

RUIYUAN
瑞 远

浙江瑞遠智控科技股份有限公司

Zhejiang RuiYuan Intelligent Control Technology Company Limited*

(a joint stock limited company incorporated in the People's Republic of China)

(於中華人民共和國註冊成立之股份有限公司)

Stock code 股份代號 : 8249

ANNUAL
REPORT
2018 年報

CHARACTERISTICS OF GEM (“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 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 of the Stock Exchange 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 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 Zhejiang RuiYuan Intelligent Control Technology Company Limited (the “Company”) 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: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司(「聯交所」) GEM (「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聯交所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在聯交所主板買賣之證券承受較大市場波動風險，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聯交所對本報告的內容概不負責，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的任何損失承擔任何責任。

本報告包括之資料乃遵照聯交所GEM證券上市規則(「GEM上市規則」)的規定而提供有關浙江瑞遠智控科技股份有限公司(「本公司」)的資料，本公司各董事(「董事」)願就本報告共同及個別承擔全部責任。董事經作出一切合理查詢後確認，就彼等所深知及確信：(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導或欺詐成份；(2)本報告並無遺漏任何其他事實，致使本報告所載任何陳述產生誤導；及(3)本報告所表達的一切意見乃經審慎周詳考慮後作出，並建基於公平和合理的基準及假設。

Contents

目錄

Corporate Information	2-3
公司資料	
Chairman's Statement	4-5
主席報告	
Management Discussion and Analysis	6-10
管理層討論及分析	
Biographical Details of Directors, Supervisors and Senior Management	11-13
董事、監事及高級管理人員的履歷詳情	
Report of the Directors	14-27
董事會報告書	
Corporate Governance Report	28-45
企業管治報告	
Environmental, Social and Governance Report	46-64
環境、社會及管治報告	
Independent Auditor's Report	65-71
獨立核數師報告書	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	72
綜合損益及其他全面收益表	
Consolidated Statement of Financial Position	73-74
綜合財務狀況表	
Consolidated Statement of Changes in Equity	75
綜合權益變動表	
Consolidated Statement of Cash Flows	76-77
綜合現金流量表	
Notes to the Consolidated Financial Statements	78-154
綜合財務報表附註	
Summary of Financial Information	155-156
財務資料摘要	

Corporate Information 公司資料

EXECUTIVE DIRECTORS

Mr. He Keng (*Chairman*)
Ms. Wu Shanhong
Mr. Chen Weiqiang
Mr. Ding Cheng

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Kim Hung Eddie
Mr. Zhang Zhuoyong
Mr. Zhang Tieyi

SUPERVISORS

Mr. Shi Huanmiao
Mr. Zhang Shenggen
Mr. Chen Yuankang

MEMBERS OF THE AUDIT COMMITTEE

Mr. Kwok Kim Hung Eddie (*Chairman*)
Mr. Zhang Zhuoyong
Mr. Zhang Tieyi

MEMBERS OF THE REMUNERATION COMMITTEE

Mr. Zhang Tieyi (*Chairman*)
Mr. He Keng
Mr. Zhang Zhuoyong
Mr. Kwok Kim Hung Eddie

MEMBERS OF THE NOMINATION COMMITTEE

Mr. Zhang Zhuoyong (*Chairman*)
Mr. He Keng
Mr. Zhang Tieyi
Mr. Kwok Kim Hung Eddie

COMPLIANCE OFFICER

Mr. He Keng

執行董事

何鏗先生(主席)
吳珊紅女士
陳偉強先生
丁成先生

獨立非執行董事

郭劍雄先生
張卓永先生
章鐵毅先生

監事

石歡苗先生
張生根先生
陳元康先生

審核委員會成員

郭劍雄先生(主席)
張卓永先生
章鐵毅先生

薪酬委員會成員

章鐵毅先生(主席)
何鏗先生
張卓永先生
郭劍雄先生

提名委員會成員

張卓永先生(主席)
何鏗先生
章鐵毅先生
郭劍雄先生

監察主任

何鏗先生

Corporate Information 公司資料

JOINT COMPANY SECRETARIES

Ms. Zou Jing
Mr. Cheng Ching Kit (appointed on 11 June 2018)
Ms. Ko Nga Kit (resigned on 11 June 2018)

AUTHORIZED REPRESENTATIVES

Mr. He Keng
Mr. Cheng Ching Kit (appointed on 11 June 2018)
Ms. Ko Nga Kit (resigned on 11 June 2018)

AUDITORS

Crowe (HK) CPA Limited

REGISTERED OFFICE

Factory, No. 3, Laiyan Road West Economic
Development Zone (South Side), Yuyao
Zhejiang, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Sunlight Tower
248 Queen's Road East
Wanchai
Hong Kong

COMPANY WEBSITE

www.ruiyuanhk.com

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited

PRINCIPAL BANKER

Bank of China

GEM STOCK CODE

8249

聯席公司秘書

鄒靜女士
鄭程傑先生(於二零一八年六月十一日獲委任)
高雅潔女士(於二零一八年六月十一日辭任)

授權代表

何鏗先生
鄭程傑先生(於二零一八年六月十一日獲委任)
高雅潔女士(於二零一八年六月十一日辭任)

核數師

國富浩華(香港)會計師事務所有限公司

註冊辦事處

中國浙江省余姚市
經濟開發區(南區)來雁路以西3號廠房

香港主要營業地點

香港
灣仔
皇后大道東248號
陽光中心40樓

公司網站

www.ruiyuanhk.com

香港H股過戶登記處

卓佳雅柏勤有限公司

主要往來銀行

中國銀行

GEM 股份代號

8249

Chairman's Statement

主席報告

On behalf of Zhejiang RuiYuan Intelligent Control Technology Company Limited (the "Company") and its subsidiaries (collectively known as the "Group"), I am pleased to present the 2018 annual results of the Group.

BUSINESS REVIEW

The overall economic environment in the PRC in 2018 was very challenging for private enterprises due to the following factors:

- (i) the overall economic growth rate continued to slow down
- (ii) competition and production costs continued to increase

We strived to survive in such a harsh environment by simplifying our operation structure and controlling costs.

In 2018, our major business included sales of controller systems for electronic equipment and electronic component and subassembly for electronic appliances.

For the year ended 31 December 2018, the Group recorded revenue of approximately RMB61,706,000 (2017: RMB44,529,000), representing an increase of approximately RMB17,177,000 over the previous year. The increase in revenue of the Group was mainly due to the Group's sales staff expanding and extending the business for the Company and further strengthening its marketing during the year.

For details of performance analysis and financial review, please refer to page 6 to page 10 under the section Management Discussion and Analysis in this annual report.

PROSPECT

While the market for 2019 remains uncertain. Some trends seem to be certain:

- (i) the economic growth will further slow down; and
- (ii) automatization and replacement of labor by robotics will continue to speed up

The above trends present challenges and opportunities to the Group. I have more than 11 years experience on industrial automation and have great confidence in the future market of intelligent control system for industrial uses.

While 2019 remains challenging for us, we will explore business opportunities for intelligent control system for industrial uses.

本人謹代表浙江瑞遠智控科技股份有限公司(「本公司」)連同其附屬公司(統稱「本集團」)欣然提呈本集團截至二零一八年度業績。

業務回顧

二零一八年，中國的整體經濟環境對私營企業而言十分嚴峻，原因如下：

- (i) 整體經濟增長率繼續放緩
- (ii) 競爭加劇及生產成本不斷上升

我們通過簡化經營架構及控制成本以努力抵禦該惡劣環境。

二零一八年，我們的主要業務包括銷售電子設備及電子元件的控制器系統及電子用品部件。

截至二零一八年十二月三十一日止年度，本集團錄得收益約人民幣61,706,000元(二零一七年：人民幣44,529,000元)，較去年增加約人民幣17,177,000元。本集團收益有所增加，乃主要由於集團銷售人員為公司拓展及延伸了業務，及年內進一步加強市場推廣所致。

有關績效分析及財務回顧之詳情，請參閱本年報第6頁至第10頁的管理層討論及分析一節。

展望

雖然二零一九年市場依然不明朗，但某些趨勢看起來很明確：

- (i) 經濟增長將進一步放緩；及
- (ii) 自動化及以機器人取代人工的進程將繼續加快

上述趨勢為本集團帶來挑戰及機遇。我在工業自動化領域擁有11年以上經驗，而且對工業所用的智能控制系統的未來市場充滿信心。

雖然二零一九年依然充滿各種挑戰，但我們將探索為工業所用的智能控制系統的業務機會。

Chairman's Statement

主席報告

DEDICATION

On behalf of all members of the board of Directors, I would like to take this opportunity to express our sincerest gratitude to our shareholders and colleagues for their unwavering dedications in 2018 and to our clients and business partners for their loyalties and support rendered to the Group.

He Keng

Chairman

Ningbo, The PRC, 25 March 2019

致謝

本人謹代表董事會全體同仁，藉此機會感謝所有股東及員工於二零一八年的勤勉奉獻，亦在此向客戶及業務夥伴對本集團之忠誠支持表示由衷謝意。

主席

何鏗

中國寧波，二零一九年三月二十五日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group's activities comprise sales of controller systems for electronic equipment and electronic component and subassembly for electronic appliances. The Group's activities are primarily operated in the PRC and the Group's revenue is mainly attributable to customers in the PRC.

For the year ended 31 December 2018, the Group recorded revenue of approximately RMB61,706,000 (2017: RMB44,529,000), representing an increase of approximately RMB17,177,000 over the previous year. The Group's revenue due to the launch of its new products and expanding new market business in 2018, resulting in the increase of sale cost and finance cost for business development during the year, therefore incurred a loss of approximately RMB1,133,000 in 2018.

Due to the general poor market and increasing competition, the Group strived to survive in the harsh environment by maintaining a simple organizational structure and controlling costs to a minimum level.

PERFORMANCE ANALYSIS

An analysis by reportable segments is provided in note 10 to the consolidated financial statements.

Gross profit margin was 6.5% (2017: 1.4%), revenue increased by approximately RMB17,177,000. The Group's gross profit margin due to the launch of its new products and expanding new market business in 2018, resulting in the decrease of expense for business development, therefore the gross profit has increased.

The Group recorded other revenue of approximately RMB77,000 (2017: RMB14,000) in 2018.

業務回顧

本集團之經營活動包括銷售電子設備及電子元件的控制器系統及電子用品部件。本集團的業務主要在中國經營，且本集團之收益主要來自中國的客戶。

截至二零一八年十二月三十一日止年度，本集團錄得收益約人民幣元61,706,000（二零一七年：人民幣44,529,000元），較去年增加約人民幣17,177,000元。本集團收益由於於二零一八年因推出其新產品及拓展新市場業務所得，因年內業務拓展所需的銷售成本及融資成本增加，因此，本集團於二零一八年虧損約人民幣1,133,000元。

由於整體市場環境惡劣及競爭日益加劇，本集團維持簡單的組織架構及控制成本至最低水平，以努力抵禦惡劣的環境。

績效分析

可呈報分部之相關分析載於綜合財務報表附註10。

毛利率為6.5%（二零一七年：1.4%），收益增加約人民幣17,177,000元。本集團毛利率由於於二零一八年因推出其新產品及拓展新市場業務所得，因年內業務拓展所需的費用逐步減少，因此本集團毛利率有所增加。

本集團於二零一八年錄得其他收益約人民幣77,000元（二零一七年：人民幣14,000元）。

Management Discussion and Analysis

管理層討論及分析

In 2018, the gain on disposal/deregistration of a subsidiary of the Group was RMB2,286,000 (2017: loss of RMB34,000).

Administrative expenses recorded a decrease by approximately RMB867,000 over the previous year. The decrease in administrative expenses were mainly due to the decrease in legal and professional fees (2018: RMB4,350,000; 2017: RMB5,217,000).

Finance costs increased by RMB1,129,000 (2017: RMB1,948,000) over the previous year which is primarily due to the imputed interest expense on loan from a major shareholder.

For the year ended 31 December 2018, loss attributable to owners of the Company amounted to approximately RMB1,133,000 (2017: RMB7,175,000).

FINANCIAL REVIEW

Current assets and liabilities

As at 31 December 2018, the Group had current assets of approximately RMB26,126,000 (2017: RMB28,904,000), representing a decrease of approximately RMB2,778,000 compared with last year. The decrease was mainly attributable to the decrease in trade and bills receivables by approximately RMB12,763,000, and the increase in bank balances and cash by approximately RMB5,293,000.

As at 31 December 2018, the Group had current liabilities of approximately RMB26,460,000 (2017: RMB31,159,000), which represented a decrease of approximately RMB4,699,000. The decrease was due to repayments to a director/former director, other borrowings and other payables.

於二零一八年，本集團出售／撤銷登記的一間附屬公司收入為人民幣2,286,000元（二零一七年：虧損人民幣34,000元）。

行政費用較去年減少約人民幣867,000元。行政費用減少的主要原因是法律和專業費用減少（二零一八年：人民幣4,350,000元；二零一七年：人民幣5,217,000元）。

融資成本較去年增加人民幣1,129,000元（二零一七年：人民幣1,948,000元），主要由於來自一名主要股東的貸款之估算利息開支。

截至二零一八年十二月三十一日止年度，本公司擁有人應佔虧損為約人民幣1,133,000元（二零一七年：人民幣7,175,000元）。

財務回顧

流動資產及負債

於二零一八年十二月三十一日，本集團的流動資產約為人民幣26,126,000元（二零一七年：人民幣28,904,000元），較去年減少約人民幣2,778,000元。流動資產減少的主要因為應收貿易賬款及應收票據減少約人民幣12,763,000元，銀行結餘及現金增加約人民幣5,293,000元。

於二零一八年十二月三十一日，本集團的流動負債約為人民幣26,460,000元（二零一七年：人民幣31,159,000元），減少約人民幣4,699,000元。減少的原因是償還了一名董事／前董事的款項以及其他借貸及其他應付賬款的減少。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2018, the Group had net liabilities of approximately RMB41,840,000 (2017: RMB40,655,000). The Group's operations and investments were financed principally by its internal resources, loan from a major shareholder and shareholders' equity.

As at 31 December 2018, the Group had bank balances and cash of approximately RMB10,558,000 (2017: RMB5,265,000), with no bank borrowings (2017: Nil).

As at 31 December 2018, the Group had no other borrowings (2017: RMB1,520,000). The decrease was mainly due to repayment of approximately RMB1,520,000 during the year.

Gearing ratio

As at 31 December 2018, The Group has no gearing ratio. (2017: 5.2%), which was expressed as a percentage of other borrowings over the total assets.

There were no important events affecting the Group which have occurred after 31 December 2018.

OUTLOOK AND FUTURE DEVELOPMENT

As the general economic growth in China slowed down in recent years, competition in the controllers systems market becomes keener and keener. In this connection, we will continue to implement stringent cost control measures in 2019. Going forward, the Group will explore business opportunities on intelligence control system for heavy industrial uses such as application for industrial robotics.

CAPITAL COMMITMENTS

As at 31 December 2018, the Group recapitalizes its subsidiaries to generate a capital commitment of RMB5,275,000 (2017: RMB6,000,000).

SIGNIFICANT INVESTMENTS AND ACQUISITION

The Group did not have any significant investment and acquisition during the year ended 31 December 2018 (2017: Nil).

CONTINGENT LIABILITIES

Contingent liabilities of the Group during the year are set out in note 34 to the consolidated financial statements.

財務資源、流動資金及資本負債

於二零一八年十二月三十一日，本集團的淨負債約為人民幣41,840,000元(二零一七年：人民幣40,655,000元)。本集團的營運及投資主要由其內部資源、向一名主要股東的借款及股東權益撥付。

於二零一八年十二月三十一日，本集團的銀行結餘及現金約為人民幣10,558,000元(二零一七年：人民幣5,265,000元)，無銀行借貸(二零一七年：無)。

於二零一八年十二月三十一日，本集團無其他借貸(二零一七年：人民幣1,520,000元)。減少的主要原因是本年度償還約人民幣1,520,000元。

資本負債比率

於二零一八年十二月三十一日，本集團無資本負債比率(二零一七年：5.2%)，此乃以其他借貸除以資產總值的百分比列示。

二零一八年十二月三十一日後並無發生對本集團有重大影響的事件。

展望及未來發展

隨著中國近年來整體經濟增長放緩，控制器系統市場的競爭變得越來越激烈。因此，我們將在二零一九年繼續實施嚴格的成本控制措施。展望未來，本集團將探索為重工業所用的智能控制系統(如應用於工業機器人)的業務機遇。

資本承擔

於二零一八年十二月三十一日，本集團向附屬公司進行資本注資產生資本承擔人民幣5,275,000元(二零一七年：人民幣6,000,000元)。

重大投資及收購

截至二零一八年十二月三十一日止年度，本集團並無任何重大投資及收購(二零一七年：無)。

或然負債

本集團年內或然負債載於綜合財務報表附註34。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 19 employees (2017: 22 employees). Remuneration is determined by reference to market terms and the performance, qualifications and experience of individual employees. Bonuses based on individual performance will be paid to employees in recognition and reward of their contribution. Other benefits include contributions to retirement scheme.

An analysis of employees of the Group by their duties for each of the three years ended 31 December 2016, 2017 and 2018 is set out below

僱員及酬金政策

於二零一八年十二月三十一日，本集團有19名僱員（二零一七年：22名僱員）。酬金是經參閱市場條款及個別僱員的表現、資格及經驗而釐定。按個別表現釐定的花紅將付予僱員，作為對其貢獻的肯定及獎勵。其他福利包括向退休計劃供款。

於截至二零一六年、二零一七年及二零一八年十二月三十一日止三個年度各年，按職能分析，本集團僱員如下：

Headcount for the year ended 31 December 截至十二月三十一日止年度的人數

		2016 二零一六年	2017 二零一七年	2018 二零一八年
Sales and marketing	銷售及市場推廣	6	10	8
Research & Development	研發	0	0	0
Production (including quality control)	生產（包括質量控制）	1	1	1
Finance and administration	財務及行政	7	8	8
Procurement	採購	1	3	2
		15	22	19

REMUNERATION OF DIRECTORS

In compliance with the Corporate Governance Code set out in Appendix 14 to the Listing Rule (“Corporate Governance Code”), the Company has established the Remuneration Committee to formulate remuneration policies. Directors’ remuneration is subject to Shareholders’ approval at general meetings. Other emoluments are determined by the Board with reference to the recommendations of the Remuneration Committee and factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions of such Directors elsewhere in the Group and desirability of performance-based remuneration. No Director, or any of their respective associates, was involved in deciding his/her own remuneration.

PLEDGE OF ASSETS

As at 31 December 2018, the Group had no other borrowings or charges on the Group’s assets (2017: Nil).

董事酬金

為符合上市規則附錄十四所載《企業管治守則》（「企業管治守則」），本公司已成立薪酬委員會以制定薪酬政策。董事薪酬須在股東大會上獲股東批准。其他薪酬由董事會經參考薪酬委員會的推薦意見及可資比較公司所支付的袍金、該等董事所付出的時間及職責、本集團內其他董事的僱用條件以及以表現為基礎支付薪酬的可取性等各項因素而釐定。概無董事或任何彼等各自聯繫人參與釐定其本身的薪酬。

資產抵押

於二零一八年十二月三十一日，本集團並無其他借貸或本集團資產抵押（二零一七年：無）。

Management Discussion and Analysis

管理層討論及分析

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2018, there was no material acquisition.

On 29 June 2018, the Company entered into a sale and purchase agreement to dispose of its 100% equity interest in its subsidiary, Hong Kong Wan Li Enterprise Company Limited, to an independent third party at a consideration of HK\$1. The disposal was completed on 26 September 2018.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2018.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Please refer to page 40 to page 41 for information about risk management and internal control systems.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2018, the Group was in compliance with all the laws and regulations applicable to the business operations of the Group.

EVENTS AFTER THE BALANCE SHEET DATE

As from 31 December 2018 to the date of this annual report, no significant events have occurred.

DIVIDENDS

The board of Directors (the "Board") does not recommend the payment of a final dividend for the year under review (2017: Nil).

重大收購或出售附屬公司

截至二零一八年十二月三十一日止年度，本集團並無重大收購。

本公司於2018年6月29日簽訂買賣協議，向獨立第三方出售附屬公司香港萬豪企業有限公司之全部股權，代價為1港元，出售事項於2018年9月26日完成。

重大投資或資本資產的未來計劃

於二零一八年十二月三十一日，並無作出重大投資或購入資本資產的任何具體計劃。

風險管理及內部監控系統

有關風險管理及內部監控系統的資料請參閱第40頁至第41頁。

遵守法例及法規

截至二零一八年十二月三十一日止年度，本集團已遵守適用於本集團業務經營的所有法例及法規。

結算日後事項

自二零一八年十二月三十一日起至本年報日期止，概無發生任何重大事項。

股息

董事會（「董事會」）不建議派付回顧年度的末期股息（二零一七年：無）。

Biographical Details of Directors, Supervisors and Senior Management 董事、監事及高級管理人員的履歷詳情

DIRECTORS

The Board currently consists of 7 Directors including 4 executive Directors, and 3 independent non-executive Directors.

Executive Directors

Mr. He Keng, aged 43, has been the chairman of the Board and an executive Director since 13 December 2016. Mr. He served as a chairman of Zhejiang RuiYuan Machine Tool Co., Ltd since 2005. He has extensive experience in corporate management. He worked in the Bank of China Shaoxing Branch from July 1997 to January 2005, during which he served as the account manager of the corporate account department, the head of the sub-operating office and the president of Zhuji Xincheng Sub-branch respectively. Mr. He graduated from Zhejiang University with a major in accounting and financial management. As at the date of this report, Mr. He Keng is deemed to be interested in 370,000,000 domestic shares of the Company within the meaning of Part XV of the SFO.

Ms. Wu Shanhong, aged 33, has been an executive Director since 13 December 2016. Ms. Wu is also the Chief Financial Officer of the Company, joined Zhejiang RuiYuan Machine Tool Co., Ltd in September 2006. She has years of work experience in finance. Ms. Wu Shanhong graduated from Southwest Jiaotong University with a major in accounting.

Mr. Chen Weiqiang, aged 37, has been an executive Director since 13 December 2016. Mr. Chen joined Zhejiang RuiYuan Machine Tool Co., Ltd in March 2004. Mr. Chen Weiqiang graduated from Southwest University of Science and Technology with a major in economic information management and computer application.

Mr. Ding Cheng, aged 31, has been an executive Director since 13 December 2016. Mr. Ding joined Zhejiang RuiYuan Machine Tool Co., Ltd in January 2010. He has extensive experience in sales of machines.

董事

董事會現由七名董事組成，包括四名執行董事及三名獨立非執行董事。

執行董事

何鏗先生，43歲，自二零一六年十二月十三日起擔任董事會主席兼執行董事。何先生自二零零五年起任浙江瑞遠機床有限公司董事長，擁有豐富的企業管理經驗。彼於一九九七年七月至二零零五年一月在中國銀行紹興市分行工作，先後任公司業務部客戶經理、分理處主任及諸暨新城支行行長。何先生畢業於浙江大學（會計與財務管理專業）。

吳珊紅女士，33歲，自二零一六年十二月十三日起擔任執行董事。吳女士二零零六年九月進入浙江瑞遠機床有限公司工作，現任首席財務總監，具有多年的財務從業經驗。吳珊紅女士畢業於西南交通大學會計學專業。

陳偉強先生，37歲，自二零一六年十二月十三日起擔任執行董事。陳先生二零零四年三月進入浙江瑞遠機床有限公司工作。陳偉強先生畢業於西南科技大學（經濟資訊管理與電腦應用專業）。

丁成先生，31歲，自二零一六年十二月十三日起擔任執行董事。丁先生二零一零年一月進入浙江瑞遠機床有限公司工作。在機電銷售方面具有豐富的經驗。

Biographical Details of Directors, Supervisors and Senior Management 董事、監事及高級管理人員的履歷詳情

Independent non-executive Directors

Mr. Kwok Kim Hung Eddie, aged 47, has been an independent non-executive Director since 20 June 2012. Mr. Kwok currently has been providing corporate advising services as professional accountant in Hong Kong. He has also been appointed as an independent non-executive director of Siberian Mining Group Company Limited, and Winshine Science Company Limited companies listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), since February 2014 and March 2019, respectively. He was previously appointed as financial controller, company secretary and authorised representative of Forebase International Holdings Limited, a company listed on the Main Board of the Stock Exchange.

Mr. Kwok is a member of The Hong Kong Institute of Certified Public Accountants. He is also an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. He holds a Master of Professional Accounting Degree from the Hong Kong Polytechnic University, a Master of Corporate Governance Degree from the Open University of Hong Kong and a Honours Diploma in Accounting from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University).

Mr. Zhang Zhuoyong, aged 44, has been an independent non-executive Directors since 13 December 2016. Mr. Zhang engaged in sales and management in the pharmaceutical industry since August 1995. He is currently the managing director of Jiaxing Boyada Pharmaceutical Co., Ltd* and has extensive experience in management of pharmaceutical marketing. Mr. Zhang Zhuoyong graduated from Zhejiang Institute of Silk Textiles with a major in dyeing and finishing.

Mr. Zhang Tieyi, aged 43, has been an independent non-executive Directors since 13 December 2016. Mr. Zhang joined Hangzhou Saifute Traffic Facilities Co., Ltd* in May 2006. He was a project manager and person-in-charge of Jiangsu Chengyu Construction Group Co., Ltd*. He has extensive experience in project management. Mr. Zhang Tieyi graduated from Chongqing Architectural University with a major in industrial equipment installation.

獨立非執行董事

郭劍雄先生，47歲，自二零一二年六月二十日起擔任獨立非執行董事。郭先生現時在香港作為專業會計師提供公司顧問服務。彼分別於二零一四年二月及二零一九年三月起亦獲委任為西伯利亞礦業集團有限公司及瀛晟科學有限公司之獨立非執行董事，這些公司於香港聯合交易所有限公司（「聯交所」）主板上市。彼曾獲申基國際控股有限公司委任為財務總監、公司秘書及授權代表，該公司於聯交所主板上市。

郭先生為香港會計師公會的成員。彼亦為香港特許秘書公會及英國特許秘書與行政人員公會之會員。彼持有香港理工大學專業會計碩士學位、香港公開大學企業管治碩士學位及香港樹仁學院（現稱為香港樹仁大學）之會計學榮譽文憑。

張卓永先生，44歲，自二零一六年十二月十三日起擔任獨立非執行董事。張先生自一九九五年八月進入醫藥行業從事銷售管理工作，現任嘉興市博雅達醫藥有限公司總經理，在醫藥銷售的管理方面具有豐富的經驗。張卓永先生畢業於浙江絲綢工學院（染整專業）。

章鐵毅先生，43歲，自二零一六年十二月十三日起擔任獨立非執行董事。章先生二零零六年五月進入杭州賽富特交通設施有限公司；歷任江蘇城宇建築集團有限公司項目經理及項目負責人，具有豐富的項目管理經驗。章鐵毅先生畢業於重慶建築大學（工業設備安裝工程專業）。

* For identification purpose only

* 僅供識別

Biographical Details of Directors, Supervisors and Senior Management 董事、監事及高級管理人員的履歷詳情

SUPERVISORS

Mr. Shi Huanmiao, aged 34, has been a supervisor since 13 December 2016. Mr. Shi has about 10 years experience in project management. Mr. Shi Huanmiao graduated from Hefei University of Technology with a major in science and technology of optical information in July 2007.

Mr. Zhang Shenggen, aged 71, has been a supervisor since 13 December 2016. Mr. Zhang joined Zhejiang RuiYuan Machine Tool Co., Ltd in May 2004 and is currently the head of the corporate management department Zhejiang of RuiYuan Machine Tool Co., Ltd. Mr. Zhang Shenggen graduated from University of Hangzhou* with a major in administrative management.

Mr. Chen Yuankang, aged 44, has been a supervisor since 13 December 2016. Mr. Chen joined Zhejiang RuiYuan Machine Tool Co., Ltd in April 2002 and is currently the head of the production department of Zhejiang Zhujie RuiYuan Machine Tool Co., Ltd. Mr. Chen Yuankang is experienced in production management.

SENIOR MANAGEMENT

Ms. Zou Jing, aged 32, is the deputy general manager and joint company secretary of the Company. Ms. Zou was appointed as the deputy general manager of the Company since May 2017 and was further appointed as a joint company secretary of the Company since February 2018. She is responsible for the daily operation and management and the company secretarial affairs of the Company.

Ms. Zou is currently also the minister of finance management department of Zhejiang RuiYuan Machine Tool Co., Ltd. She joined Zhejiang RuiYuan Machine Tool Co., Ltd in August 2008 and served as its minister of investment operations department, vice-minister of the treasury department and head of finance department.

Ms. Zou graduated from Yangtze University with a bachelor's degree in business administration in June 2008.

JOINT COMPANY SECRETARIES

Ms. Zou Jing. For biography of Ms. Zou, please refer to "Senior Management" above.

Mr. Cheng Ching Kit, is one of the joint company secretaries of the Company. Mr. Cheng is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 6 years of experience in corporate secretarial field. He is an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. In addition, he holds a Bachelor of Commerce degree in finance from the University of Queensland, Australia.

* For identification purpose only

監事

石歡苗先生，34歲，自二零一六年十二月十三日起擔任監事。石先生擁有約10年項目管理經驗。石歡苗先生於二零零七年七月畢業於合肥工業大學（光資訊科學與技術專業）。

張生根先生，71歲，自二零一六年十二月十三日起擔任監事。張先生二零零四年五月進入浙江瑞遠機床有限公司，現任浙江瑞遠機床有限公司企管部主任。張生根先生畢業於杭州大學（行政管理專業）。

陳元康先生，44歲，自二零一六年十二月十三日起擔任監事。陳先生二零零二年四月進入浙江瑞遠機床有限公司工作，現任浙江瑞遠機床有限公司生產部部長。陳元康先生對生產管理方面具有豐富的經驗。

高級管理層

鄒靜女士，32歲，為本公司副總經理及聯席公司秘書。鄒女士於二零一七年五月獲委任為本公司副總經理及於二零一八年二月獲進一步獲委任為本公司聯席公司秘書，現時負責本公司的日常營運及管理及公司秘書事務。

鄒女士目前亦為浙江瑞遠機床有限公司財務管理部部長。彼於二零零八年八月加入浙江瑞遠機床有限公司並先後歷任其投資運營部部長、資金部副部長及財務部主管。

鄒女士於二零零八年六月畢業於長江大學，擁有工商管理學士學位。

聯席公司秘書

鄒靜女士。有關鄒女士的履歷請參閱上文「高級管理層」。

鄭程傑先生，為本公司聯席公司秘書之一，彼為方圓企業服務集團（香港）有限公司之助理經理，於企業秘書服務範疇擁有逾六年經驗。彼為香港特許秘書公會以及英國特許秘書及行政人員公會之會士。此外，彼持有澳洲昆士蘭大學商學士（金融）學位。

* 僅供識別

Report of the Directors

董事會報告書

The Directors present their annual report together with the audited consolidated financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are the sales of intelligent controller systems for electronic equipment and electronic component and subassembly for electronic appliances. Details of the principal activities of its subsidiaries are set out in note 40 to the consolidated financial statements.

Analysis of the Group's performance for the year by geographical segments is set out in note 10 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group for the year and a discussion on the Group's future business development and the principal risks and uncertainties facing the Group are provided in the "Management Discussion and Analysis" on pages 6 to 10 in this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 72.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2018.

POSSIBLE RISK EXPOSURE AND UNCERTAINTIES

Credit Risk

At 31 December 2018 and 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties arose from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group reviews the recoverable amount of each individual trade and other debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced. Please refer to note 7 to the consolidated financial statements for details of credit risk.

董事呈交其截至二零一八年十二月三十一日止年度的年度報告及經審核綜合財務報表。

主要業務及按地區分類的業務分析

本公司的主要業務為銷售電子設備及電子元件的控制器系統及電子用品部件。有關其附屬公司主要業務的詳情載於綜合財務報表附註40。

本集團本年度按地區分類的業績分析載於綜合財務報表附註10。

業務審視

本集團年內之業務審視及有關本集團未來業務發展以及本集團面對的主要風險及不確定因素之討論載於本年報第6至10頁之「管理層討論及分析」。

業績及分派

本集團截至二零一八年十二月三十一日止年度的業績載於第72頁的綜合損益及其他全面收益表。

董事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。

可能承受的風險及不明朗因素

信貸風險

於二零一八年及二零一七年十二月三十一日，本集團就對手方未能履行其責任而面臨的最高信貸風險（將導致本集團的財務虧損），乃因綜合財務狀況表所述各已確認金融資產的賬面值而引致。

本集團於各報告期末檢討各應收貿易賬款及其他應收賬款的可收回款項，以確保對不可收回的款項計提足夠的減值虧損。就此而言，董事認為，本集團的信貸風險已大大降低。有關信貸風險詳情請參閱綜合財務報表附註7。

Report of the Directors

董事會報告書

Interest Rate Risk

The Group was not exposed to any fair value interest rate risk in relation to fixed-rate bank borrowings for the year ended 31 December 2018.

