學士學位，並分別為加拿大特許專業會計師公會及加拿大註冊會計師協會之會員。俞先生於二零一四年加入有贊集團任職首席財務官，並負責有贊集團之財務規劃及管理、商業資料分析、使用者研究、投資與投資者關係。加入有贊集團前，彼曾任職於安永會計師事務所、Shantui Equipment Southern Africa (Pty) Ltd及支付寶。俞先生同時也擔任本公司間接全資附屬公司China Prepay之財務官。

應杭艷，執行董事／首席服務官，37歲，於二零一八年四月加盟本公司，並於二零一八年五月獲委任為本公司執行董事及首席服務官。應女士畢業於北京工商大學，獲得經濟學學士學位及工程學碩士學位(主修管理科學與工程)。應女士於二零一四年加入有贊集團任職首席服務官，負責有贊集團之客戶服務管理及合約合規。應女士同時也擔任本公司間接全資附屬公司China Prepay之服務官。加入有贊集團前，應女士曾於利盟打印機(深圳)有限公司、華潤新鴻基房地產(杭州)有限公司及唐碩教育任職。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

Cao Chunmeng, executive Director/President, aged 47, joined the Company in March 2011 and acted as Vice President of the Company. Mr. Cao was appointed as executive Director and Chief Executive Officer of the Company on 11 July 2012. Mr. Cao held a bachelor's degree in Computer Science from Shandong University in 1994. And he obtained a master's degree in business administration from Peking University in 2006. He worked at Shandong Branch of Industrial and Commercial Bank of China Limited, acted as General Manager in Jinan Xiande Technology Limited. (濟南先得科技有限公司), Senior Deputy President in Fengyuanxin (China) Limited. (豐元信(中國)有限公司), General Manager in Zongheng Tiandi (Beijing) Information Technology Limited. (縱橫天地(北京)資訊技術有限公司), Vice President in Beikong Easycode (Beijing) Electric Commerce Ltd. (北控易碼通(北京)電子商務有限公司) and Vice President of Beijing Shangyin Investment Consultancy Co., Limited. (商銀融通(北京)投資諮詢有限公司). From December 2014, Mr. Cao acts as Director of Haier Consumer Finance Co., Ltd. (海爾消費金融有限公司). Mr. Cao has over 20 years of financial information technology Internet industry management experience.

Yan Xiaotian, executive Director, aged 59, joined the Company in April 2014 and acted as the chief strategy and investment officer of the Company; and acted as the chairman and legal representative of Beijing ONECOMM Technology Company Limited, an indirect subsidiary of the Company since December 2014. Mr. Yan has been appointed as an executive Director and the chief investment officer of the Company with effect from 24 December 2014. Mr. Yan has obtained a master degree in economics from Graduate School of the People's Bank of China (中國人民銀行研究部), which was then merged with Tsinghua University and known as PBC School of Finance, Tsinghua University since 2012, and is a senior economist. Mr. Yan had worked consecutively as the president of the head office of Bank of China Limited, vice president of Guangzhou Branch of China CITIC Bank Corporation Limited, formerly known as CITIC Industrial Bank Limited, general manager of CITIC Securities Co., Ltd. (Guangzhou) and director and executive president of South China International Leasing Co., Ltd.

曹春萌, 執行董事／總裁, 47歲, 於二零一一年三月加盟本公司, 任常務副總裁, 並於二零一二年七月十一日獲委任為本公司執行董事及行政總裁。彼於一九九四年在山東大學取得電腦科學系學士學位, 並於二零零六年在北京大學取得工商管理碩士學位。曹先生先後任職工商銀行山東省分行、濟南先得科技有限公司總經理、豐元信(中國)有限公司高級副總裁、縱橫天地(北京)資訊技術有限公司總經理、北控易碼通(北京)電子商務有限公司常務副總裁及商銀融通(北京)投資諮詢有限公司副總經理。自二零一四年十二月起, 曹先生擔任海爾消費金融有限公司董事。曹先生具有超過20年金融信息技術互聯網行業管理經驗。

閔曉田, 執行董事, 59歲, 於二零一四年四月加盟本公司出任本公司首席戰略投資官; 並自二零一四年十二月起兼任本公司間接附屬公司北京一鳴神州科技有限公司之董事長及法人代表。自二零一四年十二月二十四日起, 閔先生獲委任為本公司執行董事及首席投資官。彼於中國人民銀行研究生部(自二零一二年併入清華大學, 稱為清華大學五道口金融學院)取得經濟學碩士學位, 為高級經濟師。閔先生先後為中國銀行股份有限公司總行處長、中信銀行股份有限公司(前稱「中信實業銀行」)廣州分行副行長、中信證券股份有限公司(廣州)總經理及南方國際租賃有限公司董事及行政總裁。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

SENIOR MANAGEMENT

Guan Yu, chief marketing officer, joined Youzan Group in July 2016 and is responsible for the overall market strategy, business decision-making, business growth, sales channels establishment, sales strategy formulation and business objectives advancement. Prior to joining Youzan Group, she was the general manager of the Internet division of Artron (Culture) Group and Artron. Net and participated in the preparation and establishment of the Palace Museum Cultural Relics Protection Foundation. She graduated from the University of Bath in United Kingdom with a master degree in economics.

Guo Yahong, chief talent officer, joined Youzan Group in February 2018 and is responsible for the implementation of the Company's overall talent strategy planning, strategy execution of organizational culture, establishment of effective incentive scheme and smooth communication channels to continuously adapt to the needs of business changes and empower the organization. Prior to joining Youzan Group, she worked in Coca-Cola, Tyco, Barco and Lexmark handling human resources management works. She graduated from Beijing University of Posts and Telecommunications, majoring in communication management.

Huan Fang, chief operating officer, joined Youzan Group in September 2018 and is responsible for business data assessment, product commercialization, market investment, sales channel policy, resources allocation, etc. Prior to joining Youzan Group, he was the deputy president of Hillhouse Capital Group, responsible for the investment in high technology, enterprise services, artificial intelligence and intelligent manufacturing, leading/participating in over 20 projects with an investment amount of more than US\$1 billion. The typical cases include Youzan Group, NIO INC, YITU, Horizon Robotics and other well-known technology companies. He graduated from Shanghai Jiao Tong University and obtained a bachelor's degree in energy and power engineering and finance.

高級管理層

關予，首席營銷官，於二零一六年七月加入有贊集團，負責整體市場戰略，商業決策，業務增長、建立銷售渠道，制定銷售策略以及推進業務目標。在加入有贊集團前，擔任雅昌文化集團互聯網事業部及雅昌藝術網總經理，曾參與北京故宮文物保護基金會籌建。畢業於英國University of Bath，取得經濟學碩士。

郭亞虹，首席人才官，於二零一八年二月加入有贊集團，負責公司整體人才戰略規劃的實施，組織文化的策略執行，建立有效的激勵機制及順暢的溝通渠道以不斷適應業務變革的需要並為組織賦能。加入有贊之前，曾在Coca-Cola、Tyco、Barco及Lexmark擔任人力資源管理工作。畢業於北京郵電大學，主修通信管理專業。

浣昉，首席運營官，於二零一八年九月加入有贊集團，負責業務數據評估、產品商業化、市場投入、銷售渠道政策、資源分配等。加入有贊前，曾擔任高瓴資本集團副總裁，負責高科技、企業服務、人工智能和智能製造方面的投資，累計主導／參與20多個項目超過10億美金投資，典型案例包括有贊集團，蔚來汽車，依圖科技，地平線機器人等知名科技公司。畢業於上海交通大學，獲得能源動力工程與金融學雙學位學士。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Fong Chi Wah, aged 56. Dr. Fong has over 25 years of extensive experience in various sectors of the financial industry including direct investment, project and structured finance and capital markets having worked for KPMG, the American International Group in Asia, and the ING Group in Beijing and Hong Kong. In his last position within the ING Group, he served as a Director of the Baring Capital (China) Management Limited that managed ING Beijing Investment Co., Ltd., a company listed on the Hong Kong Stock Exchange (“HKSE”).

Dr. Fong has been the Chief Financial Officer of Citychamp Watch & Jewellery Group Limited, a company listed on the HKSE, since September 2004 and Company Secretary since February 2007. He has also served as Director of its subsidiary, Bendura Bank Liechtenstein, since September 2016. He has served as an Independent Non-executive Director of the Company since December 2003. Besides, he also served as a Non-independent Non-executive Director of Cordlife Group Limited, a company listed on the Singapore Exchange since January 2019.

Dr. Fong was an Executive Director of the National Fund Limited listed on the HKSE from November 2005 to August 2018 and an Independent Non-executive Director of the Real Nutraceutical Group Limited, also listed on the HKSE from March 2008 to December 2018.

Dr. Fong holds a Bachelor’s degree, majoring in Management Sciences (Economics) from the Lancaster University, United Kingdom. He also holds three Master’s degrees including a Master of Business Administration from the Warwick University, United Kingdom, a Master’s degree in Investment Management from the Hong Kong University of Science and Technology, and a Master’s degree in practicing accounting from the Monash University, Australia. He has a Doctorate in Business Administration from the Hong Kong Polytechnic University and is a Juris Doctor from the Chinese University of Hong Kong. He is a CFA charterholder, a member of the Hong Kong Society of Financial Analysts, a fellow of the CPA (Australia), a fellow of the HKICPA, a member of the Institute of Certified Management Accountants, Australia, and a fellow of the Hong Kong Institute of Directors.

獨立非執行董事

方志華博士，56歲。方博士於金融業直接投資、項目及結構性融資及資本市場等各方面擁有逾25年豐富經驗，曾任職於畢馬威會計師事務所、美國國際集團亞洲分部以及ING Group北京及香港分部。彼於ING Group的最後一個職位為霸菱投資（中國）基金管理有限公司董事，該公司管理一家於香港聯交所（「香港聯交所」）上市公司ING北京投資有限公司。

方博士自二零零四年九月起擔任一家於香港聯交所上市公司冠城鐘錶珠寶集團有限公司之首席財務官及自二零零七年二月起擔任該公司之公司秘書。彼亦自二零一六年九月起擔任其附屬公司富地銀行有限公司之董事。彼自二零零三年十二月起擔任本公司獨立非執行董事。此外，彼亦自二零一八年一月起擔任一家於新加坡交易所上市公司康盛人生集團有限公司之非獨立非執行董事。

方博士自二零零五年十一月至二零一八年八月擔任於香港聯交所上市公司國盛投資基金有限公司執行董事及自二零零八年三月至二零一八年十二月擔任瑞年國際有限公司獨立非執行董事。

方博士持有英國蘭卡斯特大學管理科學（經濟）學士學位。彼亦持有英國華威大學工商管理碩士學位，香港科技大學投資管理碩士學位及澳洲蒙納士大學執業會計碩士學位。彼持有香港理工大學工商管理學博士學位及香港中文大學法律博士學位。彼為特許財務分析師、香港財經分析師學會會員、澳洲執業會計師及香港會計師公會資深會員、澳洲執業管理會計師協會會員及香港董事學會會員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

Mr. Gu Jiawang, aged 68, has accumulated profound knowledge and valuable experience in the mass media industry. Mr. Gu worked as a senior editor, commentator, person in charge of the editing section and the head of the business development department of People's Daily (人民日報). He was also appointed as the chief executive officer of China Huawei Investment Holding Company Limited (中國華聞投資控股有限公司) which is held by People's Daily (人民日報) the chairman of Zhongtai Trust and Investment Co., Ltd. (中泰信託投資有限公司), the chairman of Shanghai New Huang Pu (Group) Co., Ltd. (上海新黃浦(集團)有限責任公司) and the chairman of Shenzhen Stock Times Media Limited (深圳證券時報社有限公司). Mr. Gu graduated from the Philosophy Department of Nanjing University. He also obtained a postgraduate diploma after studying two years at the Party School of the Central Committee of C.P.C. Mr. Gu joined the Company in April 2011.

Mr. Xu Yanqing, aged 62, graduated from the Department of Finance at the Central Institute of Finance (中央財政金融學院) (now known as the Central University of Finance and Economics) with a bachelor degree in economics (major in international insurance) in 1984. Mr. Xu is a senior economist and has over 30 years of experience in finance industry. Prior to his retirement in August 2016, he was the vice general manager of The People's Insurance Company of China (Hong Kong) Ltd between August 2011 and August 2016. Mr. Xu joined the Company on 4 August 2017.

Mr. Deng Tao, aged 64, obtained his bachelor degree at the Beijing Foreign Studies University and his executive master of business degree at the China Europe International Business School. Mr. Deng has more than 25 years of working experience in human resources management. He commenced his career of human resources by working in a Chinese joint venture company established by Hewlett-Packard Company in 1984 and served in that company for around 11 years. He then successively served in a number of human resources managerial positions in different multinational companies including but not limited to Maersk Line Limited, Allied Signal Inc., AstraZeneca Plc, Whirlpool Corporation and Google. Mr. Deng joined the Company on 8 May 2018.

谷嘉旺先生，68歲，於大眾傳播業具備豐富知識及寶貴經驗。谷先生曾出任人民日報評論部評論員、總編輯部主管及事業發展局局長。彼亦曾獲委任為人民日報轄下中國華聞投資控股有限公司總裁、中泰信託投資有限公司董事長、上海新黃浦(集團)有限責任公司董事長及深圳證券時報社有限公司董事長。谷先生畢業於南京大學哲學系。彼亦於中共中央黨校學習兩年後取得研究生文憑。谷先生於二零一一年四月加盟本公司。

徐燕青先生，62歲，於一九八四年畢業於中央財政金融學院(現稱為中央財經大學)，獲得經濟學學士學位(主修國際保險)。徐先生為一名高級經濟師，並於金融業擁有逾30年經驗。於二零一六年八月退任前，彼於二零一一年八月至二零一六年八月擔任中國人民保險(香港)有限公司之副總經理。徐先生於二零一七年八月四日加盟本公司。

鄧濤先生，64歲，於北京外國語大學獲得學士學位，並於中歐國際工商學院獲得其高級工商管理碩士學位。鄧先生於人力資源管理方面擁有超過25年工作經驗。彼於一九八四年在Hewlett-Packard Company成立之中國合資公司任職，開展彼之人力資源事業，並於該公司任職約11年。彼其後先後於不同跨國公司(包括但不限於Maersk Line Limited、Allied Signal Inc.、AstraZeneca Plc、Whirlpool Corporation及Google)任職若干人力資源管理職位。鄧先生於二零一八年五月八日加盟本公司。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷詳情

CHIEF ECONOMIC CONSULTANT

Mr. Xia Bin, a famous economist and financial expert in the PRC, was acted as the Chief Economic Consultant of the Company on 8 June 2011. Mr. Xia Bin currently serves as an honorable director of Research Institute of Finance under Development Research Centre of the State Council, and Chief Consultant of China International Futures Co., Ltd. He had acted as an independent director of China Fortune Land Co., Limited and Haitong Securities Co., Limited. Mr. Xia was a director of Research Institute of Finance under Development Research Centre of the State Council, a member of the Monetary Policy Committee of the PBOC, served as a vice director of the Institute of Finance of the People's Bank of China, a manager of trading department of the CSRC, a general manager of Shenzhen Stock Exchange, a person-in-charge of Department of Policy Research of the People's Bank of China and a director of Regulatory of Non-Banking Financial Organization of the People's Bank of China. Mr. Xia Bin's research primarily covers macro-economic condition; currency policy; financial regulatory and the development of the capital market in the PRC. Mr. Xia wrote or edited a lot of books which are very influential to the capital markets.

COMPANY SECRETARY

Mr. Fung Kwok Leung, aged 53, holds an Honors Degree in Accountancy from the Hong Kong Polytechnic University and is a certified public accountant, a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, a fellow member and a Certified Tax Advisor of the Taxation Institute of Hong Kong. He has over 30 years of ample experience in accounting, audit, taxation, mergers and acquisitions, corporate finance and corporate aid service and consulting.

In his early years, Mr. Fung worked in international accounting firms and investment banks. He acted as chief financial officer, financial controller and company secretary of listed companies. He also served as an independent non-executive director, non-executive director and executive director of other companies listed on the Main Board of Hong Kong. At present, Mr. Fung does not hold any directorship in any listed companies in Hong Kong or overseas.

首席經濟顧問

夏斌先生，中國著名經濟學家、金融專家，自二零一一年六月八日起為本公司首席經濟顧問。夏斌先生現任國務院發展研究中心金融研究所名譽所長及中國國際期貨公司首席顧問。他曾擔任China Fortune Land Co., Limited及海通證券股份有限公司之獨立董事。夏先生曾任國務院研究發展中心金融研究所所長、中國人民銀行貨幣政策委員會委員、中國人民銀行金融研究所副所長、中國證監會交易部主任、深圳證券交易所總經理、中國人民銀行政策研究室負責人、中國人民銀行非銀行金融機構監管司司長。夏斌先生主要研究方向為宏觀經濟政策、貨幣政策、金融監管和中國資本市場發展。夏先生撰寫或者參與編寫了大量對資本市場極具影響力著作。

公司秘書

馮國良先生，53歲，持有香港理工大學頒授之會計學榮譽學士學位，為執業註冊會計師、英國特許公認會計師公會資深會員、香港會計師公會資深會員、香港稅務學會資深會員及註冊稅務顧問。彼在會計、審計、稅務、合併和收購、企業融資和企業救助和諮詢方面擁有30多年的豐富經驗。

早年，馮先生曾在國際會計師事務所及投資銀行工作。彼曾擔任上市公司的首席財務官、財務總監和公司秘書。彼亦曾為其他香港主板上市公司的獨立非執行董事、非執行董事及執行董事。目前，馮先生並無在香港或海外擔任任何上市公司的董事職務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

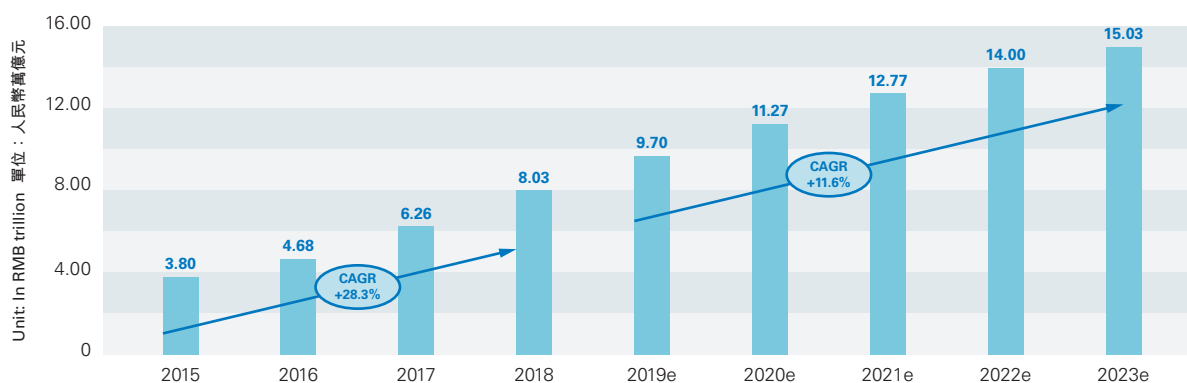
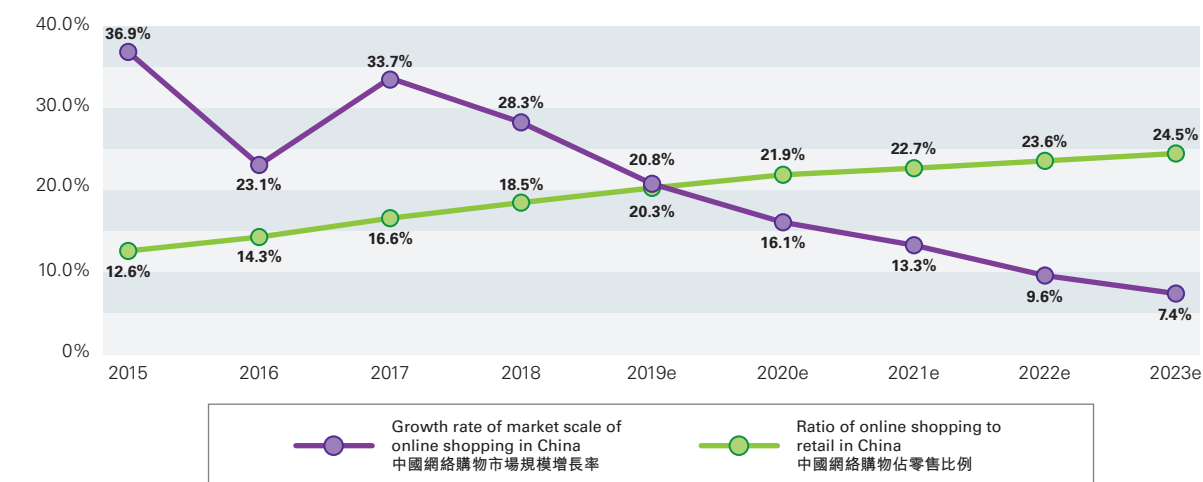
INDUSTRIAL OVERVIEW

In China, the merchant service and the third-party payment service are founded on local consumption market. In recent years, China's online shopping market have grown very rapidly. According to the industry report from iResearch, the size of China's online shopping market is about RMB8 trillion in 2018, and it is expected to grow at a compound annual growth rate ("CAGR") of 11.6% from 2019 to 2023. The contribution of consumption and retail sales to the economy will increase year by year. It is estimated that the scale of China's online shopping market will reach RMB15 trillion by 2023.

行業概況

在中國，商家服務及第三方支付服務建基於本地的消費市場。近年來，中國網絡購物市場發展非常迅速，根據艾瑞諮詢(iResearch)的行業報告，二零一八年中國網絡購物市場規模約人民幣八萬億元，預計二零一九年至二零二三年將以11.6%的複合年均增長率（「CAGR」）增長；消費及零售對經濟的貢獻將逐年上升，預計二零二三年中國網絡購物市場規模將達到人民幣十五萬億元。

Market scale of online shopping in China in 2015-2023
2015-2023年中國網絡購物市場規模



Source: iResearch

來源：艾瑞諮詢

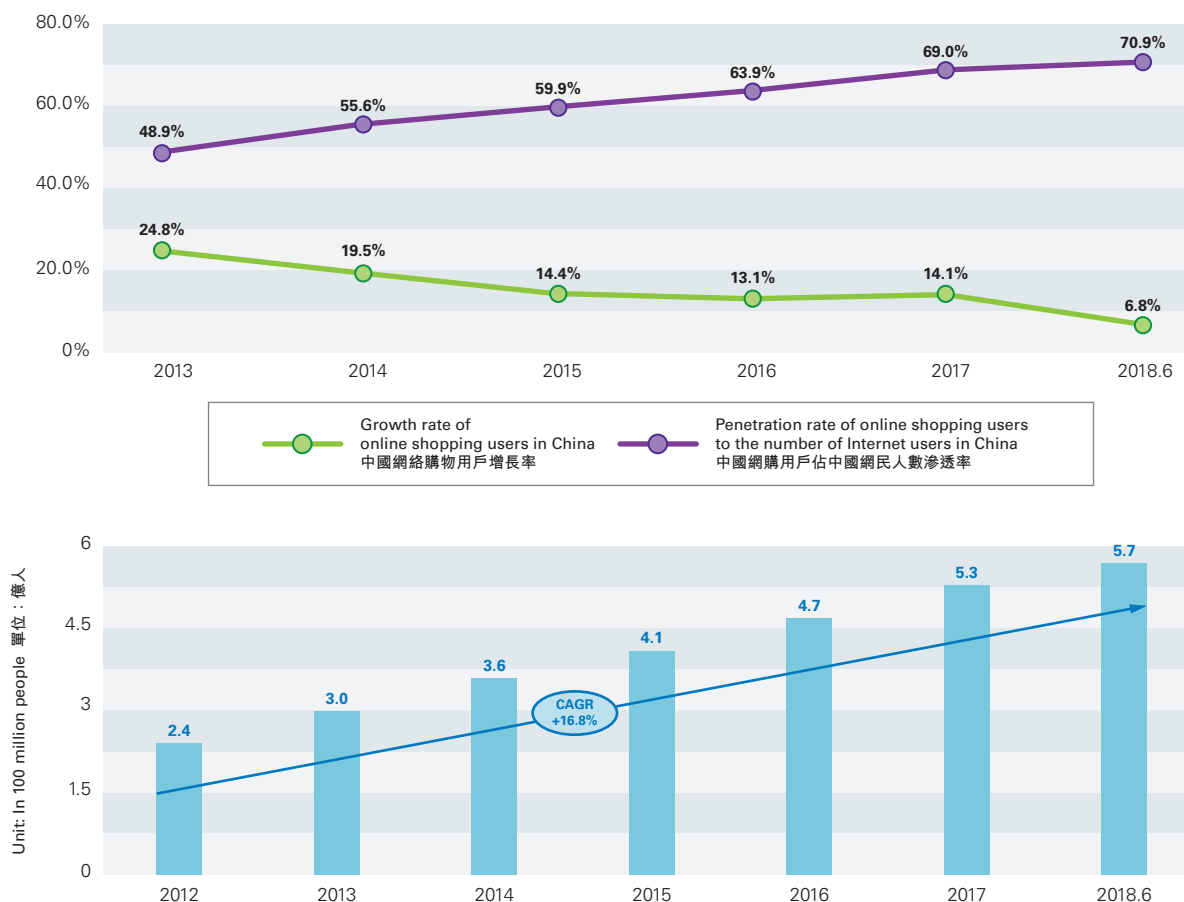
MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The number of online shopping users in China maintained a steady growth from 2012 to June 2018. As of June 2018, the number of online shopping users reached 570 million, accounting for approximately 70.0% of China's Internet users, which was benefited from the further integration of e-commerce and social content.

二零一二年至二零一八年六月中國網購用戶數保持穩健增長；截至二零一八年六月，網購用戶數達到5.7億，佔中國網民人數約70.0%，其得益於電商與社交內容的進一步融合發展。

Number of online shopping users in China in 2012-June 2018
2012年-2018年6月中國網絡購物用戶數



Source: iResearch

來源：艾瑞諮詢

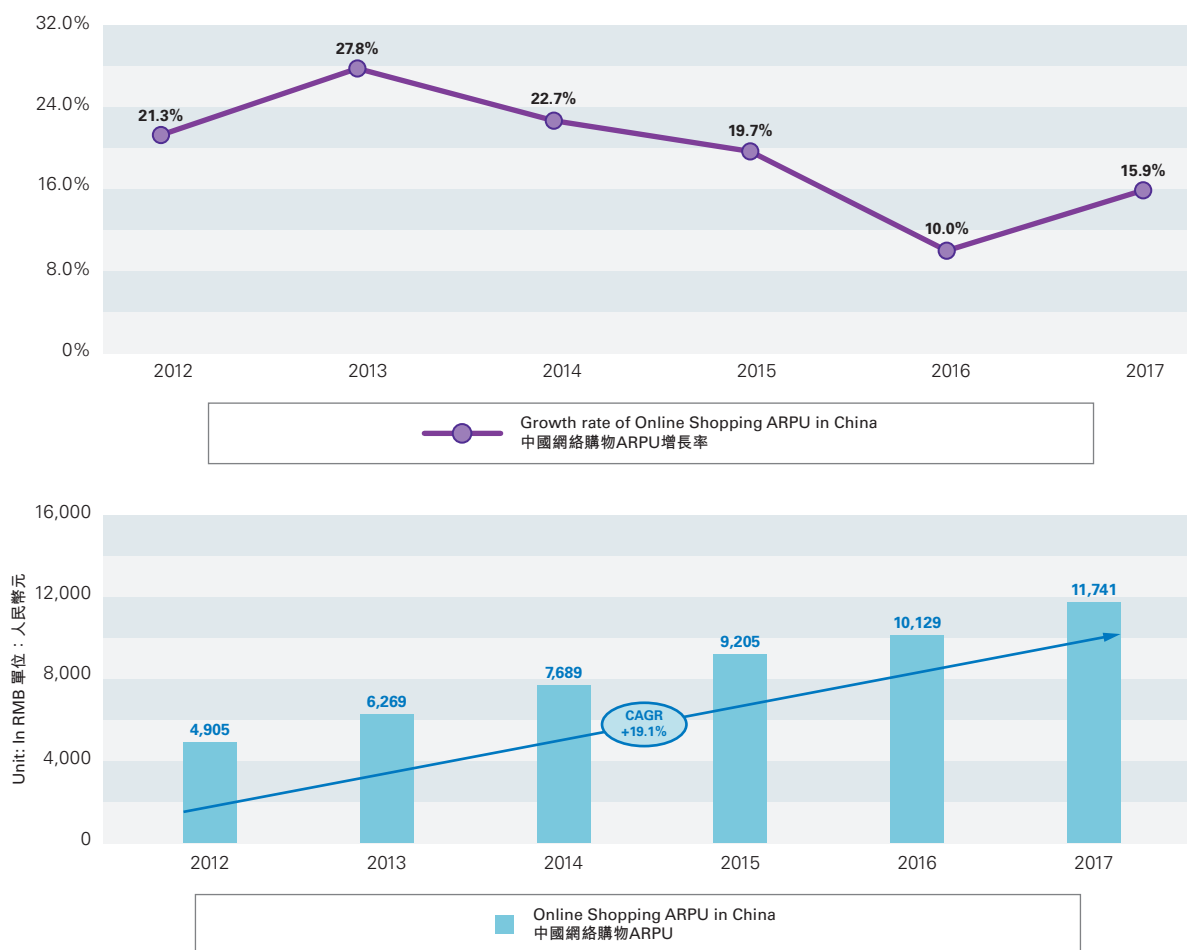
MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In 2017, the China's average revenue per user ("ARPU") of online shopping users was RMB11,741, representing an increase of 15.9% as compared with 2016. The steady growth of online shopping ARPU from 2012 to 2017 is attributed to the shift of Chinese online shopping users from pursuing low-price and homogeneous merchandise in the past to the gradual purchase of high-quality and personalized merchandise and services.

二零一七年中國網購用戶人均消費額（「ARPU」）達到人民幣11,741元，與二零一六年相比增長15.9%；二零一二至二零一七年網購ARPU的穩健增長得益於中國網購用戶從之前追求低價同質化商品，轉變為逐漸開始購買高品質個性化商品和服務。

Online Shopping ARPU in China in 2012-2017
2012-2017年中國網絡購物ARPU



Source: iResearch

來源：艾瑞諮詢

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

With the development of the Internet and the gradual saturation of smartphone penetration, the growth rate of Internet users and mobile end-users slowed down, and the growth rate of mobile shopping also slowed down correspondingly. The mobile online shopping market begins to enter into a maturing stage, and it is expected that the CAGR from 2019 to 2023 will be lower than those from 2015 to 2018. At the same time, mobile online shopping has gradually become the mainstream shopping mode, accounting for 84.2% of online shopping in 2018, and is expected to reach 87.0% by 2023.

Merchant SaaS Service Market in China

SaaS industry in China, started in around 2004 to 2005, is left five to ten years behind the one in the USA. With the increasing public awareness of the “cloud”, more and more merchants are accepting SaaS services. At present, with a large amount of capital inflow, a number of start-up enterprises have emerged in various SaaS segments, as a result, the SaaS service operation market in China has developed rapidly in recent years. In recent years, as the SaaS market in USA gradually matures, the Chinese market has become the focus of attention in the development of the global SaaS market, not only is the growth rate of its market size higher than the global average growth level, but also the proportion of the global market is expected to increase from 3.6% in 2014 to 9.4% in 2020.

隨著互聯網的發展和智能手機滲透率的逐漸飽和，網民規模和移動端網民規模增速放緩，移動購物的增速也相應放緩；移動網絡購物市場開始進入成熟階段，預計二零一九至二零二三年較二零一五至二零一八年CAGR增速將有所下降。同時，移動網絡購物逐漸成為主流購物方式，其二零一八年佔網絡購物比例達84.2%，預計至二零二三年可達到87.0%。

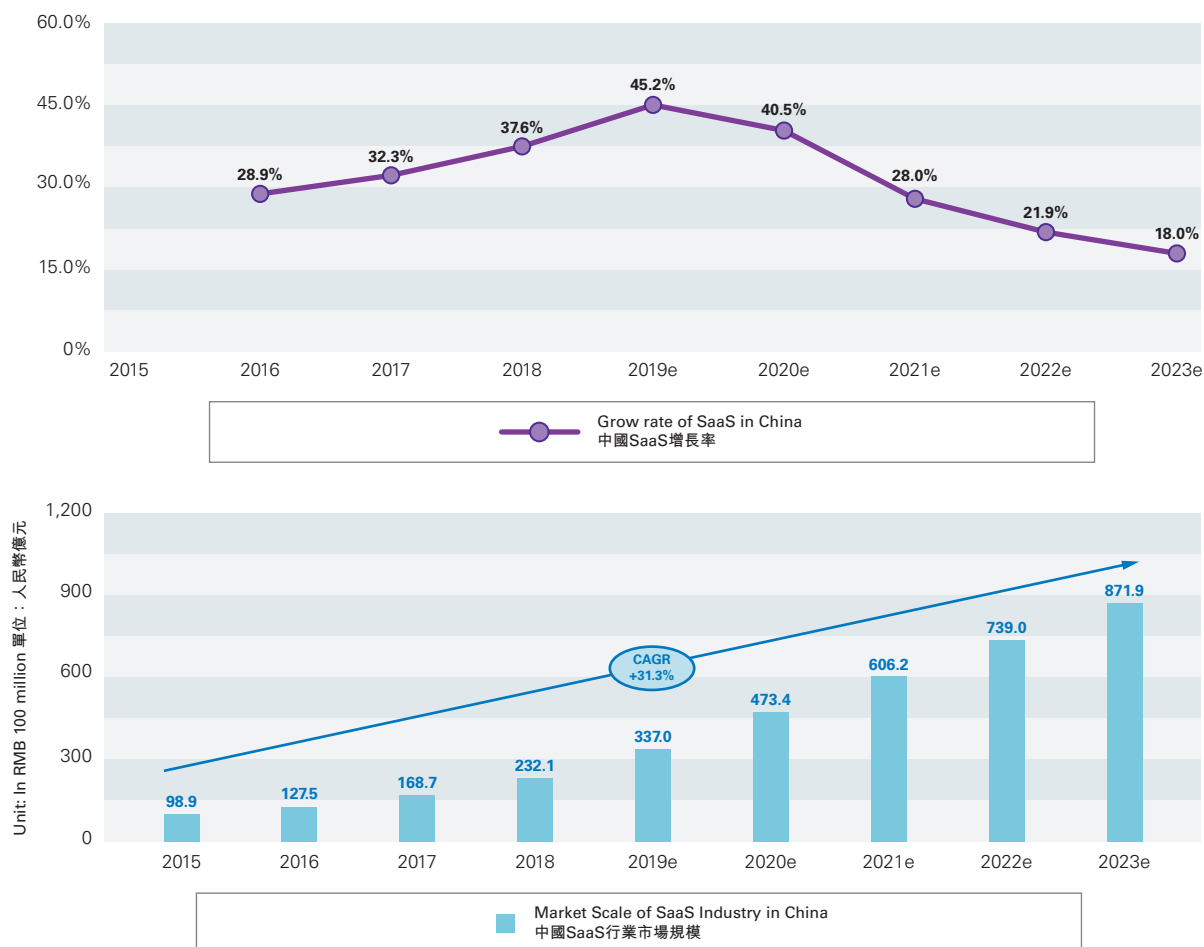
中國商家SaaS服務市場

中國SaaS行業開始於二零零四至二零零五年左右，產業發展落後美國約五至十年。隨著大眾對「雲」的認知不斷提升，商家對SaaS服務接受度亦不斷提升；目前隨著大量資本流入，SaaS各個細分領域內均湧現出一批創業公司，以致近年來中國SaaS服務運營市場發展迅速。近幾年，隨著美國SaaS市場逐漸走向成熟，中國市場成為全球SaaS市場發展最受矚目的地區，不僅在市場規模的增速上高於全球平均增速水平，佔全球市場比例預計從二零一四年的3.6%升至二零二零年的9.4%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Market Scale of SaaS Industry in China in 2015-2023
2015-2023年中國SaaS行業市場規模



Source: iResearch

來源：艾瑞諮詢

In 2018, the market size of China's SaaS industry reached RMB23.21 billion. Benefiting from a number of government policies and guidelines in promoting and motivating cloud access for enterprises, as well as the technological development of upstream "Infrastructure as a Service" (IaaS) and "Platform as a Service" (PaaS) which drive the development of downstream SaaS, China's SaaS industry market is expected to grow at a CAGR of 31.3% from 2015 to 2023.

二零一八年中國SaaS行業市場規模達到人民幣23.21億元。得益於政府出台多項政策和指導方針推動、激勵企業上雲，以及上游「基礎設施即服務」(IaaS)和「平台即服務」(PaaS)層技術發展帶動下游SaaS層的發展，預計二零一五至二零二三年中國SaaS行業市場將以CAGR 31.3%增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Major Growth Drivers of SaaS Related Industries

Government policies to encourage cloud access for enterprises: The Chinese government has successively introduced a number of policy documents to stimulate the rapid development of the SaaS industry. Of which, in July 2018, the Ministry of Industry and Information Technology and the National Development and Reform Commission issued Guidelines on Promoting the Implementation of Cloud Access for Enterprises (2018-2020) and the Three-year Action Plan on Expanding and Upgrading Information Consumption (2018-2020), which call for more policy support, the establishment of industrial cooperation platform, and clearly set the goal of increasing 1 million enterprises with access to cloud nationwide by 2020.

Strong demand for enterprise digital transformation: In order to adapt to the constantly changing new business and flexible business model, improve user experience and create new turnover growth, more and more Chinese enterprises are carrying out digital transformation and are urgently seeking for new digital solutions, and cloud computing technologies, including PaaS, IaaS, SaaS, etc. are the cornerstones for implementing these digital solutions and enabling enterprises to realize digital transformation.

Increasingly matured technology: In recent two years, the upstream IaaS and PaaS have developed rapidly with their technology comparable with the international standards, the business model of which is becoming increasingly matured, and market competition is relatively sufficient, which lay a foundation for the development of the downstream SaaS market.

SaaS相關行業主要增長驅動因素

政府出台激勵企業上雲政策：中國政府相繼出台多項政策文件，刺激SaaS行業快速發展。其中，二零一八年七月中國工信部和國家發改委出台的《推動企業上雲實施指南（二零一八至二零二零年）》和《擴大和升級資訊消費三年行動計劃（二零一八至二零二零年）》中，要求加大政策支持力度，搭建產業合作平台，並明確了二零二零年全國新增上雲企業一百萬家的目標。

企業數位化轉型需求強烈：為了適應不斷變化發展的新業務以及靈活的商業模式、提升使用者體驗、創造新的營業額增長，越來越多的中國企業正在展開數位化轉型，迫切尋求新的數位解決方案，而包括PaaS, IaaS, SaaS等在內的雲計算技術正是實施這些數位解決方案，助力企業實現數位化轉型的重要基石。

相關技術日益成熟：近兩年上游的IaaS及PaaS層發展迅速，技術水準與國際比肩，商業模式日趨成熟，市場競爭相對充分，為下游的SaaS市場發展奠定了基礎。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Third-party payment service market in China

In recent years, regulating third-party payment in China has been tightened. Up to the time of renewing the sixth batch of payment licences, the central bank of China has derisgistered more than 30 payment licenses, only just over 200 licences remained.

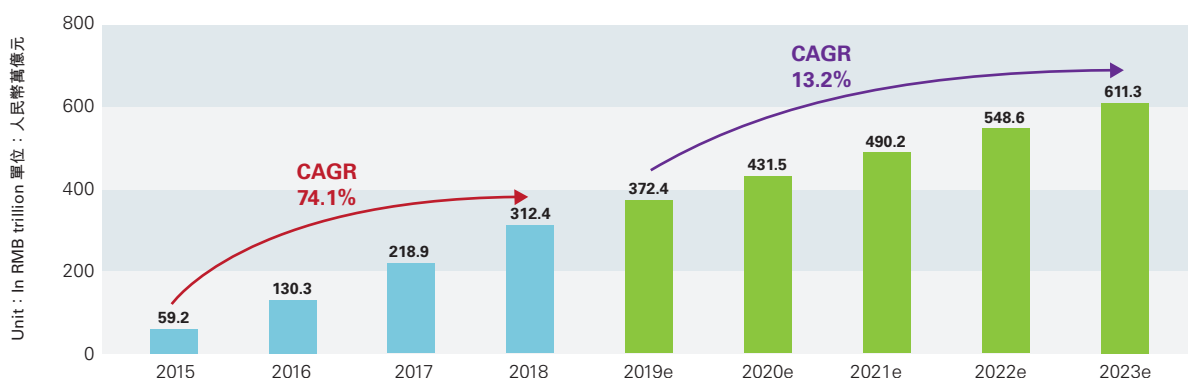
In 2018, the transaction size of the third-party integrated payment service was RMB312.4 trillion. The market size of third-party payment industry is driven by the increase in the number of users, a large number of capital inflows and new technologies, in which, users and capital have a marginal diminishing effect on the industry growth rate as the development of the industry progresses. Therefore, it is expected that the annual growth rate of third-party payment industry will gradually decline from 2019 to 2023, and is expected to reach RMB611.3 trillion by 2023.

中國第三方支付服務市場

近年，中國第三方支付監管趨嚴，截至第六批支付牌照續展，中國中央銀行累計註銷支付牌照逾三十家，支付牌照數量僅剩二百餘張。

二零一八年中國第三方綜合支付交易規模為人民幣312.4萬億元；第三方支付行業市場規模的驅動因素包括使用者數量增長、大量資本流入和新技術的爆發，其中用戶和資本隨行業發展對行業增速有邊際遞減效應，故預計二零一九至二零二三年第三方支付行業年增長率逐漸下降，至二零二三年預計達人民幣611.3萬億元。

Market size of third-party payment in China
中國第三方支付市場規模



Source: iResearch

來源：艾瑞諮詢

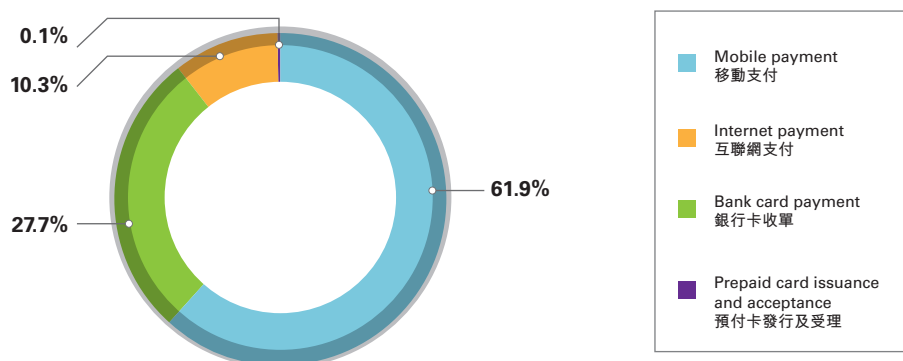
Since 2018, the growth rate of third-party Internet payment industry had gradually slowed down, with a year-on-year growth of 14.8%, accounting for approximately 10.3% of the third-party payment industry. With the change in user payment habit from computer terminal to mobile terminal, the proportion of Internet payment in third-party payment is gradually decreasing. The market size of China's third-party Internet payment industry will grow at a CAGR of 10.5% in the next five years, and is expected to reach RMB55.0 trillion by 2023.

二零一八年開始中國第三方互聯網支付行業增速逐漸放緩，同比增長14.8%，佔第三方支付行業比例約10.3%。隨著用戶支付習慣從電腦端向移動端轉變，互聯網支付佔第三方支付比例逐漸下降；未來五年中國第三方互聯網支付行業市場規模將以10.5%的CAGR增長，預計二零二三年達到人民幣55.0萬億元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Market composition of China's third-party payment industry in 2018
2018中國第三方支付行業市場構成



Source: iResearch

來源：艾瑞諮詢

BUSINESS OVERVIEW

The vision of China Youzan is to help merchants in the Internet era to privatize customer assets, expand Internet customer base, and boost operating efficiency through products and services, with a view to assisting businesses to succeed and form a win-win situation. In the past, we found that Chinese merchants faced some fundamental problems in the consumer retail market, and the challenges that they faced include 1) digital management just started; 2) changes in the new consumption retail sector; 3) increase in business and customers, and they often had no solution to obtain business software that is easy to deploy and cost-effective to optimize store management and customer relations. Therefore, our product takes the merchant SaaS service as an entry point, with the goal of helping them to maximize their business value.

After years of building our foundation, China Youzan carried out significant business deepening and adjustment in 2018 for better integration of merchant services as well as third-party payment services to produce significant potential value.

業務回顧

中國有贊的理念是通過我們的產品和服務幫助今天互聯網時代的商家私有化顧客資產、拓寬互聯網客群及提高經營效率，最終的目的是幫助商家成功，形成一個雙贏的局面。過去，我們發現中國商家在消費零售市場存在一些根本性的問題，他們所面對的挑戰包括1)數字化管理剛剛起步；2)新消費零售領域的改變；3)業務及客戶量增加等，但卻往往缺乏辦法獲得容易部署、具有成本效益的業務軟件去優化門店管理及處理客戶關係。因此我們的產品以商家SaaS服務作為一個切入點，目標是幫助他們最大化其商業價值。

經過多年建立的根基，中國有贊在二零一八年進行了重大業務深化及調整，令我們的商家服務及第三方支付服務能夠進行更好的結合，產生龐大的潛在價值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Product and Service Matrix of China Youzan

中國有贊的產品及服務矩陣

Youzan Software								
有贊軟件								
WeiMall	Retail	Beauty	Chain	Hotel	Education	Catering	Conference	Others
微商城	零售	美業	連鎖	酒店	教育	餐飲	會議	其他
Youzan Services								
有贊服務								
Solutions consultant		Delivery implementation	Talent training	Operation improvement	Credit guarantee	After-sale assistance	Distribution	Advertising
解決方案顧問		交付實施	人才培訓	運營提升	信用擔保	售後協助	分銷	廣告投放
Youzan Cloud								
有贊雲								
E-commerce cloud	Retail cloud	Service cloud	Customer cloud	Data cloud	Marketing cloud	Others		
電商雲	零售雲	服務雲	客戶雲	數據雲	營銷雲	其他		
Third-party Payment Service								
第三方支付服務								
Internet Payment Service		Integrated Payment Service		Cross-border Renminbi Payment Service		Prepaid Card Service		
互聯網支付服務		綜合支付服務		跨境人民幣支付服務		預付卡服務		

“Youzan WeiMall”

“Youzan WeiMall” is a mobile e-commerce solution for the entire industry that the Youzan Group have developed for six years, which provides complete online store opening, customer management, marketing and promotion and operation analytical tools. After three to five years of basic products improvement, “Youzan WeiMall” officially started commercialization at Youzan Spring Salon in 2016. In the past, the Youzan Group constantly optimized our merchant solutions, and currently, our product “Youzan WeiMall” has more than 1,000 functions.

「有贊微商城」

「有贊微商城」是有贊集團打磨了六年、面向全行業的移動電商解決方案，其提供完整的線上開店、客戶管理、營銷推廣及經營分析工具。在經過三至五年的基礎產品完善期後，「有贊微商城」於二零一六年有贊春季沙龍開始正式啟動商業化。在過去有贊集團不斷優化自己的商家解決方案，目前旗下產品「有贊微商城」已擁有超過一千項功能。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

From the perspective of the Gross Merchandise Volume (“GMV”), the GMV data of the Youzan Group has grown significantly in the past from over RMB4 billion in 2015 to over RMB10 billion in 2016 and nearly RMB20 billion in 2017 and approaching RMB33 billion in 2018. In light of the huge consumer market in China, we believe that the Youzan Group still has a lot of potential for growth in terms of GMV in the future.

Since the end of 2018, “Youzan WeiMall” has officially entered the 9.0 era. In the future, it will focus on the six key areas of entire-network mini programs, store upgrading, industrial products, community e-commerce, emerging e-commerce and personalized customization.

“Youzan Mini Program”

Since 2017, “Youzan Mini Program” mainly targeted at WeChat “Mini Program” merchants, and thereafter, the Youzan Group began to open mini programs of the entire network, including Baidu, Alipay and so on. Today, most of the merchants selling products through WeChat “Mini Program” are customers of the Youzan Group. From January 2017 to August 2018, the total GMV of “Youzan Mini Program” has been growing rapidly. According to internal statistics of the Youzan Group, the WeChat “official account” articles have accounted for nearly 50.0% of the “Mini Program” order sources of ordinary merchants. With the increase of WeChat functions and interfaces, the dependence of merchants on WeChat “official account” articles are gradually reducing.

Related Payment and Financing Service

With the popularization of mobile devices and the improvement of Internet technology, the convenience and rapidity of mobile payment to enable it to quickly penetrate into more payment scenarios. Licenced institutions of payment licences need scenarios to carry out business, while enterprises with scenarios often lack “admission qualifications certificate”, and mutual integration and merger have gradually become the industry consensus.

從交易總值（「GMV」）規模來看，有贊集團的GMV數據在過去有著龐大的增長，自二零一五年的人民幣四十多億、二零一六年的人人民幣一百多億、二零一七年接近人民幣二百億，至二零一八年接近人民幣三百三十億，相對於中國龐大的消費市場，我們相信有贊集團於GMV方面在未來仍有很大的上升空間。

自二零一八年年底，「有贊微商城」正式進入9.0時代，往後將圍繞全網小程序、店鋪升級、行業產品、社群電商、新興電商和個性化定制六個重點發力。

「有贊小程序」

「有贊小程序」自二零一七年開始主要面對的是微信「小程序」的商家，其後有贊集團開始開放全網的小程序，包括百度、支付寶等。今天在微信「小程序」裡銷售商品的商家有大部分是有贊集團的客戶。二零一七年一月至二零一八年八月份，「有贊小程序」的GMV總量一直保持著高速增長。根據有贊集團內部的統計數據，普通商家的「小程序」訂單來源中，微信「公眾號」文章佔比近50.0%，隨著微信功能及接口的增加，商家對微信「公眾號」文章的依賴正逐漸下降。

相關支付及金融服務

隨著移動設備的普及和互聯網技術的提升，移動支付的便利性和快捷性使其快速滲透到更多支付場景。支付牌照持牌機構需要場景開展業務，有場景的企業卻往往缺乏「入場資格證」，雙方相互整合併購已逐漸成為行業共識。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

With the continuous enrichment of mobile payment scenarios, the payment product categories are gradually enriched to meet the needs of payers and payees. Through the business integration and deepening of China Youzan in 2018, we believe that the synergistic effect between merchant service business and third-party payment service business will form the new core competitiveness for the Group's future development. Currently, China Youzan has a nationwide Internet payment licence, and a prepaid card (including small-amount virtual prepaid cards) issuance and acceptance licence in Beijing, Shanghai, Zhejiang Province, Guangdong Province and Liaoning Province, integrating its payment and settlement capability with its e-commerce platform offering various merchant SaaS services. We hope that through this business integration and in-depth development, we can help merchants to manage funds and settle their businesses in a more legitimate manner, and help them to operate the prepaid card business.

FINANCIAL REVIEW

During the Reporting Period, the Group's overall operating condition was good. The Group's revenue was approximately HK\$684 million, representing an increase of about 229.3% as compared to 2017. The increase in revenue was mainly attributable to the expansion of the existing third-party payment service business and the inclusion of the revenue from merchant service as a new business segment since the completion of the acquisition of the 51.0% equity interest in Youzan Group on 18 April 2018.

On the basis of completing the acquisition of the 51.0% equity interest in Youzan Group on 18 April 2018, the principal operation of China Youzan includes the merchant service segment in addition to the original third-party payment service segment. During the year ended 31 December 2018, the revenue from the newly added merchant service segment was approximately HK\$503 million, representing approximately 73.5% of the total revenue of the Group.

在移動支付場景的不斷豐富的同時，為滿足付款方和收款方的需求，支付產品種類也逐漸豐富，通過二零一八年中國有贊的業務整合及深化，我們相信商家服務業務及第三方支付服務業務之間的協同效應會為集團往後發展以形成新的核心競爭力。中國有贊目前擁有全國範圍內的互聯網支付牌照；和在北京、上海市、浙江省、廣東省、遼寧省五省市範圍內的預付卡發行與受理（包括小額虛擬預付卡）牌照，從而支付及清算能力與商家SaaS服務能力相結合。我們希望通過是次業務整合及深化，能夠幫助商家管理資金和幫助商家清算業務更符合法規，同時幫助商家經營預付卡業務。

財務回顧

報告期內，本集團的整體經營狀況良好，本集團之營業額約為6.84億港元，較二零一七年度增加約229.3%。營業額增加主要由於拓展現有第三方支付服務業務以及自二零一八年四月十八日完成收購有贊集團51.0%股權以來新業務分類之商家服務業務之入賬所致。

基於本集團於二零一八年四月十八日完成收購有贊集團51.0%股權，中國有贊的主要業務收入在原有第三方支付服務分部上增加了商家業務分部。截至二零一八年十二月三十一日止年度，本集團之營業額之中，新增商家服務分部之營業額約為港幣5.03億元，佔集團總營業額約73.5%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the year ended 31 December 2018, the revenue from the third-party payment service segment was approximately HK\$154 million, accounting for approximately 22.5% of the total revenue of the Group and representing an increase of approximately 12.4% as compared with 2017. The increase was primarily attributable to the expansion of the existing third-party payment service and the increase in business brought by the acquisition of the 51.0% equity interest in Youzan Group.

In 2018, the Group strategically downsized its Onecomm and general trading businesses. During the year ended 31 December 2018, the revenue from Onecomm was approximately HK\$16,000, representing a decrease of approximately HK\$6,065,000 or approximately 99.7% as compared with approximately HK\$6,081,000 in 2017.

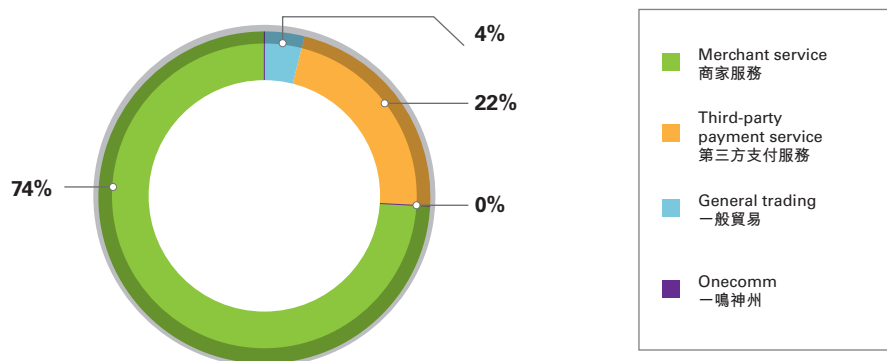
During the year ended 31 December 2018, the revenue from the general trading business was approximately HK\$27 million, accounting for approximately 4.0% of the total revenue of the Group and representing a decrease of approximately HK\$38 million or approximately 58.5% as compared with approximately HK\$65 million in 2017.

截至二零一八年十二月三十一日止年度，自第三方支付服務分部的營業額約為港幣1.54億元，佔集團總營業額約22.5%，較二零一七年度增加約12.4%。該增加主要是由於拓展現有第三方支付服務以及收購有贊集團51.0%股權後的業務增長所致。

二零一八年，本集團一鳴神州及一般貿易業務正進行戰略縮減，截至二零一八年十二月三十一日止年度，自一鳴神州的營業額約為港幣16,000元，較二零一七年度約港幣6,081,000元減少約港幣6,065,000元，跌幅約為99.7%。

截至二零一八年十二月三十一日止年度，自一般貿易的營業額約為港幣2.7千萬元，佔集團總營業額約4.0%，較二零一七年度約港幣6.5千萬元減少約港幣3.8千萬元，跌幅約為58.5%。

Revenue Portion by Segment
各分部營業額佔比



During the year ended 31 December 2018, the Group recorded a 792.0% year-on-year increase in selling and distribution expenses to approximately HK\$212,405,000 (2017: approximately HK\$23,812,000). The increase was mainly due to greater marketing spending on merchant services and third-party payment services and the strong growth in sales team.

截至二零一八年十二月三十一日止年度，本集團錄得銷售及分銷開支同比增長792.0%至約212,405,000港元（二零一七年：約23,812,000港元）。該項增長主要由於商家服務及第三方支付服務的市場推廣開支及銷售僱員增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the year ended 31 December 2018, the Group recorded a 90.0% year-on-year increase in administrative expenses to approximately HK\$221,951,000 (2017: approximately HK\$116,801,000). The increase mainly reflected greater staff costs and office expenses as a result of expanded business volume.

During the year ended 31 December 2018, the Group recorded approximately HK\$220,820,000 (2017: approximately HK\$41,887,000) of other operating expenses, in which a 3902.9% year-on-year increase was recorded for research and development expenditure to approximately HK\$204,667,000 (2017: approximately HK\$5,113,000). The increase was mainly due to the increased investment in the research and development on merchant services SaaS products and PaaS cloud service products.

During the year ended 31 December 2018, the Group recorded a 1197.3% year-on-year increase in equity-settled share-based payment to approximately HK\$283,368,000 (2017: approximately HK\$21,843,000). The increase mainly reflected the adoption of Share Award Scheme.

The Group will continue to develop its existing business while remaining alert to market trends and demands to enable our merchant service and third-party payment service to have competitive advantages. Leveraging on sufficient resources and talent reserves, the Group will continue to integrate its business development with the market demand of merchants, and timely improve its existing products and technologies to keep up with industry trend.

The Group also presents alternative performance measurement indicators. Adjusted performance is an alternative performance measurement indicator which is used to align internal and external reporting, identify and quantify items that the management considers to be significant and reflect how the management assesses period-on-period performance.

截至二零一八年十二月三十一日止年度，本集團錄得行政開支同比增長90.0%至約221,951,000港元（二零一七年：約116,801,000港元）。該項增長主要反映僱員成本及辦公費用因業務量擴大而增加。

截至二零一八年十二月三十一日止年度，本集團錄得其他經營開支共約220,820,000港元（二零一七年：約41,887,000港元），其中研究及開發支出同比增長3902.9%至約204,667,000港元（二零一七年：約5,113,000港元）。該項增長主要由於商家服務SaaS產品和PaaS雲服務產品研究及開發投入增加所致。

截至二零一八年十二月三十一日止年度，股權結算股份支付款項同比增長1197.3%至約283,368,000港元（二零一七年：約21,843,000港元）。該項增長主要反映採納股份獎勵計劃所致。

本集團將持續發展其現有業務，同時對市場趨勢及需求保持警覺，以使我們的商家服務及第三方支付服務具備競爭優勢。憑藉充足的資源及人才儲備，本集團會持續將其業務開發與商家市場需求相結合，及時提升其現有產品及技術，與時並進。

本集團亦呈列替代業績衡量指標。經調整業績是一項替代業績衡量指標，用作使對內及對外匯報資料的方式保持一致、識別及量化管理層認為屬重大的項目，並反映管理層如何評估按期計算的業績表現。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The following table shows the adjusted performance of the Group in 2018 and 2017:

下表列示本集團於二零一八年及二零一七年之經調整業績：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss from operations	經營虧損	(893,159)	(133,794)
– Equity-settled share-based payment	– 股權結算股份支付款項	283,368	21,843
– Depreciation of property, plant and equipment	– 物業、廠房及設備折舊	12,375	4,629
– Amortization of intangible assets	– 無形資產攤銷	158,619	1,935
– Impairment of intangible assets	– 無形資產減值	–	2,869
– Other (gains)/losses, net	– 其他(收益)/虧損, 淨額	48,579	(44,851)
– Investment and other income	– 投資及其他收入	(21,605)	(1,531)
Adjusted loss before interest, tax, depreciation and amortization	經調整除利息、稅項及折舊攤銷前虧損	(411,823)	(148,900)
Loss for the year	本年度虧損	(839,444)	(135,094)
– Equity-settled share-based payment	– 股權結算股份支付款項	283,368	21,843
– Amortization of intangible assets	– 無形資產攤銷	158,619	1,935
– Impairment of goodwill	– 商譽減值	56,597	–
– Impairment losses on investments in associates	– 投資於聯營公司的減值虧損	13,657	21,286
– Impairment losses on amount due from an associate	– 應收一間聯營公司款項減值虧損	–	3,469
– Impairment losses on amount due from a non-controlling shareholder	– 應收一名非控股股東款項減值虧損	–	752
– Acquisition-related cost	– 收購相關費用	4,524	–
– Impairment of intangible assets	– 無形資產減值	–	2,869
– Amortization of financial guarantee contract	– 財務擔保合同攤銷	–	(24,606)
– Gain on derecognition of contingent consideration payables, net	– 終止確認應付或然代價之收益, 淨額	–	(44,558)
– Gain on disposal of a subsidiary, net	– 出售一間附屬公司之收益, 淨額	–	(313)
– Adjusted for tax effects on non-GAAP adjustments	– 非通用會計準則調整下的稅務調整	(23,710)	–
Adjusted non-GAAP loss for the year	經調整年度非通用會計準則虧損	(346,389)	(152,417)

Note: These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with HKFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies.

附註：此等未經審核非通用會計準則財務計量應被視為根據香港財務報告準則編製的本集團財務業績的補充而非替代計量。此外，此等非通用會計準則財務計量的定義可能與其他公司所用的類似詞彙有所不同。

Adjusted non-GAAP loss for the year amounted to approximately HK\$346 million, representing a decrease of approximately HK\$493 million or 58.7% as compared with unadjusted figure, which mainly reflects the one-off expenses and non-cash expenditures during the Reporting Period.

經調整年度非通用會計準則虧損約為港幣3.46億元，較未經調整數字減少約港幣4.93億元，減幅為58.7%，主要反映報告期內一次性費用及非現金支出。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Annual Impairment Test – CGU

The Company has engaged independent professional valuer to assess the recoverable amounts the Group's cash generating units ("CGU") as at 31 December 2018, for the purpose of annual impairment test in accordance with accounting standards.

