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Cabbeen

Cabbeen Fashion Limited

卡賓服飾有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2030)

2018 ANNUAL RESULTS ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Cabbeen Fashion Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the year ended 31 December 2018. This announcement, containing the full text of the 2018 Annual Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of annual results.



ABOUT CABBEEN

關於卡賓

Cabbeen is a leading Chinese menswear designer brand.

Cabbeen Fashion Limited and its subsidiaries are principally engaged in the design of men's apparel, footwear and accessories, brand management, and wholesaling, consignment and retailing of menswear in the People's Republic of China.

卡賓是中國領先的男裝設計師品牌。

卡賓服飾有限公司及其附屬公司主要在中華人民共和國從事男士服裝、鞋履和配飾的設計，品牌管理，和男裝批發、代銷及零售。

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Ziming Yang (*Chairman*)
Mr. Siu Keung Ng (*Chief Executive Officer*)
Mr. Rongqin Ke

Independent Non-Executive Directors

Mr. Yung Kwok Tsui
Mr. Honghui Chen
Mr. Ming Shu Leung

AUDIT COMMITTEE

Mr. Yung Kwok Tsui (*Chairman*)
Mr. Honghui Chen
Mr. Ming Shu Leung

REMUNERATION COMMITTEE

Mr. Yung Kwok Tsui (*Chairman*)
Mr. Ming Shu Leung
Mr. Siu Keung Ng

NOMINATION COMMITTEE

Mr. Ziming Yang (*Chairman*)
Mr. Honghui Chen
Mr. Ming Shu Leung

CORPORATE GOVERNANCE COMMITTEE

Mr. Siu Keung Ng (*Chairman*)
Mr. Yung Kwok Tsui
Mr. Ming Shu Leung

AUTHORISED REPRESENTATIVES

Mr. Siu Keung Ng
Ms. Lai Wah Wong, *FCPA*

COMPANY SECRETARY

Ms. Lai Wah Wong, *FCPA*

REGISTERED OFFICE

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

董事會

執行董事

楊紫明先生 (*主席*)
吳少強先生 (*行政總裁*)
柯榕欽先生

獨立非執行董事

徐容國先生
陳宏輝先生
梁銘樞先生

審核委員會

徐容國先生 (*主席*)
陳宏輝先生
梁銘樞先生

薪酬委員會

徐容國先生 (*主席*)
梁銘樞先生
吳少強先生

提名委員會

楊紫明先生 (*主席*)
陳宏輝先生
梁銘樞先生

企業管治委員會

吳少強先生 (*主席*)
徐容國先生
梁銘樞先生

授權代表

吳少強先生
黃麗華女士, *FCPA*

公司秘書

黃麗華女士, *FCPA*

註冊辦事處

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

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

HEADQUARTERS IN CHINA

Cabbeen Apparel Building
No. 379 Shougouling Road
Tianhe District
Guangzhou 510507
PRC

中國總部

中國
廣州市
天河區
瘦狗嶺路379號
卡賓服飾大廈
郵編510507

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A&B, 26/F, Billion Plaza II
10 Cheung Yue Street,
Cheung Sha Wan,
Kowloon
Hong Kong

香港主要營業地點

香港
九龍
長沙灣
長裕街10號
億京廣場二期26樓A及B室

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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

開曼群島股份過戶登記處

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

HONG KONG BRANCH SHARE REGISTRAR

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

香港股份過戶登記分處

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

AUDITOR

KPMG, *Certified Public Accountants*

核數師

畢馬威會計師事務所，執業會計師

LEGAL ADVISOR AS TO HONG KONG LAW

Luk & Partners in Association with Morgan, Lewis & Bockius

香港法律顧問

陸繼鏘律師事務所與摩根路易斯律師事務所聯營

WEBSITE

www.ir.cabbeen.com

網站

www.ir.cabbeen.com

FINANCIAL HIGHLIGHTS

財務摘要

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	Changes 變動 %
Financial highlights	財務摘要			
Revenue	收益	1,273,473	1,089,106	+16.9%
Gross profit	毛利	578,743	537,613	+7.7%
Profit from operation	經營溢利	310,842	301,336	+3.2%
Profit for the year	年內溢利	210,243	203,213	+3.5%
Earnings per share (RMB cents)	每股盈利 (人民幣分)			
– Basic	– 基本	31.71	29.47	+7.6%
– Diluted	– 攤薄	31.68	29.45	+7.6%
Dividend per share (HK cents)	每股股息 (港仙)			
– Interim dividend	– 中期股息	13.2	6.0	
– Final dividend	– 末期股息	4.8	8.5	
– Total dividend	– 總股息	18.0	14.5	+24.1%
Profitability ratios	盈利比率			
Gross profit margin	毛利率	45.4%	49.4%	-4.0 ppt 個百分點
Operating margin	經營利潤率	24.4%	27.7%	-3.3 ppt 個百分點
Net profit margin	純利率	16.5%	18.7%	-2.2 ppt 個百分點
Return on total assets ⁽¹⁾	資產總值回報率 ⁽¹⁾	10.0%	10.3%	-0.3 ppt 個百分點
Return on equity ⁽²⁾	權益回報率 ⁽²⁾	17.9%	19.3%	-1.4 ppt 個百分點
Liquidity ratios	流動資金比率			
Current ratio	流動比率	2.71	2.76	
Average inventory turnover days ⁽³⁾	平均存貨 周轉天數 ⁽³⁾	189	220	
Average trade and bills receivables turnover days ⁽⁴⁾	平均貿易應收款項及 應收票據周轉天數 ⁽⁴⁾	87	103	
Average trade and bills payables turnover days ⁽⁵⁾	平均貿易應付款項及 應付票據周轉天數 ⁽⁵⁾	243	283	
Capital ratio	資金比率			
Interest coverage ratio ⁽⁶⁾	盈利對利息倍數 ⁽⁶⁾	15.6	18.2	
Net debt to equity ratio ⁽⁷⁾	淨債權比率 ⁽⁷⁾	5.7%	14.5%	
Gearing ratio ⁽⁸⁾	資產負債比率 ⁽⁸⁾	24.5%	27.3%	

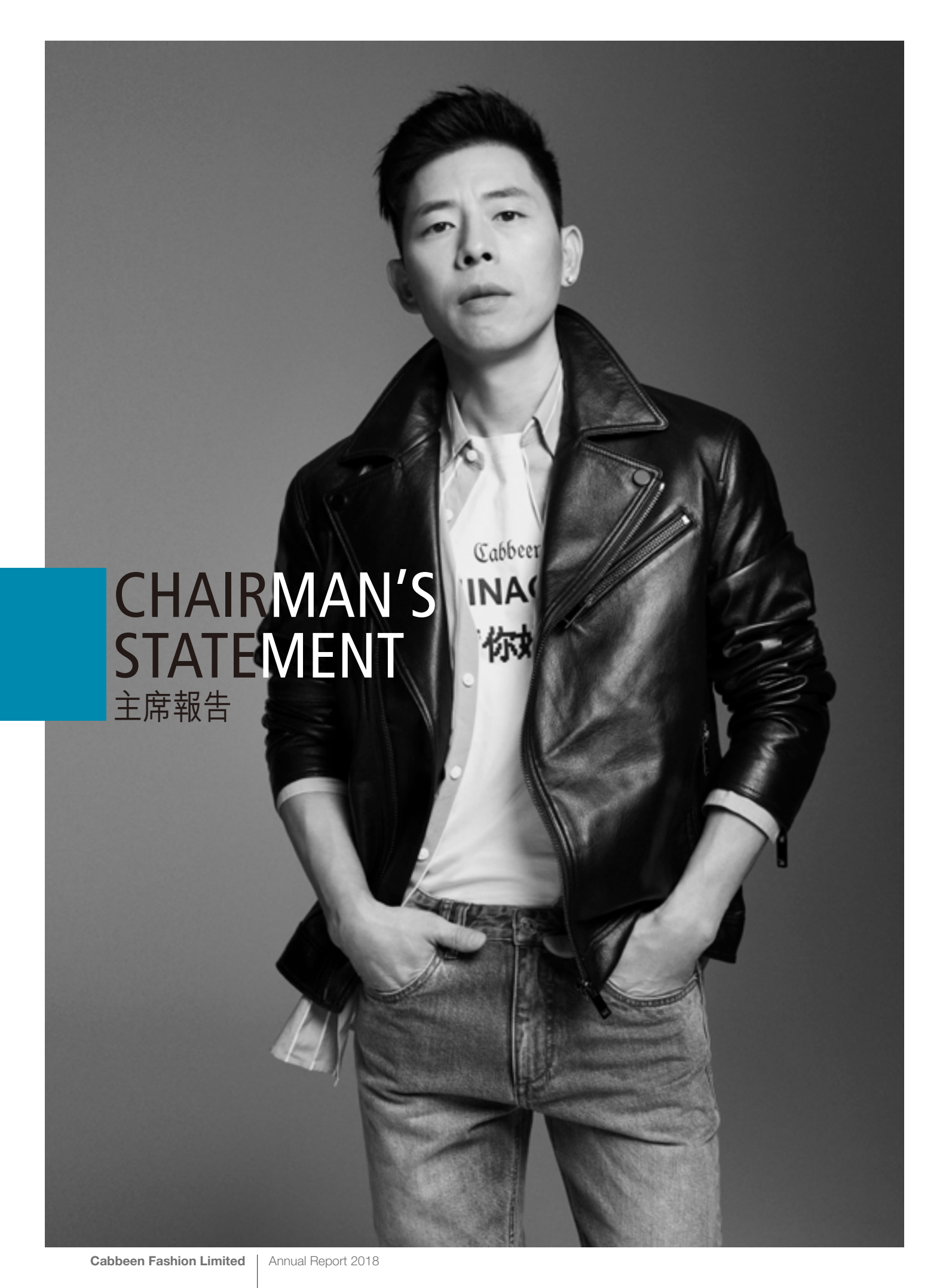
FINANCIAL HIGHLIGHTS (CONTINUED)

財務摘要 (續)

Notes:

附註：

- | | |
|--|---|
| (1) Return on total assets equals net profit for the year divided by the closing balance of total assets. | (1) 資產總值回報率等於年內純利除以資產總值年終結餘。 |
| (2) Return on equity equals net profit for the year divided by the closing balance of total shareholders' equity. | (2) 權益回報率等於年內純利除以股東權益總額年終結餘。 |
| (3) Average inventory turnover days is equal to the average of the beginning and closing inventory balance divided by cost of sales and multiplied by the number of days in the year. | (3) 平均存貨周轉天數等於年初及年終存貨結餘的平均值除以銷售成本，再乘以年內天數。 |
| (4) Average trade and bills receivables turnover days is equal to the average of the beginning and closing trade and bills receivables balance divided by turnover (including value-added tax) and multiplied by the number of days in the year. | (4) 平均貿易應收款項及應收票據周轉天數等於貿易應收款項及應收票據的年初及年終結餘的平均值除以營業額（包括增值稅），再乘以年內天數。 |
| (5) Average trade and bills payables turnover days is equal to the average of the beginning and closing trade and bills payables balance divided by costs of sales and multiplied by the number of days in the year. | (5) 平均貿易應付款項及應付票據周轉天數等於貿易應付款項及應付票據的年初及年終結餘的平均值除以銷售成本，再乘以年內天數。 |
| (6) Interest coverage ratio equals profit before interest and tax for one period divided by interest expenses of the same period. | (6) 盈利對利息倍數等於一個期間的扣除利息及稅項前溢利除以同期利息開支。 |
| (7) Net debt to equity ratio equals net debt divided by total equity as of the end of the year. Net debt includes all borrowings net of cash and cash equivalents. | (7) 淨債權比率等於年末債務淨額除以權益總額。債務淨額包括扣除現金及現金等價物的所有借款。 |
| (8) Gearing ratio equals total debts divided by total equity. | (8) 資產負債比率等於債務總額除以權益總額。 |



CHAIRMAN'S STATEMENT

主席報告

TO ALL SHAREHOLDERS,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Cabbeen Fashion Limited (the “**Company**”, stock code: 2030), I am pleased to present the results of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**Cabbeen**”) for the year ended 31 December 2018.

The business of the Group continued to progress at a solid pace during the year ended 31 December 2018 amid macroeconomic headwind. We delivered a revenue growth of approximately 17% and our e-commerce business achieved particularly encouraging results. In August 2018, we also launched a new children's brand, Cabbeen Love. Multi-brand strategy has been one of our key strategic focuses and we will continue to look for opportunities to broaden our brand portfolio and customer base.

We noticed there had been a sharp shift in consumer sentiment in the second half of 2018. Market confidence was generally impacted by Sino-US trade turbulence and uncertainty on macroeconomic outlook. Consumers are holding off on spending due to uncertainty about the future. We expect consumption will continue to slow in 2019. We are well aware of the challenges ahead. Accordingly, we will be prudent in expanding shop network and work on enhancing operation efficiency.

Finally, on behalf of the Board, I would like to express my sincere gratitude to all staff members for their dedication and contribution, and to our shareholders and business partners for their support. We will continue with our endeavor to pursue growth of our business and create value for our shareholders.

Chairman
Ziming Yang

22 February 2019

致各位股東：

本人謹此代表卡賓服飾有限公司(「本公司」，股份代號：2030)董事(「董事」)會(「董事會」)，欣然呈列本公司及附屬公司(統稱「本集團」或「卡賓」)截至二零一八年十二月三十一日止年度的業績。

儘管宏觀經濟頂風而行，截至二零一八年十二月三十一日止年度本集團業務繼續穩步發展。我們錄得約17%的收益增長，尤其是我們的電商業務取得喜人成績。於二零一八年八月，本集團推出了新兒童品牌Cabbeen Love。多品牌策略向來是本集團的核心策略之一，而本集團將會繼續尋求機遇擴大其品牌組合及客戶群。

本集團注意到二零一八年下半年消費情緒出現驟變。市場信心受中美貿易的動蕩及宏觀經濟的不確定性影響。因未來存在不確定性，消費者均減少支出。本集團預計在二零一九年消費水平將持續下滑。本集團深諳未來存在挑戰，因此，本集團將於擴大店舖網絡方面保持謹慎並加強提升其營運效率。

最後，本人謹代表董事會衷心感謝全體員工的努力及貢獻，以及各位股東及合作夥伴的鼎力支持。我們將繼續努力推動本集團業務增長並為股東創造價值。

主席
楊紫明

二零一九年二月二十二日

19' Spring&Summer Collection

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cabbeen



19' Spring&Summer Collection

2AM

19' Spring&Summer Collection

Cabbeen Urban



Cabbeen 

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

INDUSTRY OVERVIEW

The apparel industry is highly competitive both in brick-and-mortar stores and online. In addition, the Group competes with various national and global apparel retailers on the basis of quality, fashion, service and price. In 2018, most players in the industry downsized their store numbers but increased their digital market presence. This trend is expected to continue in 2019 with more emphasis on the growth of e-commerce and mobile shopping. Considering the backdrop of economic slowdown and customers being cautious on spending, apparel industry players will be facing a more difficult environment in 2019. To uphold its competitiveness, the Group is dedicated to understanding its customers better and offering fashion products to them which represent good value of money, as well as to reinforcing the Group's operation efficiency and prudent store expansion strategies.

BUSINESS REVIEW

Overview

Cabbeen is a Chinese designer brand. It offers apparel and accessories for men, women, and children under the Cabbeen Lifestyle, Cabbeen Urban, Cabbeen Love and 2AM brands. The Group derives its revenue from sales of its products through franchise stores and online shops. Most of the products sold under its brand names are designed by the Group and all of the products sold are manufactured by independent manufacturers in the PRC.

行業回顧

服裝行業於傳統實體店及線上市場均競爭激烈。此外，本集團亦要就產品質素、風格、服務及價格與全國及其他國際服裝品牌競爭。大部分業內人士於二零一八年削減其實體店舖數量，轉向提升其線上市場分額。此格局預期將於二零一九年繼續維持，電商及移動購物的重要性將更為凸顯。鑒於經濟放緩及客戶消費更為謹慎，二零一九年業內人士將倍感艱辛。為提升自身競爭力，本集團竭力深入了解客戶，為其提供性價比高的時尚產品，及加強其營運效率及謹慎的店舖擴張策略。

業務回顧

概覽

卡賓是中國的設計師品牌。其提供男士、女士及兒童服裝及配飾，旗下品牌有卡賓休閒、卡賓都市、Cabbeen Love及凌晨兩點。本集團所得收益乃通過特許經營店舖及網店銷售其產品。旗下品牌銷售的絕大部分產品均由本集團設計，且銷售的所有產品均為中國獨立生產商所生產。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

As of 31 December 2018, the Group had 5 wholesale distributors, 19 consignment distributors and 126 sub-distributors operating a total of 910 retail shops in mainland China. The Group operates Wechat store by itself. In addition, the Group operates online shops on e-commerce platforms including T-mall, JD.com, vipshop and sells products to other online distributors.

Retail channel performance

Performance of retail stores operated by the Group, its distributors and sub-distributors are summarized below.

- Total retail revenue for the year ended 31 December 2018 increased by 4.0% as compared to 2017. The increase was primarily a result from the increase in retail revenue from e-commerce platforms by 26.0%.
- Retail sales revenue and same store sales from physical retail stores for the year ended 31 December 2018 generally remained at the same level as that of 2017.
- Retail revenue from online shops increased by more than 26.0% from RMB398.1 million for the year ended 31 December 2017 to RMB503.3 million for the year ended 31 December 2018.
- Cabbeen had 1.8 million Wechat fans and members as of 31 December 2018 (2017: 1.1 million).
- Average retail discount at physical stores for the year ended 31 December 2018 was approximately 21.6% (2017: 21.3%).
- Up to 31 January 2019, sell-through rate of the Group's 2018 collections was over 68%.

截至二零一八年十二月三十一日，本集團有5名批發分銷商、19名代銷分銷商及126名二級分銷商，在中國內地共經營910間零售店舖。本集團自身經營微商城。此外，本集團亦在天貓、京東、唯品會等電商平台經營網店及向其他線上分銷商銷售產品。

零售渠道表現

下文概述由本集團、分銷商及二級分銷商經營的零售店舖的表現。

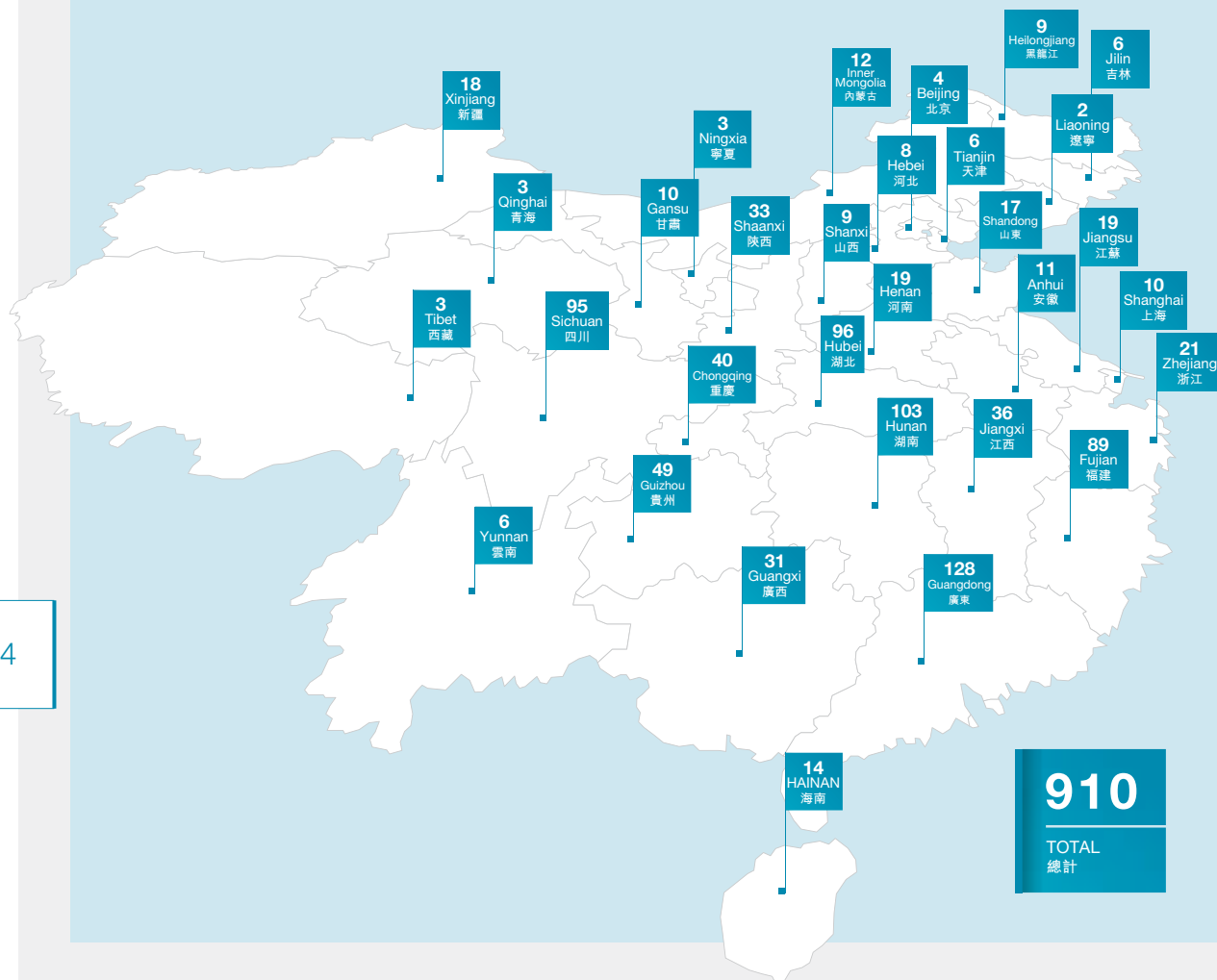
- 截至二零一八年十二月三十一日止年度，零售收益總額較二零一七年同期增加4.0%。該增加乃主要由於網上店舖所產生的零售收益增加26.0%。
- 於截至二零一八年十二月三十一日止年度，本集團的實體零售店舖零售金額及同店銷售與二零一七年同期相比大致維持相同水平。
- 網上店舖所產生的零售收益由截至二零一七年十二月三十一日止年度的人民幣398.1百萬元增加逾26.0%至截至二零一八年十二月三十一日止年度的人民幣503.3百萬元。
- 於二零一八年十二月三十一日，卡賓微信粉絲及會員人數為1.8百萬（二零一七年：1.1百萬）。
- 截至二零一八年十二月三十一日止年度，實體店舖平均零售折扣約為21.6%（二零一七年：21.3%）。
- 截至二零一九年一月三十一日，本集團二零一八年系列產品的售罄率超過68%。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Stores network

店鋪網路



The total number of retail stores increased from 845 as of 31 December 2017 to 910 as of 31 December 2018. A majority of retail stores were in second and third-tier cities and over 37% of the stores were in shopping malls.

零售店鋪總數由二零一七年十二月三十一日的845間增加至二零一八年十二月三十一日的910間。大部分零售店鋪位於二三線城市，而超過37%的店鋪位於商場內。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

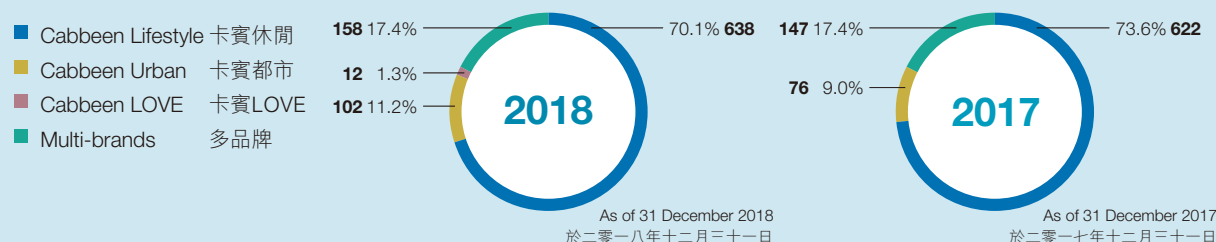
管理層討論及分析(續)

Retail network by geographical regions

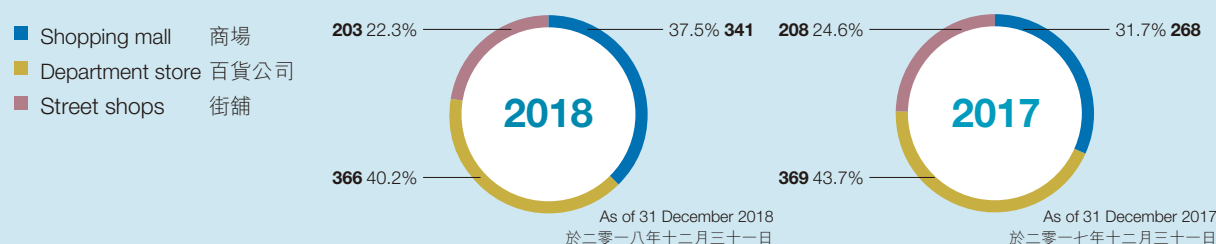
按地理區域劃分的零售網絡

Operation model 經營模式	As of 31 December 2018 截至二零一八年十二月三十一日			As of 31 December 2017 截至二零一七年十二月三十一日			
	Wholesales 批發	Consignment 代銷	Total 總計	Wholesales 批發	Consignment 代銷	Self-managed 自營	Total 總計
Geographical region 地區							
Central China 華中	198	37	235	229	-	-	229
Southwestern China 西南	62	131	193	53	106	-	159
Southern China 華南	23	239	262	21	212	1	234
Eastern China 華東	-	61	61	-	52	-	52
Northern China 華北	1	74	75	-	82	-	82
Northwestern China 西北	-	67	67	-	64	-	64
Northeastern China 東北	-	17	17	-	25	-	25
Total 總計	284	626	910	303	541	1	845

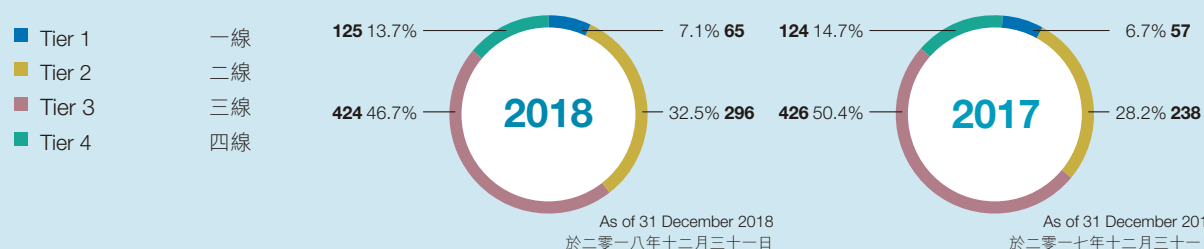
Retail outlets by brands 按品牌劃分的零售店舖



Retail outlets by channel 按渠道劃分的零售店舖

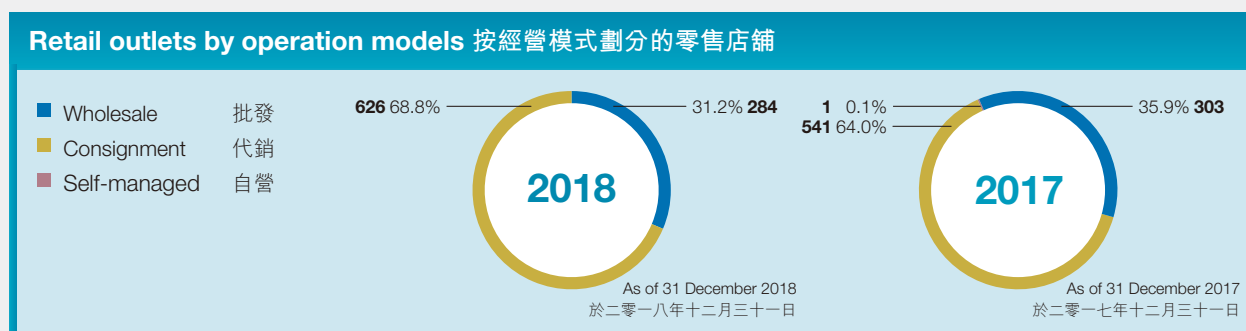


Retail outlets by city-tiers 按地區劃分的零售店舖



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)



Brand building

Virtually all aspects of brand development, from product design and distribution to marketing, merchandising and shopping environments, are controlled by the Group. The Group also keeps direct communications with its end customers through Wechat platform. It can therefore monitor their shopping patterns, and provide them with information about promotional events and new product launch information.