The Group was exposed to cash flow interest rate risk in relation to its variable rate bank balances. However, the Group considered that the effect of the cash flow interest rate is minimal and no sensitivity analysis to interest rate risk is presented. Please refer to note 7 to the consolidated financial statements for details of interest rate risk.

Liquidity Risk

The Group was exposed to liquidity risk as at 31 December 2018 as its financial assets due within one year were less than its financial liabilities due within one year. The Group had net current liabilities of approximately RMB334,000 as at 31 December 2018. The liquidity of the Group depends upon the positive cash flows expected to be generated from the Group's future operations and the Group's ability to successfully obtain new working capital in order to meet the Group's future working capital and financial requirements. Please refer to note 7 to the consolidated financial statements for details of liquidity risk.

Currency risk

The Group operates in the PRC with most of the transactions denominated and settled in RMB and USD. The Group's foreign currency is mainly HKD. The Group has certain portion of the bank balances and cash and amount due to a director/former director that are denominated in currencies other than the functional currency to which they relate.

The following table shows the Group's exposure as at 31 December 2018 to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate.

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Assets	資產	-	164
Liabilities	負債	-	2,273

利率風險

於截至二零一八年十二月三十一日止年度，本集團並無面對有關其定息銀行借貸之任何公平值利率風險。

本集團亦面對有關與其可變利率之銀行結餘有關之現金流量利率風險。然而，本集團認為現金流量利率影響甚微，故此沒有就利率風險呈列任何敏感度分析。有關利率風險詳情請參閱綜合財務報表附註7。

流動資金風險

由於本集團於一年內到期的金融資產少於一年內到期的金融負債，因此本集團於二零一八年十二月三十一日面臨流動資金風險。於二零一八年十二月三十一日，本集團的流動負債淨額約為人民幣334,000元。本集團之流動資金取決於本集團未來業務預期將產生正現金流量，以及本集團成功取得營運資金以滿足本集團的未來營運資金及財務需求的能力。有關流動資金風險詳情請參閱綜合財務報表附註7。

貨幣風險

本集團於中國經營業務，大部分交易以人民幣及美元計值及結算。本集團之外幣主要為港元。本集團若干部分的銀行結餘及現金以及應付一名董事／前董事款項以與之相關功能貨幣以外的貨幣計值。

下表列示本集團於截至二零一八年十二月三十一日止已確認資產及負債（以與之相關的實體的功能貨幣以外的貨幣計值）所引致的貨幣風險：

Report of the Directors

董事會報告書

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Please refer to note 7 to the consolidated financial statements for details of currency risk.

PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the share capital of the Company are set out in note 32 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 75. The Company has no reserve available for distribution to shareholders as at 31 December 2018.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company and no restriction against such rights under the laws of the People's Republic of China (the "PRC"), which will oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 155 and 156.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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.

SHARE OPTIONS

As at the date of this report, no option has been granted or agreed to be granted by the Company to any of its Directors, Supervisors or employees of the Company or its subsidiaries.

本集團目前並無外幣對沖政策。然而，管理層會監控外匯風險，並將於必要時考慮對沖重大外幣風險。有關貨幣風險詳情請參閱綜合財務報表附註7。

廠房及設備

本集團的廠房及設備年內變動詳情載於綜合財務報表附註19。

股本

本公司的股本詳情載於綜合財務報表附註32。

儲備

本集團的儲備年內變動詳情載於第75頁的綜合權益變動表。本公司於二零一八年十二月三十一日並無任何可供分派予股東的儲備。

優先購買權

根據本公司的公司章程細則，概無有關優先購買權的條文，而根據中華人民共和國（「中國」）法律，並無限制該等權利的條文而規定本公司有義務按現有股東的股權比例，提呈發售新股份。

財務資料概要

本集團最近五個財政年度的業績、資產及負債概要載於第155及156頁。

購買、出售或贖回上市證券

年內，本公司概無贖回其任何股份。本公司或其任何附屬公司於年內概無購買或出售本公司任何股份。

購股權

於本報告日期，本公司概無向本公司或其附屬公司任何董事、監事或僱員授出或同意授出購股權。

Report of the Directors

董事會報告書

DIRECTORS

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

Executive Directors

Mr. He Keng (*Chairman*)
Ms. Wu Shan hong
Mr. Chen Weiqiang
Mr. Ding Cheng

Independent Non-executive Directors

Mr. Kwok Kim Hung Eddie
Mr. Zhang Zhuoyong
Mr. Zhang Tieyi

Supervisors

Mr. Shi Huanmiao
Mr. Zhang Shenggen
Mr. Chen Yuankang

Members of the Audit Committee

Mr. Kwok Kim Hung Eddie (*Chairman*)
Mr. Zhang Zhuoyong
Mr. Zhang Tieyi

Members of the Remuneration Committee

Mr. Zhang Tieyi (*Chairman*)
Mr. He Keng
Mr. Zhang Zhuoyong
Mr. Kwok Kim Hung Eddie

Members of the Nomination Committee

Mr. Zhang Zhuoyong (*Chairman*)
Mr. He Keng
Mr. Zhang Tieyi
Mr. Kwok Kim Hung Eddie

董事

於本年度及截至本報告日期止，在職董事為：

執行董事

何鏗先生(主席)
吳珊紅女士
陳偉強先生
丁成先生

獨立非執行董事

郭劍雄先生
張卓永先生
章鐵毅先生

監事

石歡苗先生
張生根先生
陳元康先生

審核委員會成員

郭劍雄先生(主席)
張卓永先生
章鐵毅先生

薪酬委員會成員

章鐵毅先生(主席)
何鏗先生
張卓永先生
郭劍雄先生

提名委員會成員

張卓永先生(主席)
何鏗先生
章鐵毅先生
郭劍雄先生

Report of the Directors

董事會報告書

In accordance with Articles 88 and 112 of the Company's Articles of Association, the Directors and Supervisors appointed by the Board since last shareholders' annual general meeting shall be elected at the coming shareholders' general meeting for a term of three years. A Director or supervisor may serve consecutive terms if re-elected upon the expiration of the terms.

The terms of office of the executive Directors, Mr. He Keng, Mr. Ding Cheng, Mr. Chen Weiqiang and Ms. Wu Shanhong, and the independent non-executive Directors, Mr. Zhang Tieyi and Mr. Zhang Zhuoyong, are about to expire and they are willing to offer themselves for re-election at the AGM. To facilitate good corporate governance practices, independent non-executive Director Mr. Kwok Kim Hung Eddie will also retire from office and offers himself for re-election at the AGM.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Brief biographical details of Directors, Supervisors and senior management are set out on page 11 to page 13.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into a service contract with the Company for a term of three years from his/her date of appointment as a Director or, as the case may be, as a Supervisor and thereafter subject to termination by either party giving not less than one month's written notice to the other party.

Save as disclosed above, no Directors or Supervisors who are proposed for re-election at the forthcoming annual general meeting has entered into any service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

根據本公司的公司章程細則第88及第112條，自上屆股東週年大會以來由董事會委任的董事及監事須於來屆股東大會上接受選舉，任期三年。董事或監事可於任期屆滿時重選連任。

執行董事何鏗先生，丁成先生，陳偉強先生，吳珊紅女士，以及獨立非執行董事章鐵毅先生及張卓永先生任期即將屆滿，並願意於股東週年大會上重選連任。為了促進良好之企業管治常規，獨立非執行董事郭劍雄先生亦將退任，並在股東週年大會上重選連任。

董事、監事及高級管理人員的履歷詳情

董事、監事及高級管理人員的簡歷詳情載於第11頁至第13頁。

董事及監事的服務合約

各董事及監事已分別與本公司訂立服務合約，任期由其各自獲委任為董事或(視情況而定)獲委任為監事之日起計為期三年，其後可由任何一方向另一方發出不少於一個月書面通知終止。

除上述所披露者外，概無擬於應屆股東週年大會重選連任的董事或監事，與本公司訂有任何不可於一年內免付賠償(法定賠償除外)而終止的服務合約。

Report of the Directors

董事會報告書

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

Apart from the Directors' and Supervisors' service contracts disclosed above, no contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director or a Supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save for as disclosed under the section headed "Permitted Indemnity Provision", no transaction, arrangement and contract of significance to which the Company, or any of its holding companies or subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 December 2018 or at any time during the year ended 31 December 2018. In addition, no contract of significance between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries was made.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2018, no Directors or their respective associates has engaged in or has any interest in any business which were in competition or were likely to compete, directly or indirectly with the business of the Group.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

None of the controlling shareholders of the Company or their subsidiary has or had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the business of the group to which the company or any of its subsidiaries was a party during the year ended 31 December 2018.

董事及監事於合約的權益

除上文所披露的董事及監事的服務合約外，於本年度終結或年內任何時間，本公司或其附屬公司概無訂立對本集團業務而言屬重大及本公司董事或監事於當中直接或間接擁有重大權益的合約。

重要交易、安排及合同

除「獲准許的彌償條文」一節所披露者外，本公司或其任何控股公司或附屬公司或同系附屬公司概無參與訂立任何於截至二零一八年十二月三十一日止年度末或於截至二零一八年十二月三十一日止年度內任何時間仍然有效，且由董事或與董事有關連的實體直接或間接擁有重大權益的重大交易、安排及合約。此外，本公司或其任何附屬公司與控股股東或其附屬公司之間概無訂立重要合約。

董事於競爭業務中的權益

於截至二零一八年十二月三十一日止年度，董事或彼等各自的聯繫人概無參與直接或間接與本集團業務競爭或可能競爭的任何業務或於其中擁有任何權益。

控股股東於重大合約中的權益

於截至二零一八年十二月三十一日止年度，本公司控股股東或其附屬公司概無於本公司或其任何附屬公司所訂立對本集團業務而言屬重大的任何合約（不論為提供服務或其他事務）中直接或間接擁有重大權益。

Report of the Directors

董事會報告書

DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS IN THE SHARES OF THE COMPANY

So far as known to the Directors, at 31 December 2018, the interests and short position of each Director, Chief Executive and Supervisor in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as required pursuant to Section 352 of the SFO to be recorded in the register referred to therein or as otherwise notified to be Company and the Stock Exchange pursuant to the minimum standards of dealing of securities by directors and supervisor of listed issuers as referred to in Rule 5.46 of the GEM Listing Rule, were as follows:

Ordinary shares of RMB0.10 each of the Company as at 31 December 2018:

Long positions in shares

Name of Director/ Chief Executive/ Supervisor 董事／主要行政 人員／監事姓名	Number of Shares held (Note 1) 所持股份數目(附註1)	Nature of interest 權益性質	Approximate percentage of shareholding held in same class of securities 佔同類別證券 概約持股百分比	Approximate percentage of shareholding in the registered capital 佔註冊資本 概約持股百分比
Mr. He Keng ("Mr. He") 何鏗先生(「何先生」)	370,000,000 Domestic Shares (Note 2) 370,000,000 股內資股(附註2)	Interest of controlled corporation 受控法團權益	100.00%	74.00%
	1,000 H Shares (Note 3) 1,000 股H股(附註3)	Beneficial owner 實益擁有人	0.0008%	0.0002%

董事、主要行政人員及監事權益及淡倉披露

據董事所知，於二零一八年十二月三十一日，各董事、主要行政人員及監事於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條規定須記入該條所述的登記冊的權益及淡倉，或根據GEM上市規則第5.46條所述上市發行人董事及監事進行證券交易的最低標準已知會本公司及聯交所的權益及淡倉如下：

於二零一八年十二月三十一日，本公司每股面值人民幣0.10元的普通股：

股份的好倉

Report of the Directors

董事會報告書

Notes:

- (1) Domestic Shares of a nominal value of RMB0.10 each (the "Domestic Shares"), in the registered capital of the Company, which are subscribed for or credited as fully-paid in Renminbi. "H Share(s)" represent overseas listed foreign share(s) of a nominal value of RMB0.10 each in the registered capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong dollars.
- (2) On 11 July 2016, Zhejiang RuiYuan Intelligent Robot Company Limited ("Zhejiang RuiYuan") entered into a share transfer agreement with Wan Li Group Company Limited (萬里控股集團股份有限公司) ("Wanli"), Mr. Qi Yong Qiang ("Mr. Qi") and other parties, pursuant to which, among other things, Zhejiang RuiYuan agreed to acquire (i) 306,900,000 Domestic Shares held by Wanli and 15,775,000 Domestic Shares held by Mr. Qi (collectively the "First Batch Sale Shares") and (ii) 47,325,000 Domestic Shares held by Mr. Qi (the "Second Batch Sale Shares"). After completion of the transfer of the First Batch Sale Shares and the Second Batch Sale Shares, Mr. He and parties acting in concert with it owned an aggregate of 370,000,000 Domestic Shares, representing approximately 74% of the entire issued share capital of the Company as at 31 December 2018.
- (3) As a result of the Mandatory Cash Offer which closed at 4 pm on 14 September 2016, Mr. He acquired valid acceptances in respect of 1,000 H Shares. Accordingly, Mr. He was interested in 1,000 H Shares as at 31 December 2018.

Save as disclosed above, at no time during the year did the Directors, Chief Executives and Supervisors (including their spouse and children under 18 years of age) have any interest in, or had they been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations (within the meaning of SFO).

Apart from the above, at no time during the year was the Company or its subsidiaries a party to any arrangement enabling the Directors, Chief Executives and Supervisors of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

Furthermore, at no time during the year was there any arrangement whose objects are, or one of whose objects is, to enable Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or its associated corporation.

附註：

- (1) 本公司註冊資本中每股面值人民幣0.10元的內資股乃人民幣認購或入賬列作繳足。「H股」為本公司註冊資本中每股面值人民幣0.10元的海外上市外資股，於GEM上市，並以港元認購及買賣。
- (2) 於二零一六年七月十一日，浙江瑞遠智能機器人股份有限公司（「浙江瑞遠」）與萬里控股集團股份有限公司（「萬里」）、元勇強先生（「元先生」）及其他方訂立一份股份轉讓協議，據此（其中包括）浙江瑞遠同意收購(i)萬里持有的306,900,000股內資股及元先生持有的15,775,000股內資股（統稱為「第一批銷售股份」）及(ii)元先生持有的47,325,000股內資股（「第二批銷售股份」）。於第一批銷售股份及第二批銷售股份轉讓完成後，何先生及其一致行動方合共擁有370,000,000股內資股，佔本公司於二零一八年十二月三十一日的全部已發行股份約74%。
- (3) 強制性現金要約於二零一六年九月十四日下午四時結束後，何先生收到有關1,000股H股的有效接納。因此，於二零一八年十二月三十一日，何先生於1,000股H股中擁有權益。

除上文所披露者外，於本年度的任何時間，概無董事、主要行政人員及監事（包括彼等之配偶及未滿十八歲的子女）於本公司或其相聯法團（定義見證券及期貨條例）的股份擁有任何權益，或已獲授或已行使可認購該等股份的任何權利。

除上文所述者外，於本年度的任何時間，本公司或其附屬公司概無訂立任何安排，致使本公司董事、主要行政人員及監事持有本公司或其相聯法團的股份、相關股份或債券任何權益或淡倉。

此外，於本年度的任何時間，並無訂立任何安排，使董事可藉購買本公司或其相聯法團之股份或債券而獲取利益。

Report of the Directors

董事會報告書

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2018, the persons or companies (other than the Director or chief executive of the Company) have interests and/or long positions in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under section 336 of the SFO, and who were directly or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

主要股東於本公司股份或相關股份的權益

就董事所知，於二零一八年十二月三十一日，以下人士或公司（本公司董事或主要行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須知會本公司及聯交所，以及根據證券及期貨條例第336條須記錄於該條所述登記冊的權益及／或好倉，以及被視為直接或間接擁有附帶權利可於任何情況下在本公司的股東大會上投票的任何類別股本面值5%或以上的權益。

Name of Substantial Shareholder 主要股東姓名／名稱	Total number of Shares interested 持有權益的股份總數	Nature of interest 權益性質	Approximate percentage of shareholding held in same class of securities 佔同類別證券概約持股百分比	Approximate percentage of shareholding in the registered capital 佔註冊資本概約持股百分比
浙江瑞遠("Zhejiang RuiYuan")	370,000,000 Domestic Shares 370,000,000 股內資股 (Notes 2, 3 and 4) (附註2、3及4)	Beneficial owner 實益擁有人	100%	74%
杭州沁蝶機電設備有限公司 (「杭州沁蝶」) (Hangzhou Qindie Electronic Equipment Company Limited) (“Hangzhou Qindie”)	370,000,000 Domestic Shares 370,000,000 股內資股 (Notes 2 and 5) (附註2及5)	Interest of corporation 法團權益	100%	74%
諸暨金福機電設備有限公司(「諸暨金福」) (Zhujii Jinfu Electrical Equipment Company Limited) (“Zhujii Jinfu”)	370,000,000 Domestic Shares 370,000,000 股內資股 (Notes 2 and 5) (附註2及5)	Interest of corporation 法團權益	100%	74%
紹興沁遠電子科技有限公司(「紹興沁遠」) (Shaoxing Qinyuan Electronic Technology Company Limited) (“Shaoxing Qinyuan”)	47,325,000 Domestic Shares 47,325,000 股內資股 (Notes 2 and 6) (附註2及6)	Nominee 代名人	12.79%	9.47%
何鏗先生 (Mr. He Keng)	370,000,000 Domestic Shares 370,000,000 股內資股 (Notes 2 and 5) (附註2及5)	Interest of corporation 法團權益	100%	74%
	1,000 H Shares 1,000 股H股 (Note 7) (附註7)	Beneficial owner 實益擁有人	0.0008%	0.0002%
湯晶豐先生 (Mr. Tang Jingfeng)	370,000,000 Domestic Shares 370,000,000 股內資股 (Notes 2, 5 and 6) (附註2、5及6)	Interest of corporation 法團權益	100%	74%
趙忠信先生 (Mr. Zhao Zhongxin)	370,000,000 Domestic Shares 370,000,000 股內資股 (Notes 2 and 5) (附註2及5)	Interest of corporation 法團權益	100%	74%
何楊根先生 (Mr. He Yanggen)	370,000,000 Domestic Shares 370,000,000 股內資股 (Notes 2 and 5) (附註2及5)	Interest of corporation 法團權益	100%	74%
Martin Currie China Hedge Fund Limited	14,245,000 H Shares 14,245,000 股H股股份	Investment manager 投資經理	10.96%	2.85%
Martin Currie Investment Management Limited	14,245,000 H Shares 14,245,000 股H股股份	Investment manager 投資經理	10.96%	2.85%

Report of the Directors

董事會報告書

Notes:

- (1) Domestic Shares of a nominal value of RMB0.10 each, in the registered capital of the Company, which are subscribed for or credited as fully-paid in Renminbi. "H Share(s)" represent overseas listed foreign share(s) of a nominal value of RMB0.10 each in the registered capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong dollars.
- (2) On 11 July 2016, Zhejiang RuiYuan Intelligent Robot Company Limited ("Zhejiang RuiYuan") entered into a share transfer agreement with (Wan Li Group Company Limited (萬里控股集團股份有限公司) ("Wanli"), Mr. Qi Yong Qiang ("Mr. Qi") and other parties, pursuant to which, among other things, Zhejiang RuiYuan agreed to acquire (i) 306,900,000 Domestic Shares held by Wanli and 15,775,000 Domestic Shares held by Mr. Qi (collectively the "First Batch Sale Shares") and (ii) 47,325,000 Domestic Shares held by Mr. Qi (the "Second Batch Sale Shares"). After completion of the transfer of the First Batch Sale Shares and the Second Batch Sale Shares, Mr. He and parties acting in concert with it owned an aggregate of 370,000,000 Domestic Shares, representing approximately 74% of the entire issued share capital of the Company as at 31 December 2018.
- (3) As disclosed in the announcement of the Company dated 29 December 2017, Zhejiang RuiYuan has pledged its 322,675,000 domestic shares of the Company (representing 64.535% of the total issued share capital of the Company) to an independent third party for serving Zhejiang RuiYuan's own purpose and fulfilling its responsibilities.
- (4) Zhejiang RuiYuan is a joint stock company incorporated in the PRC with limited liability and is owned as to 55% by Hangzhou Qindie and as to 45% by Zhuji Jinfu.
- (5) Hangzhou Qindie is a company established in the PRC and is owned as to 51% by Mr. He and as to 49% by Mr. Tang Jingfeng. Zhuji Jinfu is a company established in the PRC and is owned as to 50% by Mr. Zhao Zhongxin and as to 50% by Mr. He Yanggen.
- (6) Shaoxing Qinyuan, to whom the second Batch Sale Shares were transferred, is the nominee for Zhejiang Ruiyuan and a company that is owned as to 60% by Mr. He and 40% by Mr. Tang Jinfeng.
- (7) As a result of the Mandatory Cash Offer which closed at 4pm on 14 September 2016, Mr. He acquired valid acceptances in respect of 1,000 H Shares. Accordingly, Mr. He was interested in 1,000 H Shares as at 31 December 2018.

Save as discussed above, the Directors are not aware of any person (other than the Directors whose interests are set out in the section headed "Directors, Chief Executives' and Supervisors' Interests" in the shares of the Company above) holding any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register pursuant to section 336 of the SFO as at 31 December 2018.

附註：

- (1) 本公司註冊資本中每股面值人民幣0.10元的內資股乃以人民幣認購或入賬列作繳足。「H股」為本公司註冊資本中每股面值人民幣0.10元的海外上市外資股，於GEM上市，並以港元認購及買賣。
- (2) 於二零一六年七月十一日，浙江瑞遠智能機器人股份有限公司（「浙江瑞遠」）與萬里控股集團股份有限公司（「萬里」）、元勇強先生（「元先生」）及其方訂立一份股份轉讓協議，據此（其中包括）浙江瑞遠同意收購(i)萬里持有的306,900,000股內資股及元先生持有的15,775,000股內資股（統稱為「第一批銷售股份」）及(ii)元先生持有的47,325,000股內資股（「第二批銷售股份」）。於第一批銷售股份及第二批銷售股份轉讓完成後，何先生及其一致行動方合共擁有370,000,000股內資股，佔本公司於二零一八年十二月三十一日的全部已發行股份約74%。
- (3) 誠如本公司日期為二零一七年十二月二十九日之公告所披露，浙江瑞遠將其持有之本公司322,675,000股內資股（佔本公司已發行股本總數64.535%）向獨立第三方予以質押，以供浙江瑞遠本身之用途及履行其責任。
- (4) 浙江瑞遠為一間於中國註冊成立的股份有限公司，並由杭州沁蝶擁有55%及諸暨金福擁有45%。
- (5) 杭州沁蝶為一間於中國註冊成立的公司，並由何先生擁有51%及湯晶豐先生擁有49%。諸暨金福為一間於中國註冊成立的公司，並由趙忠信先生擁有50%及何楊根先生擁有50%。
- (6) 紹興沁遠（第二批銷售股份的受讓人）為浙江瑞遠的代名人，由何先生擁有60%及湯晶豐先生擁有40%。
- (7) 強制性現金要約於二零一六年九月十四日下午四時結束後，何先生收到有關1,000股H股的有效接納。因此，於二零一八年十二月三十一日，何先生於1,000股H股中擁有權益。

除上文所披露者外，於二零一八年十二月三十一日，董事並不知悉有任何人士（並非擁有上述「董事、主要行政人員及監事於本公司股份的權益」一節中所載權益的董事）於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露，或須記入本公司根據證券及期貨條例第336條存置的登記冊內的任何權益或淡倉。

Report of the Directors

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.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

CORPORATE GOVERNANCE REPORT

Corporate governance report of the Company is set out on page 28 to page 45 of the annual report.

FINAL DIVIDEND

The Board did not recommend a payment of final dividend for the year ended 31 December 2018.

SUFFICIENCY OF PUBLIC FLOAT

The Company maintained a sufficient public float as required under the GEM Listing Rules during the year ended 31 December 2018.

管理層合約

年內概無訂立或訂有有關本公司全部或任何主要部分業務的管理及行政合約。

獲准許的彌償條文

本公司已就其董事及高級管理人員可能面對因企業活動產生之法律訴訟，為董事及行政人員之職責作適當之投保安排。基於董事利益的獲准許彌償條文根據公司條例(香港法例第622章)第470條的規定於董事編製之董事會報告根據公司條例(香港法例第622章)第391(1)(a)條獲通過時生效。

企業管治報告

本公司之企業管治報告載於本年報第28至第45頁。

末期股息

董事會不建議派發截至二零一八年十二月三十一日止年度的末期股息。

充足之公眾持股量

於截至二零一八年十二月三十一日止年度，本公司根據GEM上市規則之規定維持充足之公眾持股量。

Report of the Directors 董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

Sales

— the largest customer	48%
— five largest customers combined	94%

Purchases

— the largest supplier	50%
— five largest suppliers combined	96%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has an interest in the major suppliers and major customers noted above.

ENVIRONMENTAL POLICIES AND PERFORMANCE

According to our business nature and pursuant to the relevant laws of the PRC/Hong Kong, there are no specific environmental standards and/or requirements for conducting the Group's business.

Please refer to Environmental, Social and Governance Report on page 46 to page 64 for details about environmental, social and governance matters.

RELATIONSHIP WITH EMPLOYEES

The Group ensures that all the employees are reasonably remunerated and maintains good relationship with its employees. For details, please refer to the sections headed "Management Discussion and Analysis — Employees and Remuneration Policies" and "Report of the Directors — Corporate Social Responsibilities" of this annual report, respectively. The Group is committed to providing a safe and healthy workplace for its employees and encourage them to have a work-life balance.

主要客戶及供應商

本年度本集團主要客戶及供應商應佔的銷售及採購百分比如下：

銷售

— 最大客戶	48%
— 五大客戶合計	94%

採購

— 最大供應商	50%
— 五大供應商合計	96%

概無董事、其聯繫人士或任何股東(董事獲悉持有本公司5%以上股本之股東)於上文所述主要供應商及主要客戶中擁有權益。

環保政策及表現

根據我們的業務性質及遵照中國/香港法例，本集團進行業務時並無指定的環保標準及/或規定。

有關環境、社會及管治方面的詳情，請參閱第46頁至第64頁環境、社會及管治報告一節。

與僱員的關係

本集團確保所有員工獲得合理酬金及維持良好的員工關係。有關詳情，請參閱本年報「管理層分析與討論 — 僱員及酬金政策」及「董事會報告書 — 企業社會責任」章節。本集團承諾向僱員提供一個安全及健康的工作環境以及鼓勵僱員保持工作和生活的平衡。

Report of the Directors

董事會報告書

On 4 November 2016, a former employee of the Company, filed a claim with the Labour Tribunal of Hong Kong against the Company and its former subsidiary, Hong Kong Wan Li Enterprise Company Limited (together the “Respondent”) for a compensation of approximately HK\$2,600,000. As of the reporting date, the dispute between the Claimant and the Group are still in progress, the result of the case has not yet come up and the Directors are of the opinion that the Company has strong grounds to defend the claim. An amount of RMB86,000 was made in the consolidated financial statements for the year ended 31 December 2016, and no further provisions was made thereafter.

Details of the dispute are set out in note 34 to the consolidated financial statements.

KEY RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Group maintains good relationship with its customers. The sales personnel make regular visits and/or phone calls to the customers. If there is any complaint from customers, it will be reported to the management and immediate remedial action will be taken and feedback from customers will be followed till settlement of the complaint. Thereafter, the cause of such complaint will be studied, analysed and evaluated and recommendations will be in place for improvement.

The Group also maintains good relationship with its suppliers. During the year, no complaint was received from the suppliers and there were no disputed debts or unsettled debts and all the debts were settled on or before due dates or a latest date as mutually agreed.

COMPLIANCE WITH THE CODE

Details of the Company’s compliance with the code provisions set out in Corporate Governance Code set out in Appendix 15 in the Corporate Governance Report of the GEM Listing Rules throughout the financial year ended 31 December 2018 are disclosed on page 28 to page 45.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group, are set out in note 38 to the consolidated financial statements.

None of the transactions described therein fall under the definition of connected transaction which are not fully exempted from shareholders’ approval, annual review and all disclosure requirement under chapter 20 of the GEM Listing Rules.

於二零一六年十一月四日，本公司一名前僱員向香港勞資審裁處提出針對本公司及其前附屬公司香港萬豪企業有限公司(統稱「被告」)之申索，追索賠償約2,600,000港元。截至報告日期，原告與本集團之間的糾紛仍在處理當中，該案件尚未有結果，董事認為本公司有充分理據進行抗辯。於截至二零一六年十二月三十一日止年度的綜合財務報表中作出人民幣86,000元的撥備。於截至二零一八年十二月三十一日止年度並無進一步撥備。

該糾紛之詳情載於綜合財務報表附註34。

與客戶及供應商的主要關係

本集團與客戶維持良好關係。銷售人員定期與客戶會面及／或致電客戶。客戶如有任何不滿，將向管理層匯報並即時作出補救措施，並將緊貼處理客戶意見直至有關投訴解決為止。此後，本集團將檢討、分析及評估該投訴的因由，並提出改善建議。

本集團亦與供應商維持良好關係。年內，概無接獲供應商任何投訴，亦無任何具爭議債務或未償還債務，且所有債務均於到期日或雙方同意的較後日期或之前償付。

遵守守則

於截至二零一八年十二月三十一日止財政年度，本公司遵守GEM上市規則企業管治報告附錄15企業管治守則所載的守則條文之詳情披露於第28頁至45頁。

關連人士交易

本集團的關連人士交易詳情載於綜合財務報表附註38。

本年報所載之交易均不符合關連交易之定義，並不完全獲豁免遵守GEM上市規則第20章項下的股東批准、年度審閱及所有披露規定。

Report of the Directors 董事會報告書

DONATIONS

No charitable and other donations was made by the Group during the year ended 31 December 2018.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the end of reporting period.

COMPETING INTERESTS

None of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in any business that directly or indirectly competes with the business of the Group or has any other conflicts of interest.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matter, including the review of the audited Consolidated Financial Statements of the Group for the year ended 31 December 2018.

AUDITORS

KTC Partners CPA Limited has resigned as the auditor of the Group with effect from 10 January 2019. Crowe (HK) CPA Limited has been appointed as the auditor of the Group with effect from 10 January 2019 to fill the casual vacancy following the resignation of KTC Partners CPA Limited and to hold office until the conclusion of the forthcoming annual general meeting ("AGM").

The financial statements for the year have been audited by Crowe (HK) CPA Limited, who retire and, being eligible, offer themselves for reappointment at the forthcoming AGM of the Company.

On behalf of the Board

He Keng
Chairman

Ningbo, The PRC, 25 March 2019

捐款

於截至二零一八年十二月三十一日止年度，本集團並無作出慈善及其他捐贈。

報告期後事項

報告期末後，並無發生任何重大事項。

競爭權益

董事、本公司管理層股東及彼等各自的聯繫人士（定義見GEM上市規則）概無於直接或間接與本集團業務構成競爭的任何業務中擁有權益，亦無任何其他利益衝突。

審閱年度業績

審核委員會已審閱本集團所採納的會計原則及常規，並討論審核、內部控制及財務報告事宜，包括審閱本集團截至二零一八年十二月三十一日止年度的經審核綜合財務報表。

核數師

和信會計師事務所有限公司自二零一九年一月十日起辭任本集團核數師一職。國富浩華（香港）會計師事務所有限公司已獲委任為本集團核數師，自二零一九年一月十日起生效，以填補和信會計師事務所有限公司辭任而產生之臨時空缺，任期直至本公司應屆股東週年大會（「股東週年大會」）結束為止。

本年度財務報表由國富浩華（香港）會計師事務所有限公司審核，該會計師事務所將告退，並符合資格及願意於本公司應屆股東週年大會應聘連任。

代表董事會

主席
何鏗

中國寧波，二零一九年三月二十五日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE

During the year ended 31 December 2018, the Company has complied with the code provisions set out in the Corporate Governance Code as stated in Appendix 15 of the GEM Listing Rules except the following deviations (Code Provisions A.2.1):

Mr. He Keng is the Chairman of the Board. The Company has no such title as the chief executive officer and the daily operation and management of the Company is monitored by the executive directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting the operations of the Company.

Further information on the Company's corporate governance practices is set out below.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has appointed 3 independent non-executive Directors. The Company confirms that it has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company still considers all the existing independent non-executive Directors to be independent. All the independent non-executive Directors are appointed for a three-year term.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices has always been one of the Group's goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders' value.