年度減值測試－現金產生單位

本公司已委任獨立專業估值師以評估現金產生單位（「現金產生單位」）於二零一八年十二月三十一日之可回收金額，以用於各現金產生單位的年度減值測試。

Cash generating unit

現金產生單位

Valuation date

評估基準日

Third-party payment service business ("CGU2")

31 December 2018

第三方支付服務業務（「現金產生單位2」）

二零一八年十二月三十一日

Merchant service business ("CGU4")

31 December 2018

商家服務業務（「現金產生單位4」）

二零一八年十二月三十一日

The recoverable amounts of the CGUs have been determined on the basis of their value in use using discounted cash flow method, which is defined as the present value of the future cash flow expected to be derived from the cash generating units. When conducting the valuation, the valuer has taken into account factors including but not limited to expected revenue of each cash generating units provided by the management, expected cost and other expenses of each cash generating units, capital expenditure, operation plan, discount rate calculated by the valuer, the current conditions of the market and the Group and estimated trend in the future provided by an industry expert, etc. The parameters adopted in the valuation process were as follows:

現金產生單位之可收回金額乃經使用貼現現金流量法計算使用價值後釐定，使用價值定義為預期產生自現金產生單位之未來現金流量之現值。進行估值時，估值師已計及諸多因素，包括但不限於由管理層提供的各現金產生單位的預期收入、預期成本及其他開支、資本開支、運營計劃及估值師測算的貼現率、由行業專家提供的市場及本集團現狀及未來估計走勢等。於評估過程當中，評估師所採用的參數如下：

	Budgeted revenue CAGR in the 5-year forecast 五年財務 預測中的預期 營業額複合 增長率	Terminal growth rate 永續增長率	Pre-tax discount rate 稅前貼現率
CGU2 現金產生單位2	59.4%	3.0%	20.5%
CGU4 現金產生單位4	63.6%	3.0%	21.7%

The valuation report showed that the value in use of each cash generating units as at 31 December 2018 were higher than its book value.

估值報告顯示各現金產生單位於二零一八年十二月三十一日之使用價值高於其賬面值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Besides, management, as at the interim reporting date, assessed whether there was any indication that the carrying amounts of CGU 2 and CGU 4 may be impaired. Revenues from certain customer group of CGU 2 in second quarter of year 2018 had not met previous forecasts principally due to the impact of a policy change by the People's Bank of China prohibiting direct settlement with banks. Management revised the revenue forecast downward and determined the CGU 2 value in use to be HK\$684,167,000, and the pre-tax discount rate used to calculate the value in use was 21.6%. As a result, an impairment loss of HK\$56,597,000 was recognized for CGU 2 in accordance with HKAS 36 "Impairment of Assets". The impairment loss was fully charged against the goodwill attributable to CGU 2. However, the performance of CGU 2 in the second half of the financial year started to recover due to the increase in business brought by the acquisition of the Youzan Group, and the value in use of CGU 2 estimated at end of reporting period exceeded the carrying amount of CGU 2. No impairment amount of the goodwill provided for CGU 2 in the interim reporting period was reversed by end of the reporting period as such reversal is not permitted by HK(IFRIC) Interpretation 10.

FUTURE BUSINESS STRATEGIES

The e-commerce SaaS of China Youzan has been commercialized and is slowly entering into its maturing stage. To cope with its market development, we hope to serve a wider range of users, and expand from single merchant service to the entire industry ecosystem. This is a brand new challenge for our services, so China Youzan will embrace these challenges with the tenet of being efficient, open and win-win.

Currently, the development of consumption and retail industry is undergoing the stage of transformation from automation to informatization, and from Internet-based to intelligence-based. We will treasure the application of technology by merchants, and assist merchants to actively seeking technical support on the businesses side so as to reduce costs and increase efficiency. We will actively explore the value and support of combining the business, so as to constantly renew our business model. Looking back to 2018, the new consumption and retail market had changed from online and offline competition to hand-in-hand integration. This kind of hand-in-hand integration is resulted from: i) merchants' lack of competitive advantage of single-channel management; or ii) merchants' lack of relevant information, so that they can only operate their business by following the market trend. Many merchants go from online to offline and face a lot of problems in terms of offline business model and capability. However, offline merchants hope to be internet-oriented and form connections, and they also encounter many operational problems.

另外，於中期報告日期，管理層評估是否有任何跡象顯示現金產生單位2及現金產生單位4之賬面值可能減值。二零一八年第二季度來自現金產生單位2之若干客戶群之收益未能達到先前預測，主要因為中國人民銀行一項禁止與銀行直接結算之政策變化之影響。管理層向下修訂收入預測並釐定現金產生單位2之使用價值為684,167,000港元，而計算使用價值之稅前貼現率為21.6%。因此，已根據香港會計準則第36號「資產減值」就現金產生單位2確認減值虧損56,597,000港元。該減值虧損已悉數抵銷現金產生單位2應佔之商譽。然而，現金產生單位2於財政年度下半年開始因為自收購有贊集團以來產生的業務增長而回升及現金產生單位2於報告期末之估計使用價值超過現金產生單位之賬面值。於中期報告期間就現金產生單位2計提之商譽減值金額並無撥回，原因為香港（國際財務報告詮釋委員會）詮釋第10號並不允許有關撥回。

未來業務策略

中國有贊的電商SaaS已經商業化並慢慢踏入一個成熟的階段。為應對市場的發展，我們希望可以服務更廣泛的用戶，從單一的商家服務拓展至整個行業生態體系。這對我們的服務來說是一個嶄新的挑戰，因此中國有贊將以高效、開放、共贏為宗旨，迎接這些挑戰。

目前消費及零售行業的發展正經歷自動化到信息化、互聯網化到智能化的階段。我們將重視技術於商家的應用，協助商家在業務端主動尋求技術支持，降低成本增加效率；技術端主動探索結合業務落地後的價值和支撐力，不斷疊新換代。回顧二零一八年，新消費及零售市場從線上線下之爭變成牽手融合。這種牽手融合源於：i)商家缺乏單一渠道經營的競爭優勢；或ii)商家缺乏相關資訊，只能跟著市場趨勢運營。許多商家從線上往線下走，其線下的經營模式和能力存在大量問題；而線下的商家希望互聯網化，形成連接，同樣遇到不少運營上的問題。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Product innovation, consumption upgrading, physical store growth and e-commerce development are still the main driving forces to maintain the vitality and growth of the consumption and retail market. In light of this, we hope to link up online stores and physical stores to enable traditional retail embracing Internet and online retail embracing physical stores, and at the same time achieve the comprehensive upgrading in business content, scope and customers of stores. An online connection will be established when customers shop at the merchant stores. It will expand the commodity varieties of merchants, and achieve synchronous sales at online stores and physical stores, so as to connect commodities, inventory, orders, members, stored-value and funds for unified management. Finally, we hope to unify merchants' stores, so that they can read and retrieve real-time online data, with full improvement in the overall operating efficiency. Therefore, promoting e-commerce SaaS will become one of our future strategic priorities.

Store SaaS

The past year witnessed a slowdown in online retail growth, accelerated offline retail competition, and Internet companies competing for layout setting to get involved in the offline business. Currently, the Group is actively developing store SaaS, of which it mainly consists of "Youzan Retail", "Youzan Chain", "Youzan Beauty" and "Youzan Education".

"Youzan Retail" is a full-channel operating software facing offline retail stores, and providing new retail solutions of commodity access, membership access and scene access to store owners. Currently, "Youzan Retail" has been upgraded to version 4.0 with over 2,500 functions. As "Youzan Retail" is at its initial stage and has not been officially commercialized, the operating data will be publicly disclosed in the future when it is relatively matured.

"Youzan Chain" is one of our store SaaS services. Currently, many of our merchants have chain stores. In addition to nationwide chain stores, there is a large number of regional chain stores, brand chain stores, and franchise chain stores, etc. As "Youzan Chain" is at its initial stage and has not been officially commercialized, the operating data will be publicly disclosed in the future when it is relatively mature.

產品創新、消費升級、實體店增長以及電商發展仍然是促進消費及零售市場保持活力增長的主要驅動力。有鑑於此，今後我們希望打通網店和門店，讓傳統零售擁抱互聯網，讓線上零售擁抱門店，同時實現門店經營內容、範圍、人群全面升級。客戶在商家門店消費時就開始建立網上連接，擴充商家商品種類，並同步在網店及門店銷售，以此打通商品、庫存、訂單、會員、儲值、資金，並作統一管理。最後，我們希望能夠令商家門店統一起來，令商家能夠讀取實時在線數據，真正全面提高經營效率。因此，推動電商SaaS成為我們其中一個未來戰略重點。

門店SaaS

在過去一年我們可以看到線上零售增速放緩，線下零售競爭加速，互聯網企業爭相佈局，捲入線下。目前，本集團正積極開發門店SaaS，其中主要服務為「有贊零售」、「有贊連鎖」、「有贊美業」及「有贊教育」等。

「有贊零售」是一款面向線下零售門店的全渠道經營軟件，為門店商家提供「商品通」、「會員通」及「場景通」等新零售解決方案。目前，「有贊零售」已經迭代到了4.0版本，擁有超過2,500項功能。由於「有贊零售」屬於起步階段，尚未正式商業化，因此運營數據將於往後相對成熟的時候作公開披露。

「有贊連鎖」是我們其中一項門店SaaS服務，我們現在有很多商家均是有連鎖店的，除了全國性連鎖店，還有大量的區域連鎖、品牌連鎖、加盟連鎖等。由於「有贊連鎖」屬於起步階段，尚未正式商業化，因此運營數據將於往後相對成熟的時候作公開披露。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The headquarter of “Youzan Beauty” is in Shenzhen, with targeted customers being the industries of beauty and body care, fitness and health care, pet hospitals, technological beauty service, medical plastic surgery, etc. As “Youzan Beauty” is at its initial stage and has not been officially commercialized, the operating data will be publicly disclosed in the future when it is relatively mature.

“Youzan Education” is a brand-new store SaaS service, targeting at offline education institutes and various training institutions. As “Youzan Education” is at its initial stage and has not been officially commercialized, the operating data will be publicly disclosed in the future when it is relatively mature.

PaaS Cloud Service

Our “Youzan Cloud” belongs to PaaS service. In facing the different operation requirements of a large number of merchants, we have all along been committed to meeting the prominent characteristics of various industries, the emerging innovative business models and the business plans for different scenarios. However, we understand that even if we have a strong technical system, it will also be difficult for us to meet a large number of personalized requirements of merchants. Therefore, through open capabilities, social development resources can be gathered to help merchants realizing service customization of business processes, page templates, visual components, business logics and interface messages on the standard products of “Youzan WeiMall” and “Youzan Retail”. After accumulating the technologies, data and the number of merchants of e-commerce SaaS and store SaaS, we share part of the technologies and develop them for the third-party. Open platform refers to the “Youzan ecological platform” that creates more value for merchants by connecting with external third-parties. By opening API interface based on the existing systems of China Youzan and connecting with trusted third-party developers in different regions, the platform provides merchants with e-commerce enterprise resource planning (“ERP”), marketing plugins, hardware, store goods purchase and sales and inventory as well as other tools, with its functions covering order processing, warehousing and logistics, online marketing, store cashier, store goods purchase and sales and inventory, member management, order conversion, brand communication, customer services, etc.

「有贊美業」的總部設於深圳，面對的客戶是美容美體、養生保健、寵物醫院、科技美容、醫療整形等這類客戶。由於「有贊美業」屬於起步階段，尚未正式商業化，因此運營數據將於往後相對成熟的時候作公開披露。

「有贊教育」是一款全新的門店SaaS服務，其面向線下教育機構以及各類型培訓機構。由於「有贊教育」屬於起步階段，尚未正式商業化，因此運營數據將於往後相對成熟的時候作公開披露。

PaaS 雲服務

我們的「有贊雲」服務屬於PaaS服務。面對大量商家不同的經營要求，我們一直致力於滿足各行各業顯著的行業特徵、層出不窮的創新商業模式及不同場景的經營方案，但我們明白到即便我們已經擁有強大的技術體系，也難以滿足商家大量的個性化需求。因此，通過開放能力，可以聚集社會化開發資源，幫助商家在「有贊微商城」和「有贊零售」的標準產品上，實現業務流程、頁面範本、可視元件、業務邏輯、介面消息的業務定制。經過電商SaaS及門店SaaS的技術、數據及商家數積累以後，我們將一部分的技術進行共享，面向第三方開發。開放平台，是指通過與外部第三方連接，為商家創造更多價值的「有贊生態平台」。基於中國有贊現有系統開放API界面，連接各地值得信賴的第三方開發者，給商家提供電商企業資源計劃（「ERP」）、行銷外掛程式、硬體、門店進貨銷貨存貨等工具，功能涵蓋訂單處理、倉儲物流、線上行銷、門店收銀、門店進貨銷貨存貨、會員管理、訂單轉化、品牌傳播、客戶服務等方向。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In 2018, the number of third-party developers on Youzan open platform increased rapidly from less than 30,000 at the beginning of the year to more than 50,000, with a growth rate of over 67.0%. As the business scale of merchants continues to expand, their demand for customization is also increasing. Merchants can create “self-use applications” through Youzan open platform to achieve personalized customization, in which it has become a good business solution for merchants. In 2018, on the Youzan open platform, the proportion of “self-use applications” that are independently developed by merchants has reached 83.0%.

二零一八年有贊開放平台第三方開發者數量由年初不到三萬個快速增長至五萬多個，增長率超過67.0%。隨著商家的商業規模不斷擴大，定制化需求也同步不斷增加。商家通過有贊開放平台創建「自用型應用」，實現個性化定制，成為商家營商一種很好的解決方案。二零一八年，有贊開放平台上，商家自主開發的「自用型應用」佔比已經達到了83.0%。

In 2019, we will endeavor to upgrade the open platform to “Youzan Cloud” to create a more diversified open ecosystem. “Youzan Cloud” service will combine all the following functions:

二零一九年，我們將竭力將開放平台全面升級至「有贊雲」，以打造更多元的開放生態。「有贊雲」服務將結合以下所有功能：

Cloud services 雲服務	Current status 現狀	Functions 功能
E-commerce cloud 電商雲	In operation 運營中	Realize personalized customization of core operation on the basis of “Youzan WeiMall” 在「有贊微商城」的基礎上，實現核心經營的個性化定制
Retail cloud 零售雲	To be opened soon 即將開放	Online flow transfer to physical stores, supply and marketing coordination, intelligent IoT and other offline business customization 線上引流到實體門店、供銷協同、智慧IoT技術等線下經營的定制
Marketing cloud 營銷雲	To be opened soon 即將開放	Provide a variety of precision marketing, interactive games and other tools 提供多元化的精準營銷、互動遊戲等工具
Service cloud 服務雲	To be opened soon 即將開放	Provide comprehensive human and software services such as agency operation, warehouse distribution, customer service, design and so on 提供代運營、倉配、客戶服務、設計等人力和軟體的綜合服務
Customer cloud 客戶雲	To be opened soon 即將開放	Explore consumer behavior data, shape customer portraits and build a growth system to achieve accessibility and repeated purchase 挖掘消費者行為數據、塑造客戶畫像、構建成長體系，實現觸達及複購
Data cloud 數據雲	To be opened soon 即將開放	Omni-directional data sedimentation, data integration, big data calculation and multi-angle statement analysis for digital operation to achieve digitalized operation 全方位數據沈澱、數據打通、大數據計算、多角度的分析報表，實現數位化經營

DIRECTORS' REPORT

董事會報告書

The Directors present this report together with the audited financial statements of China Youzan Limited and our subsidiaries for the year ended 31 December 2018.

THE COMPANY

The Company was incorporated in Bermuda on 17 August 1999 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). Its shares have been listed on the GEM of the Stock Exchange of Hong Kong Limited since 14 April 2000.

PRINCIPLE ACTIVITIES

Our Company is an investment holding company. The Group's operation consists of four operating segments, which are (i) merchant service – provision of e-commerce platform with a variety of SaaS products and comprehensive services in the PRC through Youzan Group, which owns Youzan WeiMall, Youzan Retail, Youzan Beauty and other SaaS products; (ii) third-party payment services; (iii) Onecomm – provision of third-party payment system solution and sales of integrated smart point of sales devices; and (iv) general trading.

An analysis of our Group's revenue, segment result and assets for the year ended 31 December 2018 are set out in note 8 and 11 respectively to the accompanying financial statements.

CUSTOMERS & SUPPLIERS

For the year ended 31 December 2018, the percentage of revenue attributable to the Group's five largest customers was less than 30.0%.

For the year ended 31 December 2018, the five largest suppliers of our Group accounted for approximately 38.9%, while the largest supplier accounted for approximately 13.2% of our Group's total purchases.

As far as the Directors are aware, none of the Directors, their associates, or any shareholders (which, to the knowledge of the Directors, owned more than 5.0% of the Company's share capital) had a beneficial interest in the five largest customers and suppliers of our Group.

董事會欣然提呈本報告書及中國有贊有限公司及其附屬公司截至二零一八年十二月三十一日止年度的經審核財務報表。

本公司

本公司於一九九九年八月十七日根據百慕達一九八一年公司法（經修訂）在百慕達註冊成立為獲豁免之有限公司。其股份自二零零零年四月十四日起在香港聯合交易所有限公司GEM上市。

主要業務

本公司為投資控股公司，本集團的業務由四個經營分部組成：(i)商家服務—透過有贊集團（其擁有有贊微商城、有贊零售、有贊美業等SaaS產品）於中國提供各種電商平台的SaaS產品和綜合服務；(ii)第三方支付服務；(iii)一鳴神州—提供第三方支付系統解決方案及銷售綜合智能銷售點裝置；及(iv)一般貿易。

截至二零一八年十二月三十一日止年度，本集團的營業額、分部業績及資產之分析分別載於隨附的財務報表附註8及11。

客戶及供應商

於截至二零一八年十二月三十一日止年度，本集團主要五大客戶佔本集團之營業額少於30.0%。

於截至二零一八年十二月三十一日止年度，本集團五大供應商佔本集團總採購額約38.9%，而最大供應商則佔本集團總採購額約13.2%。

就董事所察覺，概無董事、彼等的聯繫人士或任何據董事所知擁有本公司股本超過5.0%的股東於本集團五大客戶及供應商中擁有實質權益。

DIRECTORS' REPORT

董事會報告書

RESULTS AND APPROPRIATIONS

Details of our Group's results for the year ended 31 December 2018 are set out on pages 154 to 155 of this annual report.

DIVIDEND

The Directors did not recommend the payment of any dividend (2017: Nil).

SHARE CAPITAL

Details of movements in share capital of the Company are set out in note 43 to the accompanying financial statements.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on information that is publicly available to the Company and within the knowledge of the directors, the directors confirm that the Company maintained a sufficient public float as required under the GEM Listing Rules.

CONVERTIBLE BONDS

As at 31 December 2018, there were no outstanding convertible bonds.

WARRANTS

On 6 February 2015 (after trading hours), the Company and Greater China Select Fund (the "Subscriber") entered into the Subscription Agreement. Following obtaining the Shareholders' approval of the Warrant Subscription and issue of the Warrant Shares at the SGM dated 29 June 2015, all conditions set out in the Subscription Agreement have been fulfilled and completion of the Warrant Subscription took place on 6 July 2015. Warrants of an aggregate amount of HK\$381.6 million have been issued to the Subscriber at the Issue Price of HK\$0.002 per Warrant. The Warrants entitle the Subscriber to subscribe a maximum of 530,000,000 Warrant Shares at the initial Subscription Price of HK\$0.72 per Warrant Share for a period of five (5) years commencing from the date of issue of the Warrants.

As at this report date, there were still outstanding 520,000,000 Warrant Shares with an aggregate fair value of HK\$374,400,000 to be subscribed.

業績及撥款

本集團截至二零一八年十二月三十一日止年度的業績詳情載於本年報第154至155頁。

股息

董事不建議派付任何股息(二零一七年:無)。

股本

本公司股本變動詳情載於隨附財務報表附註43。

充足公眾持股量

於本報告日期,根據本公司所掌握之公開資料以及就董事所知,董事確認本公司保持GEM上市規則所規定之充足公眾持股量。

可換股債券

於二零一八年十二月三十一日,本公司並無尚未轉換可換股債券。

認股權證

於二零一五年二月六日(交易時段後),本公司與Greater China Select Fund(「認購人」)訂立認購協議。在取得股東於二零一五年六月二十九日股東特別大會上就認股權證認購事項及發行認股權證股份之批准後,載於認購協議之所有條件已獲達成,認股權證認購事項於二零一五年七月六日完成。總額為381,600,000港元之認股權證已按每份認股權證0.002港元之發行價發行予認購人。認股權證賦予認購人自認股權證發行日期起計五(5)年期間以每股認股權證股份0.72港元之初步認購價認購最多530,000,000股認股權證股份。

於本報告日期,尚有面值374,400,000港元之520,000,000股認股權證股份可獲行使。

DIRECTORS' REPORT

董事會報告書

SHARE OPTION AND SHARE AWARD SCHEME

Details of Share Option Scheme and Share Award Scheme of the Company are set out in note 47 to the accompanying financial statements.

RESERVES AND RETAINED LOSS

Movements in reserves of the Company during the year are set out in note 45 to the accompanying financial statements. Movements in retained profits and other reserves of our Group during the year are set out in the consolidated statement of changes in equity on page 158 of this annual report.

As at 31 December 2018, the Company had no reserves available for distribution to its shareholders. However, the Company's share premium account, in the amount of approximately HK\$5,052,467,000 may be distributed in the form of fully paid bonus shares.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

PRE-EMPTIVE RIGHT

There is no provision for pre-emptive rights under the Company's Byelaws and the laws in Bermuda in relation to the issue of new shares by the Company

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries and associates are set out in notes 21 and 22 respectively to the accompanying financial statements.

購股權及股份獎勵計劃

本公司購股權計劃及股份獎勵計劃詳情載於隨附財務報表附註47。

儲備及保留虧損

本公司儲備於年內的變動載於隨附財務報表附註45。本集團保留溢利及其他儲備於年內的變動載於本年報第158頁的綜合權益變動表。

於二零一八年十二月三十一日，本公司並無可分發予其股東的儲備。然而，本公司金額約5,052,467,000港元之股份溢價賬可以繳足紅股之形式分派。

購買、出售或贖回股份

本公司於年內並無贖回任何本身之股份。另本公司及各附屬公司於年內亦無購買或出售任何本公司之股份。

優先購買權

本公司的公司細則及百慕達法例並無有關本公司發行新股的優先購買權的任何條文。

附屬公司及聯營公司

本公司的附屬公司及聯營公司詳情分別載於隨附財務報表附註21及22。

DIRECTORS' REPORT

董事會報告書

EMPLOYEE BENEFITS

Details of our Group's Share Option Schemes and Share Award Scheme are set out in note 47 to the accompanying financial statements.

RELATED PARTY TRANSACTIONS

Details of related party transactions are set out in note 52 to the accompanying financial statements.

CONTINUING CONNECTED TRANSACTIONS

As mentioned in the CCTs Announcements dated 2 January 2018, upon completion of the Sale and Purchase Agreement, Whitecrow Investment Ltd. and its ultimate shareholder became a substantial shareholder of the Company, while Qima Holdings Ltd. ("Qima Holdings") became a non wholly-owned subsidiary of the Company which is owned as to 51% by the Company and 12.8% by Whitecrow Investment Ltd. and its ultimate shareholder. Therefore, Qima Holdings and its subsidiaries, including Hangzhou Youzan Technology Co., Ltd. ("Hangzhou Youzan"), became connected subsidiaries and connected persons of the Company under Rule 20.07(5) of the GEM Listing Rules. At the same time, Hangzhou Qima, a company owned as to 54.41% by Mr. Zhu Ning, the ultimate shareholder of Whitecrow Investment Ltd., became a connected person of the Company under Rule 20.07(4) of the GEM Listing Rules by virtue of it being an associate of Mr. Zhu Ning.

As such, the transactions which were entered into between the Group with each of Qima Holdings, Hangzhou Youzan and Hangzhou Qima upon or after completion of the Sale and Purchase Agreement constituted continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

僱員福利

本集團的購股權計劃及股份獎勵計劃詳情載於隨附財務報表附註47。

關連人士交易

關連人士交易的詳情載於隨附財務報表附註52。

持續關連交易

誠如日期為二零一八年一月二日持續關連交易公告所述，於買賣協議完成後，Whitecrow Investment Ltd.及其最終股東成為本公司之主要股東，而Qima Holdings Ltd.（「Qima Holdings」）將成為本公司之非全資附屬公司，其中本公司擁有51%以及Whitecrow Investment Ltd.及其最終股東擁有12.8%。因此，根據GEM上市規則第20.07(5)條，Qima Holdings及其附屬公司（包括杭州有贊科技有限公司（「杭州有贊」））成為本公司之關連附屬公司及關連人士。同時，根據GEM上市規則第20.07(4)條，杭州起碼（由Whitecrow Investment Ltd.之最終股東朱寧先生擁有54.41%之公司）因為朱寧先生之聯繫人，故成為本公司之關連人士。

因此，根據GEM上市規則第20章，有關交易（由本集團分別與Qima Holdings、杭州有贊及杭州起碼於買賣協議完成時或之後訂立）將構成本公司之持續關連交易。

DIRECTORS' REPORT

董事會報告書

1. Third Party Payment Service Framework Agreement

Date: 8 April 2017

Parties: Beijing Gaohuitong Commercial Management Co., Ltd. ("Beijing Gaohuitong"); and Hangzhou Youzan

Conditions precedent

The commencement of the Third Party Payment Services Framework Agreement is conditional upon (i) completion of the Acquisition; (ii) the obtaining of the approval from the Independent Shareholders by the Company in relation to the transactions contemplated under the Third Party Payment Services Framework Agreement and the related transactions contemplated thereunder in accordance with the GEM Listing Rules; and (iii) the obtaining of the approval from the board of directors of Youzan Group in relation to the Third Party Payment Services Framework Agreement and the related transactions contemplated thereunder within 60 days from the signing of the Third Party Payment Services Framework Agreement or any other duration as agreed between Beijing Gaohuitong and Hangzhou Youzan.

Term

The Third Party Payment Services Framework Agreement is of a term commencing from the date on which the above conditions precedent are fulfilled and ending on 31 December 2019 (both days inclusive).

1. 第三方支付服務框架協議

日期：二零一七年四月八日

訂約方：北京高匯通商業管理有限公司（「北京高匯通」）；及杭州有贊

先決條件

第三方支付服務框架協議待(i)收購事項完成；(ii)本公司根據GEM上市規則取得獨立股東有關第三方支付服務框架協議項下擬進行之交易及其項下擬進行之相關交易之批准；及(iii)於簽訂第三方支付服務框架協議起計60日內或北京高匯通與杭州有贊協定之任何其他期限內，取得有贊集團董事會有關第三方支付服務框架協議及其項下擬進行之相關交易之批准後，方可進行。

年期

第三方支付服務框架協議之年期自上述先決條件獲達成當日起至二零一九年十二月三十一日止（包括首尾兩日）。

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Scope of services

Beijing Gaohuitong shall provide the following types of third party payment services to Hangzhou Youzan subject to the terms and conditions of the Third Party Payment Services Framework Agreement:

1. offline integrated payment transactions services, including but not limited to, point of sales based business handling services for bank cards for offline transactions;
2. online payment services for "WeiMall", including but not limited to express checkout, Wechat Pay and Alipay services;
3. cross-border RMB payment settlement services for "WeiMall" overseas merchants;
4. physical and virtual prepaid cards services for merchants of Youzan Group; and
5. other payment related services.

Pricing policy and payment terms

The provision of the relevant payment services under the Third Party Payment Services Framework Agreement shall only commence upon fulfillment of the conditions precedent as stated above.

服務範圍

北京高匯通應向杭州有贊提供以下類別之第三方支付服務，惟須遵守第三方支付服務框架協議之條款及條件：

1. 線下整合支付交易服務，包括但不限於線下交易基於銷售點之銀行卡業務受理服務；
2. 「微商城」線上支付服務，包括但不限於快速結賬、微信支付及支付寶服務；
3. 「微商城」海外商戶之跨境人民幣支付結算服務；
4. 有贊集團商戶之實體及虛擬預付卡服務；及
5. 其他支付相關服務。

定價政策及付款條款

根據第三方支付服務框架協議提供相關支付服務於上文所載之先決條件獲達成後，方可進行。

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The service fee under the Third Party Payment Services Framework Agreement is determined principally by arm's length commercial negotiations between the parties with reference to (i) the upstream channel costs and operating costs incurred in relation to the provision of the similar payment services by Beijing Gaohuitong and (ii) the quotation arrangement of similar payment services by Beijing Gaohuitong to independent third parties. In any event, the service fee charged under the Third Party Payment Services Framework Agreement shall not (i) be less favourable than those available to independent third parties for similar quotation arrangement of similar payment services provided by Beijing Gaohuitong; or (ii) be lower than the upstream channel costs and operating costs incurred in relation to the provision of similar payment services by Beijing Gaohuitong plus a markup of 20%.

Proposed annual caps

The proposed annual caps in respect of the transactions contemplated under the Third Party Payment Services Framework Agreement for each of the three years ending 31 December 2019 is RMB50,000,000, RMB110,000,000 and RMB160,000,000 respectively.

Basis of the proposed annual caps

The proposed annual caps for the continuing connected transactions contemplated under the Third Party Payment Services Framework Agreement have been determined based on, among others, Youzan Group's estimate of its business growth for the three years ending 31 December 2019, in particular the expected gross merchandise volume of Youzan Group derived from the expected number of active registered merchants and expected transaction amount of the active registered merchants; and the Company's current estimation of the price for the provision of major relevant payment services under the Third Party Payment Services Framework Agreement.

第三方支付服務框架協議項下之服務費乃主要由訂約方公平商業磋商後釐定，並參考(i)北京高匯通提供類似支付服務所產生之上游渠道成本及經營成本及(ii)北京高匯通向獨立第三方提供類似支付服務之報價安排。在任何情況下，根據第三方支付服務框架協議所收取之服務費應不得(i)遜於北京高匯通就類似支付服務之類似報價安排向獨立第三方所提供者；或(ii)低於北京高匯通提供類似支付服務所產生之上游渠道成本及經營成本另加20%利潤。

建議年度上限

截至二零一九年十二月三十一日止三個年度各年，有關第三方支付服務框架協議項下擬進行之交易之建議年度上限分別為人民幣50,000,000元、人民幣110,000,000元及人民幣160,000,000元。

建議年度上限之基準

根據第三方支付服務框架協議擬進行之持續關連交易之建議年度上限乃根據(其中包括)截至二零一九年十二月三十一日止三個年度有贊集團對其業務增長之估計，尤其是按照活躍註冊商戶之預期數目及活躍註冊商戶之預期交易額得出之有贊集團之預期商品交易總額；及本公司目前對根據第三方支付服務框架協議提供主要相關支付服務之價格估計釐定。

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Internal control and pricing policy

In order to ensure that the service fee charged under the Third Party Payment Services Framework Agreement shall not (i) be less favourable than those available to independent third parties for similar quotation arrangement of similar payment services provided by Beijing Gaohuitong or (ii) be lower than the upstream channel costs and operating costs incurred in relation to the provision of similar payment services by Beijing Gaohuitong plus a markup of 20%, the Company has adopted the following measures:

1. the Company will supervise the continuing connected transactions in accordance with the procedures set forth in the Company's internal control manual on continuing connected transactions. Designated personnel of the operation department of the Company will conduct regular checks to review and assess whether relevant transactions are conducted in accordance with the terms of the Third Party Payment Services Framework Agreement and monitor the changes in the relevant upstream channel costs. The Company will notify such changes in the upstream channel costs to Hangzhou Youzan as soon as practicable and the relevant service fees will be adjusted accordingly on a monthly basis;
2. the Company's external auditors will carry out procedures in accordance with Rule 20.54 of the GEM Listing Rules on the pricing and the annual caps of the continuing connected transactions;

內部控制及定價政策

為確保根據第三方支付服務框架協議所收取之服務費應不 (i)遜於北京高匯通就類似支付服務之類似報價安排向獨立第三方所提供者或 (ii)低於北京高匯通提供類似支付服務所產生之上游渠道成本及經營成本另加20%利潤，本公司已採取下列措施：

1. 本公司將根據本公司有關持續關連交易的內部控制手冊所載程序監督該等持續關連交易。本公司營運部門之指定人員將定期核查，以檢討及評估相關交易是否根據第三方支付服務框架協議之條款進行，並監測相關上游渠道成本變動。本公司將於切實可行情況下就上游渠道成本變動盡快知會杭州有贊，且每月相應調整相關服務費；
2. 本公司之外部核數師將根據GEM上市規則第20.54條對持續關連交易之定價及年度上限進行相關程序；

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3. the Company's Audit Committee will review at least twice a year the analysis reports and the improvement measures prepared by the Company's management based on the implementation of the continuing connected transactions by the Company; and
4. the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the continuing connected transactions.

Reasons for and benefits of entering into the Third Party Payment Services Framework Agreement

As mentioned in the paragraph headed "Continuing connected transactions" in the Announcement, it is expected that upon completion of the Acquisition, Youzan Group's "WeiMall" and its other ancillary and specialised e-commerce platforms will integrate with the Group's third-party payment services infrastructure, where the Group's third-party payment services will be used on all online stores opened with "WeiMall" as the platform's sole authorised payment service provider.

3. 本公司審核委員會將每年至少兩次審閱由本公司管理層根據本公司實施持續關連交易之情況所編製之分析報告及改進措施；及
4. 獨立非執行董事將每年審閱持續關連交易之實施及執行情況。

訂立第三方支付服務框架協議之理由及裨益

誠如該公告「持續關連交易」一段所述，預期於收購事項完成後，有贊集團之「微商城」及其他配套及專業化電子商務平台將與本集團之第三方支付服務基礎設施整合，而本集團之第三方支付服務將用於所有以「微商城」作為平台唯一獲授權支付服務供應商開張之線上店舖。

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Entering into the Third Party Payment Services Framework Agreement could immediately contribute positively and increase the transaction volume using the Group's third party payment services. The Group believes that entering into the Third Party Payment Services Framework Agreement complements the Group's development strategy regarding its third party payment services as it will expand the number of merchants and consumers using the Group's payment gateway and the processing transaction volume via the Group's payment system.

The Directors (other than the independent non-executive Directors) are of the view that the Third Party Payment Services Framework Agreement has been entered into after arm's length negotiations on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

2. Loan Agreement

Major terms

Date:	8 April 2017 (as supplemented by the supplemental loan agreement dated 29 November 2017)
Lender:	The Company
Borrower:	Qima Holdings
Loan amount:	Not exceeding HK\$200,000,000 at any time, inclusive of the principal loan amount and interest
Terms:	From the Loan Effective Date until 31 December 2020

訂立第三方支付服務框架協議可即時帶來正面影響及提高使用本集團第三方支付服務之交易量。本集團相信，訂立第三方支付服務框架協議與本集團有關其第三方支付服務之發展策略相輔相成，原因為其將擴大使用本集團支付網關及透過本集團之支付系統處理交易量之商戶及消費者數目。

董事（不包括獨立非執行董事）認為，第三方支付服務框架協議乃按一般商業條款經公平磋商後訂立，其條款屬公平合理且符合本公司及其股東之整體利益。

2. 貸款協議

主要條款

日期:	二零一七年四月八日 (經日期為二零一七年十一月二十九日之補充貸款協議補充)
貸方:	本公司
借方:	Qima Holdings
貸款金額:	於任何時候不超過200,000,000港元，包括貸款本金及利息
年期:	自貸款生效日期起直至二零二零年十二月三十一日止

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Interest rate:	Qima Holdings shall pay interest on any outstanding principal of the loan at the interest rate of 2% per annum above the Prime Rate from time to time, which shall be calculated and charged on a monthly basis.	利率：	Qima Holdings應就任何尚未償還貸款本金支付利息，利率為不時之最優惠利率加每年2%，按月計算及支付。
Repayment terms:	Qima Holdings shall fully repay any outstanding principal and any accrued but unpaid interest and any other monies due under the Loan Agreement on the expiry of the term of the Loan Agreement.	還款期：	Qima Holdings應於貸款協議之年期屆滿時悉數償還任何尚未償還本金及任何累計但尚未支付之利息以及根據貸款協議到期之任何其他款項。
Conditions precedent:	The commencement of the Loan Agreement is conditional upon (i) completion of the Acquisition; (ii) the obtaining of the approval from the Independent Shareholders by the Company in relation to the transactions contemplated under the Loan Agreement and the related transactions contemplated thereunder in accordance with the GEM Listing Rules; and (iii) the obtaining of the approval from the board of directors of Youzan in relation to the Loan Agreement and the related transactions contemplated thereunder.	先決條件：	貸款協議須待(i)收購事項完成；(ii)本公司根據GEM上市規則取得獨立股東有關貸款協議項下擬進行之交易及其項下擬進行之相關交易之批准；及(iii)取得有贊董事會有關貸款協議及其項下擬進行之相關交易之批准後，方可進行。

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Reasons for and benefits of entering into the Loan Agreement

The Directors expect that the synergetic effect generated by the Acquisition shall bring new business to the Enlarged Group. Therefore, the Directors intended that the proceeds from the loan shall be used to support the business plan and development of Youzan Group upon completion of the Acquisition, which in turn is expected to benefit the Enlarged Group as a whole.

The Directors (other than the independent non-executive Directors) are of the view that the Loan Agreement has been entered into after arm's length negotiations on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Proposed annual cap amounts for the Loan Agreement

No transactions were conducted in the past between the Company and Youzan Group in relation to the provision of loan and financing.

The proposed annual caps in respect of the transactions contemplated under the Loan Agreement for each of the three years ending 31 December 2020 is HK\$160,000,000, HK\$200,000,000 and HK\$200,000,000 respectively.

The abovementioned annual caps are determined with reference to, among others, the current business plan of Youzan Group.

訂立貸款協議之理由及裨益

董事預期收購事項所產生之協同效益將為經擴大集團帶來新商機。因此，董事建議貸款所得款項應用作於收購事項完成後帶動有贊集團之業務計劃及發展，從而預期令經擴大集團整體獲益。

董事（不包括獨立非執行董事）認為，貸款協議乃按一般商業條款經公平磋商後訂立，其條款屬公平合理且符合本公司及其股東之整體利益。

貸款協議之建議年度上限金額

本公司與有贊集團過往並無就提供貸款及融資進行任何交易。

截至二零二零年十二月三十一日止三個年度各年，有關貸款協議項下擬進行之交易之建議年度上限分別為160,000,000港元、200,000,000港元及200,000,000港元。

上述年度上限乃參考（其中包括）有贊集團之現有業務計劃後釐定。

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	Payer	Receiver	Annual cap for the financial year ended 31 December 2018	Transaction amount during the financial year ended 31 December 2018
			截至二零一八年十二月三十一日止年度之年度上限	截至二零一八年十二月三十一日止年度之交易金額
	支付方	接收方		
Third Party Payment Services Framework Agreement 第三方支付服務框架協議	Hangzhou Youzan 杭州有贊	Beijing Gaohuitong 北京高匯通	RMB 110,000,000 人民幣 110,000,000元	RMB 47,292,299 人民幣 47,292,299元

	Lender	Borrower	Annual cap for the financial year ended 31 December 2018 including principal and interest	Maximum amount during the financial year ended 31 December 2018 including principal and interest
			截至二零一八年十二月三十一日止年度之年度上限(包括本金及利息)	截至二零一八年十二月三十一日止年度之最大金額(包括本金及利息)
	貸方	借方		
Loan Agreement 貸款協議	The Company 本公司	Qima Holdings Qima Holdings	HK\$160,000,000 160,000,000港元	HK\$79,329,613 79,329,613港元

DIRECTORS' REPORT

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

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

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor has issued their unmodified assurance report containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this annual report in accordance with Rule 20.54 of the GEM Listing Rules.

獨立非執行董事已審閱上述持續關連交易，並確認有關交易已按下列方式訂立：

- (i) 於本集團日常及一般業務過程中；
- (ii) 按一般商業條款及不遜於本集團可自獨立第三方獲取的條款；及
- (iii) 根據相關協議的約定，並按公平合理且符合股東整體利益的條款訂立。

本公司的核數師受聘根據香港會計師公會頒佈的香港審計工作準則第3000號（經修訂）「審計或審閱過往財務資料以外的審計工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團的持續關連交易。本公司的核數師已根據GEM上市規則第20.54條發出其無修改鑑證報告，當中載列彼等對有關本集團在本年報內披露的持續關連交易的發現及結論。

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The auditor's assurance report confirms that, in respect of the above-mentioned continuing connected transactions:

- a. nothing has come to the auditor's attention that causes the auditor to believe that the above-mentioned continuing connected transactions have not been approved by the Company's Board of Directors.
- b. nothing has come to the auditor's attention that causes the auditor to believe that the above-mentioned continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- c. nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- d. with respect to the aggregate amount of each of the abovementioned continuing connected transactions, nothing has come to the auditors' attention that causes the auditor to believe that the abovementioned continuing connected transactions have exceeded the annual cap disclosed in the circular of the Company dated 2 January 2018.

The Company confirms that it has complied with the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules during the Reporting Period.

核數師報告確認就上述持續關連交易而言：

- a. 核數師概無注意到任何事宜致令核數師相信上述持續關連交易尚未經本公司董事會批准。
- b. 核數師概無注意到任何事宜致令核數師相信上述持續關連交易在所有重大方面未有根據規管該等交易的相關協議訂立。
- c. 核數師概無注意到任何事宜致令核數師相信該等交易在所有重大方面不符合本集團定價政策。
- d. 就上述持續關連交易之總金額而言，核數師概無注意到任何事宜致令核數師相信上述持續關連交易已超過本公司日期為二零一八年一月二日之通函所披露之年度上限。

報告期內，本公司確定其已遵守GEM上市規則下報告、公告及獨立股東批准的要求。

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董事會報告書

PERMITTED INDEMNITY PROVISIONS

Pursuant to Article 178 of the Bye Law of the Company, the Directors, Managing Directors, alternate Director, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own willful neglect or default, fraud and dishonesty respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own wilful neglect or default, fraud and dishonesty respectively.

Such provision was in force during the year. In addition, the Company has also maintained Directors and officer liability insurance during the year.

獲准許之彌償條文

根據本公司之公司細則第178條，本公司董事、董事總經理、替任董事、核數師、秘書及其他當時之其他高級職員及當時就本公司任何事務行事的受託人（如有），以及他們各自的遺囑執行人或遺產管理人，就他們或他們當中任何人、他們或他們的任何遺囑執行人或遺產管理人因執行其各自職務或信託事宜中的職責或假定職責時應會或可能招致或因任何作為、同意或遺漏而蒙受的一切訴訟、成本、費用、損失、損害及費用，應獲得以本公司資產作出彌償保證及保障他們免受傷害，但因（如有）他們各自本身的故意疏忽或失職、欺詐和不誠實而應招致或蒙受者除外；並且他們對於任何其他人的作為、收受、疏忽或失職，或者對於出於一致考慮而參與任何收受行為，或者對於本公司任何款項或財產應送交或存放作安全保管所在的任何銀行或其他人士，或者對於以本公司任何款項投資的任何擔保的不足或缺陷，或者對於執行其各自職務或信託事宜或進行其他有關事宜發生其他任何損失、不幸情況或損害，概不承擔任何責任，但因他們各自本身的故意疏忽或失職、欺詐和不誠實而造成的後果除外。

該條文於本年度生效。此外，本公司亦已於本年度為董事及高級職員投保責任險。

DIRECTORS' REPORT

董事會報告書

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors

Mr. Guan Guisen
Mr. Cao Chunmeng
Mr. Yan Xiaotian
Mr. Zhu Ning (Appointed on 4 May 2018)
Mr. Cui Yusong
(Appointed on 4 May 2018)
Mr. Yu Tao
(Appointed on 4 May 2018)
Ms. Ying Hangyan
(Appointed on 8 May 2018)

Independent non-executive Directors

Dr. Fong Chi Wah
Mr. Wang Zhongmin (Resigned on 8 March 2018)
Mr. Gu Jiawang
Mr. Xu Yanqing
Mr. Deng Tao (Appointed on 8 May 2018)

DIRECTORS' SERVICE CONTRACT

Mr. Guan Guisen, the executive director, has entered into a service agreement with the Company for a term of three years commencing from 28 February 2017.

Mr. Cao Chunmeng, the executive director, has entered into a service agreement with the Company for a term of three years commencing from 11 July 2018.

Mr. Yan Xiaotian, the executive director, has entered into a service agreement with the Company for a term of three years commencing from 24 December 2017.

Mr. Zhu Ning, the executive director, has entered into a service agreement with the Company for a term of three years commencing from 4 May 2018.

Mr. Cui Yusong, the executive director, has entered into a service agreement with the Company for a term of three years commencing from 4 May 2018.

董事

於年內及截至本報告日期的在任董事如下：

執行董事

關貴森先生
曹春萌先生
閻曉田先生
朱寧先生（於二零一八年五月四日獲委任）
崔玉松先生
(於二零一八年五月四日獲委任)
俞韜先生
(於二零一八年五月四日獲委任)
應杭艷女士
(於二零一八年五月八日獲委任)

獨立非執行董事

方志華博士
王忠民先生（於二零一八年三月八日辭任）
谷嘉旺先生
徐燕青先生
鄧濤先生（於二零一八年五月八日獲委任）

董事的服務合約

執行董事關貴森先生與本公司訂立服務協議，自二零一七年二月二十八日開始為期三年。

執行董事曹春萌先生與本公司訂立服務協議，自二零一八年七月十一日開始為期三年。

執行董事閻曉田先生與本公司訂立服務協議，自二零一七年十二月二十四日開始為期三年。

執行董事朱寧先生與本公司訂立服務協議，自二零一八年五月四日開始為期三年。

執行董事崔玉松先生與本公司訂立服務協議，自二零一八年五月四日開始為期三年。

DIRECTORS' REPORT

董事會報告書

Mr. Yu Tao, the executive director, has entered into a service agreement with the Company for a term of three years commencing from 4 May 2018.

Ms. Ying Hangyan, the executive director, has entered into a service agreement with the Company for a term of three years commencing from 8 May 2018.

Dr. Fong Chi Wah, the independent non-executive director, has entered the service agreement with the Company for a term of three years commencing from 19 December 2018.

Dr. Fong Chi Wah has served on the Board for more than 10 years but he has never held any executive or management position in our Group nor has he throughout such period been under the employment of any member of our Group. Dr. Fong has demonstrated his ability to provide an independent view to the Company's matters. The Directors noted the positive contributions Dr. Fong made to the development of the Company. Dr. Fong Chi Wah has given the confirmation of his independence pursuant to Rule 5.09 of GEM Listing Rules to the Company.

The nomination committee of the Company has assessed and is satisfied of the independence of Dr. Fong. The Board considers that the long services of Dr. Fong would not affect his exercises of independent judgments, notwithstanding his years of service as an independent Non-executive Director of the Company, the Board is of the view that Dr. Fong is able to continue to fulfill his roles as required.

Mr. Gu Jiawang, the independent non-executive director, has entered into a service agreement with the Company for a term of three years commencing from 28 April 2017.

執行董事俞韜先生與本公司訂立服務協議，自二零一八年五月四日開始為期三年。

執行董事應杭艷女士與本公司訂立服務協議，自二零一八年五月八日開始為期三年。

獨立非執行董事方志華博士與本公司訂立服務協議，自二零一八年十二月十九日開始為期三年。

方志華博士已服務董事會逾十年之久，惟彼未曾於本集團擔任任何行政或管理職務，期間內亦並無受僱於本集團任何成員公司。方博士於在任期間已展現彼對本公司事務提供獨立意見之能力。董事注意到方志華博士對本公司發展有著正面影響。方志華博士已根據GEM上市規則第5.09條向本公司確認其獨立身份。

本公司之提名委員會已評定及信納方博士之獨立性。董事會認為方博士之長期服務不會影響其作出獨立判斷，儘管方博士已擔任本公司獨立非執行董事多年，惟董事會認為方博士有能力繼續履行規定職責。

獨立非執行董事谷嘉旺先生與本公司訂立服務協議，自二零一七年四月二十八日開始為期三年。

DIRECTORS' REPORT

董事會報告書

Mr. Xu Yanqing, the independent non-executive director, has entered the service agreement with the Company for a term of one year commencing from 4 August 2018 subject to rotation and re-election at annual general meetings of the Company in accordance with the bye-laws of the Company. Pursuant to Article 102(A) of the bye-laws of the Company, Mr. Xu will hold office until the next annual general meeting of the Company and shall then be eligible for re-election thereat.

Mr. Deng Tao, the independent non-executive director, has entered into a service agreement with the Company for a term of three years commencing from 8 May 2018.

Save as disclosed above, none of the Directors being proposed for re-election at the forthcoming AGM has an unexpired service contract with the Company which is not determinable by our Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, whether directly or indirectly, in any contract of significance to the business of the Company to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party at the end of the year or at any time during the year.

獨立非執行董事徐燕青先生與本公司訂立服務協議，自二零一八年八月四日開始為期一年，並須根據本公司的公司細則於本公司股東週年大會上退任及膺選連任。根據本公司的公司細則第102(A)條，徐先生將任職至本公司下屆股東週年大會並符合資格於會上膺選連任。

獨立非執行董事鄧濤先生與本公司訂立服務協議，自二零一八年五月八日開始為期三年。

除以上所披露者外，於應屆股東週年大會上建議重選連任的各董事並無與本公司訂立本集團不可於一年內免付賠償（法定賠償除外）而予以終止之尚未逾期服務合約。

董事的合約權益

於年度完結時或年內任何時間，本公司、其控股公司或其任何附屬公司或同系附屬公司概無簽訂任何與本公司的業務有關而董事（不論直接或間接）擁有重大權益的重要合約。

DIRECTORS' REPORT

董事會報告書

DIRECTORS' INTEREST IN SHARES

As at the date of this report, the interests or short positions of the Directors in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, were as follows:

董事的股份權益

於本報告日期，董事於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例有關條文被列作或視為持有之權益或淡倉）；或(ii)根據證券及期貨條例第352條規定須記入該條所述登記冊之權益或淡倉；或(iii)根據GEM上市規則第5.46至5.67條有關董事進行證券交易之規定須知會本公司及聯交所之權益或淡倉如下：

Long Position in Shares 於股份之好倉				
Directors 董事	Interest in shares 於股份之權益	Interest in underlying shares 於相關股份之權益	Total interest in shares 於股份之總權益	% Shareholding 股權百分比
Mr. Guan Guisen (Note 1) 關貴森先生(附註1)	711,592,000	-	711,592,000	5.18%
Mr. Cao Chunmeng 曹春萌先生	67,420,000	36,000,000 (Note 2) (附註2)	103,420,000	0.75%
Mr. Yan Xiaotian 閔曉田先生	21,640,000	25,000,000 (Note 2) (附註2)	46,640,000	0.34%
Dr. Fong Chi Wah 方志華博士	1,000,000	3,000,000 (Note 2) (附註2)	4,000,000	0.03%
Mr. Gu Jiawang 谷嘉旺先生	1,000,000	3,000,000 (Note 2) (附註2)	4,000,000	0.03%
Mr. Zhu Ning 朱寧先生	1,440,601,703 (Note 3) (附註3)	-	1,803,771,804	13.12%
	363,170,101 (Note 4) (附註4)			
Mr. Yu Tao 俞韜先生	363,170,101 (Note 4) (附註4)	-	363,170,101	2.64%
Mr. Cui Yusong 崔玉松先生	241,885,127 (Note 5) (附註5)	-	241,885,127	1.76%
Ms. Ying Hangyan 應杭艷女士	363,170,101 (Note 4) (附註4)	-	363,170,101	2.64%

DIRECTORS' REPORT

董事會報告書

Note 1: The shares are held by Mighty Advantage Enterprises Limited ("Mighty Advantage"). Mighty Advantage is incorporated in the British Virgin Islands and is beneficially owned by Mr. Guan Guisen.

Note 2: The Company granted the share options under New Share Option Scheme on 11 June 2015. The share options is valid until 10 June 2020 and has an exercise price of HK\$1.25.

Note 3: The shares are held by Whitecrow Investment Ltd. ("Whitecrow"). Whitecrow is a company incorporated in the British Virgin Islands with limited liability and is 100% beneficially owned by Mr. Zhu Ning.

Note 4: The shares are held by Youzan Teamwork Inc. ("Youzan Teamwork"). Youzan Teamwork is a company incorporated in the British Virgin Islands with limited liability and is owned as to 40% by Mr. Zhu Ning, 10% by Mr. Yu Tao and 10% by Ms. Ying Hangyan.

Note 5: The shares are held by V5.Cui Investment Ltd. ("V5.Cui"). V5.Cui is a company incorporated in the British Virgin Islands with limited liability and is 100% beneficially owned by Mr. Cui Yusong.

Save as disclosed above, as at the date of this report, none of the Directors of the Company had any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (iii) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

附註1：該等股份由Mighty Advantage Enterprises Limited（「Mighty Advantage」）持有，Mighty Advantage為於英屬處女群島註冊成立並由關貴森先生實益擁有之公司。

附註2：本公司於二零一五年六月十一日根據新購股權計劃授出購股權。該等購股權有效期至二零二零年六月十日，及行使價為1.25港元。

附註3：該等股份由Whitecrow Investment Ltd.（「Whitecrow」）持有。Whitecrow為於英屬處女群島註冊成立之有限公司，並由朱寧先生100%實益擁有。

附註4：該等股份由Youzan Teamwork Inc.（「Youzan Teamwork」）持有。Youzan Teamwork為於英屬處女群島註冊成立之有限公司，由朱寧先生持有其40%之股份權益；俞韜先生持有其10%之股份權益及應杭艷女士持有其10%之股份權益。

附註5：該等股份由V5.Cui Investment Ltd.（「V5.Cui」）持有。V5.Cui為於英屬處女群島註冊成立之有限公司，並由崔玉松先生100%實益擁有。

除上文所披露者外，於本報告日期，本公司董事概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債權證中，擁有(i)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或淡倉（包括根據證券及期貨條例有關條文被列作或視為持有之權益及淡倉）；或(ii)根據證券及期貨條例第352條規定須記入該條所述登記冊之權益或淡倉；或(iii)根據GEM上市規則第5.46至5.67條有關董事進行證券交易之規定須知會本公司及聯交所之權益或淡倉。

DIRECTORS' REPORT

董事會報告書

INTERESTS DISCLOSABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at the date of this report, there was no other person (other than a director or chief executive officer of the Company) who had any interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

根據《證券及期貨條例》須予披露的權益及主要股東

除下文所披露者外，於本報告日期，按本公司根據證券及期貨條例第336條須備存的登記冊所記錄，概無其他人士（本公司董事或主要行政人員除外）於本公司的股份及相關股份中擁有任何權益及淡倉。

Long Position in Shares 於股份之好倉				
Name of Shareholders 股東名稱	Interest in shares 於股份之權益	Interest in underlying shares 於相關股份之權益	Total interest in shares 於股份之總權益	% Shareholding 股權百分比
Mr. Guan Guisen 關貴森先生	711,592,000 (Note 1) (附註1)	-	711,592,000	5.18%
Mr. Zhu Ning 朱寧先生	1,440,601,703 (Note 2) (附註2)	-	1,803,771,804	13.12%
	363,170,101 (Note 3) (附註3)			

Note 1: The shares are held by Mighty Advantage Enterprises Limited ("Mighty Advantage"). Mighty Advantage is a company incorporated in the British Virgin Islands with limited liability and is 100% beneficially owned by Mr. Guan Guisen.

附註1：該等股份由Mighty Advantage Enterprises Limited（「Mighty Advantage」）持有。Mighty Advantage為於英屬處女群島註冊成立之有限公司，並由關貴森先生100%實益擁有。

Note 2: The shares are held by Whitecrow Investment Ltd. ("Whitecrow"). Whitecrow is a company incorporated in the British Virgin Islands with limited liability and is 100% beneficially owned by Mr. Zhu Ning.

附註2：該等股份由Whitecrow Investment Ltd.（「Whitecrow」）持有。Whitecrow為於英屬處女群島註冊成立之有限公司，並由朱寧先生100%實益擁有。

Note 3: The shares are held by Youzan Teamwork Inc. ("Youzan Teamwork"). Youzan Teamwork is a company incorporated in the British Virgin Islands with limited liability and is owned as to 40% by Mr. Zhu Ning.

附註3：該等股份由Youzan Teamwork Inc.（「Youzan Teamwork」）持有。Youzan Teamwork為於英屬處女群島註冊成立之有限公司，朱寧先生持有其40%之股份權益。

DIRECTORS' REPORT

董事會報告書

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the standards of good practice concerning the general management responsibilities of the Board of Directors as set out in Chapter 5 of the GEM Listing Rules throughout the year ended 31 December 2018.

FIVE YEAR FINANCIAL SUMMARY

A summary of the consolidated statement of comprehensive income and consolidated statement of financial position of our Group is set out on pages 343 and 344 of this annual report.

AUDITORS

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

The consolidated financial statement have been audited by RSM Hong Kong who retire and, being eligible, offer themselves for re-appointment.

The Company will propose a resolution in relation to the re-appointment of RSM Hong Kong at the forthcoming annual general meeting.

By Order of the Board

Mr. Guan Guisen

Chairman

Hong Kong, 26 March 2019

管理合約

年內，概無訂立或存有與本公司全部或任何主要業務管理及行政有關的合約。

最佳應用守則

董事認為，本公司於截至二零一八年十二月三十一日止整個年度一直遵守GEM上市規則第五章所載有關董事會一般管理職責的良好應用標準。

五年財務概要

本集團的綜合全面收益表及綜合財務狀況表概要分別載於本年報第343及第344頁。

核數師

於本公司上屆周年股東大會上，中瑞岳華（香港）會計師事務所(RSM Hong Kong)獲續聘為本公司核數師。於二零一八年十一月二十二日，本公司核數師將其中文執業名稱變更為「羅申美會計師事務所」。

綜合財務報表已由已退任，且合資格並願意膺選連任之羅申美會計師事務所審核。

本公司將於應屆周年股東大會提呈續聘羅申美會計師事務所(RSM Hong Kong)之決議案。

承董事會命

主席

關貴森先生

香港，二零一九年三月二十六日

CORPORATE GOVERNANCE REPORT

企業管治報告

Pursuant to the Rule 18.44 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”), the Board of Directors of China Youzan (the “Board”) is pleased to present the corporate governance report for the year ended 31 December 2018. The Hong Kong Governance Code is available at www.hkex.com.hk. This report highlights the key corporate governance practices of the Company.

The Board continues to monitor and review the Company’s corporate governance and makes necessary changes at an appropriate time.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. The Company’s corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code (“Code”) in Appendix 15 to the GEM Listing Rules. The Company has complied with the Code for the year ended 31 December 2018.

DIRECTORS’ SECURITIES TRANSACTIONS

The Group adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors’ securities transactions in securities of the Company. Upon the Company’s specific enquiry, each director had confirmed that during the year ended 31 December 2018, they had fully complied with the required standard of dealings and there was no event of non-compliance.

根據聯交所GEM證券上市規則（「GEM上市規則」）第18.44條，中國有贊董事會（「董事會」）欣然呈列截至二零一八年十二月三十一日止年度之企業管治報告。香港管治守則可於www.hkex.com.hk瀏覽。本報告強調本公司的主要企業管治常規。

董事會持續監控及檢討本公司的企業管治及於適當時作出必要改動。

企業管治常規

本公司致力保持高水平的企業管治，以保障本公司股東的利益。本公司的企業管治常規乃基於GEM上市規則附錄十五的企業管治守則（「守則」）所載的原則及守則條文。截至二零一八年十二月三十一日止年度，本公司已遵守守則之條文。

董事進行證券交易

本集團已就董事進行本公司證券交易採納一套操守準則，其條款遵守GEM上市規則第5.48至5.67條所載之規定交易準則。本公司作出特定查詢後，確定每一位董事於截至二零一八年十二月三十一日止年度，一直全面遵守規定交易準則，且並無不遵守情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

The Board's fundamental responsibility is to exercise its best judgment and to act in the best interests of the Company and its shareholders. The Board is responsible for overseeing the management's efforts to promote the Company's success while operating in an effective and responsible manner. The Board is able to delegate and confer on any executive Director any of its powers, authorities and discretions for such time and on such terms as it thinks fit.

The Board may at any time appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board. The total number of Directors shall not be less than two nor should it exceed fifteen. Newly-appointed Directors retire at the Annual General Meeting ("AGM") following appointment and shall be eligible for election. The Board may appoint any Director to hold any employment or executive office and may revoke or terminate any such appointment. Shareholders may, by ordinary resolution, appoint a person as a Director or remove any Director before the expiration of his or her period of office.

The Board regularly formulates our Group's overall business strategies and monitors management's execution of such strategies.