品牌建設

從產品設計、分銷到推廣、促銷及購物環境等品牌發展的各方面，均由本集團管控。本集團亦通過微信平台與終端顧客直接溝通。因此可了解顧客的購物模式及向顧客提供促銷活動和新品發佈信息。

Design and product development

As of 31 December 2018, the Group's in-house design and research and development team consisted of a total of 54 members (2017: 75), including 39 (2017: 29) designers joining from the mainland China, other Asia countries, Hong Kong and Europe. The Group also works with design institutes and contract designers from around the world. It offered approximately 5,300 new stock-keeping-units (SKUs) for 2018 product collections (over 3,700 SKUs for 2017 product collections).

設計及產品開發

截至二零一八年十二月三十一日，本集團的內部設計及研發團隊共有54名(二零一七年：75名)成員，包括39名(二零一七年：29名)來自中國內地、其他亞洲國家、香港及歐洲的設計師。本集團亦與世界各地的設計機構及合約設計師合作。本集團的二零一八年產品系列有約5,300個新款(二零一七年產品系列：超過3,700個新款)。

Logistics centre

The Group has been investing in its distribution infrastructures and have upgraded its logistics centres with semi-automated product conveyor system. Such upgraded systems enable us to expedite delivery and achieve higher efficiency and greater accuracy, which are particularly crucial for the Group's expanding on-line retail business. The logistics centre for the Group's online business is operated by an external service provider while the Group manages its logistics centre for offline business.

物流中心

本集團持續投資發展分銷基礎設施，對其物流中心進行半自動化輸送系統升級。該升級系統可有效縮短交付時間、提高效率及準確性，對本集團的線上零售業務擴張尤為重要。外部服務供應商負責營運本集團線上業務的物流中心，而本集團負責管理其線下業務的物流中心。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Omni-Channel

The Group has invested in building omni-channel capabilities in markets with retail outlets operated by consignment distributors. Its ERP system facilitates a single view of inventory across channels, connecting physical stores directly to Wechat store. The Group offers an online reservation, pick up in store service to its customers which allows customers to select in-store inventory from Wechat platform and collect the product from a physical store. The Group has also started to fulfil orders from Wechat stores by shipping products either from logistics centre or consignment stores. It will continue to optimize the omni-channel services for better customer shopping experience.

全渠道

本集團已投資與代銷分銷商經營的零售店鋪的市場全渠道能力建設。其ERP系統簡化了跨渠道的統一存貨視圖，直接將實體店鋪與微商城相連。本集團向其客戶提供線上預訂及上門取件服務，可讓客戶自微商城挑選店內存貨並在實體店提貨。本集團亦已開始通過物流中心或代銷店鋪付運產品以完成微商城的訂單。本集團將繼續優化全渠道服務以帶來更優的客戶購物體驗。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

PROSPECTS

There has been a sharp shift in sentiment in the second half of 2018. Market confidence was generally negatively impacted by Sino-US trade turbulence and uncertainty on macroeconomic outlook. Consumers are holding off on spending due to uncertainty about the future. In 2019, the Group expects consumption will continue to slow. Nevertheless, it still believes the e-commerce segment will continue to be the key driver of the its business. The Group, accordingly, will focus on expanding its e-commerce and omni-channel capabilities, and will be prudent in store expansion and marketing activities. In addition, the Group will continue to develop its business by adopting a multi-brand strategy and continue to look for opportunities to broaden its brand portfolio and customer base.

前景

二零一八年下半年市況出現驟變。市場信心普遍受中美貿易的動蕩及宏觀經濟前景不確定性的不利影響。因未來存在不確定性，消費者均減少支出。本集團預計於二零一九年消費水平將持續下滑。儘管如此，本集團堅信電商分部將繼續擔任其業務的中流砥柱。因此，本集團將著眼擴展其電商及全渠道能力，並於店舖擴展及營銷活動方面保持謹慎。此外，本集團將透過採用多品牌策略繼續發展其業務，並尋求機遇擴大其品牌組合及客戶群。

FINANCIAL REVIEW

Revenue

Revenue by sales channel

財務回顧

收益

按銷售渠道劃分的收益

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Online shops	線上店舖	430,481	283,169
Offline shops	線下店舖		
Wholesales	批發	309,812	328,560
Consignment	代銷	535,853	508,722
Self-owned	自營	1,431	42,263
		847,096	879,545
Less: Products repurchased for consignment business	減：為代銷業務 購回產品	(4,104)	(73,608)
Net Revenue	淨收益	1,273,473	1,089,106

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Revenue for the year ended 31 December 2018 amounted to RMB1,273.5 million, representing an increase of 16.9% or RMB184.4 million as compared with RMB1,089.1 million for the year ended 31 December 2017. The increase in the revenue was mainly attributable to the expansion of the Group's online retail channels and a decrease of product repurchase.

截至二零一八年十二月三十一日止年度之收益為人民幣1,273.5百萬元，較截至二零一七年十二月三十一日止年度的人民幣1,089.1百萬元增加16.9%或人民幣184.4百萬元。收益增加乃主要由於本集團擴大網上零售渠道及產品回購減少。

Revenue by brands

按品牌劃分的收益

		Year ended 31 December 截至十二月三十一日止年度			
		2018 二零一八年		2017 二零一七年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Cabbeen Lifestyle	卡賓休閒	1,071,074	84.1	874,713	80.3
Cabbeen Urban	卡賓都市	182,947	14.4	170,186	15.7
2AM	凌晨兩點	12,700	1.0	20,904	1.9
Others	其他	6,752	0.5	23,303	2.1
		1,273,473	100.0	1,089,106	100.0

The Group continues its multi-brand strategies and provides a wide variety of products to its customers. During the year ended 31 December 2017 and 2018, Cabbeen Lifestyle continued to be the main brand of the Group and contributed a majority of the Group's revenue.

本集團繼續堅持其多品牌戰略及向其客戶提供多樣化產品。於截至二零一七年及二零一八年十二月三十一日止年度，卡賓休閒仍為本集團主要品牌及本集團主要收益來源。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Gross profit and gross profit margin

The gross profit was RMB578.7 million for the year ended 31 December 2018, compared to RMB537.6 million for the year ended 31 December 2017, representing an increase of 7.7%, which was attributable to the increase in sales volume of online platforms.

Gross profit margin decreased from 49.4% for the year ended 31 December 2017 to 45.4% for the year ended 31 December 2018. The decrease in gross profit margin was attributable to the increase in provision for sales rebates of RMB36.8 million and increase in discounts for sales of off-season products.

Other income

Other income primarily consists of interest income from bank deposits, government grants and net foreign exchange differences. The increase in other income from RMB42.8 million for the year ended 31 December 2017 to RMB58.1 million for the year ended 31 December 2018 was mainly due to an increase in government grant income, which was partly offset by exchange losses due to depreciation of Renminbi against Hongkong dollar.

Selling and distribution expenses

Selling and distribution expenses consist of mainly operating cost for e-commerce sales channels, advertising and promotion, and logistics and delivery expenses. Selling and distribution expenses for the year ended 31 December 2018 amounted to RMB179.4 million, representing an increase of RMB26.0 million or 17.0%, from that of the year ended 31 December 2017. The increase was attributable to more promotion expenses for online platforms and launch of new brands, and an increase in delivery expenses with increase in sales volume during the year ended 31 December 2018.

毛利及毛利率

截至二零一八年十二月三十一日止年度之毛利為人民幣578.7百萬元，而截至二零一七年十二月三十一日止年度為人民幣537.6百萬元，增幅為7.7%，乃由於網上平台銷量增加。

毛利率由截至二零一七年十二月三十一日止年度之49.4%減少至截至二零一八年十二月三十一日止年度之45.4%。毛利率減少乃由於積分返利撥備增加人民幣36.8百萬元及提高銷售過季產品的折扣。

其他收入

其他收入主要包括銀行存款的利息收入、政府補助及淨匯兌差額。其他收入由截至二零一七年十二月三十一日止年度的人民幣42.8百萬元增加至截至二零一八年十二月三十一日止年度的人民幣58.1百萬元，主要由於政府補助收入增加所致，惟部分由於人民幣兌港元貶值導致的匯兌虧損所抵銷。

銷售及分銷開支

銷售及分銷開支主要包括電子商貿銷售渠道的經營成本、廣告及推廣以及物流及付運費用。截至二零一八年十二月三十一日止年度，銷售及分銷開支為人民幣179.4百萬元，較截至二零一七年十二月三十一日止年度增加人民幣26.0百萬元或17.0%。截至二零一八年十二月三十一日止年度，銷售及分銷開支增加乃主要由於為在線平台及推出新品牌產生更多推廣開支，及因為銷量增加以致運費上升。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Administrative and other operating expenses

Administrative and other operating expenses mainly comprise staff costs, design, research and development expenses, management consulting expenses, provision for inventories and doubtful debts, office rental, depreciation and amortization charges and other miscellaneous expenses. Administrative and other operating expenses for the year ended 31 December 2018 amounted to RMB146.4 million, representing an increase of RMB20.7 million or 16.5%, from that of the year ended 31 December 2017. The increase in administrative expenses for the year ended 31 December 2018 was mainly attributable to an increase in provision for inventories of RMB8.2 million in 2018 and a reversal of provision for doubtful debts of RMB14.0 million in 2017.

Profit from operations

The Group recorded a profit from operations of RMB310.8 million (2017: RMB 301.3 million) for the year ended 31 December 2018, representing an increase of approximately 3.2%. Operating margin dropped from 27.7% for the year ended 31 December 2017 to 24.4% for the year ended 31 December 2018 which was a result of the decreased gross profit margin.

Finance costs

For the year ended 31 December 2018, the Group's finance costs amounted to RMB19.9 million (2017: RMB16.6 million) or 1.6% (2017: 1.5%) of the Group's revenue. Finance costs represent primarily interest expenses for a Hong Kong dollar bank loan of a subsidiary operated in Hong Kong. The increase in interest expenses was because of an increase in bank loan interest rate.

行政及其他營運開支

行政及其他營運開支主要包括員工成本、設計、研發開支、管理諮詢費用、存貨及呆賬撥備、辦公室租金、折舊及攤銷費用及其他雜項開支。截至二零一八年十二月三十一日止年度，行政及其他營運開支為人民幣146.4百萬元，較截至二零一七年十二月三十一日止年度增加人民幣20.7百萬元或16.5%。截至二零一八年十二月三十一日止年度，行政開支增加乃主要由於於二零一八年存貨撥備增加人民幣8.2百萬元及二零一七財年回撥呆賬撥備人民幣14.0百萬元。

經營溢利

截至二零一八年十二月三十一日止年度，本集團錄得經營溢利人民幣310.8百萬元(二零一七年：人民幣301.3百萬元)，增幅為約3.2%。經營利潤率由截至二零一七年十二月三十一日止年度的27.7%下降至截至二零一八年十二月三十一日止年度的24.4%，此乃由於毛利率下降。

融資成本

截至二零一八年十二月三十一日止年度，本集團的融資成本為人民幣19.9百萬元(二零一七年：人民幣16.6百萬元)或佔本集團收益1.6%(二零一七年：1.5%)。融資成本主要為於香港經營附屬公司之以港元計值的銀行貸款的利息開支。利息開支增加乃由於銀行貸款息率上升。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Income tax

For the year ended 31 December 2018, income tax expenses of the Group amounted to RMB80.7 million (2017: RMB81.6 million) and the effective tax rate was 27.7% (2017: 28.6%). The slight decrease in effective income tax rate was attributable to a reduction in provision for dividend withholding tax.

Profit for the year

Profit for the year ended 31 December 2018 increased by 3.5% to RMB210.2 million from RMB203.2 million for the year 2017. Net profit margin for the year ended 31 December 2018 was 16.5% (2017: 18.7%). Basic and diluted earnings per share for the year ended 31 December 2018 increased to RMB0.3171 (2017: RMB0.2947) and RMB0.3168 (2017: RMB0.2945), respectively.

Other key financial ratios

Average inventory turnover days of the Group were 189 days for the year ended 31 December 2018, as compared to 220 days for the year ended 31 December 2017. The slight improvements in inventory turnover was because of an increase in sales volume during the year ended 31 December 2018.

Average turnover days of trade and bills receivables decreased to 87 days for the year ended 31 December 2018 as compared to 103 days for the year ended 31 December 2017. The decrease was attributable to the increase in revenue generated from online sales as a percentage of the Group's total sales, as the Group offered shorter credit period for its online sales.

所得稅

截至二零一八年十二月三十一日止年度，本集團的所得稅開支為人民幣80.7百萬元（二零一七年：人民幣81.6百萬元），實際稅率為27.7%（二零一七年：28.6%）。實際所得稅率微跌乃由於預扣股息稅撥備減少。

年內溢利

截至二零一八年十二月三十一日止年度的溢利由二零一七年的人民幣203.2百萬元增加3.5%至人民幣210.2百萬元。截至二零一八年十二月三十一日止年度的純利率為16.5%（二零一七年：18.7%）。截至二零一八年十二月三十一日止年度，每股基本及攤薄盈利分別增至人民幣0.3171元（二零一七年：人民幣0.2947元）及人民幣0.3168元（二零一七年：人民幣0.2945元）。

其他主要財務比率

截至二零一八年十二月三十一日止年度，本集團平均存貨周轉天數為189日，而截至二零一七年十二月三十一日止年度則為220日。存貨周轉輕微改善乃由於截至二零一八年十二月三十一日止年度銷量增加。

截至二零一八年十二月三十一日止年度，貿易應收款項及應收票據平均周轉天數減至87日，而截至二零一七年十二月三十一日止年度則為103日。有關減少乃由於線上銷售收益佔本集團總銷售收入比率增加而本集團線上銷售賬期較短。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Average trade and bills payable turnover days were 243 days (2017: 283 days) for the year ended 31 December 2018. This is consistent with the credit period granted by the Group's suppliers and the Group's practice of using 6-month bank bills to settle trade payables.

The Group's gearing ratio was 24.5% as at 31 December 2018 (2017: 27.3%), being a ratio of sum of bank loans of RMB287.5 million (2017: RMB288.1 million) to equity. Such bank loans were denominated in Hong Kong dollar, of which RMB52.6 million (2017: RMB16.6 million) was repayable within one year. The slight decrease in gearing ratio was mainly due to increase in equity.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, the Group held cash and cash equivalents, pledged deposits, financial assets and time deposits with initial terms of over three months totaling RMB964.9 million (31 December 2017: RMB945.6 million).

At 31 December 2018, the Group was in net debt position of RMB67.0 million (31 December 2017: RMB153.5 million). Net debt includes all borrowings net of cash and cash equivalents. The decrease in net debt as of 31 December 2018 was mainly attributable to increase in cash proceeds from disposal of financial assets.

The Group recorded net operating cash inflow of RMB185.3 million (2017: RMB289.5 million) for the year ended 31 December 2018. The decrease in net operating cash inflow was mainly attributable to an increase in inventory and trade and other receivables.

截至二零一八年十二月三十一日止年度，貿易應付款項及應付票據平均周轉天數為243日(二零一七年：283日)。有關天數與本集團供應商所授出信貸期及本集團以6個月銀行匯票支付貿易應付款項的慣例一致。

本集團於二零一八年十二月三十一日的資產負債比率為24.5%(二零一七年：27.3%)，即銀行貸款人民幣287.5百萬元(二零一七年：人民幣288.1百萬元)對股權的比率。有關銀行貸款乃按港元計值，其中人民幣52.6百萬元(二零一七年：人民幣16.6百萬元)須於一年內償還。資產負債比例的輕微下降乃主要由於股權增加。

流動資金及財務資源

於二零一八年十二月三十一日，本集團持有現金及現金等價物、已抵押存款、金融資產及原到期日逾三個月的定期存款合共人民幣964.9百萬元(二零一七年十二月三十一日：人民幣945.6百萬元)。

於二零一八年十二月三十一日，本集團之債務淨額狀況為人民幣67.0百萬元(二零一七年十二月三十一日：人民幣153.5百萬元)。債務淨額等於所有借款減現金及現金等價物。債務淨額於二零一八年十二月三十一日減少主要是因為售出金融資產所得款增加了現金存款。

截至二零一八年十二月三十一日止年度，本集團錄得經營現金流入淨額人民幣185.3百萬元(二零一七年：人民幣289.5百萬元)。經營現金流入淨額減少主要由於存貨、貿易及其他應收款項上升。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Net cash generated from investing activities for the year ended 31 December 2018 was RMB22.5 million (2017: net cash used in investing activities of RMB400.6 million). Cash outflows of investment activities for the year ended 31 December 2018 included investments in a logistics centre in Fujian Province and an associate and an increase in pledged deposits while cash inflows from investing activities mainly included a decrease in other financial assets.

Net cash used in financing activities was RMB130.3 million (2017: cash generated from financing activities of RMB29.7 million) for the year ended 31 December 2018. This mainly consisted of payments of dividends of RMB122.3 million, repayment of bank loans of RMB17.4 million and payment of bank loan interests of RMB18.8 million.

Long term and short term bank loans as of 31 December 2017 and 31 December 2018 were at floating interest rate and were denominated in Hong Kong dollars. As at 31 December 2018, the Group had unutilized banking facilities amounted to RMB500 million.

On 10 February 2017, the Group has fully drawn down a three-year term loan facility of HK\$350,000,000. Pursuant to the facility, the controlling shareholder shall maintain his equity interest and voting rights in the Company at a certain level, and at the same time it is subject to the fulfilment of covenants relating to certain of the Group's financial ratios. A breach of these undertakings would result in the drawn down facilities and interest becoming payable on demand. The Group regularly monitors its compliance with these covenants. During the year ended 31 December 2018, the Group repaid HK\$20,000,000 according to the repayment schedule. As at 31 December 2018, none of the covenants relating to the drawn down facilities had been breached. The term loan are unsecured and carried at amortised cost of RMB287.5 million as at 31 December 2018 (2017: RMB288.1 million).

截至二零一八年十二月三十一日止年度投資活動所得現金淨額為人民幣22.5百萬元(二零一七年：投資活動所用現金淨額人民幣400.6百萬元)。截至二零一八年十二月三十一日止年度，投資活動現金流出主要用於福建省物流中心及聯營公司之投資以及抵押銀行存款增加，而投資活動現金流入主要為減少其他金融資產。

截至二零一八年十二月三十一日止年度，融資活動所用現金淨額為人民幣130.3百萬元(二零一七年：融資活動所得現金人民幣29.7百萬元)，主要包括派付股息人民幣122.3百萬元、償還銀行貸款人民幣17.4百萬元及支付銀行貸款利息人民幣18.8百萬元。

截至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的長期及短期銀行貸款按浮動利率計息並以港元計值。於二零一八年十二月三十一日，本集團的未動用銀行融資為人民幣500百萬元。

於二零一七年二月十日，本集團已悉數提取三年期貸款融資350,000,000港元。根據該融資，控股股東於本公司之股權及投票權將維持在一定水平，同時其須達成有關本集團若干財務比率的契諾。倘違反該等承諾，須按要求支付已提取之融資及利息。本集團定期監控其遵守該等契諾之情況。於截至二零一八年十二月三十一日止年度，本集團根據償還時間表支付20,000,000港元。於二零一八年十二月三十一日，概無有關已提取融資之契諾遭違反。於二零一八年十二月三十一日，該定期貸款為無抵押及按攤銷成本人民幣287.5百萬元(二零一七年：人民幣288.1百萬元)列賬。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The Group adopts a set of centralized financing and treasury policies in order to ensure the Group's funds are utilized efficiently. The Group's liquidity position remains strong and the Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements. This strong cash position enables the Group to explore investment and business development opportunities when expanding its market share in mainland China.

The Group's primary objectives for managing its capital are to safeguard the Group's ability to provide returns to shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder's returns that might be possible with higher level of borrowings and the advantages and security based on a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

FOREIGN CURRENCY RISKS

The Group mainly operates in the mainland China with most of the transactions originally denominated and settled in RMB. On the other hand, majority of the Group's bank loans are denominated in Hong Kong dollars and held in group companies outside the mainland China. In addition, the Group pays dividends in Hong Kong dollars. Accordingly, the Board considers the Group's exposure to the fluctuations of the exchange rate is primarily with respect to Hong Kong Dollars.

本集團採納一套集中式融資及庫務政策以確保有效運用本集團資金。本集團維持健全的流動資金狀況，備有充足現金及可動用銀行融資以應付其承擔及營運資金所需。該強勁現金狀況讓本集團可在擴展於中國內地的市場份額時發掘投資及業務發展機會。

本集團管理資本的首要目標為保障本集團透過因應風險水平為產品定價以及以合理成本取得融資，從而為股東帶來回報及為其他權益持有人帶來利益的能力。本集團積極定期審視及管理其資本架構，以期在可能須透過增加借款而爭取更高股東回報與維持穩健資本狀況帶來的好處及安全之間取得平衡，並且因應經濟情況的變化調整資本架構。

外匯風險

本集團主要於中國內地營運業務，大部分交易以人民幣計值及結算。另一方面，本集團大部分銀行貸款以港元計值並由中國內地境外集團公司持有。此外，本集團以港元派付股息。因此，董事會認為本集團面臨的匯率波動風險主要與港元有關。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into currency hedge arrangement if necessary. During the year ended 31 December 2017 and 2018, no forward foreign exchange or hedging contracts had been entered into by the Group.

PLEDGE OF ASSETS

As at 31 December 2018, deposits with certain banks of approximately RMB240.5 million in total (2017: RMB105.0 million) were pledged as securities for bank loans and bills payable facilities. The pledged bank deposits will be released upon the settlement of relevant bank loans and bills payable.

CAPITAL COMMITMENTS AND CONTINGENCIES

As at 31 December 2018, the Group had total capital commitments of RMB30.1 million (2017: RMB45.9 million), primarily related to ERP system upgrades and construction of an office building in Guangzhou City.

As at 31 December 2017 and 2018, the Group had no material contingent liabilities.

HUMAN RESOURCES

As at 31 December 2018, the Group had 404 employees (2017: 402 employees). Total staff costs, including directors emoluments, for the period amounted to approximately RMB85.0 million (2017: RMB79.8 million). Annual increment and year-end performance bonus mechanism were incorporated in the Group's remuneration policy to retain, reward and motivate individuals for their contributions to the Group. Share options are granted to eligible employees to recognise their contribution and provide incentives to achieve better performance in coming years.

本集團管理其外幣風險之方式為定期審視其淨外幣風險，並於有需要時訂立貨幣對沖安排，以減輕匯率波動帶來的影響。截至二零一七年及二零一八年十二月三十一日止年度，本集團概無訂立任何遠期外匯或對沖合約。

資產抵押

於二零一八年十二月三十一日，總額約人民幣240.5百萬元(二零一七年：人民幣105.0百萬元)的若干銀行存款已抵押作為銀行貸款及應付票據融資的擔保。已抵押銀行存款將於清償相關銀行貸款及應付票據後解除。

資本承擔及或然負債

於二零一八年十二月三十一日，本集團有資本承擔總額人民幣30.1百萬元(二零一七年：人民幣45.9百萬元)，主要與升級ERP系統及興建位於廣州市的辦公樓宇有關。

於二零一七年及二零一八年十二月三十一日，本集團並無重大或然負債。

人力資源

於二零一八年十二月三十一日，本集團有404名僱員(二零一七年：402名僱員)。期內總員工成本(包括董事薪酬)約為人民幣85.0百萬元(二零一七年：人民幣79.8百萬元)。本集團薪酬政策內設有年度薪酬遞增及年終表現獎勵機制，藉此挽留人才、獎賞及激勵員工對本集團所作的貢獻。購股權亦發放予合資格僱員，作為對彼等貢獻之認同，並提供獎賞以鼓勵於未來爭取更好的表現。

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 28 March 2019 to Tuesday, 2 April 2019 (both days inclusive) for the purpose of determining the shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company (the “**2019 AGM**”). In order to qualify for attending and voting at the 2019 AGM, all transfers accompanied by the relevant share certificate must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 27 March 2019.

In addition, subject to the approval of the proposed final dividend by the shareholders at the 2019 AGM on Tuesday, 2 April 2019, the register of members will be closed on Tuesday, 9 April 2019 for the purpose of determining shareholders who qualify for the proposed final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificate must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 8 April 2019.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK4.8 cents (2017: HK8.5 cents) per ordinary share for the financial year. Including the interim dividend paid for the year ended 31 December 2018, total dividend payout for the year is approximately HK\$120.3 million (equivalent to approximately RMB104.2 million) (2017: HK\$98.3 million, equivalent to approximately RMB82.3 million) or a dividend payout ratio of approximately 50% (2017: 40%). Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the final dividend will be paid in cash on or around 18 April 2019 to shareholders whose names appear on the register of members of the Company on 9 April 2019.

暫停股份過戶登記

本公司將於二零一九年三月二十八日(星期四)至二零一九年四月二日(星期二)(首尾兩天包括在內)暫停辦理股份過戶登記手續,以確定符合資格出席本公司應屆股東週年大會(「**二零一九年股東週年大會**」)並於會上投票的股東的身份。為符合資格出席二零一九年股東週年大會並於會上投票,股東最遲須於二零一九年三月二十七日(星期三)下午四時三十分前,將所有過戶文件連同有關股票一併送達本公司的股份過戶登記處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

此外,倘股東於二零一九年四月二日(星期二)舉行的二零一九年股東週年大會批准擬派末期股息,本公司將於二零一九年四月九日(星期二)暫停辦理股份過戶登記手續,以確定符合資格收取擬派末期股息的股東。為符合資格收取擬派末期股息,股東最遲須於二零一九年四月八日(星期一)下午四時三十分前,將所有過戶文件連同有關股票一併送達本公司的股份過戶登記處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

末期股息

董事會建議就本財政年度派付末期股息每股普通股4.8港仙(二零一七年:8.5港仙)。計及截至二零一八年十二月三十一日止年度派付的中期股息,全年共派息約120.3百萬港元(相當於約人民幣104.2百萬元)(二零一七年:98.3百萬港元,相當於約人民幣82.3百萬元)或派息率約為50%(二零一七年:40%)。本公司將於二零一九年四月十八日或前後以現金向於二零一九年四月九日名列本公司股東名冊的股東派付末期股息,惟須待股東於本公司即將舉行的股東週年大會批准。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

DIVIDEND POLICY

The declaration, payment and amount of dividends will be subject to the Company's discretion. Dividends may be paid only out of its distributable reserves as permitted under the relevant laws. Holders of the Shares will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the Shares. Subject to the factors described above, the Company has adopted a general dividend policy since the financial year ended 31 December 2018 of declaring and paying dividends on a semi-annual basis of not more than 50% of its total net profit attributable to the equity holders of the Company. The Board would review the Company's dividend policy from time to time considering factors including but not limited to debt covenants, capital investment and business plan.