企業管治

於截至二零一八年十二月三十一日止年度，本公司遵守GEM上市規則附錄15所載之企業管治守則之守則條文，惟以下偏離(守則條文第A.2.1條)除外：

何鏗先生為董事會主席。本公司並無設立行政總裁職銜，而本公司之日常營運及管理由執行董事及高級管理層實行監控。董事會認為，雖然本公司並無行政總裁，但透過由具備豐富經驗之人士組成之董事會運作並不時開會討論影響本公司營運之事宜，足以確保維持權責平衡。

有關本公司企業管治常規之進一步資料載列於下文。

獨立非執行董事

本公司已委任3名獨立非執行董事。本公司確認，本公司已接獲各獨立非執行董事之確認書，確認其具有GEM上市規則第5.09條所指之獨立性，而本公司認為，所有現任獨立非執行董事均仍具備獨立性。所有獨立非執行董事任期均為三年。

企業管治常規

董事會及本公司管理層致力訂立良好之企業管治常規及程序。本集團一直以維持高水準之商業道德及企業管治常規為其目標之一。本公司相信，良好之企業管治能為有效管理、成功之業務增長及健康之企業文化訂立框架，從而提升股東價值。

Corporate Governance Report

企業管治報告

The Board has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the Rules Governing the GEM Listing Rules. Continuous efforts are made to review and enhance the Group’s internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the provisions but also the intent of the regulations to enhance corporate performance and accountability.

The Board is pleased to report compliance with the code provisions of the CG Code throughout the year, except where otherwise stated.

DIRECTORS’ AND SUPERVISORS’ SECURITIES TRANSACTIONS

The Group has adopted a code of dealing in securities by Directors, supervisors and employees of the Group as set out in Rule 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors, supervisors and employees. Having made specific enquiry with all Directors and supervisors, the Directors and supervisors confirmed that they had complied with the required standard set out in the Model Code throughout the year.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs.

董事會已採納載於GEM證券上市規則附錄15之企業管治守則(「企業管治守則」)。本集團一直致力就條例之變更及最佳常規之發展檢討及提升其內部監控及程序。對我們而言，維持高水準之企業管治常規不僅為符合條文，而是實現條文之精神，提升企業表現及加強問責性。

董事會欣然報告，除另有說明者外，於整個年度符合企業管治守則之守則條文。

董事及監事之證券交易

本集團已採納載於GEM上市規則第5.48條至5.67條之集團之董事、監事及僱員進行證券交易之守則作為其本身有關董事、監事及僱員進行證券交易之行為守則。經向全體董事、監事及僱員作出特定查詢後，董事、監事及僱員均確認彼等於整個年度已遵守標準守則所載之規定標準。

披露內幕消息

本集團知悉其根據香港法例第571章證券及期貨條例及GEM上市規則所應履行的責任，整體原則是內幕消息必須在有所決定後即時公佈。處理及發佈內幕消息的程序及內部監控措施如下：

- 本集團處理事務時會充分考慮GEM上市規則項下的披露規定以及香港證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」；
- 本集團透過財務報告、公告及公司網站等途徑向公眾廣泛及非獨家披露資料，以實施及公平披露其政策；
- 本集團已嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界查詢本集團事務訂立及執行回應程序。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

The Board comprises:

Executive Directors : Mr. He Keng (*Chairman*)
Ms. Wu Shanhong
Mr. Chen Weiqiang
Mr. Ding Cheng

Independent Non-Executive Directors : Mr. Kwok Kim Hung Eddie
Mr. Zhang Zhuoyong
Mr. Zhang Tieyi

Each independent non-executive Director has given an annual confirmation of his independence to the Company, and the Company considers them to be independent under Rule 5.09 of the GEM Listing Rules.

As at 31 December 2018, the Board comprises seven members, including four executive Directors and three independent non-executive Directors. Each of the members possesses sufficient experience and qualification which enable them to discharge their duties properly.

The Company seeks to achieve board diversity through the consideration of a number of factors, including age, education background, skills and experience.

The chairman is responsible for the formulation and review of the Group's overall development strategies. The daily operation is delegated to the executive Directors and senior management. None of the independent non-executive Directors is interested in the business of the Group and their independence has to be confirmed upon appointment or reappointment. Currently, there is no financial, business, family or other relevant material relationship among the existing Directors.

According to the articles of association of the Company, all the Directors shall be elected at the general meeting of the shareholders and the term of office shall be three years, renewable upon reappointment or re-election.

董事會

董事會成員包括：

執行董事 : 何鏗先生(主席)
吳珊紅女士
陳偉強先生
丁成先生

獨立非執行董事 : 郭劍雄先生
張卓永先生
章鐵毅先生

各位獨立非執行董事已就其獨立性向本公司發出年度確認，而根據GEM上市規則第5.09條之規定，本公司認為彼等均為獨立人士。

於二零一八年十二月三十一日，董事會由七名成員組成，包括四名執行董事及三名獨立非執行董事。董事會各成員均具有足夠經驗及資歷以妥善履行其職責。

本公司力求透過考慮多個因素實現董事會多元化，包括年齡、教育背景、技能及經驗。

主席負責製訂及檢討本集團的整體發展策略，日常營運則由執行董事及高級管理人員負責。各獨立非執行董事概無於本集團業務中擁有任何權益，並於出任及留聘有關任命時確認其獨立地位。目前，現任董事間並無財務、業務、家族或其他相關重大關係。

根據本公司的公司章程細則規定，所有董事須於股東大會上選舉產生，任期三年，於任期屆滿時重選連任。

Corporate Governance Report

企業管治報告

ATTENDANCE OF MEETINGS

Board meetings are conducted on a periodic basis and with reference to the operation needs. During the financial year ended 31 December 2018, a total of 8 Board meetings and 1 annual general meeting (“AGM”) were held by Company, and the attendance of each Director is set out as follows:

Number of meetings attended in the year ended 31 December 2018

於截至二零一八年十二月三十一日

止年度內出席會議次數

Name of Director

董事姓名

Mr. He Keng (Chairman)

何鏗先生(主席)

Ms. Wu Shanhong

吳珊紅女士

Mr. Chen Weiqiang

陳偉強先生

Mr. Ding Cheng

丁成先生

Mr. Zhang Zhuoyong

張卓永先生

Mr. Zhang Tieyi

章鐵毅先生

Mr. Eddie Kwok Kim Hung

郭劍雄先生

Attendance/Number of meetings held

出席/舉行會議次數

Board

meetings

AGM

董事會會議 股東週年大會

8/8

1/1

8/8

1/1

8/8

1/1

8/8

1/1

8/8

1/1

8/8

1/1

8/8

1/1

The chairman attended AGM to answer questions and collect views of shareholders. All Directors, company secretary and the auditors had attended the AGM to answer questions at the meeting.

主席已出席股東週年大會以回答股東問題及搜集其意見。全體董事、公司秘書及核數師已出席股東週年大會並於會上回答問題。

Except for the annual general meeting, the Company did not hold any other general meetings during the year ended 31 December 2018.

除股東週年大會外，本公司於截至二零一八年十二月三十一日止年度沒有舉行任何其他股東大會。

REMUNERATION OF SENIOR MANAGEMENT

Details of the remuneration of the senior management of the Company by remuneration band for the year ended 31 December 2018, are set out in note 17 to the consolidated financial statements.

高級管理層的薪酬

截至二零一八年十二月三十一日止年度按薪酬組別劃分的高級管理層薪酬詳情載於綜合財務報表附註17。

Corporate Governance Report

企業管治報告

RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system; supervising and managing management's performance of the Group; and setting the Group's values and standards. The Board delegates the day-to-day management, administration and operation of the Group to management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc.

The Board held meetings from time to time whenever necessary. At least 10 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all Directors at least 3 days or a shorter period agreed by the directors before the date of a regular Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

董事會責任

董事會負責領導及控制本集團並透過指導及監督本集團之業務共同負責令本集團達致成功。董事會專注於制定本集團之整體策略、批准發展計劃及預算、監察財務及營運表現、檢討內部監控系統之成效、監督及管理本集團管理層之表現及釐定本集團之價值觀及標準。董事會委任管理層負責本集團之日常管理、行政及營運工作。董事會定期檢討所授出之職能，以確保其符合本集團之需要。

企業管治職能

由於並無成立企業管治委員會，因此由董事會負責執行企業管治職能，如制定及檢討本公司企業管治之政策及常規、為董事及高級管理層提供培訓及持續專業發展及確保本公司之政策及常規符合法律及監管規定等。

董事會不時在有需要時舉行會議。本公司會向全體董事發出至少10天的有關召開定期董事會會議之通知，彼等可將彼等認為適合之討論事項納入會議議程。會議議程連同董事會文件會於定期董事會會議舉行當日前至少3天或董事協定的較短期間內送交全體董事，以便董事有充足時間審議有關文件。

每次董事會會議之會議記錄給所有董事傳閱，以讓彼等確認會議記錄前細讀及作註解。董事會亦會確保會議記錄將及時，以適當形式及內容提供必須資料，已讓所有董事可履行彼等之職責。

每位董事會成員均可全面取得公司秘書之意見及服務，旨在確保董事會程序以及所有適用規則及規例均獲遵守，而彼等亦有權全面獲取董事會文件及相關資料，以便彼等能作出知情決定及履行彼等之職責及責任。

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. He Keng (“Mr. He”) is the Chairman of the Company. Mr. He is responsible for the overall strategic planning and policy making of the Group.

The Company has no such title as the chief executive officer and therefore the daily operation and management of the Company is monitored by the executive Directors as well as the senior management.

The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting operation of the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to the Articles of Association, Directors shall be elected at general meetings and shall hold office for a term of three years and shall be eligible for re-election upon expiry of their term. Each of the executive Directors and independent non-executive Directors has entered into a service contract with the Company for a term of three years.

The terms of office of the executive directors, Mr. He keng, Mr. Ding cheng, Mr. Chen Weiqiang and Ms. Wu Shanhong, and the independent non-executive Directors, Mr. Zhang Tieyi, and Mr. Zhang Zhuoyong, are about to expire and are willing to offer themselves for re-election at the AGM. To facilitate good corporate governance practices, Mr. Kwok Kim Hung Eddie will also retire from office and offer himself for re-election at the annual meeting of the shareholders.

主席及行政總裁

何鏗先生(「何先生」)為本公司主席。何先生負責本集團之整體策略規劃及政策制定。

本公司並無設立行政總裁職銜，因此，本公司之日常營運及管理由執行董事及高級管理層實行監控。

董事會認為，雖然本公司並無行政總裁，但透過由具備豐富經驗之人士組成之董事會運作並不時開會討論影響本公司營運之事宜，足以確保維持權責平衡。

委任及重選董事

根據公司章程，董事須經股東大會選舉產生，任期為三年。董事任期屆滿，可重選連任。本公司已與各執行董事及獨立非執行董事訂立服務合約，任期為三年。

執行董事何鏗先生，丁成先生，陳偉強先生，吳珊紅女士，以及獨立非執行董事章鐵毅先生及張卓永先生任期即將屆滿，並願意於股東週年大會上重選連任。為了促進良好之企業管治常規，獨立非執行董事郭劍雄先生亦將退任，並在股東週年大會上重選連任。

Corporate Governance Report

企業管治報告

PROFESSIONAL DEVELOPMENT

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. All Directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. A record of the training received by the respective Directors are kept and updated by the company secretary of the Company.

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

		Attending seminar(s)/ programme(s)/conference(s) relevant to the business or Directors' duties 出席有關業務或董事職責之 座談會／計劃／會議之情況
Mr. He Keng (<i>Chairman</i>)	何鏗先生(主席)	✓
Ms. Wu Shanhong	吳珊紅女士	✓
Mr. Chen Weiqiang	陳偉強先生	✓
Mr. Ding Cheng	丁成先生	✓
Mr. Zhang Zhuoyong	張卓永先生	✓
Mr. Zhang Tieyi	章鐵毅先生	✓
Mr. Kwok Kim Hung Eddie	郭劍雄先生	✓

All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

專業發展

為協助董事之持續專業發展，本公司建議董事出席相關之座談會以發展及更新彼等之知識及技能。全體董事亦有出席持續專業發展計劃，如由合資格專業人士所舉辦之外部座談會，就彼等對董事會之貢獻發展及更新彼等之知識及技能。各董事所接受之培訓記錄由本公司公司秘書保管及更新。

截至二零一八年十二月三十一日止年度，各董事所接受培訓之個別記錄概述如下：

全體董事均了解到持續專業發展之重要性，承諾參與任何合適之培訓，以發展及更新彼等之知識及技能。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises 3 independent non-executive Directors, who have reviewed the annual results of the Company for the year ended 31 December 2018. Mr. Kwok Kim Hung, Eddie, is the chairman of the Audit Committee who has appropriate professional qualifications and accounting or related financial management expertise.

Our Audit Committee has primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management and the auditors relating to the annual, quarterly and interim results, and monitoring the accounting and internal control system in use throughout the Group. The Audit Committee held 4 meetings during the year ended 31 December 2018.

According to the current terms of reference, meetings of the Audit Committee shall be held at least 4 times a year. 4 meetings were held for the year ended 31 December 2018. The attendance of each member is set out as follows:

Name of members of Audit Committee	審核委員會成員姓名	Attendance/ Number of meetings held in the financial year ended 31 December 2018
		於截至二零一八年 十二月三十一日止 財政年度內出席／舉行 會議次數
Mr. Kwok Kim Hung Eddie (<i>Chairman</i>)	郭劍雄先生 (主席)	4/4
Mr. Zhang Zhuoyong	張卓永先生	4/4
Mr. Zhang Tieyi	章鐵毅先生	4/4

During the year under review, the Group did not have an internal audit function but had appointed an external consultant to review the material controls of the Group on a continuous basis and aims to cover all major operations of the Group on a cyclical basis. The Board, through the Audit Committee, reviewed the appraisal performed by the an independent auditor on the Company’s risk management and internal control systems. Based on information furnished to it and its own observations, the Board is satisfied that the present internal control and risk management systems of the Group are effective and adequate in all material respects.

審核委員會

本公司之審核委員會(「審核委員會」)由3位獨立非執行董事組成，彼等已審閱本公司截至二零一八年十二月三十一日止年度之全年業績。郭劍雄先生為審核委員會主席，其具備合適專業資格及會計或相關財務管理經驗。

我們之審核委員會主要負責監察內部監控之質素及確保本公司之財務表現得以準確地計量及申報、接收及審核管理層及核數師有關年度、季度及中期業績之報告及監察本集團使用之會計及內部監控系統。於截至二零一八年十二月三十一日止年度，審核委員會舉行了4次會議。

根據現有職權範圍，審核委員會每年須至少舉行4次會議。截至二零一八年十二月三十一日止年度，審核委員會已舉行了4次會議。各位成員之出席情況載列如下：

於回顧年內，本集團並無內部審核職能，惟已任命外聘顧問按持續基準審核本集團重要監控，旨在週期性地涵蓋本集團所有主要業務。董事會通過審核委員會審核獨立核數師對本公司風險管理及內部控制系統的評估。基於所獲提供的資料及自身的觀察，董事會信納本集團當前的內部控制及風險管理系統在所有重大方面行之有效及充足。

Corporate Governance Report

企業管治報告

At the meetings held during the year, in performing its duties in accordance with its terms of reference, the work performed by the Audit Committee included:

- (a) review and supervise the financial reporting process and internal control system and risk management of the Company and its subsidiaries;
- (b) recommendation to the Board, for the approval by shareholders, of the re-appointment of the external auditor and approval of their remuneration;
- (c) determination of the nature and scope of the audit; and
- (d) review the financial statements for the relevant periods.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established on 22 March 2012 comprising the 3 independent non-executive Directors and 1 executive Director. Mr. Zhang Tieyi is the chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are available at the Company’s website and on the website of The Stock Exchange of Hong Kong Limited.

The roles and functions of the Remuneration Committee include consulting the chairman of the Board about their remuneration proposals for other executive Directors, making recommendation to the Board on the Company’s remuneration policy and structure for all Directors’ and senior management and the Remuneration Committee has adopted the approach under B.1.2(c)(ii) of the code provisions to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

Meeting of the Remuneration Committee shall be held at least once a year. 1 meeting was held during the year ended 31 December 2018. During the meeting, remuneration packages, performance and service contracts of the Directors had been reviewed and approved, no change has been proposed to the remuneration policy.

於年內舉行之會議上，在根據其職權範圍履行其職責方面，審核委員會所履行之工作包括：

- (a) 檢討及監督本公司及其附屬公司之財務申報程序、內部監控系統及風險管理；
- (b) 向董事會建議重新委任外部核數師並批准彼等之酬金，惟須獲得股東批准；
- (c) 釐定審核之性質及範圍；及
- (d) 審核有關期間之財務報表。

薪酬委員會

本公司於二零一二年三月二十二日成立由3位獨立非執行董事及1名執行董事組成之薪酬委員會（「薪酬委員會」）。章鐵毅先生為薪酬委員會主席。薪酬委員會之職權範圍載於本公司網站及香港聯合交易所有限公司網站。

薪酬委員會之角色及職能包括向董事會主席諮詢彼等就其他執行董事之薪酬建議及就本公司全體董事及高級管理層之薪酬政策及架構向董事會作出建議。薪酬委員會已採納守則條文B.1.2(c)(ii)條項下之方式向董事會建議個別執行董事及高級管理層薪酬待遇。

薪酬委員會每年須至少舉行一次會議。薪酬委員會已於截至二零一八年十二月三十一日止年度內舉行1次會議。於會議期間，董事薪酬待遇、表現及服務合約已獲檢討及批准，並無建議對薪酬政策作出任何變更。

Corporate Governance Report

企業管治報告

The attendance of each member is set out as follows:

各位成員之出席情況載列如下：

Name of members of Remuneration Committee	薪酬委員會成員姓名	Attendance/ Number of meetings held in the financial year ended 31 December 2018
		於截至二零一八年 十二月三十一日止 財政年度內出席／舉行 會議次數
Mr. Zhang Tieyi (Chairman)	章鐵毅先生(主席)	1/1
Mr. He Keng	何鏗先生	1/1
Mr. Zhang Zhuoyong	張卓永先生	1/1
Mr. Kwok Kim Hung Eddie	郭劍雄先生	1/1

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 22 March 2012 comprising the 3 independent non-executive Directors and 1 executive Director. Mr. Zhang Zhuoyong is currently the chairman of the Nomination Committee. The terms of reference of the Nomination Committee are available at the Company's website and on the website of The Stock Exchange of Hong Kong Limited.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least once a year, making recommendations on any proposed changes to the Board to complement the Company's corporate strategies, identifying individuals suitably qualified to become Board members (select or make recommendations to the Board on the selection of individuals nominated for directorships), assessing the independence of independent non-executive Directors, making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman; and reporting to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions.

提名委員會

本公司於二零一二年三月二十二日成立由3位獨立非執行董事及1名執行董事組成之提名委員會(「提名委員會」)。張卓永先生現為提名委員會主席。提名委員會之職權範圍載於本公司網站及香港聯合交易所有限公司網站。

提名委員會之角色及職能包括至少每年一次檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，就任何為推行本公司企業戰略擬作出的變動向董事會提出建議、物色具備合適資格可擔任董事的人士(挑選、提名有關人士出任董事或就此向董事會提供意見)、評核獨立非執行董事的獨立性、就董事委任或重新委任以及董事(尤其是主席)繼任計劃的有關事宜向董事會提出建議及向董事會匯報其決定或建議，除非受法律或監管限制所限而不能作出匯報。

Corporate Governance Report

企業管治報告

BOARD DIVERSITY POLICY

The Company has adopted a Board Diversity Policy to have a well diversified Board of Directors by considering a number of factors, including but not limited to gender, age, cultural/education and professional background, skills, knowledge and experience.

The Board consists of seven directors, three of whom are independent non-executive directors. The Nomination Committee and Board are of the view that the diversity of the Board is embodied in terms of age, skills, expertise, knowledge and educational background.

Nomination Policy

The company has adopted a nomination policy for directors. The factors considered by the Nomination Committee in assessing candidates include, but are not limited to: (a) the structure, size and composition of the Board; (b) the diversity of the Board in terms of background, skill and experience (including but not limited to gender, age, education and professional background, skills, knowledge and experience); (c) the compliance with the independence criteria set out in Rule 5.09 of the GEM Listing Rules for the appointment of independent non-executive directors; and (d) any other relevant factors as determined by the Nomination Committee or the Board from time to time, and make recommendations on appointing board candidates or re-appointing existing members of the Board.

The appointments of directors will be proposed to the Board of Directors after the Nomination Committee assesses the above factors. The Nomination Committee will annually assess and report to the Board on the composition of the Board of Directors in a context of diversity and keep an watch on the implementation thereof.

董事會成員多元化政策

本公司已採納董事會成員多元化政策，透過考慮多項因素，包括但不限於性別、年齡、文化／教育及專業背景、技能、知識及經驗，務求達致董事會成員多元化。

董事會由七名董事組成，其中三名為獨立非執行董事，提名委員會及董事會認為董事會於年齡、技能、專業經驗、知識及教育背景方面皆體現了董事會成員之多元化。

提名政策

本公司已採納董事提名政策。提名委員會在評估候選人時考慮的因素包括(但不限於)以下各項，並就委任董事會候選人或重新委任董事會現有成員作出建議：(a) 董事會的架構、規模及組成；(b) 董事會背景、技能及經驗之多元化(包括但不限於性別、年齡、文化／教育及專業背景、技能、知識及經驗)；(c) 符合載列於GEM上市規則第5.09條對委任獨立非執行董事所規定的獨立性準則；及(d) 提名委員會或董事會不時決定的任何其他相關因素。

所有董事之委任將由提名委員會評估上述因素後向董事會作出建議，提名委員會將每年評估及在企業管治報告內匯報董事會在多元化角度下的組成，並監察本政策的執行。

Corporate Governance Report

企業管治報告

Meeting of the Nomination Committee shall be held at least once a year. 1 meeting was held during the year ended 31 December 2018. Issues concerning the structure, size and composition of the Board were discussed.

The attendance of each member is set out as follows:

提名委員會每年須至少舉行一次會議。提名委員會已於截至二零一八年十二月三十一日止年度內舉行1次會議。會上討論了有關董事會之架構、人數及組成情況。

各位成員之出席情況載列如下：

Name of members of Nomination Committee		Attendance/ Number of meetings held in the financial year ended 31 December 2018
		於截至二零一八年 十二月三十一日止 財政年度內出席/ 舉行會議次數
Mr. Zhang Zhuoyong (<i>Chairman</i>)	張卓永先生(主席)	1/1
Mr. He Keng	何鏗先生	1/1
Mr. Zhang Tieyi	章鐵毅先生	1/1
Mr. Kwok Kim Hung Eddie	郭劍雄先生	1/1

ACCOUNTABILITY AND AUDIT

Financial Reporting

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the Independent Auditor's Report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report.

問責及審核

財務申報

管理層須就本公司之財政狀況及業務發展前景向董事會提供有關解釋及資料，並定期向董事會匯報，以便董事會能夠於其批准前就所提交之財務及其他資料作出知情評估。

誠如獨立核數師報告書所載，董事確認負責編製真實及公平地反映本集團財務狀況之本集團財務報表。外聘核數師乃根據彼等之審核結果，對董事會所編製之該等綜合財務報表作出獨立意見，並向本公司股東匯報彼等之意見。核數師作出之申報責任聲明載於獨立核數師報告書內。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining adequate system of internal controls and risk management within the Group and for reviewing their effectiveness. The systems of internal controls and risk management are designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. They are also designed to provide reasonable, but not absolute, assurance that material misstatement or loss can be avoided, and to manage and minimize risks of failure in operation systems. The Company is committed to implementing a stricter and more regulated internal control and risk management procedures in the new financial year.

During the year ended 31 December 2018, the Board engaged an external consultant conduct a review on the Group's internal control and risk management systems and its effectiveness. No significant area of concern that may affect the financial, operational, compliance, internal control and risk management of the Group has been identified, and considers them effective and adequate.

The Group conducts review of the Group's internal control and risk management systems and its effectiveness regularly to ensure the interest of shareholders is safeguarded.

OBJECTIVES OF RISK MANAGEMENT AND INTERNAL CONTROL

The objectives of the risk management and internal control framework of the Group include:

- to strengthen the Company's risk management and internal control in compliance with the GEM Listing Rules requirements;
- to establish and constantly improve the risk management and internal control systems; and
- to keep baseline risks within the acceptable range.

THREE-TIER RISK MANAGEMENT APPROACH

The Group has adopted a three-tier risk management approach to identify, assess, mitigate and handle risks. At the first line of defence, business units are responsible for identifying, assessing and monitoring risks associated with each business or deal. The finance department, as the second line of defence, defines rule sets and models, oversees and reports risk management matters to the Board. It ensures that risks are within the acceptable range and that the first line of defence is effective. As the final line of defence, the Board together with audit committee of the Company, with the professional advices and opinions from the external professional Company by whom internal audit work of the Group was conducted on annual basis, ensures that the first and second lines of defence are effective through constant inspection and monitoring.

內部監控及風險管理

董事會負責為本集團維持充分的內部監控及風險管理系統，並審查其有效性。內部監控及風險管理系統旨在促進營運效果及效率、維護資產及確保內部及外對報告的質素和符合適用的法律法規。此外，該等系統亦旨在合理（但非絕對）地保證能避免發生嚴重誤報或損失的情況，以及管理並減低營運系統失效的風險。本公司於新財政年度內致力執行更嚴格及更高規範性的內部監控及風險管理程序。

於截至二零一八年十二月三十一日止年度內，董事會已委聘外部顧問以檢討本集團的內部監控及風險管理系統及其有效性。概無識別到任何對本集團財務、營運、合規、內部監控及風險管理造成影響之重大關注事項。

本集團定期檢討本集團的內部監控及風險管理系統及其有效性，以確保股東利益獲得保障。

風險管理及內部監控的目標

本集團的風險管理及內部監控框架的目標包括：

- 根據GEM上市規則規定加強本公司的風險管理及內部監控；
- 建立及持續提升風險管理及內部監控系統；及
- 維持基線風險在可接受範圍內。

三級風險管理方法

本集團採納三級風險管理方法以識別、評估、降低及應對風險。在第一道防線，業務單位負責識別、評估及監察與每項業務或交易有關的風險。作為第二道防線，財務部門界定規則組合及模型、監督及向董事會報告風險管理事宜。其確保風險在可接受範圍內及第一道防線行之有效。作為最後一道防線，本公司董事會連同審核委員會在外聘專業公司（按年為本集團進行內部審核工作）的專業建議及意見下透過持續檢查及監控確保第一道防線及第二道防線行之有效。

Corporate Governance Report

企業管治報告

PRINCIPLES OF INTERNAL CONTROL

Our risk management and internal control systems involve five elements as internal environment, risk assessment, control activities, information and communication and internal supervision. The aim of internal control is to reasonably guarantee the compliance of its operation and management with regulations and laws, assets security, and authenticity and integrity of financial report and related information, improve the efficiency and effectiveness of operating activities and promote the realization of development strategy of the Group.

EXTERNAL AUDITORS

The Audit Committee of the Company is responsible for the appointment of the external auditors, including the engagement of non-auditing tasks and fees. During the year under review, the financial statements for the year ended 31 December 2018 was audited by Crowe (HK) CPA Limited and the fees paid for the audit of the Group's financial statements are set out as follows:

Services Rendered	所提供的服務	Fee paid/payable 已付／應付的費用 RMB'000 人民幣千元
Audit Service	審核服務	536
Non-audit services	非審核服務	—
		<hr/> 536

JOINT COMPANY SECRETARIES

Ms. Zou Jing (“Ms. Zou”) and Mr. Cheng Ching Kit (“Mr. Cheng”) were appointed as the joint Company secretaries of the Company on 7 February 2018 and 11 June 2018 respectively. The biographical details of Ms. Zou and Mr. Cheng are set out under the section headed “Biographical Details of Directors, Supervisors and Senior Management”.

Mr. Cheng is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited, and assists Ms. Zou in company secretarial affairs. The primary corporate contact person of Mr. Cheng at the Company is Ms. Zou.

According to Rule 5.15 of the GEM Listing Rules, Ms. Zou and Mr. Cheng have taken separately no less than 15 hours of relevant professional training during the financial year ended 31 December 2018.

內部監控原則

我們的風險管理及內部監控系統涉及內部環境、風險評估、監控活動、資訊與溝通及內部監督等五項要素。內部監控旨在合理保證公司經營管理合規合法、資產安全、財務報告及相關資料真實完整、提高經營活動的效率及成效，以及促進本集團實行發展策略。

外聘核數師

本公司審核委員會負責委聘外聘核數師，包括非核數範圍的工作及費用。於回顧年度內，國富浩華(香港)會計師事務所有限公司審核截至二零一八年十二月三十一日止年度的財務報表及就審核本集團財務報表支付的費用情況載列如下：

聯席公司秘書

鄒靜女士(「鄒女士」)及鄭程傑先生(「鄭先生」)分別於二零一八年二月七日及二零一八年六月十一日獲委任為本公司聯席公司秘書。鄒女士及鄭先生之履歷詳情載於「董事、監事及高級管理人員的履歷詳情」一節。

鄭先生為方圓企業服務集團(香港)有限公司之助理經理，並在公司秘書事務方面協助鄒女士。鄭先生在本公司的主要公司聯絡人為鄒女士。

根據GEM上市規則5.15條，鄒女士及鄭先生已分別於截至二零一八年十二月三十一日止財政年度已接受不少於15小時之相關專業培訓。

Corporate Governance Report

企業管治報告

INVESTORS' RELATIONS

The Company places great emphasis on its relationship and communication with investors. The Company has numerous communication channels, such as press conference and seminars, to communicate with the media, analysts and fund managers. Designated senior management staff holds dialogue with analysts, fund managers and investors, who are also arranged to visit the Company and investment projects from time to time, so as to keep them abreast of the Group's business and latest developments. In addition, investors can also visit the Company's website at www.ruiyuanhk.com for the most updated information and the status of the business development of the Group.

The Company has made changes to the constitutional documents during the year ended 31 December 2018. Investors can obtain the latest constitutional documents of the Company from the websites of the Company and the Stock Exchange.

COMMUNICATION WITH SHAREHOLDERS

The Board and senior management recognise the responsibility of safeguarding the interest of shareholders of the Company and provide highly transparent and real-time information on the Company so as to keep the shareholders and investors abreast of the Company's position and help them to make the best investment decision. The Company believes that maintaining good and effective communication with shareholders can facilitate the shareholders' understanding of the business performance and strategies of the Group. The Board and senior management also recognise the responsibility of safeguarding the interest of shareholders of the Company. In order to safeguard the shareholders' interest, the Company reports its financial and operating performance to shareholders through annual reports, interim reports and quarterly reports. Shareholders of the Company can also obtain information of the Group in time through annual reports, interim reports, quarterly reports, announcements, circulars, press releases and the Company's website www.ruiyuanhk.com.

The annual general meetings are an appropriate forum for direct communication between the Board and shareholders. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group at annual general meetings.

投資者關係

本公司十分注重與投資者之關係及溝通。本公司設有多種溝通渠道，如召開新聞發佈會、研討會，與媒體、分析員及基金經理聯繫。指定之高級管理人員與分析員、基金經理及投資者對話，並不時安排彼等參觀本公司及投資項目，了解本集團業務及最新發展。此外，投資者亦可於本公司網站 www.ruiyuanhk.com，及時了解本集團的最新信息及業務發展狀況。

於截至二零一八年十二月三十一日止年度，本公司已對組織章程文件作出變動。投資者亦可於本公司及聯交所網站查閱本公司最新的組織章程文件。

與股東之溝通

董事會及高層管理人員確認彼等須保障本公司股東利益的責任，提供高透明度及實時的公司數據，讓股東及投資者及時了解公司狀況並作出最佳投資決策。本公司深信，與股東保持良好有效之溝通，有助於促進股東對本集團業務表現及策略的了解。董事會及高級管理人員亦確認彼等須保障本公司股東利益的責任。為保障股東利益，本公司透過年報、中期報告及季度報告向股東匯報其財務及經營表現。本公司股東亦可透過年報、中期報告、季度報告、公告、通函、新聞稿，以及本公司的網站 www.ruiyuanhk.com，及時取得本集團的資料。

本公司的股東週年大會提供合適場合讓董事會與股東進行直接溝通。股東可就本集團的表現及未來發展於股東週年大會向董事會直接提出問題。

Corporate Governance Report

企業管治報告

Dividend Policy

The Company has adopted a dividend policy to provide guidance to the Board on whether to declare and distribute dividends. In order to keep sufficient reserves for the future development of the Company, the Board will appraise its dividend policy based on the operations and earnings, cash flow, financial position, capital and other reserve requirements and surplus, contractual restrictions and its overall financial conditions and any other conditions or factors that the Board considers relevant, so as to determine or recommend dividends for any financial year and also the number, amount and form of dividends paid.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").

RIGHT TO CONVENE EGM

Pursuant to Article 52 of the Articles, shareholders individually or jointly holding 10% or more of the Company's issued shares carrying voting rights requests in writing to the Company's registered office: Factory No. 3, Laiyan Road West Economic Development Zone (South Side) Yu Yao Zhejiang China for convening of an extraordinary general meeting.

To convene a general meeting, the Company shall give written notices no less than 45 days before the date of the meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and the date and place of the meeting. Shareholders who intend to attend the meeting shall return the written reply of attendance to the Company to be received by the Company 20 days before the date of the meeting.

The Company shall calculate, according to the written replies received 20 days before the date of the meeting, the number of shares carrying voting rights represented by the shareholders attending the meeting. The Company may convene a general meeting if the number of shares carrying voting rights represented by shareholders intending to attend aggregates to more than half of the total number of shares carrying such rights. If not, the Company shall make an announcement within five days, once again notifying the shareholders of the matters proposed to be considered and the date and place of the meeting. Once an announcement has been so made, the Company may convene the general meeting.