By discharging its responsibilities, the Board has defined the business and governance issues for which it needs to be responsible, and these matters reserved for the Board have been separately defined, and are reviewed periodically, to ensure that our Group maintains the proper level of corporate governance and to ensure they are up to date. In this regard, the Board:

- determines our Group's mission, provides its strategic direction and is responsible for the approval of strategic plans;
- approves the annual business plan and budget proposed by management;

董事會

董事會的基本責任為行使其最佳判斷及以本公司及其股東的最佳利益行事。董事會負責在有效及負責任方式運營的同時監管管理層的努力以推動本公司成功。董事會可於其認為適合之時限內，按其認為適合之條款將本身任何權力、權限及酌情權授予並賦予任何執行董事。

董事會可隨時委任任何願意接受任命者出任董事，以填補空缺或加入現有董事會出任新增董事。董事總數不得少於2位或超過15位。新委任之董事須在獲委任後之股東週年大會（「股東週年大會」）上告退，惟有資格參選連任。董事會可任命任何董事擔任任何受聘職位或行政職位，亦可撤回或終止任何有關委任。股東可通過普通決議案委任董事或在任何董事任期屆滿前將其罷免。

董事會定期制定本集團的整體業務策略及監控管理層對該等策略的執行。

通過履行其責任，董事會已界定其須負責的業務及管治事務，而就董事會保留的有關事宜已獲單獨界定及獲定期審閱，以確保本集團維持適當水平的企業管治，並確保其企業管治持續更新。就此而言，董事會：

- 制定本集團的目標，向本集團提供策略性指示，並負責審批策略性計劃；
- 審批管理層提呈的年度業務計劃及預算；

CORPORATE GOVERNANCE REPORT

企業管治報告

- retains full and effective control over our Group and monitors management with regard to the implementation of the approved annual budget and business plan;
- appoints the Chief Executive Officer, who reports to the Board, and ensures that succession is planned;
- approves our Group's financial statements, interim and annual reports;
- determines our Group's communication policy;
- determines director selection, orientation and evaluation;
- ensures that our Group has appropriate risk management, internal control, internal audit and regulatory compliance;
- procedures in place and that it communicates adequately with shareholders and stakeholders;
- establishes Board sub-committees with clear terms of reference and responsibilities as appropriate;
- defines levels of delegation in respect of specific matters, with required authority to Board sub-committees and management;
- monitors non-financial aspects pertaining to the business of our Group;
- considers and, if appropriate, declares the payment of dividends to shareholders; and
- regularly evaluates our Group's performance and effectiveness.
- 對本集團實施全面及有效的管控，並在執行經審批的年度預算及業務計劃方面對管理層進行監察；
- 委任行政總裁（須向董事會匯報）及確保已安排繼任人選；
- 審批本集團的財務報表、中期及年度報告；
- 制定本集團的通訊政策；
- 決定董事的甄選、工作簡介及評核事宜；
- 確保本集團設立適當的風險管理、內部監控、內部審核及監管合規程序；
- 設立與股東及持份者保持充分溝通的程序；
- 在適當情況下於董事會轄下設立具清晰職權範圍及職責的委員會；
- 界定具體事項的授權標準，並賦予董事會轄下委員會及管理層所須的權限；
- 監控與本集團業務有關的非財務事宜；
- 考慮及（如適用）向股東宣派股息；及
- 定期評核本集團的表現及效能。

CORPORATE GOVERNANCE REPORT

企業管治報告

To better serve the long-term interests of our stakeholders, the Board dedicates certain matters which require particular time, attention and expertise to be devoted to its committee. The Board has determined that these matters are better dealt with by the committees as they require independent oversight and specialists input. As such, the Board has established four committees to assist the Board: Audit Committee, Risk Committee, Nomination Committee and Remuneration Committee. Each of the committees has terms of reference which clearly specifies its powers and authorities. All committees report back to the Board and make recommendations to the Board if necessary.

Biographical Details of Directors and Senior Management

As at 31 December 2018, the Board comprised seven Executive Directors and four Independent Non-executive Directors. Details of biographical details of directors and senior management are set out on page 26 to 32 of this annual report. The Board complies with the minimum requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors and one of them has the appropriate professional qualifications required under Rule 5.05 of the GEM Listing Rules.

Board Meetings

The Board has adopted good corporate governance practices and procedures, formal notice of at least 14 days will be given in respect of a regular meeting. For special board meeting, reasonable notice will be given. Directors participated, either in person or through other electronic means of communication in the Board meetings. The Board meets regularly at least four times every year. The directors participated in person or through electronic means of communication. All notices of board meetings were given to all directors, who were given an opportunity to include matters in the agenda for discussion. The finalized agenda and accompanying board papers were sent to all directors at least 3 days prior to the meeting.

All directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including relevant rules and regulations. Directors can also seek independent professional advice in performing their duties at the Company's expense, if necessary. The Company Secretary records the proceedings of each board meeting in detail by keeping detailed minutes, including all decisions by the Board together with concerns raised and dissenting views expressed (if any). All minutes are open for inspection at any reasonable time on request by any director.

為我們的持份者更能達致長期的利益，董事會就若干須投入特定時間、注意力及專業知識的事宜指派給其委員會處理。董事會認為該等事宜需要獨立監察及專家支持，故由委員會處理更為適宜。因此，董事會已成立四個委員會協助董事會：審核委員會、風險委員會、提名委員會及薪酬委員會。各委員會訂有職權範圍，明確規定其權力及職權。所有委員會向董事會匯報及向董事會提供推薦建議（如必要）。

董事及高級管理層之履歷詳情

於二零一八年十二月三十一日，董事會成員包括七名執行董事及四名獨立非執行董事。董事及高級管理層之履歷詳情載於本年報第26至32頁。董事會符合GEM上市規則有關委任最少三名獨立非執行董事之最低規定，其中一人具備GEM上市規則第5.05條規定之合適專業資格。

董事會會議

董事會已採取良好企業管治常規及程序，定期會議之正式通告會於會議舉行前最少14日發出。至於董事會特別會議，則會在合理期限內給予通告。董事可親身或透過其他電子通訊方式參加董事會會議。董事會每年最少召開四次定期會議。董事皆親身出席或透過電子通訊方法參與。召開董事會會議前，董事均會收到通知，董事皆有機會提出擬商討事項列入會議議程。最終的會議議程及相關會議文件於會議日期最少三天前送交全體董事。

所有董事亦會適時獲知可能影響本集團業務的重大變動，包括有關規則及規例的修訂。董事亦可於需要時尋求獨立專業意見，以履行其董事職責，費用由本公司承擔。公司秘書就每次董事會會議的議程作出詳細的會議記錄，包括所有董事會決定及董事提出的疑慮或表達的異議（如有）。任何董事可在任何合理的時間查閱所有會議紀錄。

CORPORATE GOVERNANCE REPORT

企業管治報告

The attendance of each director at Board, committee meetings and annual general meeting ("AGM"), whether in person or by means of electronic communication, is detailed in the table below:

各董事出席董事會、委員會會議及股東週年大會（「股東週年大會」）（不論親身或以電子通訊方式）的情況已詳載於下表：

	Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Annual General Meeting 股東週年大會	Special General Meeting 股東特別大會
Mr. Guan Guisen 關貴森先生	12/12	N/A 不適用	2/2	2/2	1/1	3/3
Mr. Cao Chunmeng 曹春萌先生	12/12	N/A 不適用	2/2	2/2	1/1	3/3
Mr. Yan Xiaotian 閻曉田先生	12/12	N/A 不適用	N/A 不適用	N/A 不適用	1/1	3/3
Mr. Zhu Ning (Appointed on 4 May 2018) 朱寧先生 (於二零一八年 五月四日獲委任)	6/6	N/A 不適用	0/0	0/0	N/A 不適用	2/2
Mr. Cui Yusong (Appointed on 4 May 2018) 崔玉松先生 (於二零一八年 五月四日獲委任)	6/6	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	2/2
Mr. Yu Tao (Appointed on 4 May 2018) 俞韜先生 (於二零一八年 五月四日獲委任)	6/6	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	2/2
Ms. Ying Hangyan (Appointed on 8 May 2018) 應杭艷女士 (於二零一八年 五月八日獲委任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Dr. Fong Chi Wah 方志華博士	12/12	4/4	2/2	2/2	1/1	3/3
Mr. Gu Jiawang 谷嘉旺先生	12/12	4/4	2/2	2/2	1/1	3/3
Mr. Xu Yanqing 徐燕青先生	12/12	2/2	2/2	2/2	1/1	3/3
Mr. Deng Tao 鄧濤先生	4/4	2/2	0/0	0/0	N/A 不適用	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

At the Board meetings, the Board discussed on a wide range of matters, including the Group's overall strategies, financial and operational performances, approved the annual, interim and quarterly results of the Group, the appointment of directors, business prospects, regulatory compliance and corporate governance, and other significant matters. The company secretary, in consultation with the Chairman and the senior management team, prepares the agendas for each meeting and all directors are given the opportunity to include matters for discussion in the agenda. The company secretary also ensures that all applicable rules and regulations in relation to the Board meetings are followed. The company secretary sends notice of the Board meeting to each of the directors at least fourteen days in advance of each regular Board meeting. The company secretary also sends the agendas, board papers and relevant information relating to the Group to each of the directors at least three days in advance of each regular Board meeting and committee meeting, and keeps the directors updated on the Group's financial performance and latest developments. If any director raises any queries, steps will be taken to respond to such queries as promptly and fully as possible. If there is potential or actual conflict of interests involving a substantial shareholder or a director, such director would declare his interest and will abstain from voting on such matters. The directors may approach the Company's senior management team when necessary. The directors may also seek independent professional advice at the Company's expense in appropriate circumstances.

於董事會會議上，董事會討論的事宜範圍廣泛，包括本集團整體策略、財務及經營表現、審批本集團年度、中期及季度業績、委任董事、業務前景、監管合規及企業管治以及其他重大事宜。經諮詢主席及高級管理團隊，公司秘書就每次會議編製議程，而所有董事均有權於議程內納入討論事宜。公司秘書亦確保遵守所有與董事會會議有關的適用規則及法規。公司秘書於每次定期的董事會會議前至少十四天前向各董事寄發董事會會議通告。公司秘書亦於每次定期的董事會會議及委員會會議前至少三天前向各董事寄發議程、董事會文件及有關本集團的相關資料，使董事得知有關本集團財務表現及最近期發展的更新資料。倘任何董事提出任何問題，會盡快採取措施對該等問題作出全面回應。倘有關主要股東或董事出現潛在或實際利益衝突，有關董事將宣佈其利益及就該事項放棄投票。董事可於必要時接觸本公司高級管理團隊。董事亦可在適當的情況下尋求獨立專業意見，有關費用由本公司承擔。

CORPORATE GOVERNANCE REPORT

企業管治報告

Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are separate and not performed by the same individual to avoid power being concentrated in any one individual. The Chairman of the Company is primarily responsible for the leadership and effective running of the Board and ensuring that all key and appropriate issues are discussed by the Board in a timely and constructive manner, whereas the Chief Executive Officer is primarily responsible for the running of the Group's business and implementation of the Group's strategies in achieving the overall commercial objectives.

The Chairman also encourages all directors, including the independent non-executive directors, to actively participate in all board and committee meetings.

Appointment and Re-Election of Directors

All directors are appointed for a specific term. All the executive directors and independent non-executive directors of the Company are engaged on a service contract of appointment with the Company for a term as stated in pages 68 to 70 of this report. Besides, the procedures and process of appointment, reelection and removal of directors are laid down in the Company's Bye-laws. According to Bye-laws, all directors of the Company are subject to retirement by rotation at least once every three years and are eligible for re-election at annual general meetings of the Company. Any new director appointed by the Board to fill a casual vacancy shall submit himself for reelection by shareholders at the first general meeting and any new director appointed by the Board as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting.

主席與行政總裁

主席與行政總裁之角色有區分，並非由一人同時兼任，以避免權力僅集中於任何一位人士。本公司之主席主要負責領導董事會及促使其有效運作，並確保董事會及時且有建設性地商討所有重要及適用事宜，而行政總裁則主要負責本集團之業務運作，以及實行本集團之策略，以達致整體營商目標。

主席亦鼓勵全體董事（包括獨立非執行董事）積極參與所有董事會及委員會會議。

董事的委任及重選

全體董事任期固定。本公司全體執行董事及獨立非執行董事均與本公司訂有委任服務合約，於本公司的任期如本報告第68至70頁所述。此外，委任、重選及罷免董事的程序及過程載於本公司的公司細則。根據公司細則，本公司全體董事須最少每三年輪值退任一次，並符合資格於本公司股東週年大會上重選連任。由董事會委任以填補臨時空缺的新董事，須於首次股東大會上由股東重選連任，而由董事會委任作為董事會新增成員的新董事，須於下屆股東週年大會上由股東重選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

Confirmation of Independence

The Company has received from each of the independent nonexecutive directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers that all the independent non-executive directors to be independent.

Directors' Training

All directors should keep abreast of the responsibilities as a director, and of the conduct and business activities of the Company. The Company is responsible for arranging and funding suitable training for its directors. Accordingly, the Company has put in place training and development programme for the directors including: an on-going training and professional development programme for directors. The Company regularly organizes the seminars for the directors. In addition, individual Directors also participated in other courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of online aids or reading relevant materials.

All executive and independent non-executive Directors had provided the Company Secretary with their training records for the year under review.

Directors' Code of Ethics

The directors observe a code of ethics (the "Code of Ethics") which is formulated and adopted to enhance the standard of corporate governance and corporate behavior. The principles on which the Code of Ethics relies are those that concern transparency, integrity, accountability and corporate social responsibility taking into account the relevant provisions and requirements by the governing authorities.

確認獨立性

本公司已根據GEM上市規則第5.09條向各獨立非執行董事收取年度獨立地位確認書，並認為全體獨立非執行董事均屬獨立。

董事培訓

全體董事應緊守作為董事的責任及操守，並緊貼本公司的業務活動。本公司負責為其董事安排及資助合適培訓。因此，本公司已為董事設立培訓及發展計劃，包括：為董事提供在職培訓及專業發展計劃。本公司定期為董事安排研討會。此外，個別董事亦出席其他有關上市公司董事的角色、職能及職責的課程或透過參加網上輔助或閱讀相關資料進一步鞏固其專業發展。

全體執行及獨立非執行董事已向公司秘書提供彼等於回顧年內的培訓記錄。

董事的道德守則

各董事均遵守道德守則（「道德守則」），制定及採納道德守則旨在加強企業管治及企業行為的準則。道德守則所依賴的原則乃關乎透明度、正直品格、問責性及企業社會責任，並顧及監管機構的相關規定和要求。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee was established on 30 June 2005. The Remuneration Committee is with the responsibility of approving the remuneration policy for all Directors and senior executives. The Remuneration Committee members include all directors as follows:

Executive Directors

Mr. Guan Guisen
Mr. Zhu Ning

Independent non-executive Directors

Dr. Fong Chi Wah
Mr. Gu Jiawang
Mr. Deng Tao (*Chairman*)

All Remuneration Committee members met at the end of the year for the determination of the remuneration packages of Directors and senior management of the Group. In addition, the Remuneration Committee members also meet as and when required to consider remuneration related matters. The works carried out by the Remuneration Committee are set out below: (a) to make recommendations to the Board on the Company's policy and structure of remuneration of Directors and the senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (b) to determine the specific remuneration packages of all executive Directors and the senior management, including benefits in kind, provident/retirement benefits and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of independent non-executive Directors; (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; (d) to review and approve the compensation payable to executive Directors, senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and (e) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

薪酬委員會

薪酬委員會於二零零五年六月三十日成立。薪酬委員會負責批准全體董事及高級行政人員之薪酬政策。薪酬委員會成員包括全體董事如下：

執行董事

關貴森先生
朱寧先生

獨立非執行董事

方志華博士
谷嘉旺先生
鄧濤先生 (*主席*)

所有薪酬委員會成員已於年底舉行會議，以確定董事及本集團高級管理層之薪酬組合。此外，薪酬委員會成員亦於需要考慮薪酬相關事宜時舉行會議。薪酬委員會進行之工作載列如下：(a)就本公司有關董事及高級管理層之薪酬政策及結構以及制定有關該等薪酬政策成立正式具透明度之程序向董事會提供意見；(b)釐定所有執行董事及高級管理層之具體薪酬組合，包括實物利益、強積金／退休福利及補償付款，包括就失去或終止職務或委任時應付之任何補償，並就獨立非執行董事之薪酬向董事會提供意見；(c)審閱及批准參考公司目標及目的後，董事會不時議決按表現發放之酬金；(d)審閱及批准就失去或終止職務或委任時付予執行董事及高級管理層之補償，以確保有關補償乃按相關合約條款釐定，且有關補償對本公司而言屬公平及不會過多；及(e)審閱及批准有關因行為不當而撤換或罷免董事之補償安排，以確保有關安排乃按相關合約條款釐定，且任何補償款項均屬合理及恰當。

CORPORATE GOVERNANCE REPORT

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NOMINATION COMMITTEE

The Nomination Committee was established on 30 June 2005. The Nomination Committee made recommendations to the Board on the appointment of Directors and the senior management personnel with reference to certain guidelines as endorsed by the Nomination Committee members. The Nomination Committee members include all directors as follows:

Mr. Guan Guisen
Mr. Zhu Ning
Dr. Fong Chi Wah
Mr. Gu Jiawang
Mr. Deng Tao (*Chairman*)

The nomination committee is responsible in reviewing and monitoring the structure, size, composition and diversity of the Board in light of the group's strategy, identifying qualified individuals to be new Board members, assessing the independence of independent non-executive directors, and reviewing and monitoring the implementation of the board diversity policies of the Group.

AUDIT COMMITTEE

Under its terms of reference for audit committee passed under a directors' resolution dated 30 June 2005, is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's preliminary results, interim results and annual financial statements and to monitor compliance with statutory and listing requirements, to engage independent legal or other advisers as it determines is necessary and to perform any investigations. The Audit Committee members include all directors as follows:

Dr. Fong Chi Wah (*Chairman*)
Mr. Gu Jiawang
Mr. Deng Tao

The audit committee is responsible for meeting with the external auditor regularly to discuss any area of concern during the audit, reviewing financial data and information, overseeing the financial reporting system and internal control procedures. The primary duties of the Committee are to review and supervise the financial reporting process and internal control systems of the Group.

提名委員會

提名委員會已於二零零五年六月三十日成立，於參考經提名委員會成員認可之若干指引後，就委任董事及高級管理人員向董事會提供意見。提名委員會成員包括之所有董事如下：

關貴森先生
朱寧先生
方志華博士
谷嘉旺先生
鄧濤先生 (*主席*)

提名委員會負責根據集團策略檢討及監察董事會的架構、規模、組成，及成員多元化、物色合資格的人士成為新董事會成員、評估獨立非執行董事的獨立性、檢討及監察集團董事會成員多元化政策的實行。

審核委員會

根據按日期為二零零五年六月三十日之董事決議案通過之審核委員會職權範圍，審核委員會須（其中包括）監察與外聘核數師之關係、審閱本集團初步業績、中期業績及全年財務報表、確保遵守法定及上市規定，並於其認為必要時委任獨立法律或其他顧問及進行調查。審核委員會成員包括之所有董事如下：

方志華博士 (*主席*)
谷嘉旺先生
鄧濤先生

審核委員會負責定期與外聘核數師討論審計期間的問題、審閱財務數據及資料、監管財務報告系統及內部監控程序，委員會的主要職責是審閱及監察本集團的財政申報程序及內部監控制度。

CORPORATE GOVERNANCE REPORT

企業管治報告

Financial Statements

The Audit Committee held meetings to discuss the Group's quarterly results, interim results, preliminary results announcement and Annual Report. The Audit Committee reviews and discusses the management's reports and representations with a view to ensuring that the Group's consolidated financial statements are prepared in accordance with Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards and compliance with the GEM Listing Rules and other legal requirements.

The Audit Committee has reviewed the Company's financial statements for the year ended 31 December 2018 and has provided advice and comments thereon.

The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditors.

External Auditor

The Group engaged RSM Hong Kong to provide services in connection with the audit of the Company's consolidated financial statements and other professional services.

Auditors' Remuneration

During the year under review, the remuneration paid/payable to the Company's auditors, RSM Hong Kong, is set out as follows:

財務報表

審核委員會舉行會議商討有關本集團之季度業績、中期業績、初步業績公告以及年報。審核委員會審閱及討論管理層報告及陳述，以確保本集團綜合財務報表乃按香港會計準則及香港財務報告準則編製，且符合GEM上市規則及其他法定規定。

審核委員會已審閱本公司於截至二零一八年十二月三十一日止年度之財務報表，並就此提供意見及提議。

審核委員會亦就委任及留任外聘核數師向董事會提出推薦意見。

外聘核數師

本集團委聘羅申美會計師事務所就審核本公司之綜合財務報表及其他專業服務提供服務。

核數師酬金

回顧年內，已付／應付本公司核數師羅申美會計師事務所的酬金如下：

Services rendered	提供的服務	Fees paid/payable
		已付／應付費用
		HK\$'000
		千港元
Audit services	核數服務	2,480
Non-audit services	非核數服務	14
TOTAL	總數	2,494

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTOR'S AND INDEPENDENT AUDITORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries, in accordance with accounting principle generally accepted in Hong Kong. The Directors' responsibilities in the preparation of the financial statements and the auditors' responsibilities are set out in the Independent Auditor's Report in this annual report.

INTERNAL CONTROL

Effectiveness of Risk Management and Internal Control

The Audit Committee, on behalf of the Board, continuously reviews the risk management and internal control systems.

The review process comprises, among other things, of meetings with management of business groups, internal audit department, internal control department, legal, and the external auditor, reviewing the relevant work reports and information of key performance indicators, the management self-assessment on internal control and discussing the major risks with the senior management of the Company.

Risk Management Report

Risk management is an integral part of our business planning, implementation and review process. Apart from traditional management of operational risks such as safety and plant integrity, the Group's risk management universe encompasses a broader scope of risks that include risks associated with strategies, policies, financial, human resources, intellectual properties, techniques and network management.

Our risk management report provides the Company with a structured approach that is anticipatory and effective, summarizes the risk management status for the year ended 31 December 2018, and conducts planning for risk management work scope for 2019. Planning include but not limited to (i) establishing a sound internal risk management system of the Company; (ii) establishing a sound internal control system and supervisory system; (iii) conducting all-rounded business risk predictions regularly; and (iv) reinforcing the requirement of risk management personnel.

董事及獨立核數師就財務報表須承擔之責任

董事須負責按照香港普遍採納之會計原則編製真實而公平地反映本公司及其附屬公司之財務狀況之財務報表。董事編製財務報表之責任及核數師責任均載於本年報之獨立核數師報告。

內部監控

風險管理及內部監控成效

審核委員會代表董事會持續檢討風險管理及內部監控系統。

檢討的程序包括(但不限於)聽取業務管理團隊、內部審核部門、內部監控部門、法務以及外聘核數師等的報告, 審閱各項工作報告和關鍵指標資訊, 查看管理層內部監控自我評估結果, 以及與高級管理團隊討論重大風險。

風險管理報告

在集團規劃、執行及檢討業務的過程中, 風險管理是不可或缺的一環。除了安全、設備穩健性等傳統的營運風險外, 本集團的風險管理範疇還包括更廣泛的策略、政策、財務、人才、知識產權、技術及網絡管理風險。

本集團的風險管理報告為公司提供一個具前瞻性而在不同層面發揮成效的系統化管理安排, 總結截至二零一八年十二月三十一日止年度本集團風險管理情況及對二零一九年度進行風險管理工作範疇上的規劃, 此等規劃包括但不限於(i)建立健全的公司內部風險管理體系; (ii)建立健全的內部控制體系及監督制度; (iii)定期開展全面業務風險預測; 及(iv)加強風險管理人員的各種要求。

CORPORATE GOVERNANCE REPORT

企業管治報告

Principal Risks

The Group's business operations and financial conditions may be affected by risks and uncertainties pertaining to the Group's businesses, which mainly include the operational risks, financial risks, market risks and regulatory risks.

Operational risks are those relating to the Group's internal processes, including but not limited to potential misconduct of employees and fraud, which may bring significant adverse impact on the Group's business operations and reputation. Failures of information technology systems will result in interruption of the operation of the Group and potential leakage of confidential information. Operational risks may also result from emergencies and unexpected events such as natural hazards. In view of such risks, relevant operation policies and procedures have been adopted and are in place to ensure that the daily operation of the Group is in compliance with the relevant requirements of laws and regulations. Internal reporting procedures have been established and when any suspected case of employee misconduct and/or fraud arises, any staff can report directly to the management. The staff handbook has also stipulated that employee misconduct and fraud are prohibited. The Group places considerable value on data security and data privacy. The computer systems are secured with access controls, while maintenance and update are conducted regularly by the information technology services providers.

Financial risks include liquidity risk in the Group's normal course of business. Liquidity risk refers to the Group's ability in maintaining sufficient fund to meet the liquidity requirements. To ensure the Group maintains sufficient capital and credit lines to meet its liquidity requirements, the cash flows projection of the Group is reviewed on a regular basis. For the business of the Group, the financial resources are regularly reviewed to ensure that the financial reserve of the Group can meet the liquid capital requirements under the relevant rules and regulations.

主要風險

本集團之業務營運及財務狀況可能受與本集團業務有關之風險及不確定因素影響，主要包括營運風險、財務風險、市場風險及監管風險。

營運風險指與本集團內部程序有關之風險，包括但不限於潛在僱員行為不當及欺詐，可能對本集團業務營運及聲譽造成嚴重不利影響。資訊科技系統故障可能導致本集團業務中斷及可能洩漏機密資訊。營運風險亦可能因天災等緊急情況及意料之外之事件導致。鑑於有關風險，本集團已採納和設有相關營運政策及程序，確保本集團的日常營運遵從有關法律及法規的規定。內部申報程序已獲建立，倘出現任何僱員涉嫌行為失當及／或欺詐的任何案件，僱員可直接向管理層上報。員工手冊亦規定禁止僱員作出失當及欺詐行為。本集團甚為重視資料保安及資料穩私。電腦系統具有存取控制保障，資訊科技服務供應商則定期維護及更新系統。

財務風險包括本集團正常業務過程中之流動性風險。流動性風險指本集團維持充足資金以滿足流動性要求之能力。為了確保本集團備有充裕資金及信貸額以符合其流動性規定，會定期審視現金流預測。就業務而言，本集團會定期檢討財務資源，確保本集團的財務儲備達到相關法例及法規下的流動資金規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

Market risks relate to the change in macroeconomic conditions and fluctuation of market variables such as gross domestic product, exchange rates, equity prices and property prices in China. These risks may generally affect market and merchants' demands, which may lead to adverse impact on the Group's revenue. The Group would from time to time fine-tune the Group's business strategies, policies and procedures according to the market situation.

Regulatory risks may arise from potential default of the Group in compliance with the relevant laws and regulations which have a significant impact on the Group's business and any future changes in the relevant laws and regulations. Non-compliance with the relevant laws and regulations may bring various consequences to the Group.

The Board is of the view that for the year ended 31 December 2018, the risk management and internal control systems of the Company are effective and adequate.

In addition, the Board believes that the Company's accounting and financial reporting functions have been performed by staff of the appropriate qualifications and experience and that such staff receives appropriate and sufficient training and development. Based on the work of the Audit Committee, the Board also believes that sufficient resources have been obtained for the Company's internal audit function and that its staff qualifications and experience, training programmes and budgets are sufficient.

COMPANY SECRETARY

The company secretary of the Company assists the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The company secretary is also responsible for advising the Board on governance matters.

As an employee of the Company, Mr. Fung Kwok Leung, the company secretary of the Company, has undertaken not less than 15 hours of relevant professional training to update his skills and knowledge in 2018.

市場風險涉及宏觀經濟情況及市場可變因素波動，例如中國的本地生產總值、匯率、股本價格及物業價格。該等風險可能全面影響市場及客戶的需求，尤其是個人貸款及按揭貸款之客戶，可能對本集團之營業額導致不利影響。本集團會根據市況，不時微調本集團的策略、政策及程序。

監管風險可能因本集團對遵守有關法律及法規有潛在違規（對本集團業務有重大影響）及有關法律及法規之任何未來變動而產生。不遵守有關法律及法規可能對本集團導致各種後果。

就截至二零一八年十二月三十一日止年度而言，董事會認為本公司的風險管理及內部監控系統有效及充足。

另外，董事會信納，本公司的會計及財務報告職能已由足夠的且具有適當資歷及經驗的員工履行，且該等員工已接受合適而充分的培訓及發展。基於審核委員會的工作結果，董事會亦信納，本公司的內部審核職能已獲足夠的資源，其員工資歷及經驗、培訓計劃及預算等亦均為足夠。

公司秘書

本公司之公司秘書確保董事會成員間有效交流資訊及遵照董事會政策及程序，以協助董事會。公司秘書亦負責就管治事宜向董事會提出建議。

作為本公司僱員，本公司之公司秘書馮國良先生已於二零一八年接受不少於15小時之相關專業培訓，以更新其技能及知識。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

The Board is committed to providing clear and full information about the Company's performance to shareholders through the publication of quarterly reports and annual report. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the websites of the Stock Exchange and the Company, which is updated regularly. The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman, Directors and external auditors are available to answer questions on the Company's businesses at the meeting. The Company values feedback from shareholders on its effort to promote transparencies and foster investor relationships.

投資者關係及股東權利

董事會致力透過公佈季度報告及年報向股東提供有關本公司業績的清楚完整資料，除向股東發佈通函、通知及財務報告外，股東亦可在聯交所網站和本公司網站查閱更多資料，而有關資料會經常更新。股東週年大會為股東向董事會提議及交換意見的有用場所。本公司會給予至少二十一天的通知，鼓勵股東出席股東週年大會。主席、董事及外聘核數師會出席會議回答有關本公司業務的提問。本公司重視股東對促進透明度及加強與投資者關係之意見。

SUSTAINABILITY REPORT

可持續發展報告

The Board of Directors of China Youzan is pleased to issue the Sustainability Report of the Company and its subsidiaries (hereinafter referred to as the “Group” or “We”) for the year ended 31 December 2018 (hereinafter referred to as the “Sustainability Report”). This report describes the Group’s system construction and work performance in environmental and social sustainable development in 2018.

REPORTING FRAMEWORK

This Sustainability Report has been prepared according to the core option of the Global Reporting Initiative (“GRI”) G4 Guidelines, and the “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) as set out in Appendix 20 to the GEM Listing Rules of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company has complied with the “comply or explain” provisions set out in the ESG Reporting Guide.

During the period, the Board of Directors has supervised our strategies, policies and reports on sustainable development, monitored continuous compliance, and sought to improve operation of the Group through improving efficiency of business operation and resource utilization and taking environmental protection measures for realizing its sustainable development, thus improving the Group’s performance on sustainable development. The corporate governance practices of the Group are contained in the Corporate Governance Report on page 75 to 89 of the 2018 annual report.

中國有贊董事會欣然發布本公司及其附屬公司（下稱「集團」或「我們」）截至二零一八年十二月三十一日止年度之可持續發展報告（下稱「可持續發展報告」）。本報告闡述集團在二零一八年內環境及社會等可持續發展範疇的制度建設和工作表現。

報告框架

本可持續發展報告乃按照全球報告倡議組織(GRI) G4指引的核心選項及香港聯合交易所有限公司（下稱「聯交所」）GEM上市規則附錄二十所載之《環境、社會及管治報告指引》（下稱「環境、社會及管治報告指引」）而編製，我們遵守環境、社會及管治報告指引所載「不遵守就解釋」條文。

期內，董事會負責監督本集團在可持續發展方面的策略、政策和報告，並監察持續遵例情況及尋求透過提高業務運營及資源運用的效率及為實現可持續發展採取環保措施，以改善本集團於可持續發展方面的表現。有關本集團的企業管治常規刊載於二零一八年年報第75至89頁的企業管治報告內。

SUSTAINABILITY REPORT

可持續發展報告

This Sustainability Report includes forward-looking statements, based on a number of assumptions and expectations as at the issuing date of this Report. Such assumptions and expectations shall not be deemed to be reliable unless they are approved by internal review procedures. Relevant statements include known and unknown risks and uncertainty, which means that the actual results may be different from these expectations, predictions and conclusions in this Report. The Group does not provide any guarantee on the accuracy of these statements, and makes it clear that, if any of the statements do not come true or are confirmed as incorrect, the Group shall not bear any responsibilities on amendment or update of such forward-looking statements.

REPORTING PERIOD

This Sustainability Report describes the environmental, social and governance activities, challenges and measures taken by the Group during the year ended 31 December 2018 (the "Reporting Period").

COMMENTS AND SUGGESTIONS

We welcome any comments and suggestions you may have on this Sustainability Report, or on our CSR reporting in general. You may submit your feedback via the website of the Company. Comments and suggestions regarding the Group's CSR performance are also always welcome and can be sent to the Investor Relations Department of the Company at investor@youzan.com.

本可持續發展報告包含前瞻性陳述，有關陳述乃基於本報告發佈之時的若干假設及預期。該等假設及預期須於進行內部審閱程序後，方會被視為可靠。有關陳述包括已知及未知風險及不確定性因素，意味著實際結果可能與本報告所作預期、預測及結論有所不同。本集團對陳述之準確性概不作出任何保證，及本集團明確表示，倘任何陳述並未成為事實或被證實為不正確，本集團概不對該等前瞻性陳述之修正或更新承擔任何責任。

報告期間

可持續發展報告詳述本集團於截至二零一八年十二月三十一日止年度（「報告期」）取得的環境、社會及管治方面的活動、挑戰和採取的措施。

意見及建議

我們歡迎讀者透過公司網站，就可持續發展報告或我們的企業社會責任工作匯報提出意見和建議。如對集團的企業社會責任表現有任何意見及建議，歡迎電郵至 investor@youzan.com 本公司投資者關係部。

SUSTAINABILITY REPORT

可持續發展報告

OUR CONCEPT OF SUSTAINABLE DEVELOPMENT

In September 2015, the “2030 Agenda for Sustainable Development”, an agreement reached by 193 nation members, had been passed at the “United Nations Summit for Sustainable Development”, which laid out 17 goals and contained 169 framework documents with specific objectives, aiming at realizing three long-term targets which are beneficial to human beings: eradicating extreme poverty, fighting against inequality and injustice and tackling climate change by 2030. As a leading merchant SaaS service provider in China, we believe bearing social responsibilities and achieving sustainable development are our inevitable goals and the upmost principles that we must uphold when making decisions. While striving to improve operation results, we are trying our best endeavor to maintain sustainable economic, social and environmental development and to strike a balance of interests between all stakeholders, in order to generate value to the society and take part in the framework of the United Nations to realize the long-term goals.

我們的可持續發展觀

二零一五年九月，「聯合國可持續發展峰會」通過了一份由193個成員國共同達成的文件，即《二零三零年可持續發展議程》。文件包括17項可持續發展目標和169項具體目標的綱領性文件，將推動世界在二零三零年前實現三個有利於眾生的長遠目標：消除極端貧窮、戰勝不平等和不公正，以及遏制氣候變化。作為中國領先的商家SaaS服務運營商，我們堅信擔負社會責任與執行可持續發展，是集團義不容辭的方針及業務決策應秉持的最高原則。在努力提升經營業績的同時，我們致力於在經濟、社會和環境等各範疇均以可持續發展之方式進行，並權衡各持份者利益，盡最大努力為社會提供價值，在聯合國長遠目標的框架之下盡一分綿力。



Source: United Nations Summit for Sustainable Development

來源：聯合國可持續發展峰會

SUSTAINABILITY REPORT

可持續發展報告

Relevant Sustainable Development Goals of the United Nations

相關的聯合國可持續發展目標

1 Eradicate poverty	End poverty in all its forms everywhere	B8	Community investment
1 消除貧困	在全世界消除一切形式的貧困	B8	社區投資
5 Gender Equality	Achieve gender equality and empower all women	B1	Employment
5 性別平等	實現兩性平等，增強所有婦女應有的權能	B1	僱傭

Related Sections of This Sustainability Report

此可持續發展報告的相關部分

We understand that, the Company's sustaining success depends on sustainable development of business, premium services provided by diligent and innovative employees for clients and business partners, and valuable contributions of certain stakeholders of the Group. We endeavour to meet relevant local and international standards related to the Group's operation. We manage our businesses positively adhering to environmental protection and responsibilities to the society, which is in line with the adopted policies. The Company has consolidated and identified six different kinds of stakeholders involved in main businesses of the Group into corresponding categories, including shareholders and investors, government and regulatory authorities, employees, customers, suppliers and communities.

STAKEHOLDER ENGAGEMENT

A wide range of stakeholders was engaged on an ongoing basis to better understand their expectations and views on our sustainable development issues.

The trust from stakeholders and their participation are the basis for the sustainable development of a company. The Group emphasizes on the management of stakeholder relationship, continuously improves the communication mechanism, actively communicates with shareholders and investors, government and regulatory authorities, employees, customers, suppliers and communities and other internal and external stakeholder groups through various channels to understand their expectations and suggestions, and takes these as the basis to continuously improve its sustainable development strategies to strive to deepen the trust and cooperation to achieve a sustainable future of economic growth, environmental friendliness and social development.

我們明白公司的長期成功有賴於業務的可持續發展性及勤奮創新的員工，向客戶及商業夥伴提供優質服務及對本集團之若干持份者作出有益貢獻。我們竭力符合與本集團運營有關的相關地方及國際標準。我們以環保及對社會負責之方式積極管理業務，其與所採納政策一致。綜合及識別涉及本集團主要業務的六個不同持份者分組，分別包括股東及投資者、政府及監管機構、員工、客戶、供應商及社區。

持份者參與

為了更了解持份者對我們的可持續發展事宜的期望及意見，我們持續不斷與廣泛的持份者進行溝通。

持份者的信任與參與是企業持續發展的基礎。集團重視持份者關係管理，持續完善對話機制，多渠道積極與股東及投資者、政府及監管機構、員工、客戶、供應商及社區等內外部群體保持溝通交流，了解他們的期望及建議，並以此為依據持續完善可持續發展戰略與規劃，務求鞏固信任與合作關係，攜手實現經濟增長、環境友好、社會發展的可持續未來。

SUSTAINABILITY REPORT

可持續發展報告

Stakeholders 持份者	Expectation and Requirement 期望及訴求	Related Response 相關回應	Communication Channel 溝通渠道
Shareholders and Investors 股東及投資者	Financial Performance 財務業績 Protection of Interests 權益保護 Transparency 企業透明度 Risk control 風險控制	Improves profitability 提高盈利能力 Convenes general meetings 召開股東大會 Daily information disclosure 日常信息披露 Optimizes internal control and risk management 優化內控與風險管理	General Meetings 股東大會 Annual and interim reports 年度及中期報告 Circulars/announcements/notices/publications 通函／公告／通告／公佈 Investor relations enquiry 投資者關係查詢
Government and Regulatory Authorities 政府及監管機構	Operate in compliance with the laws 遵紀守法 Tax payment in accordance with the laws 依法納稅 Support local development 支持地方發展	Law-abiding operations 依法合規經營 Tax payment on time and in full 按時足額納稅 Actively implements related policies 積極落實相關政策 Proactively undertakes social responsibilities 主動承擔社會責任	Annual and interim reports 年度及中期報告 Circulars/announcements/notices/publications 通函／公告／通告／公佈 Ongoing direct engagements 持續直接參與
Employees 員工	Career development platform 職業發展平台 Remuneration and benefits 薪酬與福利 Healthy and safe working environment 健康安全的工作環境	Improves the career promotion mechanism 完善職業晉升機制 Competitive salary and benefits protection 有競爭力的薪資與福利保障 Implements health and safety management system 落實健康安全管理體系 Equal communication and complaint mechanism 平等溝通與申訴機制	Intranet 內聯網 Annual appraisal 年度評核 Team building activities 團隊合作活動

SUSTAINABILITY REPORT

可持續發展報告

Stakeholders 持份者	Expectation and Requirement 期望及訴求	Related Response 相關回應	Communication Channel 溝通渠道
Customers 客戶	Product quality and cost performance 產品質量與性價比 Customer service quality 客戶服務品質 Customer information security 客戶信息安全 Customer rights protection 客戶權益保障	All-round services 全方位服務 Network security and well-defined authority 網絡安全與權限設置 Law-abiding marketing 合規營銷	Group website 集團網站 Day-to-day communication through frontline staff 通過前線員工的日常溝通 Customer hotline 客戶服務熱線
Suppliers 供應商	Integrity cooperation 誠信合作 Win-win cooperation 合作共贏 Business ethics and credit standing 商業道德與信譽	Establishes supply chain responsibility 打造責任供應鏈 Promotes daily communication 促進日常溝通 Carries out project cooperation 開展項目合作 Performance of obligations under any contract in accordance with laws 依法履行合同	Ongoing direct engagements 持續直接參與
The Community 社區	Care for the poor 關愛貧困群體 Support social welfare 支持社會公益 Protect the nature 保護自然環境 Promote social progress 促進社會進步	Participate in targeted poverty alleviation 參與精準扶貧 Participate in charity works 投身慈善事業 Adhere to green operations 堅持綠色運營	Ongoing direct engagements 持續直接參與

SUSTAINABILITY REPORT

可持續發展報告

Materiality Assessment of Sustainable Development Issues

The Group entrusted an independent third-party consultant to carry out materiality assessment of sustainable development issues in 2018 to fully assess the sustainable development issues that were crucial to the Group's business development and were of the utmost concern to stakeholders, which helped the Group determine the sustainable development objectives for the coming year and the focus of the disclosure of this report in order to actively respond to the expectations and requirements of all parties.

可持續發展議題重要性評估

集團於二零一八年委託獨立第三方顧問機構開展可持續發展議題重要性評估工作，以全面評估對於集團業務發展最為重要的、以及持份者最為關心的可持續發展議題，從而協助集團確定下一年度的可持續發展目標、以及本報告的披露重點，以積極回應各方的期望與訴求。

A1 Emissions	A2 Use of Resources	A3 Environment and natural resources
A1 排放物	A2 資源使用	A3 環境及天然資源
B1 Employment	B2 Health and safety	B3 Development and training
B1 僱傭	B2 健康與安全	B3 發展及培訓
B4 Labor standard	B5 Supply chain management	B6 Product responsibility
B4 勞工準則	B5 供應鏈管理	B6 產品責任
B7 Anti-corruption	B8 Community investment	
B7 反貪污	B8 社區投資	

A ENVIRONMENTAL SUSTAINABILITY

A1 Emissions

Global warming and climate change have become major environmental issues to the world. The Group adheres to the strategy of sustainable development strategy during the operation. With the aim to minimize energy consumption and carbon emissions, the Group has been exploring operational model that have less harmful effects on the environment, recognizing the importance of good environmental management, and striving to protect the environment in order to fulfill the Group's commitment on social responsibility.

A 環境的可持續性

A1 排放物

全球暖化及氣候變化已成為全球各地面對的重大環境問題。本集團在運營上堅持可持續發展的戰略，以減低能源消耗和碳排放為目標及一直探索對環境較少有害影響的運營方式，重視良好的環境管理，努力保護環境，以落實本集團應承擔的社會責任。

SUSTAINABILITY REPORT

可持續發展報告

The Group regularly follows the latest national and regional environmental protection laws and regulations, thereby focusing on strengthening environmental protection measures in order to comply with related local laws and regulations and fully implement environmental policies. The Group complies with applicable laws and regulations, including “Environmental Protection Law of the People’s Republic of China”, “Law of the People’s Republic of China on the Prevention and Control of Atmosphere Pollution”, “Water Pollution Prevention and Control Law of the People’s Republic of China”, and “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes”, etc.

In relation to the environmental aspect, this report is mainly aimed at the environmental impact and related measures of the Group’s offices in the PRC during daily operation. The Group has formulated relevant rules and regulations for the effective control and orderly management of the greenhouse gases and harmless waste generated during operation.

During the Reporting Period, the Group did not have any violations of relevant local environmental laws and regulations in relation to exhaust gas and greenhouse gas (“GHG”), emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that have a significant impact on the Group.

本集團定期追蹤最新國家和地區環境保護法律法規，以遵守當地政府相關的法律法規和貫徹落實環境政策，並以此為依據專注於加強環境保護的措施。本集團遵守適用法律法規，包括《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》和《中華人民共和國固體廢物污染環境防治法》等等。

就環境層面報告，本報告主要針對本集團位於中國的辦公室在日常運營過程中對環境的影響及相關措施，並制定了有關環保管理制度和規程，規範運營中產生之少量溫室氣體和無害廢棄物等。

於報告期間，本集團並沒有任何就空氣及溫室氣體、排放物、水及土地的排污以及有害及無害廢棄物產生、對本集團有重大影響的當地相關環境法律法規之違規事件。

SUSTAINABILITY REPORT

可持續發展報告

A1.1 Exhaust Gas and GHG Emissions

A1.1.1 Exhaust Gas Emission

Due to our business nature, the Group does not generate significant amount of exhaust gas emissions directly during its operations.

Emissions of Vehicle Exhaust

車輛廢氣排放

NOx Emissions
氮氧化物(NOx)排放量
SOx Emissions
二氧化硫(SOx)排放量
Particles Emissions
顆粒物排放量

Total
合計

During the Reporting Period, the Group has adopted electric vehicles to replace traditional vehicles. As such, there is no significant amount of NOx, SOx and particles generated by traditional fuels.

A1.1 廢氣及溫室氣體排放

A1.1.1 廢氣排放

基於業務性質，本集團的運營過程中並不會直接產生大量廢氣排放。

Emissions in 2018

二零一八年排放量

Not Applicable
不適用
Not Applicable
不適用
Not Applicable
不適用

Not Applicable
不適用

報告期內，本集團已採用電動車取代傳統汽車，其不會大量釋放由傳統燃料所產生的氮氧化物、二氧化硫及顆粒物。

SUSTAINABILITY REPORT

可持續發展報告

A1.1.2 GHG Emissions

The principal GHG emissions of the Group are energy indirect emissions generated from purchased electricity (Scope 2) and direct greenhouse gas emissions from gasoline and diesel generated through transportation and natural gas generated through heating (Scope 1). The Group actively adopts electricity conservation and energy saving measures as well as other measures to reduce GHG emissions, including:

- Adopt measures actively for environmental protection, energy conservation, and water saving. Relevant measures are described under “Energy Consumption” in Section A2;
- Replace traditional vehicles with electric vehicles; and
- Reduce the number of business trips through utilizing electronic communication such as video conference and WeChat meetings.

A1.1.2 溫室氣體排放

本集團的主要溫室氣體排放來源於外購電力造成的能源間接溫室氣體排放(範疇二)以及交通運輸所消耗的汽油和柴油以及供暖消耗天然氣造成的直接溫室氣體排放(範疇一)。本集團積極採取節電和節能措施,以減少溫室氣體排放,包括:

- 積極採取環保節能措施,相關措施將在A2部分中「能源消耗」一節中說明;
- 以電動車替代傳統汽車;及
- 通過視像會議和微信會議等電子溝通方式減少出差次數。

SUSTAINABILITY REPORT

可持續發展報告

CO ₂ Emissions 二氧化碳排放	Unit 單位	Emissions in 2018 二零一八年排放量
Emissions From Electricity Consumption 用電產生的二氧化碳排放當量	Tonne 噸	Approximate 1.0 約1.0
Emissions From Processing Scrap Paper 處理廢紙產生的二氧化碳排放當量	Tonne 噸	Approximate 11.7 約11.7
Emissions From Processing Sewage 處理污水產生的二氧化碳排放當量	Tonne 噸	Approximate 7.2 約7.2
Total 合計	Tonne 噸	Approximate 19.9 約19.9

Note 1: GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, the latest released emission factors of China's regional power grid basis., "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange, and the latest release of greenhouse gas reporting emission factors from the UK Government's Department of Environment, Food and Rural Affairs (DERFA).

附註1：溫室氣體排放數據乃按二氧化碳當量呈列，並參照包括但不限於世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、最新發布的中國區域電網基準線排放因子、香港交易所發佈的《如何準備環境、社會及管治報告—附錄二：環境關鍵績效指標匯報指引》及英國政府的环境、食品和農村事務部(DERFA)最新發佈的溫室氣體報告排放因子。

SUSTAINABILITY REPORT

可持續發展報告

A1.1.3 Domestic Sewage

The Group also discharges domestic sewage during daily operation, which is discharged into the urban sewage pipe network after being purified by the underground sewage treatment facilities. As the waste water discharged by the Group will be disposed through the municipal sewage pipe network to the regional water purification plant, the water consumption amount of the Group is considered as the discharge of sewage. The data on the discharge of sewage will be described in the section "Water Consumption" in Section A2.

A1.1.4 Waste Management

The Group adheres to the waste management principles and strives to properly manage and dispose wastes produced by our business activities. Our waste management practice has been complied with laws and regulations relating to environmental protection. The non-hazardous wastes generated by the Group's operations are mainly consisting of domestic waste. After collected and sorted by the Group, such wastes will eventually be collected and processed by general waste service providers. Recyclable wastes (such as paper) will be recycled for reuse.

A1.1.3 生活污水

本集團在日常運營過程中亦排放生活污水，排放的生活廢水經地下污水處理裝置淨化後會排入城市污水管網。由於本集團排放的廢水會經市政污水管網送區域水質淨化廠處理，因此本集團耗水量即為污水排放量，污水排放量數據將於A2部分中「水源消耗」一節中說明。

A1.1.4 廢物管理

本集團堅守廢物管理原則，致力適當處理及處置我們的業務活動產生的所有廢物。我們的所有廢物管理慣例符合相關環保法律及規例。本集團業務活動產生的無害廢棄物主要為生活垃圾。經收集及分類後，該類廢物最終會統一由一般廢物服務供應商收集及處理，可循環再造的廢物（如紙張等）則會得到回收以再利用。

SUSTAINABILITY REPORT

可持續發展報告

We regularly monitor the amount of domestic waste discharge and have implemented a number of reduction measures. The Group's offices have also provided suitable facilities and encouraged our staffs to sort and recycle the wastes to achieve the objectives in mitigating wastes, reusing and recycling in its operations. The Group maintains high standard in waste reduction, educates its employees the significance of sustainable development and provides relevant support in order to enhance their skills and knowledge in sustainable development.

我們會定期監察生活垃圾排放量，並執行多項減少用量措施。本集團旗下辦公室亦提供適當設施，並鼓勵員工分類廢物來源及循環再用廢物，力求於運營過程中達致減廢、再用及再造的目標。本集團在減廢方面維持高標準，並教導員工可持續發展的重要性及提供相關支援，培養他們實行可持續發展的技能 and 知識。

SUSTAINABILITY REPORT

可持續發展報告

A1.1.5 Digitalized Office

The Group is committed to establishing a digitalized office. The office makes full use of the online system, while general business notices and data transmissions are conducted through the online system. We encourage our staff to minimize printing and copying to the largest extent to reduce paper usage, while double-side printing is also encouraged. The use of used envelopes and the reuse of used paper, cartons and folders are also encouraged during daily operation. The office is responsible for supervising the amount of paper usage and the waste paper is collected and disposed by the administrative department and the office. On the other hand, reusable paper products, such as briefcases, envelopes, etc. are collected and recycled while the use of disposable paper products, such as paper cups and paper towels, are encouraged to minimize to the largest extent. In addition, the Group also places "Green Message" reminders on office equipment to further enhance employees' environmental awareness.

A1.1.5 電子化辦公室

本集團致力於建立一個電子化的辦公室。辦公室內充分利用網上系統，一般事務性通知、資料傳送等通過線上系統進行，建立電子工作流程。我們鼓勵員工盡量避免列印及複印文件，減少使用紙張，辦公用紙盡量雙面使用，並盡量使用舊信封和循環使用曾用過的紙張、紙箱及文件夾。辦公室負責監督紙張用量；廢棄紙張由行政管理部及辦公室統一回收處理。另外，我們會收集並重複利用可反復使用的紙製品，如公文袋、信封等，以及盡量減少使用一次性紙製品，如紙杯、紙巾。除此以外，本集團亦盡可能在辦公室設備貼上「環保訊息」提示，以提高員工的環保意識。

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A1.1.6 Green Procurement

The Group targets waste management from the source by procuring durable products and encouraging recycling. Computer equipment is indispensable for our provision of merchant SaaS service, and the Group therefore has to purchase durable models, which are maintained and managed by the IT department and upgrade both hardware and software in timely basis. New computers are purchased only when necessary.

A2 Use of Resources

With the aims to actively promote the effective use of resources, the Group monitors the potential impact of business operations on the environment at real time and promotes green office and operating environment by adopting four basic principles, i.e. reduce, reuse, recycle and replace, thus minimizing the impact of the Group and its subsidiaries on the environment.

As stated in aspect A1, the Group has formulated policies and procedures related to environmental management to manage the use of water, electricity and oil by monitoring monthly usage statistics, focusing on management of key energy-consuming equipment, and regulating the operation procedure of equipment, in order to use the energy more efficient.

A1.1.6 綠色採購

本集團從源頭著手，在採購時選擇耐用產品。提倡循環再用，電腦設備對於我們提供商家SaaS服務是不可或缺，故本集團盡量選購耐用型號，並由電腦部負責進行維修及管理，定期為系統及硬體進行提升，只在必要時方添置新電腦。

A2 資源使用

本集團以積極推動有效使用資源為宗旨，即時監察業務運營對環境帶來的潛在影響，並通過減少、重用、回收及取代四個基本原則，推廣綠色辦公及運營環境，將集團和子公司運營對環境的影響減至最低。

如A1層面部分所述，本集團已制定了與環境管理相關的政策和程序，對水、電和油等能源使用進行管理，每月統計用量，對主要耗能設備進行重點管理，規範設備作業流程，以充分有效地利用能源。

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The Group strictly complies with the “Water Law of the People’s Republic of China”, “Electric Power Law of the People’s Republic of China”, “Law of the People’s Republic of China on Conserving Energy”, and other relevant laws and regulations. During the Reporting Period, the Group was not aware of any material noncompliance of the above laws and regulations.

A2.1 Energy Consumption

The major energy consumption of the Group during its daily operation is electricity and natural gas consumption in the operation, and petrol and diesel consumption via transportation.

The Group has formulated rules and regulations to achieve the goal of electricity saving and effective consumption. The relevant specific measures are as follows:

- Select energy-efficient equipment and electrical appliances for use in production and office areas, and gradually replace obsolete equipment with energy-saving certified alternatives;
- Employees should turn off all electrical appliances that come with them when they leave office;
- Turn off all the unnecessary lights, air conditioners, computers and other office equipment in office areas, conference rooms and corridors when they are not in use to avoid any waste;

本集團嚴格遵守《中華人民共和國水法》、《中華人民共和國電力法》、《中華人民共和國節約能源法》以及其他相關法律及法規。在報告期內，本集團並不知悉任何重大違反上述法律及法規的重大事宜。

A2.1 能源消耗

在日常生產運營中，本集團的主要能源消耗為運營耗電、消耗的天然氣及交通運輸所消耗的汽油和柴油。

本集團制定了規章制度以達到節約用電及有效使用電力的目標，相關具體措施如下：

- 生產和辦公用電要選用節電的設備及電器，逐步用節能認證的新設備替代過時的設備；
- 員工下班離開工作區時應關閉自帶的所有電器；
- 辦公區、會議室和樓道內的燈、空調、電腦等辦公設備在不需要的時候，要及時關閉，避免浪費；

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- Forbid the running of idle equipment, unreasonable electric wiring distribution, etc.;
- Strictly regulate the use of air conditioners. During the summer, office air conditioning temperature should be adjusted to around 20 degrees Celsius; During the winter, the maximum set temperature should be around 26 degrees Celsius to avoid the waste of power; and
- Enhance the maintenance and overhaul of equipment, maintain the best condition of all electronic equipment for effective use of electricity.
- 嚴禁設備空運轉、配電線路佈線不合理等現象；
- 嚴格規定空調的使用，辦公區供暖季室溫標準為約20攝氏度，供冷季室溫標準為約26攝氏度，以避免浪費電力；及
- 加強對設備的維護檢修，將各電子設備保持最佳的狀態，有效地使用電力。

Energy Consumption 能源消耗量

Unit 單位

Consumption in 2018 二零一八年消耗量

Total Electricity Consumption 總耗電量	Kilowatt per Hour 千瓦時	Approximate 1,164,000 約1,164,000
Total Gasoline Consumption 汽油消耗總量	Tonne 噸	Not Applicable 不適用
Total Energy Consumption of Standard Coal 折合標準煤能源消耗總量	Tonne 噸	Not Applicable 不適用

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A2.2 Water Consumption

The water consumption of the Group mainly comes from the office water consumption and dormitories consumption. We encourage all employees and customers to develop the habit of conserving water consciously. Pantry and washrooms are posted with environmental messages to remind employees for water conservation, which results in further enhancing our employees' awareness in water conservation. Apart from education, we also regularly assess utility services, water seepage or leaking pipelines must be replaced and repaired on a timely basis.

During the Reporting Period, the water consumption (i.e. wastewater discharge) of the Group and its intensity were as follows:

Water Consumption 水源消耗量

Total Water Consumption 總耗水量
Intensity (Water consumption per capita) 密度 (人均耗水量)

Unit 單位

Cubic Meter 立方米
Cubic Meter 立方米

Consumption in 2018 二零一八年消耗量

Approximate 16,900 約16,900
Approximate 7.7 約7.7

A2.2 水源消耗

本集團的用水主要是辦公區及員工宿舍的生活用水。我們鼓勵所有員工和客戶養成自覺節約用水的習慣，本集團一直加強節水宣傳，茶水間及洗手間均貼有環保訊息，提醒員工節約用水，同時進一步提高了員工的節水意識。除了宣傳教育，我們還會定期檢查公用設施，當出現漏水或水管破裂等情況，立即進行維修。

於本報告期間，本集團用水量（即污水排放量）和其密度為：

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A2.3 Packaging Material

Due to our business nature, the Group does not produce any final products nor does it have any industrial facilities. Thus, it does not consume any significant amount of packaging materials during its daily operations.

A3 The Environment and Natural Resources

The Group focuses on the business impact of the Group on the environment and natural resources and pursues the best practice with the environmental protection. In addition to complying with relevant environmental laws and regulations and international standards to properly preserve the natural environment, the Group has integrated the concept of environmental protection into its internal management and daily operation with the aim of achieving environmental sustainability.

A3.1 Working Environment

The Group is committed to providing employees with a comfortable and green working environment to enhance work efficiency. The Group strives to maintain office discipline and environmental hygiene and to keep the personal office area and public areas clean and tidy. Our staff will monitor the condition of the living and working environment from time to time to set up emergency plans in advance, and adopt prevention and control measures to identify problems and risks. We will deal with the identified problems and potential risks in time to maintain a sound working environment.

A2.3 包裝材料使用

基於業務性質，本集團不生產任何最終產品，亦沒有任何工業設施，因此在日常運營過程中並不會消耗大量包裝材料。

A3 環境及天然資源

本集團著重集團業務對環境及天然資源的影響，追求保護環境的最佳實務。除了遵循環境相關法規及國際準則，適切地保護自然環境外，為致力達成環境永續之目標，本集團亦將環境及天然資源保護的概念融入內部管理及日常運營活動當中。

A3.1 工作環境

本集團致力為員工提供舒適及綠化的工作環境，以提升工作效率。本集團致力維持辦公室秩序及環境衛生，保持個人辦公區域及公共區域環境整潔。我們的工作人員會不定時巡視生活區及辦公區，做好預防性的事前管理，及時發現問題和隱患，並及時解決，以保持良好的工作環境。

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On the other hand, the Group regularly monitors and measures indoor air quality in the workplace. The Group maintains indoor air quality and filters pollutants and dust by using air purification equipment in the workplace and cleaning air conditioning system regularly.

另一方面，本集團定期監控及測量工作場所的室內空氣質素。本集團通過在工作場所採用空氣淨化設備以及定期清潔空調系統等舉措，以維持室內空氣質素以及過濾污染物及灰塵。

B SOCIAL SUSTAINABILITY

B1 Employment

“Youzan Taste”

The mission of the Group is to become the most trusted leader in the field of merchant services and keep being an organization of “ENJOY”. When employees join an enterprise, they will be gradually influenced and changed by the corporate environment. Appropriate corporate culture will make employees and the enterprise complements each other, while inappropriate corporate culture will not only stagnate employees and business development, but also put an enterprise at certain risks without changing it in time. The Group currently has more than 2,000 employees and it is of great significance to establish and maintain a “Youzan culture” suitable for the Group’s business and development. Corporate culture is closely related to the founder or the management of an enterprise at the very beginning. However, in the long run, we will find out that an enterprise will survive and develop through reflection. Corporate culture will keep changing with its business nature, the social and competitive environment that the enterprise is facing. “Youzan Taste” is relatively abstract when compared with specific business strategies, but the more abstract the concept is, the more it should be implemented in every detail.

B 社會的可持續性

B1 僱傭

「有贊味道」

集團願景是成為商家服務領域最被信任的引領者，並希望可以持續作一個「ENJOY」的組織。員工加入一個企業，會被企業的環境慢慢影響並改變，合適的企業文化會讓員工及企業相輔相成，不合適的企業文化不但會讓員工與業務發展止步不前，沒有及時改變更會讓企業面臨一定風險。本集團目前擁有超過二千名員工，建立並維持適合集團事業與發展的「有贊文化」意義重大。企業文化一開始與企業創始人或管理層關係密切，但當把時間線放長遠的時候，會發現企業能夠在反思中存活發展，企業文化會隨著企業的業務性質、企業面對的社會環境和競爭環境不斷變化。「有贊味道」與具體業務戰略相比比較抽象，但越是概念抽象的事情越要落實至每一個細節裡。

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“Youzan Taste” is a group of people with common temperament. We hope our staff will “be happy, grow together and enjoy it, ENJOY” in the organization.

Experience: To experience and enjoy.

New: Be open to new people, new things, new ideas and new challenges.

Joy: Try to enjoy what work and life bring to us.

Opportunity: Cherish every opportunity.

You: Rely on yourself and do your best.

The Group requires every employee of China Youzan to be “smart enough, resilient and aggressive”. They know each other, understand each other, and achieve mutually. They are partners, friends, and family. They both pursue their goals and appreciate the scenery along the way. Our staffs need to pay more attention to creating long-term value and pursuing sustained growth. We hope our employees can do the followings:

Professional: Be skilled, understand business, be good at innovation, and constantly ask yourself to be more professional.

Ownership: Think of everything as your own, full of commitment, courage to take responsibility, and timely replenishment.

Service: Think from the customer’s point of view, win word of mouth with service, and win trust with service.