股息政策

股息之宣派、派付及款額將由本公司酌情決定。股息僅可自有關法例許可下，其可供分派儲備派付。股份持有人將有權按股份之繳足或入賬列作繳足股款為比例收取有關股息。於上訴因素規限下，本公司自截至二零一八年十二月三十一日止財政年度已採納一般股息政策，以半年基準宣派及派付不超過本公司股權持有人應佔純利總額50%之股息。董事會將不時審閱本公司的股息政策，當中考慮的因素包括但不限於債務契諾、資本投資及業務計劃。

The Board is committed to upholding a high standard of corporate governance and business ethics in the firm belief that they are essential for enhancing investors' confidence and maximizing shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of stakeholders, and to comply with increasingly stringent regulatory requirements as well as fulfill its commitment to excellence in corporate governance.

After reviewing the Company's corporate governance practices and the relevant regulations of the Corporate Governance Code and Corporate Governance Report (the **"CG code"**) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Listing Rules"**), the Board is satisfied that the Company complied with the CG code provisions for the entire year ended 31 December 2018.

BOARD OF DIRECTORS

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith and in the best interests of the Company and its shareholders. The Board has established four Board committees, being the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee (each a **"Board Committee"** and collectively the **"Board Committees"**), to oversee different areas of the Company's affairs.

The Board currently comprises three executive Directors, namely Mr. Ziming Yang, Mr. Siu Keung Ng and Mr. Rongqin Ke and three independent non-executive Directors, namely, Mr. Yung Kwok Tsui, Mr. Honghui Chen and Mr. Ming Shu Leung.

董事會致力秉持高水平的企業管治及商業道德標準，堅信此乃提升投資者信心及增加股東回報的必然舉措。董事會不時檢討其企業管治慣例以符合權益持有人日益提高的期望、遵守愈發嚴格的監管規定並履行其對卓越企業管治的承擔。

經審閱本公司的企業管治慣例以及香港聯合交易所有限公司證券上市規則（「**上市規則**」）附錄十四所載企業管治守則及企業管治報告（「**企業管治守則**」）的相關規例，董事會信納本公司於截至二零一八年十二月三十一日止整個年度已遵守企業管治守則之守則條文。

董事會

董事會承諾為本公司提供有效及負責任的領導。董事須個別及共同地為本公司及其股東最佳利益真誠行事。董事會已成立四個董事會委員會，即審核委員會、薪酬委員會、提名委員會及企業管治委員會（各自稱為「**董事會委員會**」及統稱為「**該等董事會委員會**」），以監察本公司事務的不同範疇。

董事會現時包括三名執行董事楊紫明先生、吳少強先生及柯榕欽先生，以及三名獨立非執行董事徐容國先生、陳宏輝先生及梁銘樞先生。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Their biographical details and (where applicable) their family relationships are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 49 to 55 in this annual report. A list of the Directors identifying their roles and functions are available on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Mr. Ziming Yang, the chairman of the board (the “**Chairman**”) and an executive Director of the Company, is the brother-in-law of Mr. Rongqin Ke, who is an executive Director of the Company. Save as disclosed herein, there are no other financial, business, family or other material/relevant relationships among members of the Board.

The Board sets the Group’s overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Group. It also decides on matters such as annual and interim results, major transactions, director appointments or re-appointments, investment policy, dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group’s businesses to the executive Directors and members of senior management. The functions and power that are so delegated are reviewed periodically to ensure that they remain appropriate.

The Board is also responsible for developing, reviewing and monitoring the policies and practices on corporate governance and legal and regulatory compliance of the Group, and the training and continuous professional development of directors and senior management. The Board also reviews the disclosures in the Corporate Governance Report to ensure compliance.

All Board members have separate and independent access to the Group’s senior management to fulfill their duties. Independent professional advice can be sought to assist the relevant Directors to discharge their duties at the Group’s expense upon their request.

彼等的履歷詳情及(如適用)彼等的親屬關係載於本年報第49至55頁「董事及高級管理層履歷詳情」一節。列明董事角色及職能的董事名單可於本公司及香港聯合交易所有限公司(「**聯交所**」)網站查閱。

本公司董事會主席(「**主席**」)兼執行董事楊紫明先生為本公司執行董事柯榕欽先生的姻兄。除本年報所披露者外，董事會成員之間概無其他財務、業務、親屬或其他重大／相關關係。

董事會制訂本集團的整體目標及策略、監察及評估其營運及財務表現並審閱本集團的企業管治準則。其亦就年度及中期業績、主要交易、委任或續聘董事、投資政策、股息及會計政策等事宜作出決定。董事會已指派及授權執行董事及高級管理層成員負責執行其業務策略及管理本集團業務的日常營運。董事會定期檢討所委派職能及權力以確保有關指派仍屬合適。

董事會亦負責制定、檢討及監察本集團的企業管治政策及慣例與遵守法律及法規情況，以及董事及高級管理層的培訓及持續專業發展。董事會亦審閱企業管治報告內的披露資料以確保符合要求。

各董事會成員可分別獨立接觸本集團的高級管理層，以履行彼等的職責。相關董事亦可要求徵詢獨立專業意見，協助彼等履行職責，費用由本集團承擔。

All Directors are required to declare to the Board upon their first appointment, the directorships or other positions they are concurrently holding at other companies or organizations. These interests are updated on an annual basis as and when necessary.

BOARD COMMITTEES

The Board is supported by a number of committees, including the Audit Committee, Nomination Committee, Remuneration Committee and Corporate Governance Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the websites of the Company and the Stock Exchange.

All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

(i) Audit Committee

The Audit Committee was established on 8 October 2013. The Audit Committee comprises three Independent non-executive Directors, namely Mr. Yung Kwok Tsui, Mr. Honghui Chen, and Mr. Ming Shu Leung. Mr. Yung Kwok Tsui, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

The principal responsibilities of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems, and relationship with external auditors of the Group, overseeing the audit process and performing other duties and such responsibilities as assigned by the Board. The Audit Committee meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programs, the results of their examinations as well as their evaluations of the system of risk management and internal control.

全體董事須於首次獲委任時向董事會申報彼等同時在其他公司或機構擔任的董事或其他職務。有關利益申報每年或於需要時更新。

董事會委員會

董事會獲得多個委員會包括審核委員會、提名委員會、薪酬委員會及企業管治委員會支援。各董事會委員會均設經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。彼等的職權範圍於本公司及聯交所網站可供查閱。

所有該等董事會委員會均獲提供足夠資源以履行其職務，包括於需要時取得管理層或專業意見。

(i) 審核委員會

審核委員會於二零一三年十月八日成立。審核委員會包括三名獨立非執行董事徐容國先生、陳宏輝先生及梁銘樞先生。徐容國先生擁有合適專業資格且具備會計事務經驗，獲委任為審核委員會主席。

審核委員會的主要職責為協助董事會，就財務申報過程、內部監控及風險管理系統是否有效及維持與本集團外聘核數師關係提供獨立意見、監督審核過程及履行董事會委派的其他職責及有關責任。審核委員會與本公司之外聘核數師及內部核數師會晤，並審閱其審核計劃、內部審核程序、其審查及評估風險管理及內部監控系統之結果。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Audit Committee held 2 meetings during the year ended 31 December 2018. Major work completed by the Audit Committee during the year includes:

- reviewed the Group's annual report, interim financial information and annual financial statements;
- reviewed significant accounting and audit issues;
- reviewed the external auditor's qualifications, independence and performance;
- reviewed the external auditor's management letter and the management's response;
- reviewed annual internal audit plans;
- assisted the Board to evaluate on the effectiveness of financial reporting procedures and internal control system;
- advised on material event or drawing the attention of the management on related risks;
- reviewed the adequacy and effectiveness of the Group's systems of internal control and risk management; and
- reviewed connected transactions entered into by the Group or subsisting during the year.

審核委員會於截至二零一八年十二月三十一日止年度舉行兩次會議。審核委員會於年內完成的重要工作包括：

- 審閱本集團的年報、中期財務資料及年度財務報表；
- 審閱主要會計及核數事宜；
- 審閱外聘核數師的資格、獨立身份及表現；
- 審閱外聘核數師的管理層函件及管理層的回應；
- 審閱年度內部審核計劃；
- 協助董事會評估財務申報流程及內部監控系統的有效性；
- 就重大事件提供意見或敦請管理層垂注有關風險；
- 審閱本集團內部監控及風險管理系統的合適性及有效性；及
- 審閱於本年度由本集團訂立或存續之關連交易。

(ii) Remuneration Committee

The Remuneration Committee was established on 8 October 2013. The Remuneration Committee comprises two independent non-executive Directors and one Executive Director, namely Mr. Yung Kwok Tsui, Mr. Ming Shu Leung and Mr. Siu Keung Ng. Mr. Yung Kwok Tsui is the chairman of the Remuneration Committee. The principal responsibilities of the Remuneration Committee are to review and make recommendations to the Board on the overall remuneration structure and policy for all Directors and senior management as well as the specific remuneration packages for the executive Directors and senior management and on the establishment of a formal and transparent process for developing such remuneration policy. No Director takes part in any discussion on his own remuneration. The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration and fees paid to members of the Board, market rates and factors such as each director's workload, performance, responsibility, job complexity and the Group's performance are taken into account.

The Remuneration Committee held two meetings during the year ended 31 December 2018 and has reviewed the remuneration policy and structure relating to the Directors and senior management of the Company and the Company's share option scheme.

(ii) 薪酬委員會

薪酬委員會於二零一三年十月八日成立。薪酬委員會包括兩名獨立非執行董事徐容國先生及梁銘樞先生以及一名執行董事吳少強先生。徐容國先生為薪酬委員會主席。薪酬委員會的主要職責為檢討全體董事及高級管理層的整體薪酬架構及政策以及執行董事及高級管理層的個別薪酬組合，及就制定此等薪酬政策設立正規而具透明度的程序，並就以上事項向董事會提供建議。概無董事參與有關其本身薪酬的任何討論。本公司對薪酬政策的目標是根據業務所需及行業慣例，確保薪酬待遇公平及具競爭力。本公司因應市場水準、各董事的工作量、表現、職責、工作難度及本集團表現等因素，釐定向董事會成員支付的薪酬及袍金水平。

薪酬委員會於截至二零一八年十二月三十一日止年度內舉行兩次會議，檢討有關董事及本公司高級管理層的薪酬政策及架構以及本公司之購股權計劃。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2018 is set out below:

截至二零一八年十二月三十一日止年度按範圍劃分本集團高級管理層成員的酬金載列如下：

Remuneration bands		Number of persons
酬金範圍		人數
Nil to HK\$1,000,000	零至 1,000,000 港元	9
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 6 and 7 to the financial statements.

根據上市規則附錄十六須予披露的有關董事酬金及五名最高薪酬僱員的進一步詳情載於財務報表附註6及7。

(iii) Nomination Committee

The Nomination Committee was established on 8 October 2013. It comprises one executive Director and two independent non-executive Directors, namely Mr. Ziming Yang, Mr. Honghui Chen and Mr. Ming Shu Leung. Mr. Ziming Yang is the Chairman of the Nomination Committee. The principal responsibilities of the Nomination Committee are to review the composition of the Board, including its structure, size and diversity at least annually to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Group. It is also responsible for considering and recommending to the Board suitably qualified persons to become a member of the Board, monitor the succession planning of Directors and assess the independence of independent non-executive Directors. The Nomination Committee will also give consideration to the Board Diversity Policy (as defined below) when identifying suitably qualified candidates to become members of the Board, and the Board will review the Board Diversity Policy (as defined below), so as to develop and review measurable objectives for the implementing the Board Diversity Policy (as defined below) and to monitor the progress on achieving these objectives.

The Nomination Committee held two meetings during the year ended 31 December 2018 and reviewed the size, diversity and composition of the Board.

(iii) 提名委員會

提名委員會於二零一三年十月八日成立。委員會包括一名執行董事楊紫明先生以及兩名獨立非執行董事陳宏輝先生及梁銘樞先生。楊紫明先生為提名委員會主席。提名委員會的主要職責為最少每年檢討董事會的組成一次，內容包括其架構、規模及多元化，以確保董事會在切合本集團業務所需的專業知識、技能及經驗方面取得平衡。提名委員會亦負責考慮及向董事會推薦適當合資格人士加入董事會、監察董事繼任安排以及評估獨立非執行董事的獨立身份。提名委員會於物色適當合資格人選成為董事會成員時，亦考慮董事會多元化政策（定義見下文），而董事會將檢討董事會多元化政策（定義見下文）以為執行董事會多元化政策（定義見下文）訂立及檢討可計量目標，並監察達成該等目標的進度。

提名委員會於截至二零一八年十二月三十一日止年度內舉行兩次會議，檢討董事會的規模、多元化及組成。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

(iv) Corporate Governance Committee

The Corporate Governance Committee was established on 8 October 2013. It comprises two executive Directors and two independent non-executive Directors, namely Mr. Siu Keung Ng, Mr. Qiang Wei, Mr. Yung Kwok Tsui and Mr. Ming Shu Leung. Mr. Qiang Wei resigned as an executive Director on 19 May 2018. Mr. Siu Keung Ng is the Chairman of the Corporate Governance Committee. The principal responsibilities of the Corporate Governance Committee are to review and monitor the Company's policies and practices on corporate governance, the training and continuous professional development of the Company's Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and to review the Company's compliance with the CG Code set out in Appendix 14 to the Listing Rules.

The Corporate Governance Committee held one meeting during the year ended 31 December 2018 and has reviewed the Group's corporate governance policies and practices and sufficiency of training to the Company's Directors and senior management.

(iv) 企業管治委員會

企業管治委員會於二零一三年十月八日成立。委員會包括兩名執行董事吳少強先生及韋強先生以及兩名獨立非執行董事徐容國先生及梁銘樞先生。於二零一八年五月十九日，韋強先生辭任執行董事一職。吳少強先生為企業管治委員會主席。企業管治委員會的主要職責為檢討及監察本公司的企業管治政策及慣例、本公司董事及高級管理層的培訓及持續專業發展、本公司的政策及慣例是否遵守法律及監管規定，並檢討本公司遵守上市規則附錄十四所載企業管治守則的合規情況。

企業管治委員會於截至二零一八年十二月三十一日止年度內舉行一次會議，檢討本集團的企業管治政策及慣例以及向本公司董事及高級管理層提供的培訓是否充足。

BOARD MEETINGS

Board meetings are held regularly and at least four times a year at approximately quarterly intervals. For regular Board meetings, notices of at least 14 days are given to facilitate maximum attendance of the Directors and agenda with supporting papers are sent to Directors not less than 3 days before the relevant meeting is held. Directors may propose to the Chairman or the Company Secretary to include matters in the agenda for regular board meetings. At the meeting, the Directors are provided with the relevant documents to be considered and approved. Draft and final versions of minutes are sent to all Directors for their comments and records respectively within a reasonable time after the board meeting is held. Minutes of Board meetings are taken by the Company Secretary or a duly appointed secretary of the Board meeting and are open for inspection by any Director.

董事會會議

董事會會議定期舉行，每年至少四次，約每季度舉行一次。就定期董事會會議而言，董事於舉行相關會議前最少14天接獲通知，以便更多董事出席會議，而議程(連同開會文件)於相關會議舉行前最少3天送呈各董事。董事可向主席或公司秘書建議於定期董事會會議議程內增加事項。於會議上，董事獲提供相關文件以供考慮及批准。於董事會會議召開後合理時間內，全體董事均獲發會議記錄的初稿及定稿，以供彼等提供意見和記錄存檔。董事會會議記錄由公司秘書或正式委任的董事會會議秘書負責保存，可公開由任何董事查閱。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The table below sets out the attendance of each Director at the annual general meeting (the “**AGM**”) and the meetings of the Board and other Board committees held during the year:

下表載列各董事出席年內舉行的股東週年大會(「股東週年大會」)、董事會會議及其他董事會委員會會議的情況：

		Meetings attended/held 出席／舉行會議					Corporate governance committee 企業管治 委員會
		AGM	Board	Audit Committee	Remuneration committee	Nomination committee	
		股東週年大會	董事會	審核委員會	薪酬委員會	提名委員會	
Executive Directors	執行董事						
Mr. Ziming Yang	楊紫明先生	1/1	6/7	N/A 不適用	N/A 不適用	2/2	N/A 不適用
Mr. Siu Keung Ng	吳少強先生	1/1	7/7	N/A 不適用	2/2	N/A 不適用	1/1
Mr. Rongqin Ke	柯榕欽先生	0/1	5/7	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Qiang Wei	韋強先生	0/1	1/7	N/A 不適用	N/A 不適用	N/A 不適用	1/1
(resigned on 19 May 2018)	(於二零一八年 五月十九日辭任)						
Independent non-executive Directors	獨立非執行董事						
Mr. Yung Kwok Tsui	徐容國先生	1/1	7/7	2/2	2/2	N/A 不適用	1/1
Mr. Honghui Chen	陳宏輝先生	0/1	6/7	2/2	N/A 不適用	2/2	N/A 不適用
Mr. Ming Shu Leung	梁銘樞先生	0/1	7/7	2/2	2/2	2/2	1/1

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors and independent non-executive Directors of the Company has entered into a service contract with the Company for a term of three years commencing from 28 October 2016, subject to his retirement and re-election at annual general meeting in accordance with the Company's articles of association.

In accordance with the Company's articles of association, a person may be appointed as a Director either by the shareholders in general meeting or by the Board. Any Directors appointed by the Board as additional Directors or to fill casual vacancies shall hold office until the next following general meeting, and are eligible for re-election by the shareholders. In addition, all Directors are required to retire by rotation at least once every three years at the annual general meeting, and are eligible for re-election by the shareholders.

BOARD NOMINATION POLICY

The Nomination Committee shall endeavor to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of the Group and its Shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. Candidates also will be assessed in the context of the then-current composition of the Board, the operating requirements of the Group. In conducting this assessment, the Nomination Committee will, in connection with its assessment and recommendation of candidates for director, consider diversity (including, but not limited to, gender, race, ethnicity, age, experience and skills) and such other factors as it deems appropriate given the then-current and anticipated future needs of the Board and the Company, and to maintain a balance of perspectives, qualifications, qualities and skills on the Board.

委任及重選董事

本公司各執行董事及獨立非執行董事均與本公司訂有服務合約，任期為自二零一六年十月二十八日起計三年，惟須根據本公司的組織章程細則於股東週年大會退任及重選。

根據本公司的組織章程細則，任何人士均可由股東於股東大會上或由董事會委任為董事。任何獲董事會委任為新增董事或委任以填補臨時空缺的董事的任期僅直至下屆股東大會為止，惟彼等符合資格由股東重選。此外，全體董事均須最少每隔三年於股東週年大會上輪值告退，並符合資格由股東重選。

董事會提名政策

提名委員會致力於物色誠實守信並在彼等從事之領域擁有紮實成就及相關資格、資質及技能的人士加入本公司的董事會，以有效代表本集團及其股東的最佳權益。提名委員會甄選候選人時，將考慮及評估候選人的判斷力、提供實際及多元角度意見的能力、當時的董事會成員的架構和本集團的業務需求。於進行有關評估時，提名委員會不僅考慮有關董事候選人的評估及推薦建議，亦考慮董事會成員的多樣性（包括但不限於性別、人種、民族、年齡、經驗及技能）及其認為符合董事會及本公司當時及預期未來需求的有關其他因素，以保持董事會觀點、資格、資質及技能的平衡。

The Nomination Committee considers the following qualifications at a minimum to be required of any Board members in recommending to the Board potential new board members, or the continued service of existing members:

- the highest professional and personal ethics;
- broad experience in business;
- ability to provide insights and practical wisdom based on their experience and expertise;
- commitment to enhancing shareholder value;
- sufficient time to effectively carry out their duties; their service on other boards of public companies should be limited to a reasonable number;
- compliance with legal and regulatory requirements; and
- ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with senior management of the Group.

在向董事會建議潛在新董事會成員或留任現有成員時，提名委員會認為董事成員至少須滿足以下資格：

- 最高的職業及個人道德；
- 豐富的從業經驗；
- 能夠根據彼等之經驗及專業知識提供意見及實踐智慧；
- 致力於提升股東價值；
- 有效履行職責的充足時間；彼等對其他公眾公司董事會的服務應限制在合理數目內；
- 遵守法律及法規的規定；及
- 能夠與其他董事會成員建立良好工作關係並促進董事會與本集團高級管理層的工作關係。

BOARD DIVERSITY POLICY

Pursuant to the CG Code, the Board adopted a board diversity policy (the “**Board Diversity Policy**”) on 8 October 2013. The Company recognizes and embraces the benefits of diversity of Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on the Company's Board Nomination Policy and a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The Board also aspires to having an appropriate proportion of directors who have direct experience in the Group's core markets and distribution channels,

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect.

董事會多元化政策

根據企業管治守則，董事會於二零一三年十月八日採納董事會多元化政策（「**董事會多元化政策**」）。本公司明白並深信董事會成員多元化所帶來的裨益。在董事會所有任命將繼續奉行任人唯才的原則的同時，本公司將確保董事會在切合本公司業務所需的技能、經驗、不同觀點方面取得平衡。挑選候選人時會基於本公司的董事會提名政策及從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業或其他經驗、技術及知識。董事會亦有意維持適當比例的具有本集團的核心市場及分銷渠道經驗的董事。

最終決定乃基於選定候選人的能力及將會董事會帶來的貢獻作出，其中充分考慮董事會多元化的裨益及董事會的需要，而非專注於單一層面。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

董事及行政人員的保險

本公司已就其董事及行政人員可能會面對的法律訴訟作出適當的投保安排。

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

All Directors are aware of their responsibilities to the Shareholders and have exercised their duties with care, skill and diligence, in pursuit of the development of the Group. All Directors are provided with monthly updates on the Company's performance and financial position to enable the Board as a whole and each Director to discharge their duties. In addition, briefings and updates on the latest development regarding the Listing Rules and other applicable regulatory requirements are provided to the Board during Board meetings to ensure compliance and enhance their awareness of good corporate governance practices. In November 2018, the Company, together with its legal adviser, organized a training session to provide the Directors with an update on the Listing Rules.

董事持續培訓及專業發展

全體董事均知悉彼等對股東的責任，履行彼等的職責時以應有的謹慎、技能和勤勉行事，致力推動本集團的發展。全體董事每月均獲提供有關本公司表現及財務狀況的最新資料，以便董事會整體及各董事履行職務。此外，於董事會會議期間，各董事獲提供有關上市規則及其他適用監管規定的最新發展簡介及最新資料，確保有關規定獲得遵守及加強董事對良好企業管治常規的意識。於二零一八年十一月，本公司連同其法律顧問舉辦了一次培訓，向各董事提供上市規則的最新資料。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and Chief Executive Officer are separate and are not performed by the same individual as this ensures better checks and balances and hence better corporate governance. Mr. Ziming Yang holds the position of the Chairman, who is primarily responsible for strategic positioning. Mr. Siu Keung Ng serves as the Chief Executive Officer, who is primarily responsible for the operations and business development of the Group.

主席及行政總裁

主席及行政總裁的角色已有區分，且並非由同一人士兼任，此可確保較好的制衡作用，從而達至更佳的企業管治。楊紫明先生擔任主席，主要負責制定策略。吳少強先生擔任行政總裁，主要負責本集團營運及業務發展。

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the Independent Non-executive Directors is to provide independent and objective opinions to the Board, giving adequate control and balances for the Group to protect the overall interests of the shareholders and the Group. They serve actively on the Board and its committees to provide their independent and objective views.

獨立非執行董事的獨立身份

獨立非執行董事的角色乃向董事會提供獨立及客觀的意見，為本集團提供足夠的制約及平衡，以保障股東及本集團整體利益。彼等於董事會及其委員會上積極提供獨立及客觀的意見。

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board. One of the independent non-executive Directors has the appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Each independent non-executive Director has submitted annual confirmation of his independence to the Company pursuant to rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all of the independent non-executive Directors are independent.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the Company's code of conduct regarding Directors' securities transactions (the **"Securities Dealing Code"**). Upon specific enquiries, all Directors confirmed that they have complied with the relevant provisions of the Securities Dealing Code throughout the year ended 31 December 2018.

Senior management who, because of their office in the Company, are likely to be in possession of inside information, have also been requested to comply with the provisions of the Securities Dealing Code when dealing in the Company's shares.

COMPANY SECRETARY

Ms. Lai Wah Wong, the Company Secretary of the Company, is a full-time employee of the Group and has day-to-day knowledge of the Company's affairs. She also serves as the secretary of the Audit Committee, the Nomination Committee, the Remuneration Committee, the Corporate Governance Committee and other board committees as organised by the Board from time to time. Ms. Wong is responsible for advising the Board through the Chairman and/or the Chief Executive Officer on governance matters.

為遵守上市規則第3.10(1)條及3.10A條，本公司已委任三名獨立非執行董事，超過董事會人數三分之一。按上市規則第3.10(2)條的規定，其中一名獨立非執行董事具備合適會計專業資格或相關財務管理專業知識。

各獨立非執行董事已按上市規則第3.13條規定，向本公司提交其年度獨立身份確認書。根據該等確認書的內容，本公司認為全體獨立非執行董事均屬獨立。

董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則作為本公司有關董事進行證券交易的行為守則(「證券交易守則」)。經作出特定查詢後，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整個年度一直遵守證券交易守則的相關條文。

因受聘於本公司而可能獲得內幕消息的高級管理層，於買賣本公司股份時亦須遵守證券交易守則的條文。

公司秘書

本公司公司秘書黃麗華女士為本集團全職僱員，熟悉本公司的日常事務。其亦擔任審核委員會、提名委員會、薪酬委員會、企業管治委員會及董事會不時組織的其他董事委員會的秘書。黃女士負責就管治事宜透過主席及／或行政總裁向董事會提供意見。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the financial year, the Company Secretary complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biographical details of the Company Secretary is set out in the section headed “Biographical Details of Directors and Senior Management” on pages 49 to 55 in the annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognizes its responsibility to ensure the Company maintains a sound and effective risk management and internal control system. The Group’s internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks. Review of the Group’s internal controls covering major financial, operational and compliance controls, as well as risk management functions. The controls built into the risk management system are intended to manage, not eliminate, significant risks in the Group’s business environment.

The Group’s risk management framework includes the following elements:

- identify significant risks in the Group’s operation environment and evaluate the impacts of those risks on the Group’s business;
- develop necessary measures to manage those risks;
- monitor and review the effectiveness of such measures.

The implementation of risk management framework of the Group was assisted by the Group’s internal audit department so that the Group could ensure new and emerging risks relevant to the Group’s operation are promptly identified by management, assess the adequacy of action plans to manage these risks and monitor and evaluate the effectiveness of the action plans. These are on-going processes and our Audit Committee reviews periodically the Group’s risk management systems.

於財政年度內，公司秘書已遵守上市規則第3.29條下相關專業培訓規定。公司秘書的履歷詳情載於本年報第49至55頁「董事及高級管理層履歷詳情」一節。

風險管理及內部監控

董事會確認其確保本公司維持健全有效風險管理及內部監控系統的責任。本集團的內部監控系統乃為確保資產不會被不當挪用及未經授權處理以及管理經營風險而設計。本集團的內部監控檢討涵蓋主要財務、營運及合規監控以及風險管理職能。風險管理系統中設立的監控乃為管理而非消除本集團業務環境的重大風險。

本集團的風險管理框架包括以下部分：

- 識別本集團業務環境的重大風險及評估該等風險對本集團業務的影響；
- 制定必要措施以管理該等風險；
- 監察及檢討有關措施的有效性。

本集團內部審計部門協助執行本集團風險管理框架，因此本集團能確保與本集團營運有關的新出現風險可由管理層立即識別，評估執行計劃的充分性以管理該等風險以及監控及評估執行計劃的有效性。上述均為持續程序且審核委員會會定期檢討本集團風險管理系統。

Audit committee reported to the Board the implementation of the Group's risk management and internal control policy which, among other things, included the determination of risk factors, evaluation of risk level the Group could take and effectiveness of risk management measures. Based on the reports from the Group's internal control department and the Audit Committee, the Board considers the Group's risk management and internal control system is adequate and effective and the Group has complied with the provisions on risk management and internal controls as set out in the CG code.