股息政策

本公司已採納股息政策，以為董事會決定是否宣佈及派發股息方面提供指引。為確保本公司的未來發展保留足夠的儲備，董事會將根據本公司的營運及盈利、現金流量、財務狀況、資本及其他儲備要求及盈餘、整體財務狀況及合約限制以及董事會認為有關的任何其他條件或因素，來評估股息政策，以決定或建議任何財政年度／期間是否派發股息，及派發股息的次數，金額及形式。

股東權利

本公司之股東大會提供機會讓本公司股東及董事會進行溝通。本公司每年舉行一次股東週年大會，地點由董事會釐定。各股東大會(股東週年大會除外)稱為臨時股東大會(「臨時股東大會」)。

召開臨時股東大會之權利

根據章程細則第52條，單獨或合併持有本公司10%或以上附有表決權的已發行股份的股東，可向本公司註冊地址(地址為：中國浙江省余姚市經濟開發區南區來雁路以西3號廠房)發出書面要求，要求董事會召開臨時股東大會。

公司召開股東大會，應當於會議召開前不少於45日發出書面通知，將會議擬審議的事項以及開會的日期和地點告知所有在冊股東。擬出席會議的股東，應當於會議召開20日前，將出席會議的書面回復送達本公司。

本公司根據會議召開前20日時收到的書面回復，計算擬出席會議的股東所代表的有表決權的股份數。若擬出席會議的股東所代表的有表決權的股份數達到本公司有表決權的股份總數二分之一以上，本公司可以召開股東大會；若達不到，本公司應當在五日內將會議擬審議的事項、開會日期和地點以公告形式再次通知股東，經公告通知，本公司可以召開股東大會。

Corporate Governance Report

企業管治報告

Shareholders requisitioning an extraordinary general meeting or class meeting shall abide by the following procedures:

- (i) Two or more shareholders holding in aggregate 10% or more of the shares carrying the right to vote at the meeting sought to be held shall sign a written requisition in one or more counterparts in the same form and contents, requiring the board of Directors to convene an extraordinary general meeting or a class meeting thereof and stating the matters to be considered at the meeting. The board of Directors shall, as soon as possible after receipt of the requisition, convene an extraordinary general meeting or a class meeting thereof. The aforementioned number of shares held by the shareholders shall be calculated based on the date of submission of the written requisition.
- (ii) If the board of Directors fails to issue a notice to convene such meeting within 30 days from the date of receipt of the requisition, the requisitioning shareholders may themselves convene such meeting within 4 months of the receipt of the requisition by the board of Directors. In so convening a meeting, the requisitioning shareholders shall adopt a procedure as similar possible as that of general meetings convened by the board of Directors.

All reasonable expenses incurred by the requisitioning shareholders as a result of the failure of the board of Directors to convene a meeting and so convening such meeting themselves as mentioned above shall be borne by the Company and deducted from any sums due to such defaulting Directors by the Company.

RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

Pursuant to Article 54 of the Articles, the Board of Directors, the Board of Supervisors and shareholders severally or jointly holding 3% or above shares of the Company shall be entitled to submit proposals to the Company at the general meeting.

Shareholder(s) individually or jointly holding 5% or above of shares of the Company shall have the right to submit a temporary proposal to the convener in writing 10 days prior to the holding of the general meeting; the convener shall, within 2 days after its receipt of such a proposal, issue an supplementary notice of the general meeting, and announce the contents of the temporary proposal. If the listing rules of the place where the Company's shares are listed provide otherwise, such rules shall also be complied with.

股東要求召開臨時股東大會或者類別股東會議，應當按照下列程序辦理：

- (i) 合計持有在該擬舉行的會議上有表決權的股份10%以上(含10%)的兩名或者兩名以上的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召開臨時股東大會或者類別股東會議，並闡明會議的議題。董事會在收到前述書面要求後應當儘快召開臨時股東大會或者類別股東會議。前述持股數按股東提出書面要求日計算。
- (ii) 倘董事會在收到前述書面要求後30日內沒有發出召開會議的通知，提出該要求的股東可以在董事會收到該要求後4個月內自行召開會議。召開會議的程序應當盡可能與董事會召開股東大會的程序相同。

股東因董事會未應前述要求舉行會議而自行召集並舉行會議的，其所發生的合理費用，應當由公司承擔，並從公司欠付失職董事的款項中扣除。

於股東大會上提呈提案之權利

根據章程細則第54條，董事會、監事會及單獨或合併持有本公司3%或以上股份的股東，有權於股東大會上向本公司提出提案。

單獨或合併持有本公司5%或以上股份的股東，有權在股東大會召開10日前提出臨時提案並書面提交召集人；召集人應當在收到相關提案後2日內發出股東大會補充通知，公告臨時提案的內容。如本公司股份上市地的上市規則另有規定，應同時滿足其規定。

Corporate Governance Report

企業管治報告

RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to registered office of the Company in PRC: Factory No. 3 Laiyan Road West, Economic Development Zone (South Side), Yuyao, Zhejiang, China for the attention of Ms. Zou Jing, the Joint Company Secretary.

向董事會作出查詢之權利

股東有權向董事會作出查詢。所有查詢必須以書面作出，郵寄至本公司國內註冊辦事處，地址為：中國浙江省余姚市經濟開發區(南區)來雁路以西3號廠房。收件人為聯席公司秘書鄒靜女士。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

The report is the third Environmental, Social and Governance Report published by Zhejiang Ruiyuan Intelligent Control Technology Company Limited (the “Company”) and together with its subsidiaries (collectively the “Group”) to enhance the understanding of the stakeholders on the Company’s sustainability strategy and environmental and social performance. Our board of directors (the “Board”) confirms the accuracy, authenticity and completeness of the content herein upon review of the report.

Reporting Guide

This report was prepared in compliant with the Environmental, Social and Governance Reporting Guide set out in Appendix 20 of the GEM Listing Rules of the Stock Exchange of Hong Kong Limited and is compiled in accordance with the actual situation of the Company. The Board has reviewed the corporate governance practices of the Company and confirmed that it complies with the provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the financial year ended 31 December 2018.

Scope of Report

The report covers the environmental and social performance of the Group for the period from 1 January 2018 to 31 December 2018, covering all operational aspects of the Group. For the disclosure of the indicators in the report, please refer to the content index at the end of this report.

POLICY OF SUSTAINABLE GOVERNANCE

The Group is principally engaged in the design, manufacture and sale of smart controller systems for consumer electrical and electronic appliances, the sale of small electrical appliances and the assembly of mobile phones in the PRC. The marketing teams of the Group have covered Shanghai, Hangzhou, Nanjing, Jiaxing, Zibo, Wuxi, Hefei, Cixi and other cities and the revenue mainly originates from customers in the PRC.

As a socially responsible corporate citizen, the Group has established a sustainable development business model and effectively managed the impacts of relevant sustainability issues through the implementation of its environmental, social and governance policies, bringing positive impacts on key stakeholders, including employees, suppliers, customers and communities.

關於本報告

本報告為浙江瑞遠智控科技股份有限公司（「本公司」）連同其附屬公司（統稱「本集團」）第三份對外發佈的《環境、社會及管治報告》，旨在提高持份者對於本公司的可持續發展戰略和環境及社會表現的瞭解。本公司董事會已審閱本報告，確認內容準確、真實和完整。

報告指引

本報告乃遵守香港聯合交易所有限公司創業板上市規則附錄二十《環境、社會及管治報告指引》，並根據本公司實際情況而編製。董事會亦已檢視本公司的企業管治常規，確認其符合截至二零一八年十二月三十一日的該財政年度的上市規則附錄第十四條所載之企業管治守則條文。

報告範圍

本報告披露本集團於二零一八年一月一日至二零一八年十二月三十一日期間內的環境及社會表現，涵蓋本集團之所有業務營運。各項指標在報告中的披露情況，請參閱載於本報告最後的內容索引。

可持續管治方針

本集團主要在中國從事設計、製造及銷售可用於消費電器及電子用品的智慧控制器系統、銷售小型電器以及裝嵌流動電話的業務。集團的營銷團隊拓展至上海、杭州、南京、嘉興、淄博、無錫、合肥及慈溪等城市，主要收益來源來自中國。

作為對社會負責任的企業公民，本集團建立可持續發展的商業模式，通過實行環境、社會及管治政策，有效管理相關可持續發展議題的影響，為關鍵持份者，包括員工、供應商、客戶及社區帶來正面影響。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group is principally engaged in trading and supply chain management is vital to our sustainable development. The Group would like to ensure that our suppliers fulfil their social responsibilities, business partners are encouraged to share our environmental, social and governance values and pay attention to their sustainable development performance and compliance status.

本集團以貿易為主要業務，供應鏈管理對我們的可持續發展非常重要。為確保我們的供應商履行其社會責任，鼓勵商業夥伴分享我們的環境、社會及管治價值觀，並關注他們的可持續發展績效及其合規情況。

The Group sincerely thanks its employees, customers, partners, investors, government and the public for their efforts and cooperation in the past year. We promise that we will continue to strictly abide by laws and regulations in the future and continuously improve our environmental, social and governance performance.

本集團衷心感謝員工、客戶、合作夥伴、投資者、政府及社會大眾於過去一年的付出與合作。我們承諾未來將繼續嚴守法規，不斷完善我們的環境、社會及管治表現。

Stakeholder Engagement

持份者參與

The Group has a wide range of stakeholders, including shareholders, investors, employees, customers, suppliers, government and communities. We maintain constant communication with stakeholders via different channels and platforms. The communication channels with the stakeholders and their concerns are as follows:

本集團擁有廣泛的持份者，包括股東、投資者、員工、客戶、供應商、政府和社區。通過不同的渠道和平台，我們持續與持份者保持恆常溝通。持份者的溝通渠道及其關注議題如下：

Stakeholders 持份者	Key concerns 重點關注議題	Channels 溝通渠道
Investors/Shareholders 投資者／股東	<ul style="list-style-type: none"> Corporate governance Risk management Operations and Strategies Anti-corruption 公司管治 風險管理 營運與策略 反貪腐 	<ul style="list-style-type: none"> General meeting of shareholders Company's report 股東大會 公司報告
Employee 員工	<ul style="list-style-type: none"> Employee benefits Development and training Occupational health and safety 員工福利 發展及培訓 職業健康與安全 	<ul style="list-style-type: none"> Meetings Training Reporting channel 會議 培訓 舉報渠道
Customer 客戶	<ul style="list-style-type: none"> Product responsibility Data privacy 產品責任 數據私隱 	<ul style="list-style-type: none"> Grievance channel 申訴渠道
Suppliers 供應商	<ul style="list-style-type: none"> Product and service quality Business ethics 產品與服務質素 商業道德 	<ul style="list-style-type: none"> Regular meetings 定期會議

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 持份者	Key concerns 重點關注議題	Channels 溝通渠道
Government 政府	<ul style="list-style-type: none"> Operational Compliant Business ethics 營運合規 商業道德 	<ul style="list-style-type: none"> Compliant with laws and regulations Response to government policies 遵守法律法規 對政府政策的回應
Community 社區	<ul style="list-style-type: none"> Community Investment 社區投資 	<ul style="list-style-type: none"> Donation 捐贈

ENVIRONMENTAL MANAGEMENT

The Group understands the importance of environmental protection. We are committed to minimising impact of our operations on the environment and strictly abide by national and regional environmental laws and regulations, including but not limited to the Environmental Protection Law of the People's Republic of China (「中華人民共和國環境保護法」), the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (「中華人民共和國大氣污染防治法」), the Water Pollution Prevention and Control Law of the People's Republic of China (「中華人民共和國水污染防治法」) and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (「中華人民共和國固體廢物污染環境防治法」). During the reporting period, the Group was not aware of any violation of relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.

The Group mainly operates from its offices and does not involve substantial use of resources and pollutant emissions in its operations. Nevertheless, we actively implement our environmental policies, including implementing energy conservation and emission reduction measures in offices, requiring our suppliers to take measures to reduce carbon emissions, and promoting the Group's environmental protection values to employees and suppliers.

環境管理

本集團明白保護環境的重要性，我們致力減少營運對環境帶來的影響，並嚴格遵守國家及地區的環境法律法規，包括但不限於《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》及《中華人民共和國固體廢物污染環境防治法》。於報告期內，本集團並不知悉任何違反有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生，且對本集團造成重大影響的法律法規事宜。

本集團以辦公室營運為主，營運過程中不涉及實質性的資源使用及污染物排放。儘管如此，我們積極落實環境政策，包括於辦公室內實施節能減排舉措、要求供應商採取措施以減少碳排放，並向員工及供應商推行本集團的環保理念。

Environmental, Social and Governance Report

環境、社會及管治報告

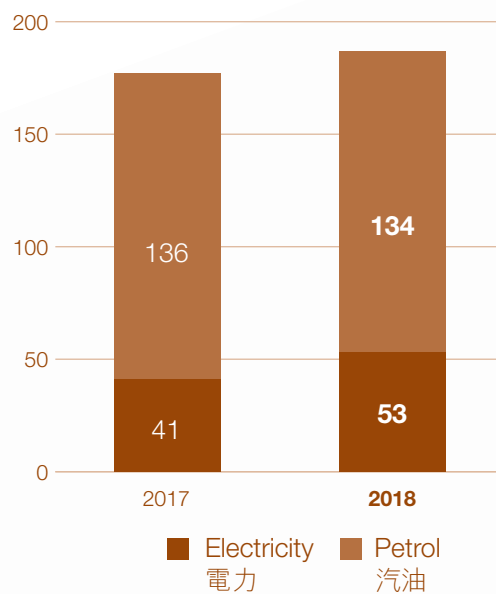
Use of Resources

The Group's operations involved the use of electricity, petrol and water. During the year, the group's total energy consumption was 187 gigajoules (GJ) and its energy consumption intensity was 0.003 GJ per thousand RMB revenue.

資源使用

本集團的營運涉及電力、汽油及水資源的使用。年內，本集團的總能耗量為187千兆焦耳，能耗密度為每千元人民幣營業額0.003千兆焦耳。

Total Energy Consumption (GJ)
總能耗量(千兆焦耳)



Environmental, Social and Governance Report

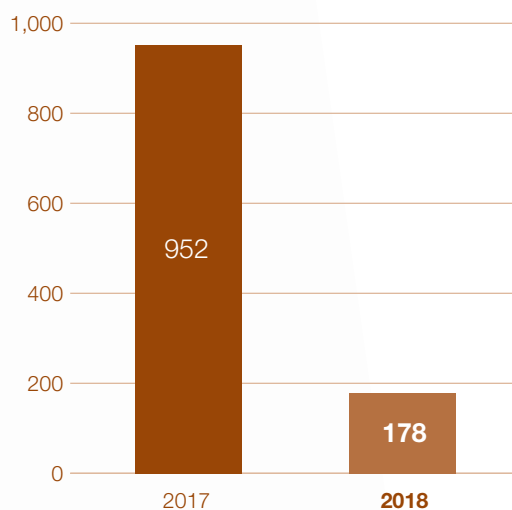
環境、社會及管治報告

The Group's total water consumption during the year was 178 cubic meters (m³) and the water consumption intensity was 0.003 cubic meters per thousand RMB revenue. Due to the overall reduction of public water consumption in its commercial buildings, the Group's water consumption in 2018 was 81% lower than last year. We don't have any issues in sourcing water that is fit for purpose.

本集團於年內的總耗水量為178立方米，耗水密度為每千元人民幣營業額0.003立方米。由於所屬商業大廈公共用水整體減少，本集團二零一八年的用水量較去年減少81%。我們於求取適用水源上沒有任何問題。

Total Water Consumption (m³)

總耗水量(立方米)



Environmental, Social and Governance Report

環境、社會及管治報告

Emissions

排放

Greenhouse gas emissions

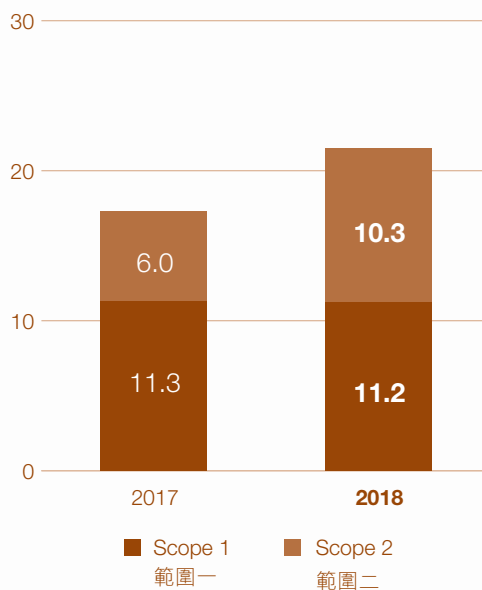
溫室氣體排放

The Group's greenhouse gas emissions include direct emissions from the use of petrol by vehicles (scope 1) and indirect emissions from the use of electricity (scope 2). In 2018, our total greenhouse gas emissions were 21.5 tons of carbon dioxide equivalent (tCO₂e), and the emission intensity was 0.0003 tCO₂e per thousand RMB revenue.

本集團的溫室氣體排放包括車輛使用汽油所產生的直接排放(範圍一)，以及使用電力造成的間接排放(範圍二)。二零一八年，我們的溫室氣體排放總量為21.5噸二氧化碳當量，排放密度為每千元人民幣營業額0.0003噸二氧化碳當量。

Total Greenhouse Gas Emissions (tCO₂e)

溫室氣體排放總量
(噸二氧化碳當量)



Environmental, Social and Governance Report

環境、社會及管治報告

Air pollutants emissions

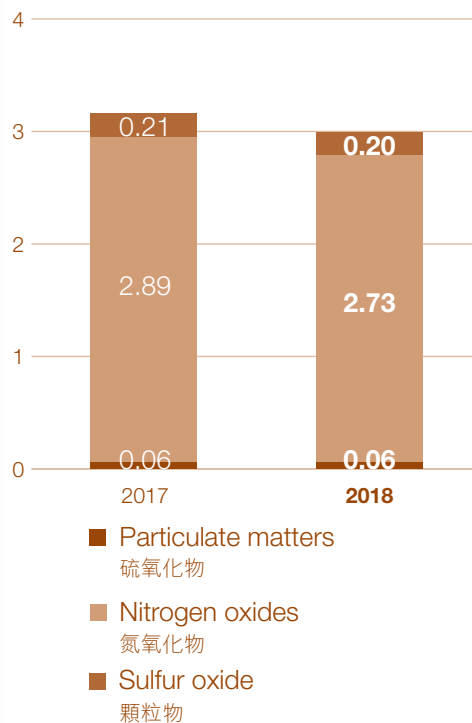
In 2018, the Group's sulfur oxides, nitrogen oxides and particulate matters emissions from vehicle driving were 0.06kg, 2.73kg and 0.20kg respectively.

空氣污染物排放

二零一八年，本集團因車輛行駛所產生的硫氧化物、氮氧化物及顆粒物排放分別為0.06公斤、2.73公斤及0.20公斤。

Total Emissions of Air Pollutants (kg)

空氣污染物排放總量
(公斤)



Waste

The Group mainly operates from its office and does not involve substantial generation of general waste and hazardous waste.

廢棄物

本集團以辦公室營運為主，營運過程中不涉及實質性的一般廢棄物及危險廢棄物的產生。

Environmental, Social and Governance Report

環境、社會及管治報告

Energy Saving Emission Reduction

The Group actively implemented its energy conservation and emission reduction measures to reduce the impact of its office operations on the environment. We have rolled out a green office program for encouraging employees to develop green living habits. In order to promote resource conservation, we have taken a number of energy-saving measures, including setting indoor temperature reasonably and turning off air conditioners when not in use, to reduce unnecessary energy consumption. In addition, in order to reduce the use of paper in office, we have put in place paper recycling measures, and set up paper recycling boxes beside printers and copiers to help staff recycle paper. We also returned the old printer and used toner cartridges to the supplier for recycling. For waste generated, we carry out classified recycling and then deliver the waste to the property management company for centralised treatment.

TALENT MANAGEMENT

Employment Policy and Labour Standards

The Group regards human resources as its most important capital. We are committed to maintaining good labour relations with employees by adopting the best social practices. We strictly abide by all applicable labour laws and regulations, including but not limited to the Labour Law of the People's Republic of China (「中華人民共和國勞動法」), the Labour Contract Law of the People's Republic of China (「中華人民共和國勞動合同法」) and the Social Insurance Law of the People's Republic of China (「中華人民共和國社會保險法」). During the year, the Group was not aware of any violation of relevant laws and regulations that have a significant impact on the Group related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare.

As an employer who advocate equal opportunities, we respect and accept our employees of diverse backgrounds and ensure that every employee enjoys equal opportunities, regardless of gender, age, race, religion, social class, marital status, disability or political background. We do not tolerate any form of discrimination or harassment against our employees. All cases of discrimination and harassment are carefully investigated and appropriate actions are taken as appropriate at the Group.

According to the Provisions on the Prohibition of Using Child Labour, the Group ensures that our suppliers do not have forced labour or child labour during their operation process. During the reporting period, the Group was not aware of any violation of laws and regulations that have a significant impact on the Group related to the preventing child labour and forced labour. There were no cases of child labour or forced labour during the year.

節能減排

本集團積極落實節能減排措施，以減少辦公室營運對環境帶來的影響。我們推行綠色辦公室計劃，鼓勵員工培養綠色的生活習慣。為推動資源節約，我們採取多項節能措施，包括合理設定室內溫度及在不使用時關閉冷氣機，以減少不必要的能源消耗。另外，為減少辦公室用紙，我們實行紙張回收措施，於列印機及複印機旁設置紙張回收箱，方便員工回收。我們亦將舊列印機及已使用的碳粉匣交回供應商回收。針對廢棄物的產生，我們進行分類回收，再交由物業管理公司統一處理。

人才管理

僱傭政策及勞工準則

本集團視人力資源為最重要的資本。我們致力通過採納最好的社會實踐，與員工保持良好的勞資關係。我們嚴格遵守所有適用的勞工法律法規，包括但不限於《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《中華人民共和國社會保險法》。年內，本集團並不知悉任何違反有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利且對本集團造成重大影響的法律法規事宜。

作為提倡平等機會的僱主，我們尊重並接納員工的多元化背景，並確保每位員工享有平等機會，不論性別、年齡、種族、宗教、社會階層、婚姻狀況、殘疾或政治背景，絕不容忍對我們的員工進行任何形式的歧視或騷擾。所有關於歧視及騷擾的個案，本集團皆認真調查並酌情採取適當行動。

根據《禁止使用童工規定》，本集團確保在運營過程中，我們的供應商沒有強迫勞動或童工的情況。於報告期內，本集團並不知悉任何違反有關防止童工及強制勞工且對本集團造成重大影響的法律法規事宜。年內並沒有相關童工及強制勞工的個案。

Environmental, Social and Governance Report

環境、社會及管治報告

In terms of employee benefits, we provide employees with competitive salaries and benefits in the market, including mandatory provident fund and social security benefits. We also regularly review the remuneration package of our employees to ensure that they meet current market standards and to attract and retain talents.

員工福利方面，我們為員工提供具市場競爭力的薪酬及福利，包括強制性公積金及社保福利待遇。我們亦定期審查員工的薪酬待遇，以確保符合現今市場標準，務求吸引及挽留人才。

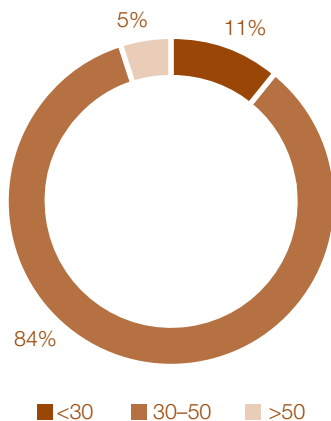
Staff Composition

As of 31 December, 2018, the Group had 19 employees in total, all of which were from mainland China. Their age, gender, educational background and function are distributed as follows:

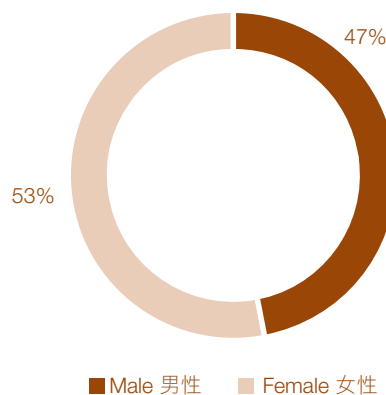
員工構成

截至二零一八年十二月三十一日，本集團的員工總數為19人，全部來自中國內地。員工的年齡分佈、性別分佈、學歷分佈及職能分佈如下：

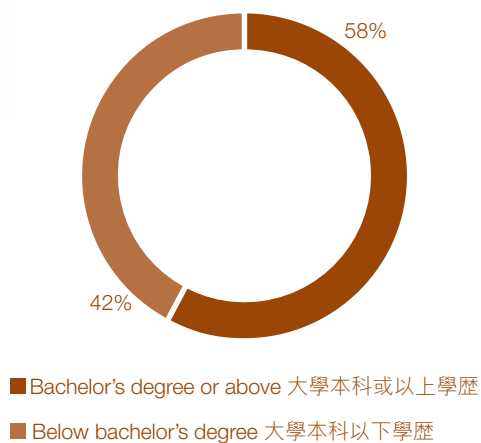
Age Distribution
年齡分佈



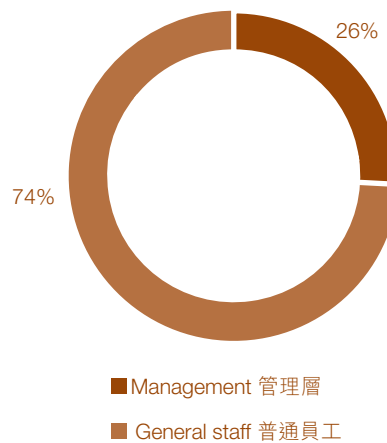
Gender Distribution
性別分佈



Education Distribution
學歷分佈



Function Distribution
職能分佈



Environmental, Social and Governance Report

環境、社會及管治報告

The majority of the Group's employees were between 30 and 50 years old, accounting for 84%, while employees under 30 and over 50 years old accounted for 11% and 5% respectively. Our male to female ratio was accounted 47: 53. Nearly 60% of employees had bachelors degree or above. In terms of function, management accounted for 26% and general staff for 74%.

Development and Training

The development and training of employees are crucial to the continuous growth of the Group. We hope that employees can develop their full potential and provide them with opportunities to develop work-related knowledge and skills. The Group provides a variety of training courses for employees according to business needs and their positions, abilities and performance, while establishing a promotion system to provide career development opportunities for employees in different positions. During the year, the total employee training person-time was 22 and the total training hours were 224. The Group hopes to improve the skills and knowledge of its employees through training and development channels so as to improve the operating efficiency of the Group and enhance its competitiveness.

本集團大部分員工為30至50歲，佔84%，而30歲以下及50歲以上的員工分別佔11%及5%。我們的男女比例為47：53；接近六成員工擁有大學本科或以上學歷。職能分佈方面，管理層佔26%，普通員工佔74%。

發展及培訓

員工的發展及培訓對本集團的業務持續增長至關重要。我們希望員工能盡展潛能，致力為他們提供機會發展與工作相關的知識及技能。本集團根據業務需要及員工的職位、能力及表現等，為員工提供多樣性的培訓課程，同時建立晉升制度，為不同崗位的員工提供職業發展機會。年內，本集團的員工受訓總人次為22，受訓總時數達224小時。本集團希望通過培訓及發展渠道，提升員工的技能及知識，從而改善本集團的營運效率，加強競爭力。

	Total training person-time 受訓總人次	Total training hours 受訓總時數
Male 男性	10	80
Female 女性	12	144

Environmental, Social and Governance Report

環境、社會及管治報告

Health and Safety

The Group is committed to providing employees with a safe and comfortable workplace. We have set up a sound safety facility management system, requiring all subsidiaries to regularly review the company's internal working environment and safety policies, so as to ensure that all operations and facilities comply with the standards and regulations and to protect the health and safety of employees. We strictly abide by laws and regulations related to occupational safety and health, including the Production Safety Law of the People's Republic of China (「中華人民共和國安全生產法」), Law of the People's Republic of China on the Prevention and Control of Occupational Disease (「中華人民共和國職業病防治法」), the Fire Production Regulation of the People's Republic of China (「中華人民共和國消防法」) and Regulation on Work-Related Injury Insurance (「工傷保險條例」). During the reporting period, the Group was not aware of any violation of laws and regulations that have a significant impact on the Group related to providing a safe working environment and protecting employees from occupational hazards. There were also no cases of work-related fatalities, or occupational diseases.

In order to improve the safety awareness of our employees, we provide occupational safety and health education and training for new recruits, and provide relevant professional safety skill training for new and old employees in different departments and positions. We also conduct regular fire safety training to disseminate the latest occupational safety information to all the employees. The Group has set up a sound communication mechanism. If an employee finds any potential hazards in the office, they can report the issue via the safety communication mechanism. Upon receipt of the report, the Group will immediately launch an investigation and make corresponding improvement measures to create a safe and comfortable workplace. During the year, the total headcount of employees undertaking occupational safety and health training was 19, with a coverage of 100%.

COMPLIANT OPERATIONS

Supply Chain Management

The Group is principally engaged in trading and committed to providing high-quality and reliable products by maintaining a stable and reliable supply chain. In order to ensure that the products meet the safety and quality standards, we cooperate with suppliers of integrity and good reputation. We conduct regular review on suppliers and consider their environmental protection and quality-related certification. If a supplier is found unqualified, the Group will terminate the contract immediately after investigation and confirmation.

健康與安全

本集團致力為員工提供安全舒適的工作環境。我們設立完善的安全設施管理制度，要求所有附屬公司定期審視公司內部的工作環境及安全政策，以確保一切運作及設施符合標準及規例，保障員工的健康與安全。我們嚴格遵守職業安全及健康相關的法律法規，包括《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《中華人民共和國消防法》及《工傷保險條例》等。於報告期內，本集團並不知悉任何違反有關提供安全工作環境及保障僱員避免職業性危害且對本集團造成重大影響的法律法規事宜，亦沒有因工死亡或職業病的個案。

為提高員工的安全意識，我們為新進員工提供職業安全及健康教育培訓，並為不同部門及崗位的新舊員工提供相關的專業安全技能培訓。我們亦定期進行消防安全培訓，向所有員工宣揚最新的職業安全資訊。本集團設有完善的通報機制，員工若發現辦公室內任何潛在的危險，可通過安全通報機制報告有關事宜。本集團在接獲報告後將立刻展開調查，並作出相應改善措施，務求創建安全舒適的工作環境。年內，本集團的職業安全健康培訓人數共19人，安全培訓覆蓋率達100%。

合規營運

供應鏈管理

本集團以貿易為主要業務，致力通過維持穩定可靠的供應鏈，以提供高品質及可信賴的產品。為確保產品符合安全質量標準，我們與具誠信及良好信譽的供應商合作，對供應商進行定期評核，考慮其環保及質量相關認證。若發現不合格的供應商，本集團經審查確認後將立刻終止合同。

Environmental, Social and Governance Report

環境、社會及管治報告

Product Responsibility

The Group is committed to improving product quality, so as to meet customer needs and expectations. We have set up a sound product quality control system and regularly check product quality to ensure that all products and services on sale comply with the requirements of safety and health regulations. In addition, we attach great importance to the feedback from our customers and review the areas that can be further improved. We set up special channels to handle all customer inquiries, feedback, complaints and related after-sales services instantly. If there is a customer complaint, we will conduct an internal investigation through fair, open and impartial channels, provide the investigation results and causes to the affected customer(s) as soon as possible, and make follow-up remedial measures. When necessary, the management will improve internal control and management systems or facilities to prevent recurrence of similar incidents from occurring again.

We attach great importance to the security of customer information. The Group persistently abides by the Personal Data (Privacy) Ordinance (「個人資料(私隱)條例」) (Chapter 486) and strictly prohibits the dissemination and disclosure of any unauthorized confidential information and customer data by establishing a comprehensive code of service conduct and professional conduct to ensure the safety and confidentiality of customer information.

The Group strictly abides by laws and regulations related to product quality in its operation, including but not limited to the Product Quality Law of the People's Republic of China on (「中華人民共和國產品質量法」) and the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (「中華人民共和國消費者權益保護法」). During the reporting period, the Group was not aware of any violation of laws and regulations that have a significant impact on the Group related to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

Anti-Corruption

The Group stresses integrity and is committed to maintaining high ethical standards and expects our employees and suppliers to share this value. We strictly abide by all applicable anti-corruption laws and regulations, including the Prevention of Bribery Ordinance (「防止賄賂條例」) and the Criminal Law of the People's Republic of China (「中華人民共和國刑法」), and formulate a series of anti-corruption policies and codes of conduct for employees to supervise and investigate suspicious acts related to bribery or dishonesty. We also encourage employees, customers, suppliers and other stakeholders to put forward their opinions on our anti-corruption policies and measures, so as to continuously improve relevant systems and maintain the integrity of the Group.

