

# Shen You Holdings Limited 申酉控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立的有限公司)

**Stock Code 股份代號 : 8377**

## 2018 ANNUAL REPORT 年報





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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Wong Kwok Wai, Albert (*Chairman*)  
Mr. Lee Wing Hong  
(resigned as a Director on 14 September 2018)  
Mr. Yu Miaogen  
(appointed as a Director on 26 June 2018)

#### Non-executive Directors

Mr. Ng Chan Lam  
(resigned as a Director on 24 August 2018)  
Mr. Gao Biao  
(appointed as a Director on 26 June 2018)  
Mr. Shi Guixiang  
(appointed as a Director on 24 August 2018)

#### Independent Non-executive Directors

Mr. To King Yan, Adam  
(resigned as a Director on 14 September 2018)  
Dr. Yeung Ngai Man, John  
Mr. Sung Alfred Lee Ming  
Mr. Zhang Guofu  
(appointed as a Director on 14 September 2018)

### COMPLIANCE OFFICER

Mr. Chan Yiu Tung, Enoch

### AUTHORISED REPRESENTATIVES

Mr. Wong Kwok Wai, Albert  
Mr. Chan Yiu Tung, Enoch

### COMPANY SECRETARY

Mr. Chan Yiu Tung, Enoch

### 董事會

#### 執行董事

黃國偉先生(主席)  
李永康先生  
(於二零一八年九月十四日辭任董事)  
俞妙根先生  
(於二零一八年六月二十六日獲委任為董事)

#### 非執行董事

伍燦林先生  
(於二零一八年八月二十四日辭任董事)  
高彪先生  
(於二零一八年六月二十六日獲委任為董事)  
石桂祥先生  
(於二零一八年八月二十四日獲委任為董事)

#### 獨立非執行董事

杜景仁先生  
(於二零一八年九月十四日辭任董事)  
楊毅敏醫生  
宋理明先生  
章國富先生  
(於二零一八年九月十四日獲委任為董事)

### 合規主任

陳耀東先生

### 授權代表

黃國偉先生  
陳耀東先生

### 公司秘書

陳耀東先生



# Corporate Information (Continued)

## 公司資料(續)

### AUDIT COMMITTEE

Mr. Sung Alfred Lee Ming (*Chairman*)  
Mr. To King Yan, Adam  
(resigned as a Director on 14 September 2018)  
Dr. Yeung Ngai Man, John  
Mr. Zhang Guofu  
(appointed as a Director on 14 September 2018)

### REMUNERATION COMMITTEE

Dr. Yeung Ngai Man, John (*Chairman*)  
Mr. Sung Alfred Lee Ming  
Mr. To King Yan, Adam  
(resigned as a Director on 14 September 2018)  
Mr. Zhang Guofu  
(appointed as a Director on 14 September 2018)

### NOMINATION COMMITTEE

Mr. Wong Kwok Wai, Albert (*Chairman*)  
Mr. Sung Alfred Lee Ming  
Mr. To King Yan, Adam  
(resigned as a Director on 14 September 2018)  
Mr. Zhang Guofu  
(appointed as a Director on 14 September 2018)

### AUDITOR

Ernst & Young  
Certified Public Accountants

### HONG KONG LEGAL ADVISERS

K.B. Chau & Co.  
Unit B, 31/F  
United Centre  
95 Queensway  
Admiralty, Hong Kong

### PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation Limited

### 審核委員會

宋理明先生(主席)  
杜景仁先生  
(於二零一八年九月十四日辭任董事)  
楊毅敏醫生  
章國富先生  
(於二零一八年九月十四日獲委任為董事)

### 薪酬委員會

楊毅敏醫生(主席)  
宋理明先生  
杜景仁先生  
(於二零一八年九月十四日辭任董事)  
章國富先生  
(於二零一八年九月十四日獲委任為董事)

### 提名委員會

黃國偉先生(主席)  
宋理明先生  
杜景仁先生  
(於二零一八年九月十四日辭任董事)  
章國富先生  
(於二零一八年九月十四日獲委任為董事)

### 核數師

安永  
執業會計師

### 香港法律顧問

周啟邦律師事務所  
香港金鐘  
金鐘道95號  
統一中心  
31樓B室

### 主要往來銀行

香港上海滙豐銀行有限公司

# Corporate Information (Continued)

## 公司資料(續)

### REGISTERED OFFICE

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

### PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 386 Zeng Nan Road  
Zeng Jiao Cun  
Fang Cun  
Liwan District  
Guangzhou  
China

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2005-06, 20/F  
Enterprise Square Two  
No. 3 Sheung Yuet Road  
Kowloon Bay  
Kowloon, Hong Kong

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited  
Clifton House  
75 Fort Street, PO Box 1350  
Grand Cayman, KY1-1108  
Cayman Islands

### COMPANY'S WEBSITE

[www.shenyouholdings.com](http://www.shenyouholdings.com)

### STOCK CODE

8377

### 註冊辦事處

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

### 中國主要營業地點

中國  
廣州市  
荔灣區  
芳村  
增滘村  
增南路386號

### 總部及香港主要營業地點

香港九龍  
九龍灣  
常悅道3號  
企業廣場二期  
20樓2005-06室

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心  
22樓

### 主要股份過戶登記處

Estera Trust (Cayman) Limited  
Clifton House  
75 Fort Street, PO Box 1350  
Grand Cayman, KY1-1108  
Cayman Islands

### 公司網址

[www.shenyouholdings.com](http://www.shenyouholdings.com)

### 股份代號

8377



# Chairman's Statement

## 主席致辭

Dear Shareholders,

On behalf of the board of Directors (the “**Board**”), I am delighted to present the annual report of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2018.

### LISTING

The shares of the Company (the “**Shares**”) were successfully listed on GEM of the Stock Exchange (the “**Listing**”) on 15 December 2017, signifying a remarkable accomplishment for the Group. The Listing has provided the Company with a chance to capture more business opportunities via a public platform as well as enhance its internal corporate governance functions and image. Further, the Listing has allowed the Company to strengthen its internal control procedures and raise the efficiency of the Group's day-to-day operations.

### BUSINESS OVERVIEW

For the year ended 31 December 2018, the Group's revenue decreased to approximately HK\$64.5 million, representing a decrease of approximately 13.3%, as compared to revenue of approximately HK\$74.4 million for the year ended 31 December 2017. The Group's net loss decreased to approximately HK\$10.9 million for the year ended 31 December 2018 from approximately HK\$13.2 million for the year ended 31 December 2017, representing a significant decrease of approximately 17.7%. Such decrease was mainly due to the combined effect of the (i) decrease of approximately HK\$18.5 million in Listing expenses; and (ii) decrease of approximately HK\$12.2 million in gross profit during the year ended 31 December 2018 as compared to that for the year ended 31 December 2017.

各位股東：

本人謹代表董事會(「**董事會**」)，欣然呈報本公司及其附屬公司(統稱「**本集團**」)截至二零一八年十二月三十一日止年度之年度報告。

### 上市

於二零一七年十二月十五日，本公司股份(「**股份**」)成功於聯交所GEM上市(「**上市**」)，標誌著本集團的重大成就。上市令本公司透過公眾平台把握更多商機，並提升其內部企業管治職能及形象。此外，上市令本公司得以加強內部控制程序的及提升本集團日常營運效率的機遇。

### 業務概覽

截至二零一八年十二月三十一日止年度，本集團的收益下跌至約64,500,000港元，跌幅約為13.3%，對比截至二零一七年十二月三十一日止年度的收益約為74,400,000港元。截至二零一八年十二月三十一日止年度，本集團的虧損淨額由截至二零一七年十二月三十一日止年度約13,200,000港元減少至約10,900,000港元，相當於大幅減少約17.7%。有關減少乃主要由於截至二零一八年十二月三十一日止年度與二零一七年十二月三十一日止年度相比，(i)上市開支下跌約18,500,000港元；及(ii)毛利下跌約12,200,000港元的綜合影響所致。

# Chairman's Statement (Continued)

## 主席致辭(續)

### PROSPECTS

While the Directors believe that the Listing strengthened the Group's financial position and enhanced its credibility, the Group's business has experienced some difficulty owing to the recent economic challenges and uncertainties resulting from the trade protectionist measures implemented by the government of the United States against countries such as the PRC. During this uncertain period, the Group's overseas sales decreased by approximately 20.8% while its sales to the PRC increased by approximately 5.6% for the year ended 31 December 2018 as compared with the year ended 31 December 2017. In light of this, the Directors believe that it is reasonable for the Group to broaden its reach in the PRC through setting up a Zhejiang office, which is expected to be in full operation at the end of the year ending 31 December 2019.

The Directors are of the view that, amidst this economic uncertainty, there remains considerable business opportunities in the sewing threads industry in the long term. As such, the Group currently has no plans to deviate from the expansion plans set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 30 November 2017 (the "**Prospectus**") and has decided to implement such plans in a more prudent and conservative manner. The Directors will continue to monitor and assess the situation and make any modifications necessary to ensure that the business plans are in the best interests of the Company and the shareholders of the Company (the "**Shareholders**") as a whole.

### APPRECIATION

I wish to take this opportunity to extend my sincere thanks to our shareholders, business partners, customers and suppliers for their continuous support. I would also like to express my deep gratitude to my fellow Directors and the Group's management team and staff for their efforts and dedication to the Group during the past year.

**Shen You Holdings Limited**

**Wong Kwok Wai, Albert**

*Chairman, chief executive officer and executive Director*

Hong Kong, 26 March 2019

### 展望

董事相信，上市加強本集團的財務狀況並提升其信譽，本集團的業務因近期的經濟挑戰及美國政府針對多個國家例如中國所實施的貿易保護主義措施帶來的不確定性而遇上困難。於該充滿不確定性的期間，截至二零一八年十二月三十一日止年度與截至二零一七年十二月三十一日止年度相比，本集團的海外銷售下跌約20.8%，而於中國的銷售上升約5.6%。有鑑於此，董事相信本集團透過設立浙江辦事處以擴大其在中國的業務範圍屬合理可行，浙江辦事處預期將於截至二零一九年十二月三十一日止年度的年末開始全面營運。

董事認為，於經濟充滿不確定性的情況下，縫紉線行業長遠而言仍有大量的商機。因此，本集團目前未有計劃偏離本公司日期為二零一七年十一月三十日的招股章程(「招股章程」)「未來計劃及所得款項用途」一節所載的擴展計劃，並決定以更謹慎及保守的態度實施該等計劃。董事將繼續監控及評估有關情況，並作出任何必要的修訂，以確保業務計劃符合本公司及本公司股東(「股東」)整體的最佳利益。

### 致謝

本人謹此真誠感謝股東、業務夥伴、客戶及供應商的持續支援。本人亦感激董事及本集團高級管理團隊及員工於過往年度的努力及對本集團的貢獻。

**申酉控股有限公司**

**主席、行政總裁兼執行董事**

**黃國偉**

香港，二零一九年三月二十六日



# Management Discussion and Analysis

## 管理層討論及分析

### INTRODUCTION

The Group is principally engaged in the manufacturing and selling of sewing threads. It currently manufactures polyester sewing threads, which are mainly used for garments. The major product of the Group is 100% spun polyester sewing threads. Other types of sewing threads are also offered, including textured polyester series, elastic filament sewing threads, weft yarn and nylon threads. The Group's customers are located in the People's Republic of China (the "PRC"), Hong Kong as well as overseas countries, including United Arab Emirates ("UAE"), Mauritius, Australia, Germany and the United Kingdom. While the Group's customers in the PRC and Hong Kong are mainly garment manufacturers, its overseas customers are mainly wholesalers. The production facilities of the Group, where the sewing threads manufacturing process is conducted, are located in Liwan, Guangzhou (the "Guangzhou Production Facilities").

### BUSINESS REVIEW

For the year ended 31 December 2018, the Group's revenue decreased by approximately 13.3% as compared with that for the year ended 31 December 2017. The gross profit margin decreased to approximately 20.6% for the year ended 31 December 2018 from approximately 34.3% for the preceding year. The decrease was mainly attributable to the decrease in sales to the overseas and Hong Kong markets, which accounted for approximately 39.5% of the Group's total revenue for the year ended 31 December 2018.

On 15 December 2017, the Shares were successfully listed on GEM of the Stock Exchange (the "Listing Date") by way of share offer (the "Share Offer"). After deducting all the relevant commission and expenses in relation to the Listing, net proceeds amounting to approximately HK\$40.7 million have been raised from the Listing. As at 31 December 2018, the unutilised net proceeds from the Share Offer amounted to approximately HK\$29.1 million.

### 緒言

本集團主營業務為生產及銷售縫紉線。本集團現時生產主要用於服裝的滌綸線。本集團的重點產品為100%滌綸線。本集團亦提供其他類型的縫紉線，包括滌綸長絲系列、高彈絲縫紉線、低彈絲及尼龍線。本集團的客戶位於中華人民共和國（「中國」）、香港及世界各地，包括阿拉伯聯合酋長國（「阿聯酋」）、毛里裘斯、澳洲、德國及英國。本集團位於中國及香港的客戶主要為服裝製造商，而海外客戶則立要為批發商。本集團的生產設施位於廣州荔灣區（「廣州生產基地」），縫紉線的製造流程均於基地中進行。

### 業務回顧

截至二零一八年十二月三十一日止年度，本集團的收益較截至二零一七年十二月三十一日止年度下跌約13.3%。截至二零一八年十二月三十一日止年度的毛利率由去年的約34.3%下跌至約20.6%。下跌乃主要由於海外及香港市場銷售下跌，相當於本集團截至二零一八年十二月三十一日止年度的總收益約39.5%。

於二零一七年十二月十五日，股份成功以股份發售（「股份發售」）方式於聯交所GEM上市（「上市日期」）。於扣除所有上市相關的佣金及開支後，自上市籌得所得款項淨額約40,700,000港元。於二零一八年十二月三十一日，股份發售所得的未動用所得款項淨額金額約為29,100,000港元。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

While the Group's business has experienced some difficulty as a result of the unfavourable market conditions immediately after the Listing, the Board and the senior management of the Company are confident of the Group's steady performance given its competitive strengths, which include: (i) the long-term business relationships with its customers and suppliers; (ii) adoption of the stringent quality control mechanisms in the course of sewing threads production; (iii) the strategic location of the Guangzhou Production Facilities for its business development; and (iv) an experienced management team with extensive industry experience. Further details of the future prospects of the Group are set out in the section headed "Future Plans and Prospects" in this annual report.

雖然緊隨上市後本集團因不利市場條件而遇上困難，本公司董事會及高級管理層相信，本集團的穩健表現乃得益於本集團的競爭優勢，包括(i)與本集團的客戶及供應商維持長期業務關係；(ii)在生產縫紉產品的過程中採納嚴格的質量控制機制；(iii)有利於業務發展的廣州生產設施的策略性位置；及(iv)具有豐富行業經驗的資深管理團隊。有關本集團未來展望的進一步詳情載於本年度報告「未來計劃及展望」一節。

### FINANCIAL REVIEW

#### Revenue

The Group's products are sold in the PRC, Hong Kong as well as overseas. The following table sets out a breakdown of the Group's revenue attributable to domestic and overseas sales of the Group's sewing threads for the two years ended 31 December 2018:

#### 財務回顧

#### 收益

本集團的產品會於中國、香港及海外銷售。下表載列本集團於截至二零一八年十二月三十一日止兩個年度來自於本地及海外銷售本集團的縫紉線的收益的明細：

		Year ended 31 December 截至十二月三十一日止年度				Rate of change 變動比率
		2018 二零一八年		2017 二零一七年		
		% of total % of total		% of total		
		HK\$'000 千港元	revenue 佔總收益%	HK\$'000 千港元	revenue 佔總收益%	%
PRC	中國	39,056	60.5	36,995	49.8	5.6
Overseas <i>(Note)</i>	海外 <i>(附註)</i>	21,995	34.1	27,759	37.3	(20.8)
Hong Kong	香港	3,459	5.4	9,617	12.9	(64.0)
		<b>64,510</b>	<b>100.0</b>	74,371	100.0	(13.3)

*Note:* For the two years ended 31 December 2018, the Group exported its products to countries including but not limited to UAE, Mauritius, Australia, Germany and the United Kingdom.

*附註:* 截至二零一八年十二月三十一日止兩個年度，本集團將產品出口至多個國家，包括(但不限於)阿聯酋、毛里裘斯、澳洲、德國及英國。



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

The following table sets out the breakdown of the revenue by product that the Group offers for sale for the two years ended 31 December 2018:

下表載列於截至二零一八年十二月三十一日止兩個年度按本集團所提供銷售的產品所劃分的收益明細：

		Year ended 31 December 截至十二月三十一日止年度				Rate of change 變動比率
		2018 二零一八年		2017 二零一七年		
		% of total % of total		% of total		
		HK\$'000 千港元	revenue 佔總收益 %	HK\$'000 千港元	revenue 佔總收益 %	%
100% spun polyester sewing threads	100% 滌綸線	<b>55,764</b>	<b>86.4</b>	68,369	91.9	(18.4)
Other threads <sup>(Note)</sup>	其他縫紉線 <sup>(附註)</sup>	<b>8,746</b>	<b>13.6</b>	6,002	8.1	45.7
		<b>64,510</b>	<b>100.0</b>	74,371	100.0	(13.3)

Note: Other threads comprise textured polyester series, elastic filament sewing threads, weft yarn and nylon threads.

附註：其他縫紉線包括滌綸長絲系列、高彈絲縫紉線、低彈絲及尼龍線。

The Group's revenue decreased to approximately HK\$64.5 million for the year ended 31 December 2018 from approximately HK\$74.4 million for the year ended 31 December 2017, representing a decrease of approximately 13.3%. Such decrease was mainly due to the decrease in sales to the overseas and Hong Kong markets, which accounted for approximately 39.5% of the total revenue for the year ended 31 December 2018.

本集團的收益由截至二零一七年十二月三十一日止年度約74,400,000港元，下跌至截至二零一八年十二月三十一日止年度約64,500,000港元，下跌約13.3%。本集團收益下跌乃主要由於海外及香港市場銷售下跌，相當於本集團截至二零一八年十二月三十一日止年度的總收益約39.5%。

### Cost of sales

The Group's cost of sales primarily consists of direct material costs, processing fees and direct labour costs. The cost of sales increased to approximately HK\$51.2 million for the year ended 31 December 2018 from approximately HK\$48.9 million for the year ended 31 December 2017, representing an increase of approximately 4.9%. The Group's cost of sales increased for the year ended 31 December 2018 mainly as a result of the increase in processing fees and the cost of raw materials.

### 銷售成本

本集團的銷售成本主要包括直接材料成本、加工費用及直接勞工成本。本集團的銷售成本由截至二零一七年十二月三十一日止年度約48,900,000港元，上升至截至二零一八年十二月三十一日止年度約51,200,000港元，上升約4.9%。截至二零一八年十二月三十一日止年度，本集團的銷售成本上升乃主要由於加工費用及原材料成本上升。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Gross profit and gross profit margin

The Group's gross profit margin decreased to approximately 20.6% from 34.3% for the year ended 31 December 2017, which was a result of the increase in processing fees and cost of raw materials.

The Group's gross profit decreased to approximately HK\$13.3 million for the year ended 31 December 2018 from approximately HK\$25.5 million for the year ended 31 December 2017, representing a decrease of approximately 48.0%. The decrease was mainly a result of the aforesaid decrease in revenue and decrease in gross profit margin.

### Other losses, net

The Group recorded other losses, net of approximately HK\$0.3 million for the year ended 31 December 2018 as compared with other losses, net of approximately HK\$19.4 million for the year ended 31 December 2017, representing a decrease of approximately 98.7%. Such decrease was mainly attributable to the increase in exchange gains and absence of listing expenses during the year ended 31 December 2018.

### Selling and distribution expenses

Selling and distribution expenses mainly consist of staff costs and transportation expenses. Selling expenses increased to approximately HK\$7.6 million for the year ended 31 December 2018 from approximately HK\$6.4 million for the year ended 31 December 2017. Such increase was mainly due to the increase in staff cost as a result of the raise in average salary.

### Administrative expenses

Administrative expenses primarily consist of staff costs, Directors' remuneration and legal and professional fees. Administrative expenses increased to approximately HK\$16.5 million for the year ended 31 December 2018 from approximately HK\$9.8 million for the year ended 31 December 2017, representing an increase of approximately 67.4%. Such increase was mainly attributable to the increase in Directors' remuneration, office expenses and legal and professional fees.

### 毛利及毛利率

本集團的毛利率由截至二零一七年十二月三十一日止年度34.3%，下跌至約20.6%，此乃由於加工費用及原材料成本上升。

本集團的毛利由截至二零一七年十二月三十一日止年度約25,500,000港元，下跌至截至二零一八年十二月三十一日止年度約13,300,000港元，下跌約48.0%。有關下跌乃主要由於上述收益下跌及毛利率下跌。

### 其他虧損淨額

本集團於截至二零一八年十二月三十一日止年度錄得其他虧損淨額約300,000港元，而截至二零一七年十二月三十一日止年度則錄得其他虧損淨額約19,400,000港元，跌幅約為98.7%。有關下跌乃主要由於匯兌增益上升及截至二零一八年十二月三十一日止年度並無上市開支所致。

### 銷售及分銷開支

銷售及分銷開支主要包括員工成本及運輸費。銷售開支由截至二零一七年十二月三十一日止年度約6,400,000港元，上升至截至二零一八年十二月三十一日止年度約7,600,000港元。有關上升乃主要由於員工成本因平均薪金上升而增加。

### 行政開支

行政開支主要包括員工成本、董事酬金以及法律及專業費用。行政開支由截至二零一七年十二月三十一日止年度約9,800,000港元，上升至截至二零一八年十二月三十一日止年度約16,500,000港元，上升約67.4%。有關上升乃主要由於董事酬金、辦公室開支以及法律及專業費用上升。



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Listing expenses

For the year ended 31 December 2018, the Group did not recognise any non-recurring Listing expenses in the consolidated statement of profit or loss. Alternatively, listing expenses of approximately HK\$18.5 million were recorded in the Group's consolidated statement of profit or loss for the year ended 31 December 2017.

### Finance costs

The Group's finance costs decreased to approximately HK\$0.9 million for the year ended 31 December 2018 from approximately HK\$2.3 million for the year ended 31 December 2017, representing a decrease of approximately 61.3%. Such decrease was mainly a result of the repayment of bank loans during the year ended 31 December 2018.

### Loss before income tax

As a result of the aforesaid, the Group recorded a loss before income tax of approximately HK\$12.4 million for the year ended 31 December 2018, representing a decrease of approximately 0.6% from approximately HK\$12.5 million for the year ended 31 December 2017.

### Income tax credit/(expenses)

The Group recorded income tax expenses of approximately HK\$0.7 million for the year ended 31 December 2017 while income tax credit of approximately HK\$1.6 million was recorded for the year ended 31 December 2018. The Group's effective tax rate increased from approximately negative 5.6% for the year ended 31 December 2017 to approximately 12.5% for the year ended 31 December 2018, which was a result of the absence of non-deductible Listing expenses for the year ended 31 December 2018.

### Total comprehensive loss attributable to the owners of the parent

The total comprehensive loss attributable to the owners of the parent increased to approximately HK\$14.7 million for the year ended 31 December 2018 from approximately HK\$8.1 million for the year ended 31 December 2017, representing an increase of approximately 82.5%. Such increase was mainly due to the Group having recorded other comprehensive loss of approximately HK\$3.8 million arising from exchange differences on translation of foreign operations for the year ended 31 December 2018 as opposed to other comprehensive income of approximately HK\$5.0 million for the year ended 31 December 2017.

### 上市開支

於截至二零一八年十二月三十一日止年度，本集團並無於綜合損益表內確認任何非經常性上市開支。而於截至二零一七年十二月三十一日止年度本集團綜合損益表內則錄得上市開支約18,500,000港元。

### 融資成本

本集團的融資成本由截至二零一七年十二月三十一日止年度約2,300,000港元，下跌至截至二零一八年十二月三十一日止年度約900,000港元，下跌約61.3%，有關下跌乃主要由於在截至二零一八年十二月三十一日止年度償還銀行貸款。

### 除所得稅前虧損

由於前述各項，本集團於截至二零一八年十二月三十一日止年度錄得除所得稅前虧損約12,400,000港元，較截至二零一七年十二月三十一日止年度約12,500,000港元下跌約0.6%。

### 所得稅抵免／(開支)

本集團於截至二零一七年十二月三十一日止年度錄得所得稅開支約700,000港元，而於截至二零一八年十二月三十一日止年度則錄得所得稅抵免約1,600,000港元。本集團的實際稅率由截至二零一七年十二月三十一日止年度約負5.6%上升至截至二零一八年十二月三十一日止年度約12.5%，乃由於截至二零一八年十二月三十一日止年度並無不可扣稅上市開支。

### 母公司擁有人應佔全面虧損總額

母公司擁有人應佔全面虧損總額由截至二零一七年十二月三十一日止年度約8,100,000港元增加至截至二零一八年十二月三十一日止年度約14,700,000港元，增加約82.5%。有關增加乃主要由於截至二零一八年十二月三十一日止年度，本集團錄得換算海外業務的匯兌差額產生的其他全面虧損約3,800,000港元，而截至二零一七年十二月三十一日止年度則錄得其他全面收入約5,000,000港元。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Basic and diluted loss per Share

The Company's basic and diluted loss per Share for the year ended 31 December 2018 was approximately HK1.36 cents (2017: HK2.16 cents), representing a decrease of approximately 37.0%, which was mainly due to the decrease in loss attributable to the owners of the parent and increase in the weighted average number of shares.

### Final dividend

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

### LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 December 2018, the Group's operations were primarily financed through its financing activities. The Directors believe that in the long term, the Group's operations will continue to be funded by a combination of cash generated from the Group's operating activities and financing activities.

The Group's cash and bank balances amounted to approximately HK\$30.9 million and approximately HK\$57.9 million as at 31 December 2018 and 2017, respectively. The functional currency of the Group is the Hong Kong dollar. As at 31 December 2018, 92.8% of the Group's cash and bank balances were denominated in the Group's functional currency (31 December 2017: 96.4%) and the remaining 7.2% (31 December 2017: 3.6%) in other currencies, mainly the Renminbi.

As at 31 December 2018 and 2017, the Group had net current assets of approximately HK\$40.4 million and approximately HK\$64.9 million, respectively, which included trade receivables, prepayments, other receivables and other assets, inventories, cash and cash equivalents and pledged deposits. The Group's current ratio remained relatively stable and slightly increased from approximately 2.3 as at 31 December 2017 to approximately 2.4 as at 31 December 2018. The Group's bank borrowings decreased from approximately HK\$22.6 million as at 31 December 2017 to approximately HK\$15.2 million as at December 2018. Such decrease was mainly due to the decrease in the Group's financing need after its listing on 15 December 2017.

### 每股基本及攤薄虧損

截至二零一八年十二月三十一日止年度，本公司每股基本及攤薄虧損約為1.36港仙(二零一七年：2.16港仙)，下跌約37.0%，主要由於母公司擁有人應佔虧損下跌及加權平均股份數目增加所致。

### 末期股息

董事會不建議就截至二零一八年十二月三十一日止年度派發末期股息(二零一七年：無)。

### 流動資金及財務資源

截至二零一八年十二月三十一日止年度，本集團主要透過其融資活動為其營運提供資金。董事相信，長遠而言，本集團將繼續以本集團經營活動及融資活動所產生的現金的組合為營運提供資金。

本集團於二零一八年及二零一七年十二月三十一日的現金及銀行結餘分別約30,900,000港元及約57,900,000港元。本集團的功能貨幣為港元。於二零一八年十二月三十一日，本集團92.8%(二零一七年十二月三十一日：96.4%)的現金及銀行結餘以本集團功能貨幣計值，而餘下7.2%(二零一七年十二月三十一日：3.6%)則以其他貨幣計值，主要為人民幣。

於二零一八年及二零一七年十二月三十一日，本集團有流動資產淨值分別約40,400,000港元及約64,900,000港元，包括應收交易款項、預付款項、其他應收款項及其他資產、存貨、現金及現金等價物以及抵押存款。本集團的流動比率保持相對平穩，由二零一七年十二月三十一日約2.3輕微上升至二零一八年十二月三十一日約2.4。本集團的銀行借款由二零一七年十二月三十一日約22,600,000港元下跌至二零一八年十二月三十一日約15,200,000港元，有關下跌乃主要由於本集團的融資需求在二零一七年十二月十五日上市後下降所致。



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### GEARING RATIO

The Group's gearing ratio is calculated based on net debt (including interest-bearing bank borrowings, trade payables and other payables and accruals, less cash and cash equivalents) divided by the total equity plus net debt at the respective reporting date. The gearing ratio was not applicable to the Group as at 31 December 2018 and 2017 as its cash and bank balances were more than its bank borrowings. The Group believes that the cash at banks and the bank borrowings provide adequate liquidity to satisfy the Group's funding requirements.

### COMMITMENTS

The Group's operating lease commitments were primarily related to leases of land and buildings and office equipment. As at 31 December 2018, the Group had commitments for future minimum lease payments under operating leases, which fall due as follows:

### 資產負債比率

本集團的資產負債比率乃以各報告日期的淨債務(包括計息銀行借款、應付交易款項及其他應付款項及應計費用，減現金及現金等價物)除以權益總額加淨債務之和計算。於二零一八年及二零一七年十二月三十一日，資產負債比率不適用於本集團，原因在於其現金及銀行結餘超過其銀行借款。本集團認為銀行現金及銀行借款提供足夠流動資金應付本集團的資金需要。

### 承擔

本集團的經營租賃承擔主要與土地及樓宇以及辦公室設備有關。於二零一八年十二月三十一日，本集團根據經營租賃支付的未來最低租金款項承擔的到期日如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	2,599	1,930
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	5,902	6,485
After five years	五年後	-	884
		<b>8,501</b>	<b>9,299</b>

As at 31 December 2018, other than the above-mentioned operating lease commitments, the Group did not have any significant capital commitments (as at 31 December 2017: HK\$6.6 million).

於二零一八年十二月三十一日，除上述經營租賃承擔外，本集團並無任何重大資本承擔(於二零一七年十二月三十一日：6,600,000港元)。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### CAPITAL STRUCTURE

There has been no change in the capital structure since the Listing. The share capital of the Group only comprises ordinary Shares.

As at 31 December 2018, the Company's issued share capital amounted to HK\$8.0 million, divided by 800,000,000 shares of HK\$0.01 each.

Details of changes of the Company's share capital for the year ended 31 December 2018 are set out in note 23 to the consolidated financial statements of this annual report.

### SIGNIFICANT INVESTMENTS

As at 31 December 2018, the Group did not hold any significant investments (as at 31 December 2017: Nil).

### MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 December 2018, the Group did not have any acquisitions or disposals of subsidiaries and affiliated companies.

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in the Prospectus, the Group currently has no other plan for material investments and capital assets.

### CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have material contingent liabilities (as at 31 December 2017: Nil).

### 資本架構

資本架構自上市起並無變動。本集團的股本僅包括普通股。

於二零一八年十二月三十一日，本公司的已發行股本為8,000,000港元，分為800,000,000股每股面值0.01港元的股份。

有關本公司股本於截至二零一八年十二月三十一日止年度的變動詳情載於本年度報告綜合財務報表附註23。

### 重大投資

於二零一八年十二月三十一日，本集團並無持有任何重大投資(於二零一七年十二月三十一日：無)。

### 重大收購或出售附屬公司及聯屬公司

截至二零一八年十二月三十一日止年度，本集團並無收購或出售任何附屬公司及聯屬公司。

### 重大投資及資本資產的未來計劃

除招股章程所披露者外，本集團現時並無其他重大投資及資本資產的計劃。

### 或然負債

於二零一八年十二月三十一日，本集團並無重大或然負債(於二零一七年十二月三十一日：無)。



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign currency risk when it enters into transactions which are not denominated in the Group's functional currency. Such exposure mainly relates to the distribution and sale of the Group's products and purchases of raw materials in the PRC. The Group currently does not have a foreign currency hedging policy. Yet, the Group's management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise. The sensitivity analysis of the Group's exposure to foreign exchange risk and other financial risks are set out in note 34 to the consolidated financial statements of this annual report.

### PLEDGE OF ASSETS

As at 31 December 2018 and 2017, the following assets were pledged to banks to secure certain banking facilities granted to the Group:

### 外匯風險

本集團於訂立未以其功能貨幣計值的交易時承受外幣風險。有關風險主要與於中國分銷及銷售本集團的產品及購買原材料有關。本集團目前並無外幣對沖政策。然而，本集團管理層會密切監察外匯風險，並將於有需要時對沖重大外幣風險。本集團外匯風險及其他金融風險的敏感度分析載於本年度報告綜合財務報表附註34。

### 資產抵押

於二零一八年及二零一七年十二月三十一日，以下資產已質押予銀行，作為本集團所獲授若干銀行融資的抵押品：

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Financial asset at FVPL	按公允值計入損益的金融資產	4,632	–
Available-for-sale investment	可供出售投資	–	4,474
Trade receivables	應收交易款項	7,355	12,593
Pledged deposits	抵押存款	–	9,000
		<b>11,987</b>	26,067

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group employed a total of 184 employees (as at 31 December 2017: 178), of whom 173 were located in the PRC and 11 were located in Hong Kong. The Group's staff costs mainly comprised wages and salaries, social insurance, housing provident fund and severance payments. For the two years ended 31 December 2018, the Group's total staff costs (excluding Directors' emoluments) amounted to approximately HK\$15.2 million and HK\$18.7 million, respectively. The Group offers remuneration packages comprising basic salaries, discretionary bonuses and allowances to its management and office staff. For the workers at the Guangzhou Production Facilities, the Group offers them salaries above the minimum wage, promotion opportunities and budgets for social events such as birthday celebrations.

The remuneration committee of the Company is responsible for reviewing and determining the remuneration packages of the Directors and senior management members with reference to the salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the Group and the desirability of performance-based remuneration. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members. The Company adopted a share option scheme (the "**Share Option Scheme**") on 24 November 2017, under which the Company may grant options to, among others, any employees (full-time or part-time) or Directors with a view to rewarding them for their contributions to the Group, giving incentive to them for optimising their performance and efficiency and attracting as well as retaining those whose future contributions are important to the long-term growth and profitability of the Group. Since the adoption of the Share Option Scheme and up to the date of this annual report, no share options have been granted pursuant to the Share Option Scheme.

### 僱員及薪酬政策

於二零一八年十二月三十一日，本集團共僱用184名僱員(二零一七年十二月三十一日：178名)，當中173人位於中國，及11人位於香港。本集團的僱員成本主要包括工資及薪金、社會保險、住房公積金及遣散費。於截至二零一八年十二月三十一日止兩個年度，本集團的總僱員成本(不包括董事酬金)分別約為15,200,000港元及18,700,000港元。本集團向其管理層及辦公室僱員所提供的薪酬組合包括基本薪金、酌情花紅及津貼。至於廣州生產基地的工人，本集團給予彼等高於最低工資的薪金及晉升機會，亦會向彼等提供津貼舉辦社交活動(如生日慶祝)。

本公司薪酬委員會負責審閱及釐定董事及高級管理層的薪酬組合，當中會參考可資比較公司所支付的薪金、所投放的時間及責任、本集團內其他職位的僱用條件，以及職效掛鈎酬金是否合適。任何酌情花紅及其他表現獎金均與本集團的表現及董事及高級管理人員的個人表現掛鈎。本公司於二零一七年十一月二十四日採納一項購股權計劃(「**購股權計劃**」)，據此，本公司可向(其中包括)任何僱員(全職或兼職)或董事授出購股權，以就彼等對本集團所作出的貢獻給予獎勵、激勵彼等提升表現及效率，以及吸引及挽留日後可對本集團的長遠增長及盈利能力作出重大貢獻的僱員及董事。自採納購股權計劃起及直至本年度報告日期，概無根據購股權計劃授出購股權。



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has in all material respects complied with all relevant laws, rules and regulations that have a significant impact on the Group and its operations in Hong Kong and the PRC.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

In order to better integrate the concept of social responsibility into the Group's strategy and decision-making and to further guide the Group to develop a socially responsible practice, the Group has established an environmental, social and governance ("ESG") report preparation team. While preparing the report, the Group strives to incorporate the notion of sustainable development into its daily operations.