DIRECTORS' RESPONSIBILITY IN PREPARING FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's accounts which give a true and fair view of the Group's state of affairs, results and cash flows for the year and in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and the Companies Ordinance. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as going concern.

EXTERNAL AUDITOR

KPMG has been appointed as the external auditor of the Company. The Audit Committee has been notified of the nature and the service charges of non-audit services performed by KPMG and considered that such services have no adverse effect on the independence of the external auditor.

審核委員會向董事會呈報本集團的風險管理及內部監控政策的執行情況，其中包括釐定風險因素、評估本集團能承受的風險級別及風險管理措施的有效性。根據本集團內部監控部門及審核委員會報告，董事會認為，本集團的風險管理及內部監控系統屬適當及有效且本集團已遵守企業管治守則所載之風險管理及內部監控條文。

董事負責編製財務報表

董事會明白本身有責任根據國際會計準則理事會頒佈的國際財務報告準則及公司條例編製本公司賬目，真實公平反映本集團於本年度的事務狀況、業績及現金流量。本公司已根據審慎及合理的判斷及估計選擇合適的會計政策並貫徹採用。董事會認為本集團備有充足資源於可見未來繼續經營業務，且並不知悉任何可能影響本公司業務或致令本公司持續經營能力成疑的事件或狀況的重大不確定因素。

外聘核數師

畢馬威會計師事務所已獲委任為本公司的外聘核數師。審核委員會已獲知會畢馬威會計師事務所提供非核數服務的性質及服務收費，認為有關服務對外聘核數師的獨立身份並無不利影響。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the year, the fees payable to KPMG or its affiliated firms comprise service charges for the following:

於本年度，應付畢馬威會計師事務所或其聯屬公司的費用包括下列項目的服務費：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Statutory audit	法定審核	2,200	2,238
Review of interim results	審閱中期業績	800	800
Internal control review	內部監控審閱	200	150
Other non-audit services	其他非審計服務	117	—

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the year under review.

於回顧年度，董事會與審核委員會就挑選及委任外聘核數師並無任何意見分歧。

NON-COMPETE UNDERTAKING BY CONTROLLING SHAREHOLDERS

Mr. Ziming Yang, Acute Result Holdings Limited (“**Acute Result**”), Ascend Fame Limited (“**Ascend Fame**”), Prime Ascend Limited (“**Prime Ascend**”) are the controlling shareholders (within the meaning of the Listing Rules) of the Company (the “**Controlling Shareholders**”). Each of the Controlling Shareholders has confirmed to the Company that none of them is engaged in, or interested in any business (other than the Group) which directly or indirectly competes or may compete with the business of the Group. To protect the Group from any potential competition, the Controlling Shareholders have given an irrevocable non-compete undertaking in the Group’s favour on 8 October 2013 (the “**Deed of Non-competition**”).

控股股東作出的不競爭承諾

楊紫明先生、銳成控股有限公司(「**銳成**」)、昇譽有限公司(「**昇譽**」)及元陞有限公司(「**元陞**」)為本公司控股股東(「**控股股東**」，具上市規則涵義)。各控股股東已向本公司確認，彼等概無從事任何與本集團業務直接或間接構成或可能構成競爭的業務(本集團業務除外)，亦無於該等業務中擁有權益。為保障本集團免於面對任何潛在競爭，控股股東已於二零一三年十月八日向本集團作出不可撤回不競爭承諾(「**不競爭契據**」)。

In order to properly manage any potential or actual conflict of interests between the Group and the Controlling Shareholders in relation to the compliance and enforcement of the non-compete undertaking, the Company has adopted the following corporate governance measures:

- (a) the independent non-executive Directors will review, on an annual basis, the compliance with the undertaking given by the Controlling Shareholders under the Deed of Non-competition;
- (b) the Controlling Shareholders undertake to provide all information requested by the Company which is necessary for the annual review by the independent non-executive Directors and the enforcement of the Deed of Non-competition;
- (c) the Company will disclose decisions on matters reviewed by the independent non-executive Directors relating to compliance and enforcement of the non-compete undertaking of the Controlling Shareholders under the Deed of Non-competition in the annual reports of the Company; and
- (d) the Controlling Shareholders will make an annual declaration on compliance with their undertaking under the Deed of Non-competition in the annual report of the Company.

The Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between the Controlling Shareholders and their respective associates and the Group and to protect the interests of the shareholders, in particular, the minority shareholders.

Each of the Controlling Shareholders has confirmed to the Company that he/it has complied with the Deed of Non-competition. The independent non-executive Directors of the Company have reviewed the status of compliance and enforcement of the Deed of Non-competition and confirmed that all the undertakings thereunder have been complied with.

為妥善管理本集團與控股股東之間有關遵守及執行不競爭承諾的任何潛在或實際利益衝突，本公司已採納以下企業管治措施：

- (a) 獨立非執行董事將每年檢討控股股東遵守不競爭契據項下承諾的情況；
- (b) 控股股東承諾提供本公司所要求就獨立非執行董事進行年度檢討及不競爭契據執行情況所必要的一切資料；
- (c) 本公司將透過本公司年報披露獨立非執行董事有關檢討控股股東遵守及執行不競爭契據項下不競爭承諾事宜的任何決定；及
- (d) 控股股東將每年於本公司年報內就遵守彼等於不競爭契據項下承諾作出聲明。

董事認為，上述企業管治措施足以管理控股股東及彼等各自的聯繫人與本集團之間任何潛在利益衝突，以及保障股東(尤其是少數股東)的利益。

各控股股東已向本公司確認，其已遵守不競爭契據。本公司獨立非執行董事已檢討不競爭契據的遵守及執行情況，並確認契據項下一切承諾已獲遵守。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS

The Company aims to, via its corporate governance structure, enable all its shareholders an equal opportunity to exercise their rights in an informed manner and allow all shareholders to engage actively with the Company. Under the Company's articles of association, the shareholder communication policy and other relevant internal procedures of the Company, the shareholders of the Company enjoy, among others, the following rights:

(i) Participation at general meetings

The general meetings of the Company provide an opportunity for direct communication between the Board and the shareholders. The Company encourages the participation of the shareholders through annual general meetings and other general meetings where the shareholders meet and exchange views with the Board, and to exercise their right to vote at meetings. The Company shall arrange notices of meetings and circulars containing details on proposed resolutions to be sent to the shareholders no less than 20 business days before the meeting. At general meetings, separate resolutions are proposed on each substantial issue, including the election of individual Directors.

(ii) Enquiries and proposals to the Board

The Company encourages shareholders to attend Shareholders' meetings and make proposals by either directly raising questions on both operational and governance matters to the Board and Board Committees at the general meetings or providing written notice of such proposals for the attention of the Company Secretary at the registered office of the Company in Hong Kong currently situated at Unit A&B, 26 Floor, Billion Plaza II, 10 Cheung Yue Street, Cheung Sha Wan, Kowloon or via email to ir@cabbeen.com.

與股東溝通及股東權利

本公司旨在透過其企業管治架構，讓全體股東有平等機會在知情情況下行使其權利，並讓全體股東積極參與本公司事務。根據本公司的組織章程細則、股東溝通政策及本公司其他相關內部程序，本公司股東可享(其中包括)以下權利：

(i) 參加股東大會

本公司的股東大會提供機會讓董事會與股東直接溝通。本公司鼓勵股東透過出席股東週年大會及其他股東大會參與本公司事務，會上股東可與董事會會面及交流意見，及行使其投票權利。本公司將安排於舉行大會前不少於20個營業日向股東發出大會通告及載有提呈決議案詳情的通函。於股東大會上，將就各重大事項(包括選舉個別董事)提呈獨立決議案。

(ii) 向董事會查詢及提出建議

本公司鼓勵股東出席股東大會，並透過以下方式作出建議：於股東大會向董事會及董事會委員會就有關營運及管治事宜直接提問，或將有關建議以書面形式送交本公司的香港註冊辦事處，現時地址為九龍長沙灣長裕街10號億京廣場二期26樓A及B室，或電郵至 ir@cabbeen.com 以呈交公司秘書。

(iii) Convening extraordinary general meetings

The Directors may, whenever they think fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company Secretary and deposited at the registered office of the Company in Hong Kong currently situated at Unit A&B, 26 Floor, Billion Plaza II, 10 Cheung Yue Street, Cheung Sha Wan, Kowloon for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

There are no provisions under the Company's articles of association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

(iii) 召開股東特別大會

董事可酌情隨時召開股東特別大會。於提呈有關要求當日擁有權利於股東大會投票的本公司繳足股本不少於十分之一的一名或多名股東亦可要求召開股東特別大會。有關要求應以書面方式向董事或公司秘書提出，並送交本公司的香港註冊辦事處，現時地址為九龍長沙灣長裕街10號億京廣場二期26樓A及B室，以要求董事就處理有關要求所指任何事務召開股東特別大會。有關大會須於提出有關要求後兩個月內舉行。倘於提出有關要求後二十一(21)日內董事仍未著手召開有關大會，則提出要求的人士可以相同形式召開大會，而提出要求人士因董事未有因應要求召開大會而產生的一切合理開支將由本公司向提出要求的人士償付。

本公司組織章程細則或開曼群島第22章公司法(一九六一年第3號法案，經綜合及修訂)概無有關股東在股東大會提出建議的程序的規定(提名候選董事的建議除外)。股東可根據上文所載程序召開股東特別大會以處理有關書面要求提出的任何事務。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The notice of annual general meeting together with the accompanying circular setting out the relevant information as required under the Listing Rules are sent to shareholders at least 20 clear business days prior to the meeting. Poll voting has been adopted for decision-making at Shareholders' meetings to ensure that each share is entitled to one vote. Details of the poll voting procedures are set out in the circular sent to Shareholders prior to the meeting and explained at the commencement of the meeting. Voting results are posted on the Company's website on the day of the annual general meeting.

(iv) Procedures for proposing a person for election as a Director

Pursuant to the Article 85 of the articles of associations of the Company, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice (as defined therein) signed by a Member (as defined therein) (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

股東週年大會通告連同上市規則規定須列明相關資料的隨附通函於大會前至少20個完整營業日向股東發出。於股東大會上的決定乃採納按股數投票表決方式，以確保每股股份均有一票投票權。投票表決程序的詳情載於在大會前寄發予股東的通函，並於大會開始時加以解釋。投票表決結果於股東週年大會當日在本公司網站公佈。

(iv) 提名人士參選董事的程序

根據本公司的組織章程細則第85條，除非獲董事推薦參選，或由正式合資格出席大會並可於會上投票的股東（定義見組織章程細則）（並非擬參選者）簽署通知（定義見組織章程細則），表明擬提名相關人士參選，且獲提名人士簽署該通知表明願意參選，否則除會上退任董事外，概無任何人士有資格於任何股東大會上參選董事。上述通知須呈交總辦事處或過戶登記處，通知期不得少於七(7)日，如該等通知是於就選舉董事而召開股東大會的通告寄發後始呈交，則呈交該(等)通知的期間為就選舉董事而召開股東大會的通告寄發後翌日起計至不遲於該股東大會舉行日期前七(7)日。

CONSTITUTIONAL DOCUMENTS

There was no change in the memorandum and articles of association of the Company during the year ended 31 December 2018.

章程文件

於截至二零一八年十二月三十一日止年度，本公司的組織章程大綱及細則概無變動。

EXECUTIVE DIRECTORS

Mr. Ziming Yang (楊紫明), aged 47, is the founder of our Group. He is also the Chairman of our Company. He was appointed as an executive Director on 3 November 2011. Mr. Yang is primarily responsible for our overall corporate strategies, planning and business development, and leads our design and research and development team.

Mr. Yang first started his fashion and wholesale of apparel business in April 1992. In October 1997, Mr. Yang began to design and wholesale our Cabbeen branded apparel. Mr. Yang has over 20 years of experience in design. He has been one of the most famous designers in China, who won the award for “Best Menswear Designer”* (最佳男裝設計師) at the China International Fashion Week* (中國國際時裝週) in 2009 and “The 14th China Fashion Design Top Award”* (第14屆中國時裝設計金頂獎), which is the top honor in apparel design in China in 2010. Mr. Yang was accredited as “2010 Quanzhou Economic Figure” (2010年度泉州經濟人物) and was the member of the 10th China Young Entrepreneurs Association (第十屆中國青年企業家協會會員) in 2010. In 2011, he was the chairperson of Shishi Youth Chamber of Commerce’s Council (石獅市青年商會理事會會長), honorable president of Shishi Textile & Garments Commerce Chamber’s Council (石獅市紡織服裝商會理事會名譽會長) and a committee member of the 11th Committee of All-China Youth Federation (中華全國青年聯合會第十一屆委員會委員). In 2012, Mr. Yang was the first president of the Fashion Designers’ Association of Fujian Province* (福建省服裝設計師協會第一屆會長) and the honorable president of Quanzhou APEC Commerce Chamber’s Council* (泉州APEC商務協會名譽會長). In March 2013, Mr. Yang became the consulting professor of Beijing Institute of Fashion Technology (北京服裝學院). In April 2014, Fujian Normal University (福建師範大學) appointed Mr. Yang as a guest professor. In addition, Mr. Yang is currently the vice president and a member of the standing committee and the arts committee of the China Fashion Designers Association (中國服裝設計師協會). Mr. Yang has been the vice president of the

執行董事

楊紫明先生，47歲，本集團創辦人。彼亦為本公司主席。彼於二零一一年十一月三日獲委任為執行董事。楊先生主要負責我們的整體公司策略、規劃及業務發展並領導我們的設計及研發團隊。

楊先生最初於一九九二年四月開始其時裝及服裝批發業務。一九九七年十月，楊先生開始設計及批發Cabbeen品牌服裝。楊先生在設計方面擁有逾二十年經驗。彼為中國最知名設計師之一，於二零零九年中國國際時裝週榮獲「最佳男裝設計師」獎，並於二零一零年榮獲中國服裝設計最高榮譽的「第14屆中國時裝設計金頂獎」。楊先生於二零一零年獲評為「2010年度泉州經濟人物」，並為第十屆中國青年企業家協會會員。二零一一年，彼為石獅市青年商會理事會會長、石獅市紡織服裝商會理事會名譽會長及中華全國青年聯合會第十一屆委員會委員。二零一二年，楊先生擔任福建省服裝設計師協會第一屆會長及泉州APEC商務協會名譽會長。二零一三年三月，楊先生出任北京服裝學院顧問教授。二零一四年四月，楊先生獲福建師範大學聘任為客座教授。此外，楊先生現為中國服裝設計師協會副主席及常務理事會

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層履歷詳情(續)

standing committee of the China Garment Association* (中國服裝協會) since October 2013. In April 2013, Mr. Yang was awarded as 2012 Innovative person of China textile industry* (2012 中國紡織行業年度創新人物) by The Association of China Textile Industry* (中國紡織工業聯合會).

Mr. Yang received his EMBA in Sun Yat-Sen University (中山大學) in June 2011. Mr. Yang is the brother-in-law of Mr. Rongqin Ke (柯榕欽) who is also our executive Director.

Mr. Siu Keung Ng (吳少強), aged 48, is one of the founding members of our Group and has been appointed as an executive Director of our Company on 18 February 2013. Mr. Siu Keung Ng is primarily responsible for our overall corporate planning and strategy execution and is the chief executive officer of our Group since July 2010. Mr. Ng has over 15 years of experience in various aspects, including business operation, management, sales, procurement, financial and human resource. Mr. Ng has been with our Group since 1997. Mr. Ng obtained his bachelor's degree in material engineering majoring in forge craft and equipment from Shanghai Jiao Tong University (上海交通大學) in July 1992.

Mr. Rongqin Ke (柯榕欽), aged 44, is one of the founding members of our Group and has been appointed as an executive Director of our Company on 18 February 2013. Mr. Rongqin Ke is primarily responsible for our supply chain management and financial management. Mr. Ke has over 15 years of experience in various aspects, including manufacturing, product design and research and development and procurement. Mr. Ke has been with our Group since 1997.

Mr. Ke obtained his diploma certificate in business administration from Hunan University of Technology (湖南工業大學) in January 2008. Mr. Ke was accredited as "2011-2012 Top Ten Professional Managers of Apparel Industry in Guangdong Province"* (2011-2012年度廣東省服裝行業十佳職業經理人) in August 2012. Mr. Rongqin Ke is the brother-in-law of Mr. Ziming Yang. He completed the EMBA program at Lingnan College of Sun Yat-Sen University (中山大學嶺南學院) in June 2013.

理事和藝術委員會委員。楊先生亦自二零一三年十月起擔任中國服裝協會理事會副會長。在二零一三年四月，楊先生獲中國紡織工業聯合會評為二零一二年中國紡織行業年度創新人物。

楊先生於二零一一年六月取得中山大學EMBA。楊先生為執行董事柯榕欽先生的姻兄。

吳少強先生，48歲，本集團創辦人之一，於二零一三年二月十八日獲委任為本公司執行董事。吳少強先生主要負責我們的整體公司規劃及策略執行，自二零一零年七月起出任本集團的行政總裁。吳先生於包括業務營運、管理、銷售、採購、財務及人力資源等多個範疇擁有逾十五年經驗。吳先生自一九九七年以來一直任職於本集團。吳先生於一九九二年七月獲上海交通大學材料工程學士學位，主修熔爐工藝及設備。

柯榕欽先生，44歲，本集團創辦人之一，於二零一三年二月十八日獲委任為本公司執行董事。柯榕欽先生主要負責我們的供應鏈管理及財務管理。柯先生於包括製造、產品設計、研發及採購等多個範疇擁有逾十五年經驗。柯先生自一九九七年以來一直任職於本集團。

柯先生於二零零八年一月取得湖南工業大學工商管理文憑。柯先生於二零一二年八月獲評為「2011-2012年度廣東省服裝行業十佳職業經理人」。柯榕欽先生為楊紫明先生的姻弟。彼於二零一三年六月在中山大學嶺南學院完成EMBA課程。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層履歷詳情(續)

Mr. Qiang Wei (韋強), aged 44, was appointed as an executive Director of our Company on 18 February 2013. Mr. Qiang Wei resigned as an executive Director on 19 May 2018. Mr. Wei was primarily responsible for the finance and operation of our Group. Mr. Wei has over 15 years of experience in finance and accounting. Prior to joining us, Mr. Wei was an accountant in Guangxi Bobai County Foreign Trade and Economic Company* (廣西博白縣對外經濟貿易總公司) from January 1997 to October 1998. He was then worked in the finance department of Guangzhou Complacent Industrial Co., Ltd. (廣州永益有限公司) from November 1998 to October 2002. From April 2003 to March 2004 and from March 2004 to September 2008, Mr. Wei had been the finance manager and finance director, respectively, in Guangzhou Sai De Electrical Equipment Co., Ltd.* (廣州賽德機電設備有限公司) and Foshan U Right Garment Co., Ltd. (佛山佑威服裝有限公司). Mr. Wei joined our Group in December 2008 as the financial director of Cabbeen Clothing (China) Limited and took in charge of the company's finance.

Mr. Wei completed a self-taught accounting diploma course in April 1999 held by the Commission of Selftaught Higher Education Examination of Guangxi Zhaung Autonomous Region (廣西壯族自治區高等教育自學考試委員會), and subsequently obtained the Medium Level Accountant title granted by Ministry of Finance of the PRC in May 2002. Mr. Wei obtained his master degree in business administration from Jinan University in December 2017.

韋強先生，44歲，於二零一三年二月十八日獲委任為本公司執行董事。於二零一八年五月十九日，韋強先生辭任執行董事一職。韋先生主要負責本集團的財務及營運事宜。韋先生在財務及會計方面擁有逾十五年經驗。加入我們前，韋先生於一九九七年一月至一九九八年十月擔任廣西博白縣對外經濟貿易總公司會計師。彼其後於一九九八年十一月至二零零二年十月在廣州永益有限公司財務部任職。二零零三年四月至二零零四年三月及二零零四年三月至二零零八年九月，韋先生分別擔任廣州賽德機電設備有限公司及佛山佑威服裝有限公司的財務經理及財務總監。韋先生於二零零八年十二月加入本集團出任卡賓服飾(中國)有限公司的財務總監，掌管公司財務事宜。

韋先生於一九九九年四月完成由廣西壯族自治區高等教育自學考試委員會舉辦的自修會計文憑課程，其後於二零零二年五月取得中國財政部認可的中級會計師職稱。韋先生於二零一七年十二月獲暨南大學的工商管理碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層履歷詳情(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

Mr. Yung Kwok Tsui (徐容國), aged 50, is our independent non-executive Director and was appointed to our Board on 18 February 2013. Mr. Tsui has over 20 years of extensive experience in auditing and accounting, including experience from corporations and an international accounting firm. Mr. Tsui joined Ju Teng International Holdings Limited (巨騰國際控股有限公司) (stock code: 3336) in August 2004 and has been the company's executive director and chief financial officer since its listing in the Stock Exchange and served as the company secretary from August 2004 to March 2017. He has also respectively been an independent non-executive director of Shenguan Holdings (Group) Limited (神冠控股(集團)有限公司) (stock code: 829) since September 2009, SITC International Holdings Company Limited (海豐國際控股有限公司) (stock code: 1308) since September 2010, 361 Degrees International Limited (361度國際有限公司) (stock code: 1361) since September 2012 and Intron Technology Holdings Limited (英恒科技控股有限公司) (stock code: 1760) since June 2018, all of which are listed on the Stock Exchange.

徐容國先生，50歲，我們的獨立非執行董事，於二零一三年二月十八日獲委任加入董事會。徐先生於審計及會計方面擁有逾二十年豐富經驗，曾任職多家企業及一家國際會計師事務所。徐先生於二零零四年八月加入巨騰國際控股有限公司(股份代號：3336)，並自該公司於聯交所上市後擔任其執行董事及財務總監，並於二零零四年八月至二零一七年三月擔任該公司之公司秘書。彼亦分別自二零零九年九月、二零一零年九月、二零一二年九月及二零一八年六月起出任聯交所上市公司神冠控股(集團)有限公司(股份代號：829)、海豐國際控股有限公司(股份代號：1308)、361度國際有限公司(股份代號：1361)及英恒科技控股有限公司(股份代號：1760)的獨立非執行董事。

Mr. Tsui obtained his bachelor's degree of business in accounting from Curtin University of Technology in August 1992 and his master's degree of corporate governance from The Hong Kong Polytechnic University in December 2007. Mr. Tsui has been a member of Hong Kong Institute of Certified Public Accountants since February 1997, a member of Chartered Accountants Australia and New Zealand since June 2000, and a member of CPA Australia since September 1996. He has also been a member of The Hong Kong Institute of Chartered Secretaries since December 2007.

徐先生於一九九二年八月獲Curtin University of Technology的會計商業學士學位，並於二零零七年十二月獲香港理工大學的企業管治碩士學位。徐先生自一九九七年二月起為香港會計師公會會員、自二零零零年六月起為澳洲及紐西蘭特許會計師協會會員及自一九九六年九月起為澳洲會計師公會會員。彼亦自二零零七年十二月起為香港特許秘書公會會員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層履歷詳情(續)

Mr. Honghui Chen (陳宏輝), aged 47, is our independent non-executive Director and was appointed to our Board on 18 February 2013. Mr. Chen has over 20 years of extensive experience teaching universities in the fields of management, economics and corporate social responsibility. From July 1993 to June 2003, Mr. Chen worked in Wuhan University of Science and Technology, primarily teaching management and economics. From July 2003 till now, Mr. Chen has worked in Sun Yat-Sen University, primarily teaching courses including strategic management and corporate social responsibility. Mr. Chen had been granted the title of deputy professor from April 2004 to July 2008 and has been subsequently granted the title of professor since July 2008. Mr. Chen had also been the deputy dean of Lingnan College in Sun Yat-Sen University from November 2007 to March 2012 and has been the director of the Research Center for Corporate Social Responsibility at Lingnan College of Sun Yat-Sen University* (中山大學嶺南學院企業社會責任研究中心主任) from July 2009 and the chair of the Department of Business Management at Lingnan College of Sun Yat-Sen University* (中山大學嶺南學院經濟管理系主任), respectively. From 2004 till now, Mr. Chen has done various researches on the topics of corporate social responsibility and strategic management and economics efficiency, which were subsidies by the PRC or local government. The essay written by Mr. Chen in 2007 was accredited as the Second Prize of The Philosophy and Society Science Outstanding Achievement in Guangdong Province* (廣東省哲學社會科學優秀成果二等獎).

Mr. Chen has been the independent director of Guangdong Telepower Communication Co., Ltd.* (廣東天波資訊技術股份有限公司) from January 2012 to December 2015. Mr. Chen has also been the independent director of Guangzhou Grandbuy Co., Ltd. (廣州市廣百股份有限公司) (SZSE Stock Code: 002187) since September 2016 and of China National Accord Medicines Corporation Ltd (廣東天波資訊技術股份有限公司) (SZSE Stock Code: 0020028) on 14 March 2017, both companies are listed on the Shenzhen Stock Exchange.

Mr. Chen obtained the Qualification of Teacher of the PRC in 1996. He also obtained his doctoral degree in enterprise management from Zhejiang University in June 2003.

陳宏輝先生，47歲，我們的獨立非執行董事，於二零一三年二月十八日獲委任加入董事會。陳先生擁有逾二十年在大學教授管理、經濟及企業社會責任學科的豐富經驗。一九九三年七月至二零零三年六月，陳先生在武漢科技大學任教，主要教授管理及經濟。二零零三年七月至今，陳先生一直在中山大學任教，主要教授的課程包括戰略管理及企業社會責任。陳先生於二零零四年四月至二零零八年七月獲授副教授職銜，並於隨後自二零零八年七月起獲授教授職銜。陳先生於二零零七年十一月至二零一二年三月亦曾任中山大學嶺南學院副院長，並自二零零九年七月起一直分別擔任中山大學嶺南學院企業社會責任研究中心主任及中山大學嶺南學院經濟管理系主任。二零零四年至今，陳先生曾就企業社會責任及企業戰略管理以及經濟效率等題目進行多項研究，有關研究均由中國或地方政府資助。陳先生於二零零七年完成的論文獲頒發廣東省哲學社會科學優秀成果二等獎。

陳先生於二零一二年一月至二零一五年十二月期間為廣東天波資訊技術股份有限公司的獨立董事。陳先生亦由二零一六年九月起及於二零一七年三月十四日分別為深圳交易所上市公司廣州市廣百股份有限公司(深圳交易所股份代號：002187)及廣東天波資訊技術股份有限公司(深圳交易所股份代號：0020028)的獨立董事。

陳先生於一九九六年取得中國教師資質。彼亦於二零零三年六月獲浙江大學頒發企業管理博士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層履歷詳情(續)

Mr. Ming Shu Leung (梁銘樞), aged 43, was appointed as an independent non-executive Director on 18 February 2013. Mr. Leung founded internet private equity fund Harmony Capital as Founding Partner on January 2018. Mr. Leung has been the company secretary of China ITS (Holdings) Co., Ltd. (中國智能交通系統(控股)有限公司), a company listed on the Stock Exchange (stock code: 1900), since January 2008 and the chief financial officer of this company from January 2008 to January 2018. He has also been an independent non-executive director of Comtec Solar Systems Group Limited (卡姆丹克太陽能系統集團有限公司) (stock code: 712) since June 2008 and Sun.King Power Electronics Group Limited (stock code: 580) since March 2017, both companies are listed on the Stock Exchange.