產品責任

本集團致力提升產品質量，以滿足客戶的需求及期望。我們設立完善的產品品質控制體系，定期抽查產品質素，確保所有售賣的產品及服務均符合安全及健康規例。另外，我們非常重視客戶意見，檢討公司需要改善的地方。我們設立專門的渠道即時處理客戶的所有查詢、反饋、投訴及相關售後服務。如有客戶投訴個案，我們將通過公平、公開、公正的途徑進行內部調查，儘快向受影響的客戶提供調查結果及原因，並作出後續補救措施。必要時，管理層將改進內部控制及管理系統或設施，以防止同類事件再次發生。

我們高度重視客戶資訊安全。本集團嚴格遵守「個人資料(私隱)條例」(第486章)，通過訂立全面的服務行為及職業操守守則，嚴禁傳播及披露任何未經授權的機密資訊及客戶資料，確保客戶信息安全保密。

本集團於營運過程中嚴格遵守產品質量相關的法律法規，包括但不限於《中華人民共和國產品質量法》及《中華人民共和國消費者權益保護法》。於報告期內，本集團並不知悉任何違反有關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且對本集團造成重大影響的法律法規事宜。

反貪腐

本集團強調誠信，致力維持高度的道德標準，並期望我們的員工及供應商能共享此價值觀。我們嚴格遵守所有適用的反貪腐法律法規，包括《防止賄賂條例》及《中華人民共和國刑法》並制定一系列反貪腐政策及員工行為準則，以監督及調查與賄賂或不誠實有關的可疑行為。我們亦鼓勵員工、客戶及供應商等持份者對我們的反貪腐政策及措施提出意見，從而不斷完善相關制度，維持本集團的廉潔。

Environmental, Social and Governance Report

環境、社會及管治報告

During the reporting period, the Group was not aware of any violation of laws and regulations that have a significant impact on the Group related to bribery, extortion, fraud and money laundering. The Group was not involved in any corruption cases.

Community Involvement

While promoting business development, the Group does not forget to pay back to the society, hoping to bring positive influence to its local communities. We support the activities valued by the local communities, respect the local culture and values, and aim to consider the interests of the communities in which we operate, encourage employees to participate in community activities, and promote cultural exchanges and cooperative development with the communities.

於報告期內，本集團並不知悉任何違反有關防止賄賂、勒索、欺詐及洗黑錢且對本集團造成重大影響的法律法規事宜。本集團並無涉及任何貪污個案。

社區參與

本集團於推動業務發展之餘，不忘回饋社會，希望能為當地社區帶來正面影響。我們支持當地社區重視的活動、尊重當地文化及價值觀，並以考慮營運所在社區的利益為目標，鼓勵員工參與社區活動，促進與社區的文化交流及合作發展。

Environmental, Social and Governance Report

環境、社會及管治報告

CONTENT INDEX

內容索引

Key Performance Indicators 關鍵績效指標	Hong Kong Stock Exchange ESG Reporting Guide 港交所 ESG 報告指引	Section/Remarks 章節／備注
A. Environmental A. 環境		
Aspect A1 層面A1	Emissions 排放物	
General Disclosure 一般披露	Information on: (a) the policies; and (b) Compliant with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Environmental management 環境管理
KPI A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Environmental Management – Emissions 環境管理 – 排放
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Environmental Management – Emissions 環境管理 – 排放
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	The Group's operations are mainly office-based and do not generate hazardous wastes 本集團以辦公室營運為主，並不產生有害廢棄物
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Subject to centralised recycling by the property management company of building 交由大廈物業管理公司統一回收處理

Environmental, Social and Governance Report

環境、社會及管治報告

Key Performance Indicators 關鍵績效指標	Hong Kong Stock Exchange ESG Reporting Guide 港交所 ESG 報告指引	Section/Remarks 章節/備注
KPI A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Environmental Management – Energy Saving and Emission Reduction 環境管理 – 節能減排
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Environmental Management – Energy Saving and Emission Reduction 環境管理 – 節能減排
Aspect A2 層面 A2	Use of Resources 資源使用	
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Environmental management 環境管理
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	Environmental Management – Use of Resources 環境管理 – 資源使用
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	Environmental Management – Use of Resources 環境管理 – 資源使用
KPI A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Environmental Management – Energy Saving and Emission Reduction 環境管理 – 節能減排
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題, 以及提升用水效益計劃及所得成果。	Environmental Management – Use of Resources 環境管理 – 資源使用
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位估量。	The Group did not involve substantial use of packaging material. 本集團的不涉及實質性的包裝材料使用

Environmental, Social and Governance Report

環境、社會及管治報告

Key Performance Indicators 關鍵績效指標	Hong Kong Stock Exchange ESG Reporting Guide 港交所 ESG 報告指引	Section/Remarks 章節/備注
Aspect A3 層面 A3	The Environment and Natural Resources 環境及天然資源	
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Environmental management 環境管理
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Environmental management 環境管理
B. Social B. 社會		
Aspect B1 層面 B1	Employment 僱傭	
General Disclosure 一般披露	Information on: (a) the policies; and (b) Compliant with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Talent Management – Employment Policy and Labour Standards 人才管理 – 僱傭政策及勞工準則
KPI B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Talent Management – Staff Composition 人才管理 – 員工構成
Aspect B2 層面 B2	Health and Safety 健康與安全	
General Disclosure 一般披露	Information on: (a) the policies; and (b) Compliant with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Talent Management – Health and Safety 人才管理 – 健康與安全

Environmental, Social and Governance Report

環境、社會及管治報告

Key Performance Indicators 關鍵績效指標	Hong Kong Stock Exchange ESG Reporting Guide 港交所 ESG 報告指引	Section/Remarks 章節/備注
KPI B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	Talent Management — Health and Safety 人才管理 — 健康與安全
KPI B2.2	Lost days due to work injury. 因工傷損失工作日數。	Talent Management — Health and Safety 人才管理 — 健康與安全
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Talent Management — Health and Safety 人才管理 — 健康與安全
Aspect B3 層面 B3	Development and Training 發展及培訓	
General Disclosure 一般披露	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。	Talent Management — Development and Training 人才管理 — 發展及培訓
Aspect B4 層面 B4	Labour Standards 勞工準則	
General Disclosure 一般披露	Information on: (a) the policies; and (b) Compliant with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Talent Management — Employment Policy and Labour Standards 人才管理 — 僱傭政策及勞工準則
KPI B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	During the reporting period, no relevant circumstances occurred 報告期內，沒有違規報告
Aspect B5 層面 B5	Supply Chain Management 供應鏈管理	
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Compliant Operations — Supply Chain Management 合規營運 — 供應鏈管理

Environmental, Social and Governance Report

環境、社會及管治報告

Key Performance Indicators 關鍵績效指標	Hong Kong Stock Exchange ESG Reporting Guide 港交所 ESG 報告指引	Section/Remarks 章節/備注
Aspect B6 層面 B6	Product Responsibility 產品責任	
General Disclosure 一般披露	Information on: (a) the policies; and (b) Compliant with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Compliant Operations — Product Responsibility 合規營運 — 產品責任
KPI B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Compliant Operations — Product Responsibility 合規營運 — 產品責任
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者數據保障及私隱政策，以及相關執行及監察方法。	Compliant Operations — Product Responsibility 合規營運 — 產品責任
Aspect B7 層面 B7	Anti — corruption 反貪污	
General Disclosure 一般披露	Information on: (a) the policies; and (b) Compliant with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Compliant Operations — Anti-Corruption 合規營運 — 反貪腐
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	During the reporting period, no relevant circumstances occurred 報告期內，沒有接獲貪污訴訟報告

Environmental, Social and Governance Report

環境、社會及管治報告

Key Performance Indicators 關鍵績效指標	Hong Kong Stock Exchange ESG Reporting Guide 港交所 ESG 報告指引	Section/Remarks 章節／備注
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。	Compliant Operations — Community Involvement 合規營運 — 社區參與

Independent Auditor's Report 獨立核數師報告書



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited

香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF ZHEJIANG RUIYUAN INTELLIGENT CONTROL TECHNOLOGY COMPANY LIMITED

(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Zhejiang RuiYuan Intelligent Control Technology Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 72 to 154, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and 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 ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致浙江瑞遠智控科技股份有限公司 列位股東

(於中華人民共和國註冊成立的股份有限公司)

意見

本核數師已審核列載於第72至154頁浙江瑞遠智控科技股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

本核數師認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實與公平地反映 貴集團於二零一八年十二月三十一日之綜合財務狀況，及其截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定而妥善編製。

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 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB1,133,000 for the year ended 31 December 2018 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately RMB334,000. These conditions, along with other matters as set forth in Note 3, 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.

KEY AUDIT MATTERS

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

意見的基礎

本核數師已按照香港會計師公會頒佈的香港審核準則(「香港審核準則」)進行審核工作。我們就該等準則承擔的責任在本報告核數師就審核綜合財務報表承擔的責任一節中進一步闡述。根據香港會計師公會的職業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中的其他職業道德責任。本核數師相信，本核數師所獲得的審核憑證能充足和適當地為本核數師的審核意見提供基礎。

關於持續經營的重大不確定性

我們注意到綜合財務報表附註3指出， 貴集團於截至二零一八年十二月三十一日止年度產生淨虧損約人民幣1,133,000元，而 貴集團截至該日的流動負債高於其流動資產約人民幣334,000元。該等狀況連同附註3所載的其他事項顯示存在重大不明朗因素可能對 貴集團持續經營的能力構成重大疑慮。我們的意見並無就此作出修訂。

關鍵審核事項

關鍵審核事項是根據我們的職業判斷，對本期間綜合財務報表的審核最為重要的事項。該等事項是在我們審核整體綜合財務報表及出具意見時進行處理的。我們不會對該等事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告書

Key audit matters

關鍵審核事項

How our audit addressed the key audit matters

我們的審核如何處理關鍵審核事項

Provision for expected credit losses (“ECL”) of trade receivables

應收貿易賬款估值預期信貸虧損撥備

Refer to Note 7 and 21 to the consolidated financial statements

參閱綜合財務報表附註7及21

ECL for trade receivables are based on management's estimate of the lifetime ECL to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgment.

貿易應收賬款的預期信貸虧損乃根據管理層對將產生的終身預期信貸虧損的估計，而該估計乃考慮信貸虧損經驗、逾期貿易應收款項的賬齡、客戶的還款記錄及客戶財務狀況以及對當前及預測的整體經濟狀況的評估，所有這些在很大程度上均涉及管理層的判斷。

We have identified ECL assessment of trade receivables as a key audit matter because the assessing ECL of trade receivables is a subjective area as it requires the management's judgment and uses of estimates.

我們將對貿易應收款項的預期信貸虧損評估確認為關鍵審計事項，因為評估貿易應收款項的預期信貸虧損需要管理層進行判斷及運用估計，所以該評估乃主觀範疇。

Our procedures in relation to management's ECL assessment on trade receivables included:

我們有關管理層對貿易應收款項的預期信貸虧損評估的程序包括：

- reviewing and assessing the application of the Group's policy for calculating the ECL;
- 審查並評估本集團預期信貸虧損計算政策的應用情況；
- evaluation techniques and methodology in the ECL model against the requirements of HKFRS 9;
- 對照香港財務報告準則第9號的要求，運用預期信貸虧損模型中的評估技術及方法；
- assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowances;
- 通過審查管理層為形成該等判斷所用的信息來評估管理層對損失準備金估計的合理性，包括測試歷史違約數據的準確性，評估歷史損失率是否根據當前經濟狀況及前瞻性信息進行適當調整，及審查本財政年度期間錄得的實際損失，以及評估在確認損失準備時是否存在管理層偏差的跡象；

Independent Auditor's Report

獨立核數師報告書

Key audit matters

關鍵審核事項

At 31 December 2018, the carrying amount of trade receivables is approximately RMB8,115,000 (net of allowance for doubtful debts of approximately RMB343,000).

於二零一八年十二月三十一日，應收貿易賬款之賬面值為約人民幣8,115,000元（經扣除約人民幣343,000元的呆賬撥備）。

Details of the trade and bills receivables are set out in Note 21 to the consolidated financial statements.

應收貿易賬款及應收票據之詳情載於綜合財務報表附註21。

How our audit addressed the key audit matters

我們的審核如何處理關鍵審核事項

- Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers;
- 向管理層問詢截至年末逾期的各重大貿易應收款項的狀況，並向管理層索要解釋及支持性證據，例如根據交易紀錄了解與客戶的持續業務關係，核查與客戶的歷史及後續結清紀錄及與客戶的其他通信；
- evaluating the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and estimation of ECL; and
- 評估管理信用控制、債務追收及預期信貸虧損估算的關鍵內部控制的設計、實施及運營有效性；以及
- checking, on a sample basis, the ageing profile of the trade receivables as at 31 December 2018 to the underlying financial records and post year-end settlement to bank receipts.
- 抽樣檢查於二零一八年十二月三十一日有關財務記錄內的貿易應收款項的賬齡情況及銀行收據於年末後結算情況。

OTHER INFORMATION

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

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.

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及我們就此發出的核數師報告（「其他資料」）。

本核數師對綜合財務報表的意見並不涵蓋其他資料，亦不對該等其他資料發表任何形式的保證結論。

就本核數師對綜合財務報表的審核，本核數師的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本核數師在審核過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於本核數師已執行的工作，倘本核數師認為其他資料存在重大錯誤陳述，本核數師需要報告該事實。本核數師就此並無任何事項須報告。

Independent Auditor's Report

獨立核數師報告書

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製表達真實且公允意見的綜合財務報表，以及維持董事認為必要的內部監控，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並在適用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。

審核委員會須負責監督 貴集團的財務報告過程。

核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向 閣下(作為整體)按照香港公司條例第405條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

Independent Auditor's Report

獨立核數師報告書

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.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - 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.
- 在根據香港審核準則進行審核的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對 貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告書中提請注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非保留意見。我們的結論是基於核數師報告書日止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
 - 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責 貴集團審核的方向、監督與執行。我們為審核意見承擔全部責任。

Independent Auditor's Report

獨立核數師報告書

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Chow Yiu Wah, Joseph.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 25 March 2019

Chow Yiu Wah, Joseph
Practising Certificate Number P04686

除其他事項外，我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部控制的任何重大缺陷。

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

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們在核數師報告書中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

負責與本獨立核數師報告相關審核的項目責任董事為周耀華。

國富浩華(香港)會計師事務所有限公司
執業會計師
香港，二零一九年三月二十五日

周耀華
執業證書編號 P04686

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	9	61,706	44,529
Cost of sales	銷售成本		(57,716)	(43,905)
Gross profit	毛利		3,990	624
Other income	其他收入	9	77	14
Other gains and losses	其他收益及撥備	11	–	(556)
Gain/(loss) on disposal/deregistration of a subsidiary	出售/註銷附屬公司的 收益/虧損	41	2,286	(34)
Selling expenses	銷售開支		(32)	–
Administrative expenses	行政費用		(4,350)	(5,217)
Finance costs	融資成本	12	(3,077)	(1,948)
Loss before taxation	除稅前虧損	13	(1,106)	(7,117)
Income tax expense	所得稅開支	14	(27)	(58)
Loss for the year attributable to owners of the Company	本公司擁有人應佔 年內虧損		(1,133)	(7,175)
Other comprehensive income Items that may be reclassified subsequently to profit or loss:	其他全面收入 其後可重新分類至損益之項目：			
Exchange reserve released upon disposal of a subsidiary	出售附屬公司釋放的 匯兌儲備		(71)	–
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額		19	115
Total other comprehensive income for the year	年內其他全面收入總額		(52)	115
Total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔 年內全面收入總額		(1,185)	(7,060)
Loss per share (RMB' cents)	每股虧損 (人民幣分)	18		
Basic	基本		(0.23)	(1.44)
Diluted	攤薄		N/A 不適用	N/A 不適用

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

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Plant and equipment	廠房及設備	19	35	64
			35	64
CURRENT ASSETS	流動資產			
Inventories	存貨	20	303	1,784
Trade and bills receivables	應收貿易賬款及應收票據	21	8,115	20,878
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	22	108	596
Paid in advances	已付預付款項		7,042	381
Bank balances and cash	銀行結餘及現金	23	10,558	5,265
			26,126	28,904
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易賬款	24	10,580	14,799
Other payables and accruals	其他應付賬款及應計費用	25	2,224	7,564
Contract liabilities	合約負債	26	1,372	–
Receipt in advances	預收款項		–	207
Amount due to a director	應付一名董事款項	27	–	539
Amount due to a former director	應付一名前董事款項	27	–	1,775
Amount due to a major shareholder	應付一名主要股東款項	28	7,843	275
Dividends payables	應付股息	29	4,440	4,440
Tax payable	應付稅項		1	40
Other borrowings	其他借貸	30	–	1,520
			26,460	31,159
NET CURRENT LIABILITIES	流動負債淨額		(334)	(2,255)
NON-CURRENT LIABILITIES	非流動負債			
Loan from a major shareholder	來自一名主要股東的貸款	31	41,541	38,464
NET LIABILITIES	淨負債		(41,840)	(40,655)

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

		Notes	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		附註		
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	32	50,000	50,000
Reserves	儲備		(91,840)	(90,655)
CAPITAL DEFICIENCY	資本虧絀		(41,840)	(40,655)

The consolidated financial statements on pages 72 to 154 were approved and authorised for issue by the board of directors on 25 March 2019 and are signed on its behalf by:

第72頁至第154頁的綜合財務報表乃經董事會於二零一九年三月二十五日批准及授權刊發，並由下列董事代表簽署：

He Keng

何鏗

Director

董事

Wu Shanhong

吳珊紅

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔						
		Share capital	Capital reserve	Other reserve	Statutory surplus reserve	Translation reserve	Accumulated losses	Total
		股本	資本儲備	其他儲備	法定盈餘公積金	匯兌儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Note i) (附註 i)	(Note ii) (附註 ii)	(Note iii) (附註 iii)			
At 1 January 2017	於二零一七年一月一日	50,000	40,449	256,623	24,998	(63)	(423,085)	(51,078)
Arising from loan from a major shareholder	來自一名主要股東之貸款	-	-	9,483	-	-	-	9,483
Waiver of amount due to a major shareholder	豁免應付一名主要股東款項	-	-	8,000	-	-	-	8,000
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	115	(7,175)	(7,060)
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	50,000	40,449	274,106	24,998	52	(430,260)	(40,655)
Loss for the year	年內虧損	-	-	-	-	-	(1,133)	(1,133)
Exchange differences arising on translation of foreign operations	換算海外業務時的匯兌差額	-	-	-	-	19	-	19
Release upon disposal of a subsidiary	出售一間附屬公司的釋放	-	-	-	-	(71)	-	(71)
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	(52)	(1,133)	(1,185)
At 31 December 2018	於二零一八年十二月三十一日	50,000	40,449	274,106	24,998	-	(431,393)	(41,840)

Notes:

(i) CAPITAL RESERVE

Capital reserve includes the share premium arising from the issuance of H shares after deduction of the respective share issuance costs of the Company.

(ii) OTHER RESERVE

Other reserve represents the waiver of the amounts due to a former major shareholder upon change in shareholding in the Company in previous year. The movement of other reserve of the Group during the year ended 31 December 2017 represented the difference between the fair value of the loan from a major shareholder and the amount received in May 2017 as described in Note 31 and waiver of amount due to a major shareholder.

(iii) STATUTORY SURPLUS RESERVE

The Articles of Association of the Company and its subsidiaries established in the People's Republic of China (the "PRC") require the appropriation of 10% of their profit after income tax determined under the PRC accounting standards each year to the statutory surplus reserve until the balance reaches 50% of the registered share capital. According to the provision of the Company's Articles of Association, under normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the Company's production and operation. For the capitalisation of statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered share capital.

附註：

(i) 資本儲備

資本儲備包括本公司發行H股產生的股份溢價(已扣除相關股份發行成本)。

(ii) 其他儲備

其他儲備指於本公司股權變動後豁免上一年度應付一名前主要股東款項。本集團於截至二零一七年十二月三十一日止年度的其他儲備變動指來自一名主要股東貸款之公平值及於二零一七年五月收取的款項(如附註31所述)之間的差額及豁免應付一名主要股東款項。

(iii) 法定盈餘公積金

本公司及其在中華人民共和國(「中國」)成立的附屬公司的公司章程細則規定，每年須將根據中國會計準則計算的除所得稅後溢利其中10%撥入法定盈餘公積金，直至法定盈餘公積金結餘達到註冊股本的50%為止。根據本公司的公司章程細則規定，在一般情況下，法定盈餘公積金僅可用作抵銷虧損、撥充股本及擴展本公司的生產及營運。就將法定盈餘公積金撥充股本而言，法定盈餘公積金的餘額不得少於註冊股本的25%。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營業務		
Loss before taxation	除稅前虧損	(1,106)	(7,117)
Adjustments for:	已就下列項目調整：		
Bank interest income	銀行利息收入	(5)	(2)
Depreciation of plant and equipment	廠房及設備折舊	29	36
(Gain)/loss on disposal/deregistration of a subsidiary	出售／註銷一間附屬公司的收益(虧損)	(2,286)	34
Finance costs	融資成本	3,077	1,948
Reversal of impairment loss on trade receivables	貿易應收賬款減值虧損撥回	-	(103)
Written off of trade and other receivables and paid in advances	撇銷應收貿易賬款及其他應收賬款及已付預付款項	-	659
Operating cash flows before movements in working capital	營運資金變動前的營運現金流量	(291)	(4,545)
Decrease in inventories	存貨減少	1,474	376
Decrease/(increase) in trade and bills receivables	應收貿易賬款及應收票據(增加)減少	12,763	(15,440)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收賬款(增加)減少	488	(569)
(Increase)/decrease in paid in advances	已付預付款項(增加)減少	(6,661)	4,031
(Decrease)/increase in trade payables	應付貿易賬款(增加)減少	(4,219)	10,304
(Decrease)/increase in other payables and accruals	其他應付賬款及應計費用(增加)減少	(5,340)	5,093
Decrease in receipt in advances	預收款項減少	(207)	(4,473)
Increase in contract liabilities	合約負債增加	1,372	-
Cash used in operations	經營業務所用現金	(621)	(5,223)
Income tax paid	已付所得稅	(66)	(18)
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用現金淨額	(687)	(5,241)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Purchase of plant and equipment	購買廠房及設備	-	(9)
Decrease in pledged bank deposits	抵押銀行存款減少	-	107
Net cash inflow from disposal of a subsidiary	出售一間附屬公司的現金流入淨額	1	-
Interest received	已收利息	5	2
NET CASH GENERATED FROM INVESTING ACTIVITIES	投資活動所得現金淨額	6	100
FINANCING ACTIVITIES	融資活動		
Repayments of other borrowings (Repayment to)/advance from a director	償還其他借貸 來自一名董事的墊款／ 償還一名董事墊款	(1,520)	(4,700)
Repayments to a former director	償還一名前董事款項	-	(9,622)
Advance from a major shareholder	來自一名主要股東墊款	7,568	6,275
Repayments to a former shareholder	償還一名前股東墊款	-	(31,191)
Proceed from loan from a major shareholder	來自一名主要股東的貸款所得款項	-	46,000
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得現金淨額	5,962	7,273
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加淨額	5,281	2,132
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	於年初的現金及現金等值項目	5,265	2,834
Effect of foreign exchanges rate changes	匯率變動影響	12	299
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	於年末的現金及現金等值項目 即銀行結餘及現金	10,558	5,265

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

Zhejiang RuiYuan Intelligent Control Technology Company Limited (the “Company”) is a joint stock limited liability company incorporated in the People’s Republic of China (the “PRC”) and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate holding and ultimate holding company is Zhejiang RuiYuan Intelligent Robot Co., Ltd, a company incorporated in the PRC.

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the Annual Report.

The consolidated financial statements are presented in Renminbi (“RMB”). Other than the subsidiary incorporated in Hong Kong whose functional currency is United States Dollar (“USD”), the functional currency of the Company and its subsidiaries (collectively referred to as the “Group”) is RMB.

The principal activities of the Group are sales of controller systems for electronic equipment and electronic component and subassembly for electronic appliances in the PRC.

1. 一般資料

浙江瑞遠智控科技股份有限公司(「本公司」)為於中華人民共和國(「中國」)註冊成立的股份有限公司，其股份在香港聯合交易所有限公司(「聯交所」)GEM上市。其直接控股及最終控股公司為浙江瑞遠智能機器人股份有限公司(一間於中國註冊成立的公司)。

本公司之註冊辦事處地址及主要營業地點載於年報中之「公司資料」內。

綜合財務報表以人民幣(「人民幣」)呈列。除在香港註冊成立的附屬公司以美元(「美元」)作為功能貨幣外，本公司及其附屬公司(統稱為「本集團」)的功能貨幣為人民幣。

本集團主要在中國從事銷售可用於電子用品的電子設備及電子元件及電子部件的控制器系統業務。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

The Company and its subsidiaries (the “Group”) has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

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

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度強制生效之香港財務報告準則修訂本

本公司及其子公司（「本集團」）已於本年度首次應用香港會計師公會（「香港會計師公會」）頒布的以下香港財務報告準則修訂本：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約的收益及相關修訂本
香港（國際財務報告詮釋委員會）第22號	外幣交易及預付代價
香港財務報告準則第2號（修訂本）	以股份為基礎的支付交易的分類及計量
香港會計準則第28號（修訂本）	作為香港財務報告準則二零一四年至二零一六年週期之年度改進的一部分
香港會計準則第40號（修訂本）	轉讓投資物業

除香港財務報告準則第9號之修訂，具有負補償之預付款項特點已與香港財務報告準則第9號同時採納外，本集團並無應用任何於本會計期間尚未生效之新訂準則或詮釋。

香港財務報告準則第9號，金融工具，包括香港財務報告準則第9號之修訂，具有負補償之預付款項特點

香港財務報告準則第9號取代香港會計準則第39號，金融工具：確認及計量。其就有關確認及計量金融資產、金融負債及買賣非金融項目的部分合約作出規定。

本集團已根據過渡規定對於二零一八年一月一日存在的項目追溯應用香港財務報告準則第9號。本集團已將首次應用的累計影響確認為於二零一八年一月一日的期初權益調整。因此，繼續根據香港會計準則第39號呈報比較資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation – Continued

There is no impact of transition to HKFRS 9 on accumulated losses at 1 January 2018.

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

a. Classification of financial assets and financial liabilities

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

The Group’s trade and other receivables and bank balances and cash are reclassified from loans and receivables to financial assets carried at amortised cost under HKFRS 9.

The measurement categories for all financial liabilities remain the same.

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

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

2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」) – 續

香港財務報告準則第9號，金融工具，包括香港財務報告準則第9號之修訂，具有負補償之預付款項特點 – 續

過渡至香港財務報告準則第9號並無對於二零一八年一月一日的累計虧損構成影響。

有關過往會計政策變動的性質及影響以及過渡方法的進一步詳情載列如下：

a. 金融資產及金融負債的分類

香港財務報告準則第9號將金融資產分為三大類別：按攤餘成本、按公平值計入其他全面收益及按公平值計入損益計量。該等分類取代香港會計準則第39號的類別，分別為持作到期之投資、貸款及應收款項、可供出售金融資產及按公平值計入損益的金融資產。香港財務報告準則第9號項下的金融資產分類乃基於管理金融資產的業務模式及其合約現金流量特徵。根據香港財務報告準則第9號，合約內嵌衍生工具(倘主體為該準則範圍內的金融資產)不與主體分開處理。相反，混合工具將按整體作分類評估。

根據香港財務報告準則第9號，本集團的貿易及其他應收款項以及銀行結餘及現金按貸款及應收款項重新分類至按攤餘成本列賬的金融資產。

所有金融負債的衡量標準與以往保持一致。

所有金融資產及負債於二零一八年一月一日的賬面值並無受到首次應用香港財務報告準則第9號的影響。

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

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation – Continued

b. Impairment of financial assets

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

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

The Group recognises that there will be not any material impact in the ECLs of the Group due to the change in accounting policy.

c. Transition

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

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in accumulated losses and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）－ 續

香港財務報告準則第9號，金融工具，包括香港財務報告準則第9號之修訂，具有負補償之預付款項特點－ 續

b. 金融資產的減值

香港財務報告準則第9號以「預期信貸虧損」模式取代香港會計準則第39號的「已產生虧損」模式。預期信貸虧損模式要求持續計量金融資產相關的信貸風險，因此確認預期信貸虧損的時間較根據香港會計準則第39號的「已產生虧損」會計模式確認之時間為早。

本集團將新預期信貸虧損模型應用於按攤餘成本列賬的金融資產（包括貿易及其他應收款項以及銀行結餘及現金）。

本集團確認，本集團的預期信貸虧損不會因會計政策的變更而產生任何重大影響。

c. 過渡安排

採納香港財務報告準則第9號導致的會計政策變動已被追溯應用，惟下列所述者除外：

- 有關比較期間的資料尚未重列。採納香港財務報告準則第9號導致的金融資產賬面值差額於二零一八年一月一日於累計虧損及儲備中確認。因此，二零一七年呈列的資料乃繼續根據香港會計準則第39號呈報且因此可能不可與本期間進行比較。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation – Continued

c. Transition – Continued

- The assessments have been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of HKFRS 9 by the Group) for the determination of the business model within which a financial asset is held.
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

HKFRS 15, Revenue from contracts with customers

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

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

There is no impact of transition to HKFRS 15 on accumulated losses at 1 January 2018.

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

香港財務報告準則第9號，金融工具，包括香港財務報告準則第9號之修訂，具有負補償之預付款項特點 — 續

c. 過渡安排 — 續

- 此等評估乃根據於二零一八年一月一日（本集團首次應用香港財務報告準則第9號的日期）存在的事實及情況而作出，以釐定持有的金融資產的業務模式。
- 倘於首次應用日期評估信貸用險自初始確認以來有否大幅上升將涉及不必要的成本或努力，則就該金融工具確認終身的預期信貸虧損。

香港財務報告準則第15號，來自客戶合約之收入

香港財務報告準則第15號「來自客戶合約之收入」建立了確認來自客戶合約之收入及若干成本的全面框架。香港財務報告準則第15號取代香港會計準則第18號收益（包括銷售貨物及提供服務所產生的收益）及香港會計準則第11號建造合約（訂明建造合約的會計處理方法）。

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

過渡至香港財務報告準則第15號並無對於二零一八年一月一日的累計虧損構成影響。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

HKFRS 15, Revenue from contracts with customers – Continued

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

a. Timing of revenue recognition

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

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

- When the customer simultaneously receives and consumes the benefits provided by the entity’s performance, as the entity performs;
- When the entity’s performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- When the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity’s activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）－ 續

香港財務報告準則第15號，來自客戶合約之收入－ 續

有關過往會計政策變動的性質及影響的進一步詳情載列如下：

a. 收益確認時間

先前，來自建築合約及提供服務的收益在一段時間內確認，而銷售貨品的收益一般於貨品的所有權風險及回報轉移至客戶的某一時點確認。

根據香港財務報告準則第15號，當客戶取得合約中承諾商品或服務的控制權時確認收益。這可能在某一時點或一段時間內。香港財務報告準則第15號確定了以下三種為承諾商品或服務的控制權被視為在一段時間內被轉移的情況：

- 當實體執行工作時，客戶同時收到並消耗該實體提供的利益；
- 當實體的工作產生或提升了資產（例如在製品），而該資產被產生或提升時由客戶控制；
- 當實體的工作沒有產生對該實體具有替代用途的資產，且該實體有權就累計至今已完成的履約部分收取款項。

倘合約條款及實體活動並不屬於任何該等三種情況，則根據香港財務報告準則第15號，實體在單一時點（即在控制權轉移時）確認該商品或服務銷售收益。於釐定轉移控制權發生的時間時，轉移所有權風險及回報僅為考慮的指標之一。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

HKFRS 15, Revenue from contracts with customers – Continued

a. Timing of revenue recognition – Continued

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from sale of goods and this change in accounting policy had no material impact on opening balances as at 1 January 2018.

b. Significant financing component

HKFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance of revenue recognition or significantly deferred.

Previously, the Group only applied such a policy when payments were significantly deferred, which was not common in the Group’s arrangements with its customers. The Group did not apply such a policy when payments were received in advance.

It is not common for the Group to receive payments significantly in advance of revenue recognition over one year in the Group’s arrangements with its customers.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises financing component from sale of goods and this change in accounting policy had no material impact on opening balance as at 1 January 2018.