「有贊味道」是一群有著共同性情的人，我們希望員工在組織中「樂此不疲、共同成長、享受其中，ENJOY！」。

Experience：去體驗去感受。

New：勇於接受新人、新事、新觀念和新挑戰。

Joy：嘗試享受工作和生活帶來的一切。

Opportunity：珍惜每一個機會。

You：靠自己，並做最好的自己。

集團要求每一個加入中國有贊的員工都附合「足夠聰明、皮實、有要性」三項特點，在工作中相互了解、相互理解、彼此成就，既是夥伴又是朋友、家人，既追求目標也同樣享受其中的過程。我們的員工需要關注創造長期價值及追求持續增長，我們希望集團員工做到：

更加專業(Professional)：有手藝、懂業務、善創新，並不斷要求自己更專業。

主動擔當(Ownership)：承擔每件事情，全情投入、勇於擔當、及時補位。

誠意服務(Service)：站在客戶的角度思考，以服務贏得口碑，以服務贏得信任。

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Execution: Direct communication in case of problems, conclusions are implemented efficiently, and the process is fully synchronized and coordinated.

Result: Continue to create and capture value and pay for results.

B1.1 Overview of Human Resources

The Group values and cultivates employees, and constantly attracts outstanding talents from external sources based on our advanced management philosophy and positive corporation culture. The Group strives to provide a platform for its staff to fully exert their abilities and realize their value. The Group has formulated a set of human resources management policy and procedures to provide excellent working conditions, and a healthy and safe workplace for them to work and develop their strengths. The Group actively complies with the Labor Law of the PRC, the Labor Contract Law of the PRC, Regulation on Work-related Injury Insurance and other laws and regulations. The Group has accordingly formulated a series of relevant personnel management policy to provide employees with a healthy, positive and motivative working atmosphere and guide employees to actively integrate personal pursuits into the long-term development of the Group.

During the Reporting Period, the Group did not aware of any material non-compliance of laws and regulations in respect of human resources.

協作執行(Execution)：遇到問題直接溝通，有結論時高效執行，在過程中充分同步、協作。

追求結果(Result)：持續創造並獲取價值，為結果負責。

B1.1 人力資源概況

集團視人才為集團的珍貴資產，重視人才的選育用留，以先進精細的管理理念和積極向上的企業文化不斷吸引優秀人才加盟，努力為員工提供一個充分發揮才幹、實現價值的舞台。集團已制訂一套人力資源管理政策及程序，提供良好的工作環境及健康安全的工作場所，讓員工投入工作，盡展所長。本集團積極遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《工傷保險條例》等法律法規。本集團據此制定了一系列相關人事管理政策，為員工提供健康、陽光和向上的工作氛圍，引導員工積極將個人追求融入到本集團長遠發展之中。

於本報告期間，集團並未發現任何違反有關人力資源的法例和法規的重大事宜。

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B1.2 Team Profile

The Group upholds multiculturalism, which helps enhancing communication and creativity among employees. The Group strictly complies with national and local government regulations by adopting a fair, equitable and open recruitment process and developing relevant system files to eliminate discrimination in the recruitment process. Employees faces no discrimination regardless of race, gender, colour, age, family background, ethnic tradition, religion, physical fitness and nationality and thus allowing them to enjoy fair treatment in every aspect including recruitment, salary, training and promotion. In the Group, male and female staff received the same remuneration with the same job duties. The Group endeavors to attract professionals with diverse backgrounds to join us.

As at 31 December 2018, the Group had a total of 2,206 employees.

B1.2 團隊情況

本集團推崇多元文化，這有助加強員工之間的溝通及創造力。本集團嚴格遵守國家及地方政府各項法規，採取公平、公正、公開的招聘流程，制定了相關制度以杜絕招聘過程中的歧視現象，不因種族、性別、膚色、年齡、家庭背景、民族傳統、宗教、身體素質和國籍等因素歧視任何一位員工，讓員工在招聘、薪酬、培訓和晉升等各個階段享受公平待遇，男女員工同工同酬，以盡力羅致不同背景的專才加入本集團。

至二零一八年十二月三十一日，集團共聘用員工2,206人。

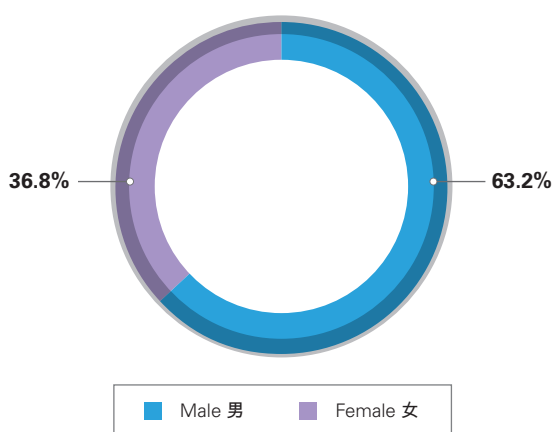
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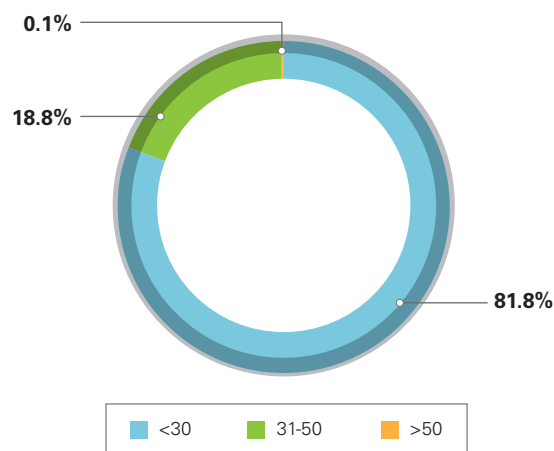
By gender, the Group's male employees accounted for approximately 63.2% of total labor force and female employees accounted for approximately 36.8%. By age, the Group's employees aged below 30 accounted for approximately 81.1%; employees aged 31 to 50 accounted for approximately 18.8%; and employees aged above 50 accounted for approximately 0.1%. The Group believes in equality of opportunity and treatment between male and female employees because it is just and fair and promotes good business and better performance. The Group recognizes that equality at work between male and female employees means (i) discrimination is not existed in the recruitment process to get the best candidates for the appropriate vacancies; and (ii) equality of opportunity in providing assignments based on candidate's merit and choice rather than sex-typed preconceived notions.

按員工性別分類，集團男性員工佔約63.2%，而女性員工佔約36.8%。按員工年齡分類，集團30歲以下員工佔約81.1%，31至50歲佔約18.8%，50歲以上員工佔約0.1%。我們認為男女員工之間的機會及待遇平等，屬公平公正並促進良好業務發展及更佳表現。我們認可男女員工間工作中的平等指引：(i)招聘過程中不存在歧視，以就適當的空缺錄取最佳候選人；及(ii)分派任務或調配崗位時根據候選人的才能及意願而非按性別先入為主的觀念，為候選人提供平等的機會。

Distribution by gender
性別分佈



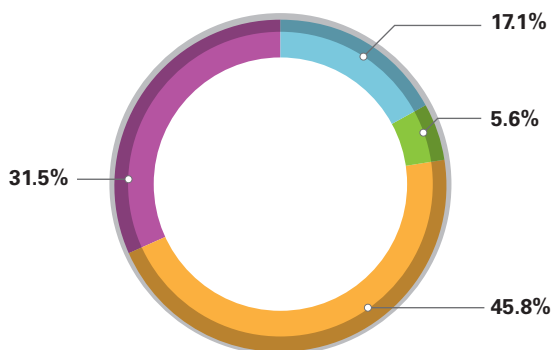
Distribution by age
年齡分佈



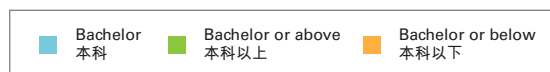
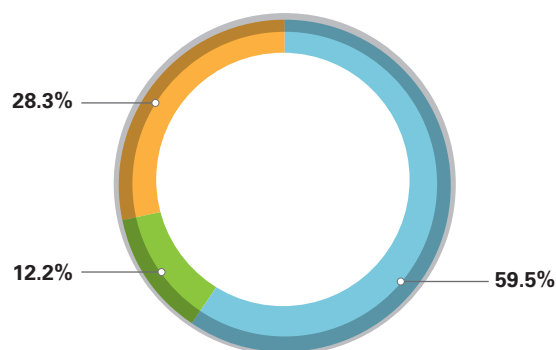
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Distribution by positions
職位分佈



Distribution by education background
學歷分佈



By positions, the Group's service employees accounted for approximately 17.1%, technical employees accounted for approximately 45.8%, management and administrative employees accounted for approximately 5.6% and selling and marketing employees accounted for approximately 31.5% of total labor force. By education background, the Group's employees with a bachelor's degree accounted for approximately 59.5%, those with a bachelor's degree or above accounted for approximately 12.2% and those with bachelor's degree or below account for approximately 28.3%.

按員工職位分類，集團服務性員工佔約17.1%，技術性員工佔約45.8%，管理及行政員工佔約5.6%，而銷售市場類員工佔約31.5%。按員工學歷分類，集團員工本科學歷佔約59.5%，本科學歷以上佔約12.2%，本科學歷以下佔約28.3%。

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The cornerstone of an enterprise lies in talents. As the pioneer of e-commerce platform with merchant SaaS service, the Group insists on taking products and technologies as the leading role and pays more attention to innovation and vitality than traditional industries. Therefore, technical talents accounted nearly 46.0% of the Group's total workforce. Employees of the Group include both front-line technicians in the Internet industry and fresh graduates who have just graduated from colleges. The simple, efficient and straightforward working atmosphere and communication methods create a harmonious working environment and high-quality technical team, which is conducive to the sustainable development of the Group as well as the personal growth and career development of employees.

During the Reporting Period, the Group has fully complied with relevant rules and regulations in the PRC, including the Company Law of the PRC, the Contract Law of the PRC, the Labor Contract Law of the PRC and the Regulations on Labor Inspection and Security, as well as the statutory requirements in Hong Kong, including the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wages Ordinance, the Personal Data Privacy Ordinance and other relevant rules and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labor practices.

企業的基石在於人才，集團作為電商領域商家SaaS服務的先驅，堅持以產品和技術為主導，比傳統產業更加重視創新與活力。因此，本集團技術型人才佔比高達接近46.0%。員工中既有一線互聯網業界技術人員，亦有剛從學院畢業的新生力量。簡單高效、直接明了的工作氛圍和溝通方式塑造了和諧的工作環境與高品質的技術團隊，助力集團可持續發展，亦助力員工個人成長與職業發展。

報告期內，本集團已全面遵守中國的規則及法規，包括《中國公司法》、《中國合同法》、《中國勞動合同法》、《勞動保障監察條例》，以及香港的法例規定，包括《公司條例》（香港法例第622章）、《強制性公積金計劃條例》（香港法例第57章）、《最低工資條例》、《個人資料私隱條例》及有關其他相關規則。報告期內，本集團並沒有發現任何重大不遵守有關僱傭及勞工法律及規例的情況。

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B1.3 Recruitment and Departure Management

The Group has continuously established and improved its recruitment system. In the requirement process, we have standardized the hiring procedures and recruitment principles, adhering to the hiring principles of morality, knowledge, ability and experience applicable to the job positions. In such ways to continuously attract talents by upholding principles of justice, fairness, equality and openness.

The Group specifies the basis and procedures for staff promotion, transfer and demotion management, and regulates departure process to protect the interests of both employees and the Group.

The Group has implemented a fair and open assessment system to evaluate employees' working performance and internal assessment results, so as to create opportunities for their promotion and development to explore their potential at work. To achieve optimal allocation of human resources, offer more career development opportunities and platforms for employees and meet the Group's requirements for sustainable development, the Group has built a talent pool and customizes trainings and leadership programs for key trainees. Higher performers will be given priority for promotion.

B1.3 招聘錄用及離職管理

本集團不斷建立和完善人才招聘選拔制度。在招聘過程中規範錄用流程和招聘原則，堅持品德優秀、學識、能力、經驗和體格適合於所任崗位的聘任原則，堅持公正、公平、平等及公開原則，從而不斷吸引和招攬優秀人才。

本集團明確人員晉升、調動和降級管理的依據及流程，規範離職流程，以保護員工和集團雙方的利益。

本集團已經落實了一套公平公開的考核制度，按照員工的工作表現及內部考核結果，為員工提供晉升及發展的機會，以發掘其工作潛能。為實現集團內部人力資源的優化配置，為員工的職業發展提供更多的機會和平台，滿足集團可持續發展需求，本集團建立了後備人才庫，對重點培養對象安排有針對性的培訓和領導崗位鍛煉。對集團有更多貢獻的員工，本集團在競聘上崗時優先任用。

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B1.4 Working Hours and Holidays

The Group has formulated the Operational Guidelines on Attendance Management, which stipulates employees' working hours to the standard of 40 hours per week, and clearly sets attendance requirements and publishes the statistical methods of data. In case of overtime work, the employee concerned can apply for a leave of absence.

The Group's employees are entitled to national holidays, company holidays, annual leaves, funeral leaves, marital leaves, maternity leaves, sick leaves and other paid holidays.

B1.5 Remuneration and Benefits

In order to standardize the benefit management, build a sound benefit system, enhance team stability and cohesion, and stimulate the Group's sustainable development, the Group has established the Operational Guidelines on Employee Benefits. The Group provides its employees "5 Insurances and 1 Pension", paid holidays, annual leaves, communication allowance, meal allowance, accident insurance, body check, and holiday allowance. In addition, the Company also adopted measures, such as distributing gifts and benefits and lengthening holidays, to further enhance the benefits system and its staff satisfaction.

The Group organizes salary surveying annually based on Operational Guidelines on Salary Management and the Group's development strategy to raise suggestions to the Company's salary level and structural adjustment, as well as to gather statistics.

B1.4 工作時數及假期

本集團制定了《考勤管理作業指引》，規定員工每週工作40個小時，且明確制訂考勤要求並公開數據統計方式。如果有加班情況，相關員工可以申請進行調休。

本集團員工均享有國家法定假期、公司假日、年假、喪假、婚假、產假和病假等帶薪假期。

B1.5 薪酬與福利

集團為規範公司福利管理，建立完善的福利體系，提升員工隊伍的穩定性和凝聚力，促進集團持續穩定的發展，制定了《員工福利管理作業指引》，集團提供員工的法定福利為「五險一金」、帶薪假期、通訊補貼、餐飲補貼、意外傷害保險、健康體檢、節日津貼等。除此之外，公司還會在節假日採取給員工發放豐厚物質福利及延長假期等措施，進一步完善福利體系，提升員工滿意度。

集團依據《薪酬管理作業指引》並搭配集團之發展戰略，每年會進行一次薪酬調查，對公司的薪酬水準和結構調整提出建議方案，並同時獲得統計調研資料。

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B1.6 Incentives and Praises

The Company has formulated a sound staff incentive mechanism. At the end of each year, the Company would assess its staff for their performance to select outstanding teams, managers and employees, who would receive commendations and bonuses in recognition of their contribution to the Company and of their efforts in jointly reaching the Company's goals. Throughout the year, the Company would also offer immediate promotion to staff with excellent daily performance and give commendation to teams/staff from time to time in recognition of their handling of emergencies or as an award for their early fulfillment of targets, thereby encouraging other staff to contribute to the Company. In addition, the Company has adopted comprehensive incentive measures in light of its various businesses to fully mobilize the enthusiasm of the staff and ensure the Company's sustainable development.

During the Reporting Period, the Company granted 551,522,400 awarded shares to 388 selected participants from 10 different major business units of the Group under the share award scheme at nil consideration. This move aims to recognize the contributions of outstanding employees and retain them to serve for the Group's continuous operation and development as well as to attract suitable personnel for the further development of the Group.

B1.6 激勵與表彰

公司有制訂一套完善的員工激勵機制，每年年終對員工當年的工作表現進行考核，選出優秀團隊、優秀管理者和優秀員工頒發嘉許狀及獎金以示獎勵，以表揚他們為公司作出的貢獻，共同向公司的目標邁進。於年內，公司亦會對日常業績優異的員工實時晉升，並不時對一些值得嘉許的團隊／員工作出表彰，以讚揚其對突發事件的處理或其提前達成指標的獎賞，以激勵其他員工共同為公司努力。除此之外，公司針對各業務設置全方位的激勵措施，以充分調動員工積極性，保證公司業務的持續發展。

報告期內，公司根據股份獎勵計劃向388名來自本集團十個不同主要業務單位之選定參與人無償授出551,522,400股獎勵股份，此舉旨在嘉許傑出員工之貢獻，以挽留他們服務於本集團之持續運營及發展，並為本集團之進一步發展吸引合適人員。

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B1.7 Employee Activities

To release employee's work pressure and enrich their pastime, during the Reporting Period, the Company organized various activities, including strategic communication meetings, Chinese New Year activities, sports competitions and marathons, which offers its staff a platform to showcase their talents and enhance communication among themselves and between different centers and departments, and strengthen its staff's sense of belonging and team cohesion.

B2 Health and Safety

The Group has always placed emphasis on occupational safety and has set up an occupational health and safety management system to provide a safe working environment for office employees. The operation of the Group belongs to general office operation and does not involve high risk or high hazard work. However, the Company identifies potential safety risk in the workplace and establishes various safety practices. All staff must adhere to the safety guidelines. The Group provides its staff with relevant health and safety training such as fire safety and first aid knowledge training. In addition to the international labor standards and laws, the Group has created internal guidelines and systems specific to its industry to make sure that the employees would discharge their duties effectively.

During the Reporting Period, the Group has complied with relevant rules and regulations in the PRC, including the Law of the PRC on Work Safety and Occupational Disease Prevention and Control Law of the PRC, as well as the legislative requirements in Hong Kong, including the Occupational Safety and Health Ordinance.

During the Reporting Period, the Group was not aware of any non-compliance with the health and safety laws and regulations.

B1.7 員工活動

為了減輕員工們工作壓力和豐富員工業餘文化生活，集團在報告期內分別舉辦了戰略溝通會、新春活動、運動比賽及馬拉松等活動，為廣大員工提供展示自我的平台，增進各單位員工之交流，促進集團各中心、部門之間的溝通，增強員工歸屬感及團隊凝聚力。

B2 健康與安全

集團向來重視職業安全，設立了完善的職業健康安全管理制度，向辦公室員工提供安全的工作環境。本集團運營性質乃一般辦公室運作，當中並不涉及高風險或高危害工作。然而，本公司識別出工作場所內的潛在安全風險並確立多項安全行為規範。所有員工都必須遵守安全指引。集團為員工提供相關的健康和安全培訓，如消防安全及急救知識培訓。除國際勞工準則及法律外，我們制定專門針對我們行業的內部指導方針及制度，以確保我們的員工有效地履行職責。

報告期內，集團已遵守中國的相關規則及法規，包括《中國安全生產法》及《中國職業病防治法》，以及香港的法例規定，包括《職業安全及健康條例》。

報告期內，集團並沒有發現不遵守有關健康及安全法律及規例的情況。

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B3 Development and Training

The staff development and training of the Group is arranged and coordinated by its training institution “Qima University”(起碼大學), which was established on 1 September 2018, which covers the entire career planning of China Youzan employees. At the same time, we set up the official WeChat public account “Qima University” with nearly 2,000 followers. “Qima University” has set up three major scopes of basic management, including project management, efficient communication and role recognition courses for talented managers. More than 100 people were trained in 2018.

In addition, “Qima University” has established a system of Youzan speech club in Beijing, Shanghai, Guangzhou, Shenzhen and Hangzhou, with 49 sessions of activities in total and more than 300 participants, initiated a leadership sharing program with 3 sessions of activities in total and about 155 participants, and invited foreign teachers to organize a total of 12 sessions of English training courses and one English corner activity with nearly 100 participants.

In 2019, China Youzan will train 100 core members and 300 basic managers for the Group at the core direction of “organizations empowerment” and “individual initiation” through the “Qima University”. With a systematic planning approach, the “Qima University” will continue to focus on employee development in the future in the aspects of culture, leadership, management capability and soft qualities. It will develop a series of courses in psychology, consciousness and skills by integrating the staff culture of “be happy, grow together and enjoy it, Enjoy!” of China Youzan. The courses include the core culture “Enjoy” course and experience activities, 9 courses and experience in respect of consciousness and thinking, 10 general ability courses, 5 management ability courses and 12 leadership courses.

B3 發展及培訓

本集團的員工發展及培訓統一由集團培訓機構「起碼大學」安排及統籌。「起碼大學」成立於二零一八年九月一日，涵蓋中國有贊員工整個生涯規劃的內容。同時，我們成立了官方微信公眾號「起碼大學」，並擁有接近二千位追隨者的關注。「起碼大學」搭建了基礎管理的三大範疇，包括項目管理、高效溝通及有才管理者角色認知課程，二零一八年內接受培訓的員工數過百。

另外，「起碼大學」在北京、上海、廣州、深圳及杭州五個地方建立了「有贊演講俱樂部」體系，總計活動共49期，參與人數超過三百人；建立關於領導力分享活動，總計活動共3期，參與人數約155人；邀請外籍老師組織英語培訓課程，總計英語培訓共12期及1期英語角活動，參與人數接近100人。

二零一九年中國有贊將透過「起碼大學」，在「組織賦能」和「個體啟動」的核心方向上，培養出100位集團核心骨幹成員及300位基礎管理層。沿著系統規劃的方式開展，「起碼大學」未來將繼續著重員工在文化、領導能力、管理能力及軟性素質的層面的發展，其將融合中國有贊「樂此不疲、共同成長、享受其中，Enjoy！」的員工文化，在心理、意識及技能等層面開發一系列課程。課程包括核心文化「Enjoy」課程及體驗活動、9項意識思維層面課程及體驗、10個通用能力課程、5項管理能力課程及12項領導能力課程。

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In 2019, the “Qima University” will also hold “micro-class competition”, speech contest, “TEDx” meeting, and cooperate with internal and external cooperative institutions to build a series of platforms to make internal employees of China Youzan become sharers. At the same time, it will establish a mentor mechanism to allow new employees of China Youzan to integrate into the Group and grow quickly during the induction training period.

B4 Labor Standards

We have regularly supervised the information related to employment to avoid violation of the labour laws and regulations. We strictly forbid any child labour and forced labour and prohibit the arrangement of underage workers for restricted work. All employees must conform to the legal working age and the human resources department will request the job applicants to present effective identity certificates in the recruitment and perform background check according to the materials provided as appropriate. Meanwhile, the Group enters into the labor contracts with all employees under mutual agreement.

During the Reporting Period, the Group has complied with the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Convention on the Abolition of Forced Labor with respect to Employment of Workers, the Labor Law of the PRC on the Employment of Adolescents under the Age of 16 and their Legal Rights and Interests and Provisions on the Prohibition of Child Labor in the PRC. The Group was not aware of any material non-compliance with laws and regulations relating to employment and labor practices.

二零一九年「起碼大學」亦將舉辦「微課大賽」、演講大賽、「TEDx」會議、並聯合內外合作機構，搭建一系列平台讓中國有贊內部員工成為分享者，同時建設導師機制，讓新加入的中國有贊員工能夠在入職培訓期內加速融入和成長。

B4 勞工準則

我們定期監察僱傭相關資訊，避免不符合勞動法律法規事宜。我們嚴禁任何童工及強制勞工並且禁止安排未成年工從事限制性勞動，所有員工必需符合法定工作年齡，人力資源部會於招聘時要求求職者出示有效的身份證明文件，並根據其提供的資料適切地進行背景調查，同時集團與所有員工在自願原則基礎上簽訂勞動合同。

報告期內，本集團已遵守《僱傭條例》（香港法例第57章）項下《僱用兒童規例》（香港法例第57B章）、有關僱用勞工《廢止強迫勞動公約》、有關僱用16歲以下青少年及其法律權益的《中國勞動法》，以及《中國禁止使用童工規定》。報告期內，本集團並沒有發現嚴重不遵守有關僱員及勞工準則之法律及規例的情況。

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B5 Supply Chain Management

Given that the Group does not engage in production and consumption of raw materials, it is unnecessary to categorize the region of suppliers and record the number of suppliers. Our procurements are mainly office supplies. While purchasing products, impacts on environment will be considered during procurement process and products made from renewable materials are preferred.

B6 Product Responsibility

China Youzan has built a complete merchant service system centering on customer life cycle to help merchants succeed. We provide services for merchants by nine stages of “providing solutions and suggestions”, “following up and filing”, “using instructions”, “operation suggestions”, “daily Q&A”, “focusing on growth”, “delivery and implementation”, “device initialization” and “after-sales follow-up”. In terms of rights and interests, after ordering the relevant products and services of China Youzan, merchants can enjoy the basic services provided by the 7*12 hours online customer service staff to help them solving daily use problems. We also launch “companion service” for merchants with the demand for operation improvement. In addition to basic services, merchants who order this service, they will receive ten benefits through rapid service channel, including “store planning guidance”, “training on store opening”, “store tutorial class”, “Youzan College courses”, “store decoration”, “priority docking for customer service consultancy”, “store diagnosis”, “guidance on getting through systems”, “distribution system establishment guidance” and “member system establishment guidance”.

During the Reporting Period, the basic services of China Youzan were offered to a total of 1,116,000 merchants throughout the year.

B5 供應鏈管理

由於本集團不屬於生產性企業，沒有消耗大量原材料，所以本集團不認為有需要對供貨商地區劃分及供貨商數目進行記錄。一般採購均為辦公室用品。採購任何產品均會考慮對環境有否產生影響及盡量採購以再生物料製造的產品。

B6 產品責任

中國有贊圍繞客戶生命週期，建立完整的商家服務體系以幫助商家成功。我們按照「提供方案建議」、「跟進建檔」、「指導使用」、「運營建議」、「日常答疑」、「關注成長」、「交付實施」、「設備初始化」、「售後跟進」九個階段為商家提供服務。權益方面，訂購中國有贊相關產品和服務後，商家可享受7x12小時線上客服提供的基礎服務，幫助商家解決日常使用問題。我們同時面向有經營提升需求的商家推出「有伴服務」，除基礎服務外，訂購此服務的商家可通過快速服務通道獲得「開店規劃指導」、「開店培訓」、「開店輔導班」、「有贊學院課程」、「店鋪裝修」、「客服諮詢優先對接」、「店鋪診斷」、「系統打通指導」、「分銷系統搭建指導」及「會員體系搭建指導」十項權益。

報告期內，中國有贊基礎服務全年服務商家共111.6萬次。

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In addition, to ensure the stability of the merchant service of China Youzan, we undertake to compensate merchants according to the service downtime if the core service of “Youzan WeiMall” came to a standstill as a result of the Group’s hardware problems and affects the business of merchants. During the Reporting Period, the core system stability of China Youzan was 99.96%.

B6.1 Consumer Protection Services

In order to improve the products, services and management standard of China Youzan, enhance product quality and meet service demand, and ensure a timely, accurate and reasonable solution to customer complaints, so as to achieve the goal of continuous improvement of the Company’s products and services, the Group formulated the “consumer protection services” and built a “consumer protection services” team to assist buyers and sellers to solve the problems such as trading, logistics and refund rights. Through the cooperation of merchants, consumers, distributors and China Youzan, we build a safe and secure mobile social shopping environment, so as to improve consumer experience and customer repeated purchase rate.

In 2018, the “consumer protection services” team of China Youzan comprised a total of 38 members, including 14 for transaction security, 4 for consumer online service, 13 for consumer hotline service and 7 for service operation. During the Reporting Period, the accumulative service reached 854,000 times, the completion rate of after-sales orders was 99.7%, the one-stop resolution rate of problems was 90.1%, and consumer satisfaction reached 96.7%.

另外，為保障中國有贊商家服務的穩定性，我們承諾如因集團硬件問題而出現「有贊微商城」核心服務停頓，並影響商家業務，我們會按照服務停頓時間補償商家。報告期內，中國有贊核心系統穩定度為99.96%。

B6.1 消費者保障服務

為提高中國有贊的產品、服務和管理水平，加強產品質量和滿足服務需求，確保客戶的投訴能及時、準確、合理地解決，達到持續改進公司的產品和服務的目的，集團制定「消費者保障服務」及搭建「消費者保障服務」團隊，協助買賣雙方解決交易、物流、退款維權等問題。通過商家、消費者、分銷商及中國有贊多方協作，共同搭建安全放心的移動社交購物環境，進而提升消費者體驗和客戶複購率。

二零一八年中國有贊「消費者保障服務」團隊共38人，其中交易保障14人、消費者線上服務4人、消費者熱線服務13人及服務運營7人。報告期內累計服務85.4萬次、售後訂單完結率99.7%、問題一次解決率90.1%、消費者滿意度達96.7%。

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B6.2 “Youzan Guarantee”

The current weak social ecological credit system in China leads to a low stranger purchase conversion rate, which is usually about 20.0% to 40.0% for fans, but less than 1.0% for non-fans. Some consumers dare not to consume because they are worried about the quality of goods and after-sales rights protection. To create a safe and secure mobile shopping environment, China Youzan launched “Youzan Guarantee” service on 13 March 2018 to help buyers and sellers establish a safe and secure shopping environment from the four aspects of “brand endorsement with Youzan Guarantee”, “double guarantee by insurance companies”, “online customer service tools” and “after-sale problems assistance”, so as to help merchants improve purchase conversion rate in an effective way.

During the Reporting Period, “Youzan Guarantee” secured over 30,000,000 orders for merchants, therefore, the consumption conversion rate increased by approximately 2.0%.

B6.3 Protection of Intellectual Property Rights

The Group has formulated relevant trademark management system in accordance with the Trademark Law of the PRC to avoid any form of intellectual property rights theft or infringement by illegal persons or groups. The Group also encourages all staff and customers to participate in China Youzan’s brand protection and contribute to the intellectual property rights protection of China Youzan. All staff and customers are encouraged to collect evidence to assist the Group’s legal division and other relevant departments in the handling of intellectual property rights infringement.

B6.2 「有贊擔保」

中國現時社交生態信用體系薄弱，導致陌生購買轉化率偏低，通常粉絲轉化率約20.0%至40.0%，非粉絲轉化率卻不足1.0%。有些消費者會因為擔心商品品質、售後維權等問題不敢消費。為創造安全放心的移動購物環境，中國有贊於二零一八年三月十三日起推出「有贊擔保」服務，從「有贊擔保品牌背書」、「保險公司雙重保障」、「線上客服工具」、「協助處理售後問題」四個方面幫助買賣雙方建立安全放心的購物環境，切實幫助商家提高購買轉化率。

報告期內，「有贊擔保」為商家擔保超過3,000萬張訂單，消費轉化率因而提升約2.0%。

B6.3 知識產權保護

集團根據《中華人民共和國商標法》制定了相關的商標管理制度，避免任何形式之智慧產權被不法人士或團體盜用或侵害，集團也鼓勵所有員工和客戶參與中國有贊品牌的保護工作，為中國有贊的財權保護盡一份心力，如發現侵權的情況，收集有關侵權證據，協助集團法務部等相關職能部門進行處理。

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In accordance with the Labor Law of the PRC, the Group's labor contracts stipulate that its staff are obliged to keep confidential the Group's business secrets, which, in accordance with the Law of the PRC against Unfair Competition refer to matters that are not known by the general public, can bring economic benefits to the Group, are of practicality, and include technical secrets and operational information protected by the Group's confidentiality measures. These secrets include but are not limited to the followings:

- Technical information: Technical information generally includes technical solutions, engineering solutions, circuit designs, manufacturing methods, prescriptions, crafting processes, technical indicators, computer software, databases, test results, drawings, samples, models, molds, operating manuals, technical documentation, business correspondence involving trade secrets and so forth;
- Operational information: Operational information generally includes customer lists, marketing plans, procurement information, pricing policies, non-public financial information, trading contracts, purchase pipelines, production and marketing strategies, bidding and tender content and so forth;

根據《中華人民共和國勞動法》，集團的勞動合同規定員工有義務保守集團的商業秘密。根據《中華人民共和國反不正當競爭法》，商業秘密系指不為公眾所知悉，能為集團帶來經濟利益，具有實用性並經集團採取保密措施的技術秘密和經營資訊。該等秘密包括但不限於下述內容：

- 技術信息：技術資訊的範圍一般包括技術方案、工程方案、電路設計、製造方法、配方、工藝流程、技術指標、計算機軟件、數據庫、試驗結果、圖紙、樣品、模型、模具、操作手冊、技術文件、涉及商業秘密的業務函電等等；
- 經營信息：經營資訊的範圍一般包括客戶名單、營銷計劃、採購資料、定價政策、不公開的財務資料、交易合同、進貨渠道、產銷策略、招投標中的標的及標書內容等；

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- Matters to be kept confidential in accordance with the provisions of laws (such as the confidential information of the other contracting parties) and the terms of relevant agreements (such as technology agreements).

During the Reporting Period, the Group has complied with relevant laws governing the confidentiality of data and intellectual property, including but not limited to Hong Kong Intellectual Property Law, Patent Law of the PRC, and Trademark Law of the PRC and Copyright Law of the PRC.

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations related to the Group's privacy.

B6.4 Advertising

The Group strictly complies with the PRC Advertising Law for all marketing activities and advertising placement.

- 依照法律規定（如在締約過程中知悉的對方當事人的秘密）和有關協議的約定（如技術合同等）對外應承擔保密義務的事項等。

報告期內，本集團已遵守有關資料保密和知識產權的相關法律法規，包括但不限於《香港知識產權法》、《中國專利法》、《中國商標法》、《中國著作權法》等。

報告期內，本集團並沒有發現不遵守有關集團隱私之法律及規例的情況。

B6.4 廣告

集團嚴格遵守《中華人民共和國廣告法》以進行一切營銷活動和廣告的放置。

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B6.5 Privacy

The Group's daily operation often involves the use of customers' private information. Therefore, it is an extremely important task for the Group to protect the privacy of customers. The Group strictly adheres to the guidelines of the Internet Security Law of the People's Republic of China and takes adequate measures to prevent the leakage of customer information. In addition, the Group has also formulated corresponding "merchant data confidentiality clauses" and "privacy policy", which stipulate that:

1. How we collect and use the personal information of customers;
2. How we use Cookie and other similar technologies;
3. How we share, transfer and publicly disclose the personal information of customers;
4. How we protect the personal information of customers;
5. How customers exercise their personal information rights;
6. How we handle children's personal information;
7. How the personal information of customers will be transferred globally;

B6.5 隱私

本集團的日常營運中經常牽涉到使用客戶的隱私資料。因此，保護客戶隱私為本集團極其重要的任務。本集團嚴守《中華人民共和國網路安全法》的指引，採取充足措施防止出現洩露客戶資料的情況。另外，集團亦制定相應「商家數據保密條款」及「隱私政策」，當中訂明：

1. 我們如何收集和使用客戶的個人資訊；
2. 我們如何使用 Cookie 和同類技術；
3. 我們如何共用、轉讓、公開披露客戶的個人資訊；
4. 我們如何保護客戶的個人資訊；
5. 客戶如何行使其個人資訊權利；
6. 我們如何處理兒童的個人資訊；
7. 客戶的個人資訊如何在全球範圍轉移；

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8. How to update policy; and

9. How to contact us.

We have also set up a personal information protection department. If customers have any questions, comments or suggestions regarding the content of privacy policy, or find out that their personal information may be leaked, customers can contact us by email at privacy@youzan.com. In general, we will investigate and respond to customers' requests within 15 days. In the event that customers are not satisfied with our response, especially if they believe that our approach of personal information handling has damaged their legitimate rights and interests, they can seek solution by filing a lawsuit in the court with jurisdiction in the place where the defendant is domicile. During the Reporting Period, the Group was not aware of any non-compliance with the customer privacy laws and regulations.

8. 政策如何更新：
及

9. 如何聯繫我們。

我們同時設立了個人資訊保護部門，如客戶對隱私政策內容有任何疑問、意見或建議，或發現其個人資訊可能被洩露，客戶可以發郵件到 privacy@youzan.com 與我們聯繫。我們一般在15天內會調查及回復客戶的請求，如果客戶對我們的回復不滿意，特別是認為我們的個人資訊處理行為損害了其合法權益，客戶可以通過被告住所地有管轄權的法院提出訴訟來尋求解決方案。報告期內，本集團並沒有發現不遵守有關客戶隱私之法律及規例的情況。

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B7 Anti-corruption

The Group does not tolerate any form of improper behaviors which will affect its business activities. The Group dedicates in upholding the principle of honesty, responsibility and fairness, and regards it as the core value to maintain the Group's normal operations. Employees must comply with the Group's code of conduct for Staff, which lists out the sanction for anyone who violates the integrity code. Furthermore, in order to control the risk associated with integrity work, the Group has established a whistle-blowing mechanism named "Youzan Integrity", which stipulates that all departments should always monitor whether any employee is having any form of illegal behaviors. The process of investigation must be demonstrated in terms of objective and independent, and sanctions will be implemented once the employee is committed to the violation of guidelines. The corresponding sanctions include warnings, demerit on employment records and demotions. The Group believes that this kind of regulation can help in strengthening the management and supervision to the Company and its subsidiaries, promoting the construction of integrity, and improving the efficiency of administrative management.

B7 反貪污

本集團絕對不容忍任何不正當之行為影響經營活動，集團一直努力不懈堅守誠實、負責任及公平的宗旨，並以此為維持集團正常運營的核心價值，所有員工必須遵守集團的員工守則，其列載所有員工觸犯廉潔規範的處分。此外，本集團為了控制此風險的發生，成立了名為「廉潔有贊」的舉報機制，明定各個職能部門應隨時注意員工是否發生違法犯紀之行為，更詳細的規範調查、取證等階段之職責，且必須保持客觀獨立且公正的審查，追責方式包括警告、記過、降職。本集團相信該規範能夠加強對集團總部及各下屬公司的管理和監督，促進廉政建設，改善行政管理，提高行政效能。

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In respect of internal auditing, the Group prohibits any forms of unfair behavior that would interfere the audit work. To maintain the independence and objectivity of auditing, the integrity and validity of internal control and risk management, the accuracy and comprehensiveness of financial information, efficiency and effectiveness of business activities, the Group has formulated relevant work code of conduct and code of business conduct to strengthen the internal management and supervision of the Group and protect the Company's legal rights and interests, as well as improve its internal economic supervision and inspection mechanism, and maintain the validity of cooperation between the risk control center and the audited entity. The guideline can also help to improve the efficiency on auditing, ensure the safety of the Group's assets and the legitimacy, authenticity and effectiveness of economic activities, guarantee the healthy and orderly development of business activities, regulate internal control work, and clarify the responsibilities and permissions of internal control institutions and staffs. During the Reporting Period, the Group was not aware of any material circumstances involving bribery, extortion, fraud or money laundering that does not comply with relevant laws and regulations. Relevant laws and regulations include but not limited to Hong Kong's Prevention of Bribery Ordinance and the Mainland's Corruption Ordinance of the PRC.

在公司內部審計方面，本集團徹底地貫徹嚴禁會干擾審計工作之任何不正當行為，為了保持審計的獨立客觀性和維持對其內部控制和風險管理的完整性、有效性、財務資訊的真實性和完整性以及經營活動的效率和效果等開展的審查和評價服務，集團制定了相關工作行為規範和商業行為準則，加強集團內部管理和監督，維護公司的合法權益，健全內部經濟監督、檢查機制和維持風險控制中心與被審計單位保持有效的且良好的溝通及協作，提高審計工作效率，保證集團財產的安全和經濟活動的合法性、真實性、效益性，保障經營活動健康有序的發展，規範內部監控工作，明確內部監控機構和人員的職責與許可權。報告期內，本集團並不知悉任何涉及賄賂、勒索、欺詐及洗黑錢不符合相關法律及法規的重大情況。相關法律及法規包括但不限於香港的《防止賄賂條例》及中國的《中國懲治貪污條例》等。

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B8 Community Investment

The Group is dedicated to building a harmonious, safe and prosperous relationship between enterprise and the community. The Group sees contribution to the society as a responsibility, as its value and as a display of positivity. The Group has formulated the Donation Management System, standardizing the act of donating and integrating it into the Group's daily management. The Group actively fulfills its responsibilities as a corporate citizen in the community. Part of the contributions made by the Group thereto in respect of philanthropy is as follows:

The Group generally supports the sustainable development of community welfare through three channels:

B8.1 Open stores for Public Welfare

The Group has been inviting public welfare organizations to open stores free of charge, and provide the Group's products and services free of charge, for the purpose of assisting public welfare organizations to expand their fund-raising channels, and allowing more citizens pay attention to and participate in public welfare undertakings. Through the mobile e-commerce services of China Youzan, public welfare organizations carry forward their good deeds and collect donations in areas such as poverty alleviation and environmental protection. Through the functions of product release, customer management, transaction management and data analysis provided by China Youzan, and by using WeChat, MicroBlog and APP as the interface, better public welfare communication and operation can be realized in the social network.

B8 社區投資

本集團致力構建推動和諧、安全及繁榮的企業與社區關係。集團視回饋社會為責任的擔當，價值觀的塑造，以及社會正能量的傳遞。本集團制定有捐贈管理制度，將捐贈行為規範化，融入本集團的日常管理當中。集團積極履行作為一家企業公民於現實社區的責任，其中，本集團於慈善方面所作的部分貢獻如下：

本集團一般透過三種渠道支持社區公益的可持續發展：

B8.1 公益開店

本集團一直誠邀公益組織免費開店，並無償提供本集團的產品及服務，目的在於協助公益組織拓展籌款渠道，並讓更多市民關注及參與公益事業。公益組織通過中國有贊的移動電商服務，在扶貧濟困、環境保護等領域，弘揚善行，募集善款。通過中國有贊提供的商品發佈、客戶管理、交易管理、資料分析等功能，以微信、微博及APP為接口，在社交網路實現更好的公益傳播和營運。

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The Group has a set of clear rules and regulations for public welfare organizations that apply for free shop opening, which stipulate that applicants must have one of the following registration certificates issued by the Ministry of Civil Affairs of China: (i) Legal Person Registration Certificate of the Foundation; (ii) Registration Certificate of Private Non-enterprise Entities; or (iii) Legal Person Registration Certificate of Social Organizations. Applicants shall also clearly indicate the public welfare nature of their social activities.

The public store opening project of China Youzan was launched on 28 July 2016. It mainly covers public welfare organizations of poverty alleviation, students aid, disability assistance, environmental protection, etc., which has earned good market reputation for China Youzan. By the end of 2018, a total of 177 public welfare organizations were involved in the project, with 49 organizations in 2018, including:

Serve for China

Serve for China, a national non-profit organization approved by the Ministry of Civil Affairs, aims to nurture outstanding rural entrepreneurs and public service providers to create a sustainable impact for the rural area.

集團對申請免費開店的公益組織有一套明確的規章制度，申請者必須擁有(i)基金會法人登記證書；(ii)民辦非企業單位登記證書；或(iii)社會團體法人登記證書其中一份中國民政部門發放的登記證書，申請者同時需要明確標示其社會活動的公益性質。

中國有贊的公益開店項目於二零一六年七月二十八日啟動，主要覆蓋扶貧、助學、助殘、環境保護等類別的公益組織，為中國有贊贏了不俗的市場口碑。成立至二零一八年年底，公益開店項目總計入駐177家公益組織，其中二零一八年內共49家，包括：

黑土麥田

黑土麥田(Serve for China)是中國民政部批准成立的全國性公益組織，旨在培育傑出的農村創業者和農村公共服務者，為鄉村創造可持續的影響。

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In 2018, Serve for China directly served 12,000 poor villagers through the Group's platform, generating a sales volume of nearly RMB6 million from industrial poverty alleviation projects. In the future, the Group will continue to provide substantial technical support to China's rural poverty alleviation projects and contribute to rural industry development and the improvement of rural people's livelihood.

Quality Product Commune

Quality Product Commune is affiliated to Beijing Zhonghe Nongdao Agricultural Technology Co., Ltd. (北京中和農道農業科技有限公司) established by China Foundation for Poverty Alleviation. It's an e-commerce poverty alleviation brand which was officially launched in 2015, and is committed to upstream agricultural products cultivation, brand operation and market integration.

In 2018, a total of 25,420 parcels containing agricultural products were sent from the Group's WeiMall via Quality Product Commune, making the farmers in the production areas advanced a big step out of poverty.

二零一八年，黑土麥田透過本集團的平台直接服務了1.2萬名貧困村民，在產業扶貧項目產生近人民幣600萬元的銷售額。本集團在將來將會繼續在技術上大力支持中國鄉村扶貧的項目，為鄉村產業發展及鄉村人民的生計改善出力。

善品公社

善品公社隸屬於中國扶貧基金會成立的北京中和農道農業科技有限公司，是一個電商扶貧品牌。該品牌於二零一五年正式推出，致力於農產品上游深耕、品牌運營和市場整合。

二零一八年，共25,420個裝著農產品的包裹從善品公社於本集團的微商城寄出，讓產地的農民離脫貧邁了一大步。

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Hanfuer Foundation

Established in 2013, Hanfuer Foundation mainly carries out job skills training and social integration activities for people with intellectual disabilities and autism. In 2018, a total of 2,352 “Hanfuer Messengers” drew more people’s attention to the works of people with mental disorders through the platform of China Youzan.

Home for Premature Babies

In 2018, the Group cooperated with a number of charity organizations to deliver quality and affordable goods to 1,248 families who have just given birth to premature babies, so that their children can grow up healthily and happily.

B8.2 Terraces Guardian

The Terraces Guardian project, which is launched by the People’s Government of Yuanyang County, Yunnan Province, China, the Poverty Alleviation Office of Yuanyang County of China, the World Cultural Heritage Millennium Hani Terrace Management Committee, Longrun Group, Youzan Technology and Youzang We-media Business Alliance of the Group and other organizations, aims to get farmers in Yuanyang County, Yunnan Province, China, out of poverty.

北京憨福兒公益基金會
北京憨福兒公益基金會成立於二零一三年，主要針對患有智障及自閉症的群體開展工作技能訓練和社會融合活動。二零一八年，共2,352名「憨福兒公益傳播使者」透過中國有贊的平台讓更多人關注到心智障礙者的作品。

早產兒聯盟

二零一八年，本集團與多家慈善機構合作，為1,248個剛誕下早產兒的家庭送去物美價廉的商品，讓他們的孩子能夠健康快樂地成長。

B8.2 梯田守護

由中國雲南省元陽縣人民政府、中國元陽縣扶貧辦、世界文化遺產千年哈尼梯田管理委員會、龍潤集團、本集團旗下的有贊科技及有贊自媒體商盟等組織聯合發起的梯田守護項目，目的是幫助中國雲南省元陽縣的農戶實現脫貧。

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可持續發展報告

Yuanyang, with the meaning of the first place to see the sun rise, is the place where Hani people have lived for generations. Since the Sui and Tang dynasties, they have cultivated terraced fields to grow red rice for more than 1,300 years. Hani Terrace in Yuanyang County, Yunnan Province, China was included into the world heritage list at the 37th World Heritage Conference in 2013. The scale of the terrace is huge, with about 190,000 mu in Yuanyang County alone. Yuanyang County is a national-grade poverty-stricken county with more than 90.0% agricultural population. Terraced red rice grows only once a year, 60 days longer than white rice. Although it is one of the six famous rice varieties in Yunnan Province of China, however, it cannot be consumed all or shipped out, hence there is no considerable economic income. Young people choose to leave hometown and go out to work, but the more troublesome issue is that the millennium Hani Terrace needs to be continued, and the Hani people need the market and impetus to keep growing red rice. It has been rigorously calculated that every 1,000 kilograms of red rice sold can help one household to get out of poverty.

元陽，意為第一個看到太陽升起的地方。哈尼族世代居住於此，自隋唐起就開墾梯田種植紅米，至今已有1,300餘年。二零一三年，在第37屆世界遺產大會上，位於中國雲南省元陽縣的哈尼梯田被列入世界遺產名錄。梯田規模宏大，僅元陽縣境內就有約19.0萬畝。元陽縣90.0%以上的人口屬於農業人口，是國家級貧困縣。梯田紅米一年僅長一季，比一般的白米多生長60天。雖然是中國雲南省六大名米之一，但是吃不完又運不出去，因此沒有可觀的經濟收入。年輕人都選擇外出打工，而更麻煩的事情在於千年哈尼梯田需要延續下去，哈尼族人民需要持續種植紅米的銷路及動力。經嚴格測算，每賣出1,000公斤紅米，就可以幫助一戶農戶實現脫貧。

SUSTAINABILITY REPORT

可持續發展報告

B8.3 Environmental Protection Projects

The Group has been working with environmental protection and public welfare organizations to provide a range of products and services to enable them to implement environmental protection and public welfare projects more effectively. The services we provide include:

1. Free use of store tools;
2. Paid marketing software is provided free of charge;
3. Free mobile e-commerce operation VIP learning card;
4. Free offline training and certification for operation personnel; and
5. Directional and closed-loop communication and learning between Beijing and Hangzhou.

B8.3 環保專項

本集團一直與環保公益組織協力同行，提供一系列產品及服務讓他們能夠更有效率地實踐環保公益項目。我們提供的服務包括：

1. 開店工具免費使用；
2. 付費營銷軟件無償提供；
3. 贈送移動電商運營VIP學習卡；
4. 免費運營人才線下培訓及認證；及
5. 北京、杭州兩地定向閉門交流學習。

SUSTAINABILITY REPORT

可持續發展報告

Aspects	Summary	Details
層面	內容	詳情
Aspect A1: 層面A1 : Emission 排放物	<p>General Disclosure 一般披露</p> <p>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、向水及土地排污、有害及無害廢棄物的產生等的：</p> <p>a) The policies; and 政策；及</p> <p>b) Compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規的資料</p>	<p>For more details, please refer to pages 96-104 有關更多詳情，請參閱第96至104頁</p>
Aspect A2: 層面A2 : Use of Resources 資源使用	<p>General Disclosure 一般披露</p> <p>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</p>	<p>For more details, please refer to pages 104-108 有關更多詳情，請參閱第104至108頁</p>
Aspect A3: 層面A3 : The Environment and Natural Resources 環境及天然資源	<p>General disclosure 一般披露</p> <p>Policies on minimizing 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</p>	<p>For more details, please refer to pages 108-109 有關更多詳情，請參閱第108至109頁</p>

SUSTAINABILITY REPORT

可持續發展報告

Aspects	Summary	Details
層面	內容	詳情
Aspect B1: 層面B1： Employment 僱傭	<p>General Disclosure 一般披露</p> <p>Following information on: 有關以下各項的資料：</p> <p>a) The policies; and 政策；及</p> <p>b) Compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規</p>	<p>For more details, please refer to pages 109-119 有關更多詳情，請參閱第109至119頁</p>
Aspect B2: 層面B2： Health and Safety 健康與安全	<p>General Disclosure 一般披露</p> <p>Information on: 有關以下各項的資料：</p> <p>a) The policies; and 政策；及</p> <p>b) Compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規</p>	<p>For more details, please refer to page 119 有關更多詳情，請參閱第119頁</p>
Aspect B3: 層面B3： Development and Training 發展及培訓	<p>General Disclosure 一般披露</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities 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</p>	<p>For more details, please refer to pages 120-121 有關更多詳情，請參閱第120至121頁</p>

SUSTAINABILITY REPORT

可持續發展報告

Aspects	Summary	Details
層面	內容	詳情
Aspect B4: 層面B4： Labor Standards 勞工準則	<p>General Disclosure 一般披露</p> <p>Relating to preventing child and forced labor: 有關防止童工或強制勞工的：</p> <p>a) The policies; and 政策；及</p> <p>b) Compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規的資料</p>	<p>For more details, please refer to page 121 有關更多詳情，請參閱第121頁</p>
Aspect B5: 層面B5： Supply Chain Management 供應鏈管理	<p>General Disclosure 一般披露</p> <p>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</p>	<p>For more details, please refer to page 122 有關更多詳情，請參閱第122頁</p>
Aspect B6: 層面B6： Product Responsibility 產品責任	<p>General Disclosure 一般披露</p> <p>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：</p> <p>a) The policies; and 政策；及</p> <p>b) Compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規的資料</p>	<p>For more details, please refer to pages 122-128 有關更多詳情，請參閱第122至128頁</p>

SUSTAINABILITY REPORT

可持續發展報告

Aspects	Summary	Details
層面	內容	詳情
Aspect B7: 層面B7： Anti-corruption 反貪污	General Disclosure 一般披露 Relating to bribery, extortion, fraud and money laundering: 有關防止賄賂、勒索、欺詐及洗黑錢的： a) The policies; and 政策；及 b) Compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及法規的資料	For more details, please refer to pages 129-130 有關更多詳情，請參閱第129至130頁
Aspect B8: 層面B8： Community Investment 社區投資	General Disclosure 一般披露 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 有關以社區參與來了解發行人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	For more details, please refer to pages 131-136 有關更多詳情，請參閱第131至136頁

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



TO THE SHAREHOLDERS OF CHINA YOUZAN LIMITED

(FORMERLY KNOWN AS "CHINA INNOVATIONPAY GROUP LIMITED")
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Youzan Limited (formerly known as "China Innovationpay Group Limited") (the "Company") and its subsidiaries (the "Group") set out on pages 154 to 342, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

致：中國有贊有限公司
(前稱「中國創新支付集團有限公司」)
(於百慕達註冊成立之有限公司)
全體股東

意見

吾等已審核中國有贊有限公司(前稱「中國創新支付集團有限公司」)(「貴公司」)及其附屬公司(「貴集團」)載於第154至第342頁之綜合財務報表，當中包括於二零一八年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益表、綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量報表，以及綜合財務報表附註(包括重大會計政策概要)。

吾等認為，根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)，綜合財務報表真實公平地反映 貴集團於二零一八年十二月三十一日之綜合財務狀況，以及其截至該日止年度之綜合財務表現及綜合現金流量，且已根據香港公司條例之披露規定妥善編製。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 in the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$839,444,000 and recorded an operating cash outflow of HK\$1,298,149,000 during the reporting period. As further explained in note 2 to the consolidated financial statements, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

意見基準

吾等已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審核。吾等於該等準則下的責任已在本報告核數師就審核綜合財務報表須承擔的責任一節中進一步詳述。根據香港會計師公會的專業會計師道德守則（「守則」），吾等獨立於貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證充足及適當地為吾等之意見提供基礎。

與持續經營相關的重大不明朗因素

謹請股東注意綜合財務報表附註2，當中顯示，於報告期間，貴集團產生淨虧損839,444,000港元及錄得經營現金流出1,298,149,000港元。誠如綜合財務報表附註2進一步闡述，該等狀況顯示存在重大不明朗因素，其令對貴集團之持續經營能力構成重大疑問。概不會就此修改吾等之意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS

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

1. Impairment assessment of Cash Generating Units ("CGUs")
2. Adoption of HKFRS 15 Revenue from Contracts with Customers
3. Provision and contingent liabilities related to the withholding tax obligation

關鍵審核事項

關鍵審核事項是根據吾等的專業判斷，審核本期綜合財務報表中最為重要的事項。吾等於審核整體綜合財務報表及就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。吾等識別的關鍵審核事項包括：

1. 現金產生單位（「現金產生單位」）之減值評估
2. 採納香港財務報告準則第15號來自客戶合約之收益
3. 與預扣稅義務有關之撥備及或然負債

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS (Cont'd)

KEY AUDIT MATTER

關鍵審核事項

1. Impairment assessment of Cash Generating Units ("CGUs")
1. 現金產生單位（「現金產生單位」）之減值評估

Refer to note 19 to the consolidated financial statements
請參閱綜合財務報表附註19

As at 31 December 2018, goodwill with total carrying amount of approximately HK\$2,456 million was allocated to the third party payment services CGU ("CGU 2") and the merchant service CGU ("CGU 4"). These CGUs are tested for impairment at least annually or whenever there is an impairment indicator by comparing the carrying amount including goodwill with the recoverable amount of the CGU.

於二零一八年十二月三十一日，總賬面值約2,456百萬港元之商譽已分配至第三方支付服務現金產生單位（「現金產生單位2」）及商家服務現金產生單位（「現金產生單位4」）。該等現金產生單位至少每年或當出現減值跡象時進行減值測試，方法為將現金產生單位的賬面值（包括商譽）與可收回金額進行比較。

CGU 2 was tested for impairment at the interim reporting date as actual revenues for the interim period did not meet previous forecasts which indicated a possible impairment of goodwill allocated to that unit. An impairment loss of HK\$56,597,000 was recognised on goodwill during the interim period to reduce the carrying amount of CGU 2 to its recoverable amount.

現金產生單位2於中期報告日期進行減值測試，原因是中期期間的實際收益並不符合先前預測，此表明分配至該單位之商譽可能出現減值。於中期期間，已就商譽確認減值虧損56,597,000港元，以將現金產生單位2之賬面值削減至其可收回金額。

關鍵審核事項（續）

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

吾等之審計如何處理關鍵審核事項

Our procedures in relation to management's impairment assessments included:
吾等就管理層之減值評估程序包括：

- Evaluation of independent external valuers' and industry specialist's competence, capabilities and objectivity;
- 評估獨立外部估值師及行業專家之資歷、能力及客觀性；
- Assessing the integrity of the valuation models;
- 評估估值模型之完整性；
- Challenging the reasonableness of key assumptions based on our knowledge of the business and industry and the research report of the industry specialist; and
- 根據吾等對業務及行業的認識以及行業專家的研究報告，質疑主要假設之合理性；及
- Assessing the appropriateness of the discount rates used with the assistance of our internal valuation specialists.
- 在內部估值專家的協助下，評估管理層所採用之貼現率的合適性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS *(Cont'd)*

KEY AUDIT MATTER

關鍵審核事項

1. Impairment assessment of Cash Generating Units ("CGUs") *(Cont'd)*
1. 現金產生單位（「現金產生單位」）之減值評估（續）

The results of the Group's CGU 2 and CGU 4 impairment assessments concluded that there were no further impairment loss on goodwill for both CGUs at 31 December 2018.

於二零一八年十二月三十一日，貴集團現金產生單位2及現金產生單位4減值評估結果顯示兩個現金產生單位並無進一步商譽減值虧損。

The impairment assessments were based on value in use models which were dependent upon certain key assumptions that require significant management judgement and estimation.

減值評估基於使用價值模型，該模型之若干關鍵假設取決於及需要重大管理層判斷及估計。

關鍵審核事項（續）

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

吾等之審計如何處理關鍵審核事項

Our procedures in relation to management's impairment assessments included: *(Cont'd)*
吾等就管理層之減值評估程序包括：（續）

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS (Cont'd)

KEY AUDIT MATTER

關鍵審核事項

2. Adoption of HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15")
2. 採納香港財務報告準則第15號來自客戶合約之收益 (「香港財務報告準則第15號」)

Refer to notes 3(a) and 4(r) to the consolidated financial statements

請參閱綜合財務報表附註3(a)及4(r)

The Group has initially adopted HKFRS 15 during the reporting period. The new revenue recognition standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

貴集團已於報告期間首次採納香港財務報告準則第15號。新收益確認準則建立一個釐定是否確認收益、確認金額及時間之綜合框架。

During the reporting period, the Group acquired Qima Holdings Ltd. and its subsidiaries ("Youzan Group"), which has been principally engaging in provision of Software as a Service ("SaaS") and related services. The application and adoption of the standard is complex for technology and software companies.

於報告期間，貴集團收購Qima Holdings Ltd.及其附屬公司(「有贊集團」)，其主要從事提供軟件即服務(「SaaS」)及相關服務。應用及採納該會計準則對技術及軟件公司而言乃屬複雜。

As such, adoption of HKFRS 15 is an area of focus in the audit.

因此，採納香港財務報告準則第15號為審計之重點。

關鍵審核事項(續)

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

吾等之審計如何處理關鍵審核事項

Our procedures to address the adoption of HKFRS 15 included:

吾等就處理採納香港財務報告準則第15號之程序包括：

- Evaluating the design and operation of the internal controls of the Group surrounding the implementation of and recording adjustments arising from the adoption of HKFRS 15;
- 就採納香港財務報告準則第15號所引致之實施及記錄調整，評估 貴集團之內部控制設計及運作；
- Obtaining an understanding from management of the Group's revenue recognition policies and practices on adoption of HKFRS 15;
- 向管理層了解於採納香港財務報告準則第15號時 貴集團的收益確認政策及慣例；
- Evaluating whether the Group's revenue recognition policies and practices complied with the standard in particular in relation to:
- 評估 貴集團的收益確認政策及慣例是否符合(特別是)與以下各項相關之準則：
 - the capitalisation of contract costs;
 - 合約成本之資本化；
 - the identification of significant financing components;
 - 識別重大融資組成部分；
 - the identification of performance obligations; and
 - 識別履約責任；及
 - principal or agent considerations.
 - 主體或代理考慮事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS *(Cont'd)*

KEY AUDIT MATTER

關鍵審核事項

2. Adoption of HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") *(Cont'd)*
2. 採納香港財務報告準則第15號來自客戶合約之收益 (「香港財務報告準則第15號」) (續)

關鍵審核事項 (續)

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

吾等之審計如何處理關鍵審核事項

Our procedures to address the adoption of HKFRS 15 included: *(Cont'd)*

吾等就處理採納香港財務報告準則第15號之程序包括：(續)

- Obtaining a sample of existing contracts for each major revenue stream and assessing whether the Group's revenue recognition policies and practices under HKFRS 15 had been properly applied to those contracts;
- 就各主要收益流獲取現有合約樣本並評估 貴集團於香港財務報告準則第15號項下之收益確認政策及慣例是否已恰當應用至該等合約；
- Obtaining a schedule of transition adjustments at the date of initial application of HKFRS 15 and testing the completeness and accuracy of those adjustments to supporting documentation on a sample basis;
- 於首次應用香港財務報告準則第15號之日期獲取過渡性調整之列表，並抽樣測試該等調整及支持文件之完整性及準確性；
- Assessing the adequacy of the disclosures in the financial statements in respect of the changes to the Group's accounting policies and practices on adoption of HKFRS 15 and in respect of revenues arising from contracts with customers.
- 評估財務報表內有關採納香港財務報告準則第15號後 貴集團會計政策之變動及就來自客戶合約之收益之披露是否充足。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS (Cont'd)

KEY AUDIT MATTER

關鍵審核事項

3. Provision and contingent liabilities related to the withholding tax obligation

3. 與預扣稅義務有關之撥備及或然負債

Refer to notes 28 and 49 to the consolidated financial statements

請參閱綜合財務報表附註28及49

The Group acquired 51% equity interest of Youzan Group on 18 April 2018. The directors have assessed the Group's compliance with the PRC tax laws and regulations relevant to the acquisition, as fully described in note 49 to the financial statements, based on the advice of an independent PRC legal counsel and the Group's tax advisors.