Mr. Leung has over 15 years of experience in the areas of corporate finance and accounting. Mr. Leung started his professional career at PricewaterhouseCoopers in Hong Kong as an auditor in 1998. He then worked at the global corporate finance division of Arthur Andersen & Co. in Hong Kong, which subsequently merged with PricewaterhouseCoopers, until December 2000. From July 2001 to February 2003, Mr. Leung also worked as a business consultant in Market Catalyst International (Hong Kong) Limited, where he advised companies on issues of strategy, organization and operations. Mr. Leung then spent approximately three years from February 2003 to January 2006 at CDC Corporation, a NASDAQ-listed company, as a senior manager in the mergers and acquisitions department, and as the chief financial officer of China.com Inc., a subsidiary of CDC Corporation and a company listed on the Stock Exchange. From February 2006 to October 2006, Mr. Leung served as the chief financial officer of Beijing Xinwei Telecom Technology Co., Ltd., a related party of 大唐電信科技股份有限公司 (Datang Telecom Technology Co., Ltd., a company listed on The Shanghai Stock Exchange) which is engaged in the development of telecommunication standard and manufacture of telecommunication equipment. From November 2006 to January 2008, he served as the chief financial officer of Beijing Lingtu Spacecom Technology Co., Ltd (北京靈圖星訊科技有限公司), a subsidiary of Beijing Lingtu Software Co., Ltd (北京靈圖軟件技術有限公司), a PRC digital mapping and navigation software company.

梁銘樞先生，43歲，於二零一三年二月十八日獲委任為獨立非執行董事。梁先生二零一八年一月創立互聯網私募基金和諧資本任創始合夥人。自二零零八年一月起，梁先生一直擔任聯交所上市公司中國智能交通系統(控股)有限公司(股份代號：1900)的公司秘書及於二零零八年一月至二零一八年一月擔任該公司之財務總監。彼自二零零八年六月及二零一七年三月起亦為聯交所上市公司卡姆丹克太陽能系統集團有限公司(股份代號：712)及賽晶電力電子集團有限公司(股份代號：580)的獨立非執行董事。

梁先生在公司財務及會計方面擁有逾十五年經驗。梁先生於一九九八年在羅兵咸永道會計師事務所香港辦事處開始其核數師專業事業。彼其後於香港安達信會計師事務所(其後與羅兵咸永道會計師事務所合併)的全球公司融資部任職至二零零零年十二月。二零零一年七月至二零零三年二月，梁先生亦曾擔任卓進市場策動(香港)有限公司的業務顧問，就策略、組織及營運等事宜向公司提供意見。其後，梁先生自二零零三年二月起至二零零六年一月約三年間，在納斯達克上市公司CDC Corporation擔任併購部高級經理，並在CDC Corporation的附屬公司中華網科技公司(聯交所上市公司)擔任首席財務官。二零零六年二月至二零零六年十月，梁先生擔任上海證券交易所上市公司大唐電信科技股份有限公司(從事電信標準開發，並為電信設備製造商)的關聯方北京信威通信技術股份有限公司的首席財務官。二零零六年十一月至二零零八年一月，彼擔任中國電子地圖及導航軟件公司北京靈圖星訊科技有限公司(北京靈圖軟件技術有限公司的附屬公司)的首席財務官。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層履歷詳情(續)

Mr. Leung obtained his bachelor's degree in arts with first class honor in accountancy from The City University of Hong Kong in June 1998 and a master's degree in accountancy from The Chinese University of Hong Kong in November 2001. He is a fellow member of the Association of Chartered Certified Accountants (FCCA) and a fellow member of The Hong Kong Institute of Certified Public Accountants (FCPA).

梁先生於一九九八年六月獲香港城市大學頒發會計第一級榮譽文學學士學位，並於二零零一年十一月獲香港中文大學頒發會計碩士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會資深會員。

SENIOR MANAGEMENT

Ms. Lai Wah Wong (黃麗華), aged 44, is the chief financial officer of our Group. Ms. Wong is also our company secretary and one of the authorized representatives of our Company. Ms. Wong joined our group in April 2012 and is primarily responsible for our overall financial management and company secretarial affairs and coordination of investor relations. Ms. Wong has over 15 years of experience in auditing, tax and financial management. Prior to joining us, she had worked in international accounting firms and other companies listed on the main board of the Stock Exchange. Ms. Wong obtained her bachelor's degree of arts in accounting at The Hong Kong Polytechnic University in 1997 and master's degree of science in corporate finance at The Hong Kong University of Science and Technology in 2014. She is also a fellow member of The Hong Kong Institute of Certified Public Accountants.

高級管理層

黃麗華女士，44歲，為本集團財務總監。黃女士亦為我們的公司秘書及本公司其中一名授權代表。黃女士於二零一二年四月加入本集團，主要負責我們的整體財務管理、公司秘書事宜及統籌投資者關係。黃女士於審計、稅務及財務管理方面擁有逾十五年經驗。加入我們之前，彼曾任職於國際會計師行及其他聯交所主板上市公司。黃女士於一九九七年取得香港理工大學會計文學學士學位及於二零一四年取得香港科技大學企業融資理學碩士學位。彼亦為香港會計師公會資深會員。

REPORT OF THE DIRECTORS

董事會報告

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

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in the Cayman Islands and is domiciled in Hong Kong and has its registered office at Unit A&B, 26/F, Billion Plaza II, 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong. The Group's principal place of business is in the PRC.

PRINCIPAL ACTIVITIES

The principal activities of the Group are wholesaling and retailing of branded menswear and related accessories in the PRC. The principal activities and other particulars of the subsidiaries are set out in note 14 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2018, aggregate sales to the Group's largest and five largest customers accounted for 11.5% (2017: 11.9%) and 38.5% (2017: 42.5%), respectively, of the Group's total revenue for the year.

Aggregate purchases from the Group's largest and five largest suppliers of OEM products accounted for 11.5% (2017: 13.6%) and 28.3% (2017: 33.4%), respectively, of the Group's total purchases from suppliers for the year ended 31 December 2018.

At no time during the year have the Directors, their associates or any shareholder of the Company (who or which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

董事欣然提呈本集團截至二零一八年十二月三十一日止年度的年報，連同經審核綜合財務報表。

主要營業地點

本公司在開曼群島註冊成立，並以香港為居駐地，其註冊辦事處位於香港九龍長沙灣長裕街10號億京廣場二期26樓A及B室。本集團的主要營業地點位於中國。

主要業務

本集團的主要業務為於中國批發及零售品牌男裝及相關配飾。附屬公司的主要業務及其他資料載於財務報表附註14。

主要客戶及供應商

截至二零一八年十二月三十一日止年度，向本集團的最大及五大客戶銷售總額分別佔本集團年內總營業額的11.5%（二零一七年：11.9%）及38.5%（二零一七年：42.5%）。

向本集團的外包產品最大及五大供應商採購總額分別佔本集團截至二零一八年十二月三十一日止年度自供應商採購總額的11.5%（二零一七年：13.6%）及28.3%（二零一七年：33.4%）。

董事、彼等的聯繫人或本公司任何股東（就董事所知擁有本公司已發行股本超過5%的股東）於年內任何時間概無於本集團五大客戶及供應商中擁有任何權益。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the latest five financial years is set out on page 259 of the annual report. This summary does not form part of the audited consolidated financial statements.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2018 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 93 to 258 of the annual report.

RESERVES

Details of movements in reserves of the Company and the Group are set out in note 26 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Group's reserves available for distribution, calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately RMB99.9 million.

DIVIDEND

On 1 August 2018, the Company declared an interim dividend of HK13.2 cents (2017: HK6.0 cents) per ordinary share for the six months ended 30 June 2018. The Directors now recommend the payment of a final dividend of HK4.8 cents (2017: HK8.5 cents) per ordinary share in respect of the year ended 31 December 2018.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to RMB85,000 (2017: RMB659,000).

五年財務概要

本集團於最近五個財政年度的業績及資產以及負債概要載於年報第259頁。該概要並不屬於經審核綜合財務報表的組成部分。

財務報表

本集團截至二零一八年十二月三十一日止年度的溢利以及本公司及本集團於該日的事務狀況載於本年報第93至258頁的綜合財務報表內。

儲備

本公司及本集團的儲備變動詳情分別載於財務報表附註26及綜合權益變動表內。

可供分派儲備

於二零一八年十二月三十一日，本集團的可供分派儲備約為人民幣99.9百萬元，乃根據開曼群島法律第22章公司法（一九六一年第3號法例，經綜合及修訂）計算所得。

股息

本公司已於二零一八年八月一日宣派截至二零一八年六月三十日止六個月的中期股息每股普通股13.2港仙（二零一七年：6.0港仙）。董事現建議就截至二零一八年十二月三十一日止年度派付末期股息每股普通股4.8港仙（二零一七年：8.5港仙）。

慈善捐款

本集團於年內的慈善捐款為人民幣85,000元（二零一七年：人民幣659,000元）。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

NON-CURRENT ASSETS

Details of acquisitions and other movements of non-current assets (including investment property, other property, plant and equipment, interests in leasehold land held for own use under operating leases and intangible assets) are set out in notes 9 to 12 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 26 to the consolidated financial statements. Shares were issued during the year on exercise of share options.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2018.

BUSINESS REVIEW

Business overview and financial performance

The review of the Group's business and financial performance for the year ended 31 December 2018 are provided in the section "Management Discussion and Analysis" in this annual report.

Principal risks and uncertainties

A number of factors may affect the results and business operations of the Group, some of which are inherent to fashion business and some are from external sources. Major risks are summarized below.

非流動資產

非流動資產(包括投資物業, 其他物業、廠房及設備, 經營租賃下持有作自用之租賃土地權益以及無形資產)的購置及其他變動詳情載於綜合財務報表附註9至12。

股本

本公司股本年內變動詳情載於綜合財務報表附註26。年內因行使購股權而發行股份。

購買、出售或贖回本公司的上市證券

截至二零一八年十二月三十一日止年度, 本公司或其任何附屬公司均無購回、贖回或出售本公司任何上市證券。

業務回顧

業務回顧及財務表現

截至二零一八年十二月三十一日止年度, 有關本集團業務及財務表現的回顧載於本年報「管理層討論及分析」一節。

主要風險及不確定因素

本集團的業績及業務營運受多個因素的影響, 若干為服裝業所固有, 若干則來源於外界。主要風險概述如下。

(i) Fashion risk

Our success depends on our ability to define products trends and anticipate, gauge and react to changing consumer demands in a timely manner. Failure to anticipate and respond timely to changing consumer preferences could lead to lower sales and excess inventory levels. With respect to each design concept, it is important to have the right volume of stocks and strike the right balance in the mix between fashion basics and the latest trends. To track the acceptance of our fashion concept in the market closely, we introduce products in different batches throughout the season and will further shorten the product development cycle in order to reduce the lead time between production and delivery to customers. In addition, shopping patterns and the length of product seasons can vary in different parts of mainland China. Fashion designs which are popular in one province of mainland China at a given time may not be as popular in another local market.

(ii) Intense competition

We compete not only with local Chinese menswear brands, but also with other international fashion brands. Areas of competition include product designs, production costs, marketing programs, customer services. If we do not respond timely to our competitors, our costs may increase or the consumer demand for our products may decline and our revenue and profits would decrease.

(i) 時尚風險

我們的成功取決於我們把握時尚趨勢、預測、評估並及時應對不斷變化的消費者需求的能力。未能預測並及時應對不斷變化的消費者喜好可能降低我們的銷售額及導致過高的存貨水平。就各項產品設計而言，掌握適當的存貨量，及於服裝設計元素及時裝流行趨勢之間取得適當平衡至關重要。為密切追蹤我們的時裝理念在市場上的接受程度，我們於一季內分批推出產品，並將進一步縮短產品開發週期，以減少產品生產與交付予客戶之間的時間。此外，購物模式及產品銷售季節長度因中國內地不同省份地域而異。於特定時間在中國內地某個省份流行的時裝設計不一定會在另一個當地市場流行。

(ii) 競爭激烈

我們的競爭對手不僅來自中國本土男裝品牌，亦來自其他國際時裝品牌。競爭的領域包括產品設計、生產成本、營銷計劃及客戶服務。倘我們無法及時應對競爭對手的挑戰，或會導致我們的成本增加或客戶對我們的產品需求下降，以及我們的收益及溢利減少。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

(iii) Macroeconomic environment

The risk exists that negative macroeconomic changes may result in negative changes in the business environment. Fashion products may be considered as discretionary items for customers. Slower consumer spending may result in reduced demand for our products, reduced orders from our distributors, order cancellations, higher discounts, increased inventories, lower revenue and margins. It is therefore important that the Group is aware of any such changes of economic environment and adjusts its store opening plan, buying volume and business plan under different market conditions.

(iv) Supply chain

We do not own or operate any manufacturing facilities and depend upon independent manufacturers to produce all of our products and materials. Any disruption in the supply of fabric, raw materials and products from suppliers may cause problems in our supply chain. We have no long-term contracts with any of our suppliers and we may need to compete with other companies for fabrics, raw materials and apparel products. Nevertheless, we have developed long-standing relationships with a number of our vendors so as to minimize the impact from any supply disruptions and ensure we can locate alternative suppliers of comparable quality at a reasonable price all the time. For the year ended 31 December 2018, 28.3% (2017: 33.4%) of our products were produced by our top five suppliers and we have more than five years' business relationship with these suppliers.

(iii) 宏觀經濟環境

存在不利的宏觀經濟變化或會導致業務環境發生不利變動的風險。消費者可能將時裝產品視為非必需消費品。消費支出放緩或會導致對我們產品的需求減少、來自分銷商的訂單減少、取消訂單、增加銷售折扣、存貨增加、收益及利潤下降。因此，本集團需及時關注經濟環境的任何變化，並根據不同市況調整開店計劃、產品購買量及業務規劃。

(iv) 供應鏈

我們並不擁有或經營任何生產設施，並依賴獨立生產商生產我們的所有產品及材料。供應商中斷供應任何面料、原材料及產品可能導致我們的供應鏈出現問題。我們並無與任何供應商訂有長期合約，故我們可能需就面料、原材料及服裝產品與其他公司進行競爭。然而，我們已與多家供應商建立長期的合作關係，以盡力減少任何供應中斷的影響，並確保我們能夠隨時按合理價格找到類似質素的其他供應商。截至二零一八年十二月三十一日止年度，我們28.3%（二零一七年：33.4%）的產品由五大供應商生產，而我們與該等供應商已擁有逾五年的業務合作關係。

(v) Financial conditions of our distributors

We extend credit to our distributors based on as assessments of their financial conditions, repayment history and sales performance of the retail outlets operated by them, generally without requiring collateral. To assist in the scheduling of production of our products, our customers could place orders four to five months ahead of delivery under our sales fair ordering system. These advance orders may be cancelled and the risk of cancellation may increase when dealing with distributors struggling with financial difficulties. A slowing economy could also adversely affect the financial conditions of our customers, which in turn could have an adverse effect on our results of operation. In addition, product sales are dependent in part on an appealing store environment to attract consumers, which requires continuing investments by distributors. Distributors that experience financial difficulties may fail to make such investments and result in lower sales and orders for our products.

(vi) Information system

We are dependent on information technology systems and networks, including the internet and third-party hosted services across many of our operating activities, including sales and distribution, ordering and purchases, sales and distribution, inventory management in all retail outlets, e-commerce business, customer relationship management, digital marketing and financial reporting. Any material disruption or slowdown of our IT systems, including a disruption or slowdown caused by our failure to successfully upgrade our systems, system failures, viruses or cyber attacks could cause a loss of data or operation interruption. Therefore, we invest continuously in our IT and ERP system so as to keep up with the technology security and availability and integrity of critical operation data.

(v) 分銷商的財務狀況

我們根據分銷商財務狀況、支付記錄及其營運的零售店鋪的銷售表現，來評估彼等可獲得的信用期。我們一般不會要求分銷商提供抵押品。為配合產品的生產安排，客戶可根據我們的展銷會訂單系統於貨品交付前四至五個月下單。該等預訂單可能被取消，而當與遭遇財務困難的分銷商交易時，取消的風險將會增加。經濟放緩亦對我們客戶的財務狀況造成不利影響，從而對我們的經營業績造成不利影響。此外，產品銷售在一定程度上依賴具吸引力的店鋪環境以吸引消費者，這需要分銷商的持續投資。遭遇財務困難的分銷商可能無法作出有關投資，並會導致我們的產品銷售量及訂單減少。

(vi) 資訊系統

我們依賴資訊科技系統及網絡，包括互聯網及外包雲端服務，涉及我們的眾多經營活動，包括銷售及分銷、採購、所有零售店鋪的銷售及分銷、存貨管理、電子商務、客戶關係管理、數字營銷及財務報告。我們的資訊科技系統如出現任何嚴重中斷或減速，包括因我們未能成功更新我們的系統、系統故障、病毒或網絡攻擊而引起的中斷或減速，均可能導致數據丟失或運作中斷。因此，我們持續投資於資訊科技及ERP系統，以確保技術安全以及重要營運數據的可用性及完整性。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

(vii) Reputational risk

Cabbeen is one of the leading Chinese fashion casual designer brands and our success depends on our ability to maintain and enhance our brand image and reputation. Maintaining and promoting our brands will depend on our product design, marketing efforts and product quality. In addition, effect of our marketing activities depends on our ability to adapt to the rapid changing media environment, including social media and online advertising campaigns. Should existing and potential customers lose confidence in Cabbeen/or one of its brands, or in the industry in general, because of negative publicity, the Group's sales would decrease. To safeguard and manage the brand, it is important that the Group continues to uphold its brand value, corporate image, product safety and maintain high business ethics. In addition, it is also important that communication with our shareholders, customers and other stakeholders is accurate, transparent and reliable.

(viii) Weather

Extreme weather conditions in the areas in which our retail stores, suppliers and customers are located could adversely affect our operating results and financial condition.

Key Relationships

(i) Employees

To remain competitive in the retail apparel industry, we must attract, develop, and retain skilled employees in our design, merchandising, supply chain, marketing, and other functions.

(vii) 聲譽風險

卡賓為中國領先的時尚休閒設計師品牌之一，我們的成功取決於我們維持並提升我們品牌形象及聲譽的能力。維持並提升我們的品牌將取決於我們的產品設計、營銷力度及產品質素。此外，我們的營銷活動的效果將取決於我們適應快速變化的媒體環境的能力，包括社交媒體及網絡廣告活動。倘由於負面宣傳，現有及潛在客戶對卡賓／或任何其他品牌或整個行業失去信心，本集團的銷售將會下降。為維護及管理品牌，本集團繼續維護其品牌價值、公司形象、產品安全及維持高度的商業道德至關重要。此外，與我們的股東、客戶及其他持份者保持準確、透明及可靠的溝通亦相當重要。

(viii) 天氣

我們的零售店鋪、供應商及客戶所在地區的極端天氣狀況可能對我們的經營業績及財務狀況造成不利影響。

重要關係

(i) 僱員

為維持在服裝零售業的競爭優勢，我們必須在我們的設計、銷售、供應鏈、市場推廣以及其他方面吸引、發展並挽留有才能的僱員。

We strive to motivate employees with a clear career path and opportunities for advancement and improvement of their skills. We provide pre-employment and on-the-job training and development opportunities to our staff members. The training programs cover areas such as managerial skills, sales and production, customer services, quality control, sales fairs planning, workplace ethics and training of other areas relevant to the industry.

We conduct employee engagement survey across its Hong Kong and mainland China operations once a year. We seriously consider all those valuable feedback from our employees for enhancing workplace productivity and harmony.

In addition, we offer competitive remuneration packages to employees and have also adopted share option schemes to recognize and reward the contribution of the employees to the growth and development of the Group.

(ii) Suppliers

We have developed long-standing relationships with a number of our vendors and take great care to ensure that they share our commitment to quality and ethics. We carefully select our OEM and require them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness. We also require our OEMs to comply with our anti-bribery policy.

我們致力以清晰的事業發展路徑以及提高及完善技能的機會激勵僱員。我們為員工提供職前及在職培訓及發展機會。培訓課程包括管理技能、銷售與生產、客戶服務、質量監控、展銷會策劃、工作操守及其他與行業相關範疇的培訓。

我們每年就其香港及中國內地業務進行一次僱員滿意度調查。我們會慎重考慮僱員有關提升工作效率及和諧工作氣氛的所有寶貴反饋意見。

此外，我們為僱員提供具競爭力的薪酬待遇及亦已採納購股權計劃，以表揚及獎勵對本集團增長與發展作出貢獻的員工。

(ii) 供應商

我們已與多家供應商建立長期的合作關係，並盡力確保其遵守我們對質素及道德的承諾。我們審慎挑選供應商，並要求其滿足若干評估標準，包括往績記錄、經驗、財務實力、聲譽、生產高質素產品的能力及質量控制效力。我們亦要求供應商遵守我們的反賄賂政策。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

(iii) Distributors

We sell our products to end customers through third-party distributors. We work with our distributors like we are business partners and ensure we share the view for upholding our brand value and customer services, specifically focusing on attracting and retaining customers in order to drive sales growth. We and our distributors reach an agreement on retail sales target and store expansion plan before they place their orders. We require our distributors and sub-distributors to comply with our retail policies, including but not limited to nationwide product retail selling price, standard store images, promotional activities and use of our ERP system. We also monitor the financial condition and repayment history of our distributors, and retail sales performance of the stores operated by them.

(iv) Customers

We are committed to offer a broad and diverse range of inspiring, value-for money, good-quality fashion with our various brands to our customers. We also stay connected with our customers. We maintain our VIP database and have ongoing communications with our customers through mainly social media. We also work with our distributors and provide training to their key sales personnel to provide quality and value-added customer services at retail channel.

(iii) 分銷商

我們透過第三方分銷商向終端客戶出售產品。我們與分銷商緊密合作開展業務，確保於提升我們的品牌價值及客戶服務方面，尤其是專注於吸引和維繫顧客促進銷售增長，達成一致觀點。分銷商向我們下單之前，首先會與我們就零售目標及店鋪擴張計劃達成一致意見。我們要求分銷商及二級分銷商遵守我們的零售政策，包括但不限於全國產品零售價格、標準店鋪形象、促銷活動及使用我們的ERP系統。我們亦會監督分銷商的財務狀況及支付記錄以及其經營店鋪的零售表現。

(iv) 客戶

我們旗下的品牌均致力為客戶提供多元化、啟發靈感的、物有所值的優質時裝產品。我們亦與客戶保持聯繫。我們維護VIP數據庫，並主要透過社交媒體與客戶保持溝通。我們亦與分銷商合作，提供培訓予其主要銷售人員，以於零售店鋪提供優質及增值的客戶服務。

Environmental Policies

We are committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. We strive to minimize our environmental impact by saving electricity and encouraging recycle of office supplies and other materials. We also require factories of our OEM to operate in strict compliance with the relevant environmental regulations and rules and possess all necessary permission and approval from the relevant Chinese regulators.

環保政策

我們關注保護自然資源並致力創建環保型的工作環境。我們透過節約用電及鼓勵回收辦公用品及其他材料，努力降低對環境的影響。我們亦要求供應商經營廠房時嚴格遵守有關環保法規及規則，並取得有關中國監管機構的所有必要許可及批文。

Compliance with Laws and Regulations

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 December 2018 and at any time up to the date of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands where the Company is incorporated.

DIRECTORS

The Directors during the financial year were:

Executive Directors

Mr. Ziming Yang (*Chairman*)
Mr. Siu Keung Ng (*Chief Executive Officer*)
Mr. Rongqin Ke
Mr. Qiang Wei (resigned on 19 May 2018)

Independent non-executive Directors

Mr. Yung Kwok Tsui
Mr. Honghui Chen
Mr. Ming Shu Leung

遵守法律及法規

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

足夠公眾持股量

根據本公司可取得的公開資料及就本公司董事於本年報日期所知，本公司於截至二零一八年十二月三十一日止年度及於截至本年報日期的任何時間一直維持上市規則所指定的公眾持股量。

優先購股權

根據本公司組織章程細則或開曼群島(即本公司註冊成立地點)的法律，概無有關優先購股權的條文。

董事

本財政年度的董事為：

執行董事

楊紫明先生(*主席*)
吳少強先生(*行政總裁*)
柯榕欽先生
韋強先生(於二零一八年五月十九日辭任)

獨立非執行董事

徐容國先生
陳宏輝先生
梁銘樞先生

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Each of the executive Directors and independent non-executive Directors of the Company has entered into a service contract with the Company for a term of three years commencing from 28 October 2016 subject to his retirement and re-election at annual general meeting in accordance with the Company's articles of association. The details of the remuneration of each of the Directors are revealed on note 6 to the consolidated financial statements.

Details of the Directors' biographies have been set out on pages 49 to 55 of the annual report. In accordance with article 84 of the Company's articles of association, Mr Rongqin Ke and Mr. Yung Kwok Tsui will retire from the Board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2018.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

本公司各執行董事及獨立非執行董事已與本公司訂立服務合約，任期為自二零一六年十月二十八日起計三年，惟須根據本公司的組織章程細則於股東週年大會退任及重選。各董事的薪酬詳情已於綜合財務報表附註6披露。

董事的履歷詳情載於年報第49至55頁。根據本公司組織章程細則第84條，柯榕欽先生及徐容國先生將於應屆股東週年大會自董事會輪值告退，惟彼等符合資格並願意膺選連任。

本集團概無與擬將於應屆股東週年大會膺選連任的董事訂有不可於一年內由本公司或其任何附屬公司終止而免付賠償(法定賠償除外)的未屆滿服務合約。

管理合約

截至二零一八年十二月三十一日止年度，概無就本集團整體或任何業務重大部分的管理及行政工作訂立或存有任何合約。

獨立身份確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立身份確認書，並認為全體獨立非執行董事均為獨立人士。

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the section "Connected Transactions" and note 29 to the consolidated financial statements, no contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year under review.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section "Connected Transactions" and in note 29 to the consolidated financial statements, there had been no contract of significance between the Company or any of its subsidiaries and a controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

COMPETING BUSINESS

None of the Directors of the Company had any interest in any competing business with the Company or any of its subsidiaries during the year under review. Each of the Controlling Shareholders has complied with the non-compete undertaking given by them to the Company under the Deed of Non-competition on 8 October 2013. The independent non-executive Directors of the Company have reviewed the status of compliance and enforcement of the non-compete undertaking and confirmed that all the undertakings thereunder have been complied with throughout the year ended 31 December 2018.