Meanwhile, the Group has established a systematic stakeholder communication channel with the aim to facilitate positive interactions with the Group's stakeholders, actively respond to relevant litigation issues and promote quality, effective and sustainable growth. Throughout the year ended 31 December 2018, the Group has maintained its business integrity and dedication to environmental protection, while continuously striving to improve quality management and employee care.

For further information in relation to the Group's ESG practices, please refer to the Group's separate ESG report, which is expected to be published on the websites of the Stock Exchange and the Company within three months after the publication of this annual report.

### RELATIONSHIP WITH STAKEHOLDERS

Employees are considered to be one of the most important factors that contribute to the productivity of the Group. Employees of the Group are mainly provided with on-the-job training as well as remuneration packages and allowances.

The Group also communicates closely with its customers to obtain valuable feedback and provides them with information about the Group's products and trends in the sewing threads market. The Group has maintained business relationships with its five largest customers for a period ranging from approximately five to 20 years, respectively. Likewise, the Group has also established stable relationships with its suppliers. As such, the Directors believe that the Group has developed a trustworthy and reliable reputation as well as a strong partnership with its customers and suppliers.

### 遵守法例及規例

就董事於作出一切合理查詢後所深知、全悉及確信，本集團於所有重大方面均已遵守所有對本集團及其於香港及中國的營運有重大影響的相關法律、規則及規例。

### 環境政策及表現

為了更好地將社會責任理念融入本集團戰略與決策，進一步指導本集團社會責任工作實踐，本集團建立了環境、社會及管治("ESG")報告編制小組。在報告編制的同時，本集團努力將可持續發展理念貫穿到日常工作中。

同時，本集團建立了系統化的持份者溝通機制，希望透過多樣化的溝通方式，實現與各持份者的良性互動，並積極響應相關訴求，以促進有品質、有效益、可持續的增長。截至二零一八年十二月三十一日止年度內，本集團始終保持業務誠信，並致力於環境保護，不斷提升質量管理並積極致力於員工關懷。

有關於本集團ESG實踐的資訊，請參閱即將發布的獨立環境、社會及管治報告，該報告預計將於本年度報告刊發後三個月內在聯交所和本公司的網站刊登。

### 與持份者的關係

僱員為本集團生產力其中一個最重要的貢獻元素。本集團僱員主要獲提供在職培訓，以及薪酬組合及津貼。

本集團亦與客戶緊密聯繫以取得寶貴的意見，並向彼等提供有關本集團產品及縫紉線市場趨勢的資料。本集團與五大客戶維持約五至20年不等的業務關係。同樣，本集團亦與供應商建立穩定關係。因此，董事相信本集團已在客戶及供應商之間建立具信譽及可靠的形象，並與彼等建立穩建的合作關係。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### USE OF PROCEEDS

As disclosed in the Prospectus, the net proceeds from the Share Offer were approximately HK\$40.7 million, after deducting commission and expenses borne by the Company in connection with the Share Offer (the “**Net Proceeds**”). As at 31 December 2018, the unutilised Net Proceeds amounted to approximately HK\$29.1 million.

As at 31 December 2018, the Net Proceeds had been applied and utilised as follows:

### 所得款項用途

誠如招股章程所披露，於扣除本公司就股份發售所承擔的佣金及開支後，股份發售所得款項淨額約為40,700,000港元（「**所得款項淨額**」）。於二零一八年十二月三十一日，未動用的所得款項淨額約為29,100,000港元。

於二零一八年十二月三十一日，所得款項淨額已應用及動用如下：

		<b>Net Proceeds available 可動用的 所得款項淨額 HK\$ million 百萬港元</b>	<b>Utilised 已動用 HK\$ million 百萬港元</b>	<b>Unutilised 未動用 HK\$ million 百萬港元</b>
Upgrading the Group's machinery for the production of 100% spun polyester sewing threads for industrial use	升級本集團工業用100%縫紉線生產機器	20.3	3.1	17.2
Upgrading the Group's machinery for the production of 100% spun polyester sewing threads for domestic use	升級本集團家用100%縫紉線生產機器	7.7	2.2	5.5
Acquiring new cone winding machines	購買新筒子絡紗機	4.1	0.5	3.6
Acquiring new machinery for the production of nylon threads	購買新尼龍線生產機器	3.7	1.3	2.4
Setting up a sales office in Zhejiang province	在浙江省設立銷售辦事處	1.2	0.8	0.4
Working capital and other general corporate purposes of the Group	本集團的營運資金及其他一般企業用途	3.7	3.7	-
		<b>40.7</b>	<b>11.6</b>	<b>29.1</b>



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

Below is an analysis comparing the future plans and use of proceeds contained in the Prospectus from the Listing Date up to 31 December 2018:

自上市日期起直至二零一八年十二月三十一日，招股章程所載未來計劃及所得款項用途的比較分析如下：

<b>Business strategy</b>	<b>Implementation plan</b>	<b>Actual progress as at 31 December 2018</b>
業務策略	實施計劃	於二零一八年十二月三十一日的實際進度
Upgrading the Group's machinery for the production of 100% spun polyester sewing threads for industrial use	— Purchase eight waxing and winding machines for the production of 100% spun polyester sewing threads for industrial use	The Group has purchased and is operating two waxing and winding machines for the production of 100% spun polyester sewing threads for industrial use.
升級本集團的工業用100%滌綸線生產機器	— 採購八台上蠟和絡紗機，用於生產工業用100%滌綸線	本集團已採購並正使用兩台上蠟和絡紗機，用於生產工業用100%滌綸線。
Upgrading our machinery for the production of 100% spun polyester sewing threads for domestic use	— Purchase two machines for the production of 100% spun polyester sewing threads for domestic use	The Group has purchased and is operating one machine for the production of 100% spun polyester sewing threads for domestic use.
升級本集團的家用100%滌綸線生產機器	— 採購兩台機器，用於生產家用100%滌綸線	本集團已採購並正使用一台機器，用於生產家用100%滌綸線。
Acquiring new machinery for the production of nylon threads	— Purchase five machines for the production of nylon threads	The Group has purchased and is operating two machines for the production of nylon threads.
購買新尼龍線生產機器	— 採購五台機器，用於生產尼龍線	本集團已採購並正使用兩台機器，用於生產尼龍線。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

Business strategy	Implementation plan	Actual progress as at 31 December 2018
業務策略	實施計劃	於二零一八年十二月三十一日 的實際進度
Setting up a sales office in Zhejiang province	<ul style="list-style-type: none"> <li>— Lease suitable premises for the Group's sales office</li> <li>— Renovate the sales office</li> <li>— Purchase office equipment</li> <li>— 租用合適場所，用作本集團銷售辦事處</li> <li>— 裝修銷售辦事處</li> <li>— 採購辦公設備</li> </ul>	<p>The Group has leased premises in Zhejiang Province for its sales office and the renovation has been completed.</p> <p>本集團已於浙江省租賃物業作為其銷售辦事處，而該銷售辦事處已經完成裝修。</p>
在浙江省設立銷售辦事處		
Acquiring new cone winding machines	<ul style="list-style-type: none"> <li>— Order two cone winding machines to facilitate our production lines for 100% spun polyester sewing threads and paying the balance for two cone winding machines</li> </ul>	<p>The Group has ordered one cone winding machine.</p>
購買新筒子絡紗機	<ul style="list-style-type: none"> <li>— 訂購兩台筒子絡紗機以促進本集團的100%滌綸線生產線運行及支付兩台筒子絡紗機的剩餘餘額</li> </ul>	<p>本集團已訂購一台筒子絡紗機。</p>



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### FUTURE PLANS AND PROSPECTS

The future plans and use of proceeds schedule disclosed in the Prospectus were formulated based on the best estimation of the market conditions after the Listing. The discrepancy between the planned use of the Net Proceeds and the actual use mainly arose as a result of the actual market conditions affecting the Group after the Listing. In light of the protectionist trade measures implemented by the United States and the recent economic downturn, the Directors believe that by strictly adhering to the implementation plan set out in the Prospectus, the production capacity of the Group will be unnecessarily enhanced, while the additional machinery may lead to a provision for impairment for such machinery to be made in the future.

The Group places much emphasis on satisfying customers' needs in respect of high quality and product differentiation and thus has been maintaining long-term business relationships with its customers. Further, the Directors believe that there are considerable business opportunities in the sewing threads industry in the long term. To satisfy its customers' potential demands and to take advantage of the business opportunities in the sewing threads industry, the Group will not deviate from the expansion plans set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The Directors intend for the expansion plans to be implemented in a prudent and conservative manner with consideration of the market conditions at the time.

The Directors will continue to carefully monitor and assess the situation and, if the expansion plans no longer become feasible for the operation of the Group, the plans may be evaluated and modified so as to ensure that the Group's business strategies are in the best interests of the Company and the Shareholders as a whole.

### 未來計劃及展望

招股章程所披露的未來計劃及所得款項用途時間表為根據上市後對市場狀況的最佳估計而制定。使用所得款項淨額的計劃與實際使用之間的差異主要是由於上市後影響本集團的實際市況。鑑於美國實施的貿易保護主義措施及近期的經濟衰退，董事認為，嚴格遵守招股章程所載的實施計劃，會不必要地增加本集團的產能，而額外的機器可能導致將來本集團須對該等機器作出減值撥備。

本集團會更著重於滿足客戶對優質及特色產品的需求，從而與客戶保持長遠的業務關係。另外，董事相信，縫紉線行業長遠而言仍有大量的商機。為滿足客戶的潛在要求，及把握縫紉線行業的業務機遇，本集團將不會偏離招股章程「未來計劃及所得款項用途」一節所載的擴展計劃。董事擬於考慮當時市況後，以審慎及保守的態度實施有關擴展計劃。

董事將繼續監控及評估有關情況，倘擴展計劃對本集團業務而言不再可行，董事可能須評估及修訂有關計劃，以確保本集團業務策略符合本公司及股東的整體最佳利益。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層的履歷詳情

### EXECUTIVE DIRECTORS

**Mr. Wong Kwok Wai, Albert (黃國偉)**, aged 59, was appointed as a Director and the chairman of the Board on 18 August 2016 and re-designated as an executive Director on 23 June 2017. He is also the chief executive officer, the chairman of the nomination committee of the Company, one of the Group's controlling shareholders, as well as a director of each of the Group's subsidiaries. Mr. Wong is primarily responsible for the management and overall strategic planning and development of the Group. Mr. Wong has over 30 years of experience in accounting and assurances.

Mr. Wong has been an honorary life member of the Hong Kong Institute of Accredited Accounting Technicians Limited since June 1999 and was its president during the period from May 1995 to June 1998. Mr. Wong obtained his higher diploma in accountancy from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) in November 1982. Mr. Wong was admitted as a fellow of the Hong Kong Institute of Certified Public Accountants and as an associate of the Institute of Chartered Accountants in England and Wales in November 1992 and February 2008, respectively.

Mr. Wong did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

### 執行董事

**黃國偉先生**，59歲，於二零一六年八月十八日獲委任為本公司董事兼董事會主席，於二零一七年六月二十三日調任執行董事，亦為本公司的行政總裁、提名委員會主席、本集團控股股東之一兼本集團各附屬公司董事。黃先生主要負責本集團的管理和整體策略規劃及發展。黃先生有逾30年會計及審計經驗。

黃先生自一九九九年六月起成為香港財務會計協會有限公司的榮譽終身會員，並於一九九五年五月至一九九八年六月擔任其總裁。黃先生於一九八二年十一月獲得香港理工學院（現稱香港理工大學）會計高級文憑。黃先生於一九九二年十一月及二零零八年二月先後獲認為香港會計師公會資深會員及英格蘭及威爾士特許會計師公會會員。

黃先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市公司擔任其他董事職務。



## Biographical Details of Directors and Senior Management (Continued) 董事及高級管理層的履歷詳情(續)

**Mr. Yu Miaogen (俞 妙 根)**, aged 57, was appointed as an executive Director on 26 June 2018 and has extensive experience in the finance industry. Mr. Yu obtained an executive master's degree in business administration from China Europe International Business School and served as a business manager as well as a general manager and a director of Shanghai International Trust Co., Ltd.\* (上海國際信託有限公司) from 1983 to 1991 and from 1992 to 2006, respectively. From November 2006 to September 2011, Mr. Yu served as a chief executive officer and a chairman of Huan Funds Management Co., Ltd.\* (華安基金管理有限公司). From September 2011 to July 2012, Mr. Yu served as a general manager of each of Shanghai Reallharmony Equity Investment Management Co., Ltd.\* (上海銳合股權投資管理有限公司), Shanghai Reallharmony Venture Investment Center (Limited Partnership)\* (上海銳合創業投資中心(有限合夥)) and Shanghai Xinxin Investment Co., Ltd.\* (上海新鑫創業投資有限公司). Since July 2012, Mr. Yu has served as a chief executive officer and a chairman of Fullway Financial Services (Shanghai) Co., Ltd.\* (富越匯通金融服務(上海)有限公司) and since April 2013, Mr. Yu has served as a chairman of Shanghai Fullway Finance Leasing Co., Ltd.\* (上海富匯融資租賃股份有限公司).

Mr. Yu did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

\* English translations of Chinese names herein are for identification purposes only. Shall there be any inconsistencies, the Chinese name prevails.

俞妙根先生，57歲，於二零一八年六月二十六日獲委任為執行董事，並於金融業累積豐富經驗。俞先生獲中歐國際工商學院頒授行政人員工商管理碩士學位，並先後自一九八三年至一九九一年擔任上海國際信託有限公司的業務經理及自一九九二年至二零零六年擔任該公司的總經理兼董事。自二零零六年十一月至二零一一年九月，俞先生擔任華安基金管理有限公司的首席執行官兼董事長。自二零一一年九月至二零一二年七月，俞先生分別擔任上海銳合股權投資管理有限公司、上海銳合創業投資中心(有限合夥)及上海新鑫創業投資有限公司的總經理。俞先生自二零一二年七月起擔任富越匯通金融服務(上海)有限公司的首席執行官兼董事長，並自二零一三年四月起擔任上海富匯融資租賃股份有限公司的董事長。

俞先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市公司擔任其他董事職務。

\* 該等中文名稱的英文譯名僅供識別。如有任何歧義，概以中文名稱為準。

# Biographical Details of Directors and Senior Management (Continued)

## 董事及高級管理層的履歷詳情(續)

### NON-EXECUTIVE DIRECTORS

**Mr. Gao Biao (高彪)**, aged 28, was appointed as a non-executive Director on 26 June 2018. He obtained his bachelor's degree in transportation management from the Xiamen University in China and a bachelor's degree in economics from The University of Sheffield in England both in 2012. In November 2014, Mr. Gao obtained his first master's degree in east Asian business from The University of Sheffield in England. Mr. Gao later obtained his second master's degree in December 2015 in international shipping and finance from the University of Reading in England. Mr. Gao passed two fund practitioner qualification examinations\* (基金從業人員資格考試) of the Asset Management Association of China\* (中國證券投資基金業協會), namely, (i) the examination on fundamental knowledge in private equity funds\* (私募股權投資基金基礎知識考試); and (ii) examination on fundamental knowledge in investment funds\* (證券投資基金基礎知識考試) in September 2017 and has obtained the Chartered Financial Analyst Level 1 qualification. Further, Mr. Gao also obtained a certificate in marine claims in July 2015 from Lloyd's Maritime Academy. Mr. Gao has been a project manager of Shanghai Ruili Investment Management Center (Limited Partnership)\* (上海銳犁投資有限管理中心(有限合夥)) since 2017, responsible for risk analysis, fund structure analysis and fund project management.

Mr. Gao did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

\* English translations of Chinese names herein are for identification purposes only. Shall there be any inconsistencies, the Chinese name prevails.

### 非執行董事

**高彪先生**，28歲，於二零一八年六月二十六日獲委任為非執行董事。彼於二零一二年同時取得中國廈門大學頒授的運輸管理學士學位及英國錫菲大學(University of Sheffield)頒授的經濟學學士學位。於二零一四年十一月，高先生取得首個碩士學位，為英國錫菲大學頒授的東亞商業碩士學位。高先生其後於二零一五年十二月取得第二個碩士學位，為英國雷丁大學(University of Reading)頒授的國際航運及金融碩士學位。高先生已於二零一七年九月通過兩項中國證券投資基金業協會的基金從業人員資格考試，即(i) 私募股權投資基金基礎知識考試；及(ii) 證券投資基金基礎知識考試，並取得一級特許金融分析師資質。此外，高先生亦於二零一五年七月取得勞合海事學院(Lloyd's Maritime Academy)的海運保險證書。高先生自二零一七年起擔任上海銳犁投資有限管理中心(有限合夥)的項目經理，負責風險分析、基金結構分析及基金項目管理。

高先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市公司擔任其他董事職務。

\* 該等中文名稱的英文譯本僅供識別。如有任何歧義，概以中文名稱為準。



## Biographical Details of Directors and Senior Management (Continued) 董事及高級管理層的履歷詳情(續)

**Shi Guixiang (石桂祥)**, aged 53, was appointed as a non-executive Director on 24 August 2018. He has been accredited as an economist by the Shenzhen City Job Title Reform Leadership Unit\* (深圳市職稱改革領導小組) and graduated from Nanking University with a bachelor's degree in economics in July 1985 and Lingnan (University) College of Sun Yat-Sen University with an executive master's degree in business administration in June 2010, respectively. Mr. Shi also has extensive experience in the finance industry as he served as a business manager of Shenzhen Union Textile Group Limited\* (深圳華聯紡織集團有限公司) from July 1985 to February 1990 and Shenzhen Development Bank from February 1990 to June 1992, respectively. He also served in various positions in Hengtong Group\* (恆通集團) from June 1992 to December 1999. Mr. Shi acted as the managing director of Shenzhen Tianwei Industrial Company Limited\* (深圳天蔚實業有限公司) from January 2000 to June 2003, and general manager of China Railway Real Estate (Beijing) Company Limited\* (中鐵置業(北京)有限公司) from August 2003 to March 2005. From May 2005 to June 2010, Mr. Shi was the managing director of Guangzhou Fengshen Auto and Real Estate Development Company Limited\* (廣州風神汽車房地產開發公司). Mr. Shi then served as a director at Shanghai Molyneux Nutrition Health Food Company Limited\* (上海萌力優營養食品有限公司), Shanghai Zaiyuan Agricultural Development Company Limited\* (上海自在源農業發展有限公司) from September 2012 to January 2015 and from February 2015 to July 2018, respectively. Since April 2016, Mr. Shi has been a director of Jetway Information Security Industry Company Limited\* (瑞達信息安全產業股份有限公司).

Mr. Shi did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

\* English translations of Chinese names herein are for identification purposes only. Shall there be any inconsistencies, the Chinese name prevails.

石桂祥，53歲，於二零一八年八月二十四日獲委任為非執行董事。彼獲深圳市職稱改革領導小組認可為經濟師，於一九八五年七月畢業於金陵大學，獲得經濟學學士學位，並於二零一零年六月畢業於中山大學嶺南(大學)學院，獲得高級工商管理碩士學位。石先生亦於金融行業擁有豐富經驗，彼分別於一九八五年七月至一九九零年二月及一九九零年二月至一九九二年六月擔任深圳華聯紡織集團有限公司及深圳發展銀行的業務經理。彼亦於一九九二年六月至一九九九年十二月在恆通集團擔任多個職位。石先生於二零零零年一月至二零零三年六月擔任深圳天蔚實業有限公司的董事總經理，並於二零零三年八月至二零零五年三月擔任中鐵置業(北京)有限公司的總經理。於二零零五年五月至二零一零年六月，石先生擔任廣州風神汽車房地產開發公司的董事總經理。石先生其後分別於二零一二年九月至二零一五年一月及二零一五年二月至二零一八年七月擔任上海萌力優營養食品有限公司及上海自在源農業發展有限公司的董事。自二零一六年四月起，石先生擔任瑞達信息安全產業股份有限公司的董事。

石先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市公司擔任其他董事職務。

\* 該等中文名稱的英文譯本僅供識別。如有任何歧義，概以中文名稱為準。

# Biographical Details of Directors and Senior Management (Continued)

## 董事及高級管理層的履歷詳情(續)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Yeung Ngai Man, John (楊毅敏)**, aged 53, was appointed as an independent non-executive Director on 24 November 2017. Mr. Yeung is also the chairman of the remuneration committee and a member of the audit committee of the Group. Dr. Yeung graduated from the University of Edinburgh in July 1988 with a bachelor's degree in medicine and a bachelor's degree in surgery. Dr. Yeung also obtained a diploma in geriatric medicine from the Royal College of Physicians of London, a diploma in Child Health from the Royal Colleges of Physicians & Surgeons of Ireland, a diploma in genitourinary medicine from the Society of Apothecaries of London in July 1993, September 1993 and December 1999, respectively. Dr. Yeung was elected to the membership of the Royal College of Physicians of the United Kingdom as well as the Hong Kong College of Physicians in July 1992 and January 1996, respectively. Dr. Yeung commenced his own medical practice in July 2005. Prior to this, he served as a medical officer at Hong Kong Sanatorium & Hospital during the period from November 1993 to June 2005. To enhance his skills in business management, he obtained a diploma marketing from the Chartered Institute of Marketing in June 1990 and received a master's degree in business and administration from Warwick Business School in September 1990.

Dr. Yeung did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

### 獨立非執行董事

**楊毅敏醫生**，53歲，於二零一七年十一月二十四日獲委任為獨立非執行董事。楊醫生亦為本集團薪酬委員會主席兼審核委員會成員。楊醫生於一九八八年七月取得愛丁堡大學內外全科醫學士學位，於一九九三年七月、一九九三年九月及於一九九九年十二月先後取得英國倫敦皇家內科醫學院老年醫學科文憑、愛爾蘭皇家醫學院兒科文憑及倫敦藥劑師協會生殖泌尿醫學文憑。楊醫生於一九九二年七月及一九九六年一月先後當選英國皇家內科醫學院院士及香港內科醫學院院士。楊醫生自二零零五年七月起自行執業。在此之前，自一九九三年十一月至二零零五年六月，楊醫生擔任養和醫院醫學官。為了提升在業務管理方面的技能，楊醫生於一九九零年六月及一九九零年九月先後取得英國特許市務學會市場營銷專業文憑及華威商學院工商管理碩士學位。

楊醫生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市公司擔任其他董事職務。



## Biographical Details of Directors and Senior Management (Continued) 董事及高級管理層的履歷詳情(續)

**Mr. Sung Alfred Lee Ming (宋理明)**, aged 61, was appointed as an independent non-executive director on 24 November 2017. Mr. Sung is also the chairman of the audit committee, a member of each of the remuneration committee and the nomination committee of the Group. Mr. Sung has over 30 years of experience in accounting and assurances. Mr. Sung graduated from La Trobe University in Australia in March 1984 with a bachelor's degree in economics. Mr. Sung was admitted as a fellow of the Taxation Institute of Australia and a member and fellow of the Hong Kong Institute of Certified Public Accountants in November 1987, December 1987 and February 1995, respectively. He was also admitted as an associate of CPA Australia and Chartered Accountants Australia and New Zealand in March 1986 and April 1989, respectively. Mr. Sung has been the sole proprietor of Alfred Sung & Co. since 1999 and he is primarily responsible for overseeing audit and taxation works. Currently, Mr. Sung serves as an executive director of Modern Living Investments Holdings Limited (stock code: 8426), a company listed on GEM. From April 2012 to October 2014, Mr. Sung served as an independent non-executive director of TC Orient Lighting Holdings Limited (stock code: 515), a company listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Sung did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

宋理明先生，61歲，於二零一七年十一月二十四日獲委任為獨立非執行董事，亦為本集團審核委員會主席兼薪酬委員會及提名委員會成員。宋先生有逾30年會計及鑑證經驗。宋先生於一九八四年三月取得澳洲拉籌伯大學經濟學學士學位。宋先生先後於一九八七年十一月、一九八七年十二月及一九九五年二月獲認為澳洲稅務學會資深會員、香港會計師公會會員及資深會員，亦先後於一九八六年三月及一九八九年四月獲認為澳洲會計師公會與澳洲及新西蘭特許會計師公會會員。自一九九九年至今，宋先生擔任Alfred Sung & Co.的獨資擁有人，主要負責監察審計及稅務工作。目前，宋先生擔任雅居投資控股有限公司(股份代號：8426，GEM上市公司)執行董事。自二零一二年四月至二零一四年十月，宋先生擔任達進東方照明控股有限公司(股份代號：515，聯交所主板上市公司)獨立非執行董事。

除上文所述者外，宋先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市公司擔任其他董事職務。

## Biographical Details of Directors and Senior Management (Continued)

### 董事及高級管理層的履歷詳情(續)

**Mr. Zhang Guofu (章國富)**, aged 61, was appointed as an independent non-executive Director on 24 September 2018. Mr. Zhang is also a member of the audit committee, remuneration committee and the nomination committee of the Group. He graduated from the Shanghai University of Finance & Economics in January 1983 with a bachelor's degree in economics and obtained a master's degree and doctorate degree in economics from the Shanghai University of Finance & Economics in January 1988 and January 1998, respectively. From January 1988 to September 1998, Mr. Zhang served in various teaching positions at the Shanghai University of Finance & Economics. From October 1998 to October 2000, Mr. Zhang served as the deputy section chief of the finance department of Shanghai Huahong (Group) Co., Ltd\* (上海華虹(集團)有限公司) and was a general manager of Shanghai Xinhong Investment Management Co., Ltd\* (上海信虹投資管理有限公司) from October 2000 to June 2004. Mr. Zhang was an inspector general of Huaan Funds Management Co., Ltd.\* (華安基金管理有限公司) from July 2004 to August 2012 and a deputy general manager of the same from September 2012.

Mr. Zhang did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

\* English translations of Chinese names herein are for identification purposes only. Shall there be any inconsistencies, the Chinese name prevails.

章國富先生，61歲，於二零一八年九月二十四日獲委任為獨立非執行董事。章先生亦為本集團審核委員會、薪酬委員會及提名委員會成員。彼於一九八三年一月畢業於上海財經大學，獲頒經濟學學士學位，並分別於一九八八年一月及一九九八年一月在上海財經大學取得經濟學碩士學位及經濟學博士學位。自一九八八年一月起至一九九八年九月，章先生於上海財經大學任職不同的教學職位。自一九九八年十月起至二零零零年十月，章先生於上海華虹(集團)有限公司出任財務部副部長及自二零零零年十月起至二零零四年六月於上海信虹投資管理有限公司出任總經理。章先生自二零零四年七月起至二零一二年八月擔任華安基金管理有限公司督察長，並於二零一二年九月起出任該公司的副總經理。

章先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市公司擔任其他董事職務。

\* 該等中文名稱的英文譯本僅供識別。如有任何歧義，概以中文名稱為準。



# Biographical Details of Directors and Senior Management (Continued)

## 董事及高級管理層的履歷詳情(續)

### SENIOR MANAGEMENT

**Mr. She Siu Ming (余少明)**, aged 60, is the director and deputy general manager of Guangzhou Xinhua Thread Co., Ltd., an indirect wholly-owned subsidiary of the Company (“**Guangzhou Xinhua**”). Mr. She is primarily responsible for the management of business operations of Guangzhou Xinhua as well as the internal control of the Group. Mr. She joined the Group in March 2002. Mr. She graduated from the Chinese University of Hong Kong in December 1983 with a bachelor’s degree in business administration. Mr. She was admitted as a fellow of the Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) in February 1997.

**Ms. Liu Jinghui (劉敬慧)**, aged 45, is the financial controller of Guangzhou Xinhua. Ms. Liu is primarily responsible for the financial control of Guangzhou Xinhua. Ms. Liu joined the Group in August 1994. Ms. Liu received her associate degree in polymer chemical engineering from the South China University of Technology (華南理工大學) in the PRC in July 1994. She also obtained qualifications as a registered tax adviser from the Department of Personnel of the Guangdong Province (廣東省人事廳) in October 2004.

**Mr. Lui Hak Kong (呂克剛)**, aged 54, is the production manager of Guangzhou Xinhua. Mr. Lui is primarily responsible for the production management as well as quality control of Guangzhou Xinhua. Mr. Lui joined the Group in June 1996. Prior to joining the Group, Mr. Lui worked for Dik Sun Dyeing Factory Ltd. as a person-in-charge for its laboratory and quality control from June 1990 to April 1996. From June 1983 to March 1990, Mr. Lui worked as a merchandiser and site leader of Fang Brothers Knitting Limited, which was a knitting company.

**Mr. Wong Pak Yip (黃百業)**, aged 52, is the sales manager of Guangzhou Xinhua. Mr. Wong is primarily responsible for the sales and marketing of the Group. Mr. Wong joined the Group in July 1990. Mr. Wong completed a post-secondary five course at Sha Tin Technical Institute (now known as Hong Kong Institute of Vocational Education (Sha Tin)), majoring in retail supervision, in July 1997. Prior to joining the Group, Mr. Wong worked for Unimix Limited, a garment manufacturing and trading company, as a sales assistant from August 1988 to May 1990. From August 1986 to July 1988, Mr. Wong worked for Sun Hop Kee Garment Factory, a garment production company, as a merchandiser.

### 高級管理層

余少明先生，60歲，本公司間接全資附屬公司廣州新華線業有限公司(「廣州新華」)的董事兼副總經理。余先生於二零零二年三月加入本集團，主要負責管理廣州新華業務營運及本集團內部監控。余先生於一九八三年十二月取得香港中文大學工商管理學士學位。余先生於一九九七年二月獲認可為香港會計師公會(英文前稱為Hong Kong Society of Accountants)資深會員。

劉敬慧女士，45歲，廣州新華財務總監，主要負責廣州新華的財務監控。劉女士於一九九四年八月加入本集團。劉女士於一九九四年七月取得華南理工大學高分子化學工程大專學歷。劉女士於二零零四年十月獲廣東省人事廳授予註冊稅務師資格。

呂克剛先生，54歲，廣州新華生產經理。呂先生於一九九六年六月加入本集團，主要負責廣州新華的生產管理及質量監控。加入本集團前，呂先生自一九九零年六月至一九九六年四月擔任智能化工(香港)有限公司實驗室及質量監控主管。自一九八三年六月至一九九零年三月，呂先生曾擔任肇豐針織有限公司(一家針織公司)銷售員及廠長。

黃百業先生，52歲，廣州新華銷售經理。黃先生於一九九零年七月加入本集團，主要負責本集團銷售及市場推廣。黃先生於一九九七年七月於沙田工業學院(現稱香港專業教育學院(沙田分校))完成中五畢業後進修課程，主修零售監管。加入本集團前，黃先生自一九八八年八月至一九九零年五月擔任裕美國際實業有限公司(服裝生產及貿易公司)紡織銷售部銷售助理。黃先生自一九八六年八月至一九八八年七月擔任Sun Hop Kee Garment Factory(服裝生產公司)銷售員。

## Biographical Details of Directors and Senior Management (Continued)

### 董事及高級管理層的履歷詳情(續)

None of the members of the senior management of the Group has been a director of any listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

#### COMPANY SECRETARY

**Mr. Chan Yiu Tung, Enoch (陳耀東)**, aged 52, was appointed as the company secretary and compliance officer of the Company on 18 August 2016 and 23 June 2017, respectively. Mr. Chan obtained his bachelor's degree of art in accountancy from City University of Hong Kong in November 1992 and was admitted as a member of the Hong Kong Institute of Certified Public Accountants in February 1997 and a fellow of the Association of Chartered Certified Accountants in April 2001. From June 2006 to December 2011, Mr. Chan served as an executive director of the tax department of Ernst & Young, an international accounting firm. Further, Mr. Chan served as a partner in the tax department of the Guangzhou Branch of Grant Thornton, an international accounting firm, from October 2012 to October 2015 where he was primarily responsible for developing the tax practice in Guangzhou. Mr. Chan has also been serving as an independent director of Natural Health Trends Corp. (Stock Code: NHTC), an international direct-selling and e-commerce company listed on the NASDAQ Stock Market LLC, since December 2015 and is responsible for supervising and providing independent advice to the board of this Company.

概無本集團高級管理層成員於過去三年內於證券於香港或海外任何證券市場上市的任何上市公司擔任董事職務。

#### 公司秘書

陳耀東先生，52歲，於二零一六年八月十八日及二零一七年六月二十三日先後獲委任為本公司公司秘書及合規主任。陳先生於一九九二年十一月取得香港城市大學會計學文學士學位，於一九九七年二月獲認可為香港會計師公會會員，及於二零零一年四月獲認可為特許公認會計師公會資深會員。自二零零六年六月至二零一一年十二月，陳先生擔任國際會計師事務所安永會計師事務所稅務部門執行主管。陳先生自二零一二年十月至二零一五年十月擔任國際會計師事務所致同會計師事務所廣州分所稅務合夥人，主要負責發展廣州稅務業務。陳先生自二零一五年十二月起一直擔任Natural Health Trends Corp. (股份代號：NHTC，於NASDAQ Stock Market LLC上市的國際直銷及電子商務公司)獨立董事，負責監督並向該公司董事會提供獨立意見。



# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Board believes that cultivating and maintaining a culture focused on good corporate governance is essential to effect strong business growth and continue the efficient management of the Company. The Directors are of the view that strong corporate governance practices can safeguard the interests of and ensure accountability to the Shareholders as a whole.

The corporate governance code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules has been adopted by the Board. Nevertheless, the Directors of the Company are committed to regularly reviewing its corporate governance practices to ensure conformity with the standard set out in the CG Code, as well as meeting the rising expectation of the Shareholders and other stakeholders of the Company.

Except for the deviation from code provision A.2.1 of the CG Code, details of which are set out in the section headed “Chairman and Chief Executive Officer” in this corporate governance report, the Board is of the view that the Company has complied with the code provisions for the year ended 31 December 2018.

### MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the standard of dealings regarding securities transactions by the Directors equivalent to the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Directors have all confirmed, having been made specific enquiry by the Company, that they have complied with the required standard of dealings and the required standard concerning securities transactions by the Directors during the year ended 31 December 2018.

### 企業管治常規

董事會相信，為本公司使業務穩健增長及延續管理效益，有必要培養及維持專注良好企業管治的文化。董事認為穩健的企業管治常規可保障股東整體的利益，並確保對整體股東的問責性。

董事會已採納GEM上市規則附錄十五所載的企業管治守則（「**企管守則**」）。儘管如此，董事承諾會定期檢討企業管治常規，確保遵循企管守則所載的標準，以及符合股東及本公司其他持份者不斷上升的期望。

除偏離企管守則的守則條文A.2.1條（詳情載於本企業管治報告「主席及行政總裁」一節）外，董事會認為本公司於截至二零一八年十二月三十一日止年度一直遵守企管守則的守則條文。

### 董事進行證券交易的標準守則

本公司已採納董事進行證券交易的標準，有關標準相當於GEM上市規則第5.48條至5.67條載的交易標準規定。在本公司作出特定查詢後，全體董事均已確認彼等於截至二零一八年十二月三十一日止年度內已遵守所規定的交易標準及董事進行證券交易所規定的標準。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### BOARD OF DIRECTORS

### 董事會

#### Composition of the Board

#### 董事會的組成

The Board currently comprises:

董事會現時包括：

#### Executive Directors

##### 執行董事

Mr. Wong Kwok Wai, Albert  
(Chairman and chief executive officer)  
黃國偉先生(主席兼執行董事)

(appointed as a Director on 18 August 2016 and re-designated as  
an executive Director on 23 June 2017)

(於二零一六年八月十八日獲委任為董事及  
於二零一七年六月二十三日調任執行董事)

Mr. Lee Wing Hong  
李永康先生

(resigned as a Director on 14 September 2018)  
(於二零一八年九月十四日辭任董事)

Mr. Yu Miaogen  
俞妙根先生

(appointed as a Director on 26 June 2018)  
(於二零一八年六月二十六日獲委任為董事)

#### Non-executive Directors

##### 非執行董事

Mr. Ng Chan Lam  
伍燦林先生

(resigned as a Director on 24 August 2018)  
(於二零一八年八月二十四日辭任董事)

Mr. Gao Biao  
高彪先生

(appointed as a Director on 26 June 2018)  
(於二零一八年六月二十六日獲委任為董事)

Mr. Shi Guixiang  
石桂祥先生

(appointed as a Director on 24 August 2018)  
(於二零一八年八月二十四日獲委任為董事)

#### Independent non-executive Directors

##### 獨立非執行董事

Mr. To King Yan, Adam  
杜景仁先生

(resigned as a Director on 14 September 2018)  
(於二零一八年九月十四日辭任董事)

Dr. Yeung Ngai Man, John  
楊毅敏醫生

(appointed as a Director on 24 November 2017)  
(於二零一七年十一月二十四日獲委任為董事)

Mr. Sung Alfred Lee Ming  
宋理明先生

(appointed as a Director on 24 November 2017)  
(於二零一七年十一月二十四日獲委任為董事)

Mr. Zhang Guofu  
章國富先生

(appointed as a Director on 14 September 2018)  
(於二零一八年九月十四日獲委任為董事)

The biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

董事履歷詳情載於本年度報告「董事及高級管理層的履歷詳情」一節。

Except as disclosed in the section headed "Biographical Details of Directors and Senior Management", there has been no financial, business, family or other material relationship among the Directors.