貴集團於二零一八年四月十八日收購有贊集團之51%股權。董事已根據獨立中國法律顧問及貴集團稅務顧問之意見，評估貴集團對與收購相關之中國稅法及法規之遵守情況（於財務報表附註49詳述）。

Significant judgment is required by management in determining the amount of provision for withholding tax and whether contingent liability disclosures are required and adequate for potential penalties related to non-compliance with relevant PRC tax laws and regulations.

管理層在釐定預扣稅撥備金額，以及是否須就不遵守相關中國稅法及法規有關之潛在處罰作出或有負債披露及相關披露是否充分時需作出重大判斷。

關鍵審核事項 (續)

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

吾等之審計如何處理關鍵審核事項

Our procedures in relation to the provision and contingent liabilities related to the withholding tax obligation included:

吾等就與預扣稅義務有關之撥備及或然負債之程序包括：

- Evaluation of independent legal counsel's and tax advisor's competence, capabilities and objectivity;
- 評估獨立法律顧問及稅務顧問之資歷、能力及客觀性；
- Reviewing the legal opinion and tax memorandum obtained by the Group in relation to the assessment of Group's compliance with the PRC tax laws and regulations relevant to the transaction;
- 審核貴集團就評估貴集團對與交易有關之中國稅法及法規之遵守情況所取得之法律意見及稅務備忘錄；
- Assessing the provision for withholding tax and comparing our assessment with the provision recorded by the Group; and
- 評估預扣稅撥備，並將吾等之評估與貴集團記錄之撥備進行比較；及
- Assessing the adequacy of the disclosure of the contingent liabilities arising from the potential penalties for possible non-compliance with PRC tax laws and regulations.
- 評估因可能違反中國稅法及法規可能遭受之處罰而產生之或有負債披露之充分性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

OTHER INFORMATION

The directors are responsible for the Other Information. The Other Information comprises all of the information included in the 2018 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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The 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。其他資料包括二零一八年年報所載之所有資料（綜合財務報表及吾等的核數師報告書除外）。

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

當吾等審核綜合財務報表時，吾等的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或吾等於審核過程中所得知的情況有重大抵觸，或者似乎有重大錯誤陳述。基於吾等已執行的工作，倘吾等認為這些其他資料有重大錯誤陳述，吾等須報告該事實。就此而言，吾等並無任何報告。

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》之披露要求編製真實而公平之綜合財務報表，及落實董事認為就編製綜合財務報表而言屬必要之有關內部監控，致使不存在由於欺詐或錯誤而導致之重大錯誤陳述。

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

審計委員會協助董事履行監督貴集團的財務報告流程的職責。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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, in accordance with section 90 of the Companies Act 1981 of Bermuda 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

核數師就審核綜合財務報表須承擔的責任

吾等的目標為合理確定整體綜合財務報表是否存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有吾等意見的核數師報告書。吾等根據百慕達一九八一年《公司法》第90條僅向閣下（作為整體）報告，而不作其他用途。吾等並不就本報告書內容向其他人士承擔責任或接受義務。

合理確定屬高層次核證，但不能擔保根據香港核數準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審計的整個過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審核綜合財務報表須承 擔的責任 (續)

- 了解與審計相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告書中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂吾等意見。吾等結論乃基於截至核數師報告書日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and 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.

核數師就審核綜合財務報表須承擔的責任 (續)

- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督和執行。吾等為審核意見承擔全部責任。

吾等與審計委員會就（其中包括）審計的計劃範圍、時間安排及重大審計發現進行溝通，該等發現包括吾等在審計過程中所識別出的內部監控之任何重大缺失。

吾等亦向審計委員會作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及相關防範措施（如適用）。

從與審計委員會溝通的事項中，吾等釐定對本期綜合財務報表的審計至關重要的事項，因而構成關鍵審核事項。吾等在核數師報告書中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等決定不應在報告中傳達該事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Yam Tak Fai, Ronald.

核數師就審核綜合財務報表須承 擔的責任 (續)

本獨立核數師報告書的審計項目合夥人為任德輝先生。

RSM Hong Kong

Certified Public Accountants

29th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

26 March 2019

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

利園二期二十九樓

二零一九年三月二十六日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Revenue	收益	8	684,459	207,856
Cost of sales	銷售成本		(453,481)	(181,754)
Gross profit	毛利		230,978	26,102
Investment and other income	投資及其他收入	9	21,605	1,531
Other gains and losses, net	其他收益及虧損，淨額	10	(48,579)	44,851
Selling and distribution expenses	銷售及分銷開支		(212,405)	(23,812)
Administrative expenses	行政開支		(221,951)	(116,801)
Equity-settled share-based payments	股權結算股份支付款項		(283,368)	(21,843)
Amortisation of intangible assets	攤銷無形資產		(158,619)	(1,935)
Other operating expenses	其他經營開支		(220,820)	(41,887)
Loss from operations	經營虧損		(893,159)	(133,794)
Share of losses of associates, net	應佔聯營公司之虧損，淨額	22	(45)	(1,754)
Loss before tax	除稅前虧損		(893,204)	(135,548)
Income tax credit	所得稅抵免	12	53,760	454
Loss for the year	本年度虧損	13	(839,444)	(135,094)
Attributable to:	以下人士應佔：			
Owners of the Company	本公司擁有人		(503,325)	(112,192)
Non-controlling interests	非控股權益		(336,119)	(22,902)
			(839,444)	(135,094)
			HK cent	HK cent
			港仙	港仙
Loss per share	每股虧損	17		
Basic (cents per share)	基本（每股港仙）		(4.50)	(1.67)
Diluted (cents per share)	攤薄（每股港仙）		N/A 不適用	N/A 不適用

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Loss for the year	本年度虧損	(839,444)	(135,094)
Other comprehensive income:	其他全面收入：		
<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 changes of equity instruments at fair value through other comprehensive income (FVTOCI)	按公平值計入在其他全面收益賬（按公平值計入在其他全面收益賬）之股本工具之公平值變動	(54,768)	-
<i>Items that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益之項目：</i>		
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	(390,806)	60,003
Exchange differences reclassified to profit or loss on disposals of foreign operations	於出售海外業務時重新分類至損益之匯兌差額	-	21
Other comprehensive income for the year, net of tax	年內其他全面收入，扣除稅項	(445,574)	60,024
Total comprehensive income for the year	年內全面收入總額	(1,285,018)	(75,070)
Attributable to:	以下人士應佔：		
Owners of the Company	本公司擁有人	(870,081)	(52,168)
Non-controlling interests	非控股權益	(414,937)	(22,902)
		(1,285,018)	(75,070)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2018

於二零一八年十二月三十一日

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Non-current assets			
Property, plant and equipment	18	42,772	12,754
Long term deposits	26	13,034	2,823
Goodwill	19	2,455,742	698,554
Intangible assets	20	2,078,406	2,706
Investments in associates	22	4,574	15,099
Available-for-sale financial assets	23	-	108,227
Capitalised contract costs	27	23,904	-
Deferred tax assets	42	107,620	-
Financial assets at FVTOCI			
全面收益賬之財務資產	23	145,455	-
Earnest money paid for potential investments	29	-	73,246
		4,871,507	913,409
Current assets			
Inventories	24	2,206	2,710
Trade receivables	25	15	26,762
Prepayments, deposits and other receivables	26	464,776	133,952
Capitalised contract costs	27	79,706	-
Amount due from a non-controlling shareholder of subsidiaries	30	290	290
Financial assets at fair value through profit or loss (FVTPL)			
按公平值計入在損益賬 (按公平值計入在損益賬)之財務資產	31	34,792	9,658
Indemnification assets	28	230,191	-
Restricted bank balances	32	490,313	1,102
Balances with central bank	34	981,207	-
Bank and cash balances	33	455,628	304,612
		2,739,124	479,086
Current liabilities			
Settlement obligations	41	2,000,965	119,876
Trade payables	35	7,003	4,982
Accruals and other payables	36	261,355	32,569
Amount due to a director	37	51	3
Contract liabilities	38	294,875	-
Current tax liabilities		2,500	2,526
Withholding tax payables	28	230,191	-
		2,796,940	159,956

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2018

於二零一八年十二月三十一日

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Net current (liabilities)/assets	流動(負債)/資產淨值		(57,816)	319,130
Total assets less current liabilities	總資產減流動負債		4,813,691	1,232,539
Non-current liabilities	非流動負債			
Contract liabilities	合約負債	38	63,675	–
Deferred tax liabilities	遞延稅項負債	42	327,001	–
			390,676	–
NET ASSETS	資產淨值		4,423,015	1,232,539
Capital and reserves	資本及儲備			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	43	134,425	69,790
Reserves	儲備	46	3,651,936	1,170,390
			3,786,361	1,240,180
Non-controlling interests	非控股權益		636,654	(7,641)
TOTAL EQUITY	權益總額		4,423,015	1,232,539

Approved by the Board of Directors on 26 March 2019 and are signed on its behalf by:

於二零一九年三月二十六日經董事會批准，及由下列董事代表簽署：

Mr. Cao Chunmeng
曹春萌先生

Mr. Yu Tao
俞韜先生

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium account	Share option reserve	Shares held for Share Award Scheme 因股份獎勵計劃持有之股份	Share Award Scheme reserve 獎勵計劃儲備	Warrant reserve 認股權證儲備	Other reserves (note 44) 其他儲備 (附註44)	Accumulated losses 累計虧損	Total	Non-controlling interests 非控股權益	Total equity 權益總額
		股本 HK\$'000 千港元	股份溢價賬 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	獎勵計劃持有之股份 HK\$'000 千港元	獎勵計劃儲備 HK\$'000 千港元	認股權證儲備 HK\$'000 千港元	其他儲備 (附註44) HK\$'000 千港元	累計虧損 HK\$'000 千港元	合計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總額 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	60,993	1,180,297	103,438	-	-	1,000	(25,228)	(477,696)	842,804	15,525	858,329
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	60,003	(112,192)	(52,189)	(22,902)	(75,091)
Disposal of a subsidiary	出售附屬公司	-	-	-	-	-	-	21	-	21	(264)	(243)
Issuance of placing shares	發行配售股份	7,886	382,471	-	-	-	-	-	-	390,357	-	390,357
Issuance of Contingent Shares (note 48(d))	發行或然股份 (附註48(d))	695	31,249	-	-	-	-	-	-	31,944	-	31,944
Exercise of share options	行使購股權	216	7,562	(2,378)	-	-	-	-	-	5,400	-	5,400
Equity-settled share-based payments	股權結算股份支付款項	-	-	21,843	-	-	-	-	-	21,843	-	21,843
Release upon lapse of share options	於購股權失效時解除	-	-	(4,558)	-	-	-	-	4,558	-	-	-
Changes in equity for the year	年內權益變動	8,797	421,282	14,907	-	-	-	60,024	(107,634)	397,376	(23,166)	374,210
At 31 December 2017	於二零一七年十二月三十一日	69,790	1,601,579	118,345	-	-	1,000	34,796	(585,330)	1,240,180	(7,641)	1,232,539
At 1 January 2018	於二零一八年一月一日	69,790	1,601,579	118,345	-	-	1,000	34,796	(585,330)	1,240,180	(7,641)	1,232,539
Adjustments on initial application of - HKFRS 9 (note 3)	初次應用調整 - 香港財務報告準則第9號 (附註3)	-	-	-	-	-	-	25,672	-	25,672	-	25,672
Restated balance at 1 January 2018	於二零一八年一月一日之經重列結餘	69,790	1,601,579	118,345	-	-	1,000	60,468	(585,330)	1,265,852	(7,641)	1,258,211
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	(366,756)	(503,325)	(870,081)	(414,937)	(1,285,018)
Acquisition of interest in a subsidiary without change of control (note 48(b))	收購一間附屬公司之權益 (並無控制權變動) (附註48(b))	-	-	-	-	-	-	(66,338)	-	(66,338)	144,977	78,639
Issuance of placing shares	發行配售股份	3,860	183,832	-	-	-	-	-	-	187,692	-	187,692
Issuance of Consideration Shares (note 48(a))	發行代價股份 (附註48(a))	55,160	2,923,508	-	-	-	-	-	-	2,978,668	-	2,978,668
Acquisition of subsidiaries (note 48(a))	收購附屬公司 (附註48(a))	-	-	-	-	-	-	-	-	-	914,255	914,255
Issuance of warrant shares	發行認股權證股份	100	7,119	-	-	-	(19)	-	-	7,200	-	7,200
Allotment of Awarded Shares to Trustee	向受託人配發獎勵股份	5,515	336,429	-	(341,944)	-	-	-	-	-	-	-
Equity-settled share-based payments	股權結算股份支付款項	-	-	1,614	-	281,754	-	-	-	283,368	-	283,368
Release upon lapse of share options	於購股權失效時解除	-	-	(14,870)	-	-	-	-	14,870	-	-	-
Fully-vested Awarded Shares transfer to awardees	向獲授人轉讓悉數歸屬獎勵股份	-	-	-	132,949	(132,949)	-	-	-	-	-	-
Changes in equity for the year	年內權益變動	64,635	3,450,888	(13,256)	(208,995)	148,805	(19)	(433,094)	(488,455)	2,520,509	644,295	3,164,804
At 31 December 2018	於二零一八年十二月三十一日	134,425	5,052,467	105,089	(208,995)	148,805	981	(372,626)	(1,073,785)	3,786,361	636,654	4,423,015

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(893,204)	(135,548)
Adjustments for:			
Allowance for trade receivables	25	9,998	5,072
Allowance for inventories	13	3,137	2,516
(Reversal of allowance)/allowance for prepayments, deposits and other receivables, net			
Amortisation of financial guarantee contract	10	-	(24,606)
Amortisation of intangible assets	20	158,619	1,935
Amortisation of capitalised contract costs	27	73,760	-
Depreciation of property, plant and equipment	18	12,375	4,629
Equity-settled share-based payments		283,368	21,843
Gain on disposal of a subsidiary, net	10	-	(313)
Gain on fair value change of contingent consideration payables	39	-	(44,558)
Impairment of amount due from a non-controlling shareholder	30	-	752
Impairment of amount due from an associate		-	3,469
Impairment of goodwill	19	56,597	-
Impairment of intangible assets	20	-	2,869
Impairment of investments in associates	22	13,657	21,286
Interest income on bank deposits	9	(8,358)	(1,465)
Loss on disposals of property, plant and equipment	13	-	36
Property, plant and equipment written off	13	2,040	-
Share of losses of associates, net	22	45	1,754

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
	Note 附註		
Operating loss before working capital changes	營運資金變動前之經營虧損	(305,531)	(108,899)
Increase in inventories	存貨增加	(2,299)	(2,262)
Decrease/(increase) in trade receivables	應收賬款減少/(增加)	16,827	(11,775)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(245,159)	(117,479)
Increase in capitalised contract costs	資本化合約成本增加	(128,668)	-
Increase in restricted bank balances	受限制銀行結餘增加	(489,211)	(1,102)
Increase in balances with central bank	存放中央銀行款項增加	(981,207)	-
Increase in settlement obligations	結算責任增加	601,977	21,581
Increase in trade payables	應付賬款增加	2,018	2,564
Increase in accruals and other payables	預提費用及其他應付款項增加	77,895	10,831
Increase in amount due to a director	應付一名董事款項增加	48	-
Increase in contract liabilities	合約負債增加	146,845	-
Cash used in operations	經營所用現金	(1,306,465)	(206,541)
Interest received	已收利息	8,358	1,300
Income tax paid	已付所得稅	(42)	-
Net cash used in operating activities	經營活動所用現金淨額	(1,298,149)	(205,241)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Acquisition of subsidiaries	收購附屬公司	48(a) 1,215,762	-
Additions in financial assets at FVTOCI	添置按公平值計入在其他全面收益賬之財務資產	(65,746)	-
Additions of associates	添置聯營公司	(2,935)	(37,884)
Disposal of a subsidiary	出售一間附屬公司	48(c) -	70
Dividend received from an associate	向一間聯營公司收取之股息	1,455	-
Earnest money returned from/(paid for) potential investments	就潛在投資已收/(已付)誠意金	29 74,563	(36,023)
(Increase)/decrease in long term deposits	長期按金(增加)/減少	(10,086)	1,155
Purchase of property, plant and equipment	購入物業、廠房及設備	18 (33,960)	(3,606)
Repayment from loans to third party	第三方貸款還款	-	3,634
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	1,179,053	(72,654)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
Contribution by an non-controlling interest	一名非控股權益注資	78,639	-
Net proceeds from issuance of placing shares	發行配售股份 所得款項淨額	187,692	390,357
Net proceeds from issuance of warrant shares	發行認股權證股份 所得款項淨額	7,200	-
Issuance of shares upon the exercise of share options	於行使購股權時發行股份	-	5,400
Net cash generated from financing activities	融資活動所得現金淨額	273,531	395,757
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等 值物增加淨額	154,435	117,862
Effect of foreign exchange rate changes	匯率變動影響	21,715	10,986
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金 及現金等值物	314,270	185,422
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之 現金及現金等值物	490,420	314,270
ANALYSIS OF THE CASH AND CASH EQUIVALENTS	現金及現金等值物分析		
Bank and cash balances	銀行及現金結餘	455,628	304,612
Financial assets at fair value through profit or loss	按公平值計入在損益賬 之財務資產	34,792	9,658
		490,420	314,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The address of its principal place of business is Unit 2708, 27/F, The Center, 99 Queen's Road Central, Hong Kong. The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company changed its English name from "China Innovationpay Group Limited" to "China Youzan Limited", and the Chinese name was changed from "中國創新支付集團有限公司" to "中國有贊有限公司". These changes have been effective since 21 May 2018. The Certificate of Incorporation on Change of Name and the Certificate of Secondary Name were both issued by the Registrar of Companies in Bermuda on 21 May 2018. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 1 June 2018 confirming the registration of the Company's new English and Chinese names in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 21 to the consolidated financial statements.

2. BASIS OF PREPARATION

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

1. 一般資料

本公司為於百慕達註冊成立之有限公司。其註冊辦事處位於Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda。其主要營業地點位於香港皇后大道中99號中環中心27樓2708室。本公司股份在香港聯合交易所有限公司(「聯交所」)GEM上市。

本公司將其英文名稱由「China Innovationpay Group Limited」變更為「China Youzan Limited」，中文名稱由「中國創新支付集團有限公司」變更為「中國有贊有限公司」。該等變更自二零一八年五月二十一日起生效。百慕達公司註冊處處長已於二零一八年五月二十一日發出變更名稱註冊證書及第二名稱證書。香港公司註冊處處長已於二零一八年六月一日發出註冊非香港公司變更名稱註冊證明書，確認本公司之新英文及中文名稱已根據香港法例第622章公司條例第16部於香港註冊。

本公司為投資控股公司，其附屬公司之主要業務載於綜合財務報表附註21。

2. 編製基準

該等綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋。該等綜合財務報表亦符合聯交所GEM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。本集團採納之重大會計政策於下文披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

2. BASIS OF PREPARATION (Cont'd)

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

During the reporting period, the Group incurred a net loss of HK\$839,444,000 and recorded an operating cash outflow of HK\$1,298,149,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management has prepared cash flow projections which cover a period of twelve months from the end of reporting period. The directors of the Company have reviewed the Group's cash flow projections and consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. 編製基準 (續)

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可供提早採納之新訂及經修訂香港財務報告準則。在該等綜合財務報表中反映之因初次應用該等與本集團有關的頒佈而引致之本年度或過往會計期間會計政策之任何變動詳述於附註3。

於報告期間，本集團產生淨虧損839,444,000港元及錄得經營現金流出1,298,149,000港元。該等狀況顯示存在重大不明朗因素，其令對本集團持續經營之能力存有重大疑問，因此，其可能無法於一般業務過程中變現其資產及解除其負債。

管理層已制定現金流預測，涵蓋報告期末起計十二個月期間。本公司董事已審閱本集團之現金流預測並認為，本集團於可見未來將有充足財務資源滿足其營運資金需求及到期財務責任。因此，綜合財務報表已按持續經營基準編製。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

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

3. 採納新訂及經修訂香港財務報告準則

(a) Application of new and revised HKFRSs

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

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

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 9 Financial Instruments

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

(a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈多項於二零一八年一月一日或以後開始之年度期間首次生效之新訂及經修訂香港財務報告準則。其中，以下發展有關本集團綜合財務報表：

- (i) 香港財務報告準則第9號金融工具；及
- (ii) 香港財務報告準則第15號來自客戶合約之收益

本集團尚未應用任何於本會計期間尚未生效之新準則或詮釋。

香港財務報告準則第9號金融工具

香港財務報告準則第9號取代香港會計準則第39號有關財務資產及財務負債之確認、分類及計量、終止確認金融工具及其他財務資產減值以及對沖會計處理之條文。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(a) Application of new and revised HKFRSs (Cont'd)

HKFRS 9 Financial Instruments (Cont'd)

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

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

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

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對於二零一八年一月一日（初始應用日期）尚未終止確認的工具追溯應用分類及計量規定，且並無對於二零一八年一月一日已終止確認的工具應用該等規定。二零一七年十二月三十一日的賬面值與二零一八年一月一日的賬面值之間的差額於期初累積虧損及其他權益部分中確認及並無重列比較資料。

因此，倘根據香港會計準則第39號金融工具：確認及計量編製比較資料，若干比較資料可能無法比較。

採納香港財務報告準則第9號導致本集團之會計政策出現下列變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) Application of new and revised HKFRSs (Cont'd)

(a) 應用新訂及經修訂香港財務報告準則 (續)

HKFRS 9 Financial Instruments (Cont'd)

香港財務報告準則第9號金融工具 (續)

(a) Classification

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

(a) 分類

自二零一八年一月一日起，本集團按以下計量類別對其財務資產進行分類：

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

- 其後將按公平值計入在其他全面收益賬或按公平值計入在損益賬計量之財務資產；及
- 將按攤銷成本計量之財務資產。

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

分類取決於本集團管理財務資產及現金流量合約條款之業務模式。

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

就按公平值計量之資產而言，收益及虧損將於損益或其他全面收益記賬。就並非持作買賣之股本工具投資而言，其收益及虧損之計量將取決於本集團是否於初步確認時已作出不可撤回選擇，按公平值計入在其他全面收益賬將股本投資列賬。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(a) Application of new and revised HKFRSs (Cont'd)

HKFRS 9 Financial Instruments (Cont'd)

(b) *Measurement*

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

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

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

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

(b) *計量*

本集團於及僅於管理該等資產之業務模式改變時，方會重新分類債務投資。

本集團在初步確認時，按公平值（如為並非按公平值計入在損益賬之財務資產，則加上購買財務資產時直接應佔之交易成本）計量財務資產。按公平值計入在損益賬列賬之財務資產之交易成本於損益內列作開支。

債務工具之後續計量取決於本集團管理資產之業務模式及該項資產之現金流量特點。本集團將其債務工具分類為三種計量類別：

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Cont'd)*

(a) Application of new and revised HKFRSs *(Cont'd)*

HKFRS 9 Financial Instruments (Cont'd)

(b) *Measurement (Cont'd)*

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

3. 採納新訂及經修訂香港財務報告準則 *(續)*

(a) 應用新訂及經修訂香港財務報告準則 *(續)*

香港財務報告準則第9號金融工具 (續)

(b) *計量 (續)*

- 攤銷成本：為收取合約現金流量而持有，且現金流量僅為支付本金及利息之資產按攤銷成本計量。該等財務資產之利息收入按實際利率法計入其他收入。終止確認產生的任何收益或虧損直接於損益確認，並於其他收益／（虧損）中與外匯收益及虧損一併列示。減值虧損於損益表中作為獨立項目列示。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(a) Application of new and revised HKFRSs (Cont'd)

HKFRS 9 Financial Instruments (Cont'd)

(b) Measurement (Cont'd)

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as separate line item in the statement of profit or loss.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

(b) 計量 (續)

- 按公平值計入在其他全面收益賬：持作收回合約現金流量及出售財務資產之資產，倘該等資產現金流量僅指支付本金及利息，則按公平值計入在其他全面收益賬計量。賬面值變動計入其他全面收益，惟於損益中確認之減值收益或虧損、利息收益及外匯收益及虧損之確認除外。財務資產終止確認時，先前於其他全面收益確認之累計收益或虧損由權益重新分類至損益並於其他收益／(虧損)中確認。該等財務資產之利息收入按實際利率法計入其他收入。外匯收益及虧損呈列於其他收益／(虧損)中，而減值虧損則於損益表中作為獨立項目列示。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(a) Application of new and revised HKFRSs (Cont'd)

HKFRS 9 Financial Instruments (Cont'd)

(b) Measurement (Cont'd)

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

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

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

(b) 計量 (續)

- 按公平值計入在損益賬：不符合攤銷成本標準或按公平值計入在其他全面收益賬之資產乃按公平值計入在損益賬計量。隨後按公平值計入在損益賬計量之債務投資之收益或虧損於損益中確認，並於產生期間按淨額呈列於其他收益／（虧損）中。

本集團所有股本投資隨後按公平值計量。倘本集團管理層已選擇將股本投資之公平值收益及虧損於其他全面收益呈列，則終止確認投資後，概無後續重新分類公平值收益及虧損至損益。本集團收取付款之權利確立時，有關投資之股息繼續於損益中確認為其他收入。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(a) Application of new and revised HKFRSs (Cont'd)

HKFRS 9 Financial Instruments (Cont'd)

(b) *Measurement (Cont'd)*

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

(c) *Impairment*

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

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

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

(b) *計量 (續)*

按公平值計入在損益賬之財務資產公平值變動乃於損益表其他收益／(虧損)中確認(如適用)。按公平值計入在其他全面收益賬計量之股本投資減值虧損(及減值虧損之撥回)不會與其他公平值變動分開呈報。

(c) *減值*

自二零一八年一月一日起，本集團按前瞻性基準評估按攤銷成本列賬之債務工具相關之預期信貸虧損。所採用減值方法視乎信貸風險是否大幅增加而定。

就應收賬款而言，本集團採用香港財務報告準則第9號所准許的簡化法，該方法規定預期終身虧損將於初步確認應收款項時確認。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) Application of new and revised HKFRSs (Cont'd)

(a) 應用新訂及經修訂香港財務報告準則 (續)

HKFRS 9 Financial Instruments (Cont'd)

香港財務報告準則第9號金融工具 (續)

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

下文載列採納香港財務報告準則第9號對本集團之影響。

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

下表及附註說明本集團各類財務資產於二零一八年一月一日根據香港會計準則第39號之原計量類別及根據香港財務報告準則第9號之新計量類別。

Financial assets			Classification under HKAS 39 根據香港會計準則第39號 之分類	Classification under HKFRS 9 根據香港財務報告準則第9號之分類	Carrying amount under HKAS 39 根據香港會計準則第39號 之賬面值 HK\$'000 千港元	Carrying amount under HKFRS 9 根據香港財務報告準則第9號 之賬面值 HK\$'000 千港元
財務資產		Note 附註				
Unlisted equity investments	非上市股本投資	(i)	Available-for-sale 可供出售	FVTOCI 按公平值計入 在其他全面 收益賬	108,227	133,899
Loans and other receivables	貸款及其他應收款項	(ii)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	350,316	350,316
Equity securities held for trading	持作交易之股本證券	(iii)	FVTPL 按公平值計入 在損益賬	FVTPL 按公平值計入 在損益賬	9,658	9,658

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) Application of new and revised HKFRSs (Cont'd)

(a) 應用新訂及經修訂香港財務報告準則 (續)

HKFRS 9 Financial Instruments (Cont'd)

香港財務報告準則第9號金融工具 (續)

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

該等變動對本集團權益之影響如下：

		Effect on FVTOCI reserve 對按公平值 計入在其他 全面收益賬 儲備之影響 HK\$'000 千港元
	Note 附註	
Opening balance – HKAS 39	期初結餘— 香港會計準則第39號	—
Remeasurement adjustment on unlisted equity investments reclassified from available-for-sale financial assets carried at cost less impairment to FVTOCI	將非上市股本投資 自按成本減減值列賬 之可供出售財務資產 重新分類至按公平值 計入在其他全面 收益賬之重新計量調整	(i) <u>25,672</u>
Opening balance – HKFRS 9	期初結餘— 香港財務報告 準則第9號	<u>25,672</u>

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

全部財務負債之計量類別維持不變。於二零一八年一月一日，全部財務負債之賬面值並不受初次應用所影響。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(a) Application of new and revised HKFRSs (Cont'd)

HKFRS 9 Financial Instruments (Cont'd)

Note:

- (i) These equity investments represent investments that the Group intends to hold for the long term for strategic purposes. The Group elected to present in OCI changes in the fair value of these investments because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. Under HKAS 39, these investments were classified as available-for-sale financial assets and measured at cost less impairment. On adoption of HKFRS 9, financial assets with a carrying amount of approximately HK\$108,227,000 (fair value of approximately HK\$133,899,000) were reclassified from available-for-sale financial assets to financial assets at FVTOCI and fair value gains of approximately HK\$25,672,000 were recognised on 1 January 2018 in the FVTOCI reserve in equity. Unlike HKAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

附註：

- (i) 該等股本投資為本集團擬為戰略目的而長期持有的投資。本集團選擇在其他全面收益中呈列該等投資的公平值變動，因為該等投資乃作為長期戰略投資而持有，預計在短期至中期內不會出售。根據香港會計準則第39號，該等投資乃分類為可供出售財務資產及按成本減減值計量。於採納香港財務報告準則第9號後，賬面值約為108,227,000港元（公平值約133,899,000港元）的財務資產已自可供出售財務資產重新分類至按公平值計入在其他全面收益賬之財務資產，而公平值收益約25,672,000港元於二零一八年一月一日在以按公平值計入在其他全面收益賬權益儲備中確認。與香港會計準則第39號不同，與該等投資相關的累計公平值儲備不會重新分類至損益。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(a) Application of new and revised HKFRSs (Cont'd)

HKFRS 9 Financial Instruments (Cont'd)

Note: (Cont'd)

- (ii) Loans and other receivables that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. No additional allowance for impairment was recognised in opening accumulated losses at 1 January 2018 on transition to HKFRS 9.
- (iii) Equity securities held for trading are required to be held as FVTPL as under HKFRS 9. There was no impact on the amounts recognised in relation to these assets from the adoption of HKFRS 9.

For assets in scope of the HKFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that no additional impairment allowance was resulted from the application of HKFRS 9 impairment model requirement at 1 January 2018.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號金融工具 (續)

附註：(續)

- (ii) 根據香港會計準則第39號分類為貸款及應收款項的貸款及其他應收款項現已按攤銷成本分類。於過渡至香港財務報告準則第9號時，於二零一八年一月一日期初累計虧損並無確認額外減值撥備。
- (iii) 持作買賣的股本證券須如香港財務報告準則第9號項下的按公平值計入在損益賬而持有。採納香港財務報告準則第9號對該等資產確認的金額並無影響。

就香港財務報告準則第9號減值模型範圍內的資產而言，一般預期減值虧損會增加且愈發不穩定。本集團已釐定於二零一八年一月一日應用香港財務報告準則第9號減值模型規定並無產生額外減值撥備。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) Application of new and revised HKFRSs (Cont'd)

(a) 應用新訂及經修訂香港財務報告準則 (續)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

香港財務報告準則第15號來自客戶合約之收益

香港財務報告準則第15號確立全面框架，以釐定所確認收益之金額及時間。該準則取代香港會計準則第18號收益、香港會計準則第11號建造合約及相關詮釋。

The Group's operations for the year ended 31 December 2017 were sales of goods and provision of third-party payment processing services in form of transaction fees. The adoption of HKFRS 15 has no significant financial impact on how the Group recognises revenue from sales of goods and transaction fees both before and after the adoption.

本集團截至二零一七年十二月三十一日止年度的業務為以交易費方式銷售貨物及提供第三方支付處理服務。採納香港財務報告準則第15號對本集團於採納前後如何確認銷售貨物及交易費收益並無重大財務影響。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(a) Application of new and revised HKFRSs (Cont'd)

HKFRS 15 Revenue from Contracts with Customers (Cont'd)

The Group acquired Qima Holdings Ltd. and its subsidiaries ("Youzan Group") on 18 April 2018 and operations were expanded into SaaS, value-added services, advertising services and distribution services since then. The accounting policies of these new operations related to HKFRS 15 are set out in note 4(r) to the consolidated financial statements.

Before applying HKFRS 3 Business Combinations to the acquired Youzan Group, the Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018 to the financial statements of Youzan Group. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate). Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第15號來自客戶合約之收益 (續)

本集團於二零一八年四月十八日收購Qima Holdings Ltd.及其附屬公司(「有贊集團」)，此後業務擴展至SaaS、增值服務、廣告服務及分銷服務。有關香港財務報告準則第15號的該等新業務的會計政策載於綜合財務報表附註4(r)。

應用香港財務報告準則第3號業務合併收購有贊集團之前，本集團已追溯應用香港財務報告準則第15號，連同於初始應用日期二零一八年一月一日首次應用本準則的已確認累積對有贊集團財務報表的影響。初始應用日期之任何差額於期初累積虧損(或其他權益部分，倘適用)中確認。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅就於二零一八年一月一日尚未完成的合約追溯採納本準則。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

(a) Application of new and revised HKFRSs (Cont'd)

HKFRS 15 Revenue from Contracts with Customers (Cont'd)

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

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

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第15號來自客戶合約之收益 (續)

採用香港財務報告準則第15號對本集團之影響載列如下。

下表就本集團截至二零一八年十二月三十一日止年度的綜合財務報表而總結採納香港財務報告準則第15號的估計影響，方式是將此等綜合財務報表中按香港財務報告準則第15號列報的金額，與本來按香港會計準則第18號及香港會計準則第11號確認的假定金額估計數字作比較（倘該等替代準則而非香港財務報告準則第15號一直適用於二零一八年）。此等列表僅顯示該等受採納香港財務報告準則第15號影響的項目：

			Amounts reported in accordance with HKFRS 15 按香港財務報告準則第15號呈報之金額	Estimated impact of adoption of HKFRS 15 採納香港財務報告準則第15號之估計影響	Hypothetical amounts under HKASs 18 and 11 香港會計準則第18及11號項下之假定金額
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
As at 31 December 2018					
Consolidated statement of financial position (extract)					
Capitalised contract costs					
Contract liabilities					
Deferred revenue					
Accumulated losses					

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) Application of new and revised HKFRSs (Cont'd)

(a) 應用新訂及經修訂香港財務報告準則 (續)

HKFRS 15 Revenue from Contracts with Customers (Cont'd)

香港財務報告準則第15號來自客戶合約之收益 (續)

	Amounts reported in accordance with HKFRS 15 按香港財務報告準則第15號呈報之金額	Estimated impact of adoption of HKFRS 15 採納香港財務報告準則第15號之估計影響	Hypothetical amounts under HKASs 18 and 11 香港會計準則第18及11號項下之假定金額
Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元

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Consolidated statement of profit or loss (extract)

綜合損益表 (摘要)

Selling and distribution expenses	銷售及分銷開支	(i)	212,405	(60,554)	272,959
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The significant differences arise as a result of the changes in accounting policies described above.

由於上述會計政策之變動，故出現重大差異。

Note:

附註：

(i) Commissions paid to SaaS distributors were formerly expensed as incurred but HKFRS 15 requires such incremental cost of obtaining contract to be capitalised and amortised to profit and loss when revenue from SaaS is recognised.

(i) 支付予SaaS分銷商之佣金過往作開支列賬，但香港財務報告準則第15號規定獲取將予資本化之合同將增加成本，並在確認SaaS收益時攤銷至損益。

(ii) Deferred revenue of SaaS is reclassified as contract liabilities to be consistent with the terminology under HKFRS 15.

(ii) SaaS之遞延收益重新分類為合約負債，與香港財務報告準則第15號之術語一致。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

3. 採納新訂及經修訂香港財務報告準則 (續)

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

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

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則於二零一八年一月一日開始之財政年度，本集團並無提早應用已頒佈但尚未生效之新訂及經修訂香港財務報告準則。該等新訂及經修訂香港財務報告準則包括下列可能與本集團有關者。

**Effective for
accounting
periods beginning
on or after
於以下日期或
以後開始之
會計期間生效**

HKFRS 16 Leases 香港財務報告準則第16號租賃	1 January 2019 二零一九年一月一日
HK(IFRIC) 23 Uncertainty over Income Tax Treatments 香港(國際財務報告詮釋委員會)詮釋第23號所得稅處理之不確定性	1 January 2019 二零一九年一月一日
Annual Improvements to HKFRSs 2015 – 2017 Cycle 香港財務報告準則二零一五年至二零一七年週期之年度改進	1 January 2019 二零一九年一月一日
Amendments to HKAS 28 Long-term Interest in Associates and Joint Ventures 香港會計準則第28號之修訂本於聯營公司及合營企業之長期權益	1 January 2019 二零一九年一月一日

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Cont'd)*

(b) New and revised HKFRSs in issue but not yet effective *(Cont'd)*

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

3. 採納新訂及經修訂香港財務報告準則 *(續)*

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則 *(續)*

本集團正評估該等修訂及新訂準則於首次應用期間預期帶來的影響。迄今本集團已識別香港財務報告準則第16號的若干方面可能對綜合財務報表造成重大影響。有關預期影響的進一步詳情於下文論述。儘管有關香港財務報告準則第16號之評估已大致完成，惟首次採納該等準則時產生之實際影響可能有所不同，因為至今完成之評估乃根據本集團現時可得資料作出，而於首次於本集團截至二零一九年六月三十日止六個月之中期財務報告內應用該等準則前可能會識別其他影響。本集團亦可能變更其會計政策選擇（包括過渡選擇），直至首次於該中期財務報告應用該等準則。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Cont'd)*

(b) New and revised HKFRSs in issue but not yet effective *(Cont'd)*

HKFRS 16 Leases

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

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

3. 採納新訂及經修訂香港財務報告準則 *(續)*

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則 *(續)*

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

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

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Cont'd)*

(b) New and revised HKFRSs in issue but not yet effective *(Cont'd)*

HKFRS 16 Leases (Cont'd)

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

As disclosed in note 51, the Group's future minimum lease payments under non-cancellable operating leases for its office properties amounted to approximately HK\$369,146,000 as at 31 December 2018. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

3. 採納新訂及經修訂香港財務報告準則 *(續)*

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則 *(續)*

香港財務報告準則第16號租賃 (續)

根據初步評估，該準則將主要影響本集團經營租賃之會計處理。本集團之辦公物業租賃現分類為經營租賃及租賃款項（扣除出租人給予之任何優惠）於租期內按直線法確認為開支。根據香港財務報告準則第16號，本集團可能需就該等租賃按未來最低租賃款項之現值確認及計量負債，並確認其相應使用權資產。租賃負債之利息開支及使用權資產之折舊將於損益中確認。因此，本集團之資產及負債將增加且開支確認之時間亦會受到影響。

誠如附註51所披露，於二零一八年十二月三十一日，本集團辦公物業之不可撤銷經營租約項下之未來最低租賃付款約為369,146,000港元。一旦採納香港財務報告準則第16號後，預期該等租賃將確認為租賃負債，並確認相應使用權資產。有關金額將就折讓影響及本集團可用之過渡安排作出調整。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

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

HKFRS 16 Leases (Cont'd)

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

HK(IFRIC) 23 Uncertainty over Income Tax Treatments

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

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

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

除確認租賃負債及使用權資產外，本集團預期，首次採納香港財務報告準則第16號後將予作出的過渡調整將不屬重大。然而，上述會計政策的預期變動或對本集團自二零一九年起的綜合財務報表產生重大影響。

香港 (國際財務報告詮釋委員會) 詮釋第23號所得稅處理之不確定性

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

本集團須於完成更為詳細之評估後方可估計詮釋對綜合財務報表之影響。

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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. financial assets that are measured at fair value).

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

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

(a) Consolidation

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

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

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

4. 重大會計政策

除以下會計政策另有所述者外（如按公平值計量之財務資產），該等綜合財務報表根據歷史成本基準編製。

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

編製該等綜合財務報表時應用之重大會計政策載列如下。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司指本集團擁有控制權之實體。倘本集團因參與實體業務而承擔可變回報之風險或享有可變回報之權利，及能夠使用其對實體之權力影響該等回報，則本集團控制該實體。當本集團目前有權力掌控有關業務（即對實體回報具有重大影響力之業務）時，則本集團對該實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有之潛在投票。僅於持有人能實際行使潛在投票權之情況下，方會考慮該權利。

附屬公司在控制權轉移至本集團之日起綜合入賬，並在控制權終止之日起停止綜合入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(a) Consolidation (Cont'd)

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 exchange 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 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. 重大會計政策 (續)

(a) 綜合賬目 (續)

出售一間附屬公司導致失去控制權之收益或虧損指(i)出售代價之公平值加該附屬公司留有任何投資之公平值與(ii)本公司應佔該附屬公司資產淨值加有關該附屬公司之任何餘下商譽及任何有關累計匯兌儲備間之差額。

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證，顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已按需要調整，以確保與本集團所採納之政策貫徹一致。

非控股權益指並非本公司直接或間接應佔附屬公司之權益。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呈列。非控股權益於綜合損益表及綜合損益及其他全面收入表呈列為在非控股股東與本公司擁有人之間分配溢利或虧損及年內全面收入總額。

損益及其他全面收入各部分應歸屬於本公司擁有人及非控股股東，即使此舉會導致非控股權益出現虧絀結餘。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(a) Consolidation (Cont'd)

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 amounts 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. 重大會計政策 (續)

(a) 綜合賬目 (續)

本公司於不會導致失去控制權之附屬公司擁有權益變動按股權交易(即以擁有人身份與擁有人進行之交易)入賬。控股權益及非控股權益之賬面值已作調整,以反映於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認,並歸屬於本公司擁有人。

於本公司之財務狀況表內,除非投資分類為持作出售(或計入分類為持作出售之出售組別),否則於附屬公司之投資乃按成本減減值虧損列賬。

(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。業務合併所轉讓代價按所給予資產、所發行股本工具及所產生負債於收購日期之公平值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受服務之期間確認為開支。於收購時附屬公司之可識別資產及負債,均按其於收購日期之公平值計量。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(b) Business combination and goodwill

(Cont'd)

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

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

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

4. 重大會計政策 (續)

(b) 業務合併及商譽 (續)

所轉讓代價超出本集團應佔附屬公司可識別資產及負債公平淨值之差額，入賬列作商譽。本集團應佔可識別資產及負債之公平淨值超出所轉讓代價之差額，乃於綜合損益內確認為本集團應佔議價收購收益。

對於分階段進行之業務合併，先前已持有之附屬公司股權按收購日期之公平值重新計量，而由此產生之收益或虧損於綜合損益內確認。公平值會加入至業務合併所轉讓代價，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平淨值比例計量。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(b) Business combination and goodwill

(Cont'd)

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

(c) 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.

4. 重大會計政策 (續)

(b) 業務合併及商譽 (續)

初步確認後，商譽按成本減累計減值虧損計量。就減值測試而言，業務合併所獲商譽會分配至預期將受益於合併協同效應之各現金產生單位（「現金產生單位」）或現金產生單位組別。商譽所分配之各單位或單位組別為本集團內就內部管理目的而監察商譽之最低層次。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，作出更頻密檢討。包含商譽之現金產生單位賬面值與可收回金額（使用價值與公平值減出售成本之較高者）比較。任何減值實時確認為開支，且其後不會撥回。

(c) 聯營公司

聯營公司為本集團對其有重大影響力之實體。重大影響力指有權參與實體財務及經營政策之決策，但不控制或共同控制該等政策。於評估本集團是否擁有重大影響力時，會考慮現時是否存在可行使或可轉換之潛在投票權（包括其他實體持有之潛在投票權）及其影響。於評估潛在投票權是否具重大影響力時，並未計及持有人行使或轉換該投票權之意向及財務能力。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(c) Associates (Cont'd)

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.

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.

4. 重大會計政策 (續)

(c) 聯營公司 (續)

於聯營公司之投資按權益法於綜合財務報表列賬，且初步按成本確認。於收購中，聯營公司之可識別資產及負債於收購日期按公平值計量。投資成本超出本集團應佔聯營公司可識別資產及負債之公平淨值之差額列為商譽。商譽計入投資之賬面值，且倘有客觀證據顯示投資已減值，則於各報告期間結算日與投資一併進行減值測試。本集團應佔可識別資產及負債公平淨值超出收購成本之任何差額於綜合損益確認。

本集團應佔聯營公司之收購後溢利或虧損及其他全面收入於綜合損益及其他全面收入表確認。當本集團應佔聯營公司之虧損相當於或超逾其於聯營公司之權益（包括實質上構成本集團於該聯營公司投資淨額一部分之任何長期權益）時，本集團不會確認進一步虧損，惟其須代表聯營公司承擔責任或付款除外。倘聯營公司其後錄得溢利，則本集團僅於其應佔溢利與未確認之應佔虧損相等後，方會繼續確認其應佔溢利。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(c) Associates (Cont'd)

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 exchange 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.

(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 Hong Kong dollars, which is the Company's functional and presentation currency.

4. 重大會計政策 (續)

(c) 聯營公司 (續)

出售一間聯營公司導致失去重大影響力之收益或虧損指(i)出售代價之公平值，加該聯營公司保留任何投資之公平值與(ii)該聯營公司及任何有關累計匯兌儲備之本集團所有賬面值(包括商譽)間之差額。倘於聯營公司之投資成為於合資公司之投資，則本集團繼續應用權益法，且不會重新計量保留權益。

本集團與其聯營公司進行交易之未變現溢利以本集團於聯營公司之權益對銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產已出現減值。聯營公司之會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

(d) 外幣換算

(i) 功能及呈列貨幣

本集團各實體之財務報表所列項目，均以該實體經營所在主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以本公司之功能及呈列貨幣港元呈列。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(d) Foreign currency translation (Cont'd)

(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.

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.

4. 重大會計政策 (續)

(d) 外幣換算 (續)

(ii) *各實體財務報表中之交易及結餘*

外幣交易按交易日期之現行匯率，於初步確認時換算為功能貨幣。以外幣呈列之貨幣資產及負債按各報告期間結算日之匯率換算。此換算政策所產生收益及虧損於損益確認。

以外幣公平值計量之非貨幣項目按釐定公平值日期之匯率換算。

倘非貨幣項目之收益或虧損於其他全面收入確認，則該收益或虧損之任何匯兌部分於其他全面收入確認。倘非貨幣項目之收益或虧損於損益確認，則該收益或虧損之任何匯兌部分亦於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(d) Foreign currency translation (Cont'd)

(iii) *Translation on consolidation*

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

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

4. 重大會計政策 (續)

(d) 外幣換算 (續)

(iii) *綜合賬目換算*

本集團所有實體之功能貨幣倘有別於本公司之呈列貨幣，則其業績及財務狀況須按以下方式換算為本公司之呈列貨幣：

- 各財務狀況表之資產及負債均按照該財務狀況表日期之收市匯率換算；
- 收入及開支均按期內平均匯率換算（倘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，收入及開支則按交易日之匯率換算）；及
- 因而產生之所有匯兌差額均於其他全面收入確認，並於匯兌儲備累計。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(d) Foreign currency translation (Cont'd)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the exchange 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 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. 重大會計政策 (續)

(d) 外幣換算 (續)

於綜合賬目時，因換算構成海外實體投資淨額之金額項目產生之匯兌差額，於其他全面收入確認並累計入匯兌儲備。當出售海外業務時，該等匯兌差額重新分類至綜合損益，作為出售收益或虧損之一部分。

收購海外實體產生之商譽及公平值調整被視作該海外實體之資產及負債處理，並按收市匯率換算。

(e) 物業、廠房及設備

物業、廠房及設備按成本減其後累計折舊及其後累計減值虧損（如有）列入綜合財務狀況表。

僅在與項目相關之日後經濟利益有可能流入本集團，及能可靠計算項目成本之情況下，其後成本方會計入資產賬面值或確認為獨立資產（視情況適用）。所有其他維修及保養成本於其產生期間在損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(e) Property, plant and equipment (Cont'd)

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

Leasehold improvements	Over the shorter of unexpired term of lease and estimated useful lives, being no more than 20 years after the date of completion
Furniture and office equipment	20% – 33%
Motor vehicles	20% – 25% (2017: 20%)

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

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

(f) Operating leases

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

4. 重大會計政策 (續)

(e) 物業、廠房及設備 (續)

物業、廠房及設備折舊以直線法，按撇銷其成本減估計可使用年期之剩餘價值之適當比率計算。主要年率如下：

租賃物業裝修	按未屆滿租賃期及其估計可使用年期（以較短年期為準），惟自完成日期後不超過20年
傢具及辦公室設備	20%至33%
汽車	20%至25% (二零一七年：20%)

剩餘價值、可使用年期和折舊方法於各報告期間結算日進行檢討和調整（如適用）。

出售物業、廠房及設備之收益或虧損指銷售所得款項淨額與有關資產賬面值之間之差額，於損益確認。

(f) 經營租賃

並無實質上將資產擁有權之一切風險及回報轉讓予本集團之租約列為經營租賃。租賃款項（扣除出租人收取之任何優惠）已按租賃期以直線法確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(g) Other intangible assets

(i) *Internally-generated intangible assets – 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 SaaS or third-party payment services platform development is recognised only if all of the following conditions are met:

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

4. 重大會計政策 (續)

(g) 其他無形資產

(i) *內部產生之無形資產 – 研究及開發支出*

於期內產生之研究活動支出確認為本期支出。就本集團SaaS或第三方支付服務平台開發因而內部產生之無形資產僅於達成以下所有條件後，方予確認：

- 在技術上可完成該無形資產以使其可供使用或出售；
- 管理層擬完成該無形資產並使用或出售該無形資產；
- 有能力使用或出售該無形資產；
- 可證實該無形資產如何產生潛在未來經濟利益；
- 有足夠之技術、財政及其他資源以完成開發項目並使用或出售該無形資產；及
- 該無形資產於開發階段應佔之支出能可靠計量。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(g) Other intangible assets (Cont'd)

- (i) *Internally-generated intangible assets – research and development expenditure (Cont'd)*

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 3 to 10 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.

- (ii) *Intangible assets acquired through business combination – trademarks, E-commerce applications and distribution networks*

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset.

Trademarks assessed to have indefinite useful lives are not amortised. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and amortisation is charged to profit or loss on a straight-line basis over the asset's estimated remaining useful life.

4. 重大會計政策 (續)

(g) 其他無形資產 (續)

- (i) *內部產生之無形資產 – 研究及開發支出 (續)*

內部產生之無形資產按成本減累計攤銷及減值虧損列賬。攤銷分別於其估計可使用年期3至10年以直線法計算。倘並無內部產生之無形資產可獲確認，期內所產生之開發支出於損益中確認。

- (ii) *透過業務合併收購之無形資產 – 商標、電子商務應用及分銷網絡*
- 業務合併中所收購的無形資產符合無形資產的定義，則有關資產將會與商譽分開識別及確認。

獲評估為擁有無限可使用年期的商標不作攤銷。無形資產之可使用年期屬無限之任何結論經每年檢討，以釐定有關事件及情況是否繼續支持有關資產具有無限可使用年期之評估。如情況有變，則會自變更日期起就可使用年期從無限轉為有限之評估按未來適用基準入帳，並且於該項資產之估計剩餘使用年期內按直線基準在損益扣除攤銷。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(g) Other intangible assets (Cont'd)

- (ii) *Intangible assets acquired through business combination – trademarks, E-commerce applications and distribution networks (Cont'd)*

Impairment reviews of intangible assets with indefinite useful lives are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment.

E-commerce applications and distribution network are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 6.7 years and 2.7 years since the date of acquisition.

(h) Inventories

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

4. 重大會計政策 (續)

(g) 其他無形資產 (續)

- (ii) *透過業務合併收購之無形資產 – 商標、電子商務應用及分銷網絡 (續)*

具有無限可使用年期的無形資產每年進行減值檢討，或於事件及情況變動表明有潛在減值時進行更為頻繁的檢討。

電子商務應用及分銷網絡按成本減累計攤銷及減值虧損入賬。攤銷自收購日期起於其估計可使用年期為6.7年及2.7年以直線法計算。

(h) 存貨

存貨按成本與可變現淨值兩者之較低者列賬。成本按先入先出基準釐定。製成品及在製品之成本包括原材料、直接人工及全部生產成本開支之適當比例及(如適用)分包費用。可變現淨值按一般業務過程之估計售價，減完工之估計成本及進行銷售所需之估計成本計算。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(i) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory, property, plant and equipment or intangible assets.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the costs are expensed when incurred. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the group entered into the contract. Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

4. 重大會計政策 (續)

(i) 其他合約成本

其他合約成本指未資本化為存貨、物業、廠房及設備或無形資產的從客戶獲得合約的增量成本或完成與客戶訂立合約的成本。

獲得合約的增量成本指在未獲得合約之情況下本不會產生之本集團為從客戶獲得合約而產生的該等成本。倘預期將可收回成本，則獲得合約的增量成本於產生時資本化，除非預期攤銷期與首次確認資產日期相隔一年或不足一年，在此情況下，成本可於發生時計入費用。獲得合約的其他成本於產生時支銷。

倘成本直接與現有合約或可特別認定的預計合約相關；產生或增加日後將用於提供貨品或服務的資源；及預期將被收回，則完成合約的成本會資本化。直接與現有合約或可特別認定的預計合約有關的成本可能包括直接勞務、直接材料、成本分攤、可明確向客戶收取的成本及僅因集團訂立合約而產生的成本。完成合約的其他成本（未資本化為存貨、物業、廠房及設備或無形資產）於產生時支銷。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(i) Other contract costs (Cont'd)

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised.

(j) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECL") in accordance with the policy set out in note 4(y) and are reclassified to receivables when the right to the consideration has become unconditional.

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.

4. 重大會計政策 (續)

(i) 其他合約成本 (續)

資本化合約成本按成本減累計攤銷及減值虧損列賬。當合約成本資產的賬面值超過(i)集團預期因交換資產相關貨品或服務而將收取的代價餘額減(ii)尚未確認為開支之直接與提供該等貨品或服務相關的任何成本的淨額時，確認減值虧損。

資本化合約成本攤銷於確認資產相關收益時從損益內扣除。

(j) 合約資產及合約負債

倘本集團於根據合約所載之付款條款符合資格無條件收取代價之前確認收益，則確認合約資產。合約資產根據載於附註4(y)之政策評估預期信貸虧損(「預期信貸虧損」)，並於收取代價之權利成為無條件時被重新分類至應收款項。

倘客戶於本集團確認相關收益之前支付代價，則確認合約負債。倘集團擁有無條件權利可於本集團確認相關收益前收取代價，亦將確認合約負債。在該等情況下，亦將確認相應的應收款項。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(j) Contract assets and contract liabilities

(Cont'd)

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

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

(k) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4. 重大會計政策 (續)

(j) 合約資產及合約負債 (續)

就與客戶訂立的單一合約而言，以合約資產淨額或合約負債淨額呈列。就多種合約而言，不相關合約的合約資產及合約負債不以淨額基準呈列。

倘合約包含重大融資部分，合約結餘包括按實際利息法計算的應計利息。

(k) 確認及終止確認金融工具

財務資產及財務負債初始按公平值計量。收購或發行財務資產及財務負債（按公平值計入在損益賬之財務資產及財務負債除外）直接發生的交易成本於初始確認時計入財務資產或財務負債的公平值，或從財務資產或財務負債的公平值扣除（如適用）。收購按公平值計入在損益賬之財務資產或財務負債直接發生之交易成本即時於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(k) Recognition and derecognition of financial instruments (Cont'd)

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.

(l) 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.

4. 重大會計政策 (續)

(k) 確認及終止確認金融工具 (續)

本集團僅在資產現金流量的合約權利屆滿或其將財務資產及資產所有權的絕大部分風險及回報轉移至另一實體時終止確認財務資產。倘若本集團既無轉讓亦無保留所有權的絕大部分風險及回報，並繼續控制已轉讓資產，則本集團確認其於該資產的保留權益及其可能須支付的相關負債。倘若本集團保留已轉讓財務資產擁有權的絕大部分風險及回報，則本集團將繼續確認該財務資產，並就所收款項確認抵押借款。

本集團於且僅於本集團的責任獲解除、取消或屆滿時終止確認財務負債。終止確認的財務負債賬面值與已付及應付代價（包括任何已轉讓的非現金資產或承擔的負債）的差額於損益確認。

(l) 財務資產

所有通過常規方式購買或銷售財務資產的均以交易日為基準確認終止確認。以常規方式購買或銷售乃要求於市場法規或慣例設定之時限內交付資產之財務資產買賣。所有已確認的財務資產其後按攤銷成本或公平值作整項計量，具體取決於財務資產的分類。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(I) Financial assets (Cont'd)

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- FVTOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

4. 重大會計政策 (續)

(I) 財務資產 (續)

債務投資

本集團持有之債務投資歸入以下其中一個計量類別：

- 攤銷成本，倘持有投資之目的為收取合約現金流量，即純粹為獲得本金及利息付款。投資所得利息收入乃使用實際利率法計算。
- 按公平值計入在其他全面收益賬—可劃轉，倘投資之合約現金流量僅包括本金及利息付款，且投資乃於其目的為同時收取合約現金流量及出售之業務模式中持有。公平值變動於其他全面收益確認，惟預期信貸虧損、利息收入（使用實際利率法計算）及外匯損益於損益確認。當投資被終止確認，於其他全面收益累計之金額從權益劃轉至損益。
- 按公平值計入在損益賬，倘投資不符合按攤銷成本計量或按公平值計入在其他全面收益賬（可劃轉）之標準。投資之公平值變動（包括利息）於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(I) Financial assets (Cont'd)

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.

Policy prior to 1 January 2018

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

4. 重大會計政策 (續)

(I) 財務資產 (續)

股本投資

於股本證券之投資分類為按公平值計入在損益賬，除非股本投資並非持作買賣用途，且於初步確認投資時，本集團選擇歸類投資為按公平值計入在其他全面收益賬（不可劃轉），以致公平值之後續變動於其他全面收益確認。有關選擇乃按個別工具基準作出，惟僅當發行人認為投資符合權益定義時方可作出。於作出有關選擇後，於其他全面收益累計之金額繼續保留於公平值儲備（不可劃轉），直至投資被出售為止。出售時，於公平值儲備（不可劃轉）累計之金額轉撥至保留盈利，而非透過損益劃轉。來自股本證券（不論分類為按公平值計入在損益賬或按公平值計入在其他全面收益賬）投資之股息，均於損益確認為其他收入。

於二零一八年一月一日前之政策

於持作買賣證券的投資分類為按公平值計入在損益賬計量的財務資產。任何應佔交易成本於發生時在損益內確認。公平值於各報告期結束時重新計量，而任何因此產生的收益或虧損均於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(l) Financial assets (Cont'd)

Policy prior to 1 January 2018 (Cont'd)

Dated debt securities that the group had the positive ability and intention to hold to maturity were classified as held-to-maturity securities. Held-to-maturity securities were stated at amortised cost.

Investments which did not fall into any of the above categories were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments and interest income from debt securities calculated using the effective interest method were recognised in profit or loss respectively. Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired, the cumulative gain or loss recognised in equity was reclassified to profit or loss.

(m) 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.

4. 重大會計政策 (續)

(l) 財務資產 (續)

於二零一八年一月一日前之政策 (續)

集團擁有正面能力及意向持有至到期日之有期債務證券乃分類為持有至到期日之證券。持有至到期日之證券按攤銷成本列賬。

並不屬於以上任何類別的投資分類為可供出售財務資產。公平值於各報告期結束時重新計量，而任何因此產生的收益或虧損均於其他全面收益內確認並分別於權益的公平值儲備（可劃轉）中累計。使用實際利率法計算的股本投資的股息收入及債務證券的利息收入分別於損益中確認。債務證券產生的匯兌收益及虧損亦於損益內確認。當投資終止確認或減值時，於權益中確認的累計收益或虧損會重新分類至損益。

(m) 應收賬款及其他應收款

集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價的權利僅需經過一段時間方為無條件。如收益在本集團有無條件權利收取代價前經已確認，則金額呈列為合約資產。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(m) Trade and other receivables (Cont'd)

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

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL.

(o) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out in notes (p) to (q) below.

(p) Trade and other payables

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

4. 重大會計政策 (續)

(m) 應收賬款及其他應收款 (續)

應收款項利用實際利率法按攤銷成本減信貸虧損撥備列賬。

(n) 現金及現金等值物

現金及現金等值物包括銀行及手頭現金、銀行及其他金融機構的活期存款以及購入後於三個月內到期可隨時轉換為已知金額現金的短期高流通性並且價值改變風險不大的投資。在編製綜合現金流量表時，現金及現金等值物亦包括須按要求償還及構成集團現金管理一部分的銀行透支。現金及現金等值物評估預期信貸虧損。

(o) 財務負債及股本工具

財務負債及股本工具根據所訂立合約安排之內容及香港財務報告準則項下之財務負債及一項股本工具之定義進行分類。股本工具為任何證明本集團扣除其所有負債後之剩餘資產權益之任何合約。下文附註(p)至(q)載列就特定財務負債及股本工具所採納之會計政策。

(p) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值列賬，其後採用實際利率法按攤銷成本計量，除非貼現影響微不足道，在此情況下，則按成本列賬。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(q) Equity instruments

Any equity instrument is any contract that evidence a residual interest in the assets of an equity after deducting all of its liabilities equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

(r) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

SaaS

The Group offers SaaS (Software as a Service) which is a cloud-based software and related services to subscribed merchants (i.e. customers). The Group is responsible for delivering the cloud-based software, paying server hosting fees to external cloud computing infrastructure providers to ensure the SaaS running stably and accessible to all subscribed merchants. Revenue is generally recognised over time on a ratable basis over the contract term beginning on the date that the service is made available to customer.