PERMITTED INDEMNITY

Pursuant to the Articles of Association of the Company, applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Such permitted indemnity provision has been in force throughout the year under review. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

董事所佔合約權益

除「關連交易」一節及綜合財務報表附註29所披露者外，概無於年終結算日或回顧年度任何時間存續、由本公司或其任何控股公司、附屬公司或同系附屬公司所訂立而本公司董事於當中擁有重大權益的重大合約。

重大合約

除「關連交易」一節及綜合財務報表附註29所披露者外，本公司或其任何附屬公司概無與本公司或其任何附屬公司的控股股東（定義見上市規則）訂立重大合約。

競爭業務

於回顧年度，本公司董事概無於與本公司或其任何附屬公司競爭的任何業務中擁有任何權益。各控股股東已遵守其於二零一三年十月八日根據不競爭契據向本公司出具的不競爭承諾。本公司獨立非執行董事已檢討不競爭承諾的遵守及執行情況，並確認於截至二零一八年十二月三十一日止整個年度所有相關承諾已獲得遵守。

獲准許彌償

根據本公司組織章程細則、適用法律及法規，各董事就彼等或彼等任何一人基於其職位履行其職務而產生或蒙受的所有訴訟、費用、收費、損失、損害及開支，均可自本公司的資產及溢利獲得彌償，確保避免就此受損。該等獲准許彌償條文已於整個回顧年度內生效。本公司已就本集團董事及最高行政人員購買合適的董事及最高行政人員的責任保險。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

CONNECTED TRANSACTIONS

The related party transactions for the year as disclosed in note 29 to the consolidated financial statements also constituted connected transactions as defined under the Listing Rules, which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules. Details of such connected transactions (as defined under the Listing Rules) are set out below:

Lease of properties from Junyuan Development Company Limited (石獅市駿源發展有限公司) (“Junyuan Development”) (the “Leases”)

Junyuan Development is wholly owned by Mr. Ziming Yang, the Chairman and executive Director and Controlling Shareholder (within the meaning of the Listing Rules) of the Company. Junyuan Development is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

The Group entered into lease agreements with Junyuan Development on 31 May 2017 to lease certain premises at Shishi City, Fujian Province, from Junyuan Development for a term of one year commencing from 1 June 2017 to 31 May 2018 (the “**2017 Leases**”). Total rental payable by the Group under the lease agreements amounted to RMB2,836,934.28, details of which were disclosed in the Company’s announcement dated 31 May 2017.

Upon expiry of the 2017 Leases, the Group entered into new lease agreements with Junyuan Development on 31 May 2018 to continue to lease the relevant premises for another year from 1 June 2018 to 31 May 2019 (the “**2018 Lease**”). Total rental payable by the Group under the 2018 Lease amounted to RMB1,729,150. The 2018 Lease were fully exempt from the annual review, independent Shareholders, approval and all disclosure requirements under Chapter 14A of the Listing Rules as they were entered into on normal commercial terms, the applicable percentage ratios (as defined under the Listing Rules) were less than 5% and the aggregate annual amount payable by the Group to Junyuan Development during the year ended 31 December 2018 (including the relevant amount paid under the 2017 lease) was less than HK\$3,000,000.

關連交易

於綜合財務報表附註29披露的年內關聯方交易亦構成上市規則項下所界定的關連交易，根據上市規則第14A章，其須於本報告內披露。有關關連交易(定義見上市規則)的詳情載列如下：

向石獅市駿源發展有限公司(「駿源發展」)租賃物業(「該等租賃」)

駿源發展由本公司主席、執行董事兼控股股東(定義見上市規則)楊紫明先生全資擁有。因此，根據上市規則第14A章，駿源發展為本公司關連人士。

本集團於二零一七年五月三十一日與駿源發展訂立租賃協議，以向駿源發展租賃位於福建省石獅市之若干物業，租期由二零一七年六月一日起至二零一八年五月三十一日止為期一年(「**二零一七年租賃**」)。本集團根據租賃協議應付之租金總額為人民幣2,836,934.28元，有關詳情於本公司日期為二零一七年五月三十一日之公告內披露。

於二零一七年租賃屆滿後，本集團於二零一八年五月三十一日與駿源發展訂立新租賃協議，以繼續租賃相關物業，租期由二零一八年六月一日至二零一九年五月三十一日止為期一年(「**二零一八年租賃**」)。本集團根據二零一八年租賃應付之租金總額為人民幣1,729,150元。二零一八年租賃乃按一般商業條款訂立，且適用百分比率(定義見上市規則)低於5%，且本集團於截至二零一八年十二月三十一日止年度應付駿源發展的全年款項總額(包括二零一七年租賃項下已付的相關金額)少於3,000,000港元，故悉數獲豁免遵守上市規則第14A章項下之年度審閱、獨立股東批准及所有披露規定。

The transactions contemplated under the 2017 Leases and 2018 Leases constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules. During the year ended 31 December 2018, total rental paid or payable by the Group under 2017 Lease did not exceed the caps as disclosed in the announcement of the Company dated 31 May 2017, and total rental paid or payable by the Group under 2017 Lease and 2018 Lease totalled RMB2,111,209.

Opinion from the independent non-executive Directors on the connected transactions

The Directors (including all independent non-executive Directors) have reviewed the above connected transactions and confirmed that these transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the aforesaid connected transactions.

根據上市規則第14A章，二零一七年租賃及二零一八年租賃項下擬進行之交易構成本公司之持續關連交易。截至二零一八年十二月三十一日止年度，本集團於二零一七年租賃項下已付及應付的總租金不超過本公司日期為二零一七年五月三十一日的公告所披露之上限，及本集團根據二零一七年租賃及二零一八年租賃已付或應付之租金總額為人民幣2,111,209元。

獨立非執行董事對關連交易的意見

董事(包括全體獨立非執行董事)已審閱上述關連交易，並確認該等交易：

- (1) 於本集團一般及日常業務過程中訂立；
- (2) 按一般商業條款或更佳條款進行；及
- (3) 根據監管交易的相關協議及按公平合理且符合本公司股東整體利益的條款進行。

本公司已就上述關連交易遵守上市規則第14A章之披露規定。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 December 2018, the interests and short positions of the Directors and chief executives 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 (the “SFO”), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules, were as follows:

董事及主要行政人員於證券的權益

於二零一八年十二月三十一日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有記錄於本公司根據證券及期貨條例第352條須存置之登記冊內的權益及淡倉，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所的權益及淡倉如下：

Long positions in the Company

於本公司的好倉

Name of director		Number of shares held	Number of underlying shares comprised in options ⁽⁵⁾	Total	Approximate percentage of shares in issue ⁽⁶⁾
董事姓名		所持有股份數目	購股權所涉及相關股份數目 ⁽⁵⁾	總計	佔已發行股份概約百分比 ⁽⁶⁾
Mr. Ziming Yang ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	楊紫明先生 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	405,243,209	200,000	405,443,209	60.64%
Mr. Siu Keung Ng	吳少強先生	2,926,000	1,300,000	4,226,000	0.6321%
Mr. Rongqin Ke	柯榕欽先生	3,850,000	2,300,000	6,150,000	0.9198%

(1) Acute Result, Ascend Fame and Prime Ascend are wholly-owned and controlled by Mr. Ziming Yang and Mr. Ziming Yang is therefore deemed to be interested in all the shares in which Acute Result, Ascend Fame and Prime Ascend are interested.

(1) 銳成、昇譽及元陞由楊紫明先生全資擁有及控制，因此，楊紫明先生被視為於銳成、昇譽及元陞享有權益的全部股份中擁有權益。

(2) Multiplus International Limited (“Multiplus”) is owned as to 99% by Ms. Liting Ke and 1% by Mr. Ziming Yang. By virtue of a shareholders’ agreement dated 31 July 2012 by and between Ms. Liting Ke and Mr. Ziming Yang in addition to the voting right attached to the share Mr. Ziming Yang holds in Multiplus, he also has the right to control the exercise of the voting rights attached to all the shares in Multiplus held by Ms. Liting Ke. Accordingly, Mr. Ziming Yang is deemed to be interested in all the shares in which Multiplus is interested.

(2) 豐衡國際有限公司（「豐衡」）由柯麗婷女士擁有99%權益及由楊紫明先生擁有1%權益。根據柯麗婷女士與楊紫明先生所訂立日期為二零一二年七月三十一日的股東協議，除楊紫明先生於豐衡持有的股份所附投票權外，彼亦有權控制行使由柯麗婷女士持有的豐衡全部股份所附投票權。因此，楊紫明先生被視為於豐衡擁有權益的全部股份中擁有權益。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

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|---|--|
| <p>(3) Ms. Liting Ke was granted 200,000 share options pursuant to Share Option Scheme (as defined below) of the Company.</p> | <p>(3) 柯麗婷女士根據本公司購股權計劃(定義見下文)獲授200,000份購股權。</p> |
| <p>(4) Mr. Ziming Yang is the spouse of Ms. Liting Ke. Accordingly, Mr. Yang is deemed to be interested in all the shares in which Ms. Liting Ke is interested.</p> | <p>(4) 楊紫明先生為柯麗婷女士的配偶。因此，楊先生被視為於柯麗婷女士擁有權益的全部股份中擁有權益。</p> |
| <p>(5) These represent interest in underlying shares of the Share Option Schemes granted (as defined below) by the Company.</p> | <p>(5) 此為本公司授出的購股權計劃(定義見下文)的相關股份權益。</p> |
| <p>(6) Based on a total of 668,593,000 issued shares of the Company as at 31 December 2018.</p> | <p>(6) 基於二零一八年十二月三十一日的合共668,593,000股本公司已發行股份計算。</p> |

Saved as disclosed above, as at 31 December 2018, none of the Directors and the chief executives of the Company and their respective associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零一八年十二月三十一日，概無董事及本公司主要行政人員以及彼等各自的聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有記錄於本公司根據證券及期貨條例第352條須存置之登記冊內的任何權益及淡倉，或根據標準守則須另行知會本公司及聯交所的任何權益及淡倉。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2018, the persons or corporations (not being a Director or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 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:

主要股東的權益及淡倉

於二零一八年十二月三十一日，以下人士或法團（非董事或本公司主要行政人員）於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分部條文須向本公司披露或記錄於按證券及期貨條例第336條規定須予存置登記冊的權益或淡倉：

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding interest ⁽⁵⁾
姓名／名稱	身份／權益性質	股份數目	持股權概約百分比 ⁽⁵⁾
Ms Liting Ke ⁽¹⁾⁽²⁾⁽³⁾ 柯麗婷女士 ⁽¹⁾⁽²⁾⁽³⁾	Interest in a controlled corporation/ Interest of spouse 於受控法團的權益／配偶的權益	405,443,209	60.64%
Acute Result ⁽²⁾⁽⁴⁾ 銳成 ⁽²⁾⁽⁴⁾	Beneficial owner 實益擁有人	242,493,209	36.27%
Ascend Fame ⁽²⁾⁽⁴⁾ 昇譽 ⁽²⁾⁽⁴⁾	Beneficial owner 實益擁有人	52,500,000	7.85%
Keen Network ⁽²⁾⁽⁴⁾ 建協 ⁽²⁾⁽⁴⁾	Beneficial owner 實益擁有人	31,500,000	4.71%
Prime Ascend ⁽²⁾⁽⁴⁾ 元陞 ⁽²⁾⁽⁴⁾	Interest in a controlled corporation 於受控法團的權益	31,500,000	4.71%
Multiplus ⁽³⁾ 豐衡 ⁽³⁾	Beneficial owner 實益擁有人	78,750,000	11.78%

(1) Ms. Liting Ke is the spouse of Mr. Ziming Yang. Accordingly, Ms. Liting Ke is deemed to be interested in all the shares in which Mr. Ziming Yang is interested.

(2) Acute Result, Ascend Fame and Prime Ascend are wholly-owned and controlled by Mr. Ziming Yang and Mr. Ziming Yang is therefore deemed to be interested in all the shares in which Acute Result, Ascend Fame and Prime Ascend are interested.

(1) 柯麗婷女士為楊紫明先生的配偶。因此，柯麗婷女士被視為於楊紫明先生享有權益的全部股份中擁有權益。

(2) 銳成、昇譽及元陞由楊紫明先生全資擁有及控制，因此，楊紫明先生被視為於銳成、昇譽及元陞享有權益的全部股份中擁有權益。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

(3) Multiplus is owned as to 99% by Ms. Liting Ke and 1% by Mr. Ziming Yang. By virtue of a shareholders' agreement dated 31 July 2012 by and between Ms. Liting Ke and Mr. Ziming Yang, in addition to the voting right attached to the share Mr. Ziming Yang holds in Multiplus, he also has the right to control the exercise of the voting rights attached to all the shares in Multiplus held by Ms. Liting Ke. Accordingly, Mr. Ziming Yang is deemed to be interested in all the shares in which Multiplus is interested.

(4) Keen Network Holdings Limited ("Keen Network") is owned as to 33.33% by Prime Ascend, 33.33% by Dominant Success Holdings Limited ("Dominant Success") and 33.33% by Rosy Connect Investments Limited ("Rosy Connect"). Prime Ascend is directly and wholly-owned by Mr. Ziming Yang. Dominant Success is directly and wholly-owned by Mr. Siu Keung Ng. Rosy Connect is directly and wholly-owned by Mr. Rongqin Ke. Mr. Ziming Yang, Mr. Siu Keung Ng and Mr. Rongqin Ke are executive Directors of the Company.

By virtue of a shareholders' agreement dated 31 July 2012 by and among the shareholders of Keen Network, in addition to the voting rights attached to the shares in Keen Network that it holds, Prime Ascend also has the right to control the exercise of the voting rights attached to all the shares in Keen Network held by other shareholders. Accordingly, Prime Ascend is deemed to be interested in all the shares in which Keen Network is interested.

(5) Based on a total of 668,593,000 issued shares of the Company as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, the Directors were not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 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.

(3) 豐衡由柯麗婷女士擁有99%權益及由楊紫明先生擁有1%權益。根據柯麗婷女士與楊紫明先生所訂立日期為二零一二年七月三十一日的股東協議，除楊紫明先生於豐衡持有的股份所附投票權外，彼亦有權控制行使由柯麗婷女士持有的豐衡全部股份所附投票權。因此，楊紫明先生被視為於豐衡享有權益的全部股份中擁有權益。

(4) 建協控股有限公司(「建協」)由元陞、Dominant Success Holdings Limited(「Dominant Success」)、錦匯投資有限公司(「錦匯」)各自擁有33.33%權益。元陞由楊紫明先生直接全資擁有。Dominant Success由吳少強先生直接全資擁有。錦匯由柯榕欽先生直接全資擁有。楊紫明先生、吳少強先生及柯榕欽先生均為本公司執行董事。

根據由建協股東之間所訂立日期為二零一二年七月三十一日的股東協議，除其持有的建協股份所附投票權外，元陞亦有權控制行使由其他股東持有的建協全部股份所附投票權。因此，元陞被視為於建協享有權益的全部股份中擁有權益。

(5) 基於本公司於二零一八年十二月三十一日的合共668,593,000股已發行股份計算。

除上文披露者外，於二零一八年十二月三十一日，董事並不知悉有任何其他人士或法團於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分部條文須向本公司披露或記錄於按證券及期貨條例第336條規定須予存置登記冊的權益或淡倉。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

SHARE OPTION SCHEMES

The Company adopted a pre-initial public offering share option scheme (the “**Pre-IPO Share Option Scheme**”) and a share option scheme (the “**Share Option Scheme**”) on 8 October 2013 for the purpose of providing incentives and rewards to eligible participants who contribute to the Group.

Pre-IPO Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme on 8 October 2013 for the purpose of rewarding certain eligible persons for their past contributions and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. Options to subscribe for an aggregate of 8,520,000 shares (the “**Shares**”) of the Company (the “**Pre-IPO Share Options**”) were granted on 8 October 2013. The exercise price per Share is HK\$2.024, being 80% of the initial public offering price. No further option could be granted under the Pre-IPO Share Option Scheme after 8 October 2013. All Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme may be exercised during the option period commencing from the first anniversary of the Listing Date to the date falling 10 years from the grant date of the Pre-IPO Share Options and can only be exercised in the following manner:

- (i) 30% of each Pre-IPO Share Options may be exercised from the first anniversary of the Listing Date;
- (ii) 60% of each Pre-IPO Share Options may be exercised from the second anniversary of the Listing Date; and
- (iii) 100% of each Pre-IPO Share Options may be exercised from the third anniversary of the Listing Date.

購股權計劃

本公司於二零一三年十月八日採納首次公開發售前購股權計劃(「**首次公開發售前購股權計劃**」)及購股權計劃(「**購股權計劃**」)，為對本集團作出貢獻的合資格參與者提供鼓勵及獎賞。

首次公開發售前購股權計劃

本公司於二零一三年十月八日採納首次公開發售前購股權計劃，旨在獎勵若干合資格人士過往的貢獻，吸引及留聘對本集團的表現、增長或成功屬重要及／或其貢獻現時或將會對本集團的表現、增長或成功有利的合資格人士或以其他方式維持與彼等的持續關係。於二零一三年十月八日，已授出可認購合共8,520,000股本公司股份(「**股份**」)之購股權(「**首次公開發售前購股權**」)。每股股份之行使價為2.024港元，為初步公開發售價80%。於二零一三年十月八日後，不可再根據首次公開發售前購股權計劃授出購股權。所有根據首次公開發售前購股權計劃授出的首次公開發售前購股權可於購股權期間(自上市日期首週年起至首次公開發售前購股權授出日期起滿十年當日)行使，且僅可按以下方式行使：

- (i) 各項首次公開發售前購股權的30%可於上市日期首週年起行使；
- (ii) 各項首次公開發售前購股權的60%可於上市日期兩週年起行使；及
- (iii) 各項首次公開發售前購股權的100%可於上市日期三週年起行使。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Details of the Pre-IPO Share Options as at 31 December 2018 are as follows:

於二零一八年十二月三十一日首次公開發售前購股權詳情如下：

Name	姓名	Outstanding as at 1 January 2018 於 二零一八年 一月一日 尚未行使	Exercised during the year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度已行使	Lapsed during the year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度已失效	Outstanding as at 31 December 2018 於 二零一八年 十二月三十一日 尚未行使
Directors	董事				
Mr. Siu Keung Ng	吳少強先生	900,000	—	—	900,000
Mr. Rongqin Ke	柯榕欽先生	700,000	—	—	700,000
Mr. Qiang Wei (resigned on 19 May 2018)	韋強先生 (於二零一八年 五月十九日辭任)	700,000	700,000	—	—
Others	其他	3,899,000	629,000	1,720,000	1,550,000
Total	總計	6,199,000	1,329,000 ⁽¹⁾	1,720,000	3,150,000

Note 1: The weighted average closing price of the corresponding Shares immediately before the dates on which these Pre-IPO Share Options were exercised is HK\$2.55.

附註1：緊接該等首次公開發售前購股權獲行使日期前的相應股份的加權平均收市價為2.55港元。

The total number of Shares available for issue under the Pre-IPO Share Option Scheme is 3,150,000, representing approximately 0.47% of the total number of Company's issued Shares as at the date of this report, i.e. 668,593,000 Shares.

根據首次公開發售前購股權計劃可予發行的股份總數為3,150,000股，佔本年報日期本公司已發行股本總數（即668,593,000股股份）約0.47%。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

No share options granted under the Per-IPO Share Option Scheme were canceled during the year ended 31 December 2018.

Share Option Scheme

The Company adopted the Share Option Scheme on 8 October 2013 for the purpose of rewarding certain eligible persons for their past contributions and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. Subject to the earlier termination of the Share Option Scheme in accordance with the rules thereof, the Share Option Scheme shall remain in force for a period of ten years commencing on 28 October 2013.

Eligible participants of the Scheme include any proposed, full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; any Directors or proposed Director (including non-executive Director and independent non-executive Directors) of the Company or any of its subsidiaries; any direct or indirect shareholder of the Company or any of its subsidiaries; and any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries. The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares in issue as at the Listing Date, i.e. 70,000,000 Shares.

No option may be granted to any participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

截至二零一八年十二月三十一日止年度並無註銷根據首次公開發售前購股權計劃授出的購股權。

購股權計劃

本公司於二零一三年十月八日採納購股權計劃，旨在獎勵若干合資格人士過往的貢獻，吸引及留聘對本集團的表現、增長或成功屬重要及／或其貢獻現時或將會對本集團的表現、增長或成功有利的合資格人士或以其他方式維持與彼等的持續關係。購股權計劃自二零一三年十月二十八日起計十年期間內維持有效，惟購股權計劃可根據本身的規則提前終止。

計劃的合資格參與者包括本公司或其任何附屬公司的任何建議、全職或兼職僱員、行政人員或高級職員；本公司或其任何附屬公司的任何董事或建議董事（包括非執行董事及獨立非執行董事）；本公司或其任何附屬公司的任何直接或間接股東；及本公司或其任何附屬公司的任何諮詢人、顧問、供應商、客戶及代理。因行使根據購股權計劃及本集團任何其他計劃將予授出的所有購股權而可能發行的最高股份數目，合共不得超過於上市日期已發行股份的10%（即70,000,000股股份）。

倘因任何購股權計劃參與者行使在截至最近授出日期起計任何12個月期間內已向該名人士授出及將向其授出的購股權獲行使而已發行及將予發行的股份總數超過本公司不時已發行股本的1%，則不得向該名人士授出任何購股權。

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised; however, the Board may, subject to the provisions of the Listing Rules, in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as it may think fit. Participants of the Share Option Scheme are required to pay the Company a nominal consideration in total HK\$1.00 upon acceptance of the grant on or before 30 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days (as defined in the Listing Rules) immediately preceding the offer date.

購股權可於董事會釐定的期間根據購股權計劃的條款隨時行使，惟有關期間不得超過授出日期起計10年。購股權毋須被持有一定期限方可行使；然而，根據上市規則規定，如董事會認為恰當，可全權酌情於提呈授出購股權時在購股權計劃所載之上施加有關購股權的任何條件、約束或限制。購股權計劃參與者須於要約日期起計30日或之前接納所獲授購股權時向本公司支付合共1.00港元之名義代價。購股權行使價乃由董事會全權酌情釐定，惟不得低於下列最高者：

- (a) 股份面值；
- (b) 於要約日期聯交所每日報價表所列股份收市價；及
- (c) 緊接要約日期前五個營業日(定義見上市規則)聯交所每日報價表所列股份平均收市價。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Details of movements in the share options as at 31 December 2018 which have been granted under the Share Option Scheme are as follows:

於二零一八年十二月三十一日根據購股權計劃授出的購股權的變動詳情如下：

Name	Outstanding as at 1 January 2018 於 二零一八年 一月一日	Granted during the year ended 31 December 2018 截至 二零一八年 十二月三十一日	Exercised during the year ended 31 December 2018 截至 二零一八年 十二月三十一日	Cancelled during the year ended 31 December 2018 截至 二零一八年 十二月三十一日	Outstanding as at 31 December 2018 於 二零一八年 十二月三十一日	Exercise Price (HK\$) (港元)	Date of grant 授出日期	Exercisable period 行使期
Directors								
董事								
Mr. Siu Keung Ng 吳少強先生	-	400,000	-	-	400,000	3.54	13 June 2018 二零一八年六月十三日	13 June 2023 – 12 June 2028 二零二三年六月十三日至 二零二八年六月十二日
Mr. Rongqin Ke 柯榕欽先生	800,000	-	-	-	800,000	2.19	3 August 2017 二零一七年八月三日	3 Aug 2022 – 2 Aug 2027 二零二二年八月三日至 二零二七年八月二日
Mr. Rongqin Ke 柯榕欽先生	-	800,000	-	-	800,000	3.54	13 June 2018 二零一八年六月十三日	13 June 2023 – 12 June 2028 二零二三年六月十三日至 二零二八年六月十二日
Employees	5,200,000	-	-	400,000	4,800,000	2.19	3 August 2017 二零一七年八月三日	3 Aug 2022 – 2 Aug 2027 二零二二年八月三日至 二零二七年八月二日
僱員								
Employees	-	6,200,000	-	-	6,200,000	3.54	13 June 2018 二零一八年六月十三日	13 June 2023 – 12 June 2028 二零二三年六月十三日至 二零二八年六月十二日
僱員								
Total	6,000,000	7,400,000	-	400,000	13,000,000			
總計								

As at the date of this report, the total number of shares available for issue under the Share Option Scheme was 69,600,000, representing approximately 10.41% of the Company's issued share capital, and the remaining life of the Share Option Scheme was about 4 years and 8 months. No share options granted the Share Option Scheme were lapsed during the year ended 31 December 2018.

於本報告日期，根據購股權計劃可供發行的股份總數為69,600,000股，相當於本公司已發行股本約10.41%，購股權計劃的剩餘年期約為四年零八個月。截至二零一八年十二月三十一日止年度並無根據購股權計劃授出的購股權失效。

The closing price of the Company's Shares on the Stock Exchange on 12 June 2018, being the business day immediately before the date of the grant of 7,400,000 share options by the Company on 13 June 2018, was HK\$3.58 per Share.

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in "Share Option Schemes" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

RETIREMENT SCHEMES

The Group participates in defined contribution retirement benefit schemes organized by the PRC municipal and provincial government authorities for the Group's eligible employees in the PRC, and operates a Mandatory Provident Fund scheme for the employees in Hong Kong. Particulars of these retirement plans are set out in note 24 to the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period of the Group.