除「董事及高級管理層的履歷詳情」一節所披露者外，董事之間概無財務、業務、親屬或其他重大關係。



# Corporate Governance Report (Continued)

## 企業管治報告(續)

Each of the independent non-executive Directors has provided a written confirmation of his independence and the Company regards them as independent pursuant to rule 5.09 of the GEM Listing Rules.

各名獨立非執行董事已提供書面獨立性確認書，及本公司根據GEM上市規則第5.09條將其視為獨立非執行董事。

The Board will hold regular board meetings at least four times a year at approximately quarterly intervals. Such meetings are expected to involve active participation, either in person or through electronic means of communication, of a majority of the Directors entitled to be present.

董事會將每年召開至少四次董事會會議，約每季度一次。預期有權出席之大部分董事將積極親身或透過電子通訊方式參與有關會議。

Below is the attendance record of each Director at the Board meetings held during the year ended 31 December 2018:

以下為截至二零一八年十二月三十一日止年度各名董事出席董事會會議的記錄：

Name of Directors	董事姓名	Attendance/ number of meetings held 出席次數／會議次數
Mr. Wong Kwok Wai, Albert	黃國偉先生	4/4
Mr. Lee Wing Hong	李永康先生	3/3
Mr. Yu Miaogen	俞妙根先生	2/2
Mr. Ng Chan Lam	伍燦林先生	3/3
Mr. Gao Biao	高彪先生	2/2
Mr. Shi Guixiang	石桂祥先生	0/1
Mr. To King Yan, Adam	杜景仁先生	3/3
Dr. Yeung Ngai Man, John	楊毅敏醫生	4/4
Mr. Sung Alfred Lee Ming	宋理明先生	4/4
Mr. Zhang Guofu	章國富先生	0/1

# Corporate Governance Report (Continued)

## 企業管治報告(續)

Below is the attendance record of each Director at the annual general meeting of the Company held on 11 May 2018:

以下為各名董事於二零一八年五月十一日舉行的本公司股東週年大會的出席記錄：

Name of Directors	董事姓名	Attendance/ number of meetings held 出席次數／會議次數
Mr. Wong Kwok Wai, Albert	黃國偉先生	1/1
Mr. Lee Wing Hong	李永康先生	1/1
Mr. Yu Miaogen	俞妙根先生	0/0
Mr. Ng Chan Lam	伍燦林先生	1/1
Mr. Gao Biao	高彪先生	0/0
Mr. Shi Guixiang	石桂祥先生	0/0
Mr. To King Yan, Adam	杜景仁先生	1/1
Dr. Yeung Ngai Man, John	楊毅敏醫生	1/1
Mr. Sung Alfred Lee Ming	宋理明先生	1/1
Mr. Zhang Guofu	章國富先生	0/0

### RESPONSIBILITIES OF THE BOARD

The Board is primarily responsible for the overall management and strategic planning and development of the Group, which may involve convening general meetings and reporting the Board's work at a shareholders' meeting, determining business and investment plans, preparing annual financial budgets and final reports and formulating proposals for profit distributions. Day-to-day management is alternatively delegated to the executive Directors and senior management. The functions delegated to senior management are regularly reviewed by the Board to ensure that they are appropriately aligned with the Group's needs.

During the year ended 31 December 2018, the Company had three independent non-executive Directors and was at all times in compliance with the requirements of the GEM Listing Rules, which specifies that the independent non-executive Directors must represent at least one third of the Board members with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has arranged appropriate insurance policies to cover the Directors' risk exposure/liabilities with respect to any legal actions against the Directors arising from corporate activities of the Company. Such insurance coverage was reviewed by the Board and shall continue to be reviewed annually.

### 董事會的責任

董事會主要負責本集團的整體管理及策略規劃及發展，可能涉及召開股東大會及於股東會議上報告董事會工作、確定業務及投資計劃、編製年度財務預算及最終報告及編製利潤分派建議。日常管理委派予執行董事及高級管理層。委派予高級管理層的職能由董事會定期審閱，以確保符合本集團需求。

於截至二零一八年十二月三十一日止年度，本公司有三名獨立非執行董事，並始終遵守GEM上市規則要求，其中訂明，獨立非執行董事須佔董事會成員人數至少三分之一，其中至少一名具備適當的專業資格，或具備適當的會計或相關的財務管理專長。

本公司已購買適當保險，承保因本公司活動引起的與針對董事的任何法律訴訟有關的董事風險／責任。有關保險已由董事會審閱並繼續每年審閱一次。



# Corporate Governance Report (Continued)

## 企業管治報告(續)

### CORPORATE GOVERNANCE FUNCTIONS

During the year ended 31 December 2018, no committee for corporate governance was established and the Board is thus responsible for performing the corporate governance functions outlined in code provision D.3.1 of the CG Code.

The Directors may hold Board meetings when necessary and include any relevant matters for discussion in the agenda as they see fit. A minimum of 14 days' notice of such Board meetings is given to all Directors. A draft agenda for each Board meeting typically accompanies the notice to give the Directors an opportunity to raise any other relevant issues for discussion in the meeting. Board papers and related materials to the meeting are circulated to each Director before each meeting for their perusal to ensure that they can make an informed decision to discharge their duty as a Director.

Draft minutes are also circulated to the Directors for their comment and review after each Board meeting is held, and the minutes of the Board and the Company's committees are kept by the company secretary of the Company. Each Board member and Director has access to the advice and service of the company secretary of the Company in order to comply with relevant procedures and applicable rules and regulations.

### 企業管治職能

於截至二零一八年十二月三十一日止年度概無設立企業管治委員會，因此，董事會負責履行企業管治守則第D.3.1條概述的企業管治職能。

董事可於必要時召開董事會會議，並於其認為適當時將任何有關事宜納入會議議程以供討論。有關董事會會議須向全體董事發出至少14天通知。各董事會會議議程初稿通常隨通知寄發，為董事提供機會提出於會議上討論的任何其他有關事宜。董事會文件及會議相關材料於各會議前寄發予各名董事，確保其作出知情決定以履行其董事職責。

會議記錄初稿亦遞交董事供其於各董事會會議後同意及審閱，董事會及公司委員會會議記錄由本公司公司秘書保管。各董事會成員及董事已取得本公司公司秘書之建議及文件送達，以遵守有關程序及適用規則及法規。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Directors recognise the importance of incorporating elements of good corporate governance in management structures and internal control procedures in order to achieve effective accountability.

During the year ended 31 December 2018, the Group has complied with the CG Code as set out in Appendix 15 to the GEM Listing Rules, except for the deviation from the code provision A.2.1 of the CG Code, which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Wong, who is the chairman of the Board as well as the chief executive officer of the Company, has been involved in the daily operations and management of the Group since 2008. The Directors consider that vesting the roles of the chairman of the Board and the chief executive officer of the Company in Mr. Wong will ensure strong and consistent leadership, facilitate the Group's business strategies and boost the effectiveness of the Company's operation. The Board will continue to review this arrangement and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company when such role splitting is beneficial to the Group as a whole.

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

The articles of association of the Company (the "Articles") state that at each annual general meeting (the "AGM"), one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A Director retiring by rotation shall be eligible for re-election.

While each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with the Company to act as a non-executive Director or independent non-executive Director for a fixed term of three years, the non-executive Directors and independent non-executive Directors appointed are also subject to retirement by rotation and re-election according to the Articles. Independent non-executive Directors are required to notify the Company as soon as practicable if there is any change that may affect their independence and each of them must provide a written confirmation of his independence every year.

### 主席及行政總裁

董事承認管理架構及內部控制程序中採納良好企業管治，以實現有效問責的重要性。

於截至二零一八年十二月三十一日止年度，本集團已遵守GEM上市規則附錄十五所載企管守則，惟偏離企管守則的守則條文A.2.1條，其中訂明主席與行政總裁的角色應有區分，不應由一人同時兼任。

黃先生為本公司董事會主席兼行政總裁，並自二零零八年起參與本集團的日常營運管理。董事認為由黃先生兼任本公司董事會主席及行政總裁將可確保強大及一致的領導，有助推動本集團的業務戰略，以及可提升營運效益。董事會將繼續就拆分本公司董事會主席及行政總裁之職務進行檢討，並將於拆分有關職務對本集團整體有利時拆分有關職務。

### 董事委任及重選

本公司組織章程細則(「細則」)列明，每屆股東週年大會(「股東週年大會」)上，當時在任的三分之一董事須輪流告退，惟各名董事須至少每三年輪席退任一次。輪席退任的董事有權獲選連任。

各非執行董事及獨立非執行董事已與本公司訂立委任函，彼據此同意擔任非執行董事或獨立非執行董事，固定任期為三年。根據細則，非執行董事及獨立非執行董事亦須輪席退任及可獲選連任。倘發生任何變動影響其獨立性，獨立非執行董事須儘快通知本公司，而各名獨立非執行董事須每年提供書面獨立性確認書。



# Corporate Governance Report (Continued)

## 企業管治報告(續)

### CONTINUOUS PROFESSIONAL DEVELOPMENT

To ensure that the Directors' contribution to the Board remains relevant and informed, the Directors are to participate in continuous professional development through which their knowledge and skills can be refreshed and strengthened. As part of the Directors' continuous professional development programme, newly appointed Directors are to receive a comprehensive, formal and tailored induction upon their appointment as a Director while existing Directors receive additional training when appropriate to ensure that they are aware of and are able to comply with the obligations pursuant to the GEM Listing Rules and any other statutory requirements. The company secretary of the Company is responsible for maintaining and updating records for the Directors' training sessions.

During the year ended 31 December 2018, all the Directors, namely, Mr. Wong Kwok Wai, Albert, Mr. Lee Wing Hong, Mr. Yu Miaogen, Mr. Ng Chan Lam, Mr. Gao Biao, Mr. Shi Guixiang, Mr. To King Yan, Adam, Dr. Yeung Ngai Man, John, Mr. Sung Alfred Lee Ming and Mr. Zhang Guofu, participated in a training session and each Director was provided with relevant guidance materials with respect to the laws applicable to Directors, the roles and responsibilities of Directors and the Directors' duty to disclose their interest.

### BOARD COMMITTEES

The Board established the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") on 24 November 2017 in order to oversee particular functions of the Company. These committees of the Board have been established with written terms of reference that clearly outline their authorities, powers and duties. These terms of reference can be found on the websites of the Stock Exchange and the Company.

### 持續專業發展

為確保董事對董事會的貢獻屬有關及知情，董事須參與持續專業發展，更新及鞏固其知識及技能。作為董事持續專業發展計劃的一部分，新委任的董事須於獲委任為董事後取得全面、正式及度身定制的入職培訓，而現任董事須於適當時接受額外培訓，以確保彼等知悉及遵守 GEM 上市規則及任何其他法定要求下的責任。本公司的公司秘書負責保存及更新董事培訓課程記錄。

於截至二零一八年十二月三十一日止年度，全體董事（分別為黃國偉先生、李永康先生、俞妙根先生、伍燦林先生、高彪先生、石柱祥先生、杜景仁先生、楊毅敏醫生、宋理明先生及章國富先生）已參與培訓課程，各名董事獲提供與適用於董事的法律、董事職責及責任以及董事權益披露義務有關的指引材料。

### 董事委員會

董事會已於二零一七年十一月二十四日設立審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」），以監督本公司的特定職能。該等董事委員會已制定書面職權範圍，概述其權限、權力及職責。該等職權範圍可於聯交所及本公司網站查閱。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### AUDIT COMMITTEE

The Audit Committee was established pursuant to rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee is mainly responsible for reviewing financial information, monitoring the Company's financial reporting system and internal control procedures and maintaining the relationship with the Company's auditors.

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Sung Alfred Lee Ming (the chairman), Mr. Yeung Ngai Man, John and Mr. Zhang Guofu. No member of the current Audit Committee is a member of the previous independent auditor of the Company. The Audit Committee has reviewed this annual report as well as the consolidated results of the Group for the year ended 31 December 2018.

The current terms of reference state that the Audit Committee shall have at least four meetings annually. The Audit Committee held a meeting on 26 March 2019 to (i) review and approve the annual financial results in respect of the year ended 31 December 2018; (ii) discuss and consider issues significant to financial reporting, controls on operations and compliance, the effectiveness of the risk management and internal control systems; and (iii) review the appointment of the auditor and its relevant scope of work.

During the year ended 31 December 2018, the Audit Committee held four meetings, where the Audit Committee reviewed and discussed, amongst other matters, (i) the Group's consolidated results for the year ended 31 December 2017; (ii) the Group's consolidated results for the three months ended 31 March 2018; (iii) the Group's consolidated results for the six months ended 30 June 2018; (iv) the Group's consolidated results for the nine months ended 30 September 2018; and (v) the financial reporting system and internal control procedures of the Group.

Below is the attendance record of each member of the Audit Committee during the year ended 31 December 2018:

#### Name of Directors

Mr. Sung Alfred Lee Ming (*chairman*)  
Mr. To King Yan, Adam  
Dr. Yeung Ngai Man, John  
Mr. Zhang Guofu

#### 董事姓名

宋理明先生(主席)  
杜景仁先生  
楊毅敏醫生  
章國富先生

#### Attendance/ number of meetings held 出席次數／會議次數

4/4  
3/3  
4/4  
0/1

### 審核委員會

本公司已根據GEM上市規則第5.28至5.33條及企管守則守則條文C.3.3條成立審核委員會。審核委員會主要負責審閱財務資料、監察本公司的財務報告系統及內部監控程序，以及維持與本公司核數師的關係。

審核委員會包括三名獨立非執行董事，即宋理明先生(主席)、楊毅敏先生及章國富先生。現任審核委員會成員中概無人士為本公司過往獨立核數師的成員。審核委員會已審閱本年度報告及本集團截至二零一八年十二月三十一日止年度的綜合業績。

現有職權範圍列明，審核委員會每年須召開至少四次會議。審核委員會已於二零一九年三月二十六日召開會議，以(i)審閱及批准截至二零一八年十二月三十一日止年度之年度財務業績；(ii)討論並考慮對財務報告、經營及合規控制、風險管理有效性及內部控制系統重要的問題；及(iii)審閱核數師的委任及其相關工作範圍。

截至二零一八年十二月三十一日止年度，審核委員會已舉行四次會議，審核委員會已審閱及討論(其中包括)(i)本集團截至二零一七年十二月三十一日止年度的綜合業績；(ii)本集團截至二零一八年三月三十一日止三個月之綜合業績；(iii)本集團截至二零一八年六月三十日止六個月的綜合業績；(iv)本集團截至二零一八年九月三十日止九個月的綜合業績；及(v)本集團的財務報告系統及內部監控程序。

以下為審核委員會各成員於截至二零一八年十二月三十一日止年度之出席記錄：



# Corporate Governance Report (Continued)

## 企業管治報告(續)

### REMUNERATION COMMITTEE

The Remuneration Committee currently consists of three independent non-executive Directors, namely, Dr. Yeung Ngai Man, John (the chairman), Mr. Sung Alfred Lee Ming and Mr. Zhang Guofu.

The Remuneration Committee is primarily responsible for making regular recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing the remuneration policy.

The current terms of reference state that the remuneration Committee shall have at least one meeting annually. During the year ended 31 December 2018, the Remuneration Committee held one meeting, where they reviewed the remuneration packages for all Directors and senior management of the Company and made recommendations to the Board.

Below is the attendance record of each member of the Remuneration Committee during the year ended 31 December 2018:

Name of Directors	董事姓名	Attendance/ number of meetings held 出席次數／會議次數
Dr. Yeung Ngai Man, John ( <i>chairman</i> )	楊毅敏醫生(主席)	1/1
Mr. Sung Alfred Lee Ming	宋理明先生	1/1
Mr. To King Yan, Adam	杜景仁先生	1/1
Mr. Zhang Guofu	章國富先生	0/0

Details regarding emoluments of the Directors for the year ended 31 December 2018 are outlined in note 8 to the consolidated financial statements of this annual report.

During the year ended 31 December 2018, the number of senior management members whose remuneration fell within the following band is as follows:

Remuneration band	薪酬範圍	Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	4

### 薪酬委員會

薪酬委員會目前包括三名獨立非執行董事，即楊毅敏醫生(主席)、宋理明先生及章國富先生。

薪酬委員會主要負責就本公司全體董事及高級管理層的薪酬政策及架構以及設立制定薪酬政策的正式及透明程序，向董事會作出定期建議。

現有職權範圍列明，薪酬委員會每年須召開至少一次會議。於截至二零一八年十二月三十一日止年度，薪酬委員會召開一次會議，彼等已於會上審閱本公司全體董事及高級管理層的薪酬組合，並向董事會作出建議。

以下為截至二零一八年十二月三十一日止年度薪酬委員會各成員出席會議的記錄：

有關董事於截至二零一八年十二月三十一日止年度酬金的詳情，概述於本年度報告綜合財務報表附註8。

截至二零一八年十二月三十一日止年度，酬金介乎下列範圍的高級管理層成員的人數如下：

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### NOMINATION COMMITTEE

The Nomination Committee currently consists of one executive Director, namely, Mr. Wong Kwok Wai, Albert (the chairman) and two independent non-executive Directors, namely, Mr. Sung Alfred Lee Ming and Mr. Zhang Guofu.

The Nomination Committee is mainly responsible for regularly reviewing the structure of the Board and making recommendations to the Board regarding any proposed change to the structure of the Board. Following the establishment of the Nomination Committee, the Company has adopted a board diversity policy in order to achieve diversity on the Board. As such, Board members are selected based on a range of diverse perspectives, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service.

The current terms of reference state that the Nomination Committee shall have at least one meeting annually. During the year ended 31 December 2018, the Nomination Committee held one meeting, where they assessed the independence of the independent non-executive Directors and recommended to the Board for the re-appointment of all the retiring Directors at the annual general meeting.

Below is the attendance record of each member of the Nomination Committee during the year ended 31 December 2018:

### 提名委員會

提名委員會目前包括一名執行董事，即黃國偉先生(主席)及兩名獨立非執行董事，即宋理明先生及章國富先生。

提名委員會主要負責定期審閱董事會架構，並就任何建議董事會架構變更向董事會作出建議。於設立提名委員會後，本公司已採納多樣化政策，以實現董事會多元化。因此，董事會成員乃根據多項不同觀點(包括但不限於性別、年齡、文化及教育背景、專業知識、技能、知識及服務年限)獲選。

現有職權範圍列明，提名委員會每年須召開至少一次會議。提名委員會於截至二零一八年十二月三十一日止年度召開一次會議，彼等已於會上評估獨立非執行董事的獨立性，並就於股東週年大會上重新委任所有退任董事向董事會提出建議。

以下為截至二零一八年十二月三十一日止年度提名委員會各成員出席會議的記錄：

Name of Directors	董事姓名	Attendance/ number of meetings held 出席次數/會議次數
Mr. Wong Kwok Wai, Albert ( <i>chairman</i> )	黃國偉先生(主席)	1/1
Mr. Sung Alfred Lee Ming	宋理明先生	1/1
Mr. To King Yan, Adam	杜景仁先生	1/1
Mr. Zhang Guofu	章國富先生	0/0



# Corporate Governance Report (Continued)

## 企業管治報告(續)

### ACCOUNTABILITY AND AUDIT

#### Financial reporting

The Directors understand and recognise their responsibility to (i) prepare the consolidated financial statements of the Group; and (ii) ensure that such financial statements are prepared to give a true and accurate view of the state of affairs, results and cash flows of the Group in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, the disclosure requirements of the Hong Kong Companies Ordinance as well as any internal standards deemed appropriate and necessary by the Directors in order to prepare the Group's consolidated financial statements. Further, the Directors also strive to offer a fair and comprehensive assessment of the Group's financial position and prospects and ensure timely publication of the financial statements of the Group. The Directors confirm that as at 31 December 2018, to the best of their knowledge, information and belief, having made all reasonable enquiries, they were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The responsibility of the independent auditor of the Company is to form its independent opinion based on its audit on those consolidated financial statements prepared by the Board, and to report its opinion to the Shareholders. Further details of their reporting responsibility are set out in the independent auditor's report of this annual report.

### 問責及審核

#### 財務報告

董事瞭解及承認其責任：(i) 編製本集團綜合財務報表；及(ii) 確保有關財務報表根據香港會計師公會頒布的香港財務報告準則及相關公司條例的披露規定以及董事認為對編製本集團綜合財務報表屬適當及必要的任何內部準則，反映本集團的真實及準確事務狀態、業績及現金流量。此外，董事亦致力提供本集團財務狀況及前景的公平及全面評估，並確保及時刊發本集團財務報表。董事確認，於二零一八年十二月三十一日，就其經作出一切合理查詢後所深知及確信，其概不知悉與任何事件或狀況有關的任何重大不確定因素，可能引起對本公司持續經營能力的重大質疑。

本公司獨立核數師的責任為基於對董事會編製的該等綜合財務報表的審核結果提供其獨立觀點，並向股東呈報其觀點。有關其呈報責任的進一步詳情，載於本年度報告之獨立核數師報告。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its responsibility to ensure the effectiveness of the Group's risk management and internal control systems. As such, the Directors are committed to reviewing such systems regularly. The Board, the Company's internal audit division and the Audit Committee conducted a review of the Group's risk management and internal control systems during the year ended 31 December 2018 and were satisfied with their adequacy and effectiveness. Similarly, the Board also examined the Group's internal control systems in terms of financial, operational, compliance, procedural and risk management functions and were generally satisfied with the effectiveness of the current systems in place.

The Directors understand that the enforcement of risk management and internal control systems is essential to the Group's ability to manage and minimise risks that may affect the Group's efficiency and effectiveness, or inhibit it from achieving the business objectives.

In relation to the undertakings provided by the controlling Shareholders in respect of the deed of non-competition, the details of which are outlined in the Prospectus, the independent non-executive Directors confirm that they have reviewed the enforcement of such undertakings and conclude that there are no outstanding issues regarding the undertakings that need to be raised with the Shareholders and the Company.

### AUDITOR'S REMUNERATION

For the year ended 31 December 2018, the fees paid or payable to the Company's independent external auditor, Ernst & Young, for the audit services and non-audit services for the Group are approximately as follows:

Type of service	服務類別	Amount 金額 HK\$'000 千港元
Audit services	審核服務	1,300
Non-audit services	非審核服務	480
		1,780

### 風險管理及內部控制

董事會承認其確保本集團風險管理及內部控制系統有效性的責任，因此，董事致力定期審閱該等系統。於截至二零一八年十二月三十一日止年度，董事會、本公司內部審核部門及審核委員會審閱本集團的風險管理及內部控制系統，並對其充足性及有效性感到滿意。同樣地，董事會亦於財務、營運、合規、程序及風險管理職能方面審查本集團的內部控制系統，並普遍對現有系統的有效性感到滿意。

董事瞭解，強制執行風險管理及內部控制系統對本集團管理及減少可能影響本集團效率及有效性或阻礙其實現業務目標的能力至關重要。

就控股股東就不競爭契據(詳情概述於招股章程)提供的承諾而言，獨立非執行董事確認，其已審閱該等承諾的強制執行，並得出結論，概無與承諾有關的未解決問題須提請股東及本公司注意。

### 核數師薪酬

截至二零一八年十二月三十一日止年度，就提供予本公司的審核服務及非審核服務而已付或應付本公司獨立外部核數師安永的費用概約如下：



# Corporate Governance Report (Continued)

## 企業管治報告(續)

### COMPANY SECRETARY

Mr. Chan Yiu Tung, Enoch was appointed as the company secretary of the Company (the “**Company Secretary**”) on 18 August 2016. The biographical details of Mr. Chan are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report. Pursuant to rule 5.15 of the GEM Listing Rules, Mr. Chan has undertaken no less than 15 hours of relevant professional training for the year ended 31 December 2018.

### SHAREHOLDERS’ RIGHTS

In order to protect their own rights and interests, Shareholders may propose separate resolutions in regard to substantial issues at Shareholders’ meetings for consideration and voting. According to the GEM Listing Rules, all resolutions presented at Shareholders’ meetings will be voted by poll, and after the relevant Shareholders’ meeting, the results of such a poll will be published on the websites of the Stock Exchange and the Company. Pursuant to the Articles, an AGM will be held annually in the relevant territory where the Shares are listed, or elsewhere as may be determined by the Board. Any meeting other than an AGM is deemed an extraordinary general meeting (“**EGM**”).

### PROCEDURES FOR SHAREHOLDERS TO CONVENE EXTRAORDINARY GENERAL MEETINGS

Extraordinary general meetings can be convened on the requisition of one or more Shareholders holding, at the date of the deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at the general meetings. Such requisition must be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

### 公司秘書

陳耀東先生於二零一六年八月十八日獲委任為本公司公司秘書(「**公司秘書**」)。陳先生之履歷詳情載於本年度報告「董事及高級管理層的履歷詳情」一節。根據GEM上市規則第5.15條，陳先生承諾於截至二零一八年十二月三十一日止年度參與不少於15小時有關專業培訓。

### 股東權利

為保障其本身權利及利益。股東可於股東會議上就重大問題建議單獨決議案以供考慮及投票。根據GEM上市規則，於股東會上呈報的所有決議案將以投票方式表決，而投票結果將於有關股東會議後刊發於聯交所及本公司網站。根據細則，股東週年大會將每年於股份上市所在地區或董事會可能決定的其他地區召開。除股東週年大會外，任何其他會議均被視為股東特別大會(「**股東特別大會**」)。

### 股東召開股東特別大會之程序

股東特別大會可應一名或多名於遞交請求日期持有不少於本公司已繳足股本十分之一，並有權於股東大會上表決的股東召開。倘要求董事會召開股東特別大會，以處理有關請求中訂明任何業務交易，須以書面方式向董事會或本公司公司秘書作出。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

Shareholders must send their written resolutions, together with their full name, contact details and identification, by post to the principal place of business of the Company in Hong Kong or by email for the attention of the company secretary of the Company, details of which are set out below:

Principal place of business of the Company in Hong Kong : Units 2005-06, 20/F Enterprise Square two No. 3 Sheung Yuet Road Kowloon Bay Kowloon, Hong Kong

Email address : info@shenyouholdings.com

An extraordinary general meeting must be within two months after the deposit of the requisition. If, within 21 days after the deposit of the requisition, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### RIGHT OF RAISING ENQUIRIES

For queries about shareholdings, share transfers, registrations and dividend payments, Shareholders should contact the Company's Hong Kong branch share registrar, whose details are set out in the section headed "Corporate Information" of this annual report.

### PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

The Articles provide that Shareholders who wish to put a resolution to a vote may convene an EGM by means of requisition using the procedure set out above.

### INVESTOR RELATIONS

The Company utilises various channels to communicate with its shareholders and investors, including (i) the AGM or EGM, which allows Shareholders to comment and exchange views with the Board; (ii) the publication of interim, quarterly and annual reports; (iii) notices, announcements and circulars; and (iv) the Company's website at [www.shenyouholdings.com](http://www.shenyouholdings.com).

股東須將其書面決議案連同其全名、聯絡詳情及身份，透過郵件寄發至本公司於香港的主要營業地點或透過電郵方式(收件人為本公司秘書)交付，詳情載列如下：

本公司於香港的  
主要營業地點 : 香港九龍九龍灣常悅道3號企業廣場二期20樓2005-06室

電郵地址 : info@shenyouholdings.com

股東特別大會須於遞交請求後兩個月內召開。倘董事會未能於遞交請求後21天內召開會議，則請求人可以相同方式如此行事，而請求人因董事會未能開支會議而招致的所有合理開支須由本公司向請求人補償。

### 提起查詢的權利

對於有關持股、股份轉讓、登記及股息派付的查詢，股東應聯絡本公司的香港股份過戶登記分處，其詳情載於本年度報告「公司資料」一節。

### 股東於股東大會上遞交建議之程序

細則規定，股東如欲就決議案投票，可透過上文所載程序提出請求以召開股東特別大會。

### 投資者關係

本公司利用不同渠道與其股東及投資者溝通，包括(i)股東週年大會或股東特別大會，允許股東與董事會談論及溝通觀點；(ii)刊發中期、季度及年度報告；(iii)通告、公佈及通函；及(iv)本公司網站[www.shenyouholdings.com](http://www.shenyouholdings.com)。



# Report of the Directors

## 董事會報告

The Directors are pleased to present this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

### CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 18 August 2016. On 22 June 2017, the Group completed a group reorganisation (the “**Reorganisation**”), details of which are set out in the section headed “History, Reorganisation and Corporate Structure” in the Prospectus. Through various reorganisation procedures, the Company became the holding company of the Group upon completion of the Reorganisation.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company and the primary activities of its principal subsidiaries are the sale and manufacture of sewing threads. Details of the Group’s principal activities are set out in note 1 of the consolidated financial statements of the Group. For the year ended 31 December 2018, there were no significant changes in the nature of the Group’s principal activities.

### RESULTS AND APPROPRIATIONS

The results for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income of this annual report. The Board does not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the Group’s property, plant and equipment for the year ended 31 December 2018 are set out in note 13 to the consolidated financial statements of this annual report.

董事欣然提呈本報告連同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。

### 公司重組

本公司於二零一六年八月十八日在開曼群島註冊成立為獲豁免有限公司。本公司透過多項重組程序，於重組完成後成為本集團的控股公司。於二零一七年六月二十二日，本集團完成集團重組（「**重組**」），有關詳情載於招股章程「歷史、重組及公司架構」一節。

### 主要業務

本公司為投資控股公司，其主要附屬公司的主要業務為銷售及生產縫紉線。本集團主要業務詳情載於本集團綜合財務報表附註1。於截至二零一八年十二月三十一日止年度，本集團主要業務性質並無重大變動。

### 業績及分配

截至二零一八年十二月三十一日止年度業績載於本年度報告綜合損益表及綜合全面收入表。董事會並無建議派付截至二零一八年十二月三十一日止年度末期股息（二零一七年：零）。

### 物業、廠房及設備

本集團截至二零一八年十二月三十一日止年度物業、廠房及設備的變動詳情載於本年度報告綜合財務報表附註13。

# Report of the Directors (Continued)

## 董事會報告(續)

### BUSINESS REVIEW

A business review of the Group's performance for the year ended 31 December 2018, the main issues impacting its results and financial position are set out in the section headed "Management Discussion and Analysis" of this annual report. In addition, a discussion of the likely future development of the Group's business is set out in the section headed "Chairman's Statement" of this annual report.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Group's profitability, financial position, results of operations, business operations and prospects may be affected by a variety of risks including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's risk management system and policies are shown in note 34 to the consolidated financial statements.

Further, the Group may also be exposed to other risks that may be beyond its control. In particular, the Group may experience material price fluctuations of fibre and yarn, both being raw materials principally used in the manufacturing process of sewing threads. The Group also faces business risks, including (i) failure to secure a supply as the Group does not enter into long-term supply contracts with its suppliers; (ii) any unexpected disruption in the Guangzhou Production Facilities; and (iii) any labour shortage, increase in labour costs or other factors affecting labour supply in the PRC, each of which may materially and adversely affect the Group's operations, financial condition, results of operations and prospects.

### FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the four years ended 31 December 2018 is set out in the section headed "Four Year Financial Summary" of this annual report.

### SHARE CAPITAL

Details of the movements of the issued share capital of the Company for the year ended 31 December 2018 are set out in note 23 to the consolidated financial statements of the Group.

### 業務回顧

本集團於截至二零一八年十二月三十一日止年度的業務回顧、影響其業績及財務狀況的主要事宜載於本年度報告「管理層討論及分析」一節。另外，就本集團業務未來可能發展的討論載於本年度報告「主席致辭」一節。

### 主要風險及不確定因素

本集團的盈利能力、財務狀況、經營業績、業務營運及前景可能受多種風險影響，包括外匯風險、利率風險、信貸風險及流動資金風險。本集團風險管理系統及政策如綜合財務報表附註34所示。

另外，本集團亦面臨本集團無法控制的其他風險。尤其是，本集團可能遭遇縫紉線製造流程所用主要原材料纖維及紗線價格的重大波動。本集團亦面臨業務風險，包括(i)由於本集團並無與供應商訂立長期供應合約，從而無法獲得供應；(ii)廣州生產基地的任何意外中斷；及(iii)在中國任何勞動力短缺、員工成本增加或影響勞動力供應的其他因素，上述各項或會對本集團營運、財務狀況、經營業績及前景有重大不利影響。

### 財務概要

本集團截至二零一八年十二月三十一日止四個年度的業績、資產及負債概要載於本年度報告「四年財務摘要」一節。

### 股本

本公司截至二零一八年十二月三十一日止年度已發行股本變動詳情載於本集團綜合財務報表附註23。



# Report of the Directors (Continued)

## 董事會報告(續)

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights pursuant to the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would require the Company to offer new shares on a pro-rata basis to its existing Shareholders.

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

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018 and up to the date of this annual report.

### RESERVES

Details of the movements in the reserves of the Group during the year ended 31 December 2018 are set out in note 24 to the consolidated financial statements of the Group and in the consolidated statement of changes in equity of this annual report.

### DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution to Shareholders, calculated according to Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$46.9 million (2017: HK\$53.0 million).

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2018, sales to the Group's largest customer and five largest customers represented approximately 29.5% (2017: approximately 28.1%) and 45.1% (2017: approximately 46.5%) of the Group's total revenue, respectively. The Group's suppliers include suppliers of raw materials and processing works. For the year ended 31 December 2018, supplies attributable to the Group's largest supplier and five largest suppliers represented approximately 20.4% (2017: approximately 25.5%) and 69.2% (2017: approximately 78.5%) of the Group's total supplies, respectively.

To the Directors' best knowledge, none of the Directors or any of close associates (as defined in the GEM Listing Rules) or any Shareholder who or which own more than 5% of the Company's issued share capital had any beneficial interest in any of the five largest customers and/or five largest suppliers of the Group during the year.