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）－ 續

香港財務報告準則第15號，來自客戶合約之收入－ 續

a. 收益確認時間－ 續

採納香港財務報告準則第15號對本集團確認出售貨品的收益的時間並無重大影響，且該等會計政策的變動對於二零一八年一月一日的期初結餘並無重大影響。

b. 重大融資部分

香港財務報告準則第15號要求實體於合約包含重大融資成分時就貨幣時間價值調整交易價格，無論收取客戶付款是否會較收益確認大幅提前或大幅延期。

此前，本集團僅於付款大幅延期時（目前本集團與其客戶間之安排中並不常見）採納該等政策。本集團並無於付款提前收取時採納該等政策。

在本集團與客戶的安排中，本集團於收益確認時大幅提前收取付款並不常見。

採納香港財務報告準則第15號對本集團確認出售貨品的融資部分的時間並無重大影響，且該等會計政策的變動對於二零一八年一月一日的期初結餘並無重大影響。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

HKFRS 15, Revenue from contracts with customers – Continued

c. Presentation of contract assets and liabilities

Under HKFRS 15, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. The impact on the Group’s financial position by the application of HKFRS 15 as compared to HKAS 18 that was previously in effect before the adoption of HKFRS 15 is as follows:

	HKAS 18 carrying amount 31 December 2017 香港會計準則 第18號賬面值 二零一七年 十二月三十一日 RMB'000 人民幣千元	Reclassification	HKFRS 15 Carrying amount 1 January 2018 香港 財務報告準則 第15號賬面值 二零一七年 十二月三十一日 RMB'000 人民幣千元
Receipt in advances	207	(207)	–
Contract liabilities	–	207	207

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）－ 續

香港財務報告準則第15號，來自客戶合約之收入－ 續

c. 呈列合約資產及負債

根據香港財務報告準則第15號，在本集團確認相關收益前，客戶已支付代價或者根據合約須支付代價且該代價已到期支付，則確認合約負債而非應付款項。採納香港財務報告準則第15號對該呈列並無影響，因為本集團於綜合財務報表中並無任何重大合約資產或合約負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are yet effective:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HK (IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 19	Plan Amendment, Curtailment or settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after a date to be determined

Except for the new and amendments to HKFRSs and interpretations mentioned below, the directors of the Company anticipate that the applications of all other new and amendments to HKFRSs and interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）— 續

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並未提早採納以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則 租賃 ¹ 第16號
香港財務報告準則 保險合約 ² 第17號
香港（國際財務報告 所得稅處理之不確定性 ¹ 詮釋委員會） 第23號
香港財務報告準則 投資者與其聯營公司或 第10號（修訂本） 合資企業之間之資產出售 及香港會計準則 或投入 ³ 第28號（修訂本）
香港會計準則 計劃修改、縮減或結算 ¹ 第19號（修訂本）
香港會計準則 聯營公司及合營企業之長期 第28號（修訂本） 權益 ¹
香港財務報告準則 香港財務報告準則二零一五年 （修訂本） 至二零一七年週期之年度 改進 ¹

¹ 於二零一九年一月一日或之後開始之年度期間生效

² 於二零二一年一月一日或之後開始之年度期間生效

³ 於待釐定日期當日或之後開始之年度期間生效

除下文所提及的新訂及經修訂香港財務報告準則及詮釋外，本公司董事預期應用其他新訂及經修訂香港財務報告準則及詮釋在可預見的未來將不會對本集團之綜合財務報表造成任何重大影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號將於生效時取代香港財務報告準則第17號「租賃」及相關詮釋。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

New and revised HKFRSs issued but not yet effective – Continued

HKFRS 16 “Leases” – Continued

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

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

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

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）－ 續

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

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

除短期租賃及低值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，並隨後以成本（惟若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債初步按租賃付款（非當日支付）之現值計量。隨後，租賃負債就（其中包括）利息及租賃付款以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將前期預付租賃款項列作與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃付款則列作經營現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃付款將分配至本金及利息部分，分別列作融資及經營現金流量。

除亦適用於出租人的若干規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

New and revised HKFRSs issued but not yet effective – Continued

HKFRS 16 “Leases” – Continued

As at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately RMB34,000 as disclosed in Note 35. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16.

In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated losses without restating comparative information.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable individual HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (“CO”). These consolidated financial statements also comply with the applicable disclosure provisions of Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong (“GEM Listing Rules”).

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）－ 續

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

於二零一八年十二月三十一日，本集團擁有於附註35披露之不可撤銷經營租賃承擔約人民幣34,000元。初步評估顯示，該等安排將符合香港財務報告準則16項下的租賃定義。於應用香港財務報告準則第16號時，本集團將就所有該等租賃確認使用權資產及相應負債，除非有關租賃符合低值或短期租賃之資格。

此外，應用新規定可能導致計量、呈列及披露會出現如上所述的變動。本集團擬選擇實際權宜之計，將香港財務報告準則第16號應用於先前確定為適用香港財務報告準則第17號及香港（國際財務報告詮釋委員會）第4號「釐定安排是否包含租賃的租賃」的合約，而不將此準則應用於先前未確定為含有適用香港財務報告準則第17號及香港（國際財務報告詮釋委員會）第4號的租賃的合約。因此，本集團將不會重新評估合約是否為或包含初始應用之日前已經存在的租賃。此外，本集團（作為承租人）擬選擇經修訂追溯法應用香港財務報告準則第16號，並將於初累計虧損中確認首次應用的累計影響，而毋須重列比較資料。

3. 重大會計政策

綜合財務報表根據香港會計師公會頒佈的所有適用之個別香港財務報告準則（包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港公司條例（「公司條例」）披露規定之統稱）而編製。該等綜合財務報表亦遵守香港聯交所有限公司GEM證券上市規則（「GEM上市規則」）的適用披露規定。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Basis of preparation

(a) Going concern

During the year, the Group incurred a net loss for the year of approximately RMB1,133,000. At 31 December 2018, the Group had net current liabilities of approximately RMB334,000 and capital deficiency of approximately RMB41,840,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liability in the normal course of business. Nevertheless, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from the date of approval of these consolidated financial statements on the basis that:

- (i) The Directors will strengthen to implement measures aiming of improving the working capital and cash flows of the Group including closely monitoring the general administrative expenses and operating costs;
- (ii) a major shareholder of the Company confirms to provide adequate financial support to the Group as is necessary to ensure its continuing operation for a period at least twelve months from the date of this report;
- (iii) to raise funds by way of issuing additional equity or debt securities; and
- (iv) to negotiate with certain bankers to obtain additional banking facilities, if necessary.

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

編製基準

(a) 持續經營

年內，本集團錄得淨虧損約人民幣1,133,000元。於二零一八年十二月三十一日，本集團的流動負債淨額約人民幣334,000元及資本虧絀約人民幣41,840,000元。該等情況顯示經營存在重大不確定性，可能對本集團繼續持續經營的能力產生重大質疑，因此，本集團可能無法在日常營業過程中將其資產變現，亦無法清償其負債。然而，董事認為，本集團將擁有充足營運資金償還自該等綜合財務報表批准日期起計未來十二個月到期的金融負債，基於：

- (i) 董事將加強實施旨在增加本集團營運資金及現金流量的措施，包括密切監控一般行政費用營運成本；
- (ii) 本公司一名主要股東已確認在必要時向本集團提供足夠的財務支持，以確保本集團能夠自本報告日期至少十二個月內持續運營；
- (iii) 透過發行額外股票或債務證券籌集資金；及
- (iv) 如需要，與若干往來銀行商討以獲取額外銀行融資。

因此，董事認為綜合財務報表適合基於持續經營基準編製。倘本集團不能以持續經營基準繼續營業，有必要將綜合財務報表中之資產價值撇減至可收回額、為可能產生之其他負債計提撥備以及將非流動資產及負債分別重新分類為流動資產及負債。該等調整之影響並未於綜合財務報表中反映。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Basis of preparation – Continued

(b) Historical cost basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

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

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

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

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

編製基準 – 續

(b) 編製歷史成本法

綜合財務報表已根據歷史成本法編製。

歷史成本一般按換取貨品及服務所付出代價之公平值計量。

公平值是指市場參與者之間在計量日期進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格是直接觀察到的結果還是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時會考慮的那些特徵。在該等綜合財務報表中作計量及／或披露用途的公平值均在此基礎上予以確定，但屬於香港財務報告準則第2號範圍內的以股份為基礎的支付交易、屬於香港會計準則第17號範圍內的租賃交易、以及與公平值有部分類似但並非公平值的計量（例如，香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值）除外。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

The principal accounting policies are set out below:

Basis of consolidation

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

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

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

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

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

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

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

主要會計政策載列於下文：

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制的實體的財務報表。倘本公司符合以下要素時，則取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上文所述的三項控制要素之一項或多項出現變動，本集團會重新評估其是否控制被投資方。

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日期為止。

損益及其他全面收益之每個項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

如有必要，本集團會調整附屬公司的財務報表，以使其與本集團所採納的會計政策一致。

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

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less accumulated impairment loss, if any.

Revenue recognition (accounting policies applied from 1 January 2018)

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, 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.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

附屬公司投資

於本公司之財務狀況表中，於附屬公司之投資乃以成本扣除累計減值虧損（如有）入賬。

收入確認（於二零一八年一月一日起應用的會計政策）

客戶之合約收入於貨品或服務的控制權轉移至客戶時確認，其金額反映本集團預期就交換該等貨品或服務有權獲得的代價，不包括代表第三方收取的金額。收入不包括增值稅或其他銷售稅，並已扣減任何貿易折扣。

視乎合約條款及適用於合約的法律，貨品或服務的控制可在一段時間或於某個時間點進行轉移。倘本集團在履約過程中符合下列條件，貨品或服務之控制權可在一段時間轉移：

- 提供客戶收到且同時消耗之所有利益；
- 本集團履約時創造及提升客戶所控制之資產；或
- 並無創造對本集團而言有其他用途之資產，而本集團有強制執行權利收取至今已完履約部分的款項。

倘貨品或服務之控制權可在一段時間轉移，則收入乃於整個合約期間經參考完成履行履約責任之進度確認。否則，收入於客戶獲得貨品或服務控制權之某一時點確認。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue recognition (accounting policies applied from 1 January 2018) – Continued

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Sales of controller systems for electronic equipment and electronic component and subassembly for electronic appliances

Customers obtain control of the controller systems for electronic equipment and electronic component and subassembly for electronic appliances when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the products. There is generally only one performance obligation. Invoices are usually payable within 90 days. In the comparative period, revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which was taken as at the time of delivery and the title is passed to customer.

3. 重大會計政策 — 續

收入確認(於二零一八年一月一日起應用的會計政策) — 續

當合約包含融資部分，就貨品或服務轉移予客戶而為客戶提供重大利益超過一年時，收入按應收金額的現值計量，使用合約開始時在本集團與客戶之間訂立的獨立融資交易中反映的貼現率貼現。倘合約包含為本集團提供重大財務利益的融資部分時，根據該合約確認的收入包括根據實際利率法計算的合約負債所附加的利息開支。對於付款與轉移所承諾貨品或服務之間的期限為一年或不足一年的合約，交易價格不會根據香港財務報告準則第15號應用可行權宜方式就重大融資部分的影響進行調整。

銷售電子設備的控制器系統和電子電器的電子元件及子組件

當貨物交付於客戶並被客戶接受時，客戶獲得電子設備的控制器系統和電子電器的電子部件及子組件的控制權。因此，當客戶接受該等產品時，收入將予以確認。通常只有一項履約義務。發票通常在90日內支付。在比較期間，貨物銷售收入在轉移於交付時獲得之所有權的風險及報酬時確認，並將所有權轉移給客戶。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue recognition (accounting policies applied from 1 January 2018) – Continued

Contract assets and liabilities

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

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

Revenue recognition (accounting policies applied until 31 December 2017)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts and sales related taxes.

Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. 重大會計政策 – 續

收入確認(二零一八年一月一日起適用的會計政策) – 續

合約資產及負債

合約資產指本集團因本集團已轉移服務予客戶而對所換得之代價的權利(尚未成為無條件)。相對而言，應收款項指本集團對代價的無條件權利，即支付該代價僅須經過時間流逝方會到期。

合約負債指本集團就本集團經已自客戶收取的代價(或到期的代價金額)而向該客戶轉移服務的責任。

收入確認(於二零一七年十二月三十一日起應用的會計政策)

收益按已收或應收代價的公平值計量。收益扣除折扣及銷售相關稅項。

貨品銷售

貨品及廢料銷售的收益於貨品付運及所有權轉移並於下列所有條件達成時確認入賬：

- 本集團已向買方轉讓貨品擁有權之重大風險及回報；
- 本集團並無保留對售出貨品與擁有權相關之持續管理參與，亦無保留售出貨品之實際控制權；
- 收益之金額能可靠地計量；
- 與交易有關之經濟利益很有可能流入本集團；及
- 就交易所產生或將產生之成本能可靠地計量。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Revenue recognition (accounting policies applied until 31 December 2017) – Continued

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Plant and equipment

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.

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

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

收入確認(二零一八年一月一日起適用的會計政策) – 續

利息收入

金融資產的利息收入乃於經濟利益可能將流入本集團及收入金額能可靠地計量時確認。利息收入按時間基準根據未償還本金額及適用實際利率(即將金融資產預期可使用年期的估計日後現金收入準確貼現至初步確認時的資產賬面淨值的比率)計算。

廠房及設備

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)於綜合財務狀況表列賬。

折舊乃透過於資產的估計可使用年期內以直線法撇銷資產成本減殘值後確認。估計可使用年期、殘值及折舊法於各報告期末檢討，任何估計變動的影響往後入賬。

任何廠房及設備項目於出售或預期日後持續使用該資產不會取得經濟利益時終止確認。出售或停用廠房及設備項目所產生的收益或虧損根據出售資產的所得款項與資產的賬面值的差額釐定，並於損益確認。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Impairment losses on tangible assets

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

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

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

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

有形資產減值虧損

於報告期末，本集團檢討其有形資產的賬面值，以釐定該等資產有否任何減值虧損跡象。倘有任何減值跡象，則會估計資產的可收回數額以釐定減值虧損(如有)程度。倘無法估計個別資產之可收回數額，則本集團對該資產所屬之現金產生單位之可收回數額進行估計。在合理、一貫之分配基準可被確定之情況下，公司資產亦分配至個別現金產生單位，否則將分配至合理、一貫之分配基準可被確定之最小現金產生單位組合。

可收回數額指公平值減出售成本後之價值與其使用價值之間之較高者。在評估使用價值時，使用稅前折現率將估計未來現金流量折現至其現值，該折現率反映目前市場對貨幣時間價值之評估及該項資產因其未來現金流量估計未獲調整之特有風險。

倘估計資產(或現金產生單位)的可收回數額降至低於其賬面值，則該資產(或現金產生單位)的賬面值將調低至其可收回數額的水平。減值虧損會即時於損益確認。

倘減值虧損其後撥回，則有關資產(或現金產生單位)的賬面值將調升至其經修訂的估計可收回數額，惟調升後的賬面值不得超過假設該資產(或現金產生單位)於過往年度並無確認減值虧損所釐定的賬面值。減值虧損的撥回即時於損益確認。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Leasing

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

The Group as lessor

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

The Group as lessee

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

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

租賃

租約條款將擁有權的絕大部分風險及回報轉移予承租人的租約，均列作融資租約。所有其他租約則列作經營租約。

本集團作為出租人

經營租約的租金收入按有關租約年期以直線法確認。在磋商及安排經營租約時產生之初步直接成本加入租賃資產之賬面值，於租約年期以直線法確認。

本集團作為承租人

經營租賃款項於有關租約年期以直線法確認為開支，除非有另一個系統的方法更能體現租賃資產的經濟利益被消耗的時間方式。經營租約下的或有租金在當期發生時確認為當期開支。

倘就訂立經營租約獲得租約優惠，有關優惠確認為負債。優惠利益總額以直線法確認為租賃開支之扣減，除非有另一個系統的方法更能體現租賃資產的經濟利益被消耗的時間方式。

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. SIGNIFICANT ACCOUNTING POLICIES — Continued 3. 重大會計政策 — 續

Foreign currencies

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

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.

外幣

於編製個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣（外幣）計值的交易按交易當日的匯率確認。於報告期末，以外幣計值的貨幣項目均按當日的匯率重新換算。按公平值入賬並以外幣計值的非貨幣項目按釐定公平值當日的匯率重新換算。按歷史成本以外幣計值的非貨幣項目不予重新換算。

於呈列綜合財務報表時，本集團海外業務的資產與負債按各報告期末的匯率換算為本集團的呈報貨幣（即人民幣），而其收支項目則按期內的平均匯率換算。匯兌差額（如有）均在其他全面收入確認及累計入在匯兌儲備項下的權益（非控股權益應佔，倘適用）。

借貸成本

收購、建築或生產認可資產（指需要大量時間準備就緒以供擬定用途或銷售之資產）直接應佔之借貸成本乃計入該等資產之成本，直至該等資產大致上已準備就緒以供擬定用途或銷售為止。在特定借貸撥作認可資產之支出前暫時用作投資所賺取之投資收入，須自可予資本化之借貸成本中扣除。

就於一般情況及用作取得合資格資產而借入之資金而言，合資格資本化之借款成本金額乃按用於該資產之開支資本化比率計算。資本化比率為適用於貴集團該期間內尚未償還借款（不包括就取得合資格資產而借入之特定借款）之加權平均借款成本。

所有其他借款成本均在產生期間於損益內確認。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to 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.

3. 重大會計政策 — 續

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期稅項

即期應付稅項按年內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表內呈報之「除稅前溢利」兩者差異乃由於前者並無計入其他年度之應課稅或可扣減收支項目，亦無計入毋須課稅或不獲扣減之項目所致。本集團的即期稅項按報告期末已頒佈或實際頒佈的稅率計算。

遞延稅項

遞延稅項按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關稅基的差額確認。遞延稅項負債一般按所有應課稅暫時差額確認。遞延稅項資產一般於所有應扣稅暫時差額有可能用以抵銷應課稅溢利時予以確認。

投資附屬公司相關的應課稅暫時差額須確認為遞延稅項負債，惟本集團可控制暫時差額的撥回及有可能在可見將來不會撥回暫時差額則除外。與該等投資相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於各報告期末作出檢討，並於不再可能有足夠應課稅溢利以收回全部或部分資產的情況下作出調減。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Taxation – Continued

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

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

Current tax and deferred tax for the year

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 重大會計政策 – 續

稅項 – 續

遞延稅項資產及負債乃按預期適用於清償負債或變現資產期間之稅率，並根據報告期末已實施或大致上已實施之稅率（及稅法）計量。

遞延稅項負債及資產的計量反映出按本集團預期於報告期末將收回或結清其資產與負債的賬面值所產生的稅項後果。

年內即期稅項及遞延稅項

即期及遞延稅項乃於損益內確認，除非其關乎於其他全面收入或直接於權益確認之項目，在該情況下，即期及遞延稅項亦於其他全面收入或直接於權益中分別確認。

存貨

存貨按成本與可變現淨值兩者的較低者入賬。存貨成本以先進先出法計算。可變現淨值指估計存貨售價減所有估計完成成本及作出銷售所需之成本。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments recognition (accounting policies applied from 1 January 2018)

Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

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 debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

3. 重大會計政策 – 續

金融工具(於二零一八年一月一日起應用的會計政策)

金融資產

金融資產(並無重大融資成分的貿易應收款項除外)初步按公允值計量,對於不以公允價值計量且其變動計入損益的項目,則再加上與其收購或發行直接相關的交易成本計量。並無重大融資部分的貿易應收款項初步按交易價格計量。

所有按常規方式購買和出售的金融資產於交易日(即本集團承諾購買或銷售該資產之日)確認。按常規方式購買或出售指購買或出售須在一般按市場規則或慣例確定的期間內交付的金融資產。

對於包含嵌入式衍生工具的金融資產,於釐定其現金流量是否僅代表支付本金和利息時乃以整體考慮。

債務工具

債務工具的後續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分類時有以下三種計量類別:

攤餘成本:對於持有以收取合約現金流量的資產,倘該等現金流量僅代表支付本金和利息,則該資產以攤餘成本計量。按攤餘成本計量的金融資產其後採用實際利率法計量。利息收入、匯兌收益及損失及減值於損益中確認。終止確認時的任何收益均於損益中確認。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments recognition (accounting policies applied from 1 January 2018) – Continued

Debt instruments – Continued

Fair value through other comprehensive income (“FVOCI”): 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 FVOCI. Debt investments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Fair value through profit or loss (“FVTPL”): Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

3. 重大會計政策 – 續

金融工具(於二零一八年一月一日起應用的會計政策) – 續

債務工具 – 續

以公允價值計量且其變動計入其他全面收益：對於持有以收取合約現金流量及出售該等金融資產的資產，倘該資產的現金流量僅代表支付本金和利息，則該資產以公允價值計量且其變動計入其他全面收益計量。按公允價值計量且其變動計入其他全面收入的債務投資其後按公允價值計。使用實際利率法計算的利息收入、匯兌收益及虧損以及減值於損益中確認。其他淨收益及虧損於其他全面收入確認。終止確認時，其他全面收益中累計的收益及虧損將重新分類至損益。

以公允價值計量且其變動計入損益：以公允價值計量且其變動計入當期損益的金融資產包括持作交易的金融資產、初始確認時以公允價值計量且其變動計入當期損益的金融資產，及被強制要求以公允價值計量的金融資產。倘若為於近期出售或購回的金融資產，則歸類為持作交易的金融資產。除非被指定為有效對沖工具，否則衍生工具(包括分離的嵌入式衍生工具)亦被分類為持作交易的衍生工具。就現金流量並非純粹支付本金及利息之金融資產而言，不論其業務模式如何，均以公允價值計量且其變動計入當期損益分類及計量。儘管有如上所述，債務工具按攤餘成本或以公允價值計量且其變動計入其他全面收益分類的標準，在初始確認時，倘能夠消除或顯著減少會計錯配，則仍可指定債務工具以公允價值計量且其變動計入當期損益。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments recognition (accounting policies applied from 1 January 2018) – Continued

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are 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. The shortfall is then discounted at an approximation to the assets' original effective interest rate. The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. 重大會計政策 – 續

金融工具(於二零一八年一月一日起應用的會計政策) – 續

權益工具

於初次確認並非持作交易的權益投資時，本集團可不可撤銷地選擇在其他全面收益中呈列投資公允價值的後續變動。該等選擇將逐案進行。按公允價值計入其他全面收入的權益投資按公允價值計。股息收入在損益中確認，除非股息收入明確是指部分投資成本的回收。其他淨收益及虧損於其他全面收益確認，並不會重新分類為損益。所有其他權益工具分類為FVTPL，其中公允價值、股息及利息收入的變動於損益中確認。

金融資產減值虧損

本集團就按攤余成本計量的貿易應收款項、合約資產、金融資產及按FVOCI計量的債務投資確認預期信貸虧損(「ECL」)的虧損撥備。預期信貸虧損是通過以下其一基礎計量：(1)12個月預期信貸虧損：這些是預計在報告日期後12個月內可能發生的違約事件造成的虧損；及(2)終身預期信貸虧損：此乃於金融工具預計年期內所有可能的違約事件產生的預期信貸虧損。估計預期信貸虧損時考慮的最長期限是本集團面臨信貸風險的最長合約期。

預期信貸虧損為信貸虧損的概率加權估計。預期信貸虧損乃基於根據合約應付予本集團的合約現金流量與本集團預期收取的所有現金流量之間的差額。該差額其後按資產原有實際利率相近的差額貼現。本集團已選擇採用香港財務報告準則第9號簡化法計量貿易應收款項及合約資產的虧損撥備，並已根據終身預期信貸虧損計算預期信貸虧損。本集團已依據本集團的歷史信貸虧損經驗建立撥備矩陣，並就債務人及經濟環境的特定前瞻性因素作出調整。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments recognition (accounting policies applied from 1 January 2018) – Continued

Impairment loss on financial assets – Continued

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

3. 重大會計政策 – 續

金融工具(於二零一八年一月一日起應用的會計政策) – 續

金融資產減值虧損 – 續

就其他債務金融資產而言，預期信貸虧損以12個月的預期信貸虧損基準計量。然而，自發起以來信用風險顯著增加時，撥備將以終身預期信貸虧損為基準。

於釐定自初始確認後金融資產的信用風險是否顯著增加及估計預期信貸虧損時，本集團會考慮在無需付出過多成本及努力下即可獲得的合理可靠資料。這包括定量及定性信息分析，基於本集團的歷史經驗和掌握充分信息的信用評估，並包括前瞻性資料。

本集團假設金融資產的信用風險在逾期超過30天后顯著增加。

在下列情況下，本集團認為金融資產存在信用減值：(1)若本集團不採取諸如變現抵押物(若有)等行動，借款人不可能全額支付其欠本集團的信貸負債；或(2)該金融資產逾期90天以上。

信貸減值金融資產的利息收入按金融資產的攤餘成本(即賬面總額減去虧損撥備)計算。對於非信貸減值金融資產，利息收入根據賬面總額計算。

金融負債

本集團根據負債產生的目的對其金融負債進行分類。以公允價值計量且其變動計入當期損益的金融負債按公允價值進行初始計量，而按攤餘成本計量的金融負債按照公允價值進行初始計量，扣除直接相關的已發生成本。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments recognition (accounting policies applied from 1 January 2018) – Continued

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, amount due to former directors, other borrowings and amount due to a major shareholder, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

3. 重大會計政策 – 續

金融工具(於二零一八年一月一日起應用的會計政策) – 續

按攤銷成本計量的金融負債

採用實際利率法的按攤銷成本計算的金融負債，包括貿易及其他應付款項、應付前董事款項、其他借款及應付主要股東的款項。相關利息開支於損益中確認。

當負債終止確認以及完成攤銷程式時，收益或虧損於損益中確認。

實際利率法

實際利率法是計算金融資產或金融負債的攤銷成本以及在相關期間利息收入或利息支出分配的方法。實際利率是整個金融資產或負債的預計期限(或在適當情況下較短期間)內準確折現所估算未來現金收入或付款的利率。

權益工具

本公司發行的權益工具按已收所得款項扣除直接發行成本入賬。

終止確認

當與金融資產相關的未來現金流量的合約權利到期或金融資產已轉讓且轉讓符合香港財務報告準則第9號終止確認條件時，本集團終止確認金融資產。

當相關合約中規定的義務解除、取消或到期時，金融負債終止確認。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments recognition (accounting policies applied from 1 January 2018) – Continued

Derecognition – Continued

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

Financial instruments (accounting policies applied until 31 December 2017)

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

Financial assets and financial liabilities are initially measured at fair value. 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 fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. 重大會計政策 – 續

金融工具(於二零一八年一月一日起應用的會計政策) – 續

終止確認 – 續

如果本集團向債權人發行自身權益工具以全部或部分清算該債務條款的金融負債，則已發行的權益工具為已支付的對價，並於金融負債或其中部分終止之日按其公允價值初步確認及計量。如果發行的權益工具的公允價值不能可靠計量，則計量權益工具以反映已終止的金融負債的公允價值。金融負債或其中已終止部分的賬面金額與已支付的對價之間的差額計入當年損益。

金融工具(於二零一七年十二月三十一日前應用的會計政策)

金融資產及金融負債於集團實體成為工具合約條文的訂約方時確認入賬。

金融資產及金融負債初步按公平值計量。直接因收購或發行金融資產及金融負債(按公平值計入損益的金融資產及金融負債除外)而產生的交易成本於初步確認時在金融資產或金融負債的公平值入賬或扣除(倘合適)。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments (accounting policies applied until 31 December 2017) – Continued

Financial assets

Financial assets are classified into the category; loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and bills receivables, deposits and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivable where the recognition of interest would be immaterial.

3. 重大會計政策 – 續

金融工具(於二零一七年十二月三十一日前應用的會計政策) – 續

金融資產

金融資產分類為特定類別、貸款及應收賬款。有關分類乃取決於金融資產之性質及目的，並於初步確認時釐定。所有以正常方式買賣的金融資產按交易日基準確認及終止確認。以正常方式買賣指需要於按市場規則或慣例制訂的時限內交付資產的金融資產買賣。

實際利率法

實際利率法乃計算債務工具之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃在債務工具之預期使用年期，或較短期間(倘合適)將估計日後現金收入(包括所有已付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用及代價)精確折現至於初步確認時之賬面淨值之利率。

就債務工具而言，利息收入乃按實際利率基準確認。

貸款及應收賬款

貸款及應收賬款指在活躍市場無報價的固定或可釐定付款金額的非衍生金融資產。貸款及應收賬款(包括應收貿易賬款及應收票據、按金及其他應收賬款、已抵押銀行存款以及銀行結餘及現金)均採用實際利率法按攤銷成本減任何減值入賬。

除利息確認影響甚微之短期應收賬款外，利息收入乃使用實際利率確認。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments (accounting policies applied until 31 December 2017) – Continued

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables and other receivables, assets are assessed for impairment on a collective basis even if they were not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days and observable changes in national or local economic conditions that correlate with default on receivables.

3. 重大會計政策 – 續

金融工具(於二零一七年十二月三十一日前應用的會計政策) – 續

金融資產減值

在各報告期末會評估金融資產是否有任何減值跡象。倘若有客觀證據表明，由於一個或多個於首次確認金融資產後發生的事項，金融資產的估計未來現金流量受到影響，則金融資產會被視為減值。

就金融資產而言，減值的客觀證據可能包括：

- 發行人或交易對方出現重大財務困難；或
- 違約，如拖欠支付或無力償還利息或本金；或
- 借款人可能破產或進行財務重組；或
- 因財政困難而導致金融資產的活躍市場消失。

就若干金融資產類別(如應收貿易賬款及其他應收賬款)而言，資產會彙集一併評估減值(即使資產個別並無減值)。應收賬款組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾90天的平均信貸期之次數增加，以及與應收賬款逾期有關之全國或地方經濟狀況明顯改變。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments (accounting policies applied until 31 December 2017) – Continued

Impairment of financial assets – Continued

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. 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 financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 重大會計政策 – 續

金融工具(於二零一七年十二月三十一日前應用的會計政策) – 續

金融資產減值 – 續

就按攤銷成本列賬之金融資產而言，已確認減值虧損金額按該資產之賬面值與按金融資產原先實際利率折現之估計未來現金流量之現值間之差額計量。

就按成本列賬之金融資產而言，減值虧損金額按資產賬面值與同類金融資產按現行市場回報率折現之估計未來現金流量現值間之差額計量。該項減值虧損不會於往後期間撥回(見下文會計政策)。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟應收貿易賬款及其他應收賬款除外，其賬面值乃透過使用撥備賬目而減少。倘應收貿易賬款或其他應收賬款被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷之款項計入撥備賬目內。撥備賬目之賬面值變動於損益賬內確認。

就按攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益賬撥回，惟該投資於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments (accounting policies applied until 31 December 2017) – Continued

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including trade payables, other payables, amount due to a director/former director/a major shareholder, dividends payables, other borrowings and loan from a major shareholder) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

3. 重大會計政策 – 續

金融工具(於二零一七年十二月三十一日前應用的會計政策) – 續

金融負債及股本工具

分類為債務或股本

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

股本工具

股本工具指任何可證明扣減所有負債後的實體資產剩餘權益的合約。集團實體發行的股本工具按已收所得款項(扣除直接發行成本)確認。

其他金融負債

其他金融負債包括應付貿易賬款、其他應付賬款、應付一名董事/前董事/一名主要股東/一名前股東款項、應付股息、其他借貸及來自一名主要股東之貸款，其後以實際利率法按攤銷成本計量。

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息開支之方法。實際利率乃在金融負債之預期使用年期，或較短期間(倘合適)將估計日後現金款項(包括所有已付或收取並為實際利率、交易成本及其他溢價或折讓組成部分之費用及代價)精確折現至於初步確認時之賬面淨值之利率。

利息開支按實際利率基準確認。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Financial instruments (accounting policies applied until 31 December 2017) – Continued

Derecognition

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 continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

金融工具(於二零一七年十二月三十一日前應用的會計政策) – 續

終止確認

僅當自資產收取現金流量的合約權利屆滿，或倘轉讓金融資產及該資產擁有權的絕大部分風險及回報轉移予其他實體，本集團會終止確認該項金融資產。倘本集團既無轉讓亦無保留所轉讓資產擁有權的絕大部分風險及回報並繼續控制已轉讓資產，本集團繼續按其持續參與之程度確認資產並確認相關負債。倘本集團保留所轉讓金融資產擁有權的絕大部分風險及回報，本集團會繼續確認該項金融資產，亦會確認所收取所得款項之有抵押借貸。

完全取消確認金融資產時，資產賬面值與已收取及應收代價以及已於其他全面收入確認及於權益累計的累積收益或虧損總額間的差額乃於損益確認。

除全面取消確認外，於取消確認金融資產時，本集團會將金融資產的過往賬面值，根據於其繼續確認的部分及不再確認的部分於轉讓日期的相對公平值在兩者間作出分配，而不再確認部分獲分配的賬面值與不再確認部分所收取代價及已於其他全面收入中確認的獲分配的任何累積收益或虧損的總和間的差額，乃於損益內確認。已於其他全面收入確認的累積收益或虧損，將按繼續確認之部分及不再確認的部分的相對公平值在兩者間作出分配。

當並且僅在本集團的承擔被解除，取消或到期時，本集團會終止確認金融負債。取消確認的金融負債賬面值與已付及應付代價的差額於損益確認。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Retirement benefits costs

Payments to Mandatory Provident Fund Scheme and state-managed retirement benefits schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

撥備及或然負債

倘本集團因過往事件而產生現有承擔(法定或推定)，而本集團可能須履行該承擔，而有關承擔金額能可靠估計，則會確認撥備。

確認為撥備之金額是於報告期間結束日經計入有關責任之風險及不明朗因素後，對償付現有責任之所需代價之最佳估計。倘撥備使用償付現有責任之估計現金流量計量，則其賬面值為該等現金流量之現值(如貨幣時間價值影響重大)。

當結算撥備所需之部分或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及應收賬款金額可作可靠計量，則將應收賬款確認為資產。

或然負債是指由過去的事項引起的可能需要履行的義務，其存在將由某些本集團所不能完全控制的未來事項是否發生來確定。或然負債也可能是由於過去事項而產生的現時義務，但由於該義務不太可能引起經濟資源的流出或該義務金額不能可靠地計量，因此該義務未被確認為負債。

或然負債不予確認，僅在綜合財務報表的附註中披露。若情況有變以致將來可能需要撥出資源以履行責任，才會確認撥備。

退休福利成本

對強制性公積金計劃及國家管理的退休福利計劃的供款均於僱員提供服務而有權獲得供款時，確認為開支。

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. SIGNIFICANT ACCOUNTING POLICIES – Continued 3. 重大會計政策 – 續

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise of cash on hand and at banks with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (“reporting entity”).