本公司股份於二零一八年六月十二日(即緊接本公司於二零一八年六月十三日授出7,400,000份購股權前之營業日)於聯交所之收市價為每股3.58港元。

董事購買股份或債權證的安排

除上文「購股權計劃」所披露者外，於年內任何時間，概無向任何本公司董事或彼等各自的配偶或未成年子女授出透過收購本公司股份或債權證而獲益的權利，亦無該等權利獲彼等行使，本公司、其控股公司或其任何附屬公司並無參與訂立任何安排讓本公司董事可透過收購本公司或任何其他法團的股份或債務證券(包括債權證)而獲利。

退休計劃

本集團就本集團合資格的中國僱員參與由中國省及市政府機關組織的界定供款退休福利計劃，並為香港僱員安排參與強制性公積金計劃。該等退休計劃的詳情載於綜合財務報表附註24。

報告期後事件

本集團報告期後概無任何重大事件。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

AUDITOR

The consolidated financial statements for the year ended 31 December 2018 have been audited by KPMG, who shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board

Ziming YANG
Chairman

Hong Kong, 22 February 2019

核數師

截至二零一八年十二月三十一日止年度的綜合財務報表已獲畢馬威會計師事務所審核，其將退任並符合資格及願意接受續聘。本公司將於應屆股東週年大會提呈決議案，以續聘畢馬威會計師事務所為本公司核數師。

承董事會命

主席
楊紫明

香港，二零一九年二月二十二日



**Independent auditor's report
to the shareholders of Cabbeen Fashion Limited**
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Cabbeen Fashion Limited ("the Company") and its subsidiaries ("the Group") set out on pages 93 to 258, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the 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 International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

獨立核數師報告
致卡賓服飾有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審核列載於第93頁至258頁卡賓服飾有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映 貴集團於二零一八年十二月三十一日的綜合財務狀況，及 貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“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”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港核數準則(「香港核數準則」)進行審核。我們於該等準則項下的責任在本報告「核數師就審核綜合財務報表須承擔的責任」一節中詳述。根據香港會計師公會之專業會計師道德守則(「守則」)及開曼群島中任何與我們審核綜合財務報表有關的道德要求，我們獨立於貴集團，並已遵循該等要求及守則履行其他道德責任。我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最重要的事項。我們在整體審核綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Revenue recognition 收益確認	
<i>Refer to note 2 to the consolidated financial statements and the accounting policies on page 170.</i> 參閱綜合財務報表附註2及第170頁的會計政策。	
The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
Revenue principally comprises sales of menswear goods to distributors and via consignees. 收益主要包括向分銷商及透過代銷商銷售男裝貨品。 Each year, the Group enters into a framework distribution agreement or a consignment agreement with each distributor or consignee and manufactures and sells its products in accordance with the terms of separate purchase orders. 貴集團每年與各分銷商或代銷商訂立框架分銷協議或代銷協議，並根據各採購訂單的條款製造及銷售其產品。 For sales to distributors, once the products are collected from the designated warehouse by the distributor, the control of the goods is considered to have been transferred to the distributor and revenue is recognised at that point. 就向分銷商作出的銷售而言，產品一旦由分銷商從指定倉庫提取，有關貨品的控制權將視為已轉移予分銷商，並於該時間點確認收益。	Our audit procedures to assess the recognition of revenue included the following: 我們評估收益確認的審核程序包括以下方面： - assessing the design, implementation and operating effectiveness of management's key internal controls over revenue recognition; 評估管理層有關收益確認的關鍵內部控制的設計、實施及運作成效； - inspecting agreements with distributors and consignees, on a sample basis, to understand the terms of the sales transactions including the terms of delivery and acceptance, applicable rebates arrangements and any sales return arrangements to assess the Group's revenue recognition criteria with reference to the requirements of the prevailing accounting standards; 按樣本基準檢查與分銷商及代銷商的協議，以了解銷售交易的條款，包括交付及接受的條款、適用的回扣安排及任何銷貨退回安排，從而參考現行會計準則的規定評估 貴集團的收益確認標準；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Revenue recognition 收益確認	
Refer to note 2 to the consolidated financial statements and the accounting policies on page 170. 參閱綜合財務報表附註2及第170頁的會計政策。	
The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
For sales via consignees, once the products are sold to end users by the consignee, the control of the goods is considered to have been transferred to the consignee and revenue is recognised at that point. The Group receives confirmations from consignees on a monthly basis of both the transaction amounts and balances due to the Group. 就透過代銷商作出的銷售而言，產品一旦透過代銷商售予終端用戶，有關貨品的控制權將視為已轉移予代銷商，並於該時間點確認收益。貴集團每月接收代銷商有關交易金額及應付貴集團款項結餘的確認書。 We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and because there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. 我們把收益確認列為關鍵審核事項，因為收益是貴集團的關鍵績效指標之一，而當中涉及管理層為達到特定目標或預期而操控收益確認時間的固有風險。	- assessing, on a sample basis, whether revenue transactions recorded during the financial year had been recognised in the appropriate financial period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes or monthly confirmations from consignees and the terms of sale as set out in the distribution or consignment agreements; 按樣本基準透過比較所選交易與相關支持文件，包括發貨單或來自代銷商的每月確認書及分銷或代銷協議所載的銷售條款，評估於財政年度內記錄的收益交易是否已於適當的財政期間確認； - assessing, on a sample basis, whether specific revenue transactions around the financial year end had been recognised in the appropriate financial period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes or monthly confirmations from consignees and the terms of sale as set out in the distribution or consignment agreements; 按樣本基準透過比較所選交易與相關支持文件，包括發貨單或來自代銷商的每月確認書及分銷或代銷協議所載的銷售條款，評估於財政年度末前後的特定收益交易是否已於適當的財政期間確認；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Revenue recognition 收益確認	
Refer to note 2 to the consolidated financial statements and the accounting policies on page 170. 參閱綜合財務報表附註2及第170頁的會計政策。	
The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
	- assessing, on a sample basis, whether sales rebates during the financial year had been recognised in the appropriate financial period by reconciling the movements in sales rebates accruals, recalculating the sales rebates recognised during the financial year on the basis of the terms as set out in the distribution or consignment agreements and comparing sales rebates payments during the financial year to confirmations from distributors or consignees and other relevant underlying documentation; 按樣本基準透過協調應計銷售回扣變動、根據分銷或代銷協議所載的條款重新計算於財政年度內確認的銷售回扣，及比較財政年度內的銷售回扣付款與來自分銷商或代銷商的確認書及其他相關支持文件，評估於財政年度內的銷售回扣是否已於適當的財政期間確認； - identifying significant credit notes issued and sales returns from the sales ledger after the financial year end and inspecting relevant underlying documentation to assess if the related revenue had been accounted for in the appropriate financial period in accordance with the requirements of the prevailing accounting standards; 識別於財政年度末後從銷貨賬中所發出的重要貸記單及銷貨退回，並檢查相關支持文件，從而評估相關收益是否已根據現行會計準則的規定於適當的財政期間入賬；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Revenue recognition 收益確認	
<i>Refer to note 2 to the consolidated financial statements and the accounting policies on page 170.</i> 參閱綜合財務報表附註2及第170頁的會計政策。	
The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
	inspecting significant manual adjustments to revenue during the reporting period, enquiring of management as to the reasons for such adjustments and comparing details of the adjustments with relevant underlying documentation. 檢查於報告期內對收益所作的重要手動調整，向管理層查詢作出有關調整的理由及比較調整詳情與相關支持文件。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Valuation of inventories 存貨估值	
Refer to note 17 to the consolidated financial statements and the accounting policies on page 161. 參閱綜合財務報表附註 17 及第 161 頁的會計政策。	
The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
Sales of inventories in the fashion industry can be volatile with consumer demand changing according to current fashion trends. 由於消費者需求會因應當前的潮流趨勢而不斷變動，時裝行業的存貨銷售可能出現波動。 The Group typically sells or disposes of off-season inventories at a markdown from the original price to make room for new season inventories in its stores. Accordingly, the actual future selling prices of some inventories may fall below their purchase costs. 貴集團一般折價出售或處理過季存貨，以於其店舖為新季存貨騰出空間。因此，若干存貨的實際未來售價或會低於其採購成本。 Management considers several factors in determining the appropriate level of inventory provisions, including inventory ageing, historical rates of sales at normal price levels and at markdown prices, and the channels available for selling off-season inventories. 管理層於釐定適當的存貨撥備水平時考慮多項因素，包括存貨賬齡、於正常價格水平及按減價價格的歷史銷售率以及銷售過季存貨的可用渠道。	Our audit procedures to assess the valuation of inventories included the following: 我們評估存貨估值的審核程序包括以下方面： - assessing whether the inventory provisions at the reporting date were calculated in a manner consistent with the Group's inventory provision policy by recalculating the inventory provisions based on percentages and other parameters in the Group's inventory provision policy and considering the application of the Group's inventory provision policy with reference to the requirements of the prevailing accounting standards; 根據貴集團存貨撥備政策的百分比及其他參數重新計算存貨撥備及參考現行會計準則的規定考慮貴集團存貨撥備政策的應用，藉以評估於報告日期的存貨撥備是否按與貴集團存貨撥備政策一致的方式計算； - assessing, on a sample basis, whether items in the inventory ageing report were classified within the appropriate ageing bracket by comparing the barcode tags for the inventory items selected with relevant purchase documents; 按樣本基準透過比較所選存貨項目的條碼標籤與相關採購文件，評估存貨賬齡報告中的項目是否歸入適當的賬齡組別； - performing a retrospective review by comparing the carrying values of inventories as at 31 December 2017 with sales prices achieved during the current year, to assess the reliability of management's write-down and provisioning process; 透過將二零一七年十二月三十一日之存貨賬面值與本年度之售價進行比較，作出追溯檢討以評估管理層撇減及撥備流程之可靠性；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

Valuation of inventories 存貨估值	
Refer to note 17 to the consolidated financial statements and the accounting policies on page 161. 參閱綜合財務報表附註 17 及第 161 頁的會計政策。	
The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
We identified the valuation of inventories as a key audit matter because of the significant judgement exercised by management in determining the appropriate levels of inventory provisions which involves predicting the amounts of inventories which will be unsold at the end of each season and the markdowns necessary to sell such off-season inventories on a discounted basis through outlets and other channels in future years. Both of these factors can be inherently uncertain and could be subject to management bias. 我們把存貨估值列為關鍵審核事項，因為管理層在釐定適當的存貨撥備水平時行使重大判斷，而當中涉及預測於各個季度末未售的存貨數量及於未來數年透過折扣店及其他渠道降價出售該等過季存貨所需作出的折扣。該等因素均存在固有不确定性，並可能受管理層偏好所規限。	- evaluating the Group's inventory provision policy by comparing management's expectation of the amounts of inventories which are unlikely to be sold in the foreseeable future at current prices and the corresponding expectation of markdowns with historical sales amounts and markdown data for the current and prior years provided by management; and 透過比較管理層對不大可能於可見將來按當前價格出售的存貨數量的預期及相應的折扣預期與管理層所提供的當前及過往年度的歷史銷售數額及折扣數據，評估貴集團的存貨撥備政策；及 - enquiring of the management and senior members of the sales team about any expected changes in plans for markdowns or disposals of off-season inventories and comparing the carrying value of inventories to actual prices for sales transactions subsequent to the reporting date on a sample basis. 向管理層及銷售團隊的高級管理人員詢問有關折扣或處理過季存貨計劃的任何預期變動，並按樣本基準比較存貨賬面值與報告日期後銷售交易的實際價格。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all 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 are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

綜合財務報表以外的其他資料及我們就此發出的核數師報告

董事須對其他資料承擔責任。其他資料包括年報中所包含的所有資料，但不包括綜合財務報表及我們就此發出的核數師報告。

我們對綜合財務報表作出的意見並未考慮其他資料。我們不對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告此一事實。我們就此並無須報告事項。

董事就綜合財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製及真實而公允地列報該等綜合財務報表，並負責董事認為編製綜合財務報表所必需的有關內部控制，以確保綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

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

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

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

As part of an audit in accordance with HKSA's, we exercise professional 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.

董事獲審核委員會協助履行其監督貴集團財務報告流程的責任。

核數師就審核綜合財務報表須承擔的責任

我們的目標是合理確定整體而言此等綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含審核意見的核數師報告。本報告僅為閣下(作為整體)而編製，並無其他用途。我們並不就本報告之內容對任何其他人士承擔任何義務或負上任何責任。

合理確定屬高層次的核證，但不能擔保根據香港核數準則進行的審核工作總能發現所存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

我們根據香港核數準則進行審核的工作之一，是運用專業判斷，在整個審核過程中抱持職業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應這些風險設計及執行審核程序，以及獲得充足及適當的審核憑證為我們的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險比未能發現由於錯誤而導致的重大錯誤陳述風險更高。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

- 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.
- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團的內部控制的有效性發表意見。
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 評估所用會計政策是否恰當，以及董事所作出的會計估算和相關披露是否合理。
- 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.
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有可能對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘若我們總結認為有重大不確定因素，我們需要在核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則出具非標準無保留意見。我們的結論是基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 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.
- 評估綜合財務報表(包括資料披露)的整體列報、架構和內容，以及綜合財務報表是否已公允地反映相關交易及事項。
- 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.
- 就貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督和執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Yu Hei.

我們就(其中包括)審核工作的計劃範圍和時間以及重大審核發現(包括我們在審核過程中發現的任何內部控制的重大缺失)與審核委員會進行溝通。

我們亦向審核委員會作出聲明, 確認我們已遵守有關獨立性的道德要求, 並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及相關保障措施(如適用), 與審核委員會進行溝通。

我們通過與審核委員會溝通, 確定哪些是本期綜合財務報表審核工作的最重要事項, 即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下, 我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露, 否則我們會在核數師報告中描述此等事項。

負責此審核項目與簽發獨立核數師報告的項目合夥人為吳宇希。

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

22 February 2019

畢馬威會計師事務所

執業會計師
香港中環
遮打道十號
太子大廈八樓

二零一九年二月二十二日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

(Expressed in Renminbi) (以人民幣列示)

			2018 二零一八年	2017 二零一七年 (Note) (附註)
			RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收益	2	1,273,473	1,089,106
Cost of sales	銷售成本		(694,730)	(551,493)
Gross profit	毛利		578,743	537,613
Other income	其他收入	3	58,100	42,786
Share of loss of an associate	分佔一間聯營公司之虧損		(190)	—
Selling and distribution expenses	銷售及分銷開支		(179,423)	(153,392)
Administrative and other operating expenses	行政及其他營運開支		(146,388)	(125,671)
Profit from operations	經營溢利		310,842	301,336
Finance costs	融資成本	4(a)	(19,891)	(16,555)
Profit before taxation	除稅前溢利	4	290,951	284,781
Income tax expense	所得稅開支	5(a)	(80,708)	(81,568)
Profit for the year	年內溢利		210,243	203,213
Attributable to:	以下各方應佔：			
Equity shareholders of the Company	本公司權益股東		211,888	201,883
Non-controlling interests	非控股權益		(1,645)	1,330
Profit for the year	年內溢利		210,243	203,213

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

綜合損益及其他全面收益表(續)

for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

	Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 (Note) (附註) RMB'000 人民幣千元
Other comprehensive income for the year	年內其他全面收益		
Item that may be reclassified subsequently to profit or loss:	可能於其後重新分類到損益的項目：		
– Exchange differences on translation of the financial statements of operations outside the mainland China	– 換算中國內地境外業務的財務報表的匯兌差額		
		1,200	(2,340)
Total comprehensive income for the year	年內全面收益總額	211,443	200,873
Attributable to:	以下各方應佔：		
Equity shareholders of the Company	本公司權益股東	213,088	199,543
Non-controlling interests	非控股權益	(1,645)	1,330
Total comprehensive income for the year	年內全面收益總額	211,443	200,873
Earnings per share (RMB cents)	每股盈利(人民幣分)	8	
Basic	基本	31.71	29.47
Diluted	攤薄	31.68	29.45

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 1(c).

附註：本集團已於二零一八年一月一日首次應用國際財務報告準則第15號及國際財務報告準則第9號。根據所選擇的過渡方法，比較性資料並無重新呈列。見附註1(c)。

The notes on pages 100 to 258 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 26(b).

第100至258頁所載附註為該等財務報表組成部分。有關應付本公司權益股東的股息詳情載於附註26(b)。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

(Expressed in Renminbi) (以人民幣列示)

	Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 (Note) (附註) RMB'000 人民幣千元
Non-current assets	非流動資產		
Investment property	投資物業	9	39,607
Other property, plant and equipment	其他物業、廠房及設備	10	59,326
Interests in leasehold land held for own use under operating leases	經營租賃下持作自用之租賃土地之權益	11	22,811
Intangible assets	無形資產	12	37,393
Prepayments for acquisition of plant and equipment	收購廠房及設備之預付款項		1,039
Interest in an associate	於一間聯營公司之權益	13	49,349
Other loans receivable	其他應收貸款	15	-
Deferred tax assets	遞延稅項資產	16(b)	33,257
		242,782	236,626
Current assets	流動資產		
Inventories	存貨	17	383,578
Trade and other receivables	貿易及其他應收款項	18	506,393
Other financial assets	其他金融資產	19	60,000
Deposits with banks with original maturity date over three months	原到期日逾三個月的銀行存款		443,944
Pledged bank deposits	已抵押銀行存款	20	240,485
Cash and cash equivalents	現金及現金等價物	21	220,484
		1,854,884	1,728,508
Current liabilities	流動負債		
Bank borrowings	銀行借款	22	52,566
Trade and other payables	貿易及其他應付款項	23	597,395
Current taxation	即期稅項	16(a)	34,895
		684,856	626,607
Net current assets	流動資產淨值	1,170,028	1,101,901
Total assets less current liabilities	資產總值減流動負債	1,412,810	1,338,527
Non-current liabilities	非流動負債		
Bank borrowings	銀行借款	22	234,886
Deferred tax liabilities	遞延稅項負債	16(b)	4,168
		239,054	283,231

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

(Expressed in Renminbi) (以人民幣列示)

	Note	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 (Note) (附註) RMB'000 人民幣千元
NET ASSETS		1,173,756	1,055,296
CAPITAL AND RESERVES	26		
Share capital	股本	5,214	5,203
Reserves	儲備	1,112,743	1,018,653
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔總權益	1,117,957	1,023,856
Non-controlling interests	非控股權益	55,799	31,440
TOTAL EQUITY	總權益	1,173,756	1,055,296

Approved and authorised for issue by the board of directors on 22 February 2019.

經董事會於二零一九年二月二十二日批准及授權刊發。

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 1(c).

附註：本集團已於二零一八年一月一日首次應用國際財務報告準則第15號及國際財務報告準則第9號。根據所選擇的過渡方法，比較性資料並無重新呈列。見附註1(c)。

Mr. Siu Keung Ng

吳少強先生

Chief Executive Officer and Executive Director

行政總裁兼執行董事

Mr. Rongqin Ke

柯榕欽先生

Executive Director

執行董事

The notes on pages 100 to 258 form part of these financial statements.

第100至258頁所載附註為該等財務報表組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

(Expressed in Renminbi) (以人民幣列示)

	Note 附註	Attributable to equity shareholders of the Company 本公司權益股東應佔								Non- controlling interests 非控股 權益	Total
		Share capital	Share premium	Capital redemption reserve	Capital reserves	Statutory reserve	Exchange reserve	Retained profits	Total		
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	資本 贖回儲備 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	法定儲備 RMB'000 人民幣千元	匯兌儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元		
As at 1 January 2017	於二零一七年一月一日	5,583	4,712	-	42,778	39,414	(2,254)	891,484	981,717	-	981,717
Changes in equity for 2017:	於二零一七年的權益變動:										
Profit for the year	年內溢利	-	-	-	-	-	-	201,883	201,883	1,330	203,213
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	-	(2,340)	-	(2,340)	-	(2,340)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(2,340)	201,883	199,543	1,330	200,873
Dividend declared	已宣派股息	26(b)	-	-	-	-	-	(66,418)	(66,418)	-	(66,418)
Shares issued under share option scheme	根據購股權計劃發行股份	26(c)(iii)	4	1,348	-	(400)	-	-	952	-	952
Transfer between reserves	儲備間調撥		-	-	(430)	-	-	430	-	-	-
Equity-settled share-based transactions	權益結算以股份為基礎的交易	4(b)	-	-	360	-	-	-	360	-	360
Appropriation to statutory reserves	轉至法定儲備		-	-	-	6,161	-	(6,161)	-	-	-
Shares repurchased	購回股份	26(c)(ii)	(384)	-	384	-	-	(92,298)	(92,298)	-	(92,298)
Capital injected by non-controlling interests	非控股權益注資		-	-	-	-	-	-	-	30,110	30,110
As at 31 December 2017 and 1 January 2018 (note)	於二零一七年十二月三十一日及二零一八年一月一日 (附註)	5,203	6,060	384	42,308	45,575	(4,594)	928,920	1,023,856	31,440	1,055,296
Changes in equity for 2018:	於二零一八年的權益變動:										
Profit for the year	年內溢利	-	-	-	-	-	-	211,888	211,888	(1,645)	210,243
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	-	1,200	-	1,200	-	1,200
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	1,200	211,888	213,088	(1,645)	211,443
Dividend declared	已宣派股息	26(b)	-	-	-	-	-	(122,328)	(122,328)	-	(122,328)
Shares issued under share option scheme	根據購股權計劃發行股份	26(c)(iii)	11	3,135	(972)	-	-	-	2,174	-	2,174
Transfer between reserves	儲備間調撥		-	-	(1,454)	-	-	1,454	-	-	-
Equity-settled share-based transactions	權益結算以股份為基礎的交易	4(b)	-	-	1,167	-	-	-	1,167	-	1,167
Appropriation to statutory reserves	轉至法定儲備		-	-	-	4,131	-	(4,131)	-	-	-
Capital injected by non-controlling interests	非控股權益注資		-	-	-	-	-	-	-	26,004	26,004
As at 31 December 2018	於二零一八年十二月三十一日	5,214	9,195	384	41,049	49,706	(3,394)	1,015,803	1,117,957	55,799	1,173,756

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 1(c).

附註：本集團已於二零一八年一月一日首次應用國際財務報告準則第15號及國際財務報告準則第9號。根據所選擇的過渡方法，比較性資料並無重新呈列。見附註1(c)。

The notes on pages 100 to 258 form part of these financial statements.

第100至258頁所載附註為該等財務報表組成部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

	Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 (Note) (附註) RMB'000 人民幣千元
Operating activities	經營活動		
Cash generated from operations	經營活動所得現金	21(b)	264,869
Income tax paid	已付所得稅		(79,594)
Net cash generated from operating activities	經營活動所得淨現金		185,275
Investing activities	投資活動		
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備付款		(29,574)
Payment for the purchase of intangible assets	購買無形資產付款		(3,612)
Payment for leasehold land held for own use	持作自用之租賃土地付款		—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		6,021
Net (increase)/decrease of deposits with banks with original maturity date over three months	原到期日逾三個月的銀行存款 (增加)/減少淨額		8,916
Net decrease in pledged bank deposits	已抵押銀行存款減少淨額		(135,470)
Proceeds from disposal of financial assets	出售金融資產之所得款項		333,702
Payments for the purchase of financial assets	購買金融資產付款		(141,000)
Proceeds from repayment of other loans receivables	收回其它應收借款所得款項		65,840
Investment in an associate	投資於聯營公司		(50,000)
Loans to minority shareholder	向少數股東提供貸款		—
Loans to third party	向第三方提供貸款		—
Loans to an associate	向一間聯營公司提供貸款		(47,840)
Interest received	已收利息		15,539
Net cash generated from/ (used in) investing activities	投資活動所得/(所用)淨現金		22,522

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

綜合現金流量表 (續)

for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

	Note	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 (Note) (附註) RMB'000 人民幣千元
Financing activities	融資活動		
Proceeds from bank borrowings	銀行借款所得款項 21(c)	—	324,749
Repayment of bank borrowings	償還銀行借款 21(c)	(17,372)	(147,095)
Dividends paid	已付股息 26(b)	(122,328)	(66,418)
Interest paid	已付利息	(18,827)	(15,898)
Proceeds from issue of shares	發行股份所得款項 26(c)(iii)	2,174	952
Payment of share repurchase	股份回購付款 26(c)(ii)	—	(92,298)
Capital contribution by non-controlling interests of subsidiaries	附屬公司非控股權益注資	26,004	30,110
Payment of other borrowing cost	其他借款成本付款	—	(4,367)
Net cash (use in)/ generated from financing activities	融資活動(所用)/所得淨現金	(130,349)	29,735
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	77,448	(81,365)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	134,593	222,885
Effect of foreign exchange rate changes	外匯匯率變動影響	8,443	(6,927)
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物 21(a)	220,484	134,593

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 1(c).

附註：本集團已於二零一八年一月一日首次應用國際財務報告準則第15號及國際財務報告準則第9號。根據所選擇的過渡方法，比較性資料並無重新呈列。見附註1(c)。

The notes on pages 100 to 258 form part of these financial statements.

第100至258頁所載附註為該等財務報表組成部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”). These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1 主要會計政策

(a) 合規聲明

該等財務報表乃按照所有適用國際財務報告準則（「國際財務報告準則」）而編製。國際財務報告準則包括由國際會計準則理事會（「國際會計準則理事會」）頒佈的所有適用的個別國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋。該等財務報表亦符合香港公司條例的適用披露規定以及香港聯合交易所有限公司（「香港聯交所」）證券上市規則的適用披露規定。本集團所採用主要會計政策披露如下。

國際會計準則理事會已頒佈若干新訂及經修訂國際財務報告準則，該等準則於本集團現行會計期間首次生效或可提早採納。附註1(c)載列有關首次應用該等發展導致的任何會計政策變動的資料，前提為其於該等財務報表所反映的當前及過往會計期間與本集團相關。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group's interest in an associate.

These financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand, as the Group's principal activities were carried out in the PRC. RMB is the functional currency for the Company's subsidiaries established in the mainland China. The functional currency of the Company and the Company's subsidiaries outside the mainland China are Hong Kong dollars.

These financial statements are prepared on the historical cost basis except that financial assets at fair value through profit or loss which are stated at their fair value as explained in the accounting policies below (note 1(g)).

1 主要會計政策(續)

(b) 編製財務報表的基準

截至二零一八年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司(統稱「本集團」)及本集團於一間聯營公司的權益。

由於本集團於中國進行主要業務活動，該等財務報表以人民幣(「人民幣」)呈列，湊整至最接近千元。人民幣為本公司於中國內地成立的附屬公司的功能貨幣。本公司及本公司於中國內地境外附屬公司的功能貨幣為港元。

該等財務報表按歷史成本基準編製，惟下文會計政策所述按公平值計入損益的金融資產按公平值呈列(附註1(g))除外。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 30.

1 主要會計政策(續)

(b) 編製財務報表的基準(續)

管理層在編製符合國際財務報告準則的財務報表時，須作出判斷、估計及假設，該等判斷、估計及假設會影響政策的應用以及資產、負債、收入及開支的呈報金額。該等估計及相關假設乃基於過往經驗及因應當時情況相信為合理的多項其他因素，而所得結果構成用作判斷顯然無法透過其他來源得知資產及負債賬面值的基準。實際結果可能有別於該等估計。

各項估計及相關假設會持續檢討。會計估計的修訂如僅影響修訂期間，則有關修訂於該期間內確認。如該項會計估計的修訂影響該期間及未來期間，則有關修訂會於該期間及未來期間內確認。

有關管理層在應用國際財務報告準則時所作出對財務報表有重大影響的判斷，以及估計不確定因素的主要來源，乃於附註30論述。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

The IASB has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- (i) IFRS 9, *Financial instruments*
- (ii) IFRS 15, *Revenue from contracts with customers*
- (iii) IFRIC 22, *Foreign currency transactions and advance consideration*

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

1 主要會計政策(續)

(c) 會計政策變動

國際會計準則理事會已頒佈多項於本集團當前會計期間生效的新國際財務報告準則及國際財務報告準則的修訂。其中，以下變動與本集團的財務報表相關：

- (i) 國際財務報告準則第9號，*金融工具*
- (ii) 國際財務報告準則第15號，*客戶合約收益*
- (iii) 國際財務報告詮釋委員會第22號，*外幣交易及預付代價*

本集團尚未應用於當前會計期間尚未生效的任何新準則或詮釋，惟國際財務報告準則第9號的修訂具負補償之預付款項特點除外，其已與國際財務報告準則第9號同時採納。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, Prepayment features with negative compensation

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

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

There is no impact of transition to IFRS 9 on retained earnings and reserves at 1 January 2018.

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具，包括國際財務報告準則第9號的修訂具負補償之預付款項特點

國際財務報告準則第9號取代國際會計準則第39號金融工具：確認及計量。其中載列確認及計量金融資產、金融負債及買賣非金融項目的若干合約的規定。

本集團已根據過渡規定對於二零一八年一月一日存續的項目追溯應用國際財務報告準則第9號。本集團已將初始確認的累計影響確認為二零一八年一月一日期初權益的調整。因此，比較資料仍將按國際會計準則第39號呈報。

過渡至國際財務報告準則第9號對二零一八年一月一日的保留盈利及儲備並無影響。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, Prepayment features with negative compensation

(Continued)

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

a. Classification of financial assets and financial liabilities

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

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具,包括國際財務報告準則第9號的修訂具負補償之預付款項特點(續)

有關過往會計政策變動及過渡方法的性質及影響的進一步詳情載列如下:

a. 金融資產及金融負債分類

國際財務報告準則第9號將金融資產分為三大主要類別:以攤餘成本計量、按公平值計入其他全面收益及按公平值計入損益。該等分類取代國際會計準則第39號的類別,分別為持有至到期投資、貸款及應收款項、可供出售金融資產及按公平值計入損益的金融資產。國際財務報告準則第9號項下的金融資產分類乃基於管理金融資產的業務模式及其合約現金流量特徵。根據國際財務報告準則第9號,如果合同中包含嵌入衍生工具,而其主合同屬準則範圍內的一項金融資產,則嵌入衍生工具不從主合同中拆分出來,而是將混合工具視為整體進行評估分類。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, Prepayment features with negative compensation (Continued)

a. Classification of financial assets and financial liabilities (Continued)

The following table shows the original measurement categories for each class of the Group's financial assets under IAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with IAS 39 to those determined in accordance with IFRS 9.