### 優先購買權

根據細則或本公司註冊成立所在司法管轄區開曼群島的法律，並無優先購買權相關條文，規定本公司須按比例向其現有股東發行新股份。

### 購買、出售或贖回本公司上市證券

本公司或其附屬公司於截至二零一八年十二月三十一日止年度起及直至本年度報告日期，概無購買、出售或贖回本公司任何上市證券。

### 儲備

本集團截至二零一八年十二月三十一日止年度儲備變動詳情載於本集團綜合財務報表附註24及本年度報告綜合權益變動表。

### 可分派儲備

於二零一八年十二月三十一日，本公司可用於向股東分派的儲備按開曼群島法例第22章公司法(一九六一年第3號法例，經綜合及修訂)計算，約為46,900,000港元(二零一七年：53,000,000港元)。

### 主要客戶及供應商

於截至二零一八年十二月三十一日止年度，向本集團最大客戶及五大客戶的銷售分別約佔本集團總收益的29.5%(二零一七年：約28.1%)及45.1%(二零一七年：約46.5%)。本集團的供應商包括原材料及工序供應商。於截至二零一八年十二月三十一日止年度，本集團最大供應商及五大供應商應佔的供應額分別約佔本集團供應總額的20.4%(二零一七年：約25.5%)及69.2%(二零一七年：約78.5%)。

據董事所知，董事或任何緊密聯繫人(定義見GEM上市規則)或擁有5%以上本公司已發行股本的股東於本年度概無在本集團五大客戶及/或五大供應商中擁有任何實益權益。

# Report of the Directors (Continued)

## 董事會報告(續)

### DIRECTORS

### 董事

The Directors for the year ended 31 December 2018 and up to the date of this annual report are as follows:

於截至二零一八年十二月三十一日止年度及直至本年度報告日期，董事如下所示：

#### Executive Directors

##### 執行董事

Mr. Wong Kwok Wai, Albert (Chairman and chief executive officer) 黃國偉先生(主席兼執行董事)	(appointed as a Director on 18 August 2016 and re-designated as an executive Director on 23 June 2017) (於二零一六年八月十八日獲委任為董事， 於二零一七年六月二十三日調任執行董事)
Mr. Lee Wing Hong 李永康先生	(resigned as a Director on 14 September 2018) (於二零一八年九月十四日辭任董事)
Mr. Yu Miaogen 俞妙根先生	(appointed as a Director on 26 June 2018) (於二零一八年六月二十六日獲委任為董事)

#### Non-executive Directors

##### 非執行董事

Mr. Ng Chan Lam 伍燦林先生	(resigned as a Director on 24 August 2018) (於二零一八年八月二十四日辭任董事)
Mr. Gao Biao 高彪先生	(appointed as a Director on 26 June 2018) (於二零一八年六月二十六日獲委任為董事)
Mr. Shi Guixiang 石柱祥先生	(appointed as a Director on 24 August 2018) (於二零一八年八月二十四日獲委任為董事)

#### Independent non-executive Directors

##### 獨立非執行董事

Mr. To King Yan, Adam 杜景仁先生	(resigned as a Director on 14 September 2018) (於二零一八年九月十四日辭任董事)
Dr. Yeung Ngai Man, John 楊毅敏醫生	(appointed as a Director on 24 November 2017) (於二零一七年十一月二十四日獲委任為董事)
Mr. Sung Alfred Lee Ming 宋理明先生	(appointed as a Director on 24 November 2017) (於二零一七年十一月二十四日獲委任為董事)
Mr. Zhang Guofu 章國富先生	(appointed as a Director on 14 September 2018) (於二零一八年九月十四日獲委任為董事)



# Report of the Directors (Continued)

## 董事會報告(續)

Pursuant to Article 112 of the Articles, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in a general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to Article 108(a) of the Articles, notwithstanding any other provisions in the Articles, at each annual general meeting, one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

### BIOGRAPHICAL DETAILS OF DIRECTORS

For biographical details of the Directors, please refer to the section headed "Biographical Details of Directors and Senior Management" of this annual report.

### DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company pursuant to which he has agreed to act as an executive Director for an initial term of three years, which shall be renewed as determined by the Board or the Shareholders. Either party is entitled to give not less than one month's notice to terminate the service agreement.

Each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with the Company to which he has agreed to act as a non-executive Director or an independent non-executive Director for a fixed term of three years, which shall be renewed as determined by the Board or the Shareholders. Except for the Director's fees, no independent non-executive Director is to receive any other emolument for acting as an independent non-executive Director.

根據細則第112條，董事會有權不時及隨時委任任何人士為董事，以填補臨時空缺或增加現有董事，惟所委任董事人數不得超過股東於股東大會不時釐定的人數上限。任何由董事會委任以填補臨時空缺的董事，任期僅至其獲委任後本公司首屆股東大會為止，並須於大會上膺選連任。任何由董事會委任加入現有董事會的董事，僅可任職至其獲委任後本公司下屆股東週年大會，屆時合資格於會上膺選連任。

根據細則第108(a)條，儘管細則有任何其他條文另有規定，在每屆股東週年大會上，當時在任的三分之一董事須輪流告退。倘人數並非三或三的倍數，則最接近但不少於三分之一的董事須輪流告退。每名董事(包括按特定任期委任的董事)須至少每三年輪席告退一次。

### 董事履歷詳情

有關董事履歷詳情，請參閱本年度報告「董事及高級管理層的履歷詳情」一節。

### 董事服務合約

各執行董事已與本公司訂立服務協議，彼據此同意擔任執行董事，初始任期為三年，須由董事會或股東釐定重續。任何一方有權發出不少於一個月的通知，藉此終止服務協議。

各非執行董事及獨立非執行董事已與本公司訂立委任函，彼據此同意擔任非執行董事或獨立非執行董事，固定任期為三年，須由董事會或股東釐定重續。除董事袍金外，獨立非執行董事概無就擔任獨立非執行董事收取任何其他酬金。

# Report of the Directors (Continued)

## 董事會報告(續)

Save as disclosed above, none of the Directors has proposed or entered into any service agreement or letter of appointment with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than the statutory compensation.

### CONFIRMATION OF INDEPENDENCY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has provided the Company with a confirmation of independence pursuant to rule 5.09 of the GEM Listing Rules. As such, the Company considers all the independent non-executive Directors to be independent as at the date of this annual report.

### PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles, a Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may incur or sustain in or about the execution of the duties of his office or otherwise in relation thereto.

Appropriate directors' and officers' liability insurance coverage has been arranged for the Directors and officers of the Company.

### EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals are set out in notes 8 and 9 to the consolidated financial statements of this annual report.

除上文披露者外，董事概無與本公司或其任何附屬公司提議或訂立不可由本集團於一年內免付賠償(法定賠償除外)而終止的任何服務協議或委任函。

### 確認獨立非執行董事的獨立性

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條作出的獨立性確認書。因此，本公司認為，所有獨立非執行董事於本年度報告日期屬獨立。

### 獲准許的彌償條文

根據細則，董事有權從本公司資產中獲得彌償，以彌償其在執行職務或其他與執行職務有關的事宜時可能招致或蒙受的所有損失或責任。

本公司已為本公司董事及高級人員投購適當的董事及高級人員責任保險。

### 董事及五名最高薪酬僱員的酬金

董事及五名最高薪酬僱員的酬金詳情載於本年度報告綜合財務報表附註8及9。



# Report of the Directors (Continued)

## 董事會報告(續)

### EMOLUMENT POLICY

The Directors receive compensation in the form of an annual director's fee while members of the senior management receive compensation in the form of salaries, discretionary bonuses and other allowances. The Group also reimburses the Directors and senior management for expenses which are necessarily and reasonably incurred in relation to the Group's operations or in the course of discharging their duties to the Group. The Remuneration Committee regularly reviews and determines the remuneration packages of the Directors and the senior management, taking into account factors including, salaries payable by comparable companies, employment conditions, responsibilities and the individual performance of the Directors and senior management.

### INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

As at 31 December 2018, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"), which were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) required to be recorded in the register required to be kept under section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

### 薪酬政策

董事以年度董事袍金形式收取報酬，而高級管理層成員以薪金、酌情花紅及其他補貼形式收取報酬。本集團亦會就董事及高級管理層就本集團營運或執行彼等對本集團的職能而必需及合理產生的開支，向彼等作出補償。薪酬委員會定期檢討及釐定董事及高級管理層的薪酬，當中參考(其中包括)可資比較公司所支付薪金、就業環境、董事及高級管理層的責任及個人表現等因素。

### 董事及主要行政人員於本公司及任何相聯法團的股份、相關股份及債權證中的權益及淡倉

於二零一八年十二月三十一日，本公司各董事及主要行政人員於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益或淡倉);或(b)須記入證券及期貨條例第352條規定須置存的登記冊的權益或淡倉;或(c)根據GEM上市規則第5.46至5.67條規定須知會本公司及聯交所的權益或淡倉如下:

# Report of the Directors (Continued)

## 董事會報告(續)

Name of Director	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1) 佔本公司 已發行股本的百分比 (附註1)
董事姓名	權益性質／持股身份	所持普通股數目	(附註1)
Mr. Wong Kwok Wai, Albert	Interest of a controlled corporation	600,000,000 (L) (Notes 2, 3)	75%
黃國偉先生	受控制法團權益	600,000,000 (L) (附註2、3)	75%

*Notes:*

- As at the date of the annual report, the Company's issued ordinary share capital was HK\$8,000,000 divided into 800,000,000 Shares of HK\$0.01 each.
- Three Gates Investment Limited ("Three Gates Investment"), a company incorporated in the British Virgin Islands on 15 August 2016 is wholly and beneficially owned by Mr. Wong, who is the chairman and an executive director of the Company. Therefore, Mr. Wong is deemed to be interested in 600,000,000 Shares held by Three Gates Investment by virtue of the SFO.
- The letter "L" denote the person's long position in the Shares.

Except as disclosed above, as at 31 December 2018, none of the Directors or the chief executive of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange according to rules 5.46 to 5.67 of the GEM Listing Rules.

*附註：*

- 於本年度報告日期，本公司的已發行普通股股本為8,000,000港元，分為800,000,000股每股面值0.01港元的股份。
- Three Gates Investment Limited (「Three Gates Investment」) 為一間於二零一六年八月十五日在英屬處女群島註冊成立的公司，由本公司主席兼執行董事黃先生全資實益擁有。因此，根據證券及期貨條例，黃先生被視為擁有Three Gates Investment所持600,000,000股股份的權益。
- 字母「L」指於股份中的好倉。

除上文披露者外，於二零一八年十二月三十一日，本公司董事或主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券證中概無須記入證券及期貨條例第352條規定本公司存置的登記冊或根據GEM上市規則第5.46至5.67條規定須知會本公司及聯交所的任何其他權益或淡倉。



# Report of the Directors (Continued)

## 董事會報告(續)

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

### 主要股東於股份、相關股份中的權益及淡倉

To the best knowledge of the Directors, as at 31 December 2018, the following persons or corporations (other than the Directors and the chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

據董事所知，於二零一八年十二月三十一日，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分部須披露予本公司或須記入證券及期貨條例第336條規定須置存的登記冊的權益及／或淡倉的人士或法團(本公司董事及主要行政人員除外)如下：

Name of Substantial Shareholder	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1) 佔本公司已發行 股本的百分比 (附註1)
主要股東姓名	權益性質／持股身份	所持普通股數目	
Three Gates Investment	Beneficial owner	600,000,000 (L) (Notes 2, 3)	75%
Three Gates Investment	實益擁有人	600,000,000 (L) (附註2、3)	75%
Qianhai Health Holdings Limited	Person having a security interest in Shares	120,000,000 (L) (Notes 3, 4, 5)	15%
前海健康控股有限公司	擁有股份權益的人士	120,000,000 (L) (附註3、4、5)	15%
Golden Ball Holdings Limited	Person having a security interest in Shares	120,000,000 (L) (Notes 3, 4, 5)	15%
Golden Ball Holdings Limited	擁有股份權益的人士	120,000,000 (L) (附註3、4、5)	15%
QHH Limited	Person having a security interest in Shares	120,000,000 (L) (Notes 3, 4, 5)	15%
QHH Limited	擁有股份權益的人士	120,000,000 (L) (附註3、4、5)	15%

Notes:

1. As at the date of the annual report, the Company's issued ordinary share capital was HK\$8,000,000 divided into 800,000,000 Shares of HK\$0.01 each.

附註：

1. 於本年度報告日期，本公司的已發行普通股股本為8,000,000港元，分為800,000,000股每股面值0.01港元的股份。

# Report of the Directors (Continued)

## 董事會報告(續)

2. Three Gates Investment Limited is wholly and beneficially owned by Mr. Wong, who is the chairman and an executive director of the Company. Therefore, Mr. Wong is deemed to be interested in 600,000,000 Shares held by Three Gates Investment by virtue of the SFO.
  3. The letter "L" denote the person's long position in the Shares.
  4. 120,000,000 Shares held by Three Gates Investment have been charged in favour of Qianhai Health Holdings Limited ("Qianhai Health") as security for a loan granted in favour of Mr. Wong Kwok Wai, Albert, the chairman, executive director and controlling shareholder of the Company. On 3 January 2019, the loan was repaid and the charge over the 120,000,000 Shares in favour of Qianhai Health was discharged.
  5. As Qianhai Health is wholly-owned by Golden Ball Holdings Limited, which in turn is wholly-owned by QHH Limited, both Golden Ball Holdings Limited and QHH Limited are deemed to be interested in the security interest in the 120,000,000 Shares charged in favour of Qianhai Health by virtue of the SFO.
2. Three Gates Investment由本公司主席兼執行董事黃先生全資實益擁有。因此，根據證券及期貨條例，黃先生被視為擁有Three Gates Investment所持600,000,000股股份的權益。
  3. 字母「L」指於股份中的好倉。
  4. 由Three Gates Investment持有的120,000,000股股份已獲質押予前海健康控股有限公司(「前海健康」)，以作為本公司主席、執行董事兼控股股東黃國偉先生獲授貸款的抵押。於二零一九年一月三日，貸款已償還，且質押予前海健康的120,000,000股股份已獲解除。
  5. 由於前海健康為Golden Ball Holdings Limited的全資附屬公司，而Golden Ball Holdings Limited由QHH Limited全資擁有，故根據證券及期貨條例，Golden Ball Holdings Limited及QHH Limited均被視為於質押予前海健康的120,000,000股股份中擁有證券權益。

Except as disclosed above, as at 31 December 2018, the Directors are not aware of any interests and short positions owned by any other parties, other than a Director or the chief executive of the Company who held interests or short positions in the shares and the underlying shares of the Company, which were required to be recorded under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was interested, directly or indirectly, in 10% 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.

除上文披露者外，於二零一八年十二月三十一日，就董事所知，除在本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須予記錄的權益或淡倉的本公司董事或主要行政人員，或直接或間接擁有附帶權利可於任何情況下在本公司股東大會上投票的任何類別股本面值10%或以上權益的本公司董事或主要行政人員外，概無任何其他人士擁有任何權益及淡倉。

### SHARE OPTION SCHEME

### 購股權計劃

Eligible participants may be granted share options in line with the Share Option Scheme. The following is a summary of the major terms of the Share Option Scheme:

合資格參與者可根據購股權計劃獲授購股權。以下為購股權計劃之主要條款概要：

#### (a) Purpose

#### (a) 目的

The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive for employees working full-time and part-time as well as other eligible personnel under the Share Option Scheme and to promote the success of the business of the Group.

購股權計劃旨在吸引及挽留本集團的最傑出人才，向全職與兼職僱員及購股權計劃規定的其他合資格人士提供額外獎勵並促成本集團的業務成功。



# Report of the Directors (Continued)

## 董事會報告(續)

### (b) Eligible participants

Eligible participants under the Share Option Scheme include (i) any full-time and part-time employee of any member of the Group; (ii) any consultant or adviser of any member of the Group; (iii) any director (including executive, non-executive or independent non-executive directors) of any member of the Group; (iv) any substantial shareholder of any member of the Group; and (v) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group.

### (c) Subscription price

The subscription price shall be determined solely by the Board and notified to a participant of the Share Option Scheme and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option, provided that in the event of fractional prices, the subscription price per Share shall be rounded upwards to the nearest whole cent.

### (d) Time of exercise of options

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

### (e) Grant of options

An offer for the grant of options shall remain open for acceptance for a period of seven days, including the day in which the offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of the option is HK\$1.0.

### (b) 合資格參與者

購股權計劃規定的合資格參與者包括(i)本集團任何成員公司的任何全職及兼職僱員；(ii)本集團任何成員公司的任何顧問或諮詢人；(iii)本集團任何成員公司的任何董事(包括執行、非執行或獨立非執行董事)；(iv)本集團任何成員公司的任何主要股東；及(v)本集團任何成員公司的任何分銷商、承包商、供應商、代理、客戶、業務夥伴或服務供應商。

### (c) 認購價

認購價須由董事會全權釐定並知會購股權計劃參與者，惟不得低於下列最高者：(i)股份於授出購股權日期(須為營業日)在聯交所每日報價表所報之收市價；(ii)股份於緊接授出購股權日期前五個營業日在聯交所每日報價表之平均收市價；及(iii)股份於授出購股權日期之面值，惟倘出現零碎價格，則每股認購價須上調至最接近而完整的一仙。

### (d) 行使購股權的時限

購股權可於董事會可能釐定而不得超過授出日期起計十年內，隨時根據購股權計劃之條款行使，除非提早終止條文另有規定。

### (e) 授出購股權

授出購股權之要約須於七天(包括提呈要約之日)內始終可供接納。購股權承授人於接納授出購股權之要約時應付本公司的金額為1.0港元。

# Report of the Directors (Continued)

## 董事會報告(續)

### (f) Maximum number of shares available for subscription

- (i) The aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the share option schemes of the Company if this will result in the limit being exceeded.
- (ii) Subject to sub-paragraphs (iii) and (iv) below, the maximum number of Shares issuable upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the date of adoption of the Share Option Scheme (excluding, for this purpose, Shares insurable upon the exercise of options which have been granted but have lapsed in accordance with the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the Shares in issue upon the Listing Date.
- (iii) The 10% limit as mentioned in sub-paragraph (ii) above may be refreshed at any time by approval of the Shareholders in a general meeting, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and other share option schemes of the Company) will not be counted for the purpose of calculating the limit as "refreshed". A circular must be sent to the Shareholders containing the information as required pursuant to the relevant GEM Listing Rules.

### (f) 可認購股份的最高數目

- (i) 行使根據購股權計劃及本公司之任何其他購股權計劃所授出但尚未行使之購股權所發行之股份總數，不得超過不時已發行股份之30%。倘會導致股份總數超逾該限額，則不得根據本公司購股權計劃授出購股權。
- (ii) 除下文第(iii)及(iv)分段另有規定外，自採納購股權計劃日期起行使根據購股權計劃及本公司任何其他購股權計劃所授出全部購股權而可發行之股份最高數目(就此而言，不包括行使根據購股權計劃或本公司任何其他購股權計劃已授出但已失效之購股權而可發行之股份)，合共不得超過於上市日期所有已發行股份之10%。
- (iii) 上文第(ii)分段所述10%限額可隨時由股東於股東大會批准而更新，惟計算「更新」限額時，根據購股權計劃所授出之全部購股權獲行使而可發行之股份總數及本公司任何其他購股權計劃(包括根據購股權計劃及本公司其他購股權計劃之條款尚未行使、已註銷或已失效之購股權)將不會計算在內。我們必須向股東寄發一份載有相關GEM上市規則就此方面規定資料之通函。



# Report of the Directors (Continued)

## 董事會報告(續)

(iv) Subject to sub-paragraph (i) above, the Company may seek separate approval from the Shareholders in general meeting for granting any option under the Share Option Scheme beyond the 10% limit under sub-paragraph (ii) and (iii) above, provided that the options under the Share Option Scheme in excess of the limit are granted only to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of the specified persons who may be granted and the purpose of granting such options to the specified persons with an explanation of how the terms of the options will serve the purpose and all other information required under the GEM Listing Rules.

### **(g) Maximum entitlement of each participant**

The total number of shares issued and to be issued upon the exercise of the options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme or any other option schemes of the Company in any 12-month period must not exceed 1% of the total number of shares of the Company in issue, unless approved by the Shareholders in the manner stipulated in the Share Option Scheme.

### **(h) Duration of the Share Option Scheme**

The Share Option Scheme will remain in force for a period of ten years commencing from the date on which the scheme is adopted and will expire on 24 November 2027.

### **(i) Termination of the Share Option Scheme**

The Company, by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options of the Share Option Scheme will be offered. However, those options granted prior to such termination shall continue to be valid and exercisable in accordance with the previous provisions of the Share Option Scheme.

No Share option has been granted since the adoption of the Share Option Scheme.

(iv) 除上文第(i)分段另有規定外，本公司可於股東大會另行徵求股東批准授出超逾上文第(ii)及第(iii)分段10%限額之購股權計劃規定的任何購股權，惟僅可向本公司於徵求批准前特別指明之參與者授出超逾限額之購股權計劃規定的購股權。在此情況下，本公司必須向股東寄發通函，載列可獲授之指定人士的一般簡介及向指定人士授出該等購股權之目的、說明購股權條款如何達致上述目的及GEM上市規則規定之所有其他資料。

### **(g) 每名參與者之最高配額**

除非股東以購股權計劃規定的方式批准，否則在任何12個月內，行使根據購股權計劃或本公司任何其他購股權計劃授予每位參與者之購股權(包括已行使及尚未行使之購股權)已發行及將予發行之股份總數，不得超過本公司已發行股份總數之1%。

### **(h) 購股權計劃之期限**

購股權計劃將自計劃被採納之日起計十年內有效，並將於二零二七年十一月二十四日屆滿。

### **(i) 終止購股權計劃**

本公司在股東大會上通過決議案或董事會可隨時終止購股權計劃，而在此情況下不得再授出購股權計劃的任何購股權。然而，任何於該等終止前授出之購股權根據購股權計劃之先前條文繼續有效及可行使。

自採納購股權計劃以來，概無授出任何購股權。



# Report of the Directors (Continued)

## 董事會報告(續)

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the year ended 31 December 2018, no Director or connected entity of a Director had any material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or any of its subsidiaries was a party.

### DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

The Directors and the controlling shareholders of the Company have confirmed that for the year ended 31 December 2018 and up to the date of this annual report, none of the Directors, controlling Shareholders or any of their respective close associates (as defined in the GEM Listing Rules), engaged in any businesses that competes or may compete with the business of the Group, or had any other conflict of interest with the Group.

On 24 November 2017, each of Mr. Wong Kwok Wai, Albert and Three Gates Investment, being the controlling Shareholders, entered into a non-competition undertaking in favour of the Company, details of which were set out in the section headed "Relationship with our Controlling Shareholders — Non-competition Undertaking" in the Prospectus. Such undertakings have been fully complied with and enforced during the year ended 31 December 2018 and up to the date of this annual report.

The Board confirms that as at the date of this annual report, no other matters are required to be brought to the attention of the Shareholders and the potential investors.

Further, the independent non-executive Directors confirm that they have reviewed the enforcement of such undertakings and conclude that there are no outstanding issues regarding the undertakings that need to be raised with the Shareholders and the Company.

### 董事於交易、安排或合約之權益

於截至二零一八年十二月三十一日止年度，概無董事或董事之關連實體於任何涉及本集團業務而本公司或其任何附屬公司為訂約方之任何交易、安排或合約中直接或間接擁有重大權益。

### 董事及控股股東於競爭業務之權益

董事及本公司控股股東已確認，於截至二零一八年十二月三十一日止年度及直至本年度報告日期，董事、控股股東或彼等各自之緊密聯繫人(定義見GEM上市規則)概無參與任何與本集團業務競爭或可能競爭，或與本集團有任何其他利益衝突的業務。

於二零一七年十一月二十四日，控股股東黃國偉先生及Three Gates Investment分別訂立以本公司為受益人的不競爭承諾，詳情載於招股章程「與控股股東的關係 — 不競爭承諾」一節。自截至二零一八年十二月三十一日止年度起及直至本年度報告日期，該承諾已獲悉數遵守及執行。

董事會確認，截至本年度報告日期概無其他事宜須提請股東及潛在投資者注意。

此外，獨立非執行董事確認，彼等已審查該承諾的執行情況，並認為概無有關該承諾的未解決事宜需向股東及本公司提出。

# Report of the Directors (Continued)

## 董事會報告(續)

### SANCTIONS UNDERTAKING

As disclosed in the Prospectus, the Company provided an undertaking to the Stock Exchange that it would not use the proceeds from the Share Offer or any funds raised through the Stock Exchange to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, countries that are sanctions under international sanction laws, or any sanctioned government, entity or individual.

To ensure its compliance with this undertaking and to further enhance its risk management, the Group will continue to evaluate any business opportunities with those countries sanctioned under international sanction laws and will have delegated members of the senior management of the Company review the transaction documents from customers or potential customers from countries sanctioned under international sanctions laws.

### RESIGNATION OF THE COMPLIANCE ADVISER

In compliance with rule 6A.19 of the GEM Listing Rules, the Company had appointed Huabang Corporate Finance Limited (“**Huabang**”) to be the compliance adviser. On 28 February 2019, Huabang and the Company mutually agreed to terminate the aforesaid appointment. As at the date of this report, the Company is searching for a replacement compliance adviser pursuant to rule 6A.27 of the GEM Listing Rules and will make the appropriate announcement as soon as the replacement compliance adviser has been appointed. In any event, the appointment of a replacement compliance adviser will occur within three months of the date of termination of Huabang as the Company’s compliance adviser.

### RELATED PARTY TRANSACTIONS

The Group has not entered into any related party transactions during the year ended 31 December 2018 which were required to be disclosed according to the requirements under the GEM Listing Rules.

### 制裁承諾

誠如招股章程所披露，本公司已向聯交所提交承諾，不會動用股份發售所得款項以及透過聯交所籌集的任何資金，以直接或間接資助或促進與根據國際制裁法律受制裁的國家或任何受制裁政府、實體或個人之間的活動或業務，或令其獲益的活動或業務。

為確保遵守此承諾並進一步加強其風險管理，本集團將繼續評估與該等受國際制裁法律制裁的國家之間的任何商業機會，倘客戶或潛在客戶來自受國際制裁法律制裁的國家，將委派本公司高級管理層成員審查其提供的交易文件。

### 合規顧問辭任

根據GEM上市規則第6A.19條，本公司委任華邦融資有限公司(「**華邦**」)為合規顧問。於二零一九年二月二十八日，華邦與本公司雙方共同議定終止上述委任。於本報告日期，本公司正物色GEM上市規則第6A.27條項下的替任合規顧問，並將於委任替任合規顧問後立即作出適當公告。委任替任合規顧問無論如何將於華邦不再為本公司的合規顧問的日期起三個月內進行。

### 關聯方交易

本集團於截至二零一八年十二月三十一日止年度並未訂立任何根據GEM上市規則要求須予披露的關連交易。



# Report of the Directors (Continued)

## 董事會報告(續)

### CONTINUING CONNECTED TRANSACTIONS

The Group has not entered into any connected transactions or continuing connected transactions during the year ended 31 December 2018 which are required to be disclosed according to the requirements under the GEM Listing Rules.

### MANAGEMENT CONTRACTS

For the year ended 31 December 2018, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed.

### SUFFICIENCY OF PUBLIC FLOAT

The Directors confirm that during the year ended 31 December 2018 and up to the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has complied with the minimum public float as required under the GEM Listing Rules.

### EVENTS AFTER THE YEAR ENDED 31 DECEMBER 2018

The Board is not aware of any material event requiring disclosure that had taken place subsequent to 31 December 2018 and up to the date of this annual report.

### AUDITOR

Ernst & Young was appointed by the Board as the auditor of the Company. A resolution for the reappointment of Ernst & Young as the auditor of the Company will be proposed at the forthcoming annual general meeting.

**Shen You Holdings Limited**

**Wong Kwok Wai, Albert**

*Chairman, chief executive officer and executive Director*

Hong Kong, 26 March 2019

### 持續關連交易

本集團於截至二零一八年十二月三十一日止年度並未訂立任何根據GEM上市規則要求須予披露的關連交易或持續關連交易。

### 管理合約

於截至二零一八年十二月三十一日止年度，本集團並無訂立或存在有關本集團全部或任何重大部分業務的管理及行政之合約。

### 充足公眾持股量

董事確認，截至二零一八年十二月三十一日止年度及直至本年度報告日期，根據本公司從公開途徑所得的資料及據董事所知，本公司已遵守GEM上市規則所規定的最低公眾持股量。

### 於截至二零一八年十二月三十一日止年度後事項

董事會並不知悉於二零一八年十二月三十一日後及直至本年度報告日期發生任何須予披露的重大事項。

### 核數師

董事會委任安永會計師事務所為本公司核數師。本公司將於應屆股東週年大會上提呈一項決議案再次委任安永會計師事務所出任本公司核數師。

**申酉控股有限公司**

**主席、行政總裁兼執行董事**

**黃國偉**

香港，二零一九年三月二十六日

# Independent Auditor's Report

## 獨立核數師報告



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### To the shareholders of Shen You Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of Shen You Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 70 to 182, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of 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.

### BASIS FOR OPINION

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

### 致申酉控股有限公司列位股東

(於開曼群島註冊成立之有限公司)

### 意見

吾等已審核載於第70至182頁的申酉控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，當中包括 貴集團於二零一八年十二月三十一日的綜合財務狀況表，及截至二零一八年十二月三十一日止年度的綜合損益表、綜合全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括重大會計政策概要。

吾等認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布的香港財務報告準則(「香港財務報告準則」)真實公允反映 貴集團於二零一八年十二月三十一日的綜合財務狀況及截至二零一八年十二月三十一日止年度的綜合財務表現及綜合現金流量，且乃按照香港公司條例的披露規定妥善編製。

### 意見基礎

吾等乃根據香港會計師公會頒布的香港審計準則(「香港審計準則」)開展審核。吾等在該等準則下的責任詳述於本報告核數師對審核綜合財務報表的責任一節。根據香港會計師公會頒布的職業會計師道德守則(「有關守則」)，吾等獨立於 貴集團，及吾等已按照有關守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證可充分恰當地支持吾等的意見。



# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### 關鍵審核事項

關鍵審核事項指吾等根據專業判斷認為對本期綜合財務報表的審核至關重要的事項。吾等在審核整份綜合財務報表及形成審核意見時，已審核該等事項，且不另行提供關於該等事項的意見。對於以下各事項，特此提供審核方法說明。

吾等已履行本報告核數師對審核綜合財務報表的責任一節中載列的責任，包括與該等事項相關的責任。因此，吾等的審核包括綜合財務報表重大失實陳述風險評估響應程序的表現。吾等審核程序(包括為審核下列事項而採取的程序)的結果支持吾等關於相關綜合財務報表的審核意見。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項(續)

#### Key audit matter

#### 關鍵審核事項

#### How our audit addressed the key audit matter

#### 關鍵審核事項的審核方法

#### **Impairment of trade receivables**

#### 應收交易款項減值

As at 31 December 2018, the Group had trade receivables of HK\$17,441,000, after making loss allowance of HK\$711,000. The Group uses a provision matrix to calculate expected credit losses (“ECLs”) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. We focused on this area because it requires a high level of management estimation and due to the materiality of the amounts involved.

於二零一八年十二月三十一日，貴集團作出虧損撥備 711,000 港元後的應收交易款項金額為 17,441,000 港元。貴集團利用撥備矩陣計算應收交易金額的預期信貸虧損（「預期信貸虧損」）。撥備率乃基於具有類似虧損模式的多個客戶分類組別的逾期天數釐定。撥備矩陣初步基於貴集團過往觀察所得違約率而釐定。貴集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損經驗。吾等之所以關注這一方面，乃因為其需要高水平的管理層估計及所涉數額巨大。

The significant accounting estimates and disclosures about the provision for impairment of trade receivables are included in notes 3 and 16 to the consolidated financial statements.

關於應收交易款項減值撥備的重大會計估計及披露載於綜合財務報表附註 3 及 16。

We assessed the Group’s internal controls over the credit control of trade receivables and recalculated the provision matrix of ECLs to ensure mathematic accuracy. We evaluated the assumptions used in the ECL model by (1) reviewing the credit terms and historical payment patterns of different categories of customers to assess the grouping of customer segments; (2) examining the underlying data used in the model by checking the corresponding ageing and historical repayment records on a sampling basis; and (3) assessing the forward-looking adjustments by analysing the deviation between forward-looking factors and the Group’s historical default rates.

吾等評估貴集團對應收交易款項信用控制的內部控制措施，並重新計算預期信貸虧損撥備矩陣，以確保計算之準確性。吾等亦透過以下各項評估預期信貸虧損模式所使用的假設：(1) 審閱不同類別客戶的信貸期及過往付款方式，以評估客戶分類組別；(2) 運用抽樣基準，透過檢查相關賬齡及過往還款記錄檢驗於模式中所使用的相關數據；及(3) 透過分析前瞻性因素與貴集團過往違約率之間的偏差評估前瞻性資料調整。



# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項(續)

#### Key audit matter

#### 關鍵審核事項

#### How our audit addressed the key audit matter

#### 關鍵審核事項的審核方法

#### *Deferred tax assets*

#### 遞延稅項資產

As at 31 December 2018, the Group has recorded deferred tax assets of HK\$2,648,000, which are resulted from tax losses and deductible temporary differences mainly arising from the deferred rental expenses. The Group recognises these deferred tax assets to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered. The probability of recovery is impacted by uncertainties regarding the likely timing and level of future taxable profits, together with tax planning strategies. Significant management judgements and estimates are involved in the process.

於二零一八年十二月三十一日，貴集團已錄得2,648,000港元遞延稅項資產，主要來自稅項虧損及由遞延租賃開支引起的可扣減暫時差額。貴集團在未來應課稅利潤有可能收回遞延稅項資產的情況下確認該等遞延稅項資產。收回的可能性受關於未來應課稅利潤的可能時間安排及水平和未來稅收計劃策略的不確定因素影響。該過程涉及重大管理層判斷及估計。

The significant judgements and estimates and related disclosures on deferred tax asset are included in notes 3 and 22 to the consolidated financial statements.

關於遞延稅項資產的重大判斷和估計及相關披露載於綜合財務報表附註3及22。

Our audit procedures included evaluating assumptions and methodologies used by the Company to determine the recoverable amount per tax jurisdiction.

吾等的審核程序包括評估貴公司確定各稅務管轄區的可收回金額所採用的假設及方法。

We have reviewed the profit forecast prepared by management by checking to the arithmetical accuracy of the calculations and assessing the significant assumptions and judgements by comparing the input data of forecasted growth rates, gross profit margin and material expense items with the business development plan approved by the board of directors of the Company and historical financial performance of the Group.

吾等透過核查計算準確性，及對比輸入的預測增長率、毛利率及重大開支項目與貴公司董事會批核的商業發展計劃及貴集團的過往財務表現，評估重大假設及判斷，審閱管理層編製的利潤預測。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項(續)

#### Key audit matter

#### 關鍵審核事項

#### How our audit addressed the key audit matter

#### 關鍵審核事項的審核方法

#### **Impairment of non-financial assets**

#### 非金融資產減值

The carrying value of the Group's property, plant and equipment and prepaid lease payments for buildings as at 31 December 2018 amounted to HK\$10,685,000 and HK\$1,608,000, after making a provision of HK\$830,000 and HK\$83,000, respectively. The carrying values of these assets are reviewed annually by management for potential indicators of impairment. For assets where such indicators exist, management engaged an independent external valuer to assist them to perform detailed impairment review of the recoverable amount of these non-financial assets.

於二零一八年十二月三十一日，貴集團物業、廠房及設備以及樓宇預付租賃款項的賬面值於分別作出830,000港元及83,000港元的撥備後，金額分別為10,685,000港元及1,608,000港元。該等資產的賬面值由管理層每年審閱以確定是否存在潛在性的減值跡象。就有該等跡象出現的資產而言，管理層委聘獨立外部估值師以協助彼等進行詳細減值審閱該等非金融資產的可收回金額。

We identified the impairment of non-financial assets as a key audit matter because the assessment involves a significant degree of management judgements and estimates in determining the key assumptions.

吾等將非金融資產減值識別為關鍵審核事項乃由於有關評估於釐訂主要假設時可涉及大量管理層判斷及估計。

The significant judgements and estimates and related disclosures on the movements of these non-financial assets are included in notes 3, 13 and 17 to the consolidated financial statements.

關於該等非金融資產變動的重大判斷和估計及相關披露載於綜合財務報表附註3、13及17。

Our audit procedures included, among others, involving our internal valuation specialists to assist us in evaluating the methodologies used by the independent external valuer for determining the recoverable amount, and assessing the discount rate and market data used in the assessment of the recoverable amount of the non-financial assets.

吾等的審核程序包括吾等的內部估值專家協助吾等評估獨立外部估值師於釐定可收回金額時所使用的估值方法，並評估用於評估非金融資產的可收回金額的貼現率及市場數據。

We also examined the underlying data used such as management projection on the future revenues and operating results by comparing with the financial performance of each cash-generating unit ("CGU") during the year 2018 and examining the business development plans and historical annual growth of each CGU to evaluate the growth rate of each CGU used in the projection.