4. 重大會計政策 (續)

(q) 股本工具

股本工具乃證明任何在扣除所有負債後實體資產剩餘權益之合約。本公司發行之股本工具乃按已收所得款項扣除直接發行成本確認。

(r) 收益確認

收益於產品或服務的控制權轉移至客戶時確認，金額為本集團預期將有權收取之承諾代價，且不包括代表第三方收取的有關金額。收益不包括增值稅或其他銷售稅，且乃經扣減任何貿易折扣。

SaaS

本集團向認購商家（即客戶）提供SaaS（SaaS，一種雲端軟件）及相關服務。本集團負責提供雲端軟件，向外部雲計算基礎設施提供商支付服務器託管費用，以確保所有訂購商家可平穩運行及訪問SaaS。收益通常於向客戶提供服務之日開始的合約期限隨時間推移按同等比例確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(r) Revenue recognition (Cont'd)

SaaS (Cont'd)

The Group's authorised distributors introduce customers to the Group and are remunerated by commission based on certain percentage of the SaaS subscription fee. The Group's authorised distributors are required to follow the Group's pricing policy and the Group is primarily responsible for the provision of SaaS. Commissions paid to authorised distributors are incremental costs of obtaining contracts and are recognised as "capitalised contract costs" followed by charging into selling and distribution expenses on a ratable basis which is in line with the revenue recognition.

All subscribed merchants must pay their subscription fees in advance, and the portion that underlying SaaS not yet provided to subscribed merchants at end of reporting period are recognised as "contract liabilities".

Value-added services

Value-added services represent service income for improvement of subscribed merchants' sales performance. Revenue from value-added services are recognised at the point of time when relevant services being rendered.

4. 重大會計政策 (續)

(r) 收益確認 (續)

SaaS (續)

本集團之授權分銷商向本集團介紹客戶，並按認購費的若干比例獲得佣金。本集團之授權分銷商須遵循本集團之定價政策，而本集團主要負責提供SaaS。向授權分銷商支付的佣金為獲得合約之增量成本，並於按符合收益確認的同等比例計入銷售及分銷開支後確認為「資本化合約成本」。

所有認購商家必須提前支付其認購費，而於報告期末尚未向認購商家提供相關SaaS的部分確認為「合約負債」。

增值服務

增值服務指改善認購商家銷售表現之服務收入。增值服務收益於提供相關服務時確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(r) Revenue recognition (Cont'd)

Advertising and distribution services

The Group has various services for subscribed merchants' marketing, distributing and cross-selling activities. Revenue from advertising and distribution services are recognised at the point of time when the relevant services being rendered, except for cases where marketing periods are agreed and revenue recognised over the marketing periods accordingly.

Revenue from services principally provided by the Group are recognised in gross amount.

For online marketing services provided to advertisers which involve social media, the Group earns agreed rebates from the social media. The Group charges the advertisers with the charge rate prescribed by the social media and occasionally offer rebates and discounts to the advertisers. The advertisers are also required to pay in advance for the online marketing services such that the Group has no credit risk from the advertisers. In determination of whether revenue should be reported on a gross or net basis, management assessed that the arrangement suggesting the social media, rather than the Group, is primarily responsible for providing the online marketing services. The Group is regarded as agent of social media in executing these transactions and therefore reports the amount received from the advertisers and the amounts paid to the social media related to these online marketing services on a net basis.

4. 重大會計政策 (續)

(r) 收益確認 (續)

廣告及分銷服務

本集團為認購商家之營銷、分銷及交叉銷售活動提供各種服務。廣告及分銷服務收益於提供相關服務時確認，協定營銷期並相應於營銷期確認的收益的情況除外。

主要由本集團提供的服務收益按總金額確認。

有關向涉及社交媒體的廣告商提供之在線營銷服務，本集團從社交媒體賺取協定的回扣。本集團按社交媒體規定的收費標準向廣告商收費，並偶爾向廣告商提供回扣及折扣。廣告商亦須提前支付在線營銷服務，令本集團免受廣告商的信貸風險。於釐定收益按總額基準或淨額基準列報時，管理層評估建議社交媒體而非本集團主要負責提供在線營銷服務之安排。於執行該等交易時，本集團被視為社交媒體之代理，因此，按淨額基準列報已收廣告商款項及已支付該等在线營銷服務相關的社交媒體款項。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(r) Revenue recognition (Cont'd)

Transaction fees

The Group provides managed payment solutions to help payees accepting, processing and settling payment transactions of payers in various payment scenarios. Revenue of transaction fees are recognised over the time of delivering of managed payment solutions.

The Group charges the payee a transaction fee that is generally calculated as a percentage of the total transaction amount processed and the Group has right to decide the charging fee rate. Transaction fees are recognised as revenue on a gross basis as the Group is the principal in delivery of the managed payment solutions to the payees. The Group has concluded it is the principal because it controls the services before delivery to the payees, it is primarily responsible for the delivery of the services and has discretion in setting prices charged to payees. The Group also has the unilateral ability to accept or reject a transaction based on criteria established by the Group. The Group is also liable for the costs of processing the transactions for the payees, and records such costs within cost of sales.

Sales of goods

Revenue from the sale of goods is recognised when control of the goods has transferred, being when the goods have been shipped to the buyers' specific location. A receivable is recognised by the Group when the goods are delivered to the buyer 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.

4. 重大會計政策 (續)

(r) 收益確認 (續)

交易費

本集團提供管理支付解決方案，以幫助收款人於各種支付場景下接受、處理及結算付款人之支付交易。交易費收益於交付管理支付解決方案時確認。

本集團向收款人收取的交易費通常按處理的交易總額的百分比計算，而本集團有權決定收費費率。交易費按總額基準確認，原因為本集團乃向收款人交付管理支付解決方案的主事人。本集團認為其為主事人，因為其於交付予收款人之前控制該等服務，其主要負責交付該等服務並可全權決定收取收款人之價格。本集團亦可按照其制定的標準單方面接受或拒絕交易。本集團亦負責處理收款人交易之成本，並將該等成本計入銷售成本。

銷售貨品

銷售貨品收益於貨品的控制權轉移至買家指定地點時確認。本集團於貨品交付至買家時確認應收款項，乃由於因僅需時間經過便可收取代價，因此收取代價之權利於該時間點變為無條件。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(r) Revenue recognition (Cont'd)

Interest income

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.

Policy prior to 1 January 2018

Transaction fees from third-party settlement services are recognised when the services are rendered.

Revenue from sales of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

(s) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. 重大會計政策 (續)

(r) 收益確認 (續)

利息收入

利息收入於產生時按實際利率法確認。就按攤銷成本或按公平值計入其他綜合收益(可劃轉)計量且並無出現信貸減值的財務資產而言,則資產的總賬面值以實際利率適用。就出現信貸減值的財務資產而言,資產的攤銷成本(即扣除虧損撥備的總賬面值)以實際利率適用。

於二零一八年一月一日前之政策

第三方結算服務交易費於提供該等服務時確認。

銷售貨品收益於所有權之重大風險及回報轉移時確認,一般與貨品付運及所有權移交客戶之時間重疊。

(s) 僱員福利

(i) *僱員享有之休假*

僱員年假及長期服務假於員工享有休假時確認。已就僱員截至報告期末之服務所享有年假及長期服務假估計須承擔之負債作出撥備。

僱員病假及產假於實際休假時始予確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(s) Employee benefits (Cont'd)

(ii) *Pension obligations*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) *Termination benefits*

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

(t) Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

4. 重大會計政策 (續)

(s) 僱員福利 (續)

(ii) *退休金責任*

本集團向為所有僱員提供之定額供款退休計劃進行供款。本集團及僱員之計劃供款根據僱員基本薪金之百分比計算。自損益扣除之退休福利計劃成本指本集團須向基金支付之供款。

(iii) *終止福利*

終止福利於以下日期之較早者始予確認，該等日期為本集團不再撤回該等福利之要約之日期及本集團確認重組成本並涉及支付終止福利之日期。

(t) 股份付款

本集團向若干董事及僱員發出股權結算股份支付款項。股權結算股份支付款項按授出當日股本工具之公平值（不計非市場為基礎之歸屬條件影響）計量。股權結算股份支付款項於授出當日釐定之公平值，依據本集團對其最終歸屬之股份估計及就非市場為基礎之歸屬條件影響作出調整，以直線法於歸屬期支銷。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

(v) 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.

4. 重大會計政策 (續)

(u) 借款成本

與收購、建造或生產合資格資產(即需經一段長時間方能作其擬定用途或出售之資產)直接相關之借款成本均撥充資本,作為此等資產成本之一部分,直至此等資產大體上已可作其擬定用途或出售為止。指定用途借款在用作合資格資產之開支前作短暫投資所賺取投資收入,自合資格資本化之借款成本中扣除。

如借款之一般目的及用途為獲取合資格資產,合資格資本化之借款成本金額則採用資本化比率計算該項資產開支之方法釐定。資本化比率為適用於本集團該期間未償還借款之借款成本加權平均值,惟為獲得合資格資產之特別借款則屬例外。

所有其他借款成本於產生期間內於損益內確認。

(v) 政府補貼

如有合理保證本集團將遵守補貼所附帶之條件並收取政府補貼,則確認政府補貼。

與收入有關之政府補貼就其與擬補償成本配對之期間於損益遞延並確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(v) Government grants (Cont'd)

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.

(w) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

4. 重大會計政策 (續)

(v) 政府補貼 (續)

用作已產生開支或虧損之補償或作為本集團即時財務資助而並無未來相關成本的應收政府補貼，於應收政府補貼期間於損益內確認。

(w) 稅項

所得稅指即期稅項及遞延稅項之總和。

應繳即期稅項按年內應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣稅收入或開支項目，並且不包括從不課稅或不可扣稅項目，故與於損益中確認之溢利不同。本集團之即期稅項負債按報告期末已頒佈或實際上頒佈之稅率計算。

遞延稅項就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基兩者間之差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產於可能出現應課稅溢利，以致可扣稅暫時差額、未動用稅項虧損或未動用稅項抵免可予動用時確認。倘因商譽或因初步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）中其他資產及負債引致之暫時差額，則不會確認該等資產及負債。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(w) Taxation (Cont'd)

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

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.

4. 重大會計政策 (續)

(w) 稅項 (續)

遞延稅項負債就於附屬公司及聯營公司之投資產生之應課稅暫時差額確認，惟倘本集團能夠控制暫時差額之撥回且暫時差額可能不會於可見將來撥回則作別論。

遞延稅項資產賬面值於各報告期間結算日檢討，並於不再可能有足夠應課稅溢利以供收回全部或部分資產時調減。

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算，而有關稅率以報告期末已頒佈或實際頒佈之稅率為基準。遞延稅項於損益中確認，惟遞延稅項與於其他全面收入中確認或直接計入權益之項目有關者則除外，在此情況下，遞延稅項亦在其他全面收入中確認或直接計入權益中。

遞延稅項資產及負債之計量反映於報告期末按本集團預計收回其資產或結清負債賬面值之方式之稅務後果。

遞延稅項資產及負債於有依法強制權利以即期稅項資產與即期稅項負債抵銷時，及於該等遞延稅項資產及負債與同一稅務機關徵收之所得稅相關，且本集團擬以淨額基準結清其即期稅項資產及負債時抵銷。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(x) 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.

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 unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. 重大會計政策 (續)

(x) 非財務資產減值

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。

其他非財務資產之賬面值於各報告日期檢討有無減值跡象，倘資產已減值，則透過綜合損益表以開支撇減至其估計可收回金額。可收回金額乃就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入，則可收回金額就資產所屬之現金產生單位釐定。可收回金額為個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者。

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。

現金產生單位之減值虧損首先用於抵銷單位商譽，然後於現金產生單位之其他資產之間按比例分配。隨後估計變動導致的可收回金額增長計入損益，直至撥回減值，惟倘相關資產以重估價值列賬，在此情況下減值虧損撥回視作重估價值增加處理。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses 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, contract assets and lease receivables. The expected credit losses 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. 重大會計政策 (續)

(y) 財務資產及合約資產減值

本集團就按攤銷成本計量或按公平值計入其他綜合收益之債券工具投資、應收租賃款項、應收賬款及合約資產以及財務擔保合約確認預期信貸虧損之減值準備。預期信貸虧損金額於各報告日期更新，以反映信貸風險自初始確認有關金融工具以來之變動。

本集團一向確認應收賬款、合約資產及應收租賃款項存續期之預期信貸虧損。該等財務資產之預期信貸虧損乃根據本集團過往之信貸虧損經驗採用撥備方陣估計，並就債務人獨有之因素、整體經濟狀況以及於報告日期對現行及預測經濟狀況發展方向之評估（包括金錢時間值（如適用））作出調整。

就所有其他金融工具而言，倘信貸風險自初始確認後顯著增加，則本集團確認存續期之預期信貸虧損。然而，倘金融工具之信貸風險自初始確認後並無顯著增加，則本集團按相等於12個月預期信貸虧損之金額計量該金融工具之虧損準備。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Lifetime ECL represents the expected credit losses 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. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

存續期之預期信貸虧損指於金融工具預計存續期內所有可能違約事件導致之預期信貸虧損。相對而言，12個月之預期信貸虧損指存續期預期信貸虧損中預期於報告日期後12個月內金融工具可能發生之違約事件預期導致之部份。

信貸風險顯著增加

於評估自初步確認以來金融工具的信貸風險有否顯著增加時，本集團會將於報告日期金融工具發生之違約風險與初步確認日期金融工具之違約風險進行比較。於進行該評估時，本集團會同時考慮合理且可證實的定量和定性資料，包括無需付出不必要的成本或努力而可得之歷史經驗及前瞻性資料。有關前瞻性資料包括來自經濟專家報告、金融分析師、政府機構、相關智囊團及其他類似組織以及考慮本集團核心業務相關的各種外部實際及預測經濟資料來源而得知的本集團債務人經營所在行業的未來前景。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Significant increase in credit risk (Cont'd)

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

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

4. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

信貸風險顯著增加 (續)

特別是，於評估自初步確認以來信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部（如有）或內部信貸評級的實際或預期顯著惡化；
- 特定金融工具的外部市場信貸風險指標顯著惡化；
- 預計會導致債務人償還債務能力大減的業務、財務或經濟狀況的現有或預測的不利變動；
- 債務人經營業績的實際或預期顯著惡化；
- 同一債務人於其他金融工具的信貸風險顯著增加；
- 債務人的監管、經濟或技術環境實際或預期出現重大不利變動而導致債務人償還債務能力大減。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Significant increase in credit risk (Cont'd)

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

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) The financial instrument has a low risk of default,
- (ii) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

4. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

信貸風險顯著增加 (續)

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日，則自初始確認以來財務資產信貸風險已顯著增加，除非本集團有合理且可證實的資料提出相反證明。

儘管如上所述，但本集團認為倘金融工具於報告日期釐定為信貸風險低，均假設該金融工具的信貸風險自初始確認以來並無顯著增加。倘出現下列情形，金融工具釐定為信貸風險低：

- (i) 金融工具具有低違約風險；
- (ii) 債務人於短期內具備雄厚實力履行其合約現金流量責任；及
- (iii) 長期經濟及業務狀況的不利變動可能但不一定削減借款人履行其合約現金流量責任的能力。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Significant increase in credit risk (Cont'd)

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.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

信貸風險顯著增加 (續)

當財務資產的外部信貸評級為「投資級別」（按照全球理解的釋義），則本集團會視該財務資產的信貸風險偏低，或倘外部評級不可用時，則該資產的內部評級為「正常」。正常指交易對手具備雄厚財務狀況且並無逾期金額。

就財務擔保合約而言，本集團成為不可撤回承擔一方之日期被視為就金融工具評估減值之初步確認日期。在評估自財務擔保合約初步確認起信貸風險是否顯著增加時，本集團考慮特定債務人合約違約的風險變動。

本集團定期監察用以確定信貸風險曾否顯著增加的標準的成效，並於適當時作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

違約的定義

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，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回。

- 交易對手違反財務契諾；或
- 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人（包括本集團）全額退款（不考慮本集團持有的任何抵押品）。

不論上文分析，本集團認為當財務資產逾期超過90日時，即屬發生違約，除非本集團有合理及有理據的資料證明較寬鬆的違約標準更為適用則當別論。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Credit-impaired financial assets

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

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

4. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

信貸減值財務資產

倘發生一項或多項對財務資產之估計未來現金流量產生不利影響之事件時，該財務資產即出現信貸減值。財務資產信貸減值的證據包括以下事件的可觀察數據：

- 發行人或交易對手出現重大財務困難；
- 違反合約，如違約或逾期事件；
- 由於與交易對手財務困難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；或
- 交易對手可能破產或進行其他財務重組；或
- 由於財務困難致使財務資產之活躍市場消失。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

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.

Measurement and recognition of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

4. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

撇銷政策

倘有資料顯示債務人出現重大財務困難，且並無實際收回的可能之時（包括債務人已清算或進入破產程序），或就應收賬款而言，有關金額已逾期超過兩年（以較早發生者為準），本集團會撇銷財務資產。在考慮法律意見（如適用），已撇銷財務資產仍可根據本集團之收回程序實施強制執行。任何收回款項會於損益中確認。

預期信貸虧損之計量及確認

預期信貸虧損之計量可計算出違約概率、違約損失率（即違約時之虧損大小）及違約風險敞口。違約概率及違約損失率之評估乃基於上述經前瞻性資料調整之過往數據。至於違約風險敞口，就財務資產而言，其於資產於報告日期之賬面總值中反映；就財務擔保合約而言，風險敞口包括於報告日期已提取之金額，連同任何預計將於未來違約日期（根據歷史趨勢、本集團對債務人之個別未來融資需求之理解，以及其他相關前瞻性資料釐定）前提取之額外金額。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Measurement and recognition of ECL (Cont'd)

For financial assets, the expected credit loss 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. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with HKAS 17 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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.

4. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

預期信貸虧損之計量及確認 (續)

財務資產之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。就應收租賃款項而言，用於釐定預期信貸虧損的現金流量與根據香港會計準則第17號租賃計量應收租賃款項所用之現金流量貫徹一致。

就財務擔保合約而言，由於本集團根據所擔保工具之條款僅須於債務人違約時作出付款，故有關之預期虧損撥備相當於償還持有人所產生信貸虧損之預期付款，減本集團預期自持有人、債務人或任何其他方收取之任何金額。

倘本集團已於前一個報告期間計量一項金融工具之虧損撥備為相等於存續期預期信貸虧損金額，但於當前報告日期確定其不再符合存續期預期信貸虧損之條件，則本集團於當前報告日期將計量虧損撥備為相等於12個月預期信貸虧損金額，使用簡化法的資產除外。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Measurement and recognition of ECL (Cont'd)

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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Policy prior to 1 January 2018

At the end of each reporting period, the Group assesses whether its financial assets (other than those at fair value through profit or loss) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

In addition, for trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

4. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

預期信貸虧損之計量及確認 (續)

本集團於損益確認所有金融工具的減值收益或虧損，對透過虧損撥備賬對其賬面值作出相應調整，惟按公平值計入在其他全面收益賬之債務工具投資除外，其虧損撥備於其他全面收益確認，並於投資重估儲備累計，且並無削減財務資產於財務狀況表的賬面值。

於二零一八年一月一日前之政策

於各報告期末，本集團會根據客觀證據（即（一組）財務資產之估計未來現金流量由於初步確認後發生之一項或多項事件而受到影響）評估其財務資產（按公平值計入在損益賬之財務資產除外）有否減值。

就可供出售股本工具而言，投資公平值大幅或長期下降低於其成本乃亦認為屬減值之客觀證據。

此外，就個別評估並無減值之應收賬款而言，本集團將根據本集團之過往收款經驗、投資組合內延遲還款之增加、與應收款項違約情況有關之經濟狀況出現可觀察變動，共同評估有否減值。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Policy prior to 1 January 2018 (Cont'd)

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

4. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

於二零一八年一月一日前之政策 (續)

僅應收賬款之賬面值會使用撥備賬扣減，而其後收回之前已撇銷之數額乃計入撥備賬。撥備賬之賬面值變動於損益中確認。

就所有其他財務資產而言，賬面值會直接按減值虧損作出扣減。

就按攤銷成本計量之財務資產而言，倘減值虧損之金額於其後期間減少，而該減少可以客觀地與確認減值後發生之一項事件有關，則先前已確認之減值虧損透過損益撥回（直接或透過調整應收賬項之撥備賬）。然而，撥回不得導致賬面值高於倘並無確認減值，該項財務資產於撥回減值當日之攤銷成本。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(y) Impairment of financial assets and contracts assets (Cont'd)

Policy prior to 1 January 2018 (Cont'd)

For available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss. In respect of available-for-sale equity securities, an increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in revaluation reserve; impairment losses are not reversed through profit or loss.

(z) 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.

4. 重大會計政策 (續)

(y) 財務資產及合約資產減值 (續)

於二零一八年一月一日前之政策 (續)

就可供出售債務證券而言，倘投資公平值之增加能夠客觀地與減值虧損確認後發生之事件相關聯，則其減值虧損於其後透過損益撥回。就可供出售股本證券而言，減值虧損後公平值之增加於其他全面收益中確認及於重估儲備中累計；減值虧損不會透過損益撥回。

(z) 撥備及或然負債

當本集團因過往事件須承擔現有法律或推定責任，而履行責任時有可能導致經濟利益流出，並能可靠估計責任金額之情況下，須對產生時間或金額皆不明確之負債確認撥備。倘貨幣時值重大，則撥備按預期用於履行該責任之支出現值列賬。

倘不大可能導致經濟利益流出，或責任金額無法可靠估計，則有關責任披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任，其是否存在將僅取決於日後是否會發生一宗或多宗事件，亦披露為或然負債，除非經濟利益流出之可能性極低。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

(aa) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. 重大會計政策 (續)

(aa) 報告期間後事項

提供有關本集團於報告期末狀況之額外資料或顯示持續經營假設並不適用之報告期間後事項均屬於調整事項，並於綜合財務報表內反映。倘並非調整事項之報告期間後事項屬重大，則於綜合財務報表附註中披露。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis since the directors of the Company consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations after preparing and assessing the cash flow projections of the Group which covers a period of twelve months from the end of reporting period. Details are explained in note 2 to the consolidated financial statements.

(b) *Intangible assets – Trademarks assessed to have indefinite useful lives*

The Group regarded and assessed its trademarks to have indefinite useful lives as at date of acquisition and at end of reporting period. Accounting policy of intangible assets with indefinite useful lives is set out in note 4(g) to the consolidated financial statements. Details of the trademarks and the reasons for the Group's assessment are set out in note 20 to the consolidated financial statements.

5. 重大判斷及主要估計

應用會計政策之重大判斷

於應用會計政策過程中，董事已作出以下對綜合財務報表中所確認金額具有重大影響之判斷（在下文處理涉及估計之判斷除外）。

(a) *持續經營基準*

於編製及評估本集團涵蓋自報告期末起計12個月期間之現金流量預測後，本公司董事認為本集團將具備充裕財務資源，以應付其營運資金需求及財務負債。因此，該等綜合財務報表乃按持續經營基準編製。有關詳情於綜合財務報表附註2內詳述。

(b) *無形資產 – 評估具有無限使用年期的商標*

本集團認為及評估其商標於收購日期及於報告期末具有無限使用年期。具有無限使用年期之無形資產之會計政策載於綜合財務報表附註4(g)。商標之詳情及本集團評估之理由載於綜合財務報表附註20。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Cont'd)

Critical judgements in applying accounting policies (Cont'd)

(c) **Equity pick up of entity of less than 20% equity interest**

Although the Group holds less than 20% of the voting power of Nanjing Houjian Cloud Computing Co., Ltd. and Guangzhou Kuaizi Information Technology Co., Ltd., the directors considered that the Group has significant influence over Nanjing Houjian Cloud Computing Co., Ltd. and Guangzhou Kuaizi Information Technology Co., Ltd. because the Group is entitled to appoint a director out of the five directors of Nanjing Houjian Cloud Computing Co., Ltd. and Guangzhou Kuaizi Information Technology Co., Ltd.

5. 重大判斷及主要估計 (續)

應用會計政策之重大判斷 (續)

(c) **佔實體少於20%的權益**

儘管本集團持有南京厚建雲計算有限公司及廣州筷子信息科技有限公司少於20%的投票權，董事認為，本集團對南京厚建雲計算有限公司及廣州筷子信息科技有限公司有重大影響力，因為本集團有權委任南京厚建雲計算有限公司及廣州筷子信息科技有限公司五名董事的其中一名。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Cont'd)

5. 重大判斷及主要估計 (續)

Critical judgements in applying accounting policies (Cont'd)

應用會計政策之重大判斷 (續)

(d) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI (i.e. Solely Payments of Principal and Interest) test and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(d) 業務模式評估

財務資產的分類及計量取決於純粹支付本金及利息測試及業務模式測試。本集團確定業務模式之層級，該層級應當反映如何對財務資產組別進行管理，以達到特定業務目標。該評估包括能夠反映所有相關證據的判斷，包括如何評估和計量資產績效、影響資產績效的風險、以及如何管理資產及資產管理人員如何得到補償。本集團通過監控到期前終止確認的以攤銷成本計量或按公平值計入其他全面收益的財務資產，來了解其處置的原因，以及這些原因是否與持有資產的業務目標保持一致。監控是本集團持續評估其存續部分的財務資產的業務模式是否仍然適用的一部分，以及如果不再適用，是否需要更改其業務模式且相應改變其資產的分類。呈報期間內無須作出該等變動。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Cont'd)

Critical judgements in applying accounting policies (Cont'd)

(e) Significant increase in credit risk

As explained in note 4(y), ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5. 重大判斷及主要估計 (續)

應用會計政策之重大判斷 (續)

(e) 信貸風險顯著增加

誠如附註4(y)所詳述，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階段資產按存續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。香港財務報告準則第9號並無界定構成信貸風險顯著增加的因素。於評估資產信貸風險是否顯著上升時，本集團將會考慮合理可用的定量前瞻性資料和定性前瞻性資料。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(Cont'd)*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2018 was approximately HK\$42,772,000 (2017: HK\$12,754,000).

5. 重大判斷及主要估計 (續)

估計不確定因素之主要來源

下文討論有關未來之主要假設及報告期末估計不確定因素之其他主要來源，而該等假設及來源具有重大風險，足以導致須對下一個財政年度資產及負債之賬面值作出重大調整。

(a) *物業、廠房及設備以及折舊*

本集團釐定其物業、廠房及設備之估計可使用年期、剩餘價值及相關折舊開支。該估計以性質及功能相若之物業、廠房及設備實際可使用年期及剩餘價值之過往經驗為基準。倘可使用年期及剩餘價值與先前估計不同，本集團將修訂折舊開支，或撇銷或撇減已棄置之技術過時或非策略資產。

於二零一八年十二月三十一日，物業、廠房及設備之賬面值約為42,772,000港元（二零一七年：12,754,000港元）。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(Cont'd)*

Key sources of estimation uncertainty *(Cont'd)*

(b) Intangible assets and amortisation

The Group determines the estimated useful lives and related amortisation for the Group's intangible assets. The useful lives of intangible assets (except trademarks) are assessed to be finite, 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 carrying amount of intangible assets as at 31 December 2018 was approximately HK\$2,078,406,000 (2017: HK\$2,706,000).

5. 重大判斷及主要估計 (續)

估計不確定因素之主要來源 (續)

(b) 無形資產及攤銷

本集團釐定本集團無形資產之估計可使用年期及相關攤銷。無形資產(商標除外)之可使用年期按照預期用途及因資產市場需求或服務提供之變動所導致之技術過時,評估為有限年期。具有有限可使用年期之無形資產於預期使用經濟年期內攤銷,並進行減值評估,以得知是否有任何無形資產可能出現減值之跡象。管理層最少於每個報告期間結算日檢討具有有限可使用年期之無形資產之攤銷期及攤銷法。

於二零一八年十二月三十一日,無形資產之賬面值約為2,078,406,000港元(二零一七年:2,706,000港元)。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(c) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, HK\$53,760,000 (2017: HK\$454,000) of income tax credit was recognised in profit or loss based on the estimated future assessable profits of the Group's major subsidiaries and the expected tax rates applicable when those deferred tax reversal occurs.

(d) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

The carrying amount of goodwill at the end of the reporting period was HK\$2,455,742,000 (2017: HK\$698,554,000) after an impairment loss of HK\$56,597,000 (2017: Nil) was recognised during the year. Details of the impairment loss calculation are provided in note 19 to the consolidated financial statements.

5. 重大判斷及主要估計 (續)

估計不確定因素之主要來源 (續)

(c) 所得稅

釐定所得稅撥備時須要重大估計。於日常業務過程中存在可能無法釐定最終稅率之交易及計算。當該等事項之最終稅項結果與初步記錄之金額有別時，該差額將影響於作出有關決定期間之所得稅及遞延稅項撥備。年內，按本集團主要附屬公司之估計未來應課稅溢利及於該等遞延稅項撥回時適用之預期稅率計算之所得稅抵免53,760,000港元（二零一七年：454,000港元）已於損益內確認。

(d) 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之使用價值。在計算使用價值時，本集團須估計該現金產生單位預期將產生之未來現金流量，並以適當之貼現率計算其現值。

於報告期末，商譽之賬面值為2,455,742,000港元（二零一七年：698,554,000港元）及於年內確認減值虧損為56,597,000港元（二零一七年：無）。減值虧損計算方法之詳情載於綜合財務報表附註19。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(Cont'd)*

Key sources of estimation uncertainty *(Cont'd)*

(e) Impairment of trade receivables

Prior to the adoption of HKFRS 9 on 1 January 2018, the management of the Group assesses at the end of each reporting period whether there is any objective evidence that trade receivables are impaired. The provision policy for bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of trade receivables and contract assets, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

As at 31 December 2017, the carrying amount of trade receivables is HK\$26,762,000 (net of allowance for doubtful debts of HK\$8,876,000).

5. 重大判斷及主要估計 *(續)*

估計不確定因素之主要來源 *(續)*

(e) 應收賬款減值

於二零一八年一月一日採納香港財務報告準則第9號之前，本集團管理層於各報告期末評估是否有任何客觀跡象顯示應收賬款出現減值。本集團之呆壞賬撥備政策以可收回性評估及賬目賬齡分析及管理層判斷為基礎。評估應收賬款及合約資產之最終變現情況時須作出大量判斷，包括各客戶現時信譽及過往收款記錄。倘本集團客戶之財務狀況日趨惡化，從而削弱其還款能力，則須計提額外撥備。

於二零一七年十二月三十一日，應收賬款之賬面值為26,762,000港元（扣除呆賬撥備8,876,000港元）。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(e) Impairment of trade receivables (Cont'd)

Since the adoption of HKFRS 9 on 1 January 2018, the management of the Group estimates the amount of impairment loss for ECL on trade receivables 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.

As at 31 December 2018, the carrying amount of trade receivables is HK\$15,000 (net of allowance for doubtful debts of HK\$18,114,000).

5. 重大判斷及主要估計 (續)

估計不確定因素之主要來源 (續)

(e) 應收賬款減值 (續)

自於二零一八年一月一日採納香港財務報告準則第9號起，本集團管理層根據應收賬款之信貸風險評估預期信貸虧損之減值虧損金額。基於預期信貸虧損模式之減值虧損金額乃根據合約應付本集團之所有合約現金流量與本集團預期將收取之所有現金流量之差額計量，並按初步確認時釐定之實際利率貼現。倘未來現金流量少於預期，或因事實及情況變動而需下調，則可能產生重大減值虧損。

於二零一八年十二月三十一日，應收賬款之賬面值為15,000港元（扣除呆賬撥備18,114,000港元）。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(f) Impairment loss for prepayments, deposits and other receivables

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the prepayments, deposits and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts, in particular of a loss event, requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the prepayments, deposits and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

As at 31 December 2018, accumulated impairment loss for prepayments, deposits and other receivables amounted to HK\$36,009,000 (2017: HK\$55,937,000).

5. 重大判斷及主要估計 (續)

估計不確定因素之主要來源 (續)

(f) 預付款項、按金及其他應收款項減值虧損

本集團根據預付款項、按金及其他應收款項之可收回性作出之評估，包括每名債務方之現時信貸及過往收賬記錄，就呆壞賬作出減值虧損。倘事件或情況變動顯示餘款或會無法收回，則產生減值。識別呆壞賬（特別是虧損事件）須使用判斷及估計。倘實際結果與原有估計存在差異，相關差異將影響相關估計出現變動年度之預付款項、按金及其他應收款項賬面值及呆賬開支。

於二零一八年十二月三十一日，預付款項、按金及其他應收款項累計減值虧損為36,009,000港元（二零一七年：55,937,000港元）。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(g) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

As at 31 December 2018, accumulated allowance for slow-moving inventories amounted to HK\$6,767,000 (2017: HK\$3,928,000).

(h) Impairment of investments in associates

Management determines whether investments in associates have suffered any impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, according to their recoverable amounts determined based on value in use calculations. The determination of impairment indication requires significant judgement, and the calculations of recoverable amount require the use of estimates which are subject to change of economic environment in future.

As at 31 December 2018, the carrying amount of investments in associates were HK\$4,574,000 (2017: HK\$15,099,000).

5. 重大判斷及主要估計 (續)

估計不確定因素之主要來源 (續)

(g) 滯銷存貨撥備

滯銷存貨撥備根據存貨賬齡及估計存貨可變現淨值作出。評估撥備金額涉及判斷及估計。倘日後實際結果與原來估計有所不同，則有關差額將影響上述估計出現變動期間存貨之賬面值及撥備開支／撥回。

於二零一八年十二月三十一日，就滯銷存貨計提撥備為6,767,000港元（二零一七年：3,928,000港元）。

(h) 聯營公司的投資減值

倘事件或環境變動顯示於聯營公司之投資及應收聯營公司款項賬面值可能無法收回，管理層將根據使用價值計算法釐定其可回收金額，以確定是否出現任何減值。確定減值現象需要作出重大判斷，而計算可收回金額需使用的估算會因未來經濟環境變化而受到影響。

於二零一八年十二月三十一日，於聯營公司之投資之賬面值為4,574,000港元（二零一七年：15,099,000港元）。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(i) Fair value of investments (financial assets at FVTOCI/available-for-sale financial assets)

In the absence of quoted market prices in an active market, the Group engaged an independent professional valuer to assist the Directors for assessing the fair value of the Group's investments: Haier Consumer Finance Co., Ltd., 上海嚶嚶互聯網科技有限公司 and 北京金色貝殼科技有限公司 as at 1 January 2018 and date of acquisition, as the case may be, and at end of reporting period. The valuer estimated the fair value of the Group's investments using valuation technique by considering information from a variety of sources, including the latest financial information, applicable market comparable financial ratios and discount of lack of marketability. The Directors have exercised their judgement to evaluate the appropriateness of the valuation technique and were satisfied that the method of valuation and assumptions used were reflective of the market conditions.

The carrying amount of the investments as at 31 December 2018 was HK\$145,455,000 (2017: Available-for-sales financial assets HK\$108,227,000).

5. 重大判斷及主要估計 (續)

估計不確定因素之主要來源 (續)

(i) 投資之公平值 (按公平值計入在其他全面收益賬之財務資產 / 可供出售財務資產)

由於缺乏活躍市場報價，本集團委聘獨立專業估值師協助董事評估本集團投資：海爾消費金融有限公司、上海嚶嚶互聯網科技有限公司及北京金色貝殼科技有限公司於二零一八年一月一日及收購日期（視乎情況而定）以及報告期末之公平值。估值師通過考慮各種來源之資料，包括最新財務資料、適用市場可資比較財務比率及缺乏市場流通性之折讓使用估值技術估計本集團投資之公平值。董事已行使彼等之判斷以評估估值技術之適當性，並信納所用之估值方法及假設可反映市況。

於二零一八年十二月三十一日，投資之賬面值為145,455,000港元（二零一七年：可供出售財務資產108,227,000港元）。

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6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, 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 minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2017 and 2018, the Group entities had no significant assets or liabilities denominated in currency other than respective functional currencies.

(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 deposits with banks and financial institutions, and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents, restricted bank balances and balances with central bank is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

6. 財務風險管理

本集團業務活動承受多項財務風險：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項目專注於金融市場之不可預測性及尋求降低對本集團財務表現造成之潛在不利影響。

(a) 外幣風險

由於本集團大部分業務交易、資產及負債主要以本集團實體功能貨幣計值，故本集團所承受之外幣風險不高。本集團現時並無就外幣交易、資產及負債制定外幣對沖政策。本集團將密切監察外幣風險，並將於有需要時考慮對沖重大外幣風險。

於二零一七年及二零一八年十二月三十一日，本集團實體並無以各自功能貨幣以外之貨幣計值之重大資產或負債。

(b) 信貸風險

信貸風險指交易對手方無法履行金融工具或客戶合約項下責任而引致金融損失之風險。本集團因其經營活動（主要為應收賬款）及融資活動（包括銀行及金融機構存款及其他金融工具）而面臨信貸風險。本集團因現金及現金等值物、受限制銀行結餘及存放中央銀行款項而面臨之信貸風險有限，因為為交易對手方為獲國際信貸評級機構給予高信貸評級之銀行，本集團認為其信貸風險較低。

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6. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit risk (Cont'd)

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due within 90 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

應收賬款

各業務單元在本集團既有關於客戶信貸風險管理的政策、程序及監控規限下，管理客戶信貸風險。所有要求信貸水平超出若干金額的客戶，均須進行個別信貸評估。該等評估集中於客戶過往於賬項到期時的還款記錄及目前的還款能力，並考慮客戶的特定資料以及客戶營運所處經濟環境。應收賬款於單據發出日期起90天內到期。欠款逾期超過3個月的債務人在進一步獲授任何信貸前通常被要求清償所有欠款。一般而言，本集團不會要求客戶提供抵押。

本集團按相等於存續期預期信貸虧損之金額計量應收賬款虧損撥備，有關金額乃使用撥備矩陣計算得出。由於本集團歷史信貸虧損經驗並無顯示不同細分客戶群體發生損失的情況有顯著差異，因此在根據逾期信息計算損失撥備時未進一步區分本集團不同客戶群體。

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6. FINANCIAL RISK MANAGEMENT (Cont'd)

6. 財務風險管理 (續)

(b) Credit risk (Cont'd)

(b) 信貸風險 (續)

Trade receivables (Cont'd)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables at 31 December 2018:

應收賬款 (續)

於二零一八年十二月三十一日，本集團應收賬款之信貸風險敞口及預期信貸虧損之相關資料如下：

		Expected loss rate 預期虧損率	Gross carrying amount 總賬面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Current (not past due)	即期 (未逾期)	N/A 不適用	–	–
Up to 3 months past due	逾期三個月之內	0%	15	–
Over 6 months	六個月以上	100%	18,114	(18,114)
			18,129	(18,114)

Expected loss rates are based on actual loss experience over the past 1 year. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

預期虧損率基於過去1年之實際虧損經驗計算，並根據歷史數據收集期間之經濟狀況、當前之經濟狀況與本集團所認為之應收款項預計存續期內的經濟狀況三者之間的差異進行調整。

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6. FINANCIAL RISK MANAGEMENT (Cont'd)

6. 財務風險管理 (續)

(b) Credit risk (Cont'd)

(b) 信貸風險 (續)

Trade receivables (Cont'd)

應收賬款 (續)

Prior to 1 January 2018

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment. At 31 December 2017, trade receivables of HK\$8,876,000 was determined to be impaired. The aging analysis of trade debtors that were not considered to be impaired was as follows:

於二零一八年一月一日前，於二零一八年一月一日前，減值虧損僅在有客觀減值證據時確認。於二零一七年十二月三十一日，應收賬款8,876,000港元被釐定為出現減值。未視為減值的應收賬款之賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	既未逾期亦未減值	24,573
Up to 3 months past due	逾期三個月之內	2,118
3 to 6 months past due	逾期三個月至六個月	48
Over 6 months	六個月以上	23
		<u>26,762</u>

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

既未逾期亦未減值之應收款項與眾多近期並無拖欠記錄之客戶有關。

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6. FINANCIAL RISK MANAGEMENT (Cont'd)

6. 財務風險管理 (續)

(b) Credit risk (Cont'd)

(b) 信貸風險 (續)

Trade receivables (Cont'd)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

應收賬款 (續)

本年度應收賬款之虧損撥備賬變動如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 31 December under HKAS 39	根據香港會計準則第39號		
	於十二月三十一日	8,876	3,356
Impact on initial application of HKFRS 9 (note 3)	首次應用香港財務報告準則第9號之影響 (附註3)	-	-
Adjusted balance at 1 January	於一月一日之經調整結餘	8,876	3,356
Impairment losses recognised for the year	年內確認之減值虧損	9,998	5,072
Exchange differences	匯兌差額	(760)	448
At 31 December	於十二月三十一日	18,114	8,876

The following significant change in the gross carrying amounts of trade receivables contributed to the increase in the loss allowance during 2018:

以下應收賬款總賬面值大幅變動導致二零一八年虧損撥備增加：

- increase in months past due over 6 months resulted in an increase in loss allowance for HK\$18,114,000.

- 逾期超過6個月增加導致虧損撥備增加18,114,000港元。

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6. FINANCIAL RISK MANAGEMENT (Cont'd)

6. 財務風險管理 (續)

(b) Credit risk (Cont'd)

(b) 信貸風險 (續)

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 period was therefore limited to 12-month expected losses.

Financial assets at amortised cost include loans and other receivables.

The loss allowance for financial assets at amortised cost as at 31 December 2017 reconciles to the opening loss allowance on 1 January 2018 and to the closing allowance as at 31 December 2018 as follows:

按攤銷成本計量之財務資產

本集團所有按攤銷成本計量之財務資產均被視為信貸風險較低，因此於期內確認之虧損撥備僅限於12個月預期虧損。

按攤銷成本計量之財務資產包括貸款及其他應收款項。

於二零一七年十二月三十一日按攤銷成本計量之財務資產之虧損撥備與二零一八年一月一日之期初虧損撥備及二零一八年十二月三十一日之期末撥備對賬如下：

		Loans and other receivables 貸款及其他 應收款項 HK\$'000 千港元
At 31 December 2017 under HKAS 39	根據香港會計準則第39號於 二零一七年十二月三十一日	64,813
Impact on initial application of HKFRS 9 (note 3)	首次應用香港財務報告準則 第9號之影響 (附註3)	—
Adjusted balance at 1 January 2018	於二零一八年一月一日之 經調整結餘	64,813
Impairment losses recognised for the year	年內確認之減值虧損	10,872
Reversal of allowance for the year	年內撥備撥回	(18,439)
Exchange differences	匯兌差額	(3,123)
At 31 December 2018	於二零一八年十二月三十一日	54,123

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6. FINANCIAL RISK MANAGEMENT (Cont'd)

6. 財務風險管理 (續)

(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 financial liabilities is as follows:

(c) 流動資金風險

本集團之政策為定期監控現有及預期流動資金需求，確保其維持充裕現金儲備，以滿足短期及長期流動資金需求。

本集團之財務負債根據合約未經折現現金流之到期日分析如下：

		Less than 1 year 少於一年 HK\$'000 千港元	Between 2 to 5 years 兩年至五年 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 31 December 2018	於二零一八年 十二月三十一日			
Trade payables	應付賬款	7,003	-	7,003
Accruals and other payables	預提費用及 其他應付款項	254,291	-	254,291
Amount due to a director	應付一名董事款項	51	-	51
At 31 December 2017	於二零一七年 十二月三十一日			
Trade payables	應付賬款	4,982	-	4,982
Accruals and other payables	預提費用及 其他應付款項	28,506	-	28,506
Amount due to a director	應付一名董事款項	3	-	3

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6. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Interest rate risk

The Group's exposure to interest-rate risk arises from its bank deposits. These deposits bear interests at variable rate varied with the then prevailing market condition.

At 31 December 2018, if interest rates at that date had been 100 basis points higher with all other variables held constant, consolidated loss after tax for the year would have been HK\$3,475,000 lower (2017: HK\$556,000 lower), arising mainly as a result of higher interest income on bank deposits. If interest rates had been 100 basis points lower, with all other variables held constant, consolidated loss after tax for the year would have been HK\$3,475,000 higher (2017: HK\$556,000 higher), arising mainly as a result of lower interest income on bank deposits.

6. 財務風險管理 (續)

(d) 利率風險

本集團面對之利率風險來自其銀行存款。該等存款則按當時市況變動之浮動息率計息。

於二零一八年十二月三十一日，倘當日之利率上升100個基點，而所有其他變數均保持不變，則年度綜合除稅後虧損應會減少3,475,000港元（二零一七年：減少556,000港元），主要是由於該等銀行存款之較高利息收入所致。倘利率降低100個基點，而所有其他變數均保持不變，則年度綜合除稅後虧損應會增加3,475,000港元（二零一七年：增加556,000港元），主要是由於該等銀行存款之較低利息收入所致。

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6. FINANCIAL RISK MANAGEMENT (Cont'd)

6. 財務風險管理 (續)

(e) Categories of financial instruments at 31 December 2018

(e) 於二零一八年十二月三十一日之金融工具類別

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets:		
Financial assets at fair value through profit or loss:		
Held for trading	34,792	9,658
Financial assets measured at amortised cost	2,385,179	-
Loans and receivables	-	350,316
Available-for-sale financial assets	-	108,227
Financial assets measured at FVTOCI – unlisted equity securities	145,455	-
Financial liabilities:		
Financial liabilities at amortised cost	2,262,310	153,367

(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.

(f) 公平值

本集團於綜合財務狀況表反映之財務資產及財務負債賬面值與其各自之公平值相若。

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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.

7. 公平值測量法

公平值為市場參與者於測量日期在一宗有序交易中出售資產所收取或轉讓負債所支付之價格。下文使用公平值級別披露公平值測量法，而公平值級別根據測量公平值所用估值技術之輸入數據分為三個級別：

級別1輸入數據：本集團可在測量日期取得之相同資產或負債於活躍市場之報價（未經調整）。

級別2輸入數據：除級別1報價之輸入數據外，可直接或間接觀察取得之資產或負債輸入數據。

級別3輸入數據：資產或負債之不可觀察輸入數據。

本集團之政策為於轉撥事件或導致轉撥情況變動之日，確認轉入及轉出任何三個級別之一。

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7. FAIR VALUE MEASUREMENTS (Cont'd)

7. 公平值測量法 (續)

(a) Disclosures of level in fair value hierarchy at 31 December 2018:

(a) 於二零一八年十二月三十一日公平值級別之級別披露：

	Fair value measurements using:			Total
	以公平值測量法：			合計
	Level 1	Level 2	Level 3	2018
	級別1	級別2	級別3	二零一八年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Recurring fair value measurements:				
	循環公平值測量法：			
Financial assets	財務資產			
Financial assets at FVTOCI	按公平值計入在其他全面收益賬之財務資產			
– unlisted equity securities			– 非上市股本證券	
	-	-	145,455	145,455
Financial assets at FVTPL	按公平值計入在損益賬之財務資產			
– PRC money market fund			– 中國貨幣市場基金	
	-	34,792	-	34,792
	-	34,792	145,455	180,247
	Fair value measurements using:			Total
	以公平值測量法：			合計
	Level 1	Level 2	Level 3	2017
	級別1	級別2	級別3	二零一七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Recurring fair value measurements:	循環公平值測量法：			
Financial assets at FVTOCI	按公平值計入在其他全面收益賬之財務資產			
– PRC money market fund			– 中國貨幣市場基金	
	-	9,658	-	9,658
	-	9,658	-	9,658

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7. FAIR VALUE MEASUREMENTS (Cont'd)

7. 公平值測量法 (續)

(b) Reconciliation of assets/(liabilities) measured at fair value based on Level 3:

(b) 按級別3公平值測量之資產／(負債)之對賬：

		Financial assets at FVTOCI – unlisted equity securities 按公平值計入在其他全面收益賬之財務資產 – 非上市股本證券 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	108,227
Total gains or losses recognised in other comprehensive income	於其他全面收益確認之收益或虧損總額	(31,411)
Acquisition of subsidiaries (note 48(a))	收購附屬公司(附註48(a))	9,028
Capital injection	注資	65,746
Exchange differences	匯兌差額	(6,135)
At 31 December 2018	於二零一八年十二月三十一日	145,455
		Contingent consideration payables 應付或然代價 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	(73,860)
Release upon issue of consideration shares	於發行代價股份時解除	31,944
Total gains or losses recognised in profit or loss	於損益確認之收益或虧損總額	44,558
Exchange differences	匯兌差額	(2,642)
At 31 December 2017	於二零一七年十二月三十一日	–

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7. FAIR VALUE MEASUREMENTS (Cont'd)

7. 公平值測量法 (續)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage independent external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 2 fair value measurements

Description 概述	Valuation method 估值方法	Inputs 輸入數據	Positive/(negative) change on fair value 公平值變動 正面/(負面)	
			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
PRC money market funds 中國貨幣市場基金	Redemption value 贖回價值	Redemption value provided by the fund administrator 基金管理人提供之贖回價值	N/A 不適用	N/A 不適用

During the two years, there were no changes in the valuation techniques used.

(c) 本集團於二零一八年十二月三十一日使用之估值程序及公平值測量中使用之估值技術及輸入數據之披露：

本集團財務總監負責進行財務報告所需之資產及負債之公平值測量法，包括級別3公平值測量法。財務總監直接向董事會報告此等公平值測量法。財務總監及董事會之間最少每年討論兩次估值之程序及結果。

就級別3公平值測量法而言，本集團通常會外聘具備認可專業資格且近期有估值經驗之獨立外部估值專家進行有關估值。

級別2公平值測量法

於此兩個年度內，所用估值技術並無變動。

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7. FAIR VALUE MEASUREMENTS (Cont'd)

7. 公平值測量法 (續)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018:

(c) 本集團於二零一八年十二月三十一日使用之估值程序及公平值測量中使用之估值技術及輸入數據之披露：

(Cont'd)

(續)

Level 3 fair value measurements

級別3公平值測量法

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs 輸入數據增加對公平值之影響	Fair value	
					2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted equity securities classified as financial assets at FVTOCI 分類為按公平值計入在其他全面收益賬之財務資產之非上市股本證券	Applicable market multiples 適用市場倍數	Lack of marketability discount 缺乏市場流通性之折讓	21%	Decrease 減少	145,455	N/A 不適用

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8. REVENUE

(a) Disaggregation of revenue

8. 收益

(a) 分拆收益

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(經重列)
Revenue from contracts with customers within the scope of HKFRS 15	香港財務報告準則第15號範圍內來自客戶合約之收益		
SaaS	SaaS	282,033	–
Value-added services	增值服務	23,898	–
Advertising services	廣告服務		
– Gross method	– 總額法	32,161	–
– Net method	– 淨額法	4,532	–
Distribution services	分銷服務		
– Net method	– 淨額法	26,456	–
Transaction fees	交易費	276,342	134,776
Sales of goods	銷售貨品	33,452	65,742
Others	其他	5,585	7,338
		684,459	207,856
Revenue from other sources	其他來源之收益	–	–
		684,459	207,856

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8. REVENUE (Cont'd)

8. 收益 (續)

(a) Disaggregation of revenue (Cont'd)

(a) 分拆收益 (續)

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

本集團的收益來源於以下主要產品系列及地區在一段期間內及某一時間點的貨品及服務轉撥：

For the year ended 31 December	截至十二月三十一日 止年度	General trading 一般貿易		Third party payment services 第三方支付服務		Onecomm 一鳴神州		Merchant service 商家服務		Total 總計	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	二零一七年 HK\$'000 千港元
Primary geographical markets	主要地區市場										
- PRC except Hong Kong	- 中國 (香港除外)	27,439	64,676	208,636	137,099	16	6,081	503,416	-	739,507	207,856
Segment revenue	分部收益	27,439	64,676	208,636	137,099	16	6,081	503,416	-	739,507	207,856
Intersegment revenue - PRC except Hong Kong	分部間收益 - 中國 (香港除外)	-	-	(55,048)	-	-	-	-	-	(55,048)	-
Revenue from external customers	來自外部客戶的收益	27,439	64,676	153,588	137,099	16	6,081	503,416	-	684,459	207,856
Timing of revenue recognition	收益確認時點										
Products transferred at a point in time	於某一時間點轉撥 的產品	27,393	64,676	5,365	1,443	-	1,542	58,148	-	90,906	67,661
Products and services transferred over time	在一段時間內轉撥的 產品及服務	46	-	148,223	135,656	16	4,539	445,268	-	593,553	140,195
Total	總計	27,439	64,676	153,588	137,099	16	6,081	503,416	-	684,459	207,856

The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 and HKAS 11.

本集團使用累計影響法首次應用香港財務報告準則第15號。根據該方法，比較資料不予重列且根據香港會計準則第18號及香港會計準則第11號編製。

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8. REVENUE (Cont'd)

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 and the expected timing of recognising revenue as follows:

		SaaS HK\$'000 千港元
Within 1 year	一年內	294,875
More than 1 year but not more than 2 years	一年以上兩年以內	46,378
More than 2 years	兩年以上	<u>17,297</u>
		<u>358,550</u>

8. 收益 (續)

(b) 分配至與客戶合約之餘下履約責任之交易價

於二零一八年十二月三十一日已分配至餘下履約責任(未獲履行或部份未獲履行)之交易價及收益確認之預期時點如下:

9. INVESTMENT AND OTHER INCOME

9. 投資及其他收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Interest income on bank deposits	銀行存款利息收入	8,358	1,465
Investment return on wealth management products	理財產品投資回報	8,655	-
Government grants	政府補貼	1,627	-
Others	其他	2,965	66
		<u>21,605</u>	<u>1,531</u>

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10. OTHER GAINS AND LOSSES, NET

10. 其他收益及虧損，淨額

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Amortisation of financial guarantee contract	攤銷財務擔保合約	-	24,606
Fair value gains on PRC money market fund	中國貨幣市場基金公平值 收益	602	50
Gain on derecognition of contingent consideration payables	終止確認應付或然代價之 收益	-	44,558
Gain on disposal of a subsidiary, net (note 48(c))	出售一間附屬公司之收益， 淨額（附註48(c)）	-	313
Impairment losses on investments in associates (note 22)	聯營公司的投資減值 虧損（附註22）	(13,657)	(21,286)
Impairment losses on amount due from an associate	應收一間聯營公司款項 減值虧損	-	(3,469)
Impairment losses on amount due from a non-controlling shareholder	應收一名非控股股東款項 減值虧損	-	(752)
Impairment losses on goodwill	商譽減值虧損	(56,597)	-
Net foreign exchange gains	匯兌收益淨額	2,634	831
Reversal of allowance for other receivables	其他應收款項撥備撥回	18,439	-
		(48,579)	44,851

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11. SEGMENT INFORMATION

The Group has four (2017: three) operating segments as follows:

- General trading – trading of watches and other goods
- Third-party payment services – provision of third-party payment services and related consultancy services in the People's Republic of China (the "PRC")
- Onecomm – provision of third-party payment management services and sales of integrated smart point of sales ("POS") devices
- Merchant service – provision of e-commerce platform with a variety of SaaS products and comprehensive services in the PRC through Youzan Group, which owns Youzan WeiMall, Youzan Retail, Youzan Beauty and other SaaS products

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Group's other reportable segment includes certain inactive operations. None of the segments meets any of the quantitative thresholds for determining reportable segment. The information of the other operating segments is included in the 'others' column.

11. 分部資料

本集團有以下四個(二零一七年:三個)經營分部:

- 一般貿易 – 買賣手錶及其他貨品
- 第三方支付服務 – 於中華人民共和國(「中國」)提供第三方支付服務及相關顧問服務
- 一鳴神州 – 提供第三方支付管理服務及銷售綜合智能銷售點(「POS」)裝置
- 商家服務 – 透過有贊集團(其擁有有贊微商城、有贊零售、有贊美業等SaaS產品)於中國提供各種電商平台的SaaS產品和綜合服務

本集團之可呈報分部為提供各種產品及服務之策略性業務單位。該等分類因各業務所需技術及市場推廣策略不同而獨立管理。

本集團之其他可呈報分部包括若干不活躍業務。此分部尚未達到決定作為可呈報分部之量化門檻。其他經營分部之資料載於「其他」一欄。

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11. SEGMENT INFORMATION *(Cont'd)*

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 equity-settled share-based payments and impairment of goodwill. Segment assets do not include investments in associates, indemnification assets, goodwill, financial assets at FVTOCI (2017: available-for-sale financial assets), deposits for investments and other corporate assets. Segment non-current assets do not include financial instruments, deferred tax assets and goodwill.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

11. 分部資料 (續)

經營分部之會計政策與該等於綜合財務報表附註4所述者相同。分部溢利或虧損不包括股權結算股份支付款項及商譽減值。分部資產不包括於聯營公司之投資、彌償資產、商譽、按公平值計入在其他全面收益賬之財務資產（二零一七年：可供出售財務資產）、投資按金及其他企業資產。分部非流動資產不包括金融工具、遞延稅項資產及商譽。

本集團按以當時市場價格向第三方銷售或轉讓之假設，將分部間銷售及轉撥入賬處理。

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11. SEGMENT INFORMATION (Cont'd)

Information about operating segment profit or loss, assets and liabilities:

11. 分部資料 (續)

有關經營分部溢利或虧損、資產及負債之資料如下：

		General trading	Third-party payment services 第三方 支付服務	Onecomm	Merchant service	Others	Total
		一般貿易 HK\$'000 千港元	支付服務 HK\$'000 千港元	一鳴神州 HK\$'000 千港元	商家服務 HK\$'000 千港元	其他 HK\$'000 千港元	合計 HK\$'000 千港元
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度						
Revenue from external customers	來自外部客戶之收益	27,439	153,588	16	503,416	-	684,459
Intersegment revenue	分部間收益	-	55,048	-	-	-	55,048
Segment loss	分部虧損	(34,298)	(23,054)	(789)	(457,452)	(18)	(515,611)
Interest income	利息收入	22	2,142	1	5,007	-	7,172
Depreciation and amortisation	折舊及攤銷	(1,491)	(4,472)	(105)	(164,919)	-	(170,987)
Shares of profits/(losses) of associates	應佔聯營公司之 溢利/(虧損)	-	(3,654)	-	3,609	-	(45)
Other material items of non-cash items:	其他非現金重大項目：						
- Impairment of prepayment, deposits and other receivables	- 預付款項、按金及 其他應收款項減值	(446)	(428)	-	-	-	(874)
- Reversal of allowance for other receivables	- 其他應收款撥備撥回	-	17,852	587	-	-	18,439
- Allowance for trade receivables	- 應收賬款撥備	(9,977)	(21)	-	-	-	(9,998)
- Allowance for inventories	- 存貨撥備	(3,137)	-	-	-	-	(3,137)
- Impairment of investments in associates	- 聯營公司的 投資減值	-	(13,657)	-	-	-	(13,657)
Income tax credit	所得稅抵免	-	-	-	53,760	-	53,760
Additions to segment non-current assets	添置分部非流動資產	4,073	8,708	-	21,038	-	33,819
As at 31 December 2018	於二零一八年 十二月三十一日						
Segment assets	分部資產	52,452	1,886,130	1,669	2,585,395	-	4,525,646
Investments in associates	於聯營公司之投資	-	375	-	4,199	-	4,574

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11. SEGMENT INFORMATION (Cont'd)

Information about operating segment profit or loss, assets and liabilities: (Cont'd)

11. 分部資料 (續)

有關經營分部溢利或虧損、資產及負債之資料如下：(續)

		General trading	Third-party payment services	Onecomm	Others	Total
		一般貿易	第三方支付服務	一鳴神州	其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度					
Revenue from external customers	來自外部客戶之收益	64,676	137,099	6,081	–	207,856
Segment (loss)/profit	分部(虧損)/溢利	(15,677)	(118,102)	(22,483)	164	(156,098)
Interest income	利息收入	350	530	6	–	886
Intersegment interest income/(expense)	分部間利息收入/(開支)	1,284	–	(1,284)	–	–
Depreciation and amortisation	折舊及攤銷	(600)	(4,242)	(1,718)	(2)	(6,562)
Shares of losses of associates	應佔聯營公司之虧損	–	(1,754)	–	–	(1,754)
Other material items of non-cash items:	其他非現金重大項目：					
– Impairment of prepayment, deposits and other receivables	– 預付款項、按金及其他應收款項減值	–	(20,752)	(10,678)	–	(31,430)
– Allowance for trade receivables	– 應收賬款撥備	(4,894)	(12)	(166)	–	(5,072)
– Impairment of intangible assets	– 無形資產減值	–	–	(2,869)	–	(2,869)
– Allowance for inventories	– 存貨撥備	–	–	(2,516)	–	(2,516)
– Impairment of amounts due from associates	– 應收聯營公司款項減值	–	(3,469)	–	–	(3,469)
– Impairment of investments in associates	– 聯營公司的投資減值	–	(21,286)	–	–	(21,286)
Income tax (expense)/credit	所得稅(開支)/抵免	–	(3)	457	–	454
Additions to segment non-current assets	添置分部非流動資產	19	3,587	–	–	3,606
As at 31 December 2017	於二零一七年十二月三十一日					
Segment assets	分部資產	48,022	218,110	1,958	18	268,108
Investments in associates	於聯營公司之投資	–	15,099	–	–	15,099

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11. SEGMENT INFORMATION (Cont'd)

Reconciliations of segment revenue, profit or loss and assets:

11. 分部資料 (續)

分部收益·溢利或虧損及資產之對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益		
Total revenue of reportable segments	可呈報分部之 收益總額	739,507	207,856
Elimination of intersegment revenue	分部間收益抵銷	(55,048)	-
Consolidated revenue	綜合收益	684,459	207,856
Profit or loss	溢利或虧損		
Total loss of reportable segments	可呈報分部之虧損總額	(515,611)	(156,098)
Gain on fair value change of contingent consideration payables	應付或然代價公平值 變動收益	-	44,558
Equity-settled share-based payments	股權結算股份支付款項	(283,368)	(21,843)
Unallocated amounts:	未分配金額：		
Corporate income and expenses, net	企業收入及開支·淨額	(37,628)	(26,771)
Amortisation of financial guarantee contract	財務擔保合約攤銷	-	24,606
Impairment of goodwill	商譽減值	(56,597)	-
Consolidated loss before income tax	除所得稅前綜合虧損	(893,204)	(135,548)
Assets	資產		
Total assets of reportable segments	可呈報分部之資產總額	4,525,646	268,108
Unallocated amounts:	未分配金額：		
Goodwill	商譽	2,455,742	698,554
Available-for-sale financial assets	可供出售財務資產	-	108,227
Deferred tax assets	遞延稅項資產	107,620	-
Financial assets at FVTOCI	按公平值計入在 其他全面收益賬之 財務資產	145,455	-
Earnest money paid for potential investments	就潛在投資已付 誠意金	-	73,246
Indemnification assets	彌償資產	230,191	-
Other corporate assets	其他企業資產	145,977	244,360
Consolidated total assets	綜合資產總額	7,610,631	1,392,495

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11. SEGMENT INFORMATION (Cont'd)

Geographical information:

No separate analysis of segment information by geographical information is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is the PRC.