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

現金及現金等值項目

綜合財務狀況表內的銀行結餘及現金包括手頭及到期日為三個月或以下的銀行現金。就綜合現金流量表而言，現金及現金等值項目包括上文界定的現金及短期存款。

關連方

關連方為與編製其財務報表的實體（「呈報實體」）有關的人士或實體。

- (a) 倘屬以下人士，即該人士或該人士的近親與呈報實體有關連：
- (i) 控制或共同控制呈報實體；
 - (ii) 對呈報實體有重大影響；或
 - (iii) 為呈報實體或其母公司的主要管理層成員。
- (b) 倘實體符合下列任何條件，即與呈報實體有關連：
- (i) 該實體與呈報實體屬同一集團的成員公司（即母公司、附屬公司及同系附屬公司之間互有關連）。
 - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體所屬集團旗下成員公司的聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

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. SIGNIFICANT ACCOUNTING POLICIES — Continued

Related parties — Continued

- (b) An entity is related to a reporting entity if any of the following conditions applies: — Continued
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. 重大會計政策 — 續

關連方 — 續

- (b) 倘實體符合下列任何條件，即與呈報實體有關連：— 續
- (v) 該實體為呈報實體或與呈報實體有關連的實體就其僱員福利而設立的離職福利計劃。倘呈報實體本身為離職福利計劃，則提供贊助的僱主亦與呈報實體有關連。
 - (vi) 該實體受(a)項所述的人士控制或共同控制。
 - (vii) (a)(i)項所述的人士對該實體有重大影響或為該實體(或該實體的母公司)的主要管理層人員。
 - (viii) 該實體或其所屬集團旗下任何成員公司向報告實體或報告實體之母公司提供主要管理層人員服務。

某人士的近親是指與該實體交易時預期可影響該人士或受該人士影響的家庭成員。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimation (see below), that the Directors have made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern consideration

The assessments of the going concern assumptions involve making judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumptions are set out in Note 3 to the consolidated financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用本集團會計政策時(詳情見附註3),董事須在未有其他資料來源的情況下就資產及負債的賬面值作出判斷、估計及假設。該等估計及有關假設乃以歷史經驗及其他被視為有關的因素為基準。實際結果可能與該等估計有所出入。

估計及相關假設會按持續基準被審閱。倘對會計估計的修訂僅會對修訂估計的期間產生影響,則有關修訂會於該期間確認,而倘修訂影響當前及未來期間,則會於修訂期間及未來期間確認。

於應用會計政策時的關鍵判斷

除涉及估計的判斷(見下文)以外,以下為董事於應用本集團會計政策過程中所作的關鍵判斷,對綜合財務報表中確認的金額產生最重大的影響。

持續經營考慮

評估持續經營假設涉及董事於某個特定時間,就本質上不確定的事項或條件的未來結果,作出的判斷。董事認為本集團有能力持續經營,而個別或共同可能對持續經營假設構成重大疑問,從而可能導致經營風險的主要事項或條件已載於綜合財務報表附註3。

估計不明朗因素的主要來源

以下為很有可能導致下個財政年度的資產及負債的賬面值須作出重大調整的日後主要假設,以及其他於報告期末的估計不明朗因素的主要來源。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – Continued

Key sources of estimation uncertainty – Continued

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 7 and 21.

An impairment loss of approximately RMBNil (2017: Reversal of impairment loss of RMB103,000) was recognised for the year.

Allowance for inventories

The Directors review an aging analysis at the end of each reporting period, and makes allowance for obsolete and slowing-moving inventory items identified that are no longer suitable for sale. The Directors estimate the net realisable value for finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and make allowance for obsolesces items. An impairment loss of approximately RMBNil (2017: RMB647,000) was recognised for the year.

Provision for claim

During the current and prior years, the Group had been involved in a dispute (Note 34). The Directors determine the provision for claim based on their best estimates according to their understanding of legal advice. Where the final outcome of the claim and negotiation with the respective party is different from the estimation made by the directors, such difference will impact the provision for claims in the year in which such determination is finalised. As at 31 December 2018, the provision for claim was approximately RMB86,000 (2017: RMB86,000).

4. 關鍵會計判斷及估計不明朗因素的主要來源 – 續

估計不明朗因素的主要來源 – 續

為貿易應收款項撥備預期信貸虧損

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率基於按對具有類似虧損模式的各種債務人分組的內部信貸評級。撥備矩陣基於本集團的歷史違約率，並考慮到無需不必要的成本或努力即可獲得的合理且有支持的前瞻性資料。於每個報告日，重新評估觀察到的歷史違約率，並考慮前瞻性資料的變動。此外，就預期信貸虧損逐個評估具有重大結餘和信用減值的貿易應收款項。

預期信貸虧損的撥備會緊隨估值變化而變化。有關預期信貸虧損及本集團貿易應收款項的資料於附註7及21披露。

本年度確認的減值虧損約為無(二零一七年：減值虧損撥回為人民幣103,000元)。

存貨撥備

董事於各報告期末審核賬齡分析，並對確認為不再適合於銷售的過時及滯銷庫存品作出撥備。董事主要根據最近期的發票價格及目前的市況對該等製成品的可變現淨值進行估算。本集團於各報告期末對產品進行逐項盤點，並對過時品種作出撥備。年內確認減值虧損約無(二零一七年：人民幣647,000元)。

索償撥備

於本年度及過往年度期間，本集團被捲入一場糾紛中(附註34)。根據其對法律意見的理解，董事基於其最佳估釐定索償撥備。倘有關索償及與各方協商之最終結果有別於董事作出的估計，則該等差異會影響年內達成該釐定的索償撥備。截至二零一八年十二月三十一日止年度，已作出索償撥備金額為人民幣86,000元(二零一七年：人民幣86,000元)。

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

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance.

The gearing ratio at the end of the reporting period was as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Debts (Note (i))	債務(附註(i))	49,384	42,573
Bank balances and cash	銀行結餘及現金	(10,558)	(5,265)
Net debt	淨債務	38,826	37,308
Capital deficiency (Note (ii))	資本虧絀(附註(ii))	(41,840)	(40,655)
Net debt to equity ratio	淨債務對權益比率	N/A* 不適用*	N/A* 不適用*

Notes:

- (i) Debts comprise amount due to a director/former director/a major shareholder, other borrowings and loan from a major shareholder.
- (ii) Capital deficiency includes all capital and reserves attributable to owners of the Company.
- * As the Group had a net deficiency in capital at 31 December 2018 and 2017, the Group's gearing ratio as at that date were not applicable. The directors of the Company have given careful consideration on the measures currently undertaken in respect of the Group's liquidity position. The directors of the Company believe that the Group will be able to meet in full its financial obligations as they fall due based on the Group's working capital sufficiency plans.

5. 資本風險管理

本集團管理其資本乃為確保本集團旗下的實體能持續經營業務，同時透過優化債務及權益之間的均衡狀態，為股東帶來最大回報。

於報告期末的資本負債比率如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Debts (Note (i))	49,384	42,573
Bank balances and cash	(10,558)	(5,265)
Net debt	38,826	37,308
Capital deficiency (Note (ii))	(41,840)	(40,655)
Net debt to equity ratio	N/A* 不適用*	N/A* 不適用*

附註：

- (i) 債務包括應付一名董事／前董事／一名主要股東，其他借貸及來自一名主要股東之貸款。
- (ii) 資本虧絀包括本公司擁有人應佔的所有資本及儲備。
- * 由於本集團於二零一八年及二零一七年十二月三十一日之資本處於淨虧絀水平，故本集團於該日之資本負債比率並不適用。本公司董事已審慎考慮目前就本集團之流動資金狀況採取之措施。本公司董事相信，根據本集團營運資金之充足性計劃，將能全面履行其到期之財務責任。

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

6. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤餘成本計金融資產	18,754	–
Loan and receivables (including bank balances and cash)	貸款及應收賬款 (包括銀行結餘及現金)	–	26,566
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本列賬之金融負債	66,628	69,376

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and bills receivables, deposits and other receivables, bank balances and cash, trade payables, other payables and accruals, dividend payable, amount due to a director/former director/a major shareholder, other borrowings and loan from a major shareholder are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on timely and effective manner.

Currency risk

The Group operates in the PRC with most of the transactions denominated and settled in RMB and USD. The Group's foreign currency is mainly HKD. The Group has certain portion of the bank balances and cash and amount due to a director/former director that are denominated in currencies other than the functional currency to which they relate.

6. 財務風險管理

金融工具類別

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤餘成本計金融資產	18,754	–
Loan and receivables (including bank balances and cash)	貸款及應收賬款 (包括銀行結餘及現金)	–	26,566
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本列賬之金融負債	66,628	69,376

7. 財務風險管理的目標及政策

本集團的主要金融工具包括應收貿易賬款及應收票據、按金及其他應收賬款、已抵押銀行存款、銀行結餘及現金、應付貿易賬款、其他應付賬款及應計賬項、應付股息、應付一名董事／前董事／一名主要股東／一名前股東款項、其他借貸以及來自一名主要股東之貸款的詳情於各相關附註中披露。有關該等金融工具的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何降低該等風險的政策載列於下文。管理層會管理並監控該等風險承擔，以確保及時有效地實施適當措施。

貨幣風險

本集團於中國經營業務，大部分交易以人民幣及美元計值及結算。本集團之外幣主要為港元。本集團若干部分的其他應收賬款、銀行結餘及現金及應付一名董事／前董事款項以及其他應付賬款以與之相關功能貨幣以外的貨幣計值。

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

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

Currency risk – Continued

The following table shows the Group's exposure at the end of reporting period to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate.

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Assets	資產	-	164
Liabilities	負債	-	2,273

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group do not expose any fair value interest rate risk in relation to fixed-rate bank borrowings for the year ended 31 December 2018 and 2017.

The Group is also exposed to cash flow interest rate risk in relation to its variable rate bank balances. The Group considered that the effect of the cash flow interest rate is minimal and no sensitivity analysis to interest rate risk is presented.

7. 財務風險管理的目標及政策 – 續

貨幣風險 – 續

下表列示本集團於報告期末已確認資產及負債(以與之相關的實體的功能貨幣以外的貨幣計值)所引致的貨幣風險。

本集團目前並無外幣對沖政策。然而，管理層會監控外匯風險，並將於必要時考慮對沖重大外幣風險。

利率風險

於截至二零一八年及二零一七年十二月三十一日止年度，本集團並無面對有關其定息銀行借貸之任何公平值利率風險。

本集團亦面對有關與其可變利率之銀行結餘有關之現金流量利率風險。本集團認為現金流量利率影響甚微，故此沒有就利率風險呈列任何敏感度分析。

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

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

Credit risk

At 31 December 2018 and 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group reviews the recoverable amount of each individual trade and other debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 49% (2017: 72%) and 100% (2017: 98%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies and authorised banks in the PRC with high-credit rating.

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.

7. 財務風險管理的目標及政策 — 續

信貸風險

於二零一八年及二零一七年十二月三十一日，本集團就對手方未能履行其責任而面臨的最高信貸風險（將導致本集團的財務虧損），乃因綜合財務狀況表所述各已確認金融資產的賬面值而引致。

本集團於各報告期末檢討各應收貿易賬款及其他應收賬款的可收回款項，以確保對不可收回的款項計提足夠的減值虧損。就此而言，董事認為，本集團的信貸風險已大大降低。

本集團存在集中信貸風險，應收貿易賬款總額中的49%（二零一七年：72%）以及100%（二零一七年：98%）分別來自本集團最大客戶以及五大客戶。

由於對手方乃獲國際信貸評級機構授予較高信貸評級的銀行及有高信貸評級的中國授權銀行，因此本集團與流動資金有關的信貸風險有限。

本集團以等於終身預期信貸虧損的金額計量貿易應收款項的虧損撥備，該撥備使用撥備矩陣計算。由於本集團的歷史信用虧損經驗並未表明不同客戶群的虧損模式存在顯著差異，因此基於過往狀態的虧損撥備不進一步區分本集團的不同客戶群。

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

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

Credit risk – Continued

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2018:

		Expected credit loss rate 預計信貸虧損率	Gross carrying amount 總賬面金額	Loss allowance 虧損撥備	Net carrying amount 淨賬面金額
		%	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Provision on individual basis	<i>Notes</i>				
Over 180 days past due	逐案撥備 逾期超過180天	0%	1,917	-	1,917
Provision on collective basis	總體撥備				
Current (not past due)	當前(未逾期)	0%	6,198	-	6,198
Within 90 days past due	逾期90天內	0%	-	-	-
91 to 180 days past due	逾期91至180天	30%	-	-	-
Over 180 days past due	逾期超過180天	100%	343	(343)	-
			8,458	(343)	8,115

Note:

As at 31 December 2018, trade receivables that are individually significant have been separately assessed for impairment. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience. The directors are of the opinion that the credit risk of these receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of these receivables is assessed to be close to zero and no provision was made for the year ended 31 December 2018.

7. 財務風險管理的目標及政策 — 續

信貸風險 — 續

下表提供了本集團於二零一八年十二月三十一日的信用風險及貿易應收款項預期信貸虧損情況：

附註：

於二零一八年十二月三十一日，單筆大額貿易應收款項已單獨做減值評估。本集團根據客戶的背景及聲譽、歷史清算紀錄及過往經驗，定期評估應收款項的可追索性。董事認為，由於歷史應收賬款回款紀錄良好，這些應收賬款的信用風險較低。因此，該等應收款項的預期信貸虧損率預計接近於零，且截至二零一八年十二月三十一日並無撥備。

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

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

Credit risk – Continued

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganization; and
- default or late payments (more than 30 days overdue).

Liquidity risk

The Group is exposed to liquidity risk as at 31 December 2018 as its financial assets due within one year was less than its financial liabilities due within one year. The Group had net current liabilities of approximately RMB334,000 as at 31 December 2018. The liquidity of the Group depends upon the positive cash flows expected to be generated from the Group's future operations and successfully obtain new working capital in order to meet the Group's future working capital and financial requirements. Details of which are set out in Note 3.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment dates. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

7. 財務風險管理的目標及政策 – 續

信貸風險 – 續

於去年，貿易應收款項減值基於「已產生虧損」模型評估。已知無法收回的單筆應收款項透過直接減少賬面金額予以撤銷。其他應收款項則予以統一評估，以確定是否有客觀證據表明存在已發生但尚未識別的減值。就該等應收款項而言，估計減值虧損於另設減值撥備進行確認。倘若在以下任何指標，則本集團認為存在減值證據：

- 債務人陷入重大財政困難；
- 債務人可能會破產或面臨其他財務重組；及
- 違約或延遲付款（逾期30天）。

流動資金風險

由於本集團於一年內到期的金融資產少於一年內到期的金融負債，因此本集團於二零一八年十二月三十一日面臨流動資金風險。於二零一八年十二月三十一日，本集團的流動負債淨額約為人民幣334,000元。本集團之流動資金取決於本集團未來業務預期將產生正現金流量，以及成功取得營運資金滿足本集團的未來營運資金及財務需求。有關詳情載於附註3。

下表詳述根據協定的還款日期，本集團非衍生金融負債的餘下合約到期時間。該表乃根據本集團可能須支付的最早日期按照金融負債的未貼現現金流量草擬。該表包括利息及本金現金流量。倘利息流量為浮動利率，則未貼現數額乃根據報告期末之利率曲線計算得出。

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

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – Continued

7. 財務風險管理的目標及政策 — 續

Liquidity tables

流動資金表

		Within 1 year or repayable on demand 一年內或 按要求償還 RMB'000 人民幣千元	Between 1 and 2 years 一年至兩年 RMB'000 人民幣千元	Between 2 and 5 years 兩年至五年 RMB'000 人民幣千元	Total undiscounted cash flow 未貼現的 現金流量總額 RMB'000 人民幣千元	Carrying amounts 賬面值 RMB'000 人民幣千元
At 31 December 2018	於二零一八年十二月三十一日					
Other financial liabilities at amortised cost:	按攤銷成本列賬之其他 金融負債：					
Trade payables	應付貿易賬款	10,580	-	-	10,580	10,580
Other payables and accruals	其他應付賬款及應計賬款	2,224	-	-	2,224	2,224
Amount due to a major shareholder	應付一名主要股東款項	7,843	-	-	7,843	7,843
Dividends payables	應付股息	4,440	-	-	4,440	4,440
Loan from a major shareholder	來自一名主要股東之貸款	-	46,000	-	46,000	41,541
		25,087	46,000	-	71,087	66,628
At 31 December 2017	於二零一七年十二月三十一日					
Other financial liabilities at amortised cost:	按攤銷成本列賬之其他 金融負債：					
Trade payables	應付貿易賬款	14,799	-	-	14,799	14,799
Other payables and accruals	其他應付賬款及應計賬款	7,564	-	-	7,564	7,564
Amount due to a director	應付一名董事款項	539	-	-	539	539
Amount due to a former director	應付一名前董事款項	1,775	-	-	1,775	1,775
Amount due to a major shareholder	應付一名主要股東款項	275	-	-	275	275
Dividends payables	應付股息	4,440	-	-	4,440	4,440
Other borrowings	其他借貸	1,520	-	-	1,520	1,520
Loan from a major shareholder	來自一名主要股東之貸款	-	-	46,000	46,000	38,464
		30,912	-	46,000	76,912	69,376

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

8. FAIR VALUE

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices, respectively;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
- the fair value of non-optional derivative instrument is calculated using quoted prices where such prices are not available, the fair value is estimated using discounted cash flow analysis and the applicable curve for the duration of the instruments. For option based derivative, the fair value is estimated using option pricing model (for example, the Binomial model).

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values due to their short-term maturities.

8. 公平值

金融資產及金融負債之公平值釐定如下：

- 具有標準條款及條件並於活躍流動市場買賣之金融資產及金融負債，乃分別參考所報市場買盤價及賣盤價釐定公平值；
- 其他金融資產及金融負債（不包括衍生工具）之公平值乃根據普遍採納定價模型按貼現現金流量分析使用可觀察現時市場交易之價格及類似工具交易商報價釐定；及
- 非期權衍生工具之公平值乃以掛牌價計算，或如無掛牌價，則公平值以貼現現金流量分析及工具壽命期內之適用曲線估算。期權基準之衍生工具，其公平值以期權定價模型（如二項模型）估算。

董事認為，綜合財務報表中按經攤銷成本入賬之金融資產及金融負債之賬面值，因到期日屬短期而與其公平值相若。

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

9. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

An analysis of the Group's revenue and other income for the year are as follows:

Revenue from contracts with customers within the scope of HKFRS 15

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益		
Sales of controller systems for electronic equipment and electronic component and subassembly for electronic appliances	銷售電子設備及電子元件的控制器系統及電子用品部件	61,706	44,529
Timing of revenue recognition			
At point in time	某時間點收益確認時點	61,706	44,529
Other income	其他收入		
Bank interest income	銀行利息收入	5	2
Sundry income	雜項收入	72	12
		77	14

Note: The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18.

9. 收益及其他收入

收益(亦為本集團之營業額)指本集團向外界客戶出售貨品的已收及應收賬款扣除折扣及與銷售相關的稅項後的淨額。

本集團的年度收益及其他收入分析如下:

香港財務報告準則第15號範圍內與客戶合約的收益

附註: 本集團已採用累積影響法初步應用香港財務報告準則第15號。根據該方法, 比較資料並未重述, 並已根據香港會計準則第18號編制。

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

10. SEGMENT INFORMATION

For management purpose, the Group operates in one business unit based on its products, and has only one reportable and operating segment which is controller systems for electronic equipment and electronic component and subassembly for electronic appliances.

Geographical information

The Group's business is primarily operated in the PRC. All of the Group's revenue is attributable to customers in the PRC.

An analysis of the carrying amount of segment assets by geographical area in which the assets are located has not been presented as they are all located in the PRC.

Major customers

Turnover from customers of the corresponding years contributing over 10% of the total turnover of the Group are as follows:

Customer A	客戶 A
Customer B	客戶 B
Customer C	客戶 C
Customer D	客戶 D

10. 分部資料

就管理而言，本集團按其產品以單一業務單位經營，並僅設有一個可呈報及經營分部，即電子設備及電子元件的控制器系統及電子用品部件。

地區資料

本集團的業務主要在中國經營。本集團之收益全數來自中國的客戶。

由於全部分部資產位於中國，故此並無按資產所在地區呈列有關賬面值的分析。

主要客戶

於相關年度，來自對本集團總營業額貢獻超過 10% 的客戶之營業額載列如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Customer A	客戶 A	29,333	27,643
Customer B	客戶 B	18,027	—
Customer C	客戶 C	—	4,861
Customer D	客戶 D	—	4,368

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

11. OTHER GAINS AND LOSSES

11. 其他收益及虧損

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Reversal of impairment loss on trade receivables	應收貿易賬款減值虧損撥回	-	103
Written off of trade and other receivables	撇銷應收貿易賬款及其他應收賬款	-	(503)
Written off of paid in advances	撇銷已付預付款項	-	(156)
		-	(556)

12. FINANCE COSTS

12. 融資成本

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Imputed interest expense on loan from a major shareholder	來自一名主要股東貸款之估計利息開支	3,077	1,948

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

13. LOSS BEFORE TAXATION

13. 除稅前虧損

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss before taxation has been arrived at after charging:	除稅前虧損已扣除以下項目：		
Staff costs, excluding chairman, directors' and supervisors' emoluments	員工成本(不包括主席、董事及監事酬金)		
— Salaries, wages and other benefits in kind	— 薪金、工資及其他實物福利	1,086	1,314
— Retirement benefits scheme contributions	— 退休福利計劃供款	91	60
Total staff costs	總員工成本	1,177	1,374
Depreciation of plant and equipment	廠房及設備折舊	29	36
Auditor's remuneration	核數師酬金	536	500
Cost of inventories recognised as an expense	已確認為開支的存貨成本	57,602	43,869
Net foreign exchange losses	外匯虧損淨額	10	5
Operating lease rentals on premises	物業的經營租賃租金	55	61

14. INCOME TAX EXPENSE

14. 所得稅開支

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
PRC enterprise income tax — Current year	中國企業所得稅 — 本年度	27	58

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries is 25% from 1 January 2008 onwards.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，本公司及中國附屬公司的稅率為25%。

According to the normal statutory PRC corporate income tax and relevant rules, certain subsidiaries of the Company have been qualified as small low-profit enterprises which can enjoy 10% preferential tax rate in the related period, for the years ended 31 December 2018 and 2017.

根據常規中國法定企業所得稅及相關規定，截至二零一八年及二零一七年十二月三十一日止年度，本公司若干附屬公司已定為可在相關期間享有10%優惠稅率的小型微利企業。

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

14. INCOME TAX EXPENSE – Continued

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the year. No provision for Hong Kong profits tax was made for the year ended 31 December 2018 and 2017 as the Group did not generate any assessable profits arising in Hong Kong for that year.

The income tax expense for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

14. 所得稅開支 – 續

香港利得稅按年內的估計應課稅溢利的16.5%計算。由於本集團於截至二零一八年及二零一七年十二月三十一日止年度並未在香港產生任何應課稅溢利，故並無於該年度就香港利得稅計提撥備。

年內所得稅開支可與綜合損益及其他全面收益表所列除稅前虧損對賬如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss before taxation	除稅前虧損	(1,106)	(7,117)
Tax at the applicable tax rate of 25% (2017: 25%)	按適用稅率25% (二零一七年：25%)計算 的稅項	(277)	(1,779)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營的 附屬公司的稅率差異的影響	10	93
Tax effect of expenses not deductible for tax purposes	就稅務而言不可扣稅開支的 稅務影響	324	351
Tax effect of unused tax losses not recognised	未確認暫時性差異的稅收影響	133	1,480
Statutory tax concession	法定稅收優惠	(103)	(87)
Tax effect of income not subject to tax purpose	不受稅收影響的收入的稅收影響	(60)	–
Income tax expense for the year	年內所得稅開支	27	58

15. DIVIDENDS

No dividend was paid or proposed for the year ended 31 December 2018 (2017: Nil), nor has any dividend been proposed since the end of the reporting period.

15. 股息

並無就截至二零一八年十二月三十一日止年度支付或建議派付任何股息(二零一七年：無)，自報告期末以來，亦無建議派付任何股息。

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

16. STAFF COSTS (INCLUDING CHAIRMAN, DIRECTORS' AND SUPERVISORS' EMOLUMENTS)

16. 員工成本(包括主席、董事及監事酬金)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries, wages and other benefits in kind	薪金、工資及其他實物福利	1,276	1,509
Retirement benefits scheme contributions	退休福利計劃供款	91	60
		1,367	1,569

Hong Kong

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for its Hong Kong employees. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, each of the Group companies (the "employer") in Hong Kong and its employees makes monthly contribution to the scheme a 5% of the employee's earning as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employer and employees are subject to a cap of HKD1,500 per month (2017: HKD1,500 per month), a total contribution of approximately RMB5,000 (2017: RMB29,000) was made by the Group in respect of this scheme.

The PRC, other than Hong Kong

As stipulated by rules and regulations in the PRC, the Company and those subsidiaries, which operated in the PRC, are required to contribute to a state-sponsored retirement plan for all its employees. The state-sponsored retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-sponsored retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions, a total contribution of approximately RMB86,000 (2017: RMB31,000) was made by the Group in respect of this scheme.

香港

本集團安排香港僱員參與由香港強制性公積金計劃條例規定的強制性公積金計劃(「強積金計劃」)。強積金計劃屬於界定供款退休計劃，由獨立受託人管理。根據強積金計劃，本集團於香港的各公司(「僱主」)及其僱員每月均按有關僱員的5%收入(定義見強制性公積金法例)作出供款。僱主及僱員的供款以每月1,500港元(二零一七年：每月1,500港元)為限，本集團就該計劃作出的供款總額約為人民幣5,000元(二零一七年：人民幣29,000元)。

中國(香港除外)

按照中國的條例及法規規定，本公司及在中國營運的該等附屬公司須向所有僱員作出國家退休福利計劃供款。國家退休福利計劃負責向所有退休僱員支付全部退休金。根據國家退休福利計劃，本集團除每年供款外，毋須對其他實際退休金付款或退休後福利作出任何承擔，本集團就該計劃作出的供款總額約為人民幣86,000元(二零一七年：人民幣31,000元)。

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

17. CHAIRMAN, DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Chairman, directors' and supervisors' emoluments

The emoluments paid or payable to each of the seven (2017: seven) chairman, directors and three (2017: three) supervisors were as follows:

Year ended 31 December 2018

17. 主席、董事及監事酬金

主席、董事及監事酬金

已付或應付七名(二零一七年：七名)主席、董事及三名(二零一七年：三名)監事的酬金如下：

截至二零一八年十二月三十一日止年度

Name		Fees	Salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Total
姓名		袍金	薪金、津貼及實物福利	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors		執行董事			
Mr. He Keng (Chairman)	何鏗先生(主席)	-	-	-	-
Ms. Wu Shan hong	吳珊紅女士	-	-	-	-
Mr. Chen Weiqiang	陳偉強先生	-	38	-	38
Mr. Ding Cheng	丁成先生	-	38	-	38
Independent non-executive directors		獨立非執行董事			
Mr. Zhang Zhuoyong	張卓永先生	36	-	-	36
Mr. Zhang Tiewi	章鐵毅先生	36	-	-	36
Mr. Kwok Kim Hung, Eddie	郭劍雄先生	42	-	-	42
Supervisors		監事			
Mr. Shi Huanmiao	石歡苗先生	-	-	-	-
Mr. Zhang Shenggen	張生根先生	-	-	-	-
Mr. Chen Yuankang	陳元康先生	-	-	-	-
Total	總計	114	76	-	190

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

17. CHAIRMAN, DIRECTORS' AND SUPERVISORS' EMOLUMENTS – Continued

Senior management's emoluments

Of the five individuals with highest emoluments in the Group, none (2017: none) was a director of the Company whose emolument are included in the disclosures above. The emoluments of the remaining five (2017: five) highest paid individuals were as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and other benefits in kind	薪金及其他實物福利	544	665
Retirement benefits scheme contributions	退休福利計劃供款	35	33
		579	698

Their emoluments were within the following band:

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
Nil to RMB1,000,000	零至人民幣 1,000,000 元	5	5

17. 主席、董事及監事酬金 — 續

高級管理層酬金

本集團五名最高薪酬人士中，概無(二零一七年：無)本公司董事，其酬金載列於上文的披露資料中。其餘五名(二零一七年：五名)最高薪酬人士的酬金如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and other benefits in kind	薪金及其他實物福利	544	665
Retirement benefits scheme contributions	退休福利計劃供款	35	33
		579	698

彼等之酬金均介乎以下範圍內：

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
Nil to RMB1,000,000	零至人民幣 1,000,000 元	5	5

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

17. CHAIRMAN, DIRECTORS' AND SUPERVISORS' EMOLUMENTS – Continued

Senior management's emoluments – Continued

No emolument have been paid by the Group to the directors and supervisors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the two years ended 31 December 2018 and 2017.

No bonuses paid or receivable which are discretionary or based on the Company's, the group's or any member of the group's performance for the financial year ended 31 December 2018.

18. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of approximately RMB1,133,000 (2017: RMB7,175,000) divided by the weighted average number of 500,000,000 shares (2017: 500,000,000 shares) in issue during the year.

No diluted loss per share have been presented for the two years ended 31 December 2018 and 2017 as there was no diluted potential ordinary share outstanding for both years.

17. 主席、董事及監事酬金 — 續

高級管理層酬金 — 續

截至二零一八年及二零一七年十二月三十一日止兩個年度，本集團並無向本公司董事及監事或五位最高薪酬人士支付酬金作為吸引加入或加入本集團時之獎金，或作為離職補償。

截至二零一八年十二月三十一日止財政年度，概無已付或應付酌情花紅或基於本公司、本集團或本集團旗下任何公司的表現的花紅。

18. 每股虧損

每股基本虧損乃根據本公司擁有人應佔年內虧損約人民幣1,133,000元(二零一七年：人民幣7,175,000元)除以年內已發行股份的加權平均股數500,000,000股(二零一七年：500,000,000股)計算。

由於截至二零一八年及二零一七年十二月三十一日止兩個年度並無發行可能具有攤薄效應的普通股，因此並無呈列該兩個年度的每股攤薄虧損。

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

19. PLANT AND EQUIPMENT

19. 廠房及設備

		Computer and office equipment 電腦及 辦公室設備 RMB'000 人民幣千元
COST	成本	
At 1 January 2017	於二零一七年一月一日	610
Additions	添置	9
At 31 December 2017 and 2018	於二零一八及二零一七年十二月三十一日	619
ACCUMULATED DEPRECIATION	累計折舊	
At 1 January 2017	於二零一七年一月一日	519
Provided for the year	年內撥備	36
At 31 December 2017	於二零一七年十二月三十一日	555
Provided for the year	年內撥備	29
At 31 December 2018	於二零一八年十二月三十一日	584
CARRYING VALUES	賬面值	
At 31 December 2018	於二零一八年十二月三十一日	35
At 31 December 2017	於二零一七年十二月三十一日	64

Note:

The above items of plant and equipment are depreciated on a straight-line basis over the estimated useful lives less their residual values at the following rates per annum:

Computer and office equipment 20%

附註：

上述廠房及設備項目乃於估計可使用年內減去其殘值並以直線法按下列年率折舊：

電腦及辦公室設備 20%

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

20. INVENTORIES

Raw materials	原材料
Finished goods	製成品

The cost of inventories recognised as an expense include approximately RMB Nil (2017: RMB647,000) in respect of write-downs of inventory to net realisable value.

21. TRADE AND BILLS RECEIVABLES

Trade receivables	應收貿易賬款
Less: Accumulated impairment losses	減：累計減值虧損
Trade receivables, net of impairment	應收貿易款項，扣除減值
Bills receivable	應收票據

The Group allows an average credit period of 90 days to its trade customers.