吾等亦透過比較二零一八年度各現金產生單位（「現金產生單位」）的財務表現，檢驗所使用的相關數據，例如有關未來收益及經營業績的管理層預測，並檢驗商業發展計劃及各現金產生單位的過往年度增長，以評估於預測中所使用的各現金產生單位的增長率。



# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### 年報中載列的其他資料

貴公司董事對其他資料負責。其他資料包括年報中除綜合財務報表及其核數師報告以外的資料。

吾等關於綜合財務報表的意見未涵蓋其他資料，吾等未就該等資料發表任何形式的保證結論。

就吾等對綜合財務報表的審核而言，吾等的責任是閱讀其他資料，從而斟酌其他資料是否與綜合財務報表或吾等在審核中獲得的資訊嚴重不符，或似乎在其他方面存在嚴重失實陳述。倘若吾等根據履行的工作得出該等其他資料存在重大失實陳述的結論，吾等須報告該事實。在這方面，吾等沒有情況需要報告。

### 董事對綜合財務報表的責任

貴公司董事負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例的披露規定編製真實公允反映情況的綜合財務報表，並負責落實董事認為必需之內部控制，以確保編製綜合財務報表時不存在因欺詐或錯誤而導致的重大失實陳述。

編製綜合財務報表時，貴公司董事負責評估貴集團持續運營的能力，酌情披露持續運營相關事項，及以持續運營為會計基準，除非貴公司董事計劃清算貴集團或停止運營，或除此之外別無選擇。

貴公司董事在審核委員會的協助下履行其監督貴集團財務報告流程的責任。



# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

### 核數師對審核綜合財務報表的責任

吾等的目標是合理確定整份綜合財務報表是否存在因欺詐或錯誤而導致的重大失實陳述，並出具包括吾等意見的核數師報告。吾等不對本報告的內容向任何其他人士負責或承擔法律責任。

合理確定是高度確定，但並不保證根據香港審計準則開展的審核始終能發現存在的重大失實陳述。失實陳述可能因欺詐或錯誤而導致，倘若據合理預期失實陳述將單獨或共同影響用戶依據該等綜合財務報表作出的經濟決策，則視其為重大失實陳述。

在根據香港審計準則進行審核的過程中，吾等始終運用專業判斷及保持專業懷疑態度。吾等亦：

- 明確及評估因欺詐或錯誤而導致的綜合財務報表重大失實陳述的風險，設計及落實響應該等風險的審核程序，及獲取可充分恰當地支持吾等意見的審核憑證。未發現因欺詐導致的重大失實陳述的風險高於因錯誤導致的風險，因為欺詐可能涉及串通、偽造、故意不作為、虛假陳述或推翻內部控制。
- 理解與審核相關的內部控制，以設計適當的審核程序，但並非為對貴集團內部控制成效發表意見。
- 評估董事所採用的會計政策是否合適，及所作出的會計估計和相關披露是否合理。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

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

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

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

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

### 核數師對審核綜合財務報表的責任(續)

- 得出董事以持續運營為會計基準是否合適的結論，及根據獲得的審核憑證，斷定是否存在可能令 貴集團持續運營能力懸而不定的不確定事件或狀況。倘若吾等得出存在重大不確定性的結論，吾等須在核數師報告中提請注意綜合財務報表中的相關披露，或倘若該等披露不充分，則須修改吾等的意見。吾等的結論乃基於吾等截至核數師報告日期止獲得的審核憑證。然而，未來事件或狀況可能導致 貴集團無法持續運營。
- 評估綜合財務報表(包括披露)的整體呈列、結構及內容，及綜合財務報表是否以實現公平呈列的方式，體現相關交易及事件。
- 就 貴集團旗下實體或業務活動的財務資料獲得充分恰當的審核憑證，以發表綜合財務報表意見。吾等負責指導、監督及履行 貴集團審核。吾等仍對審核意見全權負責。

吾等與審核委員會溝通計劃審核範圍和時間安排及重大審核發現等事項，包括吾等在審核期間發現的任何重大內部控制缺陷。

吾等亦向審核委員會提供聲明，表示吾等已遵守相關獨立性道德規定，並與彼等溝通可能合理認為與吾等獨立性相關的所有關係和其他事項及相關保障措施(如適用)。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)

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

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

The engagement partner on the audit resulting in this independent auditor's report is Hui Kin Fai Stephen.

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong  
26 March 2019

### 核數師對審核綜合財務報表的責任(續)

吾等從與審核委員會溝通的事項中確定在本期綜合財務報表的審核中至關重要的事項，即關鍵審核事項。吾等在核數師報告中說明該等事項，除非法律或法規禁止公開披露該等事項，或吾等認為不應在報告中說明該等事項，因為據合理預期披露的不利後果大於公共利益，此種情況極為罕見。

本獨立核數師報告的審核項目合夥人是許建輝。

**安永會計師事務所**  
執業會計師  
香港  
二零一九年三月二十六日



# Consolidated Statement of Profit or Loss

## 綜合損益表

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 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
REVENUE	收益	5	64,510	74,371
Cost of sales	銷售成本		(51,232)	(48,853)
Gross profit	毛利		13,278	25,518
Other income and gains	其他收入及增益	5	2,037	642
Selling and distribution expenses	銷售及分銷開支		(7,579)	(6,408)
Administrative expenses	行政開支		(16,456)	(9,831)
Impairment losses on financial assets	金融資產減值虧損		(499)	–
Other expenses	其他開支		(2,301)	(20,108)
Finance costs	融資成本	7	(886)	(2,291)
LOSS BEFORE TAX	除稅前虧損	6	(12,406)	(12,478)
Income tax credit/(expense)	所得稅抵免/(開支)	10	1,551	(712)
LOSS FOR THE YEAR	全年虧損		(10,855)	(13,190)
ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔		(10,855)	(13,190)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人 應佔每股虧損	12		
Basic and diluted (expressed in HK cents per share)	基本及攤薄(以每股港仙列示)		(1.36)	(2.16)

# Consolidated Statement of Comprehensive Income

## 綜合全面收入表

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

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
LOSS FOR THE YEAR	全年虧損		<b>(10,855)</b>	(13,190)
OTHER COMPREHENSIVE (LOSS)/INCOME	其他全面(虧損)/收入			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	於其後期間重新分類至損益的其他全面收入：			
Available-for-sale investment:	可供出售投資：			
Change in fair value	公允價值變動		–	169
Income tax effect	所得稅影響	22	–	(28)
			–	141
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額		<b>(3,838)</b>	4,997
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	全年其他全面(虧損)/收入(已扣除稅項)		<b>(3,838)</b>	5,138
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	全年全面虧損總額		<b>(14,693)</b>	(8,052)
ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔		<b>(14,693)</b>	(8,052)

# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>NON-CURRENT ASSETS 非流動資產</b>				
Property, plant and equipment	物業、廠房及設備	13	10,685	6,902
Financial asset at fair value through profit or loss ("FVPL")	按公允值計入損益(「按公允值計入損益」)的金融資產	14	4,632	–
Available-for-sale investment	可供出售投資	14	–	4,474
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	17	5,971	2,165
Deferred tax assets	遞延稅項資產	22	2,648	1,338
<b>Total non-current assets</b>	<b>非流動資產總值</b>		<b>23,936</b>	14,879
<b>CURRENT ASSETS 流動資產</b>				
Inventories	存貨	15	14,761	9,995
Trade receivables	應收交易款項	16	17,441	24,900
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	17	5,426	12,665
Pledged deposits	抵押存款	18	–	9,000
Tax recoverable	可以回稅項		129	–
Cash and cash equivalents	現金及現金等價物	18	30,938	57,920
<b>Total current assets</b>	<b>流動資產總值</b>		<b>68,695</b>	114,480
<b>CURRENT LIABILITIES 流動負債</b>				
Trade payables	應付交易款項	19	5,122	9,269
Other payables and accruals	其他應付款項及應計費用	20	6,729	15,709
Interest-bearing bank borrowings	計息銀行借款	21	15,217	22,627
Tax payable	應付稅項		1,234	1,943
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>28,302</b>	49,548
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>40,393</b>	64,932
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>		<b>64,329</b>	79,811



# Consolidated Statement of Financial Position (Continued)

## 綜合財務狀況表(續)

31 December 2018 二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>NON-CURRENT LIABILITIES 非流動負債</b>				
Deferred tax liabilities	遞延稅項負債	22	–	215
Other payables and accruals	其他應付款項及應計費用	20	<b>1,223</b>	1,512
<hr/>				
Total non-current liabilities	非流動負債總額		<b>1,223</b>	1,727
<hr/>				
Net assets	資產淨值		<b>63,106</b>	78,084
<hr/>				
<b>EQUITY 權益</b>				
Share capital	股本	23	<b>8,000</b>	8,000
Reserves	儲備	24	<b>55,106</b>	70,084
<hr/>				
Total equity	權益總額		<b>63,106</b>	78,084

**Wong Kwok Wai, Albert**

黃國偉  
Director  
董事

**Yu Miao Gen**

俞妙根  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Share capital	Share premium	Merger reserve	Statutory surplus reserve	Available-for-sale investment revaluation reserve	Exchange fluctuation reserve	Retained profits/ (Accumulated losses)	Total equity
		股本	股份溢價	合併儲備	法定盈餘儲備	可供出售投資重估儲備	匯兌波動儲備	保留溢利/ (累計虧損)	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 23)	(note 23)	(note 24)	(note 24)				
		(附註23)	(附註23)	(附註24)	(附註24)				
At 1 January 2017	於二零一七年一月一日	-	-	40,000	5,670	(966)	6,293	10,388	61,385
Loss for the year	本年虧損	-	-	-	-	-	-	(13,190)	(13,190)
Other comprehensive income for the year:	本年其他全面收入：								
Change in fair value of an available-for-sale investment, net of tax	可供出售投資公允值變動 (已扣除稅項)	-	-	-	-	141	-	-	141
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	4,997	-	4,997
Total comprehensive loss for the year	本年全面虧損總額	-	-	-	-	141	4,997	(13,190)	(8,052)
Issue of shares	股份發行	2,000	73,000	-	-	-	-	-	75,000
Share issue expenses	股份發行開支	-	(9,249)	-	-	-	-	-	(9,249)
Capitalisation issue	資本化發行	6,000	(6,000)	-	-	-	-	-	-
Acquisition of equity interests in subsidiaries	收購附屬公司股權	-	-	(41,000)	-	-	-	-	(41,000)
At 31 December 2017	於二零一七年十二月三十一日	8,000	57,751	(1,000)	5,670	(825)	11,290	(2,802)	78,084

# Consolidated Statement of Changes in Equity (Continued)

## 綜合權益變動表(續)

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

		Share capital	Share premium	Merger reserve	Statutory surplus reserve	Available-for-sale investment revaluation reserve	Exchange fluctuation reserve	Accumulated losses	Total equity
		股本	股份溢價	合併儲備	法定盈餘儲備	可供出售投資重估儲備	匯兌波動儲備	累計虧損	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 23)	(note 23)	(note 24)	(note 24)				
		(附註23)	(附註23)	(附註24)	(附註24)				
At 31 December 2017	於二零一七年十二月三十一日	8,000	57,751	(1,000)	5,670	(825)	11,290	(2,802)	78,084
Effect of adoption of HKFRS 9 (note 2.2)	採納香港財務報告準則第9號的影響(附註2.2)	-	-	-	-	825	-	(1,110)	(285)
At 1 January 2018 (restated)	於二零一八年一月一日(經重列)	8,000	57,751	(1,000)	5,670	-	11,290	(3,912)	77,799
Loss for the year	本年虧損	-	-	-	-	-	-	(10,855)	(10,855)
Other comprehensive loss for the year:	本年其他全面虧損:								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	(3,838)	-	(3,838)
Total comprehensive loss for the year	本年全面虧損總額	-	-	-	-	-	(3,838)	(10,855)	(14,693)
At 31 December 2018	於二零一八年十二月三十一日	8,000	57,751*	(1,000)*	5,670*	-*	7,452*	(14,767)*	63,106

\* These reserve accounts comprise the consolidated reserves of HK\$55,106,000 (2017: HK\$70,084,000) in the consolidated statement of financial position as at 31 December 2018.

\* 該等儲備賬目包括於二零一八年十二月三十一日的綜合財務狀況表內的綜合儲備55,106,000港元(二零一七年: 70,084,000港元)。



# Consolidated Statement of Cash Flows

## 綜合現金流量表

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 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES 經營活動所得現金流量</b>			
Loss before tax	除稅前虧損	<b>(12,406)</b>	(12,478)
Adjustments for:	調整：		
Finance costs	融資成本	<b>886</b>	2,291
Bank interest income	銀行利息收入	<b>(12)</b>	-
Fair value gains, net: Financial asset at FVPL	公允價值增益，淨額： 按公允價值計入損益的 金融資產	<b>(158)</b>	-
Depreciation	折舊	<b>668</b>	307
Recognition of prepaid lease payments for buildings	確認樓宇預付租賃款項	<b>486</b>	330
Losses/(gains) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目 之虧損/(增益)	<b>603</b>	(20)
Impairment of trade receivables	應收交易款項減值	<b>499</b>	130
Impairment of non-financial assets	非金融資產減值	<b>913</b>	-
		<b>(8,521)</b>	(9,440)
(Increase)/decrease in inventories	存貨(增加)/減少	<b>(5,423)</b>	516
Decrease/(increase) in trade receivables	應收交易款項減少/(增加)	<b>6,289</b>	(10,207)
Decrease/(increase) in prepayments, other receivables and other assets	預付款項、其他應收款項及 其他資產減少/(增加)	<b>6,816</b>	(3,077)
(Decrease)/increase in trade payables	應付交易款項(減少)/增加	<b>(3,863)</b>	39
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用 (減少)/增加	<b>(8,905)</b>	6,874
Cash used in operations	經營所用現金	<b>(13,607)</b>	(15,295)
Interest received	已收利息	<b>12</b>	-
Hong Kong profits tax paid	已付香港利得稅	<b>(988)</b>	-
PRC taxes paid	已付中國稅項	<b>(21)</b>	(74)
Net cash flows used in operating activities	經營活動所用現金流量淨額	<b>(14,604)</b>	(15,369)
<b>CASH FLOWS FROM INVESTING ACTIVITIES 投資活動所得現金流量</b>			
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	<b>(7,543)</b>	(1,253)
Addition to prepaid lease payments for buildings	樓宇預付租賃增加款項	<b>(382)</b>	(679)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目 所得款項	<b>192</b>	77
Advance to a related company	墊款予關聯公司	-	(36,608)
Repayments from a related company	關聯公司還款	-	61,740
Decrease in pledged deposits	抵押存款減少	<b>9,000</b>	-
Loans to a vendor	向供應商貸款	<b>(4,630)</b>	-
Net cash flows (used in)/from investing activities	投資活動(所用)/所得 現金流量淨額	<b>(3,363)</b>	23,277

# Consolidated Statement of Cash Flows (Continued)

## 綜合現金流量表(續)

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

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net cash flows (used in)/from operating and investing activities	經營活動及投資活動(所用)/所得現金流量淨額		<b>(17,967)</b>	7,908
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動所得現金流量</b>			
Proceeds from issue of shares	股份發行所得款項		–	75,000
Share issue expenses	股份發行開支		–	(9,249)
New bank loans	新增銀行貸款		<b>49,240</b>	62,054
Repayments of bank loans	償還銀行貸款		<b>(56,650)</b>	(71,379)
Interest paid	已付利息		<b>(886)</b>	(2,291)
Net cash flows (used in)/from financing activities	融資活動(所用)/所得現金流量淨額		<b>(8,296)</b>	54,135
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物(減少)/增加淨額</b>		<b>(26,263)</b>	62,043
Cash and cash equivalents at beginning of year	年初現金及現金等價物		<b>57,920</b>	(4,218)
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額		<b>(719)</b>	95
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末現金及現金等價物</b>		<b>30,938</b>	57,920
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘之分析</b>			
Cash and bank balances	現金及銀行結餘	18	<b>30,938</b>	57,920
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows	列入綜合財務狀況表及綜合現金流量表之現金及現金等價物		<b>30,938</b>	57,920

# Notes to Financial Statements

## 財務報表附註

31 December 2018 二零一八年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 18 August 2016. The registered office address of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were principally engaged in the manufacture and trading of high performance sewing threads and broad categories of garment accessories.

In the opinion of the directors, the ultimate holding company of the Group is Three Gates Investment Limited, which was incorporated in the British Virgin Islands ("BVI") with limited liability and is controlled by Mr. Wong Kwok Wai, Albert ("Mr. Wong").

As at the date of this report, the Company has direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 及經營地點	Nominal value of issued ordinary/ paid-up/registered share capital 已發行普通/ 繳足/註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Strat Tech Holdings Limited *	BVI 英屬處女群島	US\$1 1 美元	100%	–	Investment holding 投資控股
Shen You (China) Limited 申酉(中國)有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000 港元	100%	–	Investment holding 投資控股
Tseyu International Trading Company Limited ** ("Tseyu") 至裕國際貿易有限公司** ([至裕])	Hong Kong 香港	HK\$5,000,000 5,000,000 港元	–	100%	Trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝輔料 貿易

### 1. 公司及集團資料

本公司於二零一六年八月十八日根據開曼群島公司法(經修訂)在開曼群島註冊成立為獲豁免有限公司，註冊辦事處位於Clifton House, 75 Fort Street, P.O.Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司為投資控股公司。本公司附屬公司年內主要從事優質縫紉線和各類服裝輔料生產及貿易。

董事認為本集團最終控股公司為Three Gates Investment Limited，乃於英屬處女群島(「英屬處女群島」)註冊成立的有限公司，由黃國偉先生(「黃先生」)控制。

於本報告日期，本公司擁有其附屬公司的直接或間接權益，該等附屬公司均為私營有限公司(或倘於香港境外註冊成立，擁有於香港註冊成立私營公司之大致類似性質)，詳情載列如下：



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION (Continued)

### 1. 公司及集團資料(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/註冊 及經營地點	Nominal value of issued ordinary/ paid-up/registered share capital 已發行普通/ 繳足/註冊股本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Newchamp Industries Limited ** ("Newchamp") 新中港實業有限公司** (「新中港」)	Hong Kong 香港	HK\$30,000,000 30,000,000 港元	–	100%	Trading of sewing threads 縫紉線貿易
Cheerful Keen Limited *	BVI 英屬處女群島	US\$1 1 美元	–	100%	Trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝 輔料貿易
Guangzhou Xinhua Thread Company Limited*** ("Guangzhou Xinhua") 廣州新華線業有限公司*** (「廣州新華」)	People's Republic of China (the "PRC")/ Mainland China 中華人民共和國 (「中國」)/ 中國內地	HK\$56,250,000 56,250,000 港元	–	100%	Manufacture and trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝 輔料生產及貿易
申西辰鑫企業(上海)有限公司*** ("Shen You Chenxin") 申西辰鑫企業(上海)有限公司*** (「申西辰鑫」)	PRC/Mainland China 中國/中國內地	HK\$5,000,000 5,000,000 港元	–	100%	Investment holding 投資控股
杭州新裕線業有限公司	PRC/Mainland China 中國/中國內地	RMB500,000 人民幣 500,000 元	–	100%	Trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝輔料貿易

\* No audited financial statements have been prepared for the companies since the dates of their respective incorporation as these companies are either not subject to statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation or have not been involved in any significant business transactions.

\*\* The statutory financial statements of these entities prepared under HKFRSs were audited by Ernst & Young, certified public accountants registered in Hong Kong.

\*\*\* Registered as wholly-foreign-owned enterprises under PRC law.

\* 由於該等公司毋須遵守註冊成立所在司法管轄區相關規則及法規的任何法定審核規定，亦未曾參與任何重大業務交易，故並無就該等公司編製註冊成立日期以來的經審核財務報表。

\*\* 該等實體根據香港財務報告準則編製的法定財務報表由香港執業會計師安永會計師事務所審核。

\*\*\* 根據中國法律註冊為外商獨資企業。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial asset at FVPL which has been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

### 2.1 編製基準

該等財務報表乃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」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計準則以及香港公司條例披露規定編製。該等財務報表按歷史成本慣例編製，惟按公允值計入損益的金融資產按公允值計量。除另有說明者外，該等財務報表以港元呈列，所有價值均已湊整至最接近千位。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度之財務報表。附屬公司為本公司直接或間接控制的實體(包括結構實體)。本集團因參與投資對象而可以或有權獲得不定回報，且可透過對投資對象行使權力改變回報(即本集團運用既有權利現時可以左右投資對象有關業務)時，視為擁有控制權。

如本公司直接或間接擁有投資對象投票權或類似權利不過半數，本集團衡量是否對投資對象有權力時，會考慮所有相關事實及情況，包括：

- (a) 投資對象其他投票權持有人的合約安排；
- (b) 其他合約安排的權利；及
- (c) 本集團的投票權及潛在投票權。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.1 BASIS OF PREPARATION (Continued)

#### Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.1 編製基準(續)

#### 綜合基準(續)

附屬公司使用與本公司一致的會計政策編製同一報告期間的財務報表。附屬公司的業績自本集團取得控制權之日起綜合入賬，並持續綜合入賬至有關控制權終止當日為止。

損益及其他全面收入的各組成部分會歸屬於本集團母公司擁有人及非控股權益，儘管這會導致非控股權益結餘錄得虧絀。有關本集團成員公司間交易的所有集團內資產及負債、權益、收入、開支以及現金流量於綜合入賬時悉數對銷。

倘事實及情況顯示上述三項控制因素的一項或多項出現變化，本集團會重新評估本身是否控制投資對象。並無失去控制權的附屬公司擁有權權益變動以權益交易入賬。

倘本集團失去附屬公司的控制權，則會終止確認：(i) 該附屬公司的資產(包括商譽)及負債，(ii) 任何非控股權益的賬面值及(iii) 計入權益的累計匯兌差額；並確認(i) 已收取代價的公允值，(ii) 任何保留投資的公允值及(iii) 所產生於損益確認的任何盈餘或虧絀。本集團應佔過往於其他全面收入確認的組成部分按與本集團直接出售相關資產或負債所需相同基準重新分類至損益或保留溢利(如適用)。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9, HKFRS 15 and Amendments to HKFRS 15, the adoption of the above new and revised standards has had no significant financial effect on the financial statements of the Group.

**(a)** HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The adoption of the hedge accounting requirements of HKFRS 9 has had no impact on the Group's financial statements as the Group does not have any hedging instruments.

### 2.2 會計政策及披露變動

本集團首次於本年度財務報表採納下述新訂及經修訂香港財務報告準則。

香港財務報告準則第2號(修訂本)	股份付款交易的分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具及香港財務報告準則第4號保險合約
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
香港財務報告準則第15號(修訂本)	香港財務報告準則第15號來自客戶合約的收益的澄清
香港會計準則第40號(修訂本)	轉讓投資物業
香港(國際財務報告詮釋委員會)一詮釋第22號	外幣交易及預付代價
二零一四年至二零一六年週期年度改進	香港財務報告準則第1號及香港會計準則第28號的修訂

除下文關於香港財務報告準則第9號、香港財務報告準則第15號及香港財務報告準則第15號(修訂本)之闡述者外，採納以上新訂及經修訂準則並無對本集團財務報表造成重大財務影響。

**(a)** 香港財務報告準則第9號金融工具於二零一八年一月一日或之後開始之年度期間取代香港會計準則第39號金融工具：確認及計量，由此匯集有關金融工具會計處理之全部三個方面：分類及計量、減值以及對沖會計處理。由於本集團並無任何對沖工具，採納香港財務報告準則第9號規定的對沖會計處理並無影響本集團的財務報表。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

#### (a) (continued)

The Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

#### Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

Upon the adoption of HKFRS 9, the Group reclassified its available-for-sale investment to financial asset at FVPL and reclassified the cumulative unrealised loss arising from the changes in fair value of the available-for-sale financial asset before the adoption of HKFRS 9 of HK\$825,000 from "available-for-sale investment revaluation reserve" to "accumulated losses". Financial assets classified as loans and receivables under HKAS 39 were reclassified as financial assets at amortised cost under HKFRS 9. No impact of classification and measurement of financial liabilities was noted as at 1 January 2018.

#### Impairment

The Group has re-measured its opening impairment allowances for trade receivables under HKAS 39 from HK\$112,000 to HK\$427,000 of ECL allowances under HKFRS 9 as at 1 January 2018, which resulted in an increase of HK\$285,000 in accumulated losses and an increase of HK\$30,000 in deferred tax assets.

### 2.2 會計政策及披露變動(續)

#### (a) (續)

本集團已就於二零一八年一月一日之適用期初權益結餘確認過渡調整。因此並無重列比較資料，並繼續根據香港會計準則第39號呈報。

#### 分類及計量

以下資料載列採納香港財務報告準則第9號對財務狀況表的影響，包括以香港財務報告準則第9號的預期信貸虧損(「預期信貸虧損」)取代香港會計準則第39號的已產生信貸虧損計算的影響。

於採納香港財務報告準則第9號後，本集團將其可供出售投資重新分類至按公允值計入損益的金融資產，並將採納香港財務報告準則第9號前可供出售金融資產的公允值變動所產生的累計未變現虧損825,000港元由「可供出售投資重估儲備」重新分類至「累計虧損」。根據香港會計準則第39號分類為貸款及應收款項的金融資產已根據香港財務報告準則第9號被重新分類為按攤銷成本計量的金融資產。於二零一八年一月一日，本集團並無注意到對財務負債分類及計量的影響。

#### 減值

於二零一八年一月一日，本集團已將其於香港會計準則第39號項下的應收交易款項期初減值撥備112,000港元重新計量為香港財務報告準則第9號項下的預期信貸虧損撥備427,000港元，致使累計虧損上升285,000港元及遞延稅項資產上升30,000港元。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in notes 3 and 5 to the financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018. Upon the adoption of HKFRS 15, the Group reclassified the advanced payments from customers to “Contract liabilities” within the account “Other payables and accruals”, which were reclassified as “Advances from customers” within the account “Other payables and accruals”. The amendments have had no other impact on the financial position or performance of the Group.

### 2.2 會計政策及披露變動(續)

(b) 香港財務報告準則第15號及其修訂取代香港會計準則第11號建築合約、香港會計準則第18號收益及相關詮釋，而其適用(訂有有限的例外情況)於所有客戶合約收益。香港財務報告準則第15號訂立全新五個步驟模式，以就客戶合約收益入賬。根據香港財務報告準則第15號，收益按能反映實體預期有權就向客戶轉移貨物或服務換取的代價金額進行確認。香港財務報告準則第15號的原則為計量及確認收益提供更具結構的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額、關於履約責任的資料、合約資產及負債賬目結餘於各期間的變動以及主要判斷及估計。有關披露已載入財務報表附註3及5。由於應用香港財務報告準則第15號，本集團對財務報表附註2.4所載有關收益確認之會計政策亦作出修改。

本集團已經以修訂後的追溯採納方法採納香港財務報告準則第15號。根據此方法，該準則既可以應用於初始應用日期的所有合約，也可以僅應用於此日未完成的合約。本集團已選擇將該準則應用於二零一八年一月一日尚未完成的合約。採納香港財務報告準則第15號後，本集團將客戶墊款由「其他應付款項及應計費用」項下賬目的「客戶墊款」重新分類至「其他應付款項及應計費用」項下賬目的「合約負債」。有關修訂並無對本集團的財務狀況或表現造成其他影響。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i> <sup>2</sup>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
HKFRS 16	<i>Leases</i> <sup>1</sup>
HKFRS 17	<i>Insurance Contracts</i> <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> <sup>2</sup>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> <sup>1</sup>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> <sup>1</sup>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> <sup>1</sup>
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 <sup>1</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2019
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2020
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>4</sup> No mandatory effective date yet determined but available for adoption

Other than explained below regarding the impact of HKFRS 16, the Group expects that the adoption of the above new and revised standards will have no significant impact on these financial statements.

### 2.3 已頒佈但尚未生效之香港財務報告準則

本集團並未於本財務報表內應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第3號(修訂本)	業務的定義 <sup>2</sup>
香港財務報告準則第9號(修訂本)	具有負補償的提前還款特性 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號(二零一一年)(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>4</sup>
香港財務報告準則第16號	租賃 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義 <sup>2</sup>
香港會計準則第19號(修訂本)	計劃修訂、縮減或支付 <sup>1</sup>
香港會計準則第28號(修訂本)	聯營公司及合營企業的長期權益 <sup>1</sup>
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理方法的不確定性 <sup>1</sup>
二零一五年至二零一七年週期年度改進	對香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號的修訂 <sup>1</sup>

- <sup>1</sup> 於二零一九年一月一日或之後開始的年度期間生效
- <sup>2</sup> 於二零二零年一月一日或之後開始的年度期間生效
- <sup>3</sup> 於二零二一年一月一日或之後開始的年度期間生效
- <sup>4</sup> 並未釐定強制生效日期，但可提早採納

除下文詳述的香港財務報告準則第16號的影響外，本集團預期採納上述新訂及經修訂準則對該等財務報表並無重大影響。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating

### 2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)一詮釋第4號釐定安排是否包括租賃、香港(常務詮釋委員會)一詮釋第15號經營租賃 — 優惠及香港(常務詮釋委員會)一詮釋第27號評估涉及租賃法律形式的交易內容。該準則載列確認、計量、呈列及披露租賃的原則，要求承租人就多數租賃確認資產及負債。該準則包括兩項承租人可選擇的確認豁免 — 低價值資產租賃及短期租賃。於租賃開始日期，承租人將於租期支付的租金確認為負債(即租賃負債)及將使用相關資產的權利確認為資產(即使用權資產)。除非使用權資產符合香港會計準則第40號投資物業的定義，或者關係到重估模型適用的一類物業、廠房及設備，否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後因應租賃負債利息而增加及因支付租金而減少。承租人須分別確認租賃負債的利息開支及使用權資產的折舊開支。承租人亦須於發生若干事件(例如租期變更及釐定未來租金所用的指數或比率變更導致未來租金變動)時重新計量租賃負債。承租人通常將租賃負債的重新計量數額確認為使用權資產的調整。香港財務報告準則第16號大致維持香港會計準則第17號的出租人會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則分類所有租賃，將其分為經營租賃及融資租賃。香港財務報告準則第16號規定，承租人與出租人須基於香港會計準則第17號作出更廣泛的披露。承



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of HKFRS 16. The Group has estimated that right-of-use assets of HK\$4,384,000 and lease liabilities of HK\$5,827,000 will be recognised at 1 January 2019.

### 2.3 已頒佈但尚未生效之香港財務報告準則(續)

租人可選擇完全或調整追溯應用該準則。本集團將自二零一九年一月一日起採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號的過渡性條文，以將首次採納的累積效應確認為對二零一九年一月一日保留盈利期初結餘的調整，且不會重列比較。另外，本集團計劃將新要求應用於先前已確認應用香港會計準則第17號的租賃合約，並按剩餘租賃付款採用本集團於首次應用日期的增量借款利率貼現的現值計量租賃負債。使用權將按租賃負債金額計量，並就於緊接首次應用日期前於財務狀況表中確認的與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃就租期於截至首次應用日期12個月內終止的租賃合約採用相關標準准許的豁免。於二零一八年，本集團已詳細評估採納香港財務報告準則第16號的影響。本集團估計，4,384,000港元的使用權資產及5,827,000港元的租賃負債將於二零一九年一月一日確認。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

### 2.4 主要會計政策概要

#### 業務合併及商譽

業務合併乃以購買法入賬。轉讓代價乃以收購日期公允值計量，該公允值為本集團所轉讓資產於收購日期的公允值、本集團向被收購方前擁有人承擔的負債及本集團發行以換取被收購方控制權的股本權益總和。於各業務合併中，本集團選擇是否以公允值或被收購方可識別淨資產的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔淨資產的現有所有權權益。非控股權益的所有其他組成部分均按公允值計量。收購相關成本於產生時列為開支。

當本集團收購業務時，須根據合約條款、收購日期的經濟環境及相關條件對所承擔金融資產及負債進行評估，以適當分類及確認，包括將嵌入式衍生工具與被收購方主合約分開。

如業務合併分階段實現，早前持有的股權按收購日期的公允值重新計量，因此產生的任何收益或虧損於損益確認。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations and goodwill (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

### 2.4 主要會計政策概要(續)

#### 業務合併及商譽(續)

收購方將予轉讓的任何或然代價乃按收購日期的公允值確認。分類為資產或負債的或然代價按公允值計量，公允值變動於損益確認。分類為權益的或然代價不予重新計量，而後結算於權益入賬。

商譽初步按成本(即所轉讓代價、就非控股權益確認的金額及本集團早前於被收購方持有的股權公允值的總額，超出所收購可識別資產淨值及所承擔負債的部分)計量。如該代價與其他項目的總和低於所收購淨資產的公允值，差額經重新評估後於損益確認為議價購買收益。

初步確認後，商譽按成本減任何累計減值虧損入賬。商譽每年進行減值測試，如有事件或情況變化表明賬面值可能減值，則更頻繁地進行減值測試。本集團於十二月三十一日對商譽進行年度減值測試。就減值測試而言，業務合併中收購的商譽自收購日期起分配至預期受益於合併協同效益的本集團各現金產生單位或現金產生單位組別(不論本集團其他資產或負債是否分配予該等單位或單位組別)。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations and goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

#### Fair value measurement

The Group measures its financial asset at FVPL at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

### 2.4 主要會計政策概要(續)

#### 業務合併及商譽(續)

減值透過評估商譽涉及的現金產生單位(現金產生單位組別)的可收回金額而釐定。如現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。就商譽確認的減值虧損不會於隨後期間撥回。

如商譽分配予現金產生單位(或現金產生單位組別)，且該單位內部分經營被出售，則與被出售經營有關的商譽在釐定出售收益或虧損時計入經營的賬面值。在此情況下，被出售的商譽基於所出售經營及所保留現金產生單位部分的相對價值計量。

#### 公允值計量

本集團於各報告期末按公允值計量按公允值計入損益的金融資產。公允值為市場參與者於計量日期在有序交易中出售資產時收取或轉讓負債時支付的價格。公允值計量乃基於假定出售資產或轉讓負債的交易於資產或負債的主要市場中進行，倘無主要市場，則於資產或負債的最有利市場進行。主要或最有利市場必須為本集團可進入的市場。資產或負債的公允值乃按對資產或負債定價時市場參與者採用的假設計量，並假設市場參與者以彼等最佳經濟利益行事。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.4 主要會計政策概要(續)

#### 公允值計量(續)

本集團採用於任何情況下屬適當且有足夠數據的估值方法計量公允值，並盡量使用有關可觀察輸入數據和盡量避免使用不可觀察輸入數據。

於財務報表中計量或披露公允值的所有資產及負債在公允值層級(如下所述)中，根據對整體公允值計量而言屬重大的最低層級輸入數據進行分類：

- 第一級 — 根據相同資產或負債於活躍市場的報價(未經調整)
- 第二級 — 根據對公允值計量而言屬重大的最低層級可觀察(不論直接或間接)輸入數據的估值方法
- 第三級 — 根據對公允值計量而言屬重大的最低層級不可觀察輸入數據的估值方法

就按經常基準於財務報表中確認的資產及負債而言，本集團於各報告期末重新評估分類方法(根據對整體公允值計量而言屬重大的最低層級輸入數據)，以釐定各層級之間有否發生轉移。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

### 2.4 主要會計政策概要(續)

#### 非金融資產減值

倘資產出現減值跡象，或須對資產進行年度減值測試(不包括存貨及金融資產)，則會估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值與其公允值減出售成本兩者的較高者計算，並以個別資產釐定，除非有關資產並不產生很大程度上獨立於其他資產或資產組合現金流入的現金流入，在此情況下須就有關資產所屬的現金產生單位釐定可收回金額。

僅當資產的賬面值超過其可收回金額時，方會確認減值虧損。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，而該折現率反映市場當時所評估的貨幣時間價值及該資產的特定風險。減值虧損按與減值資產功能相符的開支類別於產生期間自損益扣除。

本集團於各報告期末評估有否任何跡象顯示過往確認的減值虧損可能不復存在或有所減少。如有任何該等跡象，則會估計可收回金額。先前就資產(商譽除外)確認的減值虧損，僅於用以釐定該資產可收回金額的估計有變時予以撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應釐定的賬面值(扣除任何折舊/攤銷)。減值虧損撥回於產生期間計入損益表。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group 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;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);

### 2.4 主要會計政策概要(續)

#### 關聯方

在下列情況下，一方視為與本集團有關聯：

- (a) 該方為某人士或其關係密切的家庭成員，且該人士
  - (i) 對本集團有控制權或共同控制權；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 該方為符合下列任何條件的實體：
  - (i) 該實體與本集團為同一集團的成員公司；
  - (ii) 一個實體為另一實體(或該實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營企業；
  - (iii) 該實體與本集團為同一第三方的合營企業；
  - (iv) 一個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；
  - (v) 該實體為以本集團或與本集團有關聯實體的僱員為受益人的離職後福利計劃；
  - (vi) 該實體由(a)項界定的人士控制或共同控制；



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties (Continued)

(b) (Continued)

- (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); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

### 2.4 主要會計政策概要(續)

#### 關聯方(續)

(b) (續)

- (vii) (a)(i)項界定的人士對該實體有重大影響力，或該人士為該實體(或該實體的母公司)的主要管理人員；及
- (viii) 該實體或其所屬集團任何成員公司為本集團或其母公司提供主要管理人員服務。

#### 物業、廠房及設備與折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括購買價及使資產達到擬定用途運作狀態及地點的任何直接應佔成本。

物業、廠房及設備項目投入運作後產生的維修及保養等開支，通常於產生期間自損益表扣除。於符合確認標準的情況下，大型檢測開支撥充為資產的賬面值，作為重置成本。倘物業、廠房及設備的主要部分須定期替換，則本集團將該等部分確認為具特定使用年期的個別資產，並相應計提折舊。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Production machinery	10% to 20%
Office equipment	20% to 30%
Leasehold improvements	20%
Vehicles	20% to 30%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents plants and machinery under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

### 2.4 主要會計政策概要(續)

#### 物業、廠房及設備與折舊(續)

折舊乃按每項物業、廠房及設備之估計可使用年期，以直線法將其成本撇銷至剩餘價值計算。就此採用之主要年利率如下：

生產機械	10%至20%
辦公設備	20%至30%
租賃改良	20%
汽車	20%至30%

倘物業、廠房及設備項目各部分的可使用年期有別，該項目的成本按合理基準分配至不同部分且個別進行折舊。剩餘價值、可使用年期及折舊方法至少須於各財政年度末進行審查及調整(如適用)。

初始確認的物業、廠房及設備項目(包括任何重大部分)於出售後或預期使用或出售不會產生未來經濟利益時終止確認。於資產終止確認年度在損益表確認的任何出售或報廢盈虧，按有關資產的出售所得款項淨額與賬面值的差額計算。

在建工程指在建的廠房及機械，按成本減任何減值虧損列賬而不計提折舊。成本包括直接建設成本。在建工程於竣工可使用時重新分類至適當的物業、廠房及設備類別。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are credited to the statement of profit or loss on the straight line basis over the lease term. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms. Prepaid lease payments for buildings under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

#### Finance leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

### 2.4 主要會計政策概要(續)

#### 經營租賃

凡資產擁有權絕大部分回報及風險仍屬出租人所有的租賃，均計入經營租賃。倘本集團為出租人，本集團根據經營租賃出租的資產乃於租期內以直線法計入損益表內。倘本集團為承租人，根據經營租賃應付的租金在扣除出租人給予的任何獎勵後於租期內以直線法自損益表中扣除。經營租賃項下的樓宇預付租賃款項乃初步按成本值列賬，並隨後以直線法於租期內確認。

#### 融資租賃

將資產擁有權(法定業權除外)的絕大部份回報與風險轉嫁予本集團的租賃均列為融資租賃。訂立融資租賃時，租賃資產的成本按最低租金的現值撥作資本，並連同承擔(扣除利息部份)入賬，以反映購入及融資情況。根據資本化融資租賃持有之資產(包括根據融資租賃的預付土地租賃款項)均計入物業、廠房及設備，並按資產之租期或估計年期(以較短者為準)折舊。該等租賃之融資成本乃於損益表按租期以固定比率扣除。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss. The Group's financial assets include trade receivables, financial assets included in prepayments, other receivables and other assets, financial asset at FVPL and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

### 2.4 主要會計政策概要(續)

投資及其他金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策)

##### 初始確認及計量

金融資產於初始確認時分類為其後按攤銷成本、按公允值計入其他全面收入及按公允值計入損益計量。本集團的金融資產包括應收交易款項、計入預付款項、其他應收款項及其他資產的金融資產、按公允值計入損益的金融資產以及現金及現金等價物。

金融資產於初始確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式。除並無重大融資部分或本集團並未就此應用不調整重大融資部分影響實際權宜方法的應收交易款項外，本集團初步按其公允值加交易成本(倘並非按公允值計入損益的金融資產)計量金融資產。如下文「收益確認(自二零一八年一月一日起適用)」所載政策，並無重大融資部分或本集團並未就此應用實際權宜方法的應收交易款項按香港財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公允值計入其他全面收入進行分類及計量，需產生僅為支付本金及未償還本金利息(「SPPI」)的現金流量。

本集團管理金融資產的業務模式指為產生現金流量管理金融資產的方式。業務模式釐定現金流量會否來自收取合約現金流量、出售金融資產或兩者兼有。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

##### Initial recognition and measurement (Continued)

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 marketplace.