Revenue from major customers:

An analysis of revenue from major customers which account for 10 percent or more of the Group's revenue is as follows:

11. 分部資料 (續)

地區資料:

由於本集團之收益及非流動資產主要歸屬於單一地理區域(即中國),因此並無呈列就地區資料劃分之獨立分部資料分析。

來自主要客戶之收益:

佔本集團收益10%或以上之主要客戶收益分析如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Third-party payment services segment	第三方支付服務分部		
Largest customer	最大客戶	-	32,988
Second largest customer	第二大客戶	-	15,250
General trading segment	一般貿易分部		
Largest customer	最大客戶	25,728	44,019
Second largest customer	第二大客戶	-	13,759

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12. INCOME TAX CREDIT

Income tax has been recognised in profit or loss as follows:

12. 所得稅抵免

所得稅已於損益內確認如下：

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Current tax – the PRC	即期稅項－中國		
Provision for the year	本年度撥備	16	–
Under-provision in prior years	過往年度撥備不足	–	3
		16	3
Deferred tax (note 42)	遞延稅項（附註42）	(53,776)	(457)
		(53,760)	(454)

No provision for PRC Enterprise Income Tax and Hong Kong Profits Tax is required since the Group has no assessable profit for the year ended 31 December 2017 and 2018.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

由於本集團於截至二零一七年及二零一八年十二月三十一日止年度內並無產生應課稅溢利，故並無作出中國企業所得稅及香港利得稅撥備。

其他地區應課稅溢利之稅項支出按本集團業務所在國家之現行稅率，並根據有關現有法律、詮釋及慣例計算。

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12. INCOME TAX CREDIT (Cont'd)

The reconciliation between the income tax credit and the product of loss before tax multiplied by the PRC Enterprise Income Tax 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所得結果之對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(893,204)	(135,548)
Tax at the PRC Enterprise Income Tax rate of 25% (2017: 25%)	按中國企業所得稅稅率25% (二零一七年: 25%) 計算之稅項	(223,301)	(33,887)
Tax effect of expenses that are not deductible	不可扣稅開支之稅務影響	117,966	30,169
Tax effect of income that are not taxable	毋須課稅收入之稅務影響	(5,317)	(18,052)
Tax effect of temporary differences not recognised	未確認暫時差額之稅務影響	(17)	(457)
Tax effect of unused tax losses not recognised	未動用未確認稅項虧損之稅務影響	53,702	20,203
Tax effect of utilisation of tax losses not previously recognised	動用以往未確認稅項虧損之稅務影響	(2,725)	(355)
Under-provision in prior years	過往年度撥備不足	-	3
Effect of different tax rates of subsidiaries	附屬公司不同稅率之影響	5,932	1,922
Income tax credit	所得稅抵免	(53,760)	(454)

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13. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

13. 本年度虧損

本集團之本年度虧損乃扣除／(計入)下列各項後列出：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amortisation of intangible assets (note 20)	158,619	1,935
Amortisation of capitalised contract costs (note 27)	73,760	-
Acquisition-related cost (included in administrative expenses)	4,524	-
Auditor's remuneration	2,480	1,500
Allowance for inventories (included in other operating expenses)	3,137	2,516
Allowance for trade receivables (note 25) (Reversal of allowance)/allowance for prepayments, deposit and other receivables, net (note 26)	9,998	5,072
Cost of inventories sold	(17,565)	31,430
Depreciation of property, plant and equipment (note 18)	32,736	61,177
Impairment of goodwill (note 19)	12,375	4,629
Impairment of intangible assets (note 20)	56,597	-
Impairment of investments in associates (note 22)	-	2,869
Loss on disposals of property, plant and equipment	13,657	21,286
Gain on disposal of a subsidiary, net (note 48(c))	-	36
Operating lease charges	-	-
Property, plant and equipment written off (note 18)	43,498	13,757
Research and development expenditure (included in other operating expenses)	2,040	-
	204,667	5,113

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14. EMPLOYEE BENEFITS EXPENSE

14. 僱員福利開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Employee benefits expense (including Directors' emoluments):	僱員福利開支 (包括董事酬金):		
Salaries, bonuses and allowances	工資、花紅及津貼	474,320	79,159
Equity-settled share-based payments	股權結算股份支付款項		
– Share Option Scheme	– 購股權計劃	1,614	21,843
– Share Award Scheme	– 股份獎勵計劃	281,754	–
Retirement benefit scheme contributions	退休福利計劃供款	31,718	6,396
		789,406	107,398

Five highest paid individuals

The five highest paid individuals in the Group during the year ended 31 December 2018 do not include any directors of the Company (2017: two). Emoluments are reflected in the analysis presented in note 15(a). The emoluments of the five (2017: remaining three) individuals are set out below:

五名最高薪酬人士

截至二零一八年十二月三十一日止年度本集團五名最高薪酬人士不包括本公司任何董事(二零一七年:兩名)。其酬金載於附註15(a)所列分析內。五名(二零一七年:餘下三名)人士之薪酬載列如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Basic salaries and allowances	基本工資及津貼	5,559	1,139
Equity-settled share-based payments	股權結算股份支付款項	74,742	7,879
Retirement benefit scheme contributions	退休福利計劃供款	153	86
		80,454	9,104

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14. EMPLOYEE BENEFITS EXPENSE (Cont'd)

The emoluments fell with the following band:

14. 僱員福利開支 (續)

有關薪酬所屬範圍：

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至 3,000,000港元	-	2
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至 3,500,000港元	-	-
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至 4,000,000港元	-	1
HK\$4,000,001 to HK\$11,500,000	4,000,001港元至 11,500,000港元	-	-
HK\$11,500,001 to HK\$12,000,000	11,500,001港元至 12,000,000港元	1	-
HK\$12,000,001 to HK\$14,000,000	12,000,001港元至 14,000,000港元	-	-
HK\$14,000,001 to HK\$14,500,000	14,000,001港元至 14,500,000港元	1	-
HK\$14,500,001 to HK\$16,500,000	14,500,001港元至 16,500,000港元	-	-
HK\$16,500,001 to HK\$17,000,000	16,500,001港元至 17,000,000港元	1	-
HK\$17,000,001 to HK\$17,500,000	17,000,001港元至 17,500,000港元	1	-
HK\$17,500,001 to HK\$20,500,000	17,500,001港元至 20,500,000港元	-	-
HK\$20,500,001 to HK\$21,000,000	20,500,001港元至 21,000,000港元	1	-
		5	3

During the year, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，本集團概無向任何董事或五名最高薪酬人士支付酬金，作為加入本集團或加盟時之獎勵或離職補償。

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15. BENEFITS AND INTERESTS OF DIRECTORS

15. 董事福利及利益

(a) Directors' emoluments

The remuneration of every director is set out below:

(a) 董事酬金

各董事之酬金載列如下：

Emoluments paid or receivables in respect of a person's services as a director, whether of the Company or its subsidiary undertaking
就擔任本公司或其附屬公司董事的個人服務的已付或應收酬金

		Fees	Salaries and allowances	Discretionary bonus	(Note i) Estimated money value of other benefits (附註i) 其他福利估計價值	Employer's contribution to a retirement benefit scheme 僱員對退休福利計劃作出之供款	Total
		袍金 HK\$'000 千港元	工資及津貼 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	估計價值 HK\$'000 千港元	退休福利計劃 作出之供款 HK\$'000 千港元	總計 HK\$'000 千港元
<u>Executive directors</u>	<u>執行董事</u>						
Guan Guisen	關貴森	-	2,363	262	-	83	2,708
Cao Chunmeng	曹春萌	-	2,102	365	319	83	2,869
Yan Xiaotian	簡曉田	-	1,932	147	222	32	2,333
Zhu Ning (note (iv))	朱寧 (附註(iv))	-	1,912	91	-	25	2,028
Cui Yusong (note (iv))	崔玉松 (附註(iv))	-	1,762	100	-	25	1,887
Yu Tao (note (iv))	俞韜 (附註(iv))	-	1,595	100	-	25	1,720
Ying Hangyan (note (v))	應杭艷 (附註(v))	-	1,593	95	-	25	1,713
		-	13,259	1,160	541	298	15,258
<u>Independent non-executive directors</u>	<u>獨立非執行董事</u>						
Wang Zhongmin (note (iii))	王忠民 (附註(iii))	-	-	-	27	-	27
Gu Jiawang	谷嘉旺	264	-	-	27	-	291
Fong Chi Wah	方志華	264	-	-	27	-	291
Xu Yanqing (note (iii))	徐燕青 (附註(iii))	264	-	-	-	-	264
Deng Tao (note (v))	鄧濤 (附註(v))	171	-	-	-	-	171
		963	-	-	81	-	1,044
Total for 2018	二零一八年總計	963	13,259	1,160	622	298	16,302

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15. BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

15. 董事福利及利益 (續)

(a) Directors' emoluments (Cont'd)

The remuneration of every director is set out below:

(a) 董事酬金 (續)

各董事之酬金載列如下：

		Emoluments paid or receivables in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就擔任本公司或其附屬公司董事的個人服務的已付或應收酬金					
		Fees	Salaries and allowances	Discretionary bonus	(Note i) Estimated money value of other benefits (附註i) 其他福利估計價值	Employer's contribution to a retirement benefit scheme 僱員對退休福利計劃作出之供款	Total
		袍金 HK\$'000 千港元	工資及津貼 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	估價價值 HK\$'000 千港元	退休福利計劃 作出之供款 HK\$'000 千港元	總計 HK\$'000 千港元
<u>Executive directors</u>	<u>執行董事</u>						
Guan Guisen	關貴森	-	2,074	357	-	18	2,449
Cao Chunmeng	曹春萌	-	1,830	315	4,128	18	6,291
Yan Xiaotian	簡曉田	-	1,627	280	2,867	18	4,792
		-	5,531	952	6,995	54	13,532
<u>Independent non-executive directors</u>	<u>獨立非執行董事</u>						
Wang Zhongmin (note (ii))	王忠民 (附註(ii))	120	-	-	344	-	464
Gu Jiawang	谷嘉旺	244	-	-	344	-	588
Fong Chi Wah	方志華	244	-	-	344	-	588
Xu Yanqing (note (iii))	徐燕青 (附註(iii))	102	-	-	-	-	102
		710	-	-	1,032	-	1,742
Total for 2017	二零一七年總計	710	5,531	952	8,027	54	15,274

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15. BENEFITS AND INTERESTS OF DIRECTORS *(Cont'd)*

(a) Directors' emoluments *(Cont'd)*

Note:

- (i) Estimated money values of other benefits include equity-settled share-based payments.
- (ii) Suspended his duties on 4 August 2017 and resigned on 12 March 2018.
- (iii) Appointed on 4 August 2017.
- (iv) Appointed on 4 May 2018.
- (v) Appointed on 8 May 2018.

None of the directors waived any emoluments during the year (2017: Nil).

15. 董事福利及利益 (續)

(a) 董事酬金 (續)

附註：

- (i) 其他福利估計價值包括股權結算股份支付款項。
- (ii) 於二零一七年八月四日停職並於二零一八年三月十二日辭任。
- (iii) 於二零一七年八月四日獲委任。
- (iv) 於二零一八年五月四日獲委任。
- (v) 於二零一八年五月八日獲委任。

年內概無董事放棄任何酬金 (二零一七年：無)。

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15. BENEFITS AND INTERESTS OF DIRECTORS *(Cont'd)*

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16. DIVIDENDS

No dividends have been paid or proposed during the year ended 31 December 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

17. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK\$503,325,000 (2017: approximately HK\$112,192,000) and the weighted average number of ordinary shares of approximately 11,189,740,000 (2017: approximately 6,720,598,000) in issue during the year.

(b) Diluted loss per share

As exercise of the Group's outstanding share options and warrants for the years ended 31 December 2017 and 2018 would be anti-dilutive, no diluted loss per share was presented for the years ended 31 December 2017 and 2018.

15. 董事福利及利益 (續)

(b) 董事於交易、安排或合約中之重大權益

本集團概無就其業務訂立本公司為其中訂約方及本公司董事以及董事之關聯方直接或間接擁有重大權益而於年終或年內任何時間仍然存續之重大交易、安排及合約。

16. 股息

於截至二零一八年十二月三十一日止年度，並無派付或擬派任何股息，自報告期末起亦無擬派任何股息（二零一七年：無）。

17. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司擁有人應佔年度虧損約503,325,000港元（二零一七年：約112,192,000港元）及年內已發行普通股之加權平均數約11,189,740,000股（二零一七年：約6,720,598,000股）而計算。

(b) 每股攤薄虧損

由於行使截至二零一七年及二零一八年十二月三十一日止年度之本集團之尚未行使購股權及認股權證將產生反攤薄效應，故截至二零一七年及二零一八年十二月三十一日止年度並無呈列每股攤薄虧損。

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Leasehold	Furniture	Motor vehicles	Total
		improvements	and office		
		租賃物業裝修	傢具及	汽車	合計
		HK\$'000	辦公室設備	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost	成本				
At 1 January 2017	於二零一七年一月一日	7,236	18,915	1,038	27,189
Additions	添置	1,754	1,852	-	3,606
Disposals/written off	出售/撇銷	(262)	(183)	(307)	(752)
Exchange differences	匯兌差額	604	1,464	67	2,135
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	9,332	22,048	798	32,178
Acquisition of subsidiaries (note 48(a))	收購附屬公司 (附註48(a))	4,490	7,060	1,187	12,737
Additions	添置	11,116	22,844	-	33,960
Written off	撇銷	(622)	(7,881)	(98)	(8,601)
Exchange differences	匯兌差額	(1,128)	(2,091)	(144)	(3,363)
At 31 December 2018	於二零一八年十二月三十一日	23,188	41,980	1,743	66,911
Accumulated depreciation	累積折舊				
At 1 January 2017	於二零一七年一月一日	4,110	9,572	625	14,307
Charge for the year	本年度開支	1,359	3,116	154	4,629
Disposals/written off	出售/撇銷	(262)	(166)	(288)	(716)
Exchange differences	匯兌差額	353	809	42	1,204
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	5,560	13,331	533	19,424
Charge for the year	本年度開支	5,224	6,812	339	12,375
Written off	撇銷	(272)	(6,207)	(82)	(6,561)
Exchange differences	匯兌差額	(413)	(653)	(33)	(1,099)
At 31 December 2018	於二零一八年十二月三十一日	10,099	13,283	757	24,139
Carrying amount	賬面值				
At 31 December 2018	於二零一八年十二月三十一日	13,089	28,697	986	42,772
At 31 December 2017	於二零一七年十二月三十一日	3,772	8,717	265	12,754

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19. GOODWILL

19. 商譽

		General trading ("CGU 1")	Third party payment services ("CGU 2")	Onecomm ("CGU 3")	Merchant service ("CGU 4")	Total
		一般貿易 (「現金產生單位1」)	第三方支付服務 (「現金產生單位2」)	一鳴神州 (「現金產生單位3」)	商家服務 (「現金產生單位4」)	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Cost	成本					
At 1 January 2017	於二零一七年一月一日	191,452	854,961	11,771	-	1,058,184
Exchange differences	匯兌差額	14,474	60,359	890	-	75,723
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	205,926	915,320	12,661	-	1,133,907
Acquisition of subsidiaries (note 48(a))	收購附屬公司(附註48(a))	-	-	-	2,027,097	2,027,097
Exchange differences	匯兌差額	(10,650)	(44,411)	(655)	(180,112)	(235,828)
At 31 December 2018	於二零一八年十二月三十一日	195,276	870,909	12,006	1,846,985	2,925,176
Accumulated impairment losses	累積減值虧損					
At 1 January 2017	於二零一七年一月一日	191,452	201,529	11,771	-	404,752
Exchange differences	匯兌差額	14,474	15,237	890	-	30,601
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	205,926	216,766	12,661	-	435,353
Impairment loss recognised in the current year	本年度確認之減值虧損	-	56,597	-	-	56,597
Exchange differences	匯兌差額	(10,650)	(11,211)	(655)	-	(22,516)
At 31 December 2018	於二零一八年十二月三十一日	195,276	262,152	12,006	-	469,434
Carrying amount	賬面值					
At 31 December 2018	於二零一八年十二月三十一日	-	608,757	-	1,846,985	2,455,742
At 31 December 2017	於二零一七年十二月三十一日	-	698,554	-	-	698,554

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination.

於業務合併時獲得之商譽乃於收購時分配至預期將從該業務合併中受惠之現金產生單位。

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19. GOODWILL (Cont'd)

The recoverable amounts of the CGUs have been determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method include those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are determined on industry growth rate in foreseeable period advised by industry specialist, the Group's development plan and on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

At the interim reporting date, management assessed whether there was any indication that the carrying amounts of CGU 2 and CGU 4 may be impaired. Revenues from certain customer group of CGU 2 in second quarter of year 2018 had not met previous forecasts principally due to the impact of a policy change by the People's Bank of China prohibiting direct settlement with banks. Management revised the revenue forecast downward and determined the CGU 2 value in use to be approximately HK\$684,167,000, and the pre-tax discount rate used to calculate the value in use was 21.6%. As a result, an impairment loss of approximately HK\$56,597,000 was recognised for CGU 2 in accordance with HKAS 36 "Impairment of Assets". The impairment loss was fully charged against the goodwill attributable to CGU 2. However, the performance of CGU 2 in the second half of the financial year started to recover and the value in use of CGU 2 estimated at end of reporting period exceeded the carrying amount of CGU 2. No impairment amount of the goodwill provided for CGU 2 in the interim reporting period was reversed by end of the reporting period as such reversal is not permitted by HK(IFRIC) Interpretation 10.

19. 商譽 (續)

現金產生單位之可收回金額乃經使用貼現現金流量法計算使用價值後釐定。貼現現金流量法所採用之主要假設包括期內有關之貼現率、增長率、預算毛利率及收益。本集團利用可反映目前市場對貨幣時值之評估及現金產生單位之特定風險之除稅前比率估計貼現率。增長率則根據行業專家建議的可預見期間的行業增長率，本集團之發展計劃及按現金產生單位經營業務所在地區之長期平均經濟增長率釐定。預算毛利率及收益乃按過往慣例及預期市場發展為基準。

於中期報告日期，管理層評估是否有任何跡象顯示現金產生單位2及現金產生單位4之賬面值可能減值。二零一八年第二季度來自現金產生單位2之若干客戶群之收益未能達到先期預測，主要原因為中國人民銀行一項禁止與銀行直接結算之政策變化之影響。管理層向下修訂收益預測並釐定現金產生單位2之使用價值為約684,167,000港元，而計算使用價值之稅前貼現率為21.6%。因此，已根據香港會計準則第36號「資產減值」就現金產生單位2確認減值虧損約56,597,000港元。該減值虧損已悉數抵銷現金產生單位2應佔之商譽。然而，現金產生單位2於財政年度下半年開始回升及現金產生單位2於報告期末之估計使用價值超過現金產生單位之賬面值。於中期報告期間就現金產生單位2計提之商譽減值金額並無撥回，原因為香港（國際財務報告詮釋委員會）詮釋第10號並不允許有關撥回。

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19. GOODWILL (Cont'd)

At the end of reporting period, Directors have estimated the recoverable amounts of CGU 2 and CGU 4 as follows:

For CGU 2, the Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years (2017: four years) with the residual period using the terminal growth rate of 3% (2017: 3%). This terminal growth rate does not exceed the average long-term growth rate for the relevant markets.

For CGU 4, 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 terminal growth rate of 3% (2017: Nil). This terminal growth rate does not exceed the average long term growth rate of the relevant markets.

At 31 December 2018, the pre-tax rates used to discount the forecast cash flows in each CGU of the Group are as follows:

19. 商譽 (續)

於報告期末，董事估計現金產生單位2及現金產生單位4之可收回金額如下：

就現金產生單位2而言，本集團編製之現金流量預測，乃源自獲董事批准未來五年（二零一七年：四年）及剩餘期間之終端增長率3%（二零一七年：3%）之最近期財政預算。該終端增長率不超過有關市場之平均長期增長率。

就現金產生單位4而言，本集團編製之現金流量預測，乃源自獲董事批准未來五年及剩餘期間之終端增長率3%（二零一七年：無）之最近期財政預算。該終端增長率不超過有關市場之平均長期增長率。

於二零一八年十二月三十一日，用以貼現預測本集團各現金產生單位現金流量之除稅前比率如下：

		2018 二零一八年	2017 二零一七年
CGU 2	現金產生單位2	20.50%	21.60%
CGU 4	現金產生單位4	21.70%	N/A不適用

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20. INTANGIBLE ASSETS

20. 無形資產

		Technology know-how 科技知識 HK\$'000 千港元	Computer software (internally generated) 電腦軟件 (內部生產) HK\$'000 千港元	Trademarks 商標 HK\$'000 千港元	E-commerce applications 電子商務應用 HK\$'000 千港元	Distribution network 分銷網絡 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本						
At 1 January 2017	於二零一七年一月一日	6,925	5,012	-	-	-	11,937
Exchange differences	匯兌差額	523	379	-	-	-	902
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	7,448	5,391	-	-	-	12,839
Acquisition of subsidiaries (note 48(a))	收購附屬公司 (附註48(a))	-	44	1,176,339	1,040,926	231,279	2,448,588
Exchange differences	匯兌差額	(386)	(284)	(104,545)	(92,489)	(20,550)	(218,254)
At 31 December 2018	於二零一八年十二月三十一日	7,062	5,151	1,071,794	948,437	210,729	2,243,173
Accumulated amortisation and impairment loss	累積攤銷及減值虧損						
At 1 January 2017	於二零一七年一月一日	2,770	2,013	-	-	-	4,783
Charge for the year	本年度開支	1,435	500	-	-	-	1,935
Impairment loss	減值虧損	2,869	-	-	-	-	2,869
Exchange differences	匯兌差額	374	172	-	-	-	546
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	7,448	2,685	-	-	-	10,133
Charge for the year	本年度開支	-	549	-	101,892	56,178	158,619
Impairment loss	減值虧損	-	-	-	-	-	-
Exchange differences	匯兌差額	(386)	(155)	-	(2,220)	(1,224)	(3,985)
At 31 December 2018	於二零一八年十二月三十一日	7,062	3,079	-	99,672	54,954	164,767
Carrying amount	賬面值						
At 31 December 2018	於二零一八年十二月三十一日	-	2,072	1,071,794	848,765	155,775	2,078,406
At 31 December 2017	於二零一七年十二月三十一日	-	2,706	-	-	-	2,706

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20. INTANGIBLE ASSETS (Cont'd)

The average remaining amortisation period of computer software, E-commerce applications and distribution network are 4 years (2017: 5 years), 6 years (2017: Nil) and 2 years (2017: Nil) respectively. The trademarks are used in the merchant service to enhance products' perceived value and corporate image. The trademarks have legal life of ten years but is renewable every ten years at little cost and is well established. The Group intends to renew the trademark continuously and evidence supports its ability to do so. The trademarks are regarded and assessed to have indefinite useful lives as there is no foreseeable limit to the period over which these assets are expected to generate cash flows for the Group.

For the year ended 31 December 2017, technical know-how used in the segment of Onecomm was fully impaired as Onecomm was adjusting its business focus and it was expected that no revenue would be generated in foreseeable future.

20. 無形資產 (續)

電腦軟件、電子商務應用及分銷網絡之平均剩餘攤銷期分別為4年(二零一七年:5年)、6年(二零一七年:無)及2年(二零一七年:無)。該等商標用於商家服務,以提高產品的感知價值及企業形象。該等商標的法定年期為十年,可每十年按低成本續期,且已建立良好的聲譽。本集團擬持續為商標續期,且有證據顯示其有能力續期。由於該等資產預期可為本集團帶來現金流量之期限並無可預見期限,故該等商標被視為及評估為擁有無限使用年期。

截至二零一七年十二月三十一日止年度,一鳴神州分部所用之科技知識已悉數減值,原因是一鳴神州已調整其業務中心,及預期於可預見未來不會產生任何收益。

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21. INVESTMENTS IN SUBSIDIARIES

Particulars of major subsidiaries as at 31 December 2018 are as follows:

21. 於附屬公司之投資

主要附屬公司於二零一八年十二月三十一日之詳情如下：

Name 名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Issued and paid up capital 已發行及實繳股本	Percentage of ownership interest 擁有權益百分比		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Country Praise Enterprises Limited ("Country Praise")	British Virgin Islands ("BVI")	769,231 ordinary shares of no par value	100%	-	Investment holdings
Country Praise Enterprises Limited ("Country Praise")	英屬處女群島 ("英屬處女群島")	769,231股無面值之普通股			投資控股
Qima Holdings Ltd. ("Qima Holdings")	Cayman Islands	1,405,670,346 ordinary shares of US\$0.0001 par value	51.48%	-	Investment holdings
Qima Holdings Ltd. ("Qima Holdings")	開曼群島	1,405,670,346股每股面值 0.0001美元之普通股			投資控股
Splendid Win Enterprise Limited 錦勝企業有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100%	Investment holdings 投資控股
Bright Voyage Limited Bright Voyage Limited	BVI 英屬處女群島	US\$50,000 50,000美元	-	100%	Investment holdings 投資控股
Moderntimes Payment Limited ("Moderntimes")	BVI 英屬處女群島	US\$102,041 102,041美元	-	51%	Investment holdings 投資控股
Moderntimes Payment Limited ("Moderntimes")					
Qima Investment Limited ("Qima Investment")	Hong Kong 香港	HK\$0.01 0.01港元	-	51.48%	Investment holdings 投資控股
Qima Investment Limited ("Qima Investment")					
商銀融通(北京)投資諮詢有限公司 Beijing Shangyin Investment Consultancy Co., Ltd.*	The PRC 中國	RMB123,330,000 人民幣123,330,000元	-	100%	Trading of goods 買賣貨品

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21. INVESTMENTS IN SUBSIDIARIES (Cont'd)

21. 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Issued and paid up capital 已發行及實繳股本	Percentage of ownership interest 擁有權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
北京天同賽伯信息科技有限公司 Beijing Tiantongsabo Information Technology Co., Ltd.*	The PRC 中國	RMB101,000,000 人民幣101,000,000元	–	100%	Provision of third-party payment services, information system maintenance and development services 提供第三方支付服務及信息 系統維護及開發服務
北京高滙通商業管理有限公司 Beijing Gaohuitong Commercial Management Co., Ltd.*	The PRC 中國	RMB150,000,000 人民幣150,000,000元	–	100%	Provision of third-party payment services 提供第三方支付服務
北京志翔創付商貿有限公司(附註) Beijing Zhixiang Chuangfu Commercial Co., Ltd.* (Note)	The PRC 中國	RMB10,000,000 人民幣10,000,000元	–	100%	Trading of goods 買賣貨品
深圳前海中創匯通互聯網金融服務 有限公司 Shenzhen Innovationpay Co., Ltd.*	The PRC 中國	HK\$18,000,000 18,000,000港元	–	100%	Investment holding 投資控股
北京一鳴神州科技有限公司(附註) Beijing Onecomm Technology Co., Ltd.* (Note)	The PRC 中國	RMB23,000,000 人民幣23,000,000元	–	51%	Provision of third-party payment management services and sales of POS devices 提供第三方支付管理服務及 銷售POS裝置
杭州塞伯科技有限公司(附註) Hangzhou Saibo Information Technology Co., Ltd.* (Note)	The PRC 中國	RMB6,350,000 人民幣6,350,000元	–	100%	Inactive 暫無營業
杭州高滙商貿有限公司(附註) Hangzhou Gaohuitong Commercial Co. Ltd.* (Note)	The PRC 中國	RMB7,300,000 人民幣7,300,000元	–	100%	Inactive 暫無營業

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21. INVESTMENTS IN SUBSIDIARIES (Cont'd)

21. 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Issued and paid up capital 已發行及實繳股本	Percentage of ownership interest 擁有權益百分比		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
杭州有贊科技有限公司 (「杭州有贊」) Hangzhou Youzan Technology Co., Ltd.* ("Hangzhou Youzan")	The PRC 中國	USD100,000,000 100,000,000美元	-	51.48%	Internet information services, wholesale and retail 互聯網信息服務、批發及零售
深圳有贊信息技術有限公司 Shenzhen Youzan Information Technology Co., Ltd.*	The PRC 中國	RMB5,000,000 人民幣5,000,000元	-	51.48%	Internet information service, wholesale and retail 互聯網信息服務、批發及零售
杭州有贊餐飲管理有限公司 Hangzhou Youzan Dining Co., Ltd.*	The PRC 中國	RMB100,000 人民幣100,000元	-	51.48%	Restaurant management and retail 餐廳管理及零售

* The English translation name is for identification purpose only. The official name of the entity is in Chinese.

* 英文譯名僅供參考。該實體的官方名稱為中文。

Note: The registered shares of these subsidiaries were restricted to transfer freely by a PRC District People's Procuratorate to facilitate legal investigation not related to the Group.

附註：為實施與本集團並無關連之法律調查，該等附屬公司之註冊股份被一間中國地區人民檢察院限制自由轉讓。

The above list contains the particulars of major subsidiaries which principally affected the results, assets or liabilities of the Group.

上表載列主要影響本集團業績、資產或負債之主要附屬公司詳情。

As at 31 December 2018, the bank and cash balances of the Group's subsidiaries in the PRC denominated in RMB was amounted to HK\$385,507,000 (2017: HK\$57,374,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

於二零一八年十二月三十一日，本集團中國附屬公司以人民幣計值之銀行及現金結餘達385,507,000港元（二零一七年：57,374,000港元）。人民幣兌換為外幣須遵循《中國外匯管理條例》及《結匯、售匯及付匯管理規定》。

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21. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The following table shows information on the subsidiaries that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations for the period from date of acquisition completion (i.e. 18 April 2018) to 31 December 2018.

21. 於附屬公司之投資 (續)

下表呈列擁有對本集團而言屬重大之非控股權益(「非控股權益」)之附屬公司之資料。有關財務資料概要指於收購完成日期(即二零一八年四月十八日)至二零一八年十二月三十一日期間進行公司間對銷前之金額。

		Youzan Group
		有贊集團
		2018
Name	名稱	二零一八年
Principal place of business/country of incorporation	主要營業地點／註冊成立國家	PRC中國
% of ownership interests/voting rights held by NCI at end of reporting period	於報告期末非控股權益所持擁有權／投票權百分比	48.52%

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21. INVESTMENTS IN SUBSIDIARIES (Cont'd)

21. 於附屬公司之投資 (續)

		HK\$'000 千港元
At 31 December 2018:	於二零一八年十二月三十一日：	
Non-current assets (excluding goodwill)	非流動資產 (不包括商譽)	2,266,005
Current assets	流動資產	449,389
Non-current liabilities	非流動負債	(390,676)
Current liabilities	流動負債	(706,135)
Net assets	資產淨值	<u>1,618,583</u>
Accumulated NCI	累計非控股權益	648,254
Period ended 31 December 2018:	截至二零一八年十二月三十一日止期間：	
Revenue	收益	503,416
Loss	虧損	(685,445)
Total comprehensive income	全面收入總額	(1,028,072)
Loss allocated to NCI	分配至非控股權益之虧損	(333,172)
Dividends paid to NCI	派付予非控股權益之股息	-
Net cash used in operating activities	經營活動所用現金淨額	(1,235,120)
Net cash used in investing activities	投資活動所用現金淨額	(25,453)
Net cash generated from financing activities	融資活動所得現金淨額	238,422
Effect of foreign exchange rate changes	匯率變動影響	<u>28,793</u>
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額	<u>(993,358)</u>

As at 31 December 2018, the bank and cash balances of Youzan Group in the PRC denominated in RMB was amounted to HK\$296,059,000. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

於二零一八年十二月三十一日，有贊集團於中國以人民幣計值之銀行及現金結餘達296,059,000港元。人民幣兌換為外幣須遵循《中國外匯管理條例》及《結匯、售匯及付匯管理規定》。

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22. INVESTMENTS IN ASSOCIATES

22. 於聯營公司之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted investments in the PRC:	於中國之非上市投資：		
Share of net assets	應佔資產淨值	4,823	1,393
Goodwill	商譽	33,957	35,810
		38,780	37,203
Impairment losses, cumulative	累計減值虧損	(34,206)	(22,104)
		4,574	15,099

Reconciliation of impairment of investments:

投資減值之對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	22,104	-
Impairment for the year (note 10)	年內減值(附註10)	13,657	21,286
Exchange differences	匯兌差額	(1,555)	818
At 31 December	於十二月三十一日	34,206	22,104

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22. INVESTMENTS IN ASSOCIATES (Cont'd)

Details of the Group's associates at 31 December 2018 were as follows:

22. 於聯營公司之投資 (續)

本集團聯營公司於二零一八年十二月三十一日之詳情如下：

Name	Place of incorporation/ registration and operation	Registered capital	Percentage of equity interest attributable to the Group 本集團應佔股權 百分比	Principal activities
名稱	註冊成立／註冊及營業地點	註冊資本		主要業務
上海裕暢金融信息服務有限公司 Shanghai Yu Chang Financial Information Services Co., Ltd.*	The PRC 中國	RMB5,000,000 人民幣5,000,000元	37%	Micro business lending 微型企業貸款
上海雪營信息科技有限公司 Shanghai Xueying Information & Technology Co., Ltd.*	The PRC 中國	RMB1,000,000 人民幣1,000,000元	20%	Information technology development and consultancy services 信息技術開發及 諮詢服務
北京沃雷特科技有限公司 (「北京沃雷特」)(附註(a)) Beijing Wallet Science and Technology Co., Ltd. ("BJ Wallet")* (note (a))	The PRC 中國	RMB10,000,000 人民幣10,000,000元	20%	Provision of consultancy services for internet operation 提供互聯網運營 諮詢服務
廣州筷子信息科技有限公司 (「廣州筷子」)(附註(b)) Guangzhou Kuaizi Information Technology Co., Ltd. ("GZ Kuaizi")* (note (b))	The PRC 中國	RMB3,207,470 人民幣3,207,470元	5%	Information technology development 信息技術開發
南京厚建雲計算有限公司 (「南京厚建」)(附註(c)) Nanjing Houjian Cloud Computing Co., Ltd. ("NJ Houjian")* (note (c))	The PRC 中國	RMB1,164,023 人民幣1,164,023元	5%	Information technology development and consultancy services 信息技術開發及 諮詢服務
河南有間電子商務有限公司 Henan Yougian E-Commerce Co., Limited*	The PRC 中國	RMB12,515,000 人民幣12,515,000元	36.25%	Online trading 線上交易

* The English translation name is for identification purpose only. The official name of the entity is in Chinese.

* 英文譯名僅供參考。該實體的官方名稱為中文。

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22. INVESTMENTS IN ASSOCIATES (Cont'd)

Notes:

- (a) The carrying amount of BJ Wallet was fully impaired in 2018 because the directors of the Company expected that no profit would be generated in foreseeable future.
- (b) As at 31 December 2018, accumulated impairment loss of HK\$17,991,000 (2017:HK\$10,567,000) was made on the investment in GZ Kuaizi because the directors of the Company expected that no profit would be generated in the foreseeable future.
- (c) The carrying amount of NJ Houjian was fully impaired in 2017 because the directors of the Company expected that no profit would be generated in foreseeable future.

Although the Group holds less than 20% of the voting power of GZ Kuaizi and NJ Houjian, the Group exercises significant influence over these entities because the Group is entitled to appoint a director out of the five directors of these entities.

22. 於聯營公司之投資 (續)

附註：

- (a) 於二零一八年，北京沃雷特之賬面值已悉數減值，原因為本公司董事預期於可見將來並不會產生利潤。
- (b) 於二零一八年十二月三十一日，累計減值虧損17,991,000港元（二零一七年：10,567,000港元）乃就於廣州筷子之投資作出，原因為本公司董事預期於可見將來並不會產生利潤。
- (c) 南京厚建之賬面值已於二零一七年悉數減值，原因為本公司董事預期於可見將來並不會產生利潤。

儘管本集團擁有廣州筷子及南京厚建不足20%之投票權，惟本集團對該等聯營公司具有重大影響力，原因為本集團有權委任該等聯營公司五名董事中的其中一名董事。

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22. INVESTMENTS IN ASSOCIATES (Cont'd)

The following table shows, in aggregate, the Group's share of the amounts of all individual immaterial associates that are accounted for using the equity method.

22. 於聯營公司之投資 (續)

下表合計顯示本集團應佔以權益法入賬之所有個別不重大聯營公司之金額。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 31 December:	於十二月三十一日:		
Carrying amounts of interests	權益之賬面值	4,574	15,099
Year ended 31 December:	截至十二月三十一日 止年度:		
Loss from continuing operations, net	持續經營業務虧損, 淨額	(45)	(1,754)
Other comprehensive income	其他全面收入	-	-
Total comprehensive income	全面收入總額	(45)	(1,754)

The Group has not recognised loss for the year amounting to approximately HK\$534,000 (2017: HK\$23,000) for NJ Houjian and other associates. The accumulated losses not recognised were approximately HK\$718,000 (2017: HK\$183,000) for NJ Houjian and others.

本集團尚未確認南京厚建及其他聯營公司之年內虧損約534,000港元(二零一七年: 23,000港元)。南京厚建及其他之未確認累積虧損約718,000港元(二零一七年: 183,000港元)。

As at 31 December 2018, the bank and cash balances of the Group's associates in the PRC denominated in RMB amounted to approximately HK\$16,548,000 (2017: approximately HK\$16,585,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

於二零一八年十二月三十一日, 本集團中國聯營公司以人民幣計值之銀行及現金結餘達約16,548,000港元(二零一七年: 約16,585,000港元)。人民幣兌換為外幣須遵循《中國外匯管理條例》及《結匯、售匯及付匯管理規定》。

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23. FINANCIAL ASSETS AT FVTOCI (2017: AVAILABLE-FOR-SALE FINANCIAL ASSETS)

23. 按公平值計入在其他全面收益賬之財務資產(二零一七年:可供出售財務資產)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted equity securities	非上市股本證券	145,455	108,227

As at 1 January and 31 December 2018, the fair value of these unlisted equity securities were valued by applicable market multiples approach. Whilst at 31 December 2017, they were carried at cost less accumulated impairment as there was no active market for which market price can be reliably measured.

於二零一八年一月一日及十二月三十一日，該等非上市股本證券之公平值乃按適用之市場倍數法進行估值。於二零一七年十二月三十一日，則按成本減累計減值列賬，原因為該等證券並無市場價格能可靠計量之活躍市場。

The carrying amounts of the Group's financial assets at FVTOCI (2017: available-for-sale financial assets) are denominated in RMB as at 31 December 2017 and 2018.

於二零一七年及二零一八年十二月三十一日，本集團按公平值計入在其他全面收益賬之財務資產(二零一七年:可供出售財務資產)之賬面值以人民幣計值。

As at 31 December 2018, unlisted equity securities with carrying amount of HK\$126,390,000 (2017: HK\$108,227,000) were pledged as security for borrowings of the underlying investee company. The pledge was subsequently released on 29 January 2019.

於二零一八年十二月三十一日，賬面值126,390,000港元(二零一七年:108,227,000港元)之非上市股本證券已就授予相關被投資公司借貸作抵押。抵押其後於二零一九年一月二十九日解除。

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24. INVENTORIES

24. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Finished goods	製成品	<u>2,206</u>	<u>2,710</u>

As at 31 December 2018, an allowance was made for estimated irrecoverable inventories for approximately HK\$6,767,000 (2017: HK\$3,928,000).

於二零一八年十二月三十一日，就估計不可收回之存貨作出撥備約6,767,000港元（二零一七年：3,928,000港元）。

25. TRADE RECEIVABLES

25. 應收賬款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	應收賬款	18,129	35,638
Allowance for doubtful debts	呆賬撥備	<u>(18,114)</u>	<u>(8,876)</u>
		<u>15</u>	<u>26,762</u>

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 25 to 90 days (2017: 25 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.

本集團與客戶之貿易條款主要為信貸。信貸期一般介乎25至90日（二零一七年：25至90日）。對於新客戶而言，一般須預付款項。本集團對未收回之應收款維持嚴格控制。董事定期審視逾期結餘。

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25. TRADE RECEIVABLES (Cont'd)

The aging analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

0 to 90 days	0至90日
91 to 180 days	91日至180日
181 to 365 days	181至365日

As at 31 December 2018, an allowance was made for estimated irrecoverable trade receivables for approximately HK\$18,114,000 (2017: approximately HK\$8,876,000).

Reconciliation of allowance for trade receivables:

At 1 January	於一月一日
Allowance for the year	年內撥備
Reversal of allowance for the year	年內撥備撥回
Exchange differences	匯兌差額
At 31 December	於十二月三十一日

25. 應收賬款 (續)

應收賬款(按發票日期計算,並已扣除撥備)之賬齡分析如下:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	15	25,073
	-	1,666
	-	23
	15	26,762

於二零一八年十二月三十一日,就估計不可收回之應收賬款作出撥備約18,114,000 港元(二零一七年:約8,876,000港元)。

應收賬款撥備之對賬:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	8,876	3,356
	9,998	5,072
	-	-
	(760)	448
	18,114	8,876

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26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

26. 預付款項、按金及其他應收款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Prepayments (Note (a))	預付款項 (附註(a))	250,275	115,301
Deposits	按金	24,590	13,653
Other receivables (Note (a))	其他應收款 (附註(a))	202,945	7,821
		477,810	136,775
Long term deposits classified as non-current assets	分類為非流動資產之長期按金	(13,034)	(2,823)
		464,776	133,952

Note:

(a) As at 31 December 2018, prepayments and other receivables of HK\$412,797,000 (2017: HK\$109,989,000) were exclusively designated for the purpose of fulfilling the Group's settlement obligations as set out in note 41.

As at 31 December 2018, an allowance was made for estimated irrecoverable prepayment, deposits and other receivables of approximately HK\$36,009,000 (2017: HK\$55,937,000).

Reconciliation of allowance for prepayments, deposits and other receivables:

附註:

(a) 於二零一八年十二月三十一日，預付款項及其他應收款項 412,797,000 港元 (二零一七年：109,989,000 港元) 專門用於履行附註 41 所載的結算責任。

於二零一八年十二月三十一日，就估計不可收回之預付款項、按金及其他應收款項作出撥備約 36,009,000 港元 (二零一七年：55,937,000 港元)。

預付款項、按金及其他應收款項撥備之對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	55,937	21,661
Allowance for the year	年內撥備	874	31,430
Reversal of allowance for the year	年內撥備撥回	(18,439)	-
Exchange differences	匯兌差額	(2,363)	2,846
At 31 December	於十二月三十一日	36,009	55,937

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27. CAPITALISED CONTRACT COSTS

27. 資本化合約成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Incremental costs of obtaining contracts capitalised – SaaS at 31 December	於十二月三十一日 獲得SaaS合約之 附加成本資本化	103,610	–
Amortisation recognised as selling and distribution expenses related to SaaS during the reporting period	於報告期間確認攤銷為 與SaaS相關之銷售及 分銷開支	73,760	–

28. INDEMNIFICATION ASSETS AND WITHHOLDING TAX PAYABLES

28. 彌償資產及應付預扣稅

Estimated withholding tax payables based on 10% of estimated capital gain (“Estimated Capital Gain”) on indirect equity transfer of Hangzhou Youzan was recognised upon acquisition of Youzan Group (note 48(a)). Estimated Capital Gain is the difference of market value of Consideration Shares issued at 18 April 2018 and 51% Youzan Group equity contributed by the sellers.

按杭州有贊間接股權轉讓之10%估計資本收益(「估計資本收益」)計算之估計應付預扣稅於收購有贊集團(附註48(a))時確認。估計資本收益乃於二零一八年四月十八日之發行代價股份之市值與賣方貢獻之51%有贊集團股權之差額。

Indemnification assets equals to the carrying amount of the estimated withholding tax payables were recognised at the same time because the sellers agreed to indemnify the Company for losses and penalties should the Company being requested by PRC tax authority to pay the withholding tax and penalties, if any.

彌償資產等於估計應付預扣稅之賬面值，乃同時確認，原因為若中國稅務機關要求本公司支付預扣稅及罰款(如有)，賣方同意彌償本公司之損失及罰款。

Details of the withholding tax associated with acquisition of Youzan Group and the indemnity provided by sellers are set out in note 49 to the consolidated financial statements.

與收購有贊集團相關之預扣稅及賣方提供之彌償之詳情載於綜合財務報表附註49。

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29. EARNEST MONEY PAID FOR POTENTIAL INVESTMENTS

During the period from July 2016 to October 2017, the Group has cumulatively paid RMB61 million (equivalent to HK\$74,563,000) earnest money to Youzan Group in connection with the then contemplated acquisition of Youzan Group. The acquisition of Youzan Group was completed on 18 April 2018 and the earnest money was then fully refunded to the Group afterwards. The amount was denominated in RMB.

30. AMOUNT DUE FROM A NON-CONTROLLING SHAREHOLDER OF SUBSIDIARIES

Amount due from a non-controlling shareholder of subsidiaries is as follows:

Name	姓名	Balance at	Balance at	Maximum
		31 December	1 January 2018	amount
		2018	於二零一八年	outstanding
		於二零一八年	於二零一八年	during the year
		十二月三十一日	一月一日	年內最高
		之結餘	之結餘	未償還金額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Mr. JOONG Chi-Wei	仲躋偉先生	290	290	290

The amounts were unsecured, interest free and repayable on demand.

As at 31 December 2018, an allowance was made for estimated irrecoverable amount due from a non-controlling shareholder of subsidiaries of approximately HK\$752,000 (2017: HK\$752,000).

29. 就潛在投資已付誠意金

於二零一六年七月至二零一七年十月期間，本集團已就擬收購有贊集團向有贊集團累計支付誠意金人民幣61,000,000元（相等於74,563,000港元）。收購有贊集團已於二零一八年四月十八日完成，誠意金其後已悉數退還予本集團。該等款項以人民幣計值。

30. 應收一名附屬公司之非控股股東款項

應收一名附屬公司之非控股股東款項如下：

該款項為無抵押、免息及須應要求償還。

於二零一八年十二月三十一日，就應收附屬公司之一名非控股股東估計不可回收款項約752,000港元（二零一七年：752,000港元）作出撥備。

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31. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

31. 按公平值計入在損益賬之財務資產

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
PRC money market fund, at fair value	34,792	9,658

中國貨幣市場基金，
按公平值計算

The carrying amount of the above financial assets are mandatorily measured at fair value through profit or loss in accordance with HKFRS 9. The fair value of the PRC money market fund at 31 December 2018 and 2017 are based on redemption price provided by the fund administrator. The directors of the Company assessed that there was no material difference when the funds were redeemed as at 31 December 2018 and 2017.

根據香港財務報告準則第9號，上述財務資產之賬面值乃強制按公平值計入在損益賬計量。於二零一八年及二零一七年十二月三十一日，中國貨幣市場基金之公平值乃基於基金管理人所提供之贖回價格。本公司董事評估基金於二零一八年及二零一七年十二月三十一日贖回時並無重大差異。

32. RESTRICTED BANK BALANCES

As at 31 December 2018, the Group had bank balances of approximately HK\$6,783,000 (2017: approximately HK\$1,102,000) frozen by a PRC District People's Procuratorate to facilitate legal investigation not related to the Group.

As at 31 December 2018, the Group had bank balances of approximately HK\$483,530,000 (2017: Nil) restricted for fulfillment of settlement obligations.

All restricted bank balances were denominated in RMB.

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

32. 受限制銀行結餘

於二零一八年十二月三十一日，本集團銀行結餘約6,783,000港元（二零一七年：約1,102,000港元）獲中國一地區人民檢察院凍結用於與本集團無關之法律調查。

於二零一八年十二月三十一日，本集團銀行結餘約483,530,000港元（二零一七年：無）受限制用於履行結算責任。

受限制銀行結餘以人民幣計值。

人民幣兌換為外幣須遵循《中國外匯管理條例》及《結匯、售匯及付匯管理規定》。

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33. BANK AND CASH BALANCES

As at 31 December 2018, bank balances of HK\$77,674,000 were denominated in United States dollar ("USD") (2017: HK\$4,203,000 denominated in RMB) were fixed bank deposits.

As at 31 December 2018, bank balances of HK\$121,275,000 (2017: HK\$23,101,000) were exclusively designated for the purpose of fulfilling the Group's settlement obligations as set out in note 41.

As at 31 December 2018, bank and cash balances of the Group denominated in RMB was deposited with banks in the PRC and amounted to HK\$385,507,000 (2017: HK\$61,128,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

33. 銀行及現金結餘

於二零一八年十二月三十一日，銀行結餘77,674,000港元乃以美元（「美元」）計值（二零一七年：4,203,000港元以人民幣計值），其為固定銀行存款。

於二零一八年十二月三十一日，銀行結餘121,275,000港元（二零一七年：23,101,000港元）如附註41所述僅就用作本集團結算責任用途。

於二零一八年十二月三十一日，本集團存放於中國銀行以人民幣計值之銀行及現金結餘達385,507,000港元（二零一七年：61,128,000港元）。人民幣兌換為外幣須遵循《中國外匯管理條例》及《結匯、售匯及付匯管理規定》。

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34. BALANCES WITH CENTRAL BANK

The Group places mandatory reserve funds with the People's Bank of China (the "PBOC") and the amount is determined by the PBOC from time to time. The amount is non-interest bearing.

34. 存放中央銀行款項

本集團將法定儲備金存放在中國人民銀行(「中國人民銀行」)，該款項由中國人民銀行不時釐定。該款項為免息。

35. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

35. 應付賬款

應付賬款(按收到貨品當日計算)之賬齡分析如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 90 days	0至90日	3,036	2,546
91 to 180 days	91日至180日	2,314	-
181 to 365 days	181日至365日	-	18
Over 365 days	365日以上	1,653	2,418
		7,003	4,982

The carrying amounts of the Group's trade payables are denominated in RMB as at 31 December 2017 and 2018.

於二零一七年及二零一八年十二月三十一日，本集團應付賬款之賬面值以人民幣計值。

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36. ACCRUALS AND OTHER PAYABLES

36. 預提費用及其他應付款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Deposits received	已收按金	82,339	—
Receipt in advance	預收款項	7,064	4,063
Accruals	預提費用	116,835	5,978
Other payables	其他應付款	55,117	22,528
		261,355	32,569

37. AMOUNT DUE TO A DIRECTOR

The amount was unsecured, interest free and repayable on demand.

37. 應付一名董事款項

該款項為無抵押、免息及須應要求償還。

38. CONTRACT LIABILITIES

38. 合約負債

		31 December 2018 二零一八年 十二月 三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月 三十一日 HK\$'000 千港元
Billings in advance of performance obligation	履約責任之提前收款			
– SaaS	– SaaS	358,550	—	—
– Others	– 其他	—	—	—
		358,550	—	—

Contract liabilities mainly arise from non-refundable advance payments in relation to SaaS made by subscribed merchants while the underlying services are yet to be provided.

合約負債主要來自訂購商家提供與SaaS相關之不可退還預付款，而相關服務尚未提供。

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38. CONTRACT LIABILITIES (Cont'd)

Movements in contract liabilities:

38. 合約負債 (續)

合約負債之變動:

		2018 二零一八年 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日之結餘	-
Arising from acquisition of Youzan Group on 18 April 2018 (note 48(a))	來自二零一八年四月十八日收購有贊集團(附註48(a))	211,705
Increase in contract liabilities as a result of billing in advance of provision of SaaS	合約負債因提供SaaS之提前收款增加	451,923
Decrease in contract liabilities as a result of recognising revenue during the year	合約負債因確認年內收益減少	(282,580)
Exchange differences	匯兌差額	(22,498)
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	358,550

The amount of billings in advance of performance received that is expected to be recognised as income after more than one year is HK\$63,675,000 (2017: Nil).

預計將於一年後確認為收入之已收履約提前付款為63,675,000港元(二零一七年:無)。

39. CONTINGENT CONSIDERATION PAYABLES

39. 應付或然代價

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	-	73,860
Release upon issue of Contingent Consideration Shares	於發行或然代價股份時解除	-	(31,944)
Gain from fair value change recognised for the year	年內已確認公平值變動收益	-	(44,558)
Exchange differences	匯兌差額	-	2,642
At 31 December	於十二月三十一日	-	-

Details of contingent consideration payables are set out in note 48(d) to the consolidated financial statements.

應付或然代價詳情載列於綜合財務報表附註48(d)。

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40. FINANCIAL GUARANTEE

40. 財務擔保

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	-	23,756
Amortisation for the year (note 10)	年內攤銷(附註10)	-	(24,606)
Exchange differences	匯兌差額	-	850
		-	-
At 31 December	於十二月三十一日	-	-

Financial guarantee was related to an investee company's borrowings. In the year ended 31 December 2017, the investee company settled the loan in full, hence the financial guarantee was derecognised.

財務擔保與一間被投資公司之借貸有關。於截至二零一七年十二月三十一日止年度內，被投資公司已悉數償還貸款，因此，財務擔保已終止確認。

41. SETTLEMENT OBLIGATIONS

Settlement obligations represent payables to merchants for the third-party payment services that the Group collects from the payment service providers of merchants' customers. The amounts are generally due for settlement within 1 month and is denominated in RMB.

41. 結算責任

結算責任指本集團應付第三方支付服務商戶自商戶客戶之支付服務供應收取之款項。該等款項通常於1個月內到期結算，並以人民幣計值。

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42. DEFERRED TAX

42. 遞延稅項

		Tax losses	Intangible assets	Capitalised contract costs	Total
		稅項虧損	無形資產	資本化 合約成本	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年 一月一日	-	(441)	-	(441)
Credit to profit or loss for the year	計入年內損益	-	457	-	457
Exchange differences	匯兌差額	-	(16)	-	(16)
At 31 December 2017	於二零一七年 十二月三十一日	-	-	-	-
Acquisition of subsidiaries (note 48(a))	收購附屬公司 (附註48(a))	76,084	(367,288)	(7,306)	(298,510)
Credit to profit or loss for the year (note 12)	計入年內損益 (附註12)	39,149	23,710	(9,083)	53,776
Exchange differences	匯兌差額	(7,613)	32,117	849	25,353
At 31 December 2018	於二零一八年 十二月三十一日	107,620	(311,461)	(15,540)	(219,381)

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42. DEFERRED TAX (Cont'd)

The following is the analysis of the deferred tax balances for consolidated statement of financial position purpose:

42. 遞延稅項 (續)

以下為就綜合財務狀況表而作出之遞延稅項結餘分析：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	107,620	-
Deferred tax liabilities	遞延稅項負債	(327,001)	-
		(219,381)	-

At the end of the reporting period, the Group has unused tax losses of HK\$980,901,000 (2017: HK\$179,066,000) available for offset against future profits. As at 31 December 2018, deferred tax assets of HK\$107,620,000 (2017: Nil) arising from a major subsidiary has been recognised in respect of such tax loss as according to its forecast, the Directors have exercised their judgement to assess that there will be sufficient future taxable profits available to offset against the unused tax losses.

於報告期末，本集團可用於抵銷未來溢利之未動用稅務虧損為980,901,000港元（二零一七年：179,066,000港元）。於二零一八年十二月三十一日，一間主要附屬公司根據其預測就有關稅務虧損確認遞延稅項資產107,620,000港元（二零一七年：無），董事行使其判斷，以評估將有足夠之未來應課稅溢利可用於抵銷未動用稅務虧損。

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43. SHARE CAPITAL

43. 股本

		2018 二零一八年		2017 二零一七年	
		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股	20,000,000	200,000	20,000,000	200,000
Ordinary, issued and fully paid:	普通、已發行及 繳足：				
At 1 January	於一月一日	6,978,955	69,790	6,099,310	60,993
Share issued under placing	根據配售發行股份	386,000	3,860	788,600	7,886
Share issued for Consideration Sale Shares	就代價出售股份 發行股份	5,516,053	55,160	–	–
Share issued for warrant shares	就認股權證股份 發行股份	10,000	100	–	–
Allotment of Awarded Shares to Trustee	向受託人配發 獎勵股份	551,522	5,515	–	–
Share issued for contingent consideration	發行或然代價股份	–	–	69,445	695
Share issued under Share Option Scheme	根據購股權計劃 發行股份	–	–	21,600	216
At 31 December	於十二月三十一日	13,442,530	134,425	6,978,955	69,790

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43. SHARE CAPITAL (Cont'd)

Note:

- (a) The Company entered into a placing agreement under General Mandate ("GM") with Oriental Patron Asia Limited (the "Placing Agent") on 17 March 2017 followed by a supplemental agreement dated 27 March 2017, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to 900,000,000 GM Placing Shares. The placing was completed on 26 April 2017, a total 788,600,000 GM Placing Shares were issued at a price of HK\$0.5 per share and the net proceeds from placing was approximately HK\$390,357,000.
- (b) The Company entered into placing agreements under Specific Mandate ("SM") with the Placing Agent on 17 March 2017 followed by a supplemental agreement dated 27 March 2017, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to 460,000,000 SM Placing Shares. The placing was completed on 16 April 2018, a total of 386,000,000 SM Placing Shares were issued at a price of HK\$0.5 per share and the net proceeds from the placing was approximately HK\$187,692,000.

43. 股本 (續)

附註：

- (a) 本公司於二零一七年三月十七日根據一般授權(「一般授權」)與 Oriental Patron Asia Limited (「配售代理」)訂立配售協議，並於二零一七年三月二十七日訂立補充協議，據此，本公司已有條件同意透過配售代理配售最多900,000,000股一般授權配售股份。配售已於二零一七年四月二十六日完成，已按每股0.5港元之價格合共已發行788,600,000股一般授權配售股份，配售之所得款項淨額約為390,357,000港元。
- (b) 本公司於二零一七年三月十七日根據特別授權(「特別授權」)與配售代理訂立配售協議，並於二零一七年三月二十七日訂立補充協議，據此，本公司已有條件同意透過配售代理配售最多460,000,000股特別授權配售股份。配售已於二零一八年四月十六日完成，已按每股0.5港元之價格合共已發行386,000,000股特別授權配售股份，配售之所得款項淨額約為187,692,000港元。

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43. SHARE CAPITAL (Cont'd)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. During current reporting period, the Group refines the definition of debt-to-adjusted capital ratio so as to simplify the calculation process.

Net debt, as newly defined, includes interest-bearing bank loans, other borrowings, accruals and other payables, less cash and cash equivalents. Adjusted capital comprises all components of the Group's equity excluding non-controlling interests. The Group's policy is to maintain a low debt-to-adjusted capital ratio and this policy is unchanged. This policy will be reviewed on an annual basis.

43. 股本 (續)

本集團資本管理之目標是維護本集團之持續經營能力，並透過優化債務與股權平衡而為股東帶來豐厚回報。

本集團按風險比例設定資本金額。本集團根據經濟環境之變化及相關資產之風險特徵，管理資本架構並加以調整。為維持或調整資本架構，本集團可調整派付股息、發行新股、回購股份、募集新債務、贖回現有債務或出售資產以減輕債務。

本集團按債務對經調整資本比率基準監管資本。該比率按淨債務除以經調整資本計算。於本報告期間，本集團完善債務對經調整資本比率之定義，以簡化計算過程。

新定義之債務淨額包括計息銀行貸款、其他借貸、預提費用及其他應付款項減現金及現金等值物。經調整資本包括本集團權益（不包括非控股權益）之所有部分。本集團之政策為維持低債務對經調整資本比率，該政策保持不變。該政策將每年進行審閱。

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43. SHARE CAPITAL (Cont'd)

43. 股本 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Interest-bearing bank loans and other borrowings	計息銀行貸款及其他借貸	-	-
Accruals and other payables	預提費用及其他應付款項	261,355	32,569
Less: Cash and cash equivalents	減：現金及現金等值物	(490,420)	(314,270)
Net debts/(Excess cash and cash equivalents)	債務淨額／(超額現金及現金等值物)	(229,065)	(281,701)
Total equity excluding non-controlling interests	權益總額 (不包括非控股權益)	3,786,361	1,240,180
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

The externally imposed capital requirements for the Group is to have a public float of at least 25% of the Company's shares in order to maintain its listing on the Stock Exchange. Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public.