Further details on the Group's credit policy are set out in Note 7.

Expected credit losses for trade receivables relating to accounts which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance. The Group determine the provision for expected credit losses by grouping together trade receivables with similar credit risk characteristics and collectively assessing them for likelihood of recovery, taking into account prevailing economic conditions.

20. 存貨

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
-	647
303	1,137
303	1,784

就撇減存貨至可變現淨值而言，確認為開支之存貨成本包括約人民幣無(二零一七年：647,000元)。

21. 應收貿易賬款及應收票據

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
8,458	15,288
(343)	(343)
8,115	14,945
-	5,933
8,115	20,878

本集團給予其貿易客戶的平均信貸期為90日。

有關本集團信貸政策的進一步詳情載於附註7。

與長期逾期且大額或已知破產或對催收無回應的賬目有關的貿易應收賬款的預期信貸虧損，逐一評估減值準備。本集團透過將具有類似信用風險特徵的貿易應收款項合併在一起，並考慮到當前的總體經濟狀況，總體評估其追索可能性，確定預期信貸虧損撥備。

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

21. TRADE AND BILLS RECEIVABLES – Continued

The aged analysis of trade receivables presented based on the invoice date, net of impairment losses recognised was as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
0–90 days	0至90日	6,198	8,029
91–180 days	91至180日	–	1,900
181–365 days	181至365日	–	5,015
Over 365 days	365日以上	1,917	1
		8,115	14,945

The movements in impairment losses of trade receivables were as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	343	445
Recognise during the year	年內確認	–	–
Reversal of previously impaired	過往減值撥回	–	(103)
Exchange realignment	滙兌調整	–	1
At 31 December	於十二月三十一日	343	343

21. 應收貿易賬款及應收票據 – 續

以下為按發票日呈列的應收貿易賬款(已扣除已確認的減值虧損)的賬齡分析：

應收貿易賬款的減值虧損的變動如下：

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

21. TRADE AND BILLS RECEIVABLES – Continued

The aging analysis of trade receivables which were past due but not impaired are as follows:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 90 days past due	逾期90日內	1,900
91 to 180 days past due	逾期91至180日	5,015
Over 180 days past due	逾期180日以上	1
	1,917	
	1,917	6,916

21. 應收貿易賬款及應收票據 — 續

已逾期但未減值的應收貿易賬款的賬齡分析如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	–	1,900
	–	5,015
	1,917	1
	1,917	6,916

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Prepayments	預付款項	173
Deposits	按金	21
Other receivables	其他應收賬款	641
Amount due from a related company (Note)	應收一家關連公司款項(附註)	400
	747	1,235
Less: Accumulated impairment losses	減：累計減值虧損	(639)
	108	596

22. 預付款項、按金及其他應收賬款

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	27	173
	68	21
	652	641
	–	400
	747	1,235
	(639)	(639)
	108	596

Note: The amount is unsecured, interest-free and has no fixed term of repayment.

附註：該款項為無抵押、免息且無固定還款期。

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

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – Continued

The movements in impairment losses of prepayments, deposits and other receivables were as follows:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	639	639
Recognise during the year	–	–
At 31 December	639	639

The Group measures the loss allowance equal to 12-month ECL of other receivables. For those balances expected to have significant increase in credit risk since initial recognition, the Group apply lifetime ECL based on aging for classes with different credit risk characteristics and exposures.

At 31 December 2018, included in the impairment loss are individually impaired prepayments, deposits and other receivables is the Group with an aggregate balance of approximately RMB639,000 (2017: RMB639,000) which are have been placed in severe financial difficulties and the management assessed that the recovery of the amounts as doubtful. The Group does not hold any collateral over these balances.

23. BANK BALANCES AND CASH

Bank balances earns interest at floating rates based on daily bank deposits rates. The bank balances are deposited with creditworthy banks with no recent history of default.

At 31 December 2018, the bank balance and cash equivalents of the Group denominated in RMB amounted to approximately RMB10,558,000 (2017: RMB5,108,000). RMB is in not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

22. 預付款項、按金及其他應收賬款 – 續

預付款項、按金及其他應收賬款的減值虧損的變動如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	639	639
Recognise during the year	–	–
At 31 December	639	639

本集團計量的虧損撥備等於其他應收款項的12個月預期信貸虧損。對於預A期自初始確認後信用風險顯著增加的餘額，本集團對具有不同信用風險特徵及風險的類別應用基於賬齡的終身預期信貸虧損。

於二零一八年十二月三十一日，減值虧損包括結餘合計約人民幣639,000元(二零一七年：人民幣639,000元)之已置於嚴重財務困難中的已個別減值的本集團預付款項、按金及其他應收賬款，管理層評定追回款項為呆賬。本集團並無就該等結餘持有任何抵押品。

23. 銀行結餘及現金

銀行結餘根據每日銀行存款利率以浮動利率賺取利息。銀行結餘存放在信譽良好的銀行，近期沒有違約記錄。

於二零一八年十二月三十一日，本集團以人民幣計值的銀行結餘及現金等價物約為人民幣10,558,000元(二零一七年：RMB5,108,000)。人民幣不可自由兌換為其他貨幣，但根據中國內地「匯管理條例」及「結匯、售匯及支付外匯管理條例」，本集團獲准透過授權銀行以人民幣兌換其他貨幣進行涉及外匯的業務。

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

24. TRADE PAYABLES

The average credit period on purchases of goods is 90 days.

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period was as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
0-90 days	0至90日	8,100	8,212
91-180 days	91至180日	-	823
181-365 days	181至365日	-	4,626
Over 365 days	超過365日	2,480	1,138
		10,580	14,799

25. OTHER PAYABLES AND ACCRUALS

Other payables
Accruals
Provision for claim (Note 34)

其他應付賬款
應計費用
索償撥備(附註34)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Other payables	其他應付賬款	1,497	6,918
Accruals	應計費用	641	560
Provision for claim (Note 34)	索償撥備(附註34)	86	86
		2,224	7,564

24. 應付貿易賬款

購買商品的平均信貸期為90日。

於報告期末按發票日呈列的應付貿易賬款的賬齡分析列示如下：

25. 其他應付賬款及應計費用

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

26. CONTRACT LIABILITIES

26. 合約負債

	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	1 January 2018 二零一八年 一月一日 RMB'000 人民幣千元
Sales of controller systems for electronic equipment and electronic component and subassembly component and subassembly for electronic appliances (Note)	1,372	207

Note: Upon the adoption of HKFRS 15, amounts previously included as "Receipts in advance" were reclassified to contract liabilities.

附註：採納香港財務報告準則第15號後，先前列為「預收款項」的金額重新分類為合約負債。

When the Group receives a deposit before the goods this will give rise to contract liabilities at the start of a contract, until the revenue recognised.

當本集團在貨物之前收到定金時，這將在合約開始時產生合約負債，直至收入確認為止。

For some sales orders, the Group may ask the customers to made a deposit on acceptance of the order, with the remainder of the consideration payable at the earlier of delivery of the finished goods and notice from the customer to cancel the order. If the customer cancels the order, then the group is immediately entitled to receive payment for work done to date.

本集團於工作開始前根據具體情況就已確定的訂單收取定金。二零一八年一月一日的合約負債餘額均於二零一八年年內確認為收益。於履約前收到的付款將確認為一年內收入。

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

27. AMOUNT DUE TO A DIRECTOR/FORMER DIRECTOR

27. 應付一名董事／前董事款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Amount due to a director	應付一名董事款項		
Mr. He Keng	何鏗先生	-	539
Amount due to a former director	應付一名前董事款項		
Mr. Zhu Guo An	諸國安先生	-	1,775

The amounts are unsecured, non-interest bearing and have no fixed term of repayment.

該款項為無抵押、免息及無固定還款期。

28. AMOUNT DUE TO A MAJOR SHAREHOLDER

28. 應付一名主要股東

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Due to a major shareholder	應付一名主要股東款項		
Zhejiang RuiYuan Intelligent Robot Co., Ltd.	浙江瑞遠智能機器人股份有限公司	7,843	275

The amount is unsecured, non-interest bearing and has no fixed term of repayment.

該等款項為無抵押、免息及無固定還款期。

29. DIVIDENDS PAYABLES

29. 應付股息

The dividends payables represent the final dividend declared for Promoter Shares in 2004 and shareholders of the Company in 2005 which amounting to RMB940,000 and RMB3,500,000 respectively.

應付股息指於二零零四年就發起人股份宣派的末期股息及於二零零五年向本公司股東宣派的末期股息，分別為人民幣940,000元及人民幣3,500,000元。

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

30. OTHER BORROWINGS

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Zhu Ji Ke Ying Metal Materials Limited*	諸暨科盈金屬材料有限公司	(i)	-	1,520

Note:

- (i) The amount is unsecured, interest-free and has no fixed term of repayment. The loan was settled during the year ended 31 December 2018.

* For identification purpose only

31. LOAN FROM A MAJOR SHAREHOLDER

As at 31 December 2018, the loan from Zhejiang RuiYuan Intelligent Robot Co., Ltd. is unsecured, interest free and not repayable within three years from the date of grant of the loan. As the major shareholder has confirmed that it would not demand for loan repayment from the Company for at least 12 months from the financial statements approval date, the loan from the major shareholder is classified as non-current liabilities.

On the date of grant, the Group credited an amount of approximately RMB9,483,000 to other reserve which represented the difference between the fair value of the loan from a major shareholder and the amount received.

30. 其他借貸

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Zhu Ji Ke Ying Metal Materials Limited*	諸暨科盈金屬材料有限公司	(i)	-	1,520

附註：

- (i) 該款項為無抵押、免息及無固定還款期。貸款於截至二零一八年十二月三十一日止年度結清。

* 僅供識別

31. 來自一名主要股東之貸款

於二零一八年十二月三十一日，由浙江瑞遠智能機器人股份有限公司提供的貸款為無抵押、免息並毋須於授出貸款日期起計三年內償還。由於主要股東已確認，自財務報表批准日期起計至少12個月內，其不會要求本公司償還貸款，故來自該主要股東的貸款分類為非流動負債。

於授出日期，本集團將約人民幣9,483,000元計入其他儲備（指來自一名主要股東之貸款與收取款項的差額）。

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

32. SHARE CAPITAL

32. 股本

		Number of shares 股份數目 '000 千股	Amount 金額 RMB'000 人民幣千元
Authorised, issued and fully paid:	法定、已發行及繳足：		
At 1 January 2017, 31 December 2017 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年十二月三十一日	500,000	50,000
Domestic shares (Note a)	內資股(附註a)	370,000	37,000
H shares (Note b)	H 股(附註b)	130,000	13,000
		500,000	50,000

Notes:

- (a) Pursuant to an approval dated 4 June 2003 issued by the China Securities Regulatory Commission, all the shares of the Company, which were issued and fully paid, being 37,000,000 ordinary shares with a par value of RMB1.00 each, were sub-divided into 370,000,000 ordinary shares with a par value of RMB0.10 each.
- (b) On 14 November 2003, the Company commenced the trading of the newly issued 130,000,000 H shares of RMB0.10 each on the GEM of the Stock Exchange, including 117,000,000 H shares to institutional investors by way of placement and 13,000,000 H shares for subscription by members of the public in Hong Kong under the Public Offer at the Offer Price of HKD0.50 (equivalent to approximately RMB69,550,000). Following the issue, the share capital and capital reserve of the Company increased by approximately HKD12,150,000 (equivalent to approximately RMB13,000,000) and HKD52,850,000 (equivalent to approximately RMB56,550,000) respectively.

附註：

- (a) 根據中國證券監督管理委員會於二零零三年六月四日頒佈的批文，已發行及繳足的所有本公司股份，即每股面值為人民幣1.00元的37,000,000股普通股被拆細為每股面值為人民幣0.10元的370,000,000股普通股。
- (b) 於二零零三年十一月十四日，本公司開始於聯交所GEM買賣新發行的130,000,000股每股人民幣0.10元的H股，包括以配售方式配售予機構投資者的117,000,000股H股，以及根據公開發售按發售價0.50港元供香港公眾人士認購的13,000,000股H股(相當於約人民幣69,550,000元)。股份發行後，本公司股本及資本儲備分別增長約12,150,000港元(相當於約人民幣13,000,000元)及52,850,000港元(相當於約人民幣56,550,000元)。

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

33. DEFERRED TAXATION

At the end of the reporting period, the Group had unused tax losses of approximately RMB18,608,000 (2017: RMB13,275,000) available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unused tax losses incurred by the Company and PRC subsidiaries can be carried forward for a period of five years. Other tax losses may be carried forward indefinitely.

34. CONTINGENT LIABILITIES

(i) LBTC 3663/2016 (the “Labour Tribunal Proceedings”)

On or around 7 November 2016, a former employee (the “Former Employee”) was terminated by the Company on or around 5 October 2016 (the “Termination Date”), commenced proceedings in the Labour Tribunal against the Company and its former subsidiary, Hong Kong Wan Li Enterprise Co. Ltd. (“HK Wan Li”) (together, the “Respondents”), claiming a total amount of approximately of HK\$2,600,000 (equivalent to approximately RMB2,340,000) on a number of grounds, including (i) dismissal by reason of redundancy, (ii) failure to grant statutory holidays, (iii) failure to grant annual leave, (iv) failure to pay long service payment, (v) failure to make payment for overtime work, (vi) failure to pay end of year payment, (vi) failure to pay bonus. Pursuant to the Order of the Labour Tribunal dated 5 May 2017, the Labour Tribunal Proceedings are presently stayed indefinitely with costs reserved.

As of the date hereof, the Company is not aware of any further development to the Labour Tribunal Proceedings since 5 May 2017.

(ii) Mandatory Provident Fund Schemes Authority Case No. C17080247 (the “MPF Case”)

The Former Employee filed a complaint with the Mandatory Provident Fund Schemes Authority (“MPFSA”) alleging that the Company (i) did not arrange for him to be a member of a registered Mandatory Provident Fund (“MPF”) scheme, and (ii) did not make MPF contributions for him. After investigation, the MPFSA issued a letter dated 28 December 2017 requesting HK Wan Li to make a payment for the unpaid MPF contribution and surcharges in the total amount of approximately of HK\$3,000, which was paid in early January 2018.

As of the date hereof, the Company is not aware of whether the MPFSA intends to, or will, take further steps against the Company and/or HK Wan Li in the MPF case.

33. 遞延稅項

於報告期末，本集團有未動用稅項虧損約人民幣18,608,000元（二零一七年：人民幣13,275,000元），可用於抵銷未來溢利。由於未來溢利來源的不可預測性，故此並無確認任何遞延稅項資產。根據中國有關法律及法規，本公司及中國附屬公司產生的未動用稅項虧損可在五年期內結轉。其他稅項虧損可無限期結轉。

34. 或然負債

(i) LBTC 3663/2016 (「勞資審裁訴訟」)

於二零一六年十一月七日或前後，一名本公司於二零一六年十月五日（「解僱日期」）或前後解僱的前僱員（「前僱員」）向香港勞資審裁處對本公司及其前附屬公司香港萬豪企業有限公司（「香港萬豪」）（統稱「被告」）展開法律程序，索償總金額約2,600,000港元（相當於約人民幣2,340,000元），理由包括(i)因裁員解僱；(ii)法定假期不放假；(iii)不放假；(iv)未能支付長期服務金；(v)沒有支付加班費；(vi)沒有支付年終酬金；及(vii)沒有支付花紅。根據勞資審裁處日期為二零一七年五月五日的法令，勞資審裁程序不簽無限期暫停，並保留成本。

截至本報告日期，本公司並不知悉勞資審裁程序自二零一七年五月五日起有任何進一步發展。

(ii) 強制公積金計劃管理局第C17080247號案件（「強積金案」）

前僱員向強制公積金計劃管理局（「積金局」）提起訴訟，指控本公司(i)未為其安排成為註冊強制公積金（「強積金」）計劃的成員；及(ii)未為其作出強積金供款。於調查後，積金局於二零一七年十二月二十八日發出函件，要求香港萬豪就未支付強積金供款及附加費用共約3,000港元作出支付，其已於二零一八年一月初支付。

截至本報告日期，本公司並不知悉積金局是否擬，或將於強積金案中對本公司及／或香港萬豪採取進一步措施。

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

34. CONTINGENT LIABILITIES – Continued

(iii) KTS17027/2017 – Summons Hearing against the Company in relation to Section 40(1) of the Employees' Compensation Ordinance

The Company was prosecuted by the Labour Department under a Summons dated 13 September 2017 for employing one employee on 4 October 2016 without there being in force in relation to such employee a policy of insurance issued by an insurer for an amount not less than the applicable amount under the Employee Compensation Ordinance (“ECO”) in respect of the liability of the employer. The Company pleaded guilty and was convicted at a hearing in the Kwun Tong Magistrates' Courts on 12 October 2017 for contravening section 40(1) and 40(2) of the ECO and was ordered to pay a fine in the amount of HK\$2,500, which has been paid by the Company.

By a demand notice dated 16 April 2018, the Employees Compensation Assistance Fund Board (the “ECAAF Board”) also requested the Company to pay a surcharge of approximately HK\$200 (the “Surcharge”) in respect of the above conviction under Section 36A of the Employees compensation Assistance Ordinance. The surcharge has been paid by the Company.

(iv) KTS31/2018 – Summons Hearing against the Company in relation to Sections 11F(3), 63(1) and 63(7) of the Employment Ordinance

During 2017, the Labour Department made enquiries and requested information from the Company in relation to a complaint made by the Former Employee in relation to payment of end of year payment in respect of the period between 1 January 2016 to 5 October 2016.

Subsequently, the Company was prosecuted by the Labour Department under a Summons dated 3 January 2018 for wilfully and without reasonable excuse failing to pay the Former Employee within seven days from the Termination Date the proportion of the end of year payment in respect of the period between 1 January 2016 and 5 October 2016. The Company pleaded guilty and was convicted on 1 February 2018 for contravening Sections 11F(3), 63(1) and 63(7) of the Employment Ordinance and was ordered to pay a fine in the amount of HK\$6,000, which has been paid by the Company.

34. 或然負債 – 續

(iii) KTS17027/2017 就僱員賠償條例第40(1)條傳喚對本公司的聽證會

根據日期為二零一七年九月十三日的傳喚，本公司受到勞工處起訴，內容有關於二零一六年十月四日僱傭一名僱員，而無發行人對該僱員就僱主責任發出的生效保單，而其數額不小於僱員賠償條例（「僱員賠償條例」）下的適用數額。本公司承認控罪並於二零一七年十月十二日在觀塘裁判法院聽證會上被裁定違反僱員賠償條例第40(1)條及第40(2)條，及被命令支付2,500港元之罰款，其已由本公司支付。

根據二零一八年四月十六日的催繳通知函，僱員補償援助基金管理局（「管理局」）亦要求本公司根據僱員補償援助條例第36A款就上述定罪支付約200港元附加費（「附加費」）。該附加費已由本公司支付。

(iv) KTS31/2018 就僱傭條例第11F(3)條、第63(1)條及第63(7)條傳喚對本公司的聽證會

於二零一七年，勞工處作出問詢並要求本公司提供有關前僱員作出的訴訟（內容有關支付年終（有關二零一六年一月一日至二零一六年十月五日期間）酬金）的資料。

其後，根據日期為二零一八年一月三日的傳喚，本公司受勞工處起訴，內容有關故意及無合理原因而並未於解僱日期起七日內支付有關二零一六年一月一日至二零一六年十月五日期間部分的年終酬金。本公司承認控罪並於二零一八年二月一日被裁定違反僱傭條例第11F(3)條、第63(1)條及63(7)條，及被裁令支付6,000港元的罰款，其已由本公司支付。

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

34. CONTINGENT LIABILITIES – Continued

Taking into account the possible outcome and their obligations for the above cases, the Group has made a provision for claim of approximately RMB86,000 (equivalent to approximately HK\$96,000) for the year ended 31 December 2016 and no further provision was made thereafter.

Since the above cases are still in progress, the Directors would continue to exercise their due care in monitoring the progress of the cases and would assess the adequacy of provision of claim and the financial impact to the Group as and when appropriate. The Directors believe that the amount of approximately RMB86,000 as at 31 December 2018 represents the best estimate of the Group's liability having taken legal advice.

Save as disclosed above, the Group had no material contingent liabilities.

35. OPERATING LEASES COMMITMENT

The Group as lessee

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for a term ranging from one to three years. None of the leases included contingent rentals and terms of renewal were established in the leases.

34. 或然負債 – 續

經考慮上述案件的可能結果及責任，截至二零一六年十二月三十一日止年度，本集團已作出索償撥備約人民幣86,000元（相當於約96,000港元），並此後無進一步撥備。

由於該上述案件仍在進行當中，董事將繼續謹慎監察該索償之進展，並將於適當時候評估該案件之撥備是否足夠及對本集團之財務影響。董事認為於二零一八年十二月三十一日約人民幣86,000元之金額為本集團採納法律意見後作出的最佳負債估計。

除上文所披露者，本集團概無重大或然負債。

35. 經營租約承擔

本集團作為承租人

經營租賃款項指本集團就其若干辦公室物業應付的租金。租約的協定期限介乎一至三年。並無或然租賃中的租約及續期年期訂立於租約中。

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

35. OPERATING LEASES COMMITMENT – Continued

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	34	6
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	–	–
		34	6

36. CAPITAL COMMITMENT

Capital contribution to subsidiaries

向附屬公司進行資本注資

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		5,275	6,000

35. 經營租約承擔 — 續

本集團作為承租人

於報告期末，本集團根據於以下日期到期的不可撤銷經營租約就日後最低租賃款項作出承擔：

36. 資本承擔

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

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

37. 綜合現金流量表附註

Changes in liabilities arising from financing activities

融資活動產生的負債之變動

The following table shows the Group's changes in liabilities arising from financing activities during the year:

下表為本集團於年內融資活動產生的負債之變動：

		Amount due to a former director	Amount due to a former director	Amount due to a major shareholder	Amount due to a former shareholder	Loan from a major shareholder	Total liabilities from financing activities
	Other borrowings	Amount due to a director	應付一名 前任董事 款項	應付一名 主要股東 款項	應付一名 前任股東 款項	來自一名 主要股東 之貸款	融資活動 負債總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
1 January 2017	二零一七年一月一日	6,220	-	11,206	2,000	31,191	50,617
Changes in cash flows	現金流量變動	(4,700)	511	(9,622)	6,275	(31,191)	7,273
Non-cash changes	非現金流量變動	-	-	-	(8,000)	-	(15,536)
Foreign exchange translations	外匯匯兌	-	28	191	-	-	219
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	1,520	539	1,775	275	38,464	42,573
Changes in cash flows	現金流變化	(1,520)	(86)	-	7,568	-	5,962
Non-cash changes	非現金變更	-	(453)	(1,769)	-	3,077	855
Foreign exchange translations	外匯匯兌	-	-	(6)	-	-	(6)
At 31 December 2018	於二零一八年十二月三十一日	-	-	-	7,843	41,541	49,384

38. RELATED PARTY TRANSACTIONS

38. 關連人士交易

- (a) The balances with related parties at the end of reporting period are disclosed elsewhere in the consolidated financial statements.
- (b) The key management personnel of the Group comprises all Directors and Supervisors, details of their emoluments are disclosed in Note 17. The remuneration of the Directors is determined by the remuneration committee having regard to the performance of individuals and market.

- (a) 於報告期末與關連人士的結餘披露於綜合財務報表的其他部分中。
- (b) 本集團主要管理人員包括所有董事及監事，其酬金詳情披露於附註17。董事薪酬由薪酬委員會就個人表現及市場狀況而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司的財務狀況表

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	(a)	725	–
			725	–
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項		–	2,423
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		11	569
Bank balances and cash	銀行結餘及現金		10,043	5,016
			10,054	8,008
Current liabilities	流動負債			
Other payables and accruals	其他應付賬款及應計費用		747	701
Amounts due to subsidiaries	應付附屬公司款項		884	243
Amount due to a major shareholder	應付一名主要股東款項		7,843	151
Dividends payable	應付股息		4,440	4,440
Other borrowings	其他借貸		–	1,520
			13,914	7,055
Net current (liabilities)/assets	流動(負債)/資產淨額		(3,860)	953
Non-current liabilities	非流動負債			
Loan from a major shareholder	來自一名主要股東之貸款		41,541	38,464
Net liabilities	淨負債		(44,676)	(37,511)
Capital and reserves	資本及儲備			
Share capital	股本		50,000	50,000
Reserves	儲備	(b)	(94,676)	(87,511)
Capital deficiency	資本虧絀		(44,676)	(37,511)

The Company's statement of financial position was approved and authorised for issue by the board of directors on 25 March 2019 and are signed on its behalf by:

本公司的財務狀況表乃經董事會於二零一九年三月二十五日批准及授權刊發，並由下列董事代表簽署：

He Keng
何鏗
Director
董事

Wu shanhong
吳珊紅
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – Continued

39. 本公司的財務狀況表 – 續

Notes

附註

(a) Investments in subsidiaries

(a) 於附屬公司的投資

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Unlisted investments, at cost	非上市投資，按成本	3,906	3,181
Less: Accumulated impairment	減：累計減值	(3,181)	(3,181)
		725	-

(b) Reserves

(b) 儲備

		Capital reserve 資本儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘公積金 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	40,449	241,510	23,701	(399,013)	(93,353)
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	-	(11,641)	(11,641)
Arising from loan from a major shareholder	來自一名主要股東之貸款	-	9,483	-	-	9,483
Waiver of amount due to a major shareholder	豁免應付一名主要股東之款項	-	8,000	-	-	8,000
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	40,449	258,993	23,701	(410,654)	(87,511)
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	-	(7,165)	(7,165)
At 31 December 2018	於二零一八年十二月三十一日	40,449	258,993	23,701	(417,819)	(94,676)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

40. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2018 and 2017 are as follows:

Name of subsidiary	Class of shares held	Place of incorporation/ registration and operation/ establishment	Paid up/ issued share capital
附屬公司名稱	所持股份類別	註冊成立/ 註冊及營運/ 成立地點	已繳足/ 已發行股本

40. 主要附屬公司

於二零一八年及二零一七年十二月三十一日，本公司主要附屬公司詳情如下：

	Attributable equity interest held by the Company	Principal activities
Shenzhen Shi WanHao Wu Lian Technology Limited	100%	Trading the electronic component and original equipment manufacturing electronic subassembly
深圳市萬豪物聯科技有限公司	100%	買賣電子元件及原始設備製造電子部件
Hangzhou Jinqin Trading Co. Ltd.	100%	Trading the industrial electronic intelligent control equipment and electronic automation digital control system
杭州金沁貿易有限公司	100%	買賣工業電子智能控制設備及電子自動數字控制系統
Hangzhou Qinyu Electronic Technology Co. Ltd.	100%	Trading the industrial electronic intelligent control equipment and electronic automation digital control system
杭州沁玉電子科技有限公司	100%	買賣工業電子智能控制設備及電子自動代數字控制系統

* Up to the reporting date, the Company only paid RMB725,000 for the registered share capital and the Company therefore has an outstanding investment commitment of approximately RMB5,275,000 (2017: RMB6,000,000) in the subsidiaries as set out in Note 36.

* 直至報告日期，本公司已繳註冊股本為人民幣725,000元，本公司因而擁有如附註36所載列之於附屬公司的未償還投資承擔約人民幣5,275,000元(二零一七年：人民幣6,000,000元)。

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

於年末或年內任何時間，概無附屬公司有任何尚未償還的債務證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

41. DISPOSAL/DEREGISTRATION OF A SUBSIDIARY

41. 一間附屬公司出售／撤銷登記

(i) Gain on disposal of a subsidiary

On 29 June 2018, the Company entered into a sale and purchase agreement to dispose of its 100% equity interest in its subsidiary, Hong Kong Wan Li Enterprise Company Limited ("Hong Kong Wan Li") (香港萬豪企業有限公司) to an independent third party at a consideration of HK\$1. The principal activity of Hong Kong Wan Li is trading the electronic component and electronic subassembly. The disposal was completed on 26 September 2018. The net liabilities of Hong Kong Wan Li as at the date of completion of the above transaction were as follows:

(i) 出售一間附屬公司的收益

於二零一八年六月二十九日，本公司訂立買賣協議，將其附屬公司香港萬豪企業有限公司的全部(100%)股權以1港元對價出售予獨立第三方。香港萬豪的主要業務是買賣電子元件及電子組件。此項出售於二零一八年九月二十六日完成。香港萬豪於上述交易完成日期的淨負債如下：

		RMB'000 人民幣千元
Net liabilities disposed of	出售存貨的	-
Inventories	淨負債	7
Amount due to a former director	應付前任董事的款項	(1,769)
Amount due to a director	應付董事的款項	(454)
		(2,216)
Release of exchange reserve	釋放外匯儲備	(71)
Cash consideration received	收到的現金對價	1
		2,286
Gain on disposal of a subsidiary	出售一間附屬公司的收益	2,286
Net cash inflow arising on disposal	出售時產生的現金流入淨額	1

The subsidiary disposed during the year ended 31 December 2018 had no significant impact on the turnover and results of the Group.

截至二零一八年十二月三十一日止年度出售的附屬公司對本集團的營業額及業績並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

41. DISPOSAL/DEREGISTRATION OF A SUBSIDIARY — Continued

(ii) Loss on deregistration of a subsidiary

During the financial year ended 31 December 2017, the Group deregistered Yuyao City Wanhao Technology Industrial Company Limited, a wholly-owned subsidiary in the PRC which was inactive.

		RMB'000 人民幣千元
Trade receivables	應收貿易款項	34
Net assets of deregistered subsidiary	撤銷登記的附屬公司的資產淨值	34
Loss on deregistration of a subsidiary	一間附屬公司撤銷登記的虧損	34

The subsidiary deregistered during the year ended 31 December 2017 had no significant impact on the turnover and results of the Group.

42. EVENT AFTER THE REPORTING PERIOD

There are no significant events after the reporting period.

41. 一間附屬公司出售／撤銷登記 — 續

(ii) 一間附屬公司撤銷登記的虧損

於截至二零一七年十二月三十一日止財政年度，本集團撤銷登記一間在中國並無營業的非全資附屬公司余姚市萬豪科技實業有限公司。

		RMB'000 人民幣千元
Trade receivables	應收貿易款項	34
Net assets of deregistered subsidiary	撤銷登記的附屬公司的資產淨值	34
Loss on deregistration of a subsidiary	一間附屬公司撤銷登記的虧損	34

於截至二零一七年十二月三十一日止年度撤銷登記附屬公司對本集團的營業額及業績並無重大影響。

42. 報告期後事項

於報告期後，並無發生任何重大事項。

Summary of Financial Information

財務資料摘要

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

RESULTS

業績

		For the 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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	61,706	44,529	14,337	56,427	43,787
Cost of sales	銷售成本	(57,716)	(43,905)	(12,648)	(54,477)	(41,144)
Gross profit	毛利	3,990	624	1,689	1,950	2,643
Other income	其他收入	77	14	5	512	830
Reversal of trade payables	撥回應付貿易賬款	-	-	-	850	-
Waiver of other payables and accruals and receipt in advances	豁免其他應付賬款、應計費用及預收款項	-	-	-	5,938	158
Selling and distribution expenses	銷售及分銷費用	(32)	-	-	-	(9)
Other gain and losses	其他收益和虧損	-	(556)	(445)	-	-
Administrative expenses	行政費用	(4,350)	(5,217)	(6,218)	(5,353)	(10,370)
Finance costs	融資成本	(3,077)	(1,948)	-	-	(750)
Gain on disposal of investment properties and prepaid lease payments	出售投資物業及預付租賃付款收益	-	-	2,343	-	-
Gain/(loss) on disposal/deregistration of subsidiaries	撤銷登記/出售附屬公司(虧損)收益	2,286	(34)	-	627	(125)
(Loss)/profit before taxation	除稅前(虧損)溢利	(1,106)	(7,117)	(2,626)	4,524	(7,623)
Income tax (expense)/credit	所得稅(開支)抵免	(27)	(58)	2	-	(21)
(Loss)/profit for the year	年內(虧損)溢利	(1,133)	(7,175)	(2,624)	4,524	(7,644)
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	(1,133)	(7,175)	(2,624)	4,524	(7,147)
Non-controlling interests	非控股權益	-	-	-	-	(497)
(Loss)/profit for the year	年內(虧損)溢利	(1,133)	(7,175)	(2,624)	4,524	(7,644)

Summary of Financial Information

財務資料摘要

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		At 31 December 於十二月三十一日				
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總額	26,161	28,968	15,388	16,079	18,696
Total liabilities	負債總額	(68,001)	(69,623)	(66,466)	(64,457)	(70,944)
		(41,840)	(40,655)	(51,078)	(48,378)	(52,248)
Equity attributable to owners of the Company	本公司擁有人 應佔權益	(41,840)	(40,655)	(51,078)	(48,378)	(52,881)
Non-controlling interests	非控股權益	-	-	-	-	633
		(41,840)	(40,655)	(51,078)	(48,378)	(52,248)

RUIYUAN
瑞 远

浙江瑞遠智控科技股份有限公司

Zhejiang RuiYuan Intelligent Control Technology Company Limited*