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

### 2.4 主要會計政策概要(續)

投資及其他金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策)(續)

##### 初始確認及計量(續)

所有常規方式買賣的金融資產於交易日(即本集團承諾買賣該資產之日)確認。常規方式買賣指通常須於法規或市場慣例約定的期間內交付資產的金融資產買賣。

##### 後續計量

金融資產的後續計量視乎以下分類而定：

##### *按攤銷成本計量的金融資產*

倘符合以下兩項條件，則本集團會按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益中確認。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

##### Subsequent measurement (continued)

##### *Financial assets at FVPL*

Financial assets at FVPL 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.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes a life insurance policy which the Group had not irrevocably elected to classify at fair value through other comprehensive income.

### 2.4 主要會計政策概要(續)

投資及其他金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策)(續)

後續計量(續)

##### 按公允值計入損益的金融資產

按公允值計入損益的金融資產包括持作買賣的金融資產，於初始確認時指定按公允值計入損益的金融資產，或強制要求按公允值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式如何，均按公允值計入損益分類及計量。

按公允值計入損益的金融資產按公允值於財務狀況表列賬，而公允值變動淨額於損益表中確認。

該類別包括本集團並無不可撤銷地選擇按公允值計入其他全面收入進行分類的壽險保單。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

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 marketplace.

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the consolidated statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in other expenses.

### 2.4 主要會計政策概要(續)

投資及其他金融資產(於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)

##### 初始確認及計量

於初始確認時，金融資產分類為貸款及應收款項以及可供出售金融投資(倘適用)。金融資產在初始確認時以公允值加收購金融資產應佔交易成本計量。

所有常規方式買賣的金融資產於交易日(即本集團承諾買賣該資產之日)確認。常規方式買賣指通常須於法規或市場慣例約定的期間內交付資產的金融資產買賣。

##### 後續計量

金融資產的後續計量視乎以下分類而定：

##### 貸款及應收款項

貸款及應收款項指付款金額固定或可釐定且無活躍市場報價的非衍生金融資產。於初始計量後，該等資產其後以實際利率法按攤銷成本減任何減值準備計量。計算攤銷成本時計及收購時的任何折價或溢價，並包括屬於實際利率一部分的費用或成本。實際利率攤銷計入綜合損益表的其他收入及收益。減值產生的虧損於損益表的其他開支確認。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

##### Subsequent measurement (continued)

##### Available-for-sale financial investments

The Group's available-for-sale financial investment is a non-derivative financial asset in a life insurance policy.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income or other expenses, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or other losses. Interest earned whilst holding the available-for-sale financial investments is reported as interest income and is recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

### 2.4 主要會計政策概要(續)

投資及其他金融資產(於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)(續)

後續計量(續)

可供出售金融投資

本集團的可供出售金融投資為壽險保單中的非衍生金融資產。

初始確認後，可供出售金融投資其後按公允值計量，而未變現收益或虧損於可供出售投資重估儲備內確認為其他全面收入，直至終止確認該投資為止(此時累計收益或虧損於損益表的其他收入或其他開支內確認)，或直至認定該投資發生減值為止(此時累計收益或虧損可供出售投資重估儲備重新分類至損益表的其他收益或其他虧損內)。按照下文「收益確認(於二零一八年一月一日前適用)」所載的政策，持有可供出售金融投資賺取的利息作為利息收入於損益表確認為其他收入。

本集團評估是否在短期內有能力及意圖出售其可供出售金融資產。在極少數情況下，倘本集團由於非活躍的市場而不能交易該等金融資產，而管理層在可預見未來或於到期日前有能力及意圖持有該等金融資產，本集團或會選擇重新分類該等金融資產。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

##### Subsequent measurement (continued)

##### Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

#### Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### 2.4 主要會計政策概要(續)

投資及其他金融資產(於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)(續)

後續計量(續)

可供出售金融投資(續)

倘金融資產自可供出售類別重新分類，則重新分類當日的公允值賬面值為其新攤銷成本，先前於權益確認的該資產的收益或虧損採用實際利率法按剩餘投資年期在損益攤銷。新攤銷成本與到期金額的差額亦採用實際利率法於資產剩餘年期內攤銷。倘該資產後續被認定減值，於權益入賬的金額需重新分類至損益表。

終止確認金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策及於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)

金融資產(或(如適用)金融資產的一部分或一組類似金融資產的一部分)主要在下列情況下終止確認(即從本集團綜合財務狀況表中移除):

- 自資產收取現金流量的權利已屆滿; 或
- 本集團已轉讓自資產收取現金流量的權利，或已根據「轉付」安排承擔在無重大延誤的情況下將全數所得現金流量支付予第三方的責任; 及(a)本集團已轉讓資產的絕大部分風險及回報，或(b)本集團並無轉讓亦無保留資產的絕大部分風險及回報，惟已轉讓資產的控制權。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 before 1 January 2018) (Continued)**

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### **Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)**

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### 2.4 主要會計政策概要(續)

終止確認金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策及於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)(續)

倘本集團已轉讓自資產收取現金流量的權利，或已訂立轉付安排，則會評估其有否保留該項資產的擁有權風險及回報以及保留的程度。倘本集團並無轉讓亦無保留資產的絕大部分風險及回報，亦無轉讓資產的控制權，則本集團持續以繼續參與該資產為限確認所轉讓資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留權利及責任的基準計量。

持續參與指就已轉讓資產作出之保證，乃以該項資產之原賬面值與本集團須償還之代價數額上限之較低者計量。

金融資產減值(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策)

本集團就所有並非按公允值計入損益持有的債務工具確認預期信貸虧損撥備。預期信貸虧損乃以根據合約應付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為基準，按原有實際利率的近似值貼現。預期現金流量將包括來自銷售所持抵押品的現金流量或其他組成合約條款的信用提升措施。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

##### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

### 2.4 主要會計政策概要(續)

#### 金融資產減值(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策)(續)

##### 一般方法

預期信貸虧損於兩個階段進行確認。就自初步確認後並無顯著增加的信貸風險而言，預期信貸虧損就可能於未來12個月內(12個月預期信貸虧損)出現的違約事件計提撥備。對於自初步確認後有顯著增加的信貸風險，須在信貸虧損風險預期的剩餘年期計提虧損撥備，而不論違約事件於何時發生(全期預期信貸虧損)。

於各報告日期，本集團於評估自初始確認後金融工具的信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較，本集團會考慮毋需付出不必要的成本或努力而可取得之合理可支持的資料，包括過往及前瞻性資料。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

##### General approach (Continued)

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

### 2.4 主要會計政策概要(續)

#### 金融資產減值(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策)(續)

##### 一般方法(續)

本集團將合約付款逾期365日的金融資產視作違約。然而，在若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸提升安排前悉數收回未償還合約金額時，本集團亦可能將該金融資產視為違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

- 第一階段 — 自初始確認以來信貸風險並無顯著增加且虧損撥備按相等於12個月預期信貸虧損之金額計量的金融工具
- 第二階段 — 自初始確認以來信貸風險顯著增加(但並非信貸減值之金融資產)且虧損撥備按相等於全期預期信貸虧損之金額計量的金融工具
- 第三階段 — 於報告日期發生信貸減值(但並非購入或源自信貸減值)且虧損撥備按相等於全期預期信貸虧損之金額計量的金融資產



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

##### Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

#### Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### 2.4 主要會計政策概要(續)

#### 金融資產減值(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策)(續)

##### 簡化方法

對於不含重大融資部分的應收交易款項及合約資產，或當本集團應用可行權宜方法並未就重大融資部分的影響作出調整時，本集團在計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追蹤信貸風險的變動，但會根據於各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣，並按債務人及經濟環境的前瞻性因素作出調整。

就包含重大融資部分的應收交易款項及合約資產以及租賃應收款項而言，本集團選擇上文所述的政策作為其會計政策，以於計算預期信貸虧損時採用簡化方法。

#### 金融資產減值(於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)

本集團於各報告期末評估有否客觀證據顯示一項金融資產或一組金融資產出現減值。倘於資產初始確認後發生一項或多項事件對該項金融資產或該組金融資產的估計未來現金流量造成影響，而該影響能可靠估計，則出現減值。減值跡象可能包括單個債務人或一組債務人正面臨重大財務困難、違約或拖欠利息或本金還款、可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

##### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

### 2.4 主要會計政策概要(續)

金融資產減值(於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)(續)

##### 按攤銷成本入賬的金融資產

對於按攤銷成本入賬的金融資產，本集團首先按個別基準就個別屬重大的金融資產或按組合基準就個別不重大的金融資產，評估是否存在減值。倘本集團釐定個別評估的金融資產並無客觀憑證顯示存在減值，則無論重大與否，均須將該項資產歸入一組具有相似信貸風險特徵的金融資產內，整體評估該組金融資產是否存在減值。經個別評估減值且會確認或繼續確認減值虧損的資產，不進行整體減值評估。

已識別任何減值虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)現值之間的差額計量。估計未來現金流量的現值按金融資產初始實際利率(即首次確認時計算的實際利率)折現。

該資產的賬面值通過使用準備賬減少，而虧損於損益表確認。利息收入通過採用計量減值虧損時用以折現未來現金流量的利率於減少後的賬面值中持續累計。若日後收回的機會極低，且所有抵押品已變現或轉讓予本集團，則撇銷貸款及應收款項連同任何相關準備。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

##### Financial assets carried at amortised cost (Continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

##### Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

### 2.4 主要會計政策概要(續)

金融資產減值(於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)(續)

##### 按攤銷成本入賬的金融資產(續)

倘於其後期間估計減值虧損金額由於確認減值後發生的事件而增加或減少，則透過調整準備賬增加或減少先前確認的減值虧損。倘於其後收回撇銷，該項收回計入損益表的其他開支內。

##### 可供出售金融投資

就可供出售金融投資而言，本集團於各報告期末評估有否客觀證據表明該投資或一組投資發生減值。

當可供出售資產減值時，其成本(扣除任何本金付款和攤銷)和現有公允值的差額，減之前於損益表確認的任何減值虧損，將自其他全面收入移除，並在損益表中確認。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

##### Initial recognition and measurement

The Group's financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All the Group's financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals and interest-bearing bank borrowings.

##### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

### 2.4 主要會計政策概要(續)

金融負債(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策及於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)

##### 初始確認及計量

本集團的金融負債於初始確認時分類為貸款及借款或應付款項(如適用)。

本集團所有的金融負債初始按公允值確認，並扣除直接應佔交易成本。

本集團的金融負債包括應付交易款項、計入其他應付款項及應計費用的金融負債和計息銀行借款。

##### 後續計量

金融負債的後續計量視乎如下分類而定：

##### 貸款及借款

初始確認後，計息貸款及借款其後採用實際利率法按攤銷成本計量，如貼現影響並不重大，則按成本列賬。收益及虧損於終止確認負債時於損益確認，亦採用實際利率通過攤銷確認。

計算攤銷成本時已計及任何收購折讓或溢價和實際利率所包含的費用或成本。實際利率攤銷計入損益表的融資成本。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

### 2.4 主要會計政策概要(續)

#### **終止確認金融負債(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策及於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)**

金融負債於負債的責任解除、取消或屆滿時終止確認。

倘現有金融負債被另一項由同一放貸人提供而絕大部分條款不同的負債所取代，或現有負債的條款經大幅修改，則有關取代或修改視為終止確認原有負債及確認新負債，而相關賬面值的差額會於損益表確認。

#### **抵銷金融工具(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策及於二零一八年一月一日之前適用的香港會計準則第39號項下的政策)**

倘現時有可執行合法權利抵銷已確認金額，且有意按淨額基準結算或同時變現資產及償還負債，則可抵銷金融資產與金融負債，並於財務狀況表呈報淨額。

#### **存貨**

存貨按成本及可變現淨值兩者的較低者列賬。成本按加權平均基準釐定。如屬在製品及成品，成本則包括直接物料費用、直接人工成本及適當比例的經常費用。可變現淨值乃根據估計售價減完工與出售所涉估計成本計算。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and cash equivalents

Cash and cash equivalents For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries/jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

### 2.4 主要會計政策概要(續)

#### 現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金與活期存款，以及可隨時兌換為確定金額現金及所涉價值變動風險不高，且一般自取得起計三個月內到期的短期高流動性投資，再扣除須按要求償還且構成本集團現金管理不可缺少部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的手頭及銀行現金(包括定期存款)及性質與現金類似的資產。

#### 所得稅

所得稅包括即期及遞延稅項。與於損益外確認的項目相關的所得稅於損益外確認，即於其他全面收入或直接於權益中確認。

即期稅項資產及負債乃以各報告期末已實施或實質上實施的稅率(及稅法)，經計及本集團經營所在國家／司法管轄區的現行詮釋及慣例，按預期可自稅務當局收回或向其支付的數額計算。

遞延稅項以負債法，就於各報告期末的資產及負債的稅基與作財務申報用途的賬面值之間的所有暫時差額計提撥備。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

### 2.4 主要會計政策概要(續)

#### 所得稅(續)

遞延稅項負債就所有應課稅暫時差額予以確認入賬，惟下列情況除外：

- 遞延稅項負債源於初始確認商譽或一項交易中(並非業務合併)的資產或負債，而於該項交易進行時概不影響會計利潤或應課稅利潤或虧損；及
- 就與於附屬公司的投資有關的應課稅暫時差額而言，暫時差額的撥回時間可予控制而該暫時差額於可見未來很有可能不會撥回。

遞延稅項資產乃就所有可扣減暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損予以確認。遞延稅項資產在有可能有應課稅利潤用以抵銷可扣減暫時差額及結轉未動用稅項抵免及未動用稅項虧損的情況下予以確認，惟下列情況除外：

- 有關可扣減暫時差額的遞延稅項資產源於初始確認一項交易中(並非一項業務合併)的資產或負債，而於該項交易進行時不影響會計利潤或應課稅利潤或虧損；及
- 就與於附屬公司的投資有關的可扣減暫時差額而言，遞延稅項資產只會於暫時差額有可能將會於可預見未來撥回及有應課稅利潤可用以抵扣暫時差額的情況下予以確認。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (Continued)

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2.4 主要會計政策概要(續)

#### 所得稅(續)

遞延稅項資產的賬面值於各報告期末檢討，並在不再可能有足夠應課稅利潤以允許動用全部或部分遞延稅項資產時，則相應扣減其賬面值。未確認遞延稅項資產於各報告期末重新評估，以及如很有可能具有足夠應課稅利潤可收回全部或部分遞延稅項資產則會予以確認。

遞延稅項資產及負債按預期適用於資產變現或負債清償期間的稅率計算，而該稅率則按各報告期末已實施或實質上實施的稅率(及税法)計算。

當且僅當本集團擁有法定行使權可將當期稅項資產與當期稅項負債相互抵銷及遞延稅項資產與遞延稅項負債與由同一稅務機關對同一應課稅實體或不同的應課稅實體所徵收的所得稅有關，而該等實體有意在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準清償當期稅項負債及資產，或同時變現該資產及清償該負債，即遞延稅項資產可與遞延稅項負債互相抵銷。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (applicable from 1 January 2018)

##### Revenue from contracts with customers

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.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

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 amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer 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.

### 2.4 主要會計政策概要(續)

#### 收益確認(於二零一八年一月一日起適用)

##### 來自客戶合約的收益

來自客戶合約的收益乃於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至可變代價相關的不確定因素隨後得到解決時已確認的累計收益金額極有可能不會發生重大收益撥回為止。

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，使用貼現率折現，該貼現率將反映在本集團與客戶在合同開始時的單獨融資交易中。當合約中包含融資部分，而該融資部分為本集團提供一年以上的重大財務利益時，合約項下確認的收益包括按實際利息法在合約負債上加算的利息開支。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格不會對重大融資部分的影響作出調整，惟採用香港財務報告準則第15號中實際權宜法計量。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (applicable from 1 January 2018) (Continued)

##### Sale of industrial products

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products.

##### Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

##### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

### 2.4 主要會計政策概要(續)

#### 收益確認(於二零一八年一月一日起適用)(續)

##### 銷售工業產品

銷售工業產品所得收益乃於資產的控制權轉讓予客戶時(一般為交付工業產品時)確認。

##### 其他來源的收益

租金收入按租期以時間比例基準確認。

##### 其他收入

利息收入按預提基準以實際利率法確認，方式為應用於金融工具之預期年期或較短期間(倘適用)將估計未來現金收入準確貼現至金融資產賬面淨值之利率。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) Rental income, on a time proportion basis over the lease terms; and
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

#### Contract assets (applicable from 1 January 2018)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### 2.4 主要會計政策概要(續)

#### 收益確認(於二零一八年一月一日之前適用)

收益於本集團預計可獲得經濟利益及於能可靠地計算收益時按下列基準確認：

- (a) 銷售貨品，於所有權之重大風險與回報已轉移予買方時予以確認，惟本集團對所售貨品並無保留一般與所有權程度相關之管理權及實際控制權；
- (b) 租金收入，按租期以時間比例基準計算；及
- (c) 利息收入，按預提基準以實際利率法確認之利息收入，方式為應用於金融工具之預期年期或較短期間(倘適用)將估計未來現金收入準確貼現至金融資產賬面淨值之利率。

#### 合約資產(自二零一八年一月一日起適用)

合約資產乃就換取已向客戶轉讓的貨品或服務而收取代價的權利。倘本集團於客戶支付代價或付款到期前將貨品或服務轉讓予客戶，則就附帶條件的已賺取代價確認合約資產。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### Employee benefits

##### Pension schemes

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

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

### 2.4 主要會計政策概要(續)

#### 合約負債(自二零一八年一月一日起適用)

合約負債指本集團因已向客戶收取代價(或代價款項已到期)，而須向客戶轉讓貨品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付代價，則於作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收益。

#### 僱員福利

##### 退休金計劃

本集團根據強制性公積金計劃條例為其合資格參與定額供款強制性公積金退休福利計劃(「強積金計劃」)之僱員實施強積金計劃。供款乃按僱員基本薪酬之百分比計算，在按強積金計劃之規則應予支付時於損益中扣除。強積金計劃之資產於獨立管理之基金與本集團資產分開持有。本集團之僱主供款於支付予強積金計劃後即全數歸屬於僱員。

本集團於中國內地經營之附屬公司的僱員須參與由相關地方市政府營辦之中央退休金計劃。該等附屬公司須根據員工薪金之一定百分比向中央退休金計劃供款。供款乃於根據中央退休金計劃之規則規定應付時在損益中扣除。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted.

### 2.4 主要會計政策概要(續)

#### 借貸成本

借貸成本於產生期間支銷，借貸成本包括本集團就借用資金產生的利息及其他成本。

#### 股息

末期股息於股東在股東大會上批准時確認為負債。建設末期股息於財務報表附註內披露。

中期股息同時建議及宣派，因為本公司組織章程大綱及細則已授予董事宣派中期股息的權利。因此，中期股息於建議及宣派時即時確認為負債。

#### 股份付款

本公司設有購股權計劃，以向為本集團業務成就作出貢獻的合資格參與者提供激勵及獎賞。本集團僱員(包括董事)以股份支付之方式收取酬金，而僱員則提供服務作為股本工具之代價(「權益結算交易」)。

就二零零二年十一月七日後之授出與僱員進行權益結算交易之成本乃參考授出日期之公允值計量。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

### 2.4 主要會計政策概要(續)

#### 股份付款(續)

權益結算交易之成本連同權益相應增幅於履行表現及／或服務條件期間在僱員福利開支確認。於各報告期末就權益結算交易確認累計開支，直至歸屬日期為止，以反映歸屬期已屆滿部分及本集團對最終將歸屬之股本工具數目之最佳估計。於期內自損益表扣除或計入之金額指於期初及期末確認之累計開支變動。

釐定獎勵於授出日期之公允值時並無考慮服務及非市場表現條件，惟達成條件之可能性獲評定為最終將歸屬為本集團股本工具數目之最佳估計之一部分。市場表現條件反映於授出日期之公允值。附帶於獎勵但並無相關服務要求之任何其他條件均被視為非歸屬條件。非歸屬條件於獎勵公允值反映並即時予以支銷，除非亦設有服務及／或表現條件則另作別論。

因未能達致非市場表現及／或服務條件而導致最終並無歸屬之獎勵不會確認開支。倘獎勵包括市場或非歸屬條件，則交易均被視為已歸屬，而不論市場或非歸屬條件是否達成，前提為所有其他表現及／或服務條件須已達成。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Share-based payments (Continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### 2.4 主要會計政策概要(續)

#### 股份付款(續)

倘權益結算獎勵之條款經修訂而獎勵之原有條款已達成，則最少須確認猶如條款並無修訂之開支。此外，倘任何修訂導致以股份支付於修訂日期計量之總公允值有所增加或對僱員有利，則就該等修訂確認開支。

倘權益結算獎勵遭註銷，則被視為已於註銷日期歸屬，而任何尚未就獎勵確認之開支均即時確認。此包括本集團或僱員控制範圍內之非歸屬條件未達成之任何獎勵。然而，倘授出新獎勵代替已註銷獎勵，並於授出日期指定為替代獎勵，則已註銷及新獎勵均按上一段所述被視為原有獎勵之修訂。

計算每股盈利時，未行使購股權之攤薄效應，反映為額外股份攤薄。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies

These financial statements are presented in HK\$, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

### 2.4 主要會計政策概要(續)

#### 外幣

該等財務資料以本公司功能貨幣港元呈報。本集團旗下各實體決定自身的功能貨幣，而計入各實體財務報表的項目均採用功能貨幣計量。本集團旗下實體入賬的外幣交易初始按其各自於交易日當時的功能貨幣匯率入賬。以外幣計值的貨幣資產及負債，按於各報告期末的功能貨幣匯率換算。結算或換算貨幣項目產生的差額於損益表確認。

以外幣按過往成本計量的非貨幣項目，採用初始交易日期的匯率換算。以外幣按公允值計量的非貨幣項目，採用計量公允值當日的匯率換算。換算以公允值計量的非貨幣項目所產生的收益或虧損視為等同於確認該項目公允值變動的收益或虧損(即於其他全面收入或損益確認公允值收益或虧損的項目的換算差額，亦於其他全面收入或損益確認)。

就終止確認與預付代價有關的非貨幣資產或非貨幣負債釐定初始確認相關資產、開支或收入所用的匯率時，初始交易日期為本集團初始確認預付代價所產生的非貨幣資產或非貨幣負債當日。倘涉及多筆預付款項或預收款項，則本集團釐定每次支付或收取預付代價的交易日期。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries are currencies other than HK\$. As at the end of the reporting period, the assets and liabilities of these entities are translated into HK\$ at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into HK\$ at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into HK\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into HK\$ at the weighted average exchange rates for the year.

### 2.4 主要會計政策概要(續)

#### 外幣(續)

若干海外附屬公司的功能貨幣為港元以外的貨幣。於各報告期末，該等實體的資產及負債按各報告期末當時的匯率換算為港元，其損益表按本年度加權平均匯率換算為港元。

所產生的匯兌差額於其他全面收入確認並於匯兌波動儲備累計。出售海外業務時，其他全面收入中與該特定海外業務有關的組成部分於損益表確認。

就綜合現金流量表而言，海外附屬公司的現金流量按產生現金流量當日的適用匯率換算為港元。海外附屬公司全年經常產生的現金流量則按當年的加權平均匯率換算為港元。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Withholding taxes arising from the distribution of dividends

The Group's determination as to whether to accrue for withholding taxes arising from the distribution of dividends from a subsidiary according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividends or on whether the subsidiary of the Group is determined to be a Chinese resident enterprise by the PRC governing tax authorities in the future. Management considered that it was probable that the Group's subsidiary in Mainland China would distribute retained profits in the foreseeable future, and accordingly a provision of nil (2017: HK\$215,000) for withholding tax was made as at 31 December 2018. Where the final outcome of these matters is different from the amounts originally rewarded, the difference will impact the deferred tax provision in the period in which the difference arises.

### 3. 重大會計判斷及估計

編製本集團財務報表需管理層作出影響所呈報收益、開支、資產與負債金額以及其附隨披露及或有負債披露的判斷、估計及假設。此等假設及估計的不確定性可能導致日後須對受影響的資產或負債的賬面值作出重大調整。

#### 判斷

於應用本集團的會計政策過程中，除涉及估計的判斷外，管理層已作出以下對財務報表內已確認金額有最重大影響的判斷：

#### 股息分派所產生的預扣稅

本集團於釐定是否依照相關稅務管轄區的規定計算因附屬公司分派股息而產生的預扣稅時，須就派付股息的時間或本集團附屬公司日後會否被中國稅務監管機關釐定為中國居民企業作出判斷。管理層認為，本集團於中國內地的附屬公司可能會於可預見未來分派保留溢利，因此，於二零一八年十二月三十一日並無計提預扣稅撥備(二零一七年：215,000港元)。倘該等事項的最終結果有別於原本授予的金額，有關差額將影響產生該差額期間的遞延稅項撥備。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography and customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 16 to the financial statements.

### 3. 重大會計判斷及估計(續)

#### 估計不確定因素

於各報告期末關於未來的主要假設及估計不確定因素的其他主要來源(具有導致須於下一個財政年度對資產及負債的賬面值作出重大調整的重大風險)論述如下。

#### 應收交易款項預期信貸虧損撥備

本集團使用撥備矩陣計算應收交易款項的預期信貸虧損。撥備率乃基於具有類似虧損模式(即按地區及客戶類型)的不同客戶分部組合逾期日數釐定。

撥備矩陣初步基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言，倘預測經濟環境(如本地生產總值)預期將於未來一年惡化，導致製造分部違約事件增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率將予更新，並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間的關連性進行的評估屬重大估計。預期信貸虧損金額對事態發展及經濟環境預測的變動較為敏感。本集團過往信貸虧損經驗及經濟環境預測亦未必能代表客戶日後的實際違約情況。有關本集團應收交易款項預期信貸虧損的資料已於財務報表附註16披露。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty (Continued)

##### Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit by applying key assumptions such as growth rate and gross profit margin and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are contained in notes 13 and 17 to the financial statements.

##### Deferred tax assets

Deferred tax assets are recognised for certain deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 22 to the financial statements.

### 3. 重大會計判斷及估計(續)

#### 估計不確定因素(續)

##### 非金融資產的減值

本集團於各報告期末評估所有非金融資產是否出現任何減值跡象。非金融資產於有跡象顯示賬面值可能無法收回時測試減值。資產或現金產生單位的賬面值超逾其可回收金額(為公允值減出售成本與使用價值兩者的較高者)，則存在減值。計量公允值減出售成本時，按以公平基準就類似資產進行具有約束力的銷售交易可得數據，或可觀察市價減出售資產的增量成本得出。計量使用價值時，管理層必須應用關鍵假設(如增長率及毛利率)估計來自資產或現金產生單位的預期未來現金流量，並選擇合適的貼現率，以計算該等現金流量的現值。進一步詳情載於財務報表附註13及17。

##### 遞延稅項資產

若干可扣減暫時差額及未動用稅項虧損均確認遞延稅項資產，且在有可能有未來應課稅利潤用以抵銷可扣減暫時差額及未動用稅項虧損的情況下予以確認。重大管理層判斷須基於未來應課稅利潤的可能時間安排及水平和未來稅收計劃策略決定可確認的遞延稅項資產的金額。進一步詳情載於財務報表附註22。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty (Continued)

##### Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on the estimated net realisable value of the inventories. The assessment of the provision requires management's judgement and estimates on market conditions based on latest selling price and recent orders received. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amounts of inventories and the write-down charge/write-back of inventories in the period in which such estimate has been changed. No impairment provision has been recognised for inventories as at the end of each reporting period. Further details are contained in note 15 to the financial statements.

### 4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and trading of high performance sewing threads and broad categories of garment accessories. For management purposes, the Group operates in one business unit and has one reportable operating segment, which is the thread segment that manufactures and sells sewing threads and garment accessories. Accordingly, no further operating segment information is presented.

### 3. 重大會計判斷及估計(續)

#### 估計不確定因素(續)

##### 撇減存貨至可變現淨值

撇減存貨至可變現淨值按存貨的估計可變現淨值作出。評估撥備要求管理層須基於近期售價及接獲的訂單對市況作出判斷和估計。倘日後的實際結果或預期有別於最初的估計，有關差異將會對存貨的賬面值造成影響，並須於估計有變的期間內作出存貨的撇減支出／撤回。於各報告期末，本集團概無就存貨確認減值撥備。進一步詳情載於財務報表附註15。

### 4. 經營分部資料

本集團主要從事生產及銷售優質縫紉線和各類服裝輔料。就管理目的而言，本集團經營一個業務單位並擁有一個呈報經營分部，即生產及銷售縫紉線及服裝輔料的線料分部。因此並無呈報經營分部的其他資料。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 4. OPERATING SEGMENT INFORMATION (Continued)

#### Geographical information

##### (a) Revenue from external customers

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mainland China	中國內地	39,056	36,995
Overseas	海外	21,995	27,759
Hong Kong	香港	3,459	9,617
		<b>64,510</b>	74,371

The revenue information is based on the locations of the customers.

##### (b) Non-current assets

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mainland China	中國內地	11,782	8,671
Hong Kong	香港	230	396
		<b>12,012</b>	9,067

The non-current asset information is based on the locations of the assets and excludes deferred tax assets, financial asset at FVPL, long-term rental deposits and loans to a vendor included in the prepayments, other receivables and other assets.

#### Information about a major customer

Revenue of approximately HK\$19,043,000 (2017: HK\$20,932,000) was derived from sales to a single customer.

### 4. 經營分部資料(續)

#### 地區資料

##### (a) 來自外部客戶的收益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mainland China	中國內地	39,056	36,995
Overseas	海外	21,995	27,759
Hong Kong	香港	3,459	9,617
		<b>64,510</b>	74,371

收益資料乃基於客戶所在地劃分。

##### (b) 非流動資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mainland China	中國內地	11,782	8,671
Hong Kong	香港	230	396
		<b>12,012</b>	9,067

上述非流動資產資料基於資產所在地劃分，不包括遞延稅項資產、按公允值計入損益的金融資產、以及計入預付款項、其他應收款項及其他資產的長期租金按金及向供應商貸款。

#### 主要客戶資料

收益約19,043,000港元(二零一七年: 20,932,000港元)來自向單一客戶的銷售。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue from contracts with customers Sales of goods	64,510	74,371

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

For the year ended 31 December 2018

### 5. 收益、其他收入及增益

收益的分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
來自客戶合約的收益	64,510	74,371

#### 來自客戶合約的收益

##### (i) 收益分拆資料

截至二零一八年十二月三十一日止年度

	Industrial products 工業產品 HK\$'000 千港元
<b>Type of goods</b> Sewing threads and garment accessories	<b>64,510</b>
<b>Geographical markets</b> Mainland China Overseas Hong Kong	<b>39,056</b> <b>21,995</b> <b>3,459</b>
Total revenue from contracts with customers	<b>64,510</b>
<b>Timing of revenue recognition</b> Goods transferred at a point in time	<b>64,510</b>

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 5. REVENUE, OTHER INCOME AND GAINS (Continued)

#### Revenue from contracts with customers (Continued)

##### (i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

		2018 二零一八年 HK\$'000 千港元
Sales of goods	銷售貨品	39

##### (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

#### **Sale of industrial products**

The performance obligation is satisfied upon delivery of the sewing threads and garment accessories and payment is generally due within 30 to 90 days from delivery, except for certain customers where payment in advance is required.