本集團為維持其於聯交所上市地位，其外部施加之資本要求為須保持至少25%本公司股份為公眾持股量。根據本公司所得公開資料及就董事所知，公眾持有本公司已發行股本總額最少25%。

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44. OTHER RESERVES

44. 其他儲備

		Capital reserve	Statutory reserve	Exchange reserve	Financial assets at FVTOCI reserve	Total
		資本儲備	法定儲備	匯兌儲備	按公平值 計入在其他 全面收益賬之 財務資產儲備	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	(1,117)	9,898	(34,009)	-	(25,228)
Total comprehensive income for the year	年內全面收入總額	-	-	60,003	-	60,003
Disposal of a subsidiary	出售一間附屬公司	-	-	21	-	21
Issuance of placing shares	發行配售股份	-	-	-	-	-
Issuance of Contingent Consideration Shares (note 48(d))	發行或然代價股份 (附註48(d))	-	-	-	-	-
Exercise of share options	行使購股權	-	-	-	-	-
Equity-settled share-based payments	股權結算股份支付款項	-	-	-	-	-
Release upon lapse of share options	於購股權失效時解除	-	-	-	-	-
Changes in equity for the year	年內權益變動	-	-	60,024	-	60,024
At 31 December 2017	於二零一七年十二月三十一日	(1,117)	9,898	26,015	-	34,796
At 1 January 2018	於二零一八年一月一日	(1,117)	9,898	26,015	-	34,796
Adjustments on initial application of - HKFRS 9 (note 3)	於首次應用時調整 - 香港財務報告準則第9號 (附註3)	-	-	-	25,672	25,672
Restated balance at 1 January 2018	於二零一八年一月一日之 經重列結餘	(1,117)	9,898	26,015	25,672	60,468
Total comprehensive income for the year	年內全面收入總額	-	-	(309,673)	(57,083)	(366,756)
Acquisition of interest in a subsidiary without change of control (note 48(b))	收購一間附屬公司之權益 (並無控制權變動)(附註48(b))	(66,338)	-	-	-	(66,338)
Issuance of placing shares	發行配售股份	-	-	-	-	-
Issuance of Consideration Shares (note 48(a))	發行代價股份(附註48(a))	-	-	-	-	-
Acquisition of subsidiaries (note 48(a))	收購附屬公司(附註48(a))	-	-	-	-	-
Issuance of warrant shares	發行認股權證股份	-	-	-	-	-
Allotment of Awarded Shares to Trustee	向受託人配發獎勵股份	-	-	-	-	-
Equity-settled share-based payments	股權結算股份支付款項	-	-	-	-	-
Release upon lapse of share option	於購股權失效時解除	-	-	-	-	-
Fully-vested Awarded Shares transfer to awardees	向獲授人轉讓悉數歸屬獎勵股份	-	-	-	-	-
Changes in equity for the year	年內權益變動	(66,338)	-	(309,673)	(57,083)	(433,094)
At 31 December 2018	於二零一八年十二月三十一日	(67,455)	9,898	(283,658)	(31,411)	(372,626)

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45. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

45. 本公司之財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司之財務狀況表

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	133	—
Investments in subsidiaries	於附屬公司之投資	3,901,458	405,036
Amounts due from subsidiaries	應收附屬公司款項	349,889	413,851
Earnest money paid for potential investments	就潛在投資已付誠意金	29	73,246
		4,251,480	892,133
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	1,033	834
Indemnification assets	彌償資產	230,191	—
Amounts due from subsidiaries	應收附屬公司款項	—	203,448
Bank and cash balances	銀行及現金結餘	111,553	214,847
		342,777	419,129

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45. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

45. 本公司之財務狀況表及儲備變動 (續)

(a) Statement of financial position of the Company (Cont'd)

(a) 本公司之財務狀況表 (續)

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
Note		HK\$'000	HK\$'000
附註		千港元	千港元
Current liabilities	流動負債		
Accruals and other payables	預提費用及其他應付款項	3,671	2,393
Amounts due to subsidiaries	應付附屬公司款項	3,189	76,434
Withholding tax payables	應付預扣稅	230,191	-
		237,051	78,827
Net current assets	流動資產淨值	105,726	340,302
NET ASSETS	資產淨值	4,357,206	1,232,435
Capital and reserves	資本及儲備		
Share capital	股本	43 134,425	69,790
Reserves	儲備	45(b) 4,222,781	1,162,645
TOTAL EQUITY	權益總額	4,357,206	1,232,435

Approved by the Board of Directors on 26 March 2019 and are signed on its behalf by:

於二零一九年三月二十六日經董事會批准，並由下列董事代表簽署：

Mr. Cao Chunmeng
曹春萌先生

Mr. Yu Tao
俞韜先生

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45. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

45. 本公司之財務狀況表及儲備變動 (續)

(b) Reserves movement of the Company

(b) 本公司之儲備變動

		Share premium account	Contributed surplus	Share option reserve	Shares held for Share Award Scheme	Shares Award Scheme reserve	Warrant reserve	Accumulated loss	Total
		股份溢價賬	繳入盈餘	購股權儲備	因股份獎勵計劃持有之股份	股份獎勵計劃儲備	認股權證儲備	累計虧損	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	1,180,297	70,121	103,438	-	-	1,000	(573,948)	780,908
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	(59,010)	(59,010)
Issuance of placing shares	發行配售股份	382,471	-	-	-	-	-	-	382,471
Issuance of Contingent Consideration Shares	發行或然代價股份	31,249	-	-	-	-	-	-	31,249
Exercise of share options	行使購股權	7,562	-	(2,378)	-	-	-	-	5,184
Equity-settled share-based payments	股權結算股份支付款項	-	-	21,843	-	-	-	-	21,843
Release upon lapse of share options	於購股權失效時解除	-	-	(4,558)	-	-	-	4,558	-
Changes in equity for the year	年內權益變動	421,282	-	14,907	-	-	-	(54,452)	381,737
At 31 December 2017	於二零一七年十二月三十一日	1,601,579	70,121	118,345	-	-	1,000	(628,400)	1,162,645
At 1 January 2018	於二零一八年一月一日	1,601,579	70,121	118,345	-	-	1,000	(628,400)	1,162,645
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	(332,157)	(332,157)
Issuance of placing shares	發行配售股份	183,832	-	-	-	-	-	-	183,832
Issuance of Consideration Shares (note 48(a))	發行代價股份 (附註48(a))	2,923,508	-	-	-	-	-	-	2,923,508
Issuance of warrant shares	發行認股權證股份	7,119	-	-	-	-	(19)	-	7,100
Allotment of Awarded Shares to Trustee	向受託人配發獎勵股份	336,429	-	-	(341,944)	-	-	-	(5,515)
Equity-settled share-based payments	股權結算股份支付款項	-	-	1,614	-	281,754	-	-	283,368
Release upon lapse of share options	於購股權失效時解除	-	-	(14,870)	-	-	-	14,870	-
Fully-vested Awarded Shares transfer to awardees	向獲授人轉讓悉數歸屬獎勵股份	-	-	-	132,949	(132,949)	-	-	-
Changes in equity for the year	年內權益變動	3,450,888	-	(13,256)	(208,995)	148,805	(19)	(317,287)	3,060,136
At 31 December 2018	於二零一八年十二月三十一日	5,052,467	70,121	105,089	(208,995)	148,805	981	(945,687)	4,222,781

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46. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) *Share premium account*

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be utilised in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

(ii) *Contributed surplus*

The contributed surplus of the Group arose as a result of the Group reorganisation implemented in preparation for the listing of the Company's shares in 2000 and represented the excess of the then consolidated net assets of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange therefore.

46. 儲備

(a) 本集團

本集團儲備金額及其變動於綜合損益及其他全面收入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*

股份溢價指因按超過每股面值之價格發行股份所產生之溢價。該溢價不可分派，惟本公司可動用以繳付本公司未發行股份，藉以作為繳足紅股發行予本公司股東，或作為就購回股份應付溢價之撥備。

(ii) *繳入盈餘*

本集團之繳入盈餘於二零零零年因籌備本公司股份上市而進行之集團重組所產生，指所收購附屬公司當時之綜合資產淨值超出本公司就交換該綜合資產淨值所發行股本面值之差額。

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46. RESERVES (Cont'd)

(b) Nature and purpose of reserves (Cont'd)

- (iii) *Share option reserve*
The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(t) to the consolidated financial statements.
- (iv) *Capital reserve*
The capital reserve represents the excess of the fair value of the Group's share of net assets over the purchase price and the premium arising from further acquisition. The amount is retained in the consolidated statement of financial position until the disposal of the subsidiaries.
- (v) *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.
- (vi) *Exchange reserve*
The exchange 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 accounting policies set out in note 4(d) to the consolidated financial statements.

46. 儲備 (續)

(b) 儲備性質及目的 (續)

- (iii) *購股權儲備*
購股權儲備指根據綜合財務報表附註4(t)就股權結算股份支付款項所採納會計政策，確認實際或估計授予本集團僱員之未行使購股權數目之公平值。
- (iv) *資本儲備*
資本儲備指本集團應佔資產淨值之公平值超出購買價及進一步收購產生之溢價之差額。金額於綜合財務狀況表保留，直至附屬公司出售為止。
- (v) *法定儲備*
法定儲備為不可分派，乃產生自本集團中國附屬公司根據中國適用法例及法規計算之除稅後溢利。
- (vi) *匯兌儲備*
匯兌儲備包括產生自換算海外業務財務報表之所有外匯差額。該儲備根據綜合財務報表附註4(d)所載會計政策處理。

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46. RESERVES (Cont'd)

(b) Nature and purpose of reserves (Cont'd)

(vii) *Warrant reserve*

Warrant reserve represents the net proceeds received from the issue of warrants of the Company. The reserve will be transferred to share capital and share premium accounts upon the exercise of the warrants.

On 6 February 2015, the Company issued 530,000,000 unlisted warrants at an issue price of HK\$0.002 per warrant pursuant to a subscription agreement. Each warrant entitles the holder to subscribe for one ordinary share of HK\$0.01 each at an initial subscription price of HK\$0.72 per share at any time within 5 years commencing from the date of issue of the warrants.

During the year ended 31 December 2017, there was no changes in number of underlying shares of warrants. On 8 June 2018, 10,000,000 warrant shares was exercised and the net proceeds was HK\$7,200,000.

Terms of unexpired and unexercised warrants at the end of the reporting periods:

Date of issue 發行日期	Exercisable period 行使期
6 February 2015 二零一五年二月六日	6 February 2015 to 5 February 2020 二零一五年二月六日至 二零二零年二月五日

46. 儲備 (續)

(b) 儲備性質及目的 (續)

(vii) *認股權證儲備*

認股權證指自發行本公司認股權證收取之所得款項淨額。該儲備將於行使認股權證後轉撥至股本及股份溢價賬。

於二零一五年二月六日，本公司根據認購協議，按發行價每份認股權證0.002港元，發行530,000,000份非上市認股權證。每份認股權證賦予持有人權利，可於認股權證發行日期起計五年內，按初步認購價每股0.72港元認購一股面值0.01港元之普通股。

於二零一七年十二月三十一日止年度期間，相關認股權證股份數目並無變動。於二零一八年六月八日，10,000,000股認股權證股份已獲行使，所得款項淨額為7,200,000港元。

於報告期間結算日，未到期及未行使認股權證之年期如下：

**Number of underlying
shares of the warrants**
認股權證相關股份數目

2018 二零一八年	2017 二零一七年
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520,000,000 530,000,000

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46. RESERVES (Cont'd)

46. 儲備 (續)

(b) Nature and purpose of reserves (Cont'd)

(b) 儲備性質及目的 (續)

(viii) *Shares held by Share Award Scheme and Shares Award Scheme reserve*

The Group has adopted Share Award Scheme as set out in note 47(b) to the consolidated financial statements. When the Company allots shares to the Trustee of the Share Award Scheme, it would deduct the same value of allotted shares from the equity and is presented as "Shares held for Share Award Scheme". When the Trustee of the Share Award Scheme transfers the Company's shares to the awardees upon vesting, the value of Awarded Shares are credited to "Shares held for Share Award Scheme", with a corresponding adjustment made to "Share Award Scheme reserve".

(viii) *股份獎勵計劃所持股份及股份獎勵計劃儲備*

本集團已採納綜合財務報表附註47(b)所載之股份獎勵計劃。當本公司向股份獎勵計劃之受託人配發股份時，其將從自權益扣除相同的配發股份價值，並呈列為「因股份獎勵計劃持有之股份」。當股份獎勵計劃之受託人於歸屬時將本公司股份轉讓予承授人時，獎勵股份之價值計入「因股份獎勵計劃持有之股份」，並對「股份獎勵計劃儲備」作出相應調整。

(ix) *Financial assets at FVTOCI (2017: Available-for-sale financial assets) reserve*

The financial assets at FVTOCI (2017: Available-for-sale financial assets) reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI (2017: Available-for-sale financial assets) held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(l) to the consolidated financial statements.

(ix) *按公平值計入在其他全面收益賬之財務資產 (二零一七年：可供出售財務資產) 儲備*

按公平值計入在其他全面收益賬之財務資產 (二零一七年：可供出售財務資產) 儲備包括於報告期末所持按公平值計入在其他全面收益賬之財務資產 (二零一七年：可供出售財務資產) 之累計公平值變動淨額，並按綜合財務報表附註4(l)所載之會計政策進行處理。

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47. SHARE-BASED PAYMENTS

(a) Share Option Scheme

At the annual general meeting of the Company held on 3 May 2012, shareholders of the Company approved the adoption of a New Share Option Scheme.

Concerning New Share Option Scheme, the Company operates it for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisors of the Company and the Company's subsidiaries. The Scheme became effective on 3 May 2012 and, unless otherwise cancelled or amended, will remain in force for 5 years from that date.

Pursuant to the New Share Option Scheme, the Company may grant options to the participants to subscribe for ordinary share of HK\$0.01 each, subject to, when aggregated under this scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares in issue from time to time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

47. 股份支付款項

(a) 購股權計劃

於二零一二年五月三日舉行之本公司股東週年大會上，本公司股東批准採納新購股權計劃。

本公司設立新購股權計劃之目的為向對本集團業務成功發展付出貢獻之合資格參與者提供獎勵及獎賞。合資格參與者包括本公司及本公司附屬公司之全職及兼職僱員、行政人員、高級職員、董事、業務諮詢顧問、代理、法律及財務顧問。計劃已於二零一二年五月三日生效，除非另行取消或修訂，否則自該日起計5年內有效。

根據新購股權計劃，本公司可向參與者授出購股權，以認購每股面值0.01港元之普通股，惟該等普通股加上根據本計劃及本公司任何其他購股權計劃可認購之任何股份後，不得超過當時已發行股份總數30%。於任何十二個月期間內，根據計劃向每名合資格參與者授出購股權涉及之可發行股份最高數目，以本公司於任何時間已發行股份之1%為限。進一步授出超逾此限額之購股權須於股東大會獲股東批准。

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47. SHARE-BASED PAYMENTS (Cont'd)

(a) Share Option Scheme (Cont'd)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a connected person, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

47. 股份支付款項 (續)

(a) 購股權計劃 (續)

向本公司董事、高級行政人員或主要股東或彼等之任何聯繫人士授出購股權，須事先獲得獨立非執行董事批准。此外，於任何十二個月期間內，向關連人士授出之任何購股權如超出本公司於任何時間已發行股份之0.1%，或價值合計（按照本公司於授出日期之股份價格計算）超過5,000,000港元，須事先於股東大會獲股東批准。

承授人須於獲授予購股權建議日期起計28日期間內，以象徵式代價合共1港元，接納向其授出之購股權建議。所授出購股權之行使期由董事決定，於若干歸屬期後開始，直至建議授出購股權之日起計五年內完結。

購股權行使價由董事決定，不得低於下列各項最高者：(i)本公司股份於建議授出購股權之日在聯交所之收市價；(ii)本公司股份於緊接建議授出日期前五個營業日在聯交所之平均收市價；及(iii)本公司股份於建議授出日期之面值。

購股權並無賦予持有人收取股息或於股東大會投票之權利。

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47. SHARE-BASED PAYMENTS (Cont'd)

(a) Share Option Scheme (Cont'd)

The fair value of share options granted is recognised in profit or loss taking into account the probability that the options will vest over the vesting period. Upon the exercise of the options the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded in the share premium account. At the time when the share options are exercised, the amount previously recognised in share option reserve is transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve is transferred to retained profits. Lapsed options, prior to their exercise date, are deleted from the outstanding options. All equity-settled share-based compensation expense is settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The grantees may exercise the options in whole or in part by giving exercise notice to the grantor at any time during the option period provided that the grantees shall exercise the options to acquire the option shares in accordance with the following vesting schedule:

Vesting schedule

One year after the grant date	30%
Two years after the grant date	30%
Three years after the grant date	40%

47. 股份支付款項 (續)

(a) 購股權計劃 (續)

所授出購股權之公平值於計及購股權將於歸屬期內歸屬之可能性後，在損益確認。於購股權獲行使後，因此發行之股份按股份面值列作額外股本，而每股行使價超出股份面值之差額計入股份溢價賬。於購股權獲行使時，早前於購股權儲備內確認之金額會轉撥至股份溢價。當購股權被沒收或於到期日仍有待行使，則早前於購股權儲備內確認之金額轉撥至保留溢利。於行使日期前失效之購股權自尚未行使購股權中剔除。所有權益結算以股份支付之補償於權益結算。本集團並無購回或以現金結算購股權之法定或推定責任。

承授人可於購股權期限內任何時間，透過向授出人發出通知，行使全部或部分購股權，前提為承授人須根據以下歸屬時間表行使購股權以認購購股權股份：

歸屬時間表

自授出日期起計一年後	30%
自授出日期起計兩年後	30%
自授出日期起計三年後	40%

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47. SHARE-BASED PAYMENTS (Cont'd)

(a) Share Option Scheme (Cont'd)

The following table discloses details of the Company's share options under New Share Option Scheme and the movements during the year ended 31 December 2017:

Date of grant	Exercise period	Exercise price	Number of share options 購股權數目				At 31 December 2017 於二零一七年十二月三十一日
			At 1 January 2017 於二零一七年一月一日	Granted during the year 年內授出	Expired/lapsed during the year 年內到期/失效	Exercised during the year 年內行使	
New Share Option Scheme							
新購股權計劃							
<u>Directors and Chief Executives</u> 董事及高級行政人員							
6 July 2012 二零一二年七月六日	6 July 2013 to 5 July 2017 二零一三年七月六日至二零一七年七月五日	HK\$0.25 0.25港元	6,240,000	-	-	(6,240,000)	-
	6 July 2014 to 5 July 2017 二零一四年七月六日至二零一七年七月五日	HK\$0.25 0.25港元	6,240,000	-	-	(6,240,000)	-
	6 July 2015 to 5 July 2017 二零一五年七月六日至二零一七年七月五日	HK\$0.25 0.25港元	8,320,000	-	-	(8,320,000)	-
11 June 2015 二零一五年六月十一日	1 February 2016 to 10 June 2020 二零一六年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	21,000,000	-	-	-	21,000,000
	1 February 2017 to 10 June 2020 二零一七年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	21,000,000	-	-	-	21,000,000
	1 February 2018 to 10 June 2020 二零一八年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	28,000,000	-	-	-	28,000,000
			90,800,000	-	-	(20,800,000)	70,000,000
<u>Other employees</u> 其他僱員							
6 July 2012 二零一二年七月六日	6 July 2015 to 5 July 2017 二零一五年七月六日至二零一七年七月五日	HK\$0.25 0.25港元	800,000	-	-	(800,000)	-
11 June 2015 二零一五年六月十一日	1 February 2016 to 10 June 2020 二零一六年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	37,349,400	-	(2,692,200)	-	34,657,200
	1 February 2017 to 10 June 2020 二零一七年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	37,349,400	-	(2,692,200)	-	34,657,200
	1 February 2018 to 10 June 2020 二零一八年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	49,799,200	-	(3,589,600)	-	46,209,600
			125,298,000	-	(8,974,000)	(800,000)	115,524,000
Total share options 購股權總數			216,098,000	-	(8,974,000)	(21,600,000)	185,524,000

47. 股份支付款項 (續)

(a) 購股權計劃 (續)

下表披露新購股權計劃項下本公司購股權之詳情，及其於截至二零一七年十二月三十一日止年度之變動：

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47. SHARE-BASED PAYMENTS (Cont'd)

47. 股份支付款項 (續)

(a) Share Option Scheme (Cont'd)

The following table discloses details of the Company's share options under New Share Option Scheme and the movements during the year ended 31 December 2018:

(a) 購股權計劃 (續)

下表披露新購股權計劃項下本公司購股權之詳情，及其於截至二零一八年十二月三十一日止年度之變動：

Date of grant	Exercise period	Exercise price	Number of share options				At 31 December 2018
			At 1 January 2018	Granted during the year	Expired/lapsed during the year	Exercised during the year	
授出日期	行使期	行使價	於二零一八年一月一日	年內授出	年內到期/失效	年內行使	於二零一八年十二月三十一日
New Share Option Scheme							
新購股權計劃							
<u>Directors and Chief Executives</u>							
<u>董事及高級行政人員</u>							
11 June 2015 二零一五年六月十一日	1 February 2016 to 10 June 2020 二零一六年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	21,000,000	-	(900,000)	-	20,100,000
	1 February 2017 to 10 June 2020 二零一七年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	21,000,000	-	(900,000)	-	20,100,000
	1 February 2018 to 10 June 2020 二零一八年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	28,000,000	-	(1,200,000)	-	26,800,000
<u>Other employees</u>							
<u>其他僱員</u>			70,000,000	-	(3,000,000)	-	67,000,000
11 June 2015 二零一五年六月十一日	1 February 2016 to 10 June 2020 二零一六年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	34,657,200	-	(6,157,200)	-	28,500,000
	1 February 2017 to 10 June 2020 二零一七年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	34,657,200	-	(6,157,200)	-	28,500,000
	1 February 2018 to 10 June 2020 二零一八年二月一日至二零二零年六月十日	HK\$1.25 1.25港元	46,209,600	-	(8,209,600)	-	38,000,000
Total share options			115,524,000	-	(20,524,000)	-	95,000,000
購股權總數			185,524,000	-	(23,524,000)	-	162,000,000

If the options remain unexercised after a period of 5 years from the date of grant, the options will expire. Options are forfeited if the employee leaves the Group.

倘購股權於授出日期起計五年期間後仍未行使，購股權將到期。倘僱員離開本集團，購股權將被沒收。

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47. SHARE-BASED PAYMENTS (Cont'd)

47. 股份支付款項 (續)

(a) Share Option Scheme (Cont'd)

Details of the share options outstanding during the year are as follows:

(a) 購股權計劃 (續)

年內尚未行使購股權詳情如下：

		2018 二零一八年		2017 二零一七年	
		Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初尚未行使	185,524,000	1.250	216,098,000	1.150
Exercised during the year	年內行使	-	N/A 不適用	(21,600,000)	0.250
Lapsed during the year	年內失效	(23,524,000)	1.250	(8,974,000)	1.150
Outstanding at the end of the year	年末尚未行使	162,000,000	1.250	185,524,000	1.250
Exercisable at the end of the year	年末可予行使	162,000,000		111,314,400	

The weighted average share price at the date of exercise for share option exercised during the year ended 31 December 2018 was Nil (2017: HK\$0.511). No share options has been exercised during the year ended 31 December 2018 (2017: 21,600,000). The options outstanding at the end of the year have a weighted average remaining contractual life of 1.47 years (2017: 2.47 years) and average exercise price of HK\$1.250 (2017: HK\$1.250).

截至二零一八年十二月三十一日止年度，於購股權獲行使日期之加權平均股份價格為零（二零一七年：0.511港元）。截至二零一八年十二月三十一日止年度，概無購股權已獲行使（二零一七年：21,600,000份）。於年末尚未行使購股權之加權平均剩餘合約年期為1.47年（二零一七年：2.47年），而平均行使價則為1.250港元（二零一七年：1.250港元）。

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47. SHARE-BASED PAYMENTS (Cont'd)

47. 股份支付款項 (續)

(b) Share Award Scheme

On 31 May 2018 ("Adoption Date"), the Group has adopted the Share Award Scheme ("Share Award Scheme") aimed to recognise the contributions by Eligible Persons and provide them with incentives in order to retain them for continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Share Award Scheme shall be valid and effective for a period of 10 years from the Adoption Date unless early terminated by the Board.

The Board can make award of Shares of the Company to Selected Participants, but must not make any further award of unvested Shares which would result in the number of Shares awarded by the Board under the Share Award Scheme representing 10% or more of the issued Shares from time to time without Shareholders' approval. The maximum number of Shares which may be subject to an award or awards to a selected participant in any 12-month period shall not in aggregate exceed 1% of the issued Shares.

No award shall be made by the Board and no instructions to acquire Shares shall be given by the Board to the Trustee under the Share Award Scheme where any director is in possession of unpublished price-sensitive information in relation to the Group or where dealings by directors are prohibited under any code or requirement of the GEM Listing Rules and all applicable laws from time to time.

(b) 股份獎勵計劃

於二零一八年五月三十一日(「採納日期」),本集團採納股份獎勵計劃(「股份獎勵計劃」),旨在嘉許合資格人士之貢獻並向彼等提供獎勵,以挽留彼等服務於本集團之持續營運及發展,並為本集團之進一步發展吸引合適人員。

除非董事會提前終止,否則股份獎勵計劃自採納日期起10年內有效及生效。

董事會可向選定參與人授出本公司之獎勵股份,惟不得未經股東批准進一步授出任何尚未歸屬股份從而致使董事會根據股份獎勵計劃授出之股份數目佔不時已發行股份之百分之十或以上。於任何12個月期間向一名選定參與人授出之一項或多項獎勵涉及之股份最高數目合計不得超過已發行股份之百分之一。

倘任何董事獲得關於本集團之未公告價格敏感資料,或GEM上市規則之任何守則或規定以及所有不時適用之法律禁止董事進行交易,則董事會不得授出獎勵,董事會亦不得向股份獎勵計劃之受託人發出購入股份之指示。

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47. SHARE-BASED PAYMENTS *(Cont'd)*

(b) Share Award Scheme *(Cont'd)*

Subject to the relevant Share Award Scheme Rules, (1) the Company can issue and allot Shares to the Trustee from time to time under general mandates granted or to be granted by the Shareholders at general meetings of the Company from time to time (unless such issue and allotment of Shares has otherwise been approved by the Shareholders) for future awards; or (2) in case where the Board have selected certain Eligible Person to be Selected Participant(s), the Company shall, as soon as reasonably practicable after the grant date, for the purposes of satisfying the grant of awards, issue and allot Shares to the Trustee under general mandates granted or to be granted by the Shareholders at general meetings of the Company from time to time (unless such issue and allotment of Shares has otherwise been approved by the Shareholders) and/or transfer to the Trust the necessary funds and instruct the Trustee to either (i) subscribe Shares to be issued by the Company or (ii) acquire Shares through on-market transactions at the prevailing market price. The Trustee must hold the Shares until they are vested in accordance with the Share Award Scheme Rules. When the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the Shares forming the subject of the award, the Trustee will transfer the relevant vested Shares to the Selected Participant.

47. 股份支付款項 *(續)*

(b) 股份獎勵計劃 *(續)*

在相關股份獎勵計劃規則之規限下，(1)本公司可根據股東於本公司不時之股東大會上就未來獎勵授出或將授出之一般授權向受託人發行及配發股份（惟該項發行及配發股份由股東以其他方式批准則除外）；或(2)倘董事會已選定若干合資格人士為選定參與人，本公司將於授出日期後於合理切實可行情況下盡快（為滿足授出獎勵）根據股東於本公司不時之股東大會上授出或將授出之一般授權向受託人發行及配發股份（惟該項發行及配發股份由股東以其他方式批准則除外）及／或向信託轉移所需資金及指示受託人(i)認購本公司將予發行之股份或(ii)以現行市價透過場內交易收購股份。受託人必須持有股份直至股份根據股份獎勵計劃規則歸屬為止。在選定參與人已達成董事會作出獎勵時指定之所有歸屬條件從而有權獲得構成獎勵標的之股份時，受託人將把相關已歸屬股份轉移予選定參與人。

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47. SHARE-BASED PAYMENTS (Cont'd)

(b) Share Award Scheme (Cont'd)

The Trustee shall not exercise any voting rights and powers in respect of any Shares held under the Trust (including, but not limited to, the Awarded Shares, the Returned Shares, any bonus Shares and scrip Shares).

During the year ended 31 December 2018, a total of 551,522,400 Awarded Shares ("First Awards") were granted and out of which, none was granted to the directors of the Company. The fair value of the awarded shares granted was calculated based on the market price of the Company's Share at the measurement date that all relevant approvals in connection with the GEM Listing Rules requirements were received. The fair value of awarded shares granted was HK\$0.62 per share. Awarded Shares granted to Selected Participants are divided into 3 tranches. The first tranche representing 50% of the awards would be fully vested when the Selected Participant completing 2 years of continuous service to the Group from the date of first day of employment. The second and third tranches each represent 25% of the awards, and would be fully vested after completing the third year and fourth year of continuous service to the Group, respectively.

On 19 November 2018, the Board announced the granting of another lot of 314,376,000 Awarded Shares and subsequently reduced to 304,247,200 Awarded Shares ("Second Awards") on 24 January 2019. The Company received all approvals and allotted Second Awards to Trustee on 1 February 2019.

47. 股份支付款項 (續)

(b) 股份獎勵計劃 (續)

受託人不得行使根據信託持有之任何股份(包括但不限於獎勵股份、歸還股份、任何紅利股份及股息股份)所附帶之任何投票權利及權力。

截至二零一八年十二月三十一日止年度，合共551,522,400股獎勵股份(「首次獎勵」)已授出，其中並無授予本公司董事。所授出獎勵股份之公平值乃根據本公司股份於計量日期之市價計算，並已接獲有關GEM上市規則規定之所有相關批准。所授出獎勵股份之公平值為每股0.62港元。授予選定參與人之獎勵股份分為3批。第一批佔獎勵之50%，將於選定參與者自僱傭首日起向本集團完成為期兩年之連續服務時悉數歸屬。第二及第三批各佔獎勵之25%，將分別於向本集團完成第三年及第四年連續服務後歸屬。

於二零一八年十一月十九日，董事會宣佈授出另一批314,376,000股獎勵股份，其後於二零一九年一月二十四日減少至304,247,200股獎勵股份(「第二次獎勵」)。本公司已接獲所有批准，並於二零一九年二月一日向承授人配發第二次獎勵股份。

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47. SHARE-BASED PAYMENTS (Cont'd)

(b) Share Award Scheme (Cont'd)

Movements in the number of Awarded Shares held by the Trustee for the year ended 31 December 2018 are as follows:

		Number of Awarded Shares under First Awards 2018 首次獎勵之 獎勵股份數目 二零一八年
At the beginning of the year	於年初	—
Granted	已授出	551,522,400
Vested and transferred	已歸屬及轉讓	(214,434,000)
Lapsed	已失效	(3,392,400)
Returned Shares	已歸還股份	3,392,400
		<hr/>
At end of the year	於年末	337,088,400
		<hr/>
Vested but not transferred as at the end of the year	於年末已歸屬但尚未轉讓	112,197,800

48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

On 18 April 2018, the Group acquired 51% equity interest of Youzan Group which satisfied by the Company by the way of allotment and issue of 5,516,052,632 shares of the Company ("Consideration Shares") to the sellers in proportion to their shareholdings in Youzan Group at the market price of HK\$0.54 per Consideration Share, totalling approximately HK\$2,978,668,000 at the date of completion. Youzan Group is principally engaged in the provision of SaaS and related businesses in the PRC. The acquisition is for the purpose of diversifying the Group's revenue base.

47. 股份支付款項 (續)

(b) 股份獎勵計劃 (續)

截至二零一八年十二月三十一日止年度，受託人所持之獎勵股份數目變動如下：

48. 綜合現金流量報表附註

(a) 收購附屬公司

於二零一八年四月十八日，本集團收購有贊集團之51%股權，由本公司透過按賣方於有贊集團之股權比例向彼等配發及發行5,516,052,632股本公司股份（「代價股份」）結付，市價為每股代價股份0.54港元，於完成日期合共約2,978,668,000港元。有贊集團主要在中國從事提供SaaS及相關業務。收購事項旨在多元化本集團之收益基礎。

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綜合財務報表附註

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48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(a) Acquisition of subsidiaries (Cont'd)

The fair value of the identifiable assets and liabilities acquired as at the date of acquisition completion, is as follows:

(a) 收購附屬公司 (續)

本集團於收購完成日期所收購可識別資產及負債之公平值如下：

		HK\$'000 千港元
Net assets acquired:	所收購資產淨值：	
Property, plant and equipment (note 18)	物業、廠房及設備 (附註18)	12,737
Long term deposits	長期按金	125
Intangible assets (note 20)	無形資產 (附註20)	2,448,588
Investment in associates	於聯營公司之投資	2,295
Deferred tax assets (note 42)	遞延稅項資產 (附註42)	76,084
Financial assets at FVTOCI	按公平值計入在其他全面 收益賬之財務資產	9,028
Inventories	存貨	632
Trade receivables	應收賬款	78
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	68,100
Capitalised contract costs	資本化合約成本	48,702
Bank and cash balances	銀行及現金結餘	1,215,762
Settlement obligations	結算責任	(1,279,112)
Trade payables	應付賬款	(3)
Accruals and other payables	預提費用及其他應付款項	(150,891)
Contract liabilities	合約負債	(211,705)
Deferred tax liabilities (note 42)	遞延稅項負債 (附註42)	(374,594)
		1,865,826
Non-controlling interests	非控股權益	(914,255)
Goodwill (note 19)	商譽 (附註19)	2,027,097
		2,978,668
Satisfied by:	以下列方式償付：	
Consideration Shares	代價股份	2,978,668
Net cash inflow arising on acquisition:	收購產生之現金流入淨額：	
Cash consideration paid	已付現金代價	-
Cash and cash equivalents acquired	所收購現金及現金等值物	1,215,762
		1,215,762

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48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(a) Acquisition of subsidiaries (Cont'd)

The fair values of trade receivables, prepayment, deposits and other receivables, capitalised contract costs are HK\$78,000, HK\$68,100,000 and HK\$48,702,000 respectively. All of the contractual cash flows are expected to be collected in full.

The goodwill arising on the acquisition of Youzan Group is attributable to the expected synergies of the combination.

Youzan Group contributed approximately HK\$503,416,000 and approximately HK\$685,446,000 to the Group's revenue and loss for the year respectively between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2018, the Group's revenue for the year and loss for the year would have been approximately HK\$830,461,000 and approximately HK\$991,297,000 respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is intended to be a projection of future results.

48. 綜合現金流量報表附註 (續)

(a) 收購附屬公司 (續)

應收賬款、預付款項、按金及其他應收款項以及資本化合約成本之公平值分別為78,000港元、68,100,000港元及48,702,000港元。所有合約現金流量預計均可悉數收回。

收購有贊集團產生之商譽歸因於合併之預期協同效應。

於收購日期至報告期末期間，有贊集團為本集團年內收益及虧損分別貢獻約503,416,000港元及約685,446,000港元。

倘收購事項已於二零一八年一月一日完成，則本集團年內收益及年內虧損將分別約為830,461,000港元及約991,297,000港元。備考資料僅作說明用途，並非說明本集團在收購已於二零一八年一月一日完成之情況下可實際錄得之收益及營運業績，亦不擬作為未來業績之預測。

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48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Cont'd)*

48. 綜合現金流量報表附註 (續)

(b) Acquisition of interest in a subsidiary without change of control

On 16 July 2018, the Company and an investor entered into the Subscription Agreement with Qima Holdings Ltd., a non-wholly owned subsidiary of the Company, in relation to the subscription of approximately 21 million new shares and 7 million new shares of Qima Holdings Ltd., respectively, in the respective cash consideration of approximately US\$30 million (approximately HK\$236 million) and US\$10 million (approximately HK\$79 million). Upon completion on 23 July 2018, the Company's equity interest in Youzan Group was increased to 51.48% from 51%.

(b) 收購一間附屬公司之權益 (並無控制權變動)

於二零一八年七月十六日，本公司及投資者與 Qima Holdings Ltd. (本公司非全資附屬公司) 訂立認購協議，內容有關分別認購 Qima Holdings Ltd. 之約 21,000,000 股新股份及 7,000,000 股新股份，代價分別約為 30,000,000 美元 (約 236,000,000 港元) 及 10,000,000 美元 (約 79,000,000 港元)。於二零一八年七月二十三日完成時，本公司於有贊集團之股權由 51% 增加至 51.48%。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(c) Disposal of subsidiary

On 1 January 2017, the Group entered into a sale and purchase agreement with a minority shareholder of Beijing Yushunhengda Technology Co., Ltd. to dispose of 51% equity interests of Beijing Yushunhengda Technology Co., Ltd. at a cash consideration of RMB600,000 (equivalent to HK\$678,000). Beijing Yushunhengda Technology Co., Ltd. had not yet commenced business. The consideration was satisfied by cash and the completion date was at 1 March 2017.

(c) 出售附屬公司

於二零一七年一月一日，本集團與一名少數股東Beijing Yushunhengda Technology Co., Ltd訂立買賣協議，以出售於Beijing Yushunhengda Technology Co., Ltd之51%股權，現金代價為人民幣600,000元（相當於678,000港元）。Beijing Yushunhengda Technology Co., Ltd尚未開始營業。該代價乃以現金償付，完成日期為二零一七年三月一日。

Net assets at the date of disposal were as follows:

於出售日期之資產淨值如下：

		HK\$'000 千港元
Bank and cash balances	銀行及現金結餘	608
Non-controlling interests	非控股權益	(264)
Net assets disposed of	所出售之資產淨值	344
Release of foreign currency translation reserve	解除外幣換算儲備	21
Gain on disposal of a subsidiary (note 10)	出售一間附屬公司之收益 (附註10)	313
Total consideration	代價總額	678
Satisfied by:	以下列方式償付：	
Cash consideration	現金代價	678
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration received	已收現金代價	678
Cash and cash equivalents disposed of	所出售之現金及現金等值物	(608)
		70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(d) Contingent Consideration Shares of Moderntimes and its subsidiaries

On 30 September 2015 ("Completion Date"), the Group obtained 51% of equity interest of Moderntimes Payment Limited ("Moderntimes") and its subsidiaries (collectively referred to as "Moderntimes Group"). Moderntimes Group is principally engaged in (i) provision of consultancy services in strategy and implementation in the traditional finance industry and the internet finance industry; (ii) development, operation and promotion of innovative products in the internet and finance fields; and (iii) customer value management.

According to the subscription agreement, assignment of shareholder's loan and incentive agreement dated 18 June 2015 entered into between the Group and the shareholders of Moderntimes, the consideration of the acquisition of 51% equity interest of Moderntimes will be settled by way of:

- (i) injection of HK\$49,510,000 to Moderntimes by way of cash on Completion Date as registered capital;
- (ii) settlement of outstanding amount of HK\$13,090,000 due to a former shareholder of Moderntimes Group;

48. 綜合現金流量報表附註 (續)

(d) Moderntimes及其附屬公司之或然代價股份

於二零一五年九月三十日(「完成日期」)，本集團取得Moderntimes Payment Limited(「Moderntimes」)及其附屬公司(統稱為「Moderntimes集團」)之51%股權。Moderntimes集團主要從事(i)於傳統金融行業及互聯網金融行業內提供策略及實施之顧問服務；(ii)於互聯網及金融領域發展、營運及推廣創新產品；及(iii)客戶價值管理。

根據本集團與Moderntimes股東所訂立日期為二零一五年六月十八日訂立之認購協議及轉讓股東貸款及激勵協議，收購Moderntimes之51%股權將透過以下方式償付：

- (i) 於完成日期以現金向Moderntimes注資49,510,000港元作為註冊資本；
- (ii) 償付應付Moderntimes集團前股東之尚未償還金額13,090,000港元；

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綜合財務報表附註

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截至二零一八年十二月三十一日止年度

48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(d) Contingent Consideration Shares of ModernTimes and its subsidiaries (Cont'd)

(d) ModernTimes及其屬公司之或然代價股份 (續)

(iii) allotting and issuing up to 231,481,481 ordinary shares of the Company to the vendor, ModernTimes Information Co., Limited, depending on the number of cumulative virtual prepaid card sold for the period from 1 July 2015 to 31 December 2017 and the amount of cumulative virtual prepaid card reloaded for the period from 1 January 2016 to 31 December 2017 ("Guaranteed Period"). The number of ordinary shares to be issued ("Contingent Shares") is subject to the adjustments below:

(iii) 視乎於二零一五年七月一日至二零一七年十二月三十一日期間已售累計虛擬預付卡數目及於二零一六一月一日至二零一七年十二月三十一日期間(「保證期間」)累計虛擬預付卡充值數額·配發及發行最多231,481,481股本公司普通股予賣方ModernTimes Information Co., Limited。將予發行之普通股(「或然股份」)數目按以下情況調整:

For the six months ended 31 December 2015

截至二零一五年十二月三十一日止六個月

Scenario 1:	in the event that the number of cumulative virtual prepaid card sold for the period is less than 3,500,000, the Contingent Shares to be issued for the period shall be zero;
情況一:	倘期內已售累計虛擬預付卡數目少於3,500,000, 於期內將不會發行或然股份;
Scenario 2:	in the event that the number of cumulative virtual prepaid card sold for the period is 3,500,000 or more, the Contingent Shares to be issued for the period shall be 46,296,296.
情況二:	倘期內已售累計虛擬預付卡數目為3,500,000或以上, 於期內將發行之或然股份將為46,296,296股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(d) Contingent Consideration Shares of Moderntimes and its subsidiaries (Cont'd)

(d) Moderntimes及其附屬公司之或然代價股份 (續)

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

(i) Cumulative virtual prepaid card sold

(i) 已售累計虛擬預付卡

Scenario 1: in the event that the number of cumulative virtual prepaid card sold for the period from 1 July 2015 to 31 December 2016 is less than 30,000,000, the Contingent Shares to be issued for the year ended 31 December 2016 shall be zero;

情況一：倘於截至二零一五年七月一日至二零一六年十二月三十一日止期間已售累計虛擬預付卡數目少於30,000,000，於截至二零一六年十二月三十一日止年度將不會發行或然股份；

Scenario 2: in the event that the number of cumulative virtual prepaid card sold for the period from 1 July 2015 to 31 December 2016 is 30,000,000 or more, the Contingent Shares to be issued for the year ended 31 December 2016 shall be 115,740,740 less the number of any Contingent Shares issued for the six months ended 31 December 2015.

情況二：倘於截至二零一五年七月一日至二零一六年十二月三十一日止期間已售累計虛擬預付卡數目為30,000,000或以上，於截至二零一六年十二月三十一日止年度將發行115,740,740股或然股份，少於截至二零一五年十二月三十一日止六個月已發行之任何或然股份數目。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(d) Contingent Consideration Shares of Moderntimes and its subsidiaries (Cont'd)

(d) Moderntimes及其附屬公司之或然代價股份 (續)

For the year ended 31 December 2016 (Cont'd)

截至二零一六年十二月三十一日止年度 (續)

(iii) Cumulative virtual prepaid card reloaded

(iii) 累計虛擬預付卡充值

Scenario 1: in the event that the amount of cumulative virtual prepaid card reloaded for the period from 1 July 2015 to 31 December 2016 is less than RMB30,000,000,000, the Contingent Shares to be issued for the year ended 31 December 2016 shall be zero;

情況一：倘於截至二零一五年七月一日至二零一六年十二月三十一日止期間累計虛擬預付卡充值少於人民幣30,000,000,000元，於截至二零一六年十二月三十一日止年度將不會發行或然股份；

Scenario 2: in the event that the amount of cumulative virtual prepaid card reloaded for the period from 1 July 2015 to 31 December 2016 is RMB30,000,000,000 or more, the Contingent Shares to be issued for the year ended 31 December 2016 shall be 23,148,148.

情況二：倘於截至二零一五年七月一日至二零一六年十二月三十一日止期間累計虛擬預付卡充值為人民幣30,000,000,000元或以上，於截至二零一六年十二月三十一日止年度將發行23,148,148股或然股份。

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截至二零一八年十二月三十一日止年度

48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(d) Contingent Consideration Shares of Moderntimes and its subsidiaries (Cont'd)

(d) Moderntimes及其附屬公司之或然代價股份 (續)

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

(i) Cumulative virtual prepaid card sold

(i) 已售累計虛擬預付卡

Scenario 1:

in the event that the number of cumulative virtual prepaid card sold for the period from 1 July 2015 to 31 December 2017 is less than 43,750,000, the Contingent Shares to be issued for the year ending 31 December 2017 shall be zero;

情況一：

倘於截至二零一五年七月一日至二零一七年十二月三十一日止期間已售累計虛擬預付卡數目少於43,750,000，於截至二零一七年十二月三十一日止年度將不會發行或然股份；

Scenario 2:

in the event that the number of cumulative virtual prepaid card sold for the period from 1 July 2015 to 31 December 2017 is 43,750,000 or more but less than 70,000,000, the Contingent Shares to be issued for the year ending 31 December 2017 shall be 86,805,555 less the number of any Contingent Shares issued for the period from 1 July 2015 to 31 December 2016 under the scenarios of cumulative virtual prepaid card sold mentioned above;

情況二：

倘於截至二零一五年七月一日至二零一七年十二月三十一日止期間已售累計虛擬預付卡數目為43,750,000或以上惟少於70,000,000，於截至二零一七年十二月三十一日止年度將發行86,805,555股或然股份，少於上文所述累計已售虛擬預付卡情況下截至二零一五年七月一日至二零一六年十二月三十一日止期間已發行之任何或然股份數目；

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截至二零一八年十二月三十一日止年度

48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(d) Contingent Consideration Shares of Moderntimes and its subsidiaries (Cont'd)

(d) Moderntimes及其附屬公司之或然代價股份 (續)

For the year ended 31 December 2017 (Cont'd)

截至二零一七年十二月三十一日止年度 (續)

(i) Cumulative virtual prepaid card sold (Cont'd)

(ii) 已售累計虛擬預付卡 (續)

Scenario 3: in the event that the number of cumulative virtual prepaid card sold for the period from 1 July 2015 to 31 December 2017 is 70,000,000 or more but less than 87,500,000, the Contingent Shares to be issued for the year ending 31 December 2017 shall be 104,166,666 less the number of any Contingent Shares issued for the period from 1 July 2015 to 31 December 2016 under the scenarios of cumulative virtual prepaid card sold mentioned above;

情況三：倘於截至二零一五年七月一日至二零一七年十二月三十一日止期間已售累計虛擬預付卡數目為70,000,000或以上惟少於87,500,000，於截至二零一七年十二月三十一日止年度將發行104,166,666股或然股份，少於上文所述累計已售虛擬預付卡情況下截至二零一五年七月一日至二零一六年十二月三十一日止期間已發行之任何或然股份數目；

Scenario 4: in the event that the number of cumulative virtual prepaid card sold for the period from 1 July 2015 to 31 December 2017 is 87,500,000 or more, the Contingent Shares to be issued for the year ending 31 December 2017 shall be 173,611,111 less the number of any Contingent Shares issued for the period from 1 July 2015 to 31 December 2016 under the scenarios of cumulative virtual prepaid card sold mentioned above.

情況四：倘於截至二零一五年七月一日至二零一七年十二月三十一日止期間已售累計虛擬預付卡數目為87,500,000或以上，於截至二零一七年十二月三十一日止年度將發行173,611,111股或然股份，少於上文所述累計已售虛擬預付卡情況下截至二零一五年七月一日至二零一六年十二月三十一日止期間已發行之任何或然股份數目。

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48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(d) Contingent Consideration Shares of Moderntimes and its subsidiaries (Cont'd)

(d) Moderntimes及其附屬公司之或然代價股份 (續)

For the year ended 31 December 2017 (Cont'd)

截至二零一七年十二月三十一日止年度 (續)

(iii) Cumulative virtual prepaid card reloaded

(iii) 累計虛擬預付卡充值

Scenario 1: in the event that the amount of cumulative virtual prepaid card reloaded for the period from 1 July 2015 to 31 December 2017 is less than RMB43,750,000,000, the Contingent Shares to be issued for the year ended 31 December 2017 shall be zero;

情況一：倘於截至二零一五年七月一日至二零一七年十二月三十一日止期間累計虛擬預付卡充值額少於人民幣43,750,000,000元，於截至二零一七年十二月三十一日止年度將不會發行或然股份；

Scenario 2: in the event that the amount of cumulative virtual prepaid card reloaded for the period from 1 July 2015 to 31 December 2017 is RMB43,750,000,000 or more but less than RMB70,000,000,000, the Contingent Shares to be issued for the year ending 31 December 2017 shall be 28,935,185 less the number of any Contingent Shares issued for the year ended 31 December 2016 under the scenarios of cumulative virtual prepaid card reloaded mentioned above;

情況二：倘於截至二零一五年七月一日至二零一七年十二月三十一日止期間累計虛擬預付卡充值額為人民幣43,750,000,000元或以上惟少於人民幣70,000,000,000元，於截至二零一七年十二月三十一日止年度將發行28,935,185股或然股份，少於上文所述累計虛擬預付卡充值情況下截至二零一六年十二月三十一日止年度已發行之任何或然股份數目；

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48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(d) Contingent Consideration Shares of Moderntimes and its subsidiaries (Cont'd)

(d) Moderntimes及其附屬公司之或然代價股份 (續)

For the year ended 31 December 2017 (Cont'd)

截至二零一七年十二月三十一日止年度 (續)

(iii) Cumulative virtual prepaid card reloaded (Cont'd)

(iii) 累計虛擬預付卡充值 (續)

Scenario 3:

in the event that the amount of cumulative virtual prepaid card reloaded for the period from 1 July 2015 to 31 December 2017 is RMB70,000,000,000 or more but less than RMB87,500,000,000, the Contingent Shares to be issued for the year ending 31 December 2017 shall be 34,722,222 less the number of any Contingent Shares issued for the year ended 31 December 2016 under the scenarios of cumulative virtual prepaid card reloaded mentioned above;

情況三：

倘於截至二零一五年七月一日至二零一七年十二月三十一日止期間累計虛擬預付卡充值額為人民幣70,000,000,000元或以上惟少於人民幣87,500,000,000元，於截至二零一七年十二月三十一日止年度將發行34,722,222股或然股份，少於上文所述累計虛擬預付卡充值情況下截至二零一六年十二月三十一日止年度已發行之任何或然股份數目；

Scenario 4:

in the event that the amount of cumulative virtual prepaid card reloaded for the period from 1 July 2015 to 31 December 2017 is RMB87,500,000,000 or more, the Contingent Shares to be issued for the year ending 31 December 2017 shall be 57,870,370 less the number of any Contingent Shares issued for the year ended 31 December 2016 under the scenarios of cumulative virtual prepaid card reloaded mentioned above.

情況四：

倘於截至二零一五年七月一日至二零一七年十二月三十一日止期間累計虛擬預付卡充值額為人民幣87,500,000,000或以上，於截至二零一七年十二月三十一日止年度將發行57,870,370股或然股份，少於上文所述累計虛擬預付卡充值情況下截至二零一六年十二月三十一日止年度已發行之任何或然股份數目。

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綜合財務報表附註

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截至二零一八年十二月三十一日止年度

48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

48. 綜合現金流量報表附註 (續)

(d) Contingent Consideration Shares of Moderntimes and its subsidiaries (Cont'd)

For the year ended 31 December 2016, the number of cumulative virtual prepaid card sold for the period from 1 July 2015 to 31 December 2016 is more than 30,000,000, therefore the Contingent Shares shall be 69,444,444. The amount of cumulative virtual prepaid card reloaded for the period from 1 July 2015 to 31 December 2016 is less than RMB30,000,000, therefore the Contingent Shares shall be zero.

As at 31 December 2016, 115,740,741 Contingent Shares were yet issued and the issuance will depend on the outcome of future fulfillment of performance targets as set out.

For the year ended 31 December 2017, the number of cumulative virtual prepaid card sold for the period from 1 July 2015 to 31 December 2017 is 43,750,000 or more but less than 70,000,000, therefore the Contingent Shares shall be zero. The amount of cumulative virtual prepaid card reloaded for the period from 1 July 2015 to 31 December 2017 is less than RMB43,750,000,000, therefore the Contingent Shares shall be zero.

(d) Moderntimes及其附屬公司之或然代價股份 (續)

截至二零一六年十二月三十一日止年度，已售累計虛擬預付卡數目於截至二零一五年七月一日至二零一六年十二月三十一日止期間超過30,000,000，因此，或然股份為69,444,444股。累計虛擬預付卡充值額於自二零一五年七月一日起至二零一六年十二月三十一日止期間少於人民幣30,000,000元，因此，不會發行或然股份。

於二零一六年十二月三十一日，115,740,741股或然股份尚未發行及其發行將取決於上文所載未來實現表現目標之結果。

截至二零一七年十二月三十一日止年度，已售累計虛擬預付卡數目於截至二零一五年七月一日至二零一七年十二月三十一日止期間超過43,750,000或以上惟少於70,000,000，因此，不會發行或然股份。累計虛擬預付卡充值額於自二零一五年七月一日起至二零一七年十二月三十一日止期間少於人民幣43,750,000,000元，因此，不會發行或然股份。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

49. CONTINGENT LIABILITIES

Pursuant to Article 3, Article 37 and Article 39 of the Corporate Income Tax Law of the People's Republic of China (the "Corporate Income Tax Law"), Article 9 of the Announcement of the State Administration of Taxation on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprise (State Administration of Taxation Announcement [2017] No. 37, the "No. 37 Announcement"), and Article 62 and Article 69 of the Law of the People's Republic of China on the Administration of Tax Collection (the "Tax Collection Law"), the Company's acquisition of 51% equity interest in Youzan Group (note 48(a)) during the year ended 31 December 2018 had led to an indirect acquisition of Hangzhou Youzan. Such arrangement shall be re-characterised as a direct transfer by the PRC tax authorities and the capital gain derived will be subject to Corporate Income Tax ("CIT"). The Group is obliged to act as CIT withholding agent and report the indirect equity transfer (and settle the CIT, if applicable) to the tax authority and the Company may be subject to a fine of not less than 50% but not more than 300% of the amount of CIT that should have been withheld or collected.

The Company has already adequately provided for the withholding tax payables (note 28) and the sellers agreed to report to the relevant authorities and pay the relevant taxes related to their disposal of 51% equity interest in Youzan Group subject to the Company not being able to perform its withholding obligations under the relevant tax laws and regulations. The sellers further agreed that if any of them does not comply with the relevant tax laws and regulations which lead to the Company being requested to pay such CIT, relevant interests and/or penalties ("Taxes and Penalties") as a tax withholding agent, such seller shall be responsible to the Company for such Taxes and Penalties up to three times of the CIT.

Save as disclosed above, the Group had no material contingent liabilities as at 31 December 2018 and 2017.

49. 或然負債

根據中華人民共和國企業所得稅法第3條、第37條及第39條（「企業所得稅法」）、《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》（國家稅務總局公告[2017]37號，「37號公告」）第9條、中華人民共和國稅收徵管法（「稅收徵管法」）第62條及第69條，本公司於截至二零一八年十二月三十一日止年度收購有贊集團（附註48(a)）51%股權導致間接收購杭州有贊。有關安排會被中國稅務機構重新定義為直接轉讓，所產生之資本收益將須繳納中國企業所得稅（「企業所得稅」）。本集團應作為企業所得稅預扣代理及向稅務當局匯報間接股權轉讓（並結清企業所得稅（倘適用）），本公司可能會被處以未預扣或未繳企業所得稅額的50%至300%之罰款。

本公司已充分計提應付預扣稅（附註28），賣方同意向有關當局申報並支付與出售其於有贊集團51%股權有關的相關稅項，惟以本公司無法根據相關稅務法律及法規履行其預扣責任為前提。賣方進一步同意，倘因彼等未能遵守相關稅務法律及法規，導致本公司須作為代扣代繳義務人繳納有關企業所得稅、相關利息及／或罰款（「稅項及罰款」），則有關賣方須就有關稅項及罰款對本公司負責，惟有關稅項及罰款不超過企業所得稅之三倍。

除上文所披露者外，於二零一八年及二零一七年十二月三十一日，本集團並無重大或然負債。

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50. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

50. 資本承擔

於報告期末已訂約但尚未產生之資本承擔如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Capital contribution to an associate	向一間聯營公司注資	-	3,002
Property, plant and equipment	物業、廠房及設備	18,180	-

51. LEASE COMMITMENTS

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

51. 租賃承擔

於二零一八年十二月三十一日，根據不可撤銷經營租賃應付之未來最低租賃款項總額如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	73,404	15,495
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	137,805	20,550
Over 5 years	五年以上	157,937	-
		369,146	36,045

Operating lease payments represent rental payable by the Group for its offices. Leases are negotiated for terms of one to ten years (2017: one to three years) and rentals are fixed over the lease terms and do not include contingent rentals.

經營租賃款項指本集團就其辦公室應付之租金。租賃按一至十年(二零一七年：一至三年)期商議，租金於租期內固定，且不計入或然租金。

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52. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with its related parties during the year:

Technology services fee paid to an associate	已付一間聯營公司 技術服務費
Dividend income received from an associate	已收一間聯營公司 股息收入

The details of remuneration of key management personnel, represents the emoluments of Directors of the Company paid during the year and set out in note 15(a).

52. 關連人士交易

除綜合財務報表其他部分所披露之關連人士交易及結餘外，本集團於年內與其關連人士有以下重大交易：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	(1,977)	—
	1,455	—

主要管理人員薪酬（指年內已付本公司董事之酬金）詳情載於附註15(a)。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2018

截至二零一八年十二月三十一日止年度

53. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation. The new classification of the accounting items are considered to provide a more appropriate presentation of the state of affairs of the Group.

54. EVENT AFTER REPORTING PERIOD

On 19 November 2018, the Board announced the awarding of 314,376,000 Awarded Shares and subsequently reduced to 304,247,200 Awarded Shares ("Second Awards") on 24 January 2019. On 1 February 2019, the Company received all approvals and allotted 304,247,200 Awarded Shares to the Trustee on the same day. The fair value of Awarded Shares for the Second Awards is HK\$0.55 per share. Details of the Second Awards can be found in the Company's announcements dated 19 November 2018, 24 January 2019, 25 January 2019 and 1 February 2019.

53. 比較數字

若干比較數字已重新分類以符合本年度之呈列方式。會計項目之新分類被認為可為本集團之事物狀況提供更適當之呈列方式。

54. 報告期後事件

於二零一八年十一月十九日，董事會宣佈授出314,376,000股獎勵股份，其後於二零一九年一月二十四日減少至304,247,200股獎勵股份（「第二次獎勵」）。於二零一九年二月一日，本公司已接獲所有批准，並於同日向承授人配發304,247,200股獎勵股份。第二次獎勵之獎勵股份公平值為每股0.55港元。第二次獎勵之詳情請參閱本公司日期為二零一八年十一月十九日、二零一九年一月二十四日、二零一九年一月二十五日及二零一九年二月一日之公告。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

		Year ended 31 December 截至十二月三十一日止年度				
		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)	(Restated)	(Restated)	(Restated)
			(經重列)	(經重列)	(經重列)	(經重列)
RESULT	業績					
CONTINUING OPERATIONS	持續經營業務					
Revenue	收益	684,459	207,856	80,182	97,068	81,222
Cost of sales	銷售成本	(453,481)	(181,754)	(56,227)	(71,468)	(46,173)
Gross profit	毛利	230,978	26,102	23,955	25,600	35,049
Investment and other income	投資及其他收入	21,605	1,531	3,678	7,434	3,448
Other gains and losses, net	其他收益及虧損，淨額	(48,579)	44,851	(62,017)	16,101	(52,310)
Selling and distribution expenses	銷售及分銷費用	(212,405)	(23,812)	(16,917)	(27,378)	(31,181)
Administrative expenses	行政開支	(221,951)	(116,801)	(125,040)	(100,621)	(60,675)
Equity-settled share-based payment	股權結算股份支付款項	(283,368)	(21,843)	(48,415)	(57,548)	(4,463)
Amortisation of intangible assets	攤銷無形資產	(158,619)	(1,935)	-	-	-
Other operating expenses	其他經營開支	(220,820)	(41,887)	-	-	-
Loss from operations	經營虧損	(893,159)	(133,794)	(224,756)	(136,412)	(110,132)
Finance cost	財務成本	-	-	-	(15)	(9,714)
Share of losses of associates, net	應佔聯營公司之虧損，淨額	(45)	(1,754)	-	-	-
LOSS BEFORE TAX	除稅前虧損	(893,204)	(135,548)	(224,756)	(136,427)	(119,846)
Income tax credit/(expenses)	所得稅抵免/(開支)	53,760	454	242	(2,556)	(3,740)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	來自持續經營業務之年內虧損	(839,444)	(135,094)	(224,514)	(138,983)	(123,586)
DISCONTINUED OPERATIONS	已終止經營業務					
Loss for the year from a discontinued operation	已終止經營業務之年內虧損	-	-	(4,383)	(21,588)	-
LOSS FOR THE YEAR	年內虧損	(839,444)	(135,094)	(228,897)	(160,571)	(123,586)

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

		Year ended 31 December 截至十二月三十一日止年度				
		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Restated)	(Restated)	(Restated)	(Restated)
			(經重列)	(經重列)	(經重列)	(經重列)
Attributable to:	以下人士應佔部分：					
Owners of the Company	本公司擁有人	(503,325)	(112,192)	(214,422)	(153,818)	(122,724)
Non-controlling interests	非控股權益	(336,119)	(22,902)	(14,475)	(6,753)	(862)
		(839,444)	(135,094)	(228,897)	(160,571)	(123,586)
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及非控股權益					
TOTAL ASSETS	總資產	7,610,631	1,392,495	1,081,293	1,181,047	1,105,536
TOTAL LIABILITIES	總負債	(3,187,616)	(159,956)	(222,964)	(108,730)	(77,212)
NON-CONTROLLING INTERESTS	非控股權益	(636,654)	7,641	(15,525)	(27,697)	(6,502)
		3,786,361	1,240,180	842,804	1,044,620	1,021,822



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