### 5. 收益、其他收入及增益(續)

#### 來自客戶合約的收益(續)

##### (i) 收益分拆資料(續)

下表載列於本報告期內確認收益的期初合約負債金額：

##### (ii) 履行責任

有關本集團履行責任的資料概述如下：

#### **銷售工業產品**

履行責任於交付縫紉線及服裝輔料後達成，而付款通常自交付起計30至90日內到期，須預付款項的若干客戶除外。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 5. REVENUE, OTHER INCOME AND GAINS (Continued)

### 5. 收益、其他收入及增益(續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Note 附註		
<b>Other income and gains</b>	<b>其他收入及增益</b>		
Gross rental income	租金收入總額	<b>741</b>	622
Fair value gains, net:	公允值增益，淨額：		
Financial asset at FVPL	按公允值計入損益的 金融資產	<b>158</b>	-
Exchange gains, net	滙兌增益淨額	<b>1,126</b>	-
Bank interest income	銀行利息收入	<b>12</b>	-
Gains on disposal of items of property, plant and equipment	出售物業、廠房及設備 項目之增益	-	20
		<b>2,037</b>	642

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/ (crediting):

### 6. 除稅前虧損

本集團的除稅前虧損已扣除／(計入)下列各項：

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
Cost of inventories sold	已售存貨成本		51,232	48,853
Depreciation	折舊	13	668	307
Recognition of prepaid lease payments for buildings	確認樓宇預付租賃款項	17	486	330
Minimum lease payments under operating leases:	經營租賃之最低租賃付款：			
Land and buildings and office equipment	土地及樓宇及辦公設備		2,019	1,872
Auditor's remuneration	核數師酬金		1,780	1,280
Employee benefit expense (excluding directors' and chief executive's remuneration as disclosed in note 8):	僱員福利開支 (不包括附註8所披露的董事及行政總裁薪酬)			
Wages and salaries	工資及薪金		14,926	13,283
Pension scheme contributions	退休金計劃供款		3,541	1,217
Severance payments***	遣散費***		234	663
			18,701	15,163
Listing expenses*	上市開支*		-	18,547
Fair value gains, net:	公允值增益，淨額：			
Financial asset at FVPL	按公允值計入損益的金融資產	14	(158)	-
Foreign exchange (gains)/losses, net**	外匯(增益)／虧損，淨額**		(1,126)	1,419
Losses/(gains) on disposal of items of property, plant and equipment**	出售物業、廠房及設備項目之虧損／(增益)**		603	(20)
Bank interest income	銀行利息收入	5	(12)	-
Impairment of trade receivables	應收交易款項減值	16	499	130
Impairment of non-financial assets**	非金融資產減值**	13,17	913	-

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 6. LOSS BEFORE TAX (Continued)

- \* The listing expenses are included in "Other expenses" in the consolidated statement of profit or loss.
- \*\* The losses and gains are included in "Other expenses" and "Other income and gains" in the consolidated statement of profit or loss, respectively.
- \*\*\* The severance payments are included in "Administrative expenses" in the consolidated statement of profit or loss.

### 7. FINANCE COSTS

An analysis of finance costs is as follows:

### 6. 除稅前虧損(續)

- \* 上市開支計入綜合損益表的「其他開支」。
- \*\* 虧損及增益分別計入綜合損益表的「其他開支」及「其他收入及增益」。
- \*\*\* 遣散費計入綜合損益表的「行政開支」。

### 7. 融資成本

融資成本分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on bank loans and overdrafts 銀行貸款利息及透支	<b>886</b>	2,291



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

### 8. 董事及行政總裁薪酬

本年度董事及行政總裁薪酬根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fees	袍金	885	34
Other emoluments: Salaries, allowances and benefits in kind	其他酬金： 薪金、津貼及實物福利	2,352	1,008
Pension scheme contributions	退休金計劃供款	88	16
		<b>2,440</b>	1,024
		<b>3,325</b>	1,058

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (a) Independent non-executive directors:

The fees paid to independent non-executive directors during the year were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. To King Yan, Adam**	杜景仁先生**	120	8
Dr. Yeung Ngai Man, John	楊毅敏醫生	180	8
Mr. Sung Alfred Lee Ming	宋理明先生	180	8
Mr. Zhang Guofu*	章國富先生*	45	-
		<b>525</b>	<b>24</b>

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

\* Mr. Zhang Guofu was appointed as an independent non-executive director of the Group on 14 September 2018.

\*\* Mr. To King Yan, Adam resigned as an independent non-executive director of the Group on 14 September 2018.

### 8. 董事及行政總裁薪酬

#### (a) 獨立非執行董事：

年內支付予獨立非執行董事的袍金如下所示：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. To King Yan, Adam**	杜景仁先生**	120	8
Dr. Yeung Ngai Man, John	楊毅敏醫生	180	8
Mr. Sung Alfred Lee Ming	宋理明先生	180	8
Mr. Zhang Guofu*	章國富先生*	45	-
		<b>525</b>	<b>24</b>

年內概無向獨立非執行董事支付其他酬金(二零一七年：零)。

\* 章國富先生於二零一八年九月十四日獲委任為本集團獨立非執行董事。

\*\* 杜景仁先生已於二零一八年九月十四日辭任本集團獨立非執行董事。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

### 8. 董事及行政總裁薪酬(續)

#### (b) Executive directors, non-executive directors and the chief executive:

#### (b) 執行董事、非執行董事及行政總裁：

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	退休金計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>2018</b>	<b>二零一八年</b>				
<b>Chief executive and executive director</b>	<b>行政總裁兼執行董事</b>				
Mr. Wong	黃先生	-	1,812	69	1,881
<b>Executive directors</b>	<b>執行董事</b>				
Mr. Lee Wing Hong***	李永康先生***	-	360	19	379
Mr. Yu Miaogen*	俞妙根先生*	-	180	-	180
		-	540	19	559
<b>Non-executive directors</b>	<b>非執行董事</b>				
Mr. Ng Chan Lam****	伍燦林先生****	160	-	-	160
Mr. Gao Biao**	高彪先生**	120	-	-	120
Mr. Shi Guixiang**	石桂祥先生**	80	-	-	80
		360	-	-	360
		360	2,352	88	2,800



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (b) Executive directors, non-executive directors and the chief executive: (Continued)

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	退休金計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>2017</b>	<b>二零一七年</b>				
<b>Chief executive and executive director</b>	<b>行政總裁兼執行董事</b>				
Mr. Wong	黃先生	-	946	62	1,008
<b>Executive director</b>	<b>執行董事</b>				
Mr. Lee Wing Hong***	李永康先生***	-	15	1	16
<b>Non-executive director</b>	<b>非執行董事</b>				
Mr. Ng Chan Lam****	伍燦林先生****	10	-	-	10
		10	961	63	1,034

\* Mr. Yu Miaogen was appointed as an executive director of the Group on 26 June 2018.

\*\* Mr. Shi Guixiang and Mr. Gao Biao were appointed as non-executive directors of the Group on 24 August 2018 and 26 June 2018, respectively.

\*\*\* Mr. Lee Wing Hong resigned as an executive director of the Group on 14 September 2018.

\*\*\*\* Mr. Ng Chan Lam resigned as a non-executive director of the Group on 24 August 2018.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

### 8. 董事及行政總裁薪酬(續)

#### (b) 執行董事、非執行董事及行政總裁：(續)

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	袍金	薪金、津貼及實物福利	退休金計劃供款	總薪酬
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元

**2017** 二零一七年

**Chief executive and executive director** 行政總裁兼執行董事

Mr. Wong 黃先生 - 946 62 1,008

**Executive director** 執行董事

Mr. Lee Wing Hong\*\*\* 李永康先生\*\*\* - 15 1 16

**Non-executive director** 非執行董事

Mr. Ng Chan Lam\*\*\*\* 伍燦林先生\*\*\*\* 10 - - 10

10 961 63 1,034

\* 俞妙根先生於二零一八年六月二十六日獲委任為本集團執行董事。

\*\* 石桂祥先生及高彪先生分別於二零一八年八月二十四日及二零一八年六月二十六日獲委任為本集團非執行董事。

\*\*\* 李永康先生已於二零一八年九月十四日辭任本集團執行董事。

\*\*\*\* 伍燦林先生已於二零一八年八月二十四日辭任本集團非執行董事。

年內概無董事或行政總裁放棄或同意放棄任何薪酬的安排。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 9. FIVE HIGHEST PAID EMPLOYEES

One (2017: one) of the five highest paid individuals was a director for the year ended 31 December 2018, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2017: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		<b>2018</b> 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	<b>1,681</b>	1,552
Pension scheme contributions	退休金計劃供款	<b>100</b>	150
		<b>1,781</b>	1,702

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

		<b>2018</b> 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	零至1,000,000港元	<b>4</b>	4

### 9. 五名最高薪酬僱員

五名最高薪酬僱員中的一名(二零一七年：一名)為截至二零一八年十二月三十一日止年度之董事，其薪酬詳情載於上文附註8。年內餘下四名(二零一七年：四名)最高薪酬僱員(並非本公司董事或行政總裁)的薪酬詳情如下：

酬金介乎下列範圍的非董事及非行政總裁最高薪酬僱員的人數如下：

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the years ended 31 December 2018 and 2017.

Pursuant to the PRC Income Tax Law and the respective regulations, the subsidiaries which operate in Mainland China are subject to corporate income tax at a rate of 25% on the taxable income.

### 10. 所得稅

本集團須按實體基準就產生或源於本集團附屬公司註冊及經營所在司法管轄區的利潤繳納所得稅。根據開曼群島及英屬處女群島的規則及法規，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。

香港利得稅乃按照截至二零一八年及二零一七年十二月三十一日止年度於香港產生的估計應課稅溢利按稅率16.5%作出撥備。

根據中國所得稅法及相關法規，於中國內地經營之附屬公司須按應課稅收入的25%繳納企業所得稅。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current — Hong Kong and Mainland China	即期 — 香港及中國內地	209	396
Deferred (note 22)	遞延(附註22)	(1,760)	316
		<b>(1,551)</b>	712



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 10. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e. the statutory tax rates) to the effective tax rates, are as follows:

#### Year ended 31 December 2018

		Hong Kong 香港		Mainland China 中國內地		Elsewhere 其他地區		Total 總計	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
Loss before tax	除稅前虧損	(783)		(5,490)		(6,133)		(12,406)	
Tax at the statutory tax rate	按法定稅率計算的稅項	(129)	16.5	(1,373)	25.0	-	-	(1,502)	12.1
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	5% 預扣稅對本集團中國附屬公司可分派溢利的影響	(215)	27.4	-	-	-	-	(215)	1.7
Expenses not deductible for tax	不可扣稅開支	9	(1.1)	264	(4.8)	-	-	273	(2.2)
Adjustments in respect of current tax of previous periods	對先前期間即期稅項之調整	(107)	13.7	-	-	-	-	(107)	0.9
Tax credit at the Group's effective rate	按本集團實際稅率計算的稅項抵免	(442)	56.5	(1,109)	20.2	-	-	(1,551)	12.5

#### 截至二零一八年十二月三十一日止年度

#### Year ended 31 December 2017

		Hong Kong 香港		Mainland China 中國內地		Elsewhere 其他地區		Total 總計	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
Profit/(loss) before tax	除稅前溢利/(虧損)	(8,350)		735		(4,863)		(12,478)	
Tax at the statutory tax rate	按法定稅率計算的稅項	(1,378)	16.5	184	25.0	-	-	(1,194)	9.6
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	5% 預扣稅對本集團中國附屬公司可分派溢利的影響	80	(1.0)	-	-	-	-	80	(0.6)
Expenses not deductible for tax	不可扣稅開支	1,791	(21.4)	55	7.5	-	-	1,846	(14.8)
Tax deduction	稅項扣減	(20)	0.2	-	-	-	-	(20)	0.2
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	473	(5.7)	239	32.5	-	-	712	(5.6)

#### 截至二零一七年十二月三十一日止年度

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 11. DIVIDENDS

No dividend was proposed by the Group for the years ended 31 December 2018 and 2017.

### 11. 股息

截至二零一八年及二零一七年十二月三十一日止年度，本集團並無建議派付股息。

### 12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

### 12. 母公司普通權益持有人應佔每股虧損

		2018 二零一八年 HK cents 港仙	2017 二零一七年 HK cents 港仙
Loss per share attributable to ordinary equity holders of the parent — Basic and diluted	母公司普通權益持有人應佔每股虧損 — 基本及攤薄	<b>1.36</b>	2.16

The calculation of the basic and diluted loss per share is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of shares in issue during the year.

每股基本及攤薄虧損乃按母公司普通權益持有人應佔年內虧損及年內已發行股份的加權平均數計算。

The calculation of basic and diluted loss per share is based on:

計算每股基本及攤薄虧損時應基於以下各項：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	母公司普通權益持有人應佔虧損，用以計算每股基本及攤薄虧損	<b>10,855</b>	13,190

		2018 二零一八年	2017 二零一七年
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	年內已發行普通股加權平均數，用以計算每股基本及攤薄虧損	<b>800,000,000</b>	609,315,068

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

The calculation of the weighted average number of ordinary shares is as follows:

		2018 二零一八年	2017 二零一七年
Issue of shares on 1 January	於一月一日發行股份	800,000,000	1
Effect of capitalisation issue	資本化發行的影響	-	599,999,999
Effect of initial public offering on the Listing Date	於上市日期首次公開發售的影響	-	9,315,068
Weighted average number of ordinary shares	普通股加權平均數	800,000,000	609,315,068

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2018 and 2017 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during those years.

### 12. 母公司普通權益持有人應佔每股虧損(續)

普通股加權平均數計算方法如下：

由於本集團於該等年內並無已發行的潛在攤薄普通股，故並無對截至二零一八年及二零一七年十二月三十一日止年度所呈報的每股基本虧損金額作出攤薄調整。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Production machinery 生產機械 HK\$'000 千港元	Office equipment 辦公設備 HK\$'000 千港元	Leasehold improvements 租賃改良 HK\$'000 千港元	Vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>31 December 2018</b>	<b>二零一八年十二月三十一日</b>					
At 31 December 2017 and at 1 January 2018:	二零一七年十二月三十一日 及二零一八年一月一日:					
Cost	成本	53,318	1,796	185	2,978	58,277
Accumulated depreciation	累計折舊	(47,755)	(1,574)	(41)	(2,005)	(51,375)
Net carrying amount	賬面淨值	5,563	222	144	973	6,902
At 1 January 2018, net of accumulated depreciation	二零一八年一月一日， 已扣除累計折舊	5,563	222	144	973	6,902
Additions	添置	7,143	501	41	226	7,911
Disposal	出售	(1,936)	(18)	(126)	(93)	(2,173)
Depreciation provided during the year	年內折舊撥備	(395)	(52)	(28)	(193)	(668)
Impairment	減值	(751)	(43)	-	(36)	(830)
Exchange realignment	匯兌調整	(406)	(17)	-	(34)	(457)
At 31 December 2018, net of accumulated depreciation and impairment	二零一八年十二月三十一日， 已扣除累計折舊及減值	9,218	593	31	843	10,685
At 31 December 2018:	二零一八年十二月三十一日:					
Cost	成本	39,389	2,036	41	2,174	43,640
Accumulated depreciation and impairment	累計折舊及減值	(30,171)	(1,443)	(10)	(1,331)	(32,955)
Net carrying amount	賬面淨值	9,218	593	31	843	10,685

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT (Continued)

### 13. 物業、廠房及設備(續)

		Production machinery 生產機械 HK\$'000 千港元	Office equipment 辦公設備 HK\$'000 千港元	Leasehold improvements 租賃改良 HK\$'000 千港元	Vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>31 December 2017</b>	<b>二零一七年十二月三十一日</b>					
At 31 December 2016 and at 1 January 2017:	於二零一六年十二月三十一日 及二零一七年一月一日:					
Cost	成本	49,825	2,260	678	2,742	55,505
Accumulated depreciation	累計折舊	(44,461)	(2,046)	(518)	(2,309)	(49,334)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>5,364</b>	<b>214</b>	<b>160</b>	<b>433</b>	<b>6,171</b>
At 1 January 2017, net of accumulated depreciation	二零一七年一月一日， 已扣除累計折舊	5,364	214	160	433	6,171
Additions	添置	-	29	26	617	672
Disposal	出售	-	-	-	(57)	(57)
Depreciation provided during the year	本年折舊撥備	(171)	(33)	(42)	(61)	(307)
Exchange realignment	匯兌調整	370	12	-	41	423
<b>At 31 December 2017, net of accumulated depreciation</b>	<b>二零一七年十二月三十一日， 已扣除累計折舊</b>	<b>5,563</b>	<b>222</b>	<b>144</b>	<b>973</b>	<b>6,902</b>
At 31 December 2017:	二零一七年十二月三十一日:					
Cost	成本	53,318	1,796	185	2,978	58,277
Accumulated depreciation	累計折舊	(47,755)	(1,574)	(41)	(2,005)	(51,375)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>5,563</b>	<b>222</b>	<b>144</b>	<b>973</b>	<b>6,902</b>

During the year, the carrying amounts of certain property, plant and equipment and prepaid lease payments for buildings have been written down by HK\$913,000 to their recoverable amounts.

年內，若干物業、廠房及設備以及樓宇預付租賃款項的賬面值撇減913,000港元至其可收回金額。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT (Continued)

Following a review of the business, which takes into account the outlook for the textile industry and the Group's consequent operating plans, management has reassessed the carrying values for all the property, plant and equipment and prepaid lease payments for buildings as at 31 December 2018. An impairment provision of HK\$913,000 has been recorded to reduce the carrying value of the Group's non-financial assets to their estimated recoverable value, which is the higher of fair value less costs of disposal, and value in use ("VIU").

### 13. 物業、廠房及設備(續)

本集團已就業務進行檢討，經考慮紡織業前景及本集團隨後的營運計劃，管理層已重新評估所有物業、廠房及設備以及樓宇預付租賃款項於二零一八年十二月三十一日的賬面值。已錄得913,000港元減值撥備，將本集團非金融資產賬面值減少至其預計可收回金額，可收回金額為公允值減出售成本與使用價值(「使用價值」)兩者之較高者。

			Carrying amount before provision	Recoverable value determined at VIU	Impairment	Exchange realignment	Net carrying amount
		Note	撥備前賬面值	按使用價值釐定的可收回金額	減值	匯兌調整	賬面淨值
		附註	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元	千港元
CGU1	現金產生單位1	a	7,661	7,314	362	(15)	7,314

			Carrying amount before provision	Recoverable value determined at fair value less costs of disposal	Impairment	Exchange realignment	Net carrying amount
		Note	撥備前賬面值	按公允值減出售成本釐定的可收回金額	減值	匯兌調整	賬面淨值
		附註	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元	千港元
CGU2	現金產生單位2	b	5,510	4,979	551	(20)	4,979

(a) Value in use is determined using cash flow projections based on financial budgets prepared by management. The key assumptions include growth rates and discount rates applied to future cash flows. The discount rate used at 31 December 2018 was 17.3%. Changes in any or all of the key assumptions could result in a material change in the recoverable value of the Group's property, plant and equipment and prepaid lease payments for buildings.

(b) Fair value less costs of disposal is based on management estimates having regard to estimated resale values under market approach provided by an independent external valuer. Fair value less costs of disposal is categorised within Level 3 of the fair value hierarchy which is measured based on latest available market data.

(a) 使用價值按根據管理層編製的財務預算所作的現金流量預測釐定。主要假設包括應用於未來現金流量的增長率及折現率。於二零一八年十二月三十一日使用的折現率為17.3%。任何或所有主要假設的改變可能導致本集團物業、廠房及設備以及樓宇預付租賃款項的可收回金額出現重大變動。

(b) 公允值減出售成本乃管理層在考慮過由獨立外部估值師提供的按市場法估計的轉售價值後所作出的估算。公允值減出售成本分類為公允值層級第三級，公允值層級第三級乃基於最新可得市場數據計量。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 14. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS/AVAILABLE-FOR-SALE INVESTMENT

### 14. 按公允值計入損益的金融資產／可供出售投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Financial asset at FVPL</b>	<b>按公允值計入損益的金融資產</b>		
Life insurance policy, at fair value	壽險保單(按公允值)	4,632	-
<b>Available-for-sale investment</b>	<b>可供出售投資</b>		
Life insurance policy, at fair value	壽險保單(按公允值)	-	4,474

On 25 January 2016, the Group entered into a life insurance policy with an insurance company to insure an executive director. Under the policy, the Group is the beneficiary and the policy holder. The Group paid upfront premiums for the policy and may surrender the policy any time by making a written request and receive cash based on the surrender value of the policy at the date of withdrawal, which is calculated by the insurer. In the opinion of the directors, the surrender value of the policy provided by the insurance company is the best approximation of its fair value, which is categorised within Level 3 of the fair value hierarchy. The life insurance policy was mandatorily classified as financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

As at 31 December 2018 and 2017, the Group's life insurance policy was pledged as security for bank facilities granted to the Group. Further details are contained in note 21 to the financial statements.

In the opinion of the directors, the Group's life insurance policy would not be surrendered within the next 12 months and was therefore classified as a non-current asset.

二零一六年一月二十五日，本集團與一間保險公司訂立壽險保單，為一名執行董事投保。根據保單，本集團為受益人及保單持有人。本集團預付保費，可透過提交書面請求隨時退保，及根據保單於撤回日期的退保金額(由承保人計算)收取現金。董事認為，保險公司規定的保單退保金額與其公允值相若，歸類為公允值層級的第三層。壽險保單經強制分類為按公允值計入損益之金融資產，原因為其合約現金流量並非僅為本金及利息之付款。

於二零一八年及二零一七年十二月三十一日，本集團抵押壽險保單，以擔保本集團獲授的銀行融資。其他詳情載於財務報表附註21。

董事認為，本集團未來12個月不會退保壽險保單，因此將其歸類為非流動資產。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 15. INVENTORIES

### 15. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Raw materials	原材料	6,842	4,586
Work in progress	在製品	2,606	1,563
Finished goods	製成品	5,313	3,846
		<b>14,761</b>	9,995

### 16. TRADE RECEIVABLES

### 16. 應收交易款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	應收交易款項	18,152	25,012
Impairment	減值	(711)	(112)
		<b>17,441</b>	24,900

The Group's trading terms with its customers are mainly on credit. The credit period is generally from one to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by senior management. The Group had significant concentrations of credit risk as 44% (2017: 61%) of the trade receivables were derived from five customers as at 31 December 2018. The trade receivables from such customers were within the credit period. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團與客戶的交易條款主要基於信貸。信貸期通常為一至三個月。每名客戶有信貸上限。本集團對未償還應收款項維持嚴格監控，以盡量減低信貸風險。高級管理層定期審核逾期結餘。於二零一八年十二月三十一日，本集團有44% (二零一七年：61%) 的應收交易款項來自五大客戶，有重大信貸集中風險。應收該等客戶的應收交易款項仍在信貸期內。本集團並無就應收交易款項結餘持有任何抵押品或其他信貸增強安排。應收交易款項不計息。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 16. TRADE RECEIVABLES (Continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 1 month	不足一個月	5,682	16,428
1 to 2 months	一至兩個月	7,771	4,113
2 to 3 months	兩至三個月	1,624	664
Over 3 months	超過三個月	2,364	3,695
		<b>17,441</b>	24,900

The movements in the loss allowance for impairment of trade receivables are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	年初	112	-
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號 之影響	315	-
At beginning of year (restated)	年初(經重列)	427	-
Impairment losses (note 6)	減值虧損(附註6)	499	130
Amount written off as uncollectible	撇銷為不可收回款項	(203)	(18)
Exchange realignment	匯兌調整	(12)	-
At end of year	年末	711	112

### 16. 應收交易款項(續)

於報告期末按發票日期呈列，應收交易款項(已扣除虧損撥備)的賬齡分析如下：

應收交易款項的虧損撥備變動如下：



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 16. TRADE RECEIVABLES (Continued)

#### Impairment under HKFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

#### Group A

	Current	Within 3 months	Past due 逾期			Total
			3 to 6 months	6 to 9 months	9 to 12 months	
	即期	三個月內	三至六個月	六至九個月	九至十二個月	總計
Expected credit loss rate 預期信貸虧損率	0.8%	7.2%	47.9%	85.2%	96.6%	2.6%
Gross carrying amount (HK\$'000) 賬面總值(千港元)	9,444	818	192	2	45	10,501
Expected credit losses (HK\$'000) 預期信貸虧損(千港元)	76	59	92	2	43	272

### 16. 應收交易款項(續)

截至二零一八年十二月三十一日止年度香港財務報告準則第9號項下的減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定(即按地區及客戶類別劃分)。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。一般而言，應收交易款項如逾期超過一年及毋須受限於強制執行活動則予以撇銷。

下表載列本集團使用撥備矩陣計算的應收交易款項的信貸風險資料：

於二零一八年十二月三十一日

#### 甲組

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 16. TRADE RECEIVABLES (Continued)

#### Impairment under HKFRS 9 for the year ended 31 December 2018 (Continued)

##### Group B & C

	Current	Past due 逾期				Total
		Within 3 months	3 to 6 months	6 to 9 months	9 to 12 months	
	即期	三個月內	三至六個月	六至九個月	九至 十二個月	總計
Expected credit loss rate 預期信貸虧損率	—*	—*	—*	—*	6.0%	0.3%
Gross carrying amount 賬面總值(千港元) (HK\$'000)	5,709	—	—	—	296	6,005
Expected credit losses 預期信貸虧損 (HK\$'000)	—	—	—	—	18	18

\* Less than 0.1%

##### Group D

	Current	Past due 逾期				Total
		Within 3 months	3 to 6 months	6 to 9 months	9 to 12 months	
	即期	三個月內	三至 六個月	六至九個月	九至 十二個月	總計
Expected credit loss rate 預期信貸虧損率	0.7%	1.0%	4.1%	10.3%	25.6%	25.6%
Gross carrying amount 賬面總值(千港元) (HK\$'000)	—	—	—	—	1,646	1,646
Expected credit losses 預期信貸虧損 (HK\$'000)	—	—	—	—	421	421

### 16. 應收交易款項(續)

截至二零一八年十二月三十一日止年度香港財務報告準則第9號項下的減值(續)

乙組及丙組

\* 低於0.1%

丁組

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 16. TRADE RECEIVABLES (Continued)

#### Impairment under HKFRS 9 for the year ended 31 December 2018 (Continued)

Total

	Current	Within 3 months	Past due 逾期			Total
			3 to 6 months	6 to 9 months	9 to 12 months	
	即期	三個月內	三至六個月	六至九個月	九至十二個月	總計
Gross carrying amount (HK\$'000) 賬面總值(千港元)	15,153	818	192	2	1,987	18,152
Expected credit losses (HK\$'000) 預期信貸虧損(千港元)	76	59	92	2	482	711

#### Impairment under HKAS 39 for the year ended 31 December 2017

Included in the above provision for impairment of trade receivables, which was measured based on incurred credit losses under HKAS 39, as at 31 December 2017 was a provision for individually impaired trade receivables of HK\$112,000 with a carrying amount before provision of HK\$112,000.

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default in principal payments and none of the receivables is expected to be recovered.

### 16. 應收交易款項(續)

截至二零一八年十二月三十一日止年度香港財務報告準則第9號項下的減值(續)

總計

截至二零一七年十二月三十一日止年度香港會計準則第39號項下的減值

於二零一七年十二月三十一日，上述應收交易款項減值撥備乃根據香港會計準則第39號項下已產生信貸虧損計量，其包括個別減值應收交易款項的撥備112,000港元，未扣減撥備前的賬面值為112,000港元。

個別減值的應收交易款項與面臨經濟困難或未能償還本金的客戶有關，預期該等應收款項將無法收回。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 16. TRADE RECEIVABLES (Continued)

#### Impairment under HKAS 39 for the year ended 31 December 2017 (Continued)

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	並未逾期或減值	21,206
Less than 1 month past due	逾期不足一個月	3,120
1 to 3 months past due	逾期一至三個月	574
		24,900

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

Trade receivables amounting to HK\$7,355,000 (2017: HK\$12,593,000) as at 31 December 2018 were pledged as security for the Group's bank facilities (note 21).

### 16. 應收交易款項(續)

截至二零一七年十二月三十一日止年度香港會計準則第39號項下的減值(續)

於二零一七年十二月三十一日根據香港會計準則第39號，並無個別或共同被視為減值的應收交易款項的賬齡分析如下：

並無逾期亦無減值的應收款項為與一批近期並無拖欠紀錄之不同類型客戶的欠款有關。

已逾期但並無減值的應收款項均為與多名與本集團有良好往績的獨立客戶有關。根據經驗，由於信貸質素並無重大改變，而且結餘仍視為可全數收回，所以本公司董事認為毋須根據香港會計準則第39號就該等結餘作出減值撥備。

二零一八年十二月三十一日，本集團抵押7,355,000港元(二零一七年：12,593,000港元)的應收交易款項，以擔保本集團的銀行融資(附註21)。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

### 17. 預付款項、其他應收款項及其他資產

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
Prepaid lease payments for buildings	樓宇預付租賃款項	a	1,608	1,890
Other prepayments	其他預付款項		2,066	2,302
Loans to a vendor	向供應商貸款	b	4,630	-
Deposits and other receivables	按金及其他應收款項		3,093	10,638
			<b>11,397</b>	14,830
Portion classified as non-current assets	列為非流動資產的部分		<b>(5,971)</b>	(2,165)
Current portion included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的即期部分		<b>5,426</b>	12,665

(a) It represents prepaid lease payments for buildings held under operating leases for 15 to 20 years. It was recognised in profit or loss over the lease term and the portion to be recognised within 1 year is classified as a current asset.

(a) 指就根據經營租賃持有15至20年的樓宇預付租賃款項，於租期內確認於損益，而一年內將確認的部分分類為流動資產。

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Carrying amount at 1 January	一月一日的賬面值		1,890	1,428
Addition to the prepaid lease payments for buildings	樓宇預付租賃款項增加		382	679
Recognised during the year	年內已確認		(486)	(330)
Disposal during the year	年內處置		(18)	-
Impairment	減值		(83)	-
Exchange realignment	匯兌調整		(77)	113
Carrying amount at 31 December	十二月三十一日的賬面值		<b>1,608</b>	1,890
Portion classified as non-current assets	列為非流動資產的部分		<b>(1,145)</b>	(1,447)
Current portion included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的即期部分		<b>463</b>	443

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

- (b) Loans to a vendor were interest-bearing ranging from 4.66% to 5.00% per annum, secured by certain machinery of the vendor and repayable in four to five years. The directors of the Company considered that the fair values of the collaterals were higher than the carrying amount of outstanding loan balance as at 31 December 2018.

Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default and expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The financial assets included in the above balance were categorised in stage 1 at the year of the reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward looking macroeconomic data. As at 31 December 2018, the Group estimated the expected loss rate for the receivables was minimal.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

### 17. 預付款項、其他應收款項及其他資產(續)

- (b) 向供應商提供的貸款按每年4.66厘至5.00厘計息，以供應商若干機械作為抵押，並須於四至五年後償還。本公司董事認為，抵押品的公允值高於二零一八年十二月三十一日的未償還貸款餘額賬面值。

於適用情況下，本集團會於各報告日期透過考慮違約概率進行減值分析，同時透過使用虧損率參考本集團過往虧損紀錄對預期信貸虧損作出估計。虧損率將於適當時候作出調整以反映當前情況及預測日後經濟情況。於報告期間年度，計入上述結餘的金融資產分類列為第一階段。本集團於計算預期信貸虧損率時會計及過往虧損率並就前瞻性宏觀經濟數據作出調整。於二零一八年十二月三十一日，本集團估計應收款項的預期虧損率微不足道。

上述資產概無逾期或減值。計入上述結餘的金融資產與近期無拖欠紀錄的應收款項有關。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 18. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

### 18. 現金及現金等價物和抵押存款

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘		30,938	7,798
Time deposits	定期存款		-	59,122
			<b>30,938</b>	66,920
Less:	減：			
Pledged time deposits:	抵押定期存款：			
Pledged for bank loans and overdrafts	抵押銀行貸款及透支	21	-	(9,000)
Cash and cash equivalents	現金及現金等價物		<b>30,938</b>	57,920

The cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$2,230,000 (2017: HK\$2,089,000) as at 31 December 2018. The RMB is 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 banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

二零一八年十二月三十一日，本集團以人民幣(「人民幣」)計值的現金及銀行結餘為2,230,000港元(二零一七年：2,089,000港元)。人民幣不能自由兌換為其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權開展外匯業務的銀行將人民幣兌換成其他貨幣。

銀行現金按根據每日銀行存款利率計算的浮動利率計息。短期定期存款的存款期為一天至三個月，視乎本集團的即時現金需求而定，並按有關短期定期存款利率計息。銀行結餘及抵押存款乃存於信譽良好且近期無拖欠紀錄的銀行。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 19. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each reporting period, based on the transaction date, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 1 month	不足一個月	1,930	2,620
1 to 2 months	一至兩個月	1,085	1,200
2 to 3 months	兩至三個月	679	1,045
Over 3 months	超過三個月	1,428	4,404
		<b>5,122</b>	9,269

The trade payables are unsecured, non-interest-bearing and are normally settled in 30 to 90 days, extending to longer periods for those long standing suppliers.

### 19. 應付交易款項

於各報告期末，應付交易款項基於交易日期的賬齡分析如下：

應付交易款項無抵押、不計息，通常於30至90天結算，長期合作供應商可享更長信貸期。

### 20. OTHER PAYABLES AND ACCRUALS

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other payables and accruals	其他應付款項及應計費用		7,765	17,182
Contract liabilities	合約負債	(a)	187	-
Advances from customers	客戶墊款		-	39
			<b>7,952</b>	17,221
Portion classified as non-current	列為非流動的部分	(b)	<b>(1,223)</b>	(1,512)
Current portion included in other payables and accruals	計入其他應付款項及應計費用的即期部分	(c)	<b>6,729</b>	15,709

### 20. 其他應付款項及應計費用

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 20. OTHER PAYABLES AND ACCRUALS (Continued)

Notes:

- (a) Details of contract liabilities as at 31 December 2018 and 1 January 2018 are as follows:

	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元
Short-term advances received from customers 收取客戶的短期墊款		
Sales of goods 銷售貨品	187	39

Contract liabilities include short-term advances received to deliver sewing threads and garment accessories. The increase in contract liabilities in 2018 was mainly due to the increase in short-term advances received from customers in relation to the sales of sewing threads and garment accessories at the end of the year.

- (b) The non-current portion of other payables and accruals represents the differences between contractual minimum lease payments and accrued minimum lease payments on a straight-line basis for the Group's leasehold land over the lease term. The non-current portion of other payables and accruals is unsecured and interest-free and would be subsequently settled upon the gradual maturity of the lease agreement.
- (c) The current portion of other payables and accruals are unsecured, interest-free and repayable on an average term of three months.

### 20. 其他應付款項及應計費用(續)

附註：

- (a) 於二零一八年十二月三十一日及二零一八年一月一日的合約負債詳情如下：

	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元
Short-term advances received from customers 收取客戶的短期墊款		
Sales of goods 銷售貨品	187	39

合約負債包括就付運縫紉線及服裝輔料所收取的短期墊款。二零一八年的合約負債增加乃主要由於年末就銷售縫紉線及服裝輔料收到客戶的短期墊款增加。

- (b) 其他應付款項及應計費用的非即期部分，即本集團所租賃土地在租期的合約最低租賃付款與以直線法計算的應計最低租賃付款的差額。其他應付款項及應計費用的非即期部分為無抵押及不計息，將隨租賃協議到期逐步結清。
- (c) 其他應付款項及應計費用的即期部分為無抵押、不計息，平均還款期為三個月。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 21. INTEREST-BEARING BANK BORROWINGS

### 21. 計息銀行借款

		2018 二零一八年		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	HK\$'000 千港元
<b>Current</b>	<b>即期</b>			
Bank loans — secured	銀行貸款 — 有抵押	<b>4.6 to 6.2</b> <b>4.6至6.2</b>	<b>On demand</b> <b>於要求時</b>	<b>15,217</b>
		2017 二零一七年		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	HK\$'000 千港元
<b>Current</b>	<b>即期</b>			
Bank loans — secured	銀行貸款 — 有抵押	3.8 to 6.0 3.8至6.0	On demand 於要求時	22,627
Analysed into:		分析：		
		<b>2018</b> <b>二零一八年</b> <b>HK\$'000</b> <b>千港元</b>	2017 二零一七年 HK\$'000 千港元	
Bank loans and overdrafts repayable on demand	須按要求償還的銀行貸款及銀行透支	<b>15,217</b>	22,627	

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 21. INTEREST-BEARING BANK BORROWINGS (Continued)

Interest-bearing bank borrowings are denominated in:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	7,000	15,006
United States Dollar ("US\$")	美元(「美元」)	8,217	7,621
		<b>15,217</b>	<b>22,627</b>

Notes:

- (a) HK Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause issued by the HKICPA requires that a loan which includes a clause that gives the lender the unconditional right to call in the loan at any time ("repayment on demand clause") shall be classified in total by the borrower as current in the statement of financial position. Interest-bearing bank loans of the Group in the amount of HK\$15,217,000 (2017: HK\$22,627,000) include a repayment on demand clause under the relevant loan agreements, among which balances amounting to HK\$3,190,000 (2017: HK\$2,753,000) that are repayable after one year from 31 December 2018 have been classified as current liabilities. For the purpose of the above analysis, such loans are included within current secured bank loans and analysed into bank loans repayable on demand.
- (b) As at 31 December 2018, the Group was not in compliance with certain financial loan undertakings and the respective bank loans of HK\$15,217,000 would become callable on demand. No further reclassification is needed regarding these bank loans since they all included the repayment on demand clause and have already been classified as current liabilities as mentioned in 21(a).
- (c) The Group's bank facilities (including overdraft facilities) amounted to HK\$20,445,000 (2017: HK\$29,637,000), of which HK\$15,217,000 (2017: HK\$22,627,000) had been utilised as at 31 December 2018.

### 21. 計息銀行借款(續)

計息銀行借款以下列貨幣計值：

附註：

- (a) 香港會計師公會頒佈的香港詮釋第5號財務報表之呈報 — 借款方對載有須按要求償還條款之定期貸款之分類規定，借款方須於財務狀況表內將包含授予貸款方無條件可隨時要求償還貸款的權利的條款(「按要求償還條款」)之貸款總體分類為即期。根據有關貸款協議，包含按要求償還條款的本集團計息銀行貸款為15,217,000港元(二零一七年：22,627,000港元)，其中二零一八年十二月三十一日起計一年後須償還之結餘3,190,000港元(二零一七年：2,753,000港元)已分類為流動負債。就上述分析而言，該等貸款計入即期有抵押銀行貸款，分類為須按要求償還的銀行貸款。
- (b) 於二零一八年十二月三十一日，本集團並無遵守若干融資貸款承諾，相關銀行貸款15,217,000港元將按要求償還。由於該等銀行貸款均包括按要求償還條款，且已如上文21(a)所述分類為流動負債，故無須就其作進一步重新分類。
- (c) 於二零一八年十二月三十一日，本集團銀行融資(包括透支融資)金額為20,445,000港元(二零一七年：29,637,000港元)，其中已動用15,217,000港元(二零一七年：22,627,000港元)。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 21. INTEREST-BEARING BANK BORROWINGS (Continued)

(d) The following assets were pledged as security for interest-bearing bank borrowings:

### 21. 計息銀行借款(續)

(d) 下列資產乃抵押為計息銀行借款之擔保品：

		Carrying amounts 賬面值	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Notes 附註		
Available-for-sale investment	可供出售投資	14	4,474
Financial asset at FVPL	按公允價值計入損益的金融資產	14	–
Trade receivables	應收交易款項	16	12,593
Pledged deposits	抵押存款	18	9,000
		<b>11,987</b>	<b>26,067</b>

### 22. DEFERRED TAX

The movements in deferred tax assets during the year ended 31 December 2018 are as follows:

#### Deferred tax assets

2018

### 22. 遞延稅項

遞延稅項資產於截至二零一八年十二月三十一日止年度的變動如下：

#### 遞延稅項資產

二零一八年

		Depreciation charge in excess of related depreciation allowance 超出有關折舊準備的折舊支出 HK\$'000 千港元	Accrued salary and welfare expense 應計薪金及福利開支 HK\$'000 千港元	Tax loss available for offsetting against future taxable profits 可供抵銷未來應課稅利潤的稅項虧損 HK\$'000 千港元	Deferred rental expense 遞延租賃開支 HK\$'000 千港元	Available-for-sale investment revaluation 可供出售投資重估 HK\$'000 千港元	Impairment of financial assets 金融資產減值 HK\$'000 千港元	Impairment of non-financial assets 非金融資產減值 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	63	108	583	421	163	–	–	1,338
Effect of adoption of HKFRS 9	採納香港財務準則第9號的影響	–	–	–	–	–	30	–	30
At 1 January 2018 (restated)	於二零一八年一月一日(經重列)	63	108	583	421	163	30	–	1,368
Deferred tax (charged)/credited to profit or loss during the year (note 10)	年內(扣除)/計入損益的遞延稅項(附註10)	(63)	(81)	1,580	(69)	(163)	113	228	1,545
Exchange differences	匯兌差額	–	(1)	(236)	(17)	–	(3)	(8)	(265)
Gross deferred tax assets at 31 December 2018	於二零一八年十二月三十一日的遞延稅項資產總值	–	26	1,927	335	–	140	220	2,648



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 22. DEFERRED TAX (Continued)

#### Deferred tax assets (Continued)

2017

	Depreciation charge in excess of related depreciation allowance	Accrued salary and welfare expense	Tax loss available for offsetting against future taxable profits	Deferred rental expense	Available-for-sale investment revaluation	Total
	超出有關折舊準備的折舊支出	應計薪金及福利開支	可供抵銷未來應課稅利潤的稅項虧損	遞延租賃開支	可供出售投資重估	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	62	877	-	423	191	1,553
Deferred tax (charged)/credited to profit or loss during the year (note 10)	1	(770)	562	(29)	-	(236)
Deferred tax charged to other comprehensive income during the year	-	-	-	-	(28)	(28)
Exchange differences	-	1	21	27	-	49
Gross deferred tax assets at 31 December 2017	63	108	583	421	163	1,338

The Group has tax losses arising in Hong Kong of HK\$936,000 (2017: nil) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group has tax losses arising in Mainland China of HK\$7,093,000 (2017: HK\$2,321,000) that will expire in one to five years for offsetting against future taxable profits.

### 22. 遞延稅項(續)

#### 遞延稅項資產(續)

二零一七年

本集團於香港產生稅務虧損936,000港元(二零一七年:無),可無限期用作抵銷產生虧損之公司日後之應課稅溢利。

本集團於中國內地產生的稅項虧損7,093,000港元(二零一七年:2,321,000港元)將於一至五年屆滿,可用作抵銷未來應課稅利潤。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 22. DEFERRED TAX (Continued)

#### Deferred tax liabilities — withholding tax

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	215	135
Deferred tax (credited)/charged to profit or loss during the year (note 10)	年內扣除(計入)損益的遞延稅項 (附註10)	(215)	80
Gross deferred tax liabilities at the end of each year	各年末的遞延稅項負債總額	-	215

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable tax rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

The Group has recognised deferred tax liabilities in respect of temporary differences relating to all the unremitted earnings of its subsidiaries established in the PRC as at the end of each reporting period.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

### 22. 遞延稅項(續)

#### 遞延稅項負債 — 預扣稅

根據中國企業所得稅法，在中國內地成立的外資企業向外國投資者宣派股息，須就有關股息繳納10%的預扣稅。此規定自二零零八年一月一日開始生效並適用於二零零七年十二月三十一日之後的盈利。倘中國內地與該等外國投資者所屬司法管轄區訂有稅收協定，則預扣稅率或有所調低。本集團的適用稅率為5%。因此，本集團旗下在中國內地成立的附屬公司就自二零零八年一月一日開始賺取的盈利派付股息，本集團須就此繳納預扣稅。

於各報告期末，本集團已就與旗下在中國成立的附屬公司所有未匯出盈利有關的暫時差額確認遞延稅項負債。

概無與本公司向其股東派付股息有關的所得稅後果。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 23. SHARE CAPITAL

### 23. 股本

Shares	股份	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Authorised: 5,000,000,000 (2017: 5,000,000,000) ordinary shares of HK\$0.01 each (2017: HK\$0.01 each)	法定： 5,000,000,000 (二零一七年： 5,000,000,000) 股每股面值 0.01 港元 (二零一七年： 每股面值 0.01 港元) 的普通股	50,000	50,000
Issued and fully paid: 800,000,000 (2017: 800,000,000) ordinary shares of HK\$0.01 each (2017: HK\$0.01 each)	已發行並繳足： 800,000,000 (二零一七年： 800,000,000) 股每股面值 0.01 港元 (二零一七年： 每股面值 0.01 港元) 的普通股	8,000	8,000

A summary of movements in the Company's share capital and share premium account is as follows:

本公司股本及股份溢價賬變動概述如下：

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年 一月一日	1	-	-	-
Capitalisation issue	資本化發行	599,999,999	6,000	(6,000)	-
Initial public offering	首次公開發售	200,000,000	2,000	73,000	75,000
Share issue expenses	股份發行開支	-	-	(9,249)	(9,249)
At 31 December 2017 and 31 December 2018	於二零一七年 十二月三十一日 及二零一八年 十二月三十一日	800,000,000	8,000	57,751	65,751



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 24. RESERVES

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statement of changes in equity.

#### Statutory surplus reserve

Pursuant to the relevant laws and regulations in the PRC, the companies registered in the PRC shall appropriate a certain percentage of their net profit after tax (after offsetting any prior years' losses) calculated under the accounting principles generally applicable to the PRC enterprises to the reserve fund. When the balance of this reserve fund reaches 50% of the entity's capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the capital after these usages. After making the appropriation to the statutory surplus reserve, the companies may also appropriate their profits for the year to the discretionary surplus reserve upon approval by the board of directors or the shareholders in a general meeting.

#### Merger reserve

The merger reserve represented the difference between the Company's shares of the nominal value of the paid-up capital of the subsidiaries acquired and the Company's cost of acquisition of the subsidiaries under common control upon the reorganisation undergone by the Group.

### 24. 儲備

本集團於報告期間的儲備及其變動於綜合權益變動表呈列。

#### 法定盈餘儲備

根據中國相關法律法規，於中國註冊的公司須將根據中國企業普遍適用的會計原則計算的稅後純利若干百分比(經抵銷以往年度虧損後)撥往儲備基金。該儲備基金的結餘達公司資本50%時，公司可酌情決定是否繼續作出撥款。法定盈餘儲備可用以抵銷以往年度虧損或增資。然而，使用後的法定盈餘儲備結餘最少須維持在資本的25%。向法定盈餘儲備作出撥款後，公司亦可經董事會或股東於股東大會批准後，將本年利潤撥往任意盈餘儲備。

#### 合併儲備

合併儲備乃指本集團進行重組後，本公司應佔已收購附屬公司繳足股本的面值與本公司收購共同控制的附屬公司的成本之間的差額。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 25. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group and the Company's shareholders in the Company's subsidiaries. The Scheme became effective on 24 November 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time unless the Company obtains approval from its shareholders in general meeting and/or other requirements prescribed under the Listing Rules and must not exceed 30% of the total number of shares in issue from time to time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The period within which the shares must be taken up under an option shall be determined by the Board at its absolute discretion and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Scheme.

### 25. 購股權計劃

本公司設有購股權計劃(「計劃」)，以向為本集團業務成就作出貢獻的合資格參與者提供激勵及獎賞。計劃之合資格參與者包括本公司董事(包括獨立非執行董事)、本集團其他僱員、向本集團提供商品或服務的供應商、本集團客戶及本公司於本公司附屬公司的股東。計劃於二零一七年十一月二十四日生效，除非另行註銷或修訂，否則計劃將自該日起計十年內始終有效。

根據計劃，除非本公司於股東大會上獲得其股東批准及／或按照上市規則訂明的其他要求，否則現時可授出之尚未行使購股權數目最多可相當於其獲行使時佔本公司任何時間已發行股份之10%，且不得超過不時已發行股份總數之30%。在任何十二個月期間內，根據向該計劃每位合資格參與者授出的購股權而可予發行的最高股份數目，均以本公司於任何時候的已發行股份1%為限。倘再授出超逾上述限額的購股權，則必須取得股東於股東大會上批准。

提呈授出之購股權可於提呈日期起計七日內接納，而承授人須支付合共1港元之象徵式代價。根據購股權須接納股份之期間由董事會全權酌情決定，且於任何情況下，該期間不得超過根據計劃授出任何個別購股權日期起計十年。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 25. SHARE OPTION SCHEME (Continued)

The subscription price shall be determined solely by the directors, but may not be less than the highest of: (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option, provided that in the event of fractional prices.

The Company, by resolution in general meeting or the directors may at any time terminate the operation of the Share Option Scheme and in such event no further options of the Scheme will be offered but those options granted prior to such termination shall continue to be valid and exercisable in accordance with the previous provisions of the Scheme.

No share option has been granted since the adoption of the Scheme.

### 26. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at the end of the reporting period.

### 27. PLEDGE OF ASSETS

Details of the Group's bank loans and overdrafts, which are secured by the assets of the Group, are included in note 21 to the financial statements.

### 25. 購股權計劃(續)

認購價須由董事全權釐定，惟不得低於下列最高者：(i)本公司股份於授出購股權日期(須為營業日)在聯交所每日報價表所報之收市價；(ii)本公司股份於緊接授出購股權日期前五個營業日在聯交所每日報價表之平均收市價；及(iii)股份於授出購股權日期之面值，惟倘出現零碎價格。

本公司在股東大會上通過決議案或董事可隨時終止購股權計劃，而在此情況下不得再授出計劃之任何購股權，惟該等於此終止前授出之購股權根據計劃之條文繼續有效及可行使。

自採納計劃起，概無授出任何購股權。

### 26. 或然負債

於報告期末，本集團概無重大或然負債。

### 27. 資產抵押

由本集團資產抵押之本集團銀行貸款及透支詳情載於財務報表附註21。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 28. OPERATING LEASE ARRANGEMENTS

#### (a) As lessor

The Group leases its prepaid lease payments for buildings (note 17 to the financial statements) under operating lease arrangements, with leases negotiated for terms of six years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2018, the Group had total future minimum lease receivables under operating leases with its tenants falling due as follows:

### 28. 經營租賃安排

#### (a) 作為出租人

本集團根據經營租賃安排出租其樓宇預付租賃款項(財務報表附註17)，租期協定為六年。租賃期一般亦要求租戶支付保證金，並按當時市況定期調整租金。

於二零一八年十二月三十一日，本集團根據與其租戶的經營租賃的未來最低租賃應收款項總額的到期情況如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	1,258	1,300
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	4,658	5,444
After five years	五年後	-	699
		<b>5,916</b>	7,443

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 28. OPERATING LEASE ARRANGEMENTS (Continued)

#### (b) As lessee

The Group leases certain of its land and buildings and office equipment under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years.

At 31 December 2018, the Group had total future minimum lease payments under operating leases falling due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	2,599	1,930
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	5,902	6,485
After five years	五年後	-	884
		<b>8,501</b>	<b>9,299</b>

### 29. COMMITMENTS

Except for the operating lease commitments detailed in note 28(b) above, the Group had the following capital commitments at the end of the reporting period:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	106	6,551

### 28. 經營租賃安排(續)

#### (b) 作為承租人

本集團根據經營租賃安排租用若干土地及樓宇及辦公設備，租期協定為一至二十年。

於二零一八年十二月三十一日，本集團根據經營租賃的未來最低租賃付款總額的到期情況如下：

### 29. 承擔

除上述附註28(b)詳述的經營租賃承擔外，本集團於報告期末擁有以下資本承擔：

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 30. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year ended 31 December 2018:

- (a) Names of the Group's principal related parties and their relationship with the Group:

**Name of related parties**  
關聯方名稱

**Relationship**  
關係

Jinxin China Limited ("Jinxin")  
金鑫中國有限公司(「金鑫」)

Company controlled by Mr. Wong  
黃先生控制之公司

- (b) The outstanding balance with a related party is as follows:

		2018 二零一八年		2017 二零一七年	
		Maximum amount outstanding 最高欠付		Maximum amount outstanding 最高欠付	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Jinxin	金鑫	-	-	-	63,087

The above balance is unsecured, interest-free, non-trade in nature and repayable on demand and has been settled in November 2017.

上述餘額無抵押、免息、屬非貿易性質及須按要求償還，已於二零一七年十一月結算。

- (c) Compensation of key management personnel of the Group:

Details of the compensation of key management personnel of the Group, who are the executive directors, are disclosed in note 8 to the financial statements.

### 30. 關聯方交易

除該等財務報表其他部分詳述的交易外，本集團於截至二零一八年十二月三十一日止年度與關聯方進行以下交易：

- (a) 本集團主要關聯方名稱及其與本集團的關係：

- (b) 尚欠一名關聯方餘額如下：

- (c) 本集團關鍵管理人員薪酬：

本集團身為執行董事的關鍵管理人員薪酬詳情披露於財務報表附註8。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### 31. 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變動：

		As at 1 January 2018 二零一八年 一月一日 HK\$'000 千港元	Cash flows 現金流量 HK\$'000 千港元	Non-cash changes— foreign exchange movement 非現金變動 —外匯變動 HK\$'000 千港元	As at 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Bank loans	銀行貸款	22,627	(7,410)	–	15,217

  

		As at 1 January 2017 二零一七年 一月一日 HK\$'000 千港元	Cash flows 現金流量 HK\$'000 千港元	Non-cash changes— foreign exchange movement 非現金變動 —外匯變動 HK\$'000 千港元	As at 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Bank loans	銀行貸款	31,913	(9,325)	39	22,627

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period are as follows:

31 December 2018

#### Financial assets

		Financial asset at FVPL 按公允價值計入損益的金融資產 HK\$'000 千港元	Financial assets at amortised cost 按攤銷成本計算的金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial asset at FVPL	按公允價值計入損益的金融資產	4,632	–	4,632
Trade receivables	應收交易款項	–	17,441	17,441
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	–	7,441	7,441
Cash and cash equivalents	現金及現金等價物	–	30,938	30,938
		4,632	55,820	60,452

### 32. 按種類劃分的金融工具

於各報告期末，各類別金融工具之賬面值如下：

二零一八年十二月三十一日

#### 金融資產

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 32. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

31 December 2018 (Continued)

#### Financial liabilities

### 32. 按種類劃分的金融工具(續)

二零一八年十二月三十一日(續)

#### 金融負債

		Financial liabilities at amortised cost 按攤銷成本 計算的 金融負債 HK\$'000 千港元
Trade payables	應付交易款項	5,122
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的 金融負債	4,501
Interest-bearing bank borrowings	計息銀行借款	15,217
		<b>24,840</b>



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 32. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

31 December 2017

#### Financial assets

		Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Available-for- sale investment 可供出售投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investment	可供出售投資	–	4,474	4,474
Trade receivables	應收交易款項	24,900	–	24,900
Financial assets included in prepayments, other receivables and other assets	計入預付款項、 其他應收款項及 其他資產的金融資產	10,638	–	10,638
Pledged deposits	抵押存款	9,000	–	9,000
Cash and cash equivalents	現金及現金等價物	57,920	–	57,920
		102,458	4,474	106,932

#### Financial liabilities

		Financial liabilities at amortised cost 按攤銷成本計算 的金融負債 HK\$'000 千港元
Trade payables	應付交易款項	9,269
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的 金融負債	12,361
Interest-bearing bank borrowings	計息銀行借款	22,627
		44,257

### 32. 按種類劃分的金融工具(續)

二零一七年十二月三十一日

#### 金融資產

	Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Available-for- sale investment 可供出售投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investment	–	4,474	4,474
Trade receivables	24,900	–	24,900
Financial assets included in prepayments, other receivables and other assets	10,638	–	10,638
Pledged deposits	9,000	–	9,000
Cash and cash equivalents	57,920	–	57,920
	102,458	4,474	106,932

#### 金融負債

	Financial liabilities at amortised cost 按攤銷成本計算 的金融負債 HK\$'000 千港元
Trade payables	9,269
Financial liabilities included in other payables and accruals	12,361
Interest-bearing bank borrowings	22,627
	44,257

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 31 December 2018 and 2017, the fair values of the Group's financial assets or financial liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, interest-bearing bank borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 33. 金融工具的公允值及公允值層級

於二零一八年及二零一七年十二月三十一日，本集團金融資產或金融負債的公允值與各自賬面值相若。

根據管理層的評估，現金及現金等價物、抵押存款、應收交易款項、應付交易款項、計入預付款項、其他應收款項及其他資產的金融資產、計息銀行借款、計入其他應付款項及應計費用的金融負債之公允值與各自賬面值相若，主要是由於該等工具於短期內到期。

本集團財務部由財務經理主管，負責釐定金融工具公允值計量的政策及程序。於各報告日，財務部分析金融工具價值變動，釐定可用於估值的主要輸入數據。董事定期審閱金融工具公允值計量結果，供年度財務報告使用。

金融資產及負債的公允值以該工具於自願交易方（而非強迫或清盤銷售）當前交易下的可交易金額入賬。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair value of the Group's financial asset at FVPL, which was previously classified as an available-for-sale investment, is categorised within Level 3 of the fair value hierarchy which is measured based on significant unobservable inputs and has been estimated based on the surrender value of the policy as disclosed in note 14 to the financial statements. The fair value of the insurance policy is mainly affected by its surrender value as the directors expected the other unobservable inputs such as insurance risk would not have significant impact on the fair value of the insurance policy. The surrender value of the insurance policy was obtained from the insurance company without any adjustment. The directors believe that the estimated fair value and the related changes in fair values are reasonable, and that they were the most appropriate values at the end of the reporting period.

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 during the year ended 31 December 2018.

### 33. 金融工具的公允值及公允值層級(續)

本集團按公允值計入損益的金融資產(先前分類列作可供出售投資)公允值屬於公允值層級第三級，乃基於重大不可觀察輸入數據計量，並基於財務報表附註14所披露的保單退保金額估計。保單的公允值主要受其退保金額影響，因為董事預期其他不可觀察輸入數據(例如保險風險)將不會對保單的公允值造成重大影響。本集團自保險公司取得保單退保金額並不作任何調整。董事認為估計公允值及公允值有關變動合理，且於報告期末均為最適當值。

於截至二零一八年十二月三十一日止年度，第一級與第二級公允值計量之間並無轉移，亦無轉入或轉出自第三級。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate of 100 basis points, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings).

		<b>(Increase)/decrease in the Group's loss before tax</b>	
		本集團除稅前虧損(增加)/減少	
		<b>2018</b>	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
If interest rates decrease by 100 basis points	倘利率下降 100 個基點	<b>152</b>	226
If interest rates increase by 100 basis points	倘利率增加 100 個基點	<b>(152)</b>	(226)

### 34. 財務風險管理目標及政策

本集團主要金融工具包括計息銀行借款和現金及現金等價物。該等金融工具之主要目的在於為本集團營運融資。本集團具有多種其他金融資產及負債，例如經營直接產生的應收交易款項及應付交易款項。

源於本集團金融工具之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事會已審議並批准管理該等風險之政策，政策概要如下。

#### 利率風險

本集團面臨的市場利率變動風險主要與本集團以浮動利率計息的銀行借款有關。

下表顯示在其他變數均保持不變之情況下，利率合理可能變動100個基點，對本集團除稅前虧損(透過對浮息借款的影響)之敏感分析。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity to a reasonably possible change by 5% in the HK\$ exchange rate against RMB, with all other variables held constant, of the Group's loss before tax due to changes in the translated values of monetary assets and liabilities.

		(Increase)/decrease in the Group's loss before tax 本集團除稅前虧損(增加)/減少	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
If HK\$ strengthens against RMB	倘港元兌人民幣升值	981	505
If HK\$ weakens against RMB	倘港元兌人民幣貶值	(981)	(505)

#### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

### 34. 財務風險管理目標及政策(續)

#### 外匯風險

本集團面臨交易貨幣風險。該等風險來自營運單位以非功能貨幣的貨幣進行買賣所致。

下表顯示在其他變數均保持不變之情況下，港元兌人民幣之匯率合理可能變動5%，對本集團(由於貨幣性資產及負債換算價值之變動)除稅前虧損之敏感分析。

#### 信貸風險

本集團僅與受認可及信譽高的第三方進行交易。本集團政策規定，所有按信貸條款交易的客戶均須通過信用審核程序。此外，本集團持續監控應收款項結餘，所面臨之壞賬風險並不重大。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018.

### 34. 財務風險管理目標及政策(續)

於二零一八年十二月三十一日年結日呈列的最大風險

下表列示以本集團信貸政策為依據的信貸質素及的信貸風險最大承受程度，主要以已逾期資料為依據，惟毋須花費不必要成本或精力即可獲得的其他資料及於二零一八年十二月三十一日以前年結日呈列的分類則另當別論。

		12-month ECLs 12個月預期 信貸虧損	Lifetime ECLs 全期預期 信貸虧損 Simplified approach 簡化法	Total 總計
		Stage 1 第一階段 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables*	應收交易款項*	–	17,441	17,441
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產			
— Normal**	— 正常**	7,441	–	7,441
Cash and cash equivalents	現金及現金等價物			
— Not yet past due	— 並未逾期	30,938	–	30,938
		<b>38,379</b>	<b>17,441</b>	<b>55,820</b>

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 16 to the financial statements, respectively.

\*\* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

\* 就本集團使用簡化法對應收交易款項以進行減值而言，以撥備矩陣為依據的資料分別於財務報表附註16披露。

\*\* 計入預付款項、其他應收款項及其他資產的金融資產的於並未逾期且並無資料表明其自初始確認以來出現信貸風險大幅度增加的情況下，其信貸質素被視為「正常」。否則，金融資產的信貸質素被視為「可疑」。



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Maximum exposure as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and bank balances and deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets.

As at 31 December 2017, the Group had certain concentrations of credit risk as 61% of the trade receivables were due from the Group's five customers. In order to minimise the credit risk, the financial department has been delegated by the management of the Group to be responsible for the determination of credit limits, credit approvals and other monitoring procedures and the review of the recoverable amount of each material individual debt at the end of each reporting period to ensure that adequate provision for impairment losses is made for irrecoverable amounts. In addition, the Group continuously monitors its trade receivable balances so as to ensure that the Group will not be subject to material bad debt risk. Since the Group only trades with third parties recognised to be creditworthy, management considers that the credit risk in respect of the Group's customers is limited. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 16 to the financial statements.

### 34. 財務風險管理目標及政策(續)

#### 於二零一七年十二月三十一日的最大風險

本集團其他金融資產包括現金及銀行結餘、以及按金及其他應收款項，其信貸風險來自另一方違約，最大風險即為該等金融資產之賬面值。

於二零一七年十二月三十一日，本集團的應收交易款項中61%來自本集團的五名客戶，有若干信貸集中風險。為盡量減輕信貸風險，本集團管理層授權財務部負責釐定信貸限額、信貸審批及其他監控規程，並負責於各報告期末審閱各重大個別債務的可收回金額，確保為不可回收金額計提充足減值虧損撥備。此外，本集團持續監控應收交易款項結餘，確保本集團不會面臨重大壞賬風險。由於本集團僅與信譽高的第三方合作，管理層認為與本集團客戶有關的信貸風險有限。有關本集團因應收交易款項引致之信貸風險詳細量化數據披露於本財務報表附註16。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk

The Group's policies are to regularly monitor the current and expected liquidity requirements, and to ensure that it maintains sufficient reserves of cash and available banking facilities to meet its liquidity requirements in the short and longer term.

The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on the contractual undiscounted payments, is as follows:

### 34. 財務風險管理目標及政策(續)

#### 流動資金風險

本集團政策為定期監控當前及預期流動資金需求，確保有足夠現金儲備及可動用銀行融資滿足短期及長期流動資金需求。

以下載列本集團於各報告期末根據合約未折現付款分析的金融負債到期狀況：

		31 December 2018 二零一八年十二月三十一日		
		On demand 按要求償還 HK\$'000 千港元	Within 1 year 一年內 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest-bearing bank borrowings	計息銀行借款	15,217	–	15,217
Trade payables	應付交易款項	–	5,122	5,122
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的財務負債	–	4,501	4,501
		<b>15,217</b>	<b>9,623</b>	<b>24,840</b>

		31 December 2017 二零一七年十二月三十一日		
		On demand 按要求償還 HK\$'000 千港元	Within 1 year 一年內 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest-bearing bank borrowings	計息銀行借款	22,627	–	22,627
Trade payables	應付交易款項	–	9,269	9,269
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的財務負債	36	12,325	12,361
		<b>22,663</b>	<b>21,594</b>	<b>44,257</b>

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2018.

The Group monitors capital on the basis of the net cash-to-capital ratio, which is net cash divided by total equity.

The net cash-to-capital ratio as at the end of the reporting periods was as follows:

### 34. 財務風險管理目標及政策(續)

#### 資本管理

本集團資本管理的主要目的是為保障持續經營並維持穩健資本比率，以支持業務及最大化股東價值。

本集團根據經濟狀況變動及相關資產的風險特徵管理並調整資本架構。為維持或調整資本架構，本集團或會調整向股東派付的股息、股東回報或發行新股份。本集團不受外界實施的資本規定所規限。截至二零一八年十二月三十一日止年度，管理資本的目標、政策或程序概無發生改變。

本集團以現金淨額對股本比率(現金淨額除以總權益)為基準監控資本。

報告期末的現金淨額對股本比率如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	30,938	57,920
Less: Interest-bearing bank borrowings	減：計息銀行借款	(15,217)	(22,627)
Net cash	現金淨額	15,721	35,293
Total equity	總權益	63,106	78,084
Net cash-to-capital ratio	現金淨額對股本比率	24.9%	45.2%



# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 35. EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or the Group after 31 December 2018 and up to the date of approval of these financial statements.

### 36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 35. 報告期後事項

本公司或本集團於二零一八年十二月三十一日後及直至批准該等財務報表日期概無進行任何重大期後事項。

### 36. 本公司財務狀況表

本公司於報告期末的財務狀況表相關資料如下所示：

		<b>31 December 2018</b> 二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
NON-CURRENT ASSETS	<b>非流動資產</b>		
Investments in subsidiaries*	投資附屬公司*	<b>10,000</b>	–
CURRENT ASSETS	<b>流動資產</b>		
Amounts due from subsidiaries	應收附屬公司款項	<b>47,197</b>	15,048
Prepayments, other receivables and other assets	預付款項、其他應收款項及 其他資產	<b>150</b>	–
Cash and cash equivalents	現金及現金等價物	<b>1</b>	50,110
Total current assets	流動資產總值	<b>47,348</b>	65,158
CURRENT LIABILITIES	<b>流動負債</b>		
Other payables and accruals	其他應付款項及應計費用	<b>2,489</b>	4,180
Total current liabilities	流動負債總值	<b>2,489</b>	4,180
NET CURRENT ASSETS	<b>流動資產淨值</b>	<b>44,859</b>	60,978
Net assets	資產淨值	<b>54,859</b>	60,978
EQUITY	<b>權益</b>		
Share capital	股本	<b>8,000</b>	8,000
Reserves (note)	儲備(附註)	<b>46,859</b>	52,978
Total equity	權益總額	<b>54,859</b>	60,978

\* As at 31 December 2017, the investment in a subsidiary of the Company was US\$1 (HK\$8).

\* 於二零一七年十二月三十一日，本公司投資附屬公司金額為1美元(8港元)。

# Notes to Financial Statements (Continued)

## 財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

### 36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) 36. 本公司財務狀況表(續)

Note:

A summary of the Company's reserves is as follows:

附註：

本公司的儲備概述如下：

		Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2017	於二零一七年一月一日之結餘	-	-	-
Loss for the year	年內虧損	-	(4,773)	(4,773)
Issue of shares (note 23)	股份發行(附註23)	73,000	-	73,000
Share issue expenses (note 23)	股份發行開支(附註23)	(9,249)	-	(9,249)
Capitalisation Issue (note 23)	資本化發行(附註23)	(6,000)	-	(6,000)
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	57,751	(4,773)	52,978
Loss for the year	年內虧損	-	(6,119)	(6,119)
At 31 December 2018	於二零一八年十二月三十一日	57,751	(10,892)	46,859

### 37. APPROVAL OF THE FINANCIAL STATEMENTS 37. 財務報表的審核

The financial statements were approved and authorised for issue by the board of directors on 26 March 2019.

財務報表已於二零一九年三月二十六日獲董事會批准並授權刊發。

# Four Year Financial Summary

## 四年財務摘要

A summary of the results and of the assets and liabilities of the Group for the last four financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below:

下文載列本集團於過往四個財政年度之業績以及資產及負債概要，乃摘錄自本集團之已公佈經審核財務報表，並經適當重列／重新分類。

		<b>Year ended 31 December</b> 截至十二月三十一日止年度			
		<b>2018</b>	2017	2016	2015
		二零一八年	二零一七年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>RESULTS</b>	<b>業績</b>				
REVENUE	收益	<b>64,510</b>	74,371	72,624	82,829
Cost of sales	銷售成本	<b>(51,232)</b>	(48,853)	(45,617)	(56,558)
Gross profit	毛利	<b>13,278</b>	25,518	27,007	26,271
Other income and gains	其他收入及增益	<b>2,037</b>	642	1,515	678
Selling and distribution expenses	銷售及分銷開支	<b>(7,579)</b>	(6,408)	(6,952)	(7,668)
Administrative expenses	行政開支	<b>(16,456)</b>	(9,831)	(7,752)	(8,195)
Impairment losses on financial assets	金融資產減值虧損	<b>(499)</b>	-	-	-
Other expenses	其他開支	<b>(2,301)</b>	(20,108)	(10,303)	(1,317)
Finance costs	融資成本	<b>(886)</b>	(2,291)	(2,892)	(3,238)
(LOSS)/PROFIT BEFORE TAX	除稅前(虧損)/溢利	<b>(12,406)</b>	(12,478)	623	6,531
Income tax credit/(expenses)	所得稅(抵免)/(開支)	<b>1,551</b>	(712)	(1,100)	(1,853)
(LOSS)/PROFIT FOR THE YEAR	全年(虧損)/溢利	<b>(10,855)</b>	(13,190)	(477)	4,678
ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔	<b>(10,855)</b>	(13,190)	(477)	4,678



# Four Year Financial Summary (Continued)

## 四年財務摘要(續)

### ASSETS AND LIABILITIES

### 資產及負債

		As at 31 December 於十二月三十一日			
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
TOTAL ASSETS	資產總值	<b>92,631</b>	129,359	118,334	149,743
TOTAL LIABILITIES	負債總值	<b>(29,525)</b>	(51,275)	(56,949)	(82,332)
		<b>63,106</b>	78,084	61,385	67,411

Note:

The financial information for the years ended 31 December 2015 and 2016 were extracted from the prospectus of the Company dated 30 November 2017. No financial statements of the Group for the year ended 31 December 2014 have been published. The summary above does not form part of the audited financial statements for the year ended 31 December 2018.

附註：

截至二零一五年及二零一六年十二月三十一日止年度的財務資料乃摘錄自本公司日期為二零一七年十一月三十日的招股章程。本集團概無刊發截至二零一四年十二月三十一日止年度的財務報表。上述概要並不構成截至二零一八年十二月三十一日止年度的經審核財務報表。



Shen You Holdings Limited  
申酉控股有限公司