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具，包括國際財務報告準則第9號的修訂具負補償之預付款項特點(續)

a. 金融資產及金融負債分類(續)

下表列示根據國際會計準則第39號本集團各類金融資產的最初計量類別，及對根據國際會計準則第39號釐定的金融資產賬面值與根據國際財務報告準則第9號釐定者進行對賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, Prepayment features with negative compensation

(Continued)

- a. Classification of financial assets and financial liabilities
(Continued)

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具，包括國際財務報告準則第9號的修訂負補償之預付款項特點(續)

- a. 金融資產及金融負債分類(續)

		IAS 39 carrying amount at 31 December 2017 於二零一七年 十二月三十一日 國際會計準則 第39號項 下賬面值 RMB'000 人民幣千元	Reclassification	IFRS 9 carrying amount at 1 January 2018 於二零一八年 一月一日 國際財務報告 準則第9號項 下賬面值 RMB'000 人民幣千元
Financial assets carried at amortised cost	按攤銷成本列賬的金融資產			
Cash and cash equivalents	現金及現金等價物	134,593	-	134,593
Trade and other receivables	貿易及其他應收款項	445,829	-	445,829
Deposits with banks with original maturity date over three months	原到期日逾三個月的銀行存款	452,860	-	452,860
Pledged bank deposits	已抵押銀行存款	105,015	-	105,015
Prepayments for acquisition of plant and equipment	收購廠房及設備的預付款項	9,744	-	9,744
Other loan receivables (note (i))	其他應收貸款(附註(i))	64,118	(47,245)	16,873
		1,212,159	(47,245)	1,164,914
Financial assets carried at FVPL	按公平值計入損益計量的金融資產			
Convertible loan (note (i))	可轉換貸款(附註(i))	5,159	47,245	52,404
Wealth management products (note (ii))	理財產品(附註(ii))	60,000	188,000	248,000
		65,159	235,245	300,404
Financial assets classified as available-for-sale under IAS 39 (note (ii))	於國際會計準則第39號項下分類為可供出售的金融資產(附註(ii))			
Available-for-sale financial assets	可供出售金融資產	188,000	(188,000)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, Prepayment features with negative compensation

(Continued)

- a. Classification of financial assets and financial liabilities
(Continued)

Notes:

- (i) The Group recorded the loan receivables at present value amounted to RMB 47,245,000 as non-current other loans receivable while the conversion option, amounted to RMB 5,159,000, as other financial asset at fair value through profit or loss ("FVTPL") as at 31 December 2017 under IAS 39.

The loan embedded the conversion option should be treated as a single hybrid financial instrument under IFRS 9 because derivative embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Considering the business model and contract cash flow characteristic of the convertible loan, the Group classified it to FVTPL which is measured at fair value at initial recognition and subsequently at fair value through profit or loss.

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具，包括國際財務報告準則第9號的修訂具負補償之預付款項特點(續)

- a. 金融資產及金融負債分類(續)

附註：

- (i) 根據國際會計準則第39號，本集團於二零一七年十二月三十一日將人民幣47,245,000元的應收貸款按現值入賬列為非即期其他應收貸款，而人民幣5,159,000元的轉換權入賬列為按公平值計入損益（「按公平值計入損益」）之其他金融資產。

根據國際財務報告準則第9號，內含轉換權之貸款應被視為一項單一的混合式金融工具，此乃由於若主合約為該準則範圍內之金融資產，則嵌入合約中之衍生工具不再分割。經考慮可轉換貸款之業務模式及合約現金流量特徵，本集團將其分類為按公平值計入損益，於初始確認時按公平值計量，其後按公平值計入損益。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, *Prepayment features with negative compensation*

(Continued)

a. Classification of financial assets and financial liabilities

Notes: (Continued)

At the date of initial application, an entity recognised any difference between the fair value of the entire hybrid instrument and the sum of the fair value of its components in the opening retained earnings of the reporting period.

The fair value of the convertible loan is equal to the sum of the fair values of the conversion option and the loan as at 1 January 2018 so no opening retained earnings adjustment is required.

- (ii) Under IAS 39, seven principal-guaranteed wealth management products were classified as available-for-sale financial assets. They are classified as at financial assets carried at FVPL under IFRS 9.

The measurement categories for all financial liabilities remain the same.

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

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具,包括國際財務報告準則第9號的修訂具負補償之預付款項特點(續)

a. 金融資產及金融負債分類(續)

附註:(續)

於首次應用日期,實體於該報告期之期初保留盈利確認整項混合式工具公平值與各組成成分公平值總和之差額。

可轉換貸款公平值與於二零一八年一月一日之轉換權公平值及貸款總和相等,故無須作出期初保留盈利調整。

- (ii) 根據國際會計準則第39號,債券基金的單位分類為可供出售金融資產。彼等於國際財務報告準則第9號項下分類為按公平值計入損益的資產。

所有金融負債之計量類別仍維持不變。

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, Prepayment features with negative compensation (Continued)

b. Credit losses

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

The Group applies the new ECL model to the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables);

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具，包括國際財務報告準則第9號的修訂具負補償之預付款項特點(續)

b. 信貸虧損

國際財務報告準則第9號以「預期信貸虧損」模型替代國際會計準則第39號內的「已產生虧損」模型。預期信貸虧損模型要求持續計量與金融資產相關的信貸風險，因此，較之國際會計準則第39號的「已產生虧損」會計模型更早確認預期信貸虧損。

本集團對以下項目應用新的預期信貸虧損模型：

- 按攤銷成本計量的金融資產(包括現金及現金等價物以及貿易及其他應收款項)；

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, *Prepayment features with negative compensation*

(Continued)

b. Credit losses (Continued)

- debt securities measured at FVOCI (recycling);
- lease receivables;

For further details on the Group's accounting policy for accounting for credit losses, see notes 1(n)(i) and (ii).

The Group has concluded that there would be no material impact for the initial application of the new impairment requirements.

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具,包括國際財務報告準則第9號的修訂具負補償之預付款項特點(續)

b. 信貸虧損(續)

- 按公平值計入其他全面收益計量的債務證券(可劃轉);
- 租賃應收款項;

有關本集團對信貸虧損會計處理的會計政策的進一步詳情，參見附註1(n)(i)及(ii)。

本集團已得出結論，首次應用新的減值規定並無重大影響。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, Prepayment features with negative compensation

(Continued)

c. Transition

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

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under IAS 39 and thus may not be comparable with the current period.
- The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of IFRS 9 by the Group):

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具，包括國際財務報告準則第9號的修訂具負補償之預付款項特點(續)

c. 過渡

採納國際財務報告準則第9號導致的會計政策變動已進行追溯應用，惟以下所述者除外：

- 有關比較期間的資料並無重列。採納國際財務報告準則第9號導致的金融資產賬面值差額乃於二零一八年一月一日的保留盈利及儲備確認。因此，就二零一七年呈列的資料繼續根據國際會計準則第39號呈報，因而並不能與當前期間比較。
- 以下評估乃根據於二零一八年一月一日(本集團首次應用國際財務報告準則第9號的日期)存在的事實及情況評估：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(i) IFRS 9, Financial instruments, including the amendments to IFRS 9, *Prepayment features with negative compensation*

(Continued)

c. Transition (Continued)

- the determination of the business model within which a financial asset is held; and
- the designation of certain investments in equity instruments not held for trading to be classified as at FVOCI (non-recycling).
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

1 主要會計政策(續)

(c) 會計政策變動(續)

(i) 國際財務報告準則第9號金融工具，包括國際財務報告準則第9號的修訂具負補償之預付款項特點(續)

c. 過渡(續)

- 釐定持有金融資產的業務模型；及
- 指定並非持作買賣的若干權益工具投資分類為按公平值計入其他全面收益(不可劃轉)。
- 倘於首次應用日，就評估信貸風險自初步確認以來是否大幅上升涉及不必要的成本或力度，則確認該金融工具整個存續期的預期信貸虧損。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

(ii) IFRS 15, *Revenue from contracts with customers*

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

IFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

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

1 主要會計政策(續)

(c) 會計政策變動(續)

(ii) 國際財務報告準則第15號，*客戶合約收益*

國際財務報告準則第15號建立一個確認來自客戶訂約收益及若干成本之全面架構。國際財務報告準則第15號取代國際會計準則第18號，*收益*(涵蓋銷售商品及提供服務所產生之收入)及國際會計準則第11號，*建造合約*(訂明建造合約收入之會計處理方法)。

國際財務報告準則第15號引入新增的定性及定量披露規定，旨在使財務報表的使用者理解客戶合約產生的收益及現金流量的性質、金額、時間及不確定性。

本集團已選擇使用累計影響過渡方法及已確認首次應用的累計影響為二零一八年一月一日期初結餘的調整。因此，並無重列比較資料及繼續根據國際會計準則第11號及國際會計準則第18號報告。於國際財務報告準則第15號許可範圍內，本集團僅對於二零一八年一月一日之前尚未完成的合約(如有)採用新規定。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(ii) IFRS 15, *Revenue from contracts with customers*

(Continued)

There is no impact of transition to IFRS 15 on retained earnings at 1 January 2018.

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

a. Timing of revenue recognition

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

1 主要會計政策(續)

(c) 會計政策變動(續)

(ii) 國際財務報告準則第15號，*客戶合約收益*(續)

過渡至國際財務報告準則第15號對二零一八年一月一日的保留盈利並無影響。

有關過往會計政策變動的性質及影響的進一步詳情載列如下：

a. 收益確認的時間

於過往，建造合約及提供服務產生的收益會隨著時間確認，而來自銷售貨品的收益通常於貨品的所有權風險及回報轉移至客戶的時間點確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(ii) IFRS 15, *Revenue from contracts with customers*

(Continued)

a. Timing of revenue recognition (Continued)

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

- A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

1 主要會計政策(續)

(c) 會計政策變動(續)

(ii) 國際財務報告準則第15號，*客戶合約收益*(續)

a. 收益確認的時間(續)

根據國際財務報告準則第15號，收益於客戶獲得合約中承諾商品和服務的控制權時確認。這可以在某一時間點或隨時間轉移入賬。國際財務報告準則第15號確定了對承諾商品或服務的控制權被視為隨時間轉移的三種情況：

- A. 當客戶同時取得及消耗實體履約所提供的利益時；
- B. 實體的履約行為創造或改良了客戶在資產被創造或改良時就控制的資產(例如，在建工程)；

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(ii) IFRS 15, *Revenue from contracts with customers*

(Continued)

a. Timing of revenue recognition
(Continued)

C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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

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

1 主要會計政策(續)

(c) 會計政策變動(續)

(ii) 國際財務報告準則第15號，客戶合約收益(續)

a. 收益確認的時間
(續)

C. 實體的履約行為並未創造一項可被實體用於替代用途的資產，並且實體具有就迄今為止已完成的履約部分獲得客戶付款的可執行權利。

如果合約條款及實體履約行為並不屬於任何該等三種情況，則根據國際財務報告準則第15號，實體於某一時間點(即控制權轉移時)就銷售商品或服務確認收益。所有權的風險及回報的轉移僅為釐定控制權轉移發生時將考慮的其中一項指標。

採納國際財務報告準則第15號對本集團何時確認銷售貨品產生的收益並無重大影響，該會計政策變動對二零一八年一月一日的期初結餘並無重大影響。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

(ii) IFRS 15, *Revenue from contracts with customers* (Continued)

b. Significant financing component

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

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

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

1 主要會計政策(續)

(c) 會計政策變動(續)

(ii) 國際財務報告準則第15號，*客戶合約收益*(續)

b. 重大融資部分

國際財務報告準則第15號規定，當合約包含重大融資部分，不論客戶付款將較收益確認明顯提前或嚴重延期收取，實體須就貨幣時間價值調整交易價格。

早前，本集團只會在付款大幅延期時才採用此政策，而本集團與客戶的安排中並不常見。本集團事先收到付款時不適用此類政策。

於本集團與客戶的安排中，本集團較收益確認明顯提前收到付款的情況並不常見。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(ii) IFRS 15, *Revenue from contracts with customers*

(Continued)

b. Significant financing component (Continued)

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

c. Presentation of contract liabilities

Under IFRS 15, a contract liability, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue, or when the Group receives consideration from a customer and expects to refund some or all of that consideration to the customer (i.e. refund liability). To reflect this change in presentation, contract liabilities, including receipts in advance from customers, unredeemed loyalty points liabilities and refund liabilities, with amount of RMB52,381,000 are now separately presented under trade and other payables at 31 December 2018, as a result of the adoption of IFRS 15.

1 主要會計政策(續)

(c) 會計政策變動(續)

(ii) 國際財務報告準則第15號，*客戶合約收益*(續)

b. 重大融資部分(續)

採納國際財務報告準則第15號對本集團何時確認銷售貨品的融資部分並無重大影響，且於會計政策的此變動並無對二零一八年一月一日的年初結餘產生重大影響。

c. 合約負債的呈列

根據國際財務報告準則第15號，在本集團確認相關收益前，當客戶支付代價或按合約規定須支付代價且款項已到期時，或本集團自客戶收取代價及預計退回部分或全部代價予客戶(即退還負債)時，合約負債予以確認。為在呈列中反映該變更，金額約人民幣52,381,000元的合約負債(包括來自客戶的預收款項、未兌換的獎勵積分負債以及退款負債)現時單獨於二零一八年十二月三十一日的貿易及其他應付款項下呈列，作為採納國際財務報告準則第15號的結果。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

(Continued)

(iii) IFRIC 22, Foreign currency transactions and advance consideration

This interpretation provides guidance on determining “the date of the transaction” for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that “the date of the transaction” is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of IFRIC 22 does not have any material impact on the financial position and the financial result of the Group.

1 主要會計政策(續)

(c) 會計政策變動(續)

(iii) 國際財務報告詮釋委員會第22號，外幣交易及預付代價

該詮釋為確定「交易日期」提供了指引，確定「交易日期」的目的為確定實體以外幣收取或支付預付代價的交易中初始確認相關資產、支出或收入(或其部分)時使用的匯率。

該詮釋釐清「交易日期」是指因支付或收取預付代價而產生的非貨幣性資產或負債的初始確認日期。如果在確認相關項目前有多筆支付或收取的款項，則應以這種方式確定每筆款項支付或收取的交易日期。採納國際財務報告詮釋委員會詮釋第22號對本集團的財務狀況及財務業績並無任何重大影響。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

1 主要會計政策(續)

(d) 附屬公司及非控股權益

附屬公司指本集團控制的實體。倘本集團因參與實體而面對回報有所不同的風險或有權享有回報，並且有能力透過其權力影響實體的該等回報，則本集團控制該實體。於評估本集團是否有權力時，僅考慮(由本集團及其他方持有的)實質權利。

於附屬公司的投資自控制權開始之日起至控制權終止當日計入綜合財務報表內。集團內公司間結餘、交易及集團內公司間交易所產生現金流量及任何未變現溢利，在編製綜合財務報表時予以全數對銷。集團內公司間交易所產生的未變現虧損則僅在並無出現減值證據的情況下按與對銷未變現收益相同的方法對銷。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (note 1(n)(iii)).

1 主要會計政策(續)

(d) 附屬公司及非控股權益(續)

非控股權益指並非由本公司直接或間接應佔附屬公司的權益，而本集團並未與該等權益的持有人協定任何附加條款，以使本集團整體上對該等權益產生符合金融負債定義的合約責任。就每項業務合併而言，本集團可選擇以公平值或按非控股權益分佔附屬公司可識別資產淨值的份額計量任何非控股權益。

非控股權益在綜合財務狀況表的權益中呈列，獨立於本公司權益股東應佔權益。非控股權益應佔本集團業績於綜合損益及其他全面收益表賬面呈列，作為年內損益總額及全面收益總額在非控股權益與本公司權益股東之間的分配結果。

於本公司的財務狀況表中，於附屬公司的投資按成本減減值虧損(附註1(n)(iii))列賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(n)(iii)). Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

1 主要會計政策(續)

(e) 聯營公司

聯營公司是指本集團或本公司可以對其發揮重大影響力但並非控制或共同控制其管理(包括參與財務及經營決策)之實體。

於聯營公司的投資，除已歸類為持作出售(或計入歸為持作出售之出售組別內)外，乃按權益法於綜合財務報表入賬。根據權益法，該項投資初步以成本入賬，並就本集團分佔該投資對象可識別資產淨值的收購日期公平值超出投資成本(如有)的差額作出調整。投資成本包括購買價、收購該投資的直接應佔其他成本，及構成本集團權益投資一部份的於該聯營公司的任何直接投資。其後該項投資因應本集團在收購後應佔該投資對象資產淨值的變動及任何投資相關的減值虧損而作出調整(見附註1(n)(iii))。於收購日超出成本的任何差額、本集團應佔該投資對象收購後的除稅後業績及年內任何減值虧損均在綜合損益表內確認，而本集團應佔該投資對象收購後的其他全面收益的除稅後項目，則在綜合損益及其他全面收益表內確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(n)(iii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

1 主要會計政策(續)

(f) 商譽

商譽指：

- (i) 已轉讓代價之公平值、被收購方任何非控股權益之金額及本集團先前所持被收購方股權之公平值之總和；超出
- (ii) 於收購日期所計量被收購方可識別資產及負債之公平值淨值的部分。

如(ii)項之金額大於(i)項，則有關差額即時於損益中確認為議價購買之收益。

商譽按成本減累計減值虧損列賬。業務合併產生之商譽被分配至各個現金產生單位或各組現金產生單位(預期會產生合併協同效益)，並須每年作減值測試(見附註1(n)(iii))。

年內出售單一現金產生單位時，任何購入商譽之應佔金額於計算出售之損益時計入在內。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries and an associate, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss.

For an explanation of how the Group determines fair value of financial instruments, see note 27(e). These investments are subsequently accounted for as follows, depending on their classification.

(A) Policy applicable from 1 January 2018

Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 1(x)(ii)).

1 主要會計政策(續)

(g) 其他債務及股本證券投資

本集團於債務及股本證券投資(於附屬公司及聯營公司的投資除外)政策載列於下文。

本集團在承諾購入／出售投資當日確認／終止確認債務及股本證券投資。投資初步按公平值加直接應佔交易成本列報，惟按公平值計入損益(按公平值計入損益)列賬之投資除外，該等投資之交易成本直接於損益內確認。

有關本集團釐定金融工具公平值的方法的解釋，見附註27(e)。該等投資隨後根據其分類按以下方法入賬。

(A) 自二零一八年一月一日起適用的政策

於股本投資以外的投資

本集團持有的非股本投資歸入以下其中一個計量類別：

- 按攤銷成本，倘持有投資的目的為收取合約現金流量，即純粹為支付本金及利息。投資所得利息收入乃使用實際利率法計算(見附註1(x)(ii))。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other investments in debt and equity securities (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

- fair value through other comprehensive income (FVOCI)
 - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- fair value at profit or loss (FVPL) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

1 主要會計政策(續)

(g) 其他債務及股本證券投資(續)

(A) 自二零一八年一月一日起適用的政策(續)

- 按公平值計入其他全面收益(按公平值計入其他全面收益)(可劃轉)，倘投資的合約現金流量僅包括本金及利息付款，且投資乃於其目的為同時收取合約現金流量及出售的業務模式中持有。公平值變動於其他全面收益確認，惟預期信貸虧損、利息收入(使用實際利率法計算)及匯兌收益及虧損於損益確認。當投資被取消確認，於其他全面收益累計的金額從權益劃轉至損益。
- 按公平值計入損益(按公平值計入損益)，倘投資不符合按攤銷成本計量或按公平值計入其他全面收益(可劃轉)的標準。投資的公平值變動(包括利息)於損益確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other investments in debt and equity securities (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss.

1 主要會計政策(續)

(g) 其他債務及股本證券投資(續)

(A) 自二零一八年一月一日起適用的政策(續)

股本投資

於股本證券的投資分類為按公平值計入損益，除非股本投資並非持作買賣用途，且於初次確認投資時，本集團選擇指定投資為按公平值計入其他全面收益(不可劃轉)，以致公平值的後續變動於其他全面收益確認。有關選擇乃按工具個別作出，惟僅當發行人認為投資符合權益定義時方可作出。於作出有關選擇後，於其他全面收益累計的金額繼續保留於公平值儲備(不可劃轉)，直至投資被出售為止。出售時，於公平值儲備(不可劃轉)累計的金額轉撥至保留盈利，而非透過損益賬劃轉。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other investments in debt and equity securities (Continued)

(B) Policy applicable prior to 1 January 2018

Investments in securities held for trading were classified as financial assets measured at FVPL. Any attributable transaction costs were recognised in profit or loss as incurred. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in profit or loss.

Dated debt securities that the Group had the positive ability and intention to hold to maturity were classified as held-to-maturity securities. Held-to-maturity securities were stated at amortised cost (for impairment see note 1(n)(i) – policy applicable prior to 1 January 2018).

1 主要會計政策(續)

(g) 其他債務及股本證券投資(續)

(B) 於二零一八年一月一日前適用的政策

於持作買賣證券的投資分類為按公平值計入損益計量的金融資產。任何應佔交易成本於發生時在損益內確認。公平值於各報告期結束時重新計量，而任何因此產生的收益或虧損均於損益內確認。

本集團擁有正面能力及意向持有至到期日之有期債務證券乃分類為持有至到期日之證券。持有至到期日之證券按攤銷成本列賬(有關減值見附註1(n)(i)–於二零一八年一月一日前適用的政策)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other investments in debt and equity securities (Continued)

(B) Policy applicable prior to 1 January 2018 (Continued)

Investments which did not fall into any of the above categories were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Interest income from debt securities calculated using the effective interest method were recognised in profit or loss in accordance with the policies set out in note 1(x)(ii). Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired (see note 1(n)(i) – policy applicable prior to 1 January 2018), the cumulative gain or loss recognised in equity was reclassified to profit or loss.

1 主要會計政策(續)

(g) 其他債務及股本證券投資(續)

(B) 於二零一八年一月一日前適用的政策(續)

並不屬於以上任何類別的投資分類為可供出售金融資產。公平值於各報告期結束時重新計量，而任何因此產生的收益或虧損均於其他全面收益內確認並分別於權益的公平值儲備(可劃轉)中累計。使用實際利率法計算的債務證券的利息收入根據附註1(x)(ii)所載的政策於損益中確認。債務證券產生的匯兌收益及虧損亦於損益內確認。當投資終止確認或減值(見附註1(n)(i)–於二零一八年一月一日前適用的政策)時，於權益中確認的累計收益或虧損會重新分類至損益。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investment property

Investment property is a building which is owned to earn rental income and/or for capital appreciation. This includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at cost. The cost of a purchased investment property comprises its purchases price and any direct attributable expenditures. Investment property is accounted for using the cost model and stated in the statement of financial position at cost less accumulated depreciation and impairment loss (see note 1(n)(iii)). The cost of investment property, less its estimated residual value and accumulated impairment loss, is depreciated using the straight-line method over its estimated useful life as follow:

- Building 20 years

Rental income from investment property is accounted for as described in note 1(x)(v).

1 主要會計政策(續)

(h) 投資物業

投資物業為擁有或於租賃權益項下持有以賺取租金收入及／資本增值的一幢樓宇。其中包括建造或發展以供未來作為投資物業用途的物業。

投資物業初始按成本計量。購買物業的成本包括其購買價格及任何直接應佔開支。投資物業使用成本模型入賬並於財務狀況表按成本減累計折舊及減值虧損列賬(見附註1(n)(iii))。投資物業成本減估計剩餘價值及累計減值虧損乃使用直線法在其以下估計使用年限折舊：

- 樓宇 20年

投資物業的租金開支乃按附註1(x)(v)所述入賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(j) Other property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (note 1(n)(iii)):

- buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 1(k)); and
- other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (note 1(z)).

No depreciation is provided in respect of construction in progress.

1 主要會計政策(續)

(i) 衍生金融工具

衍生金融工具初步按公平值確認。於各報告期末，公平值會重新計量。重新計量公平值產生的盈虧即時於損益中重新確認，惟符合現金流量對沖會計處理或對沖海外業務淨投資的衍生工具於重新計量時所得盈虧之確認則須視乎所對沖項目之性質而定。

(j) 其他物業、廠房及設備

以下物業、廠房及設備項目按成本減去累計折舊及減值虧損(附註1(n)(iii))列賬：

- 持作自用之樓宇(位於分類為經營租賃下持有之租賃土地上(見附註1(k)))；及
- 其他廠房及設備項目。

自建物業、廠房及設備項目的成本包括物料成本、直接勞工成本，及如適用，初步估計拆卸及搬遷項目以及恢復項目所在地原貌的成本，以及適當比例的生產經常費用及借款成本(附註1(z))。

概無就在建工程計提任何折舊。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Other property, plant and equipment (Continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.
- Leasehold improvements Shorter of 3 – 5 years or remaining term of the lease
- Plant and machinery 5 – 10 years
- Motor vehicles 4 – 5 years
- Furniture, fixtures and equipment 3 – 5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

1 主要會計政策(續)

(j) 其他物業、廠房及設備(續)

報廢或出售物業、廠房及設備項目所產生的收益或虧損以該項目的出售所得款項淨額與其賬面值之間的差額釐定，並於報廢或出售當日在損益內確認。

物業、廠房及設備項目的折舊按下列估計可使用年期，以直線法撇銷其成本減其估計剩餘價值(如有)計算：

- 位於租賃土地上的樓宇按未屆滿租期及其估計可使用年期(即不超過完工日期後50年)(以較短者為準)折舊。
- 租賃物業裝修 3至5年或租賃尚餘期限的較短者
- 廠房及機器 5至10年
- 汽車 4至5年
- 傢俬、裝置及設備 3至5年

資產的可使用年期及其剩餘價值(如有)均於每年進行審閱。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Interests in leasehold land held for own use under operating leases

Interests in leasehold land held for own use under operating leases represent cost of acquiring land use rights paid to the PRC's governmental authorities. Land use rights are stated at cost less accumulated amortisation and impairment losses (see note 1(n)(iii)). Amortisation is charged to profit or loss on a straight-line basis over the period of the lease term of the right which is 48 years.

(l) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (note 1(n)(iii)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Computer software	5-10 years
Distribution network and trademark	20 years

1 主要會計政策(續)

(k) 經營租賃下持作自用之租賃土地之權益

經營租賃下持作自用之租賃土地之權益指支付予中國政府機構之收購土地使用權之成本。土地使用權按成本減累計攤銷及減值虧損(見附註1(n)(iii))列賬。攤銷於土地使用權租賃期48年內以直線法自損益扣除。

(l) 無形資產

本集團購入的無形資產按成本減累計攤銷(如估計可使用年期屬有限)及減值虧損(附註1(n)(iii))列賬。

可使用年期有限的無形資產攤銷於資產的估計可使用年期內以直線法自損益扣除。下列可使用年期有限的無形資產自其可供使用日期起進行攤銷及其估計可使用年期如下：

電腦軟件	5至10年
分銷網絡及商標	20年

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Intangible assets (Continued)

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(m) Operating lease charges

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases. Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

1 主要會計政策(續)

(l) 無形資產(續)

攤銷期間及方法均於每年進行審閱。

如無形資產的可使用年期被評估為無限期，則該等無形資產不會被攤銷。有關無形資產的可使用年期為無限期的任何結論，會每年審閱以釐定事件及情況是否繼續支持該資產的無限期可使用年期評估。倘不繼續支持，則可使用年期評估由無限期變為有限期，並自變化的日期根據上述年期有限的無形資產攤銷政策採用未來適用法處理。

(m) 經營租賃費用

絕大部分與所有權有關的風險及回報並無轉移至本集團的租賃乃分類為經營租賃。除非有更具代表性的基準衡量從租賃資產獲取利益的模式，否則於本集團使用根據經營租賃持有的資產時，會根據租賃支付的款項在租賃期所涵蓋的會計期間內在損益內等額分期扣除。獲取的租賃優惠在損益內確認為租賃付款淨值總額的組成部分。或有租金將於其產生的會計期間自損益扣除。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

(A) Policy applicable from 1 January 2018

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans to associates);
- debt securities measured at FVOCI (recycling);
- lease receivables; and
- loan commitments issued, which are not measured at FVPL.

1 主要會計政策(續)

(n) 信貸虧損及資產減值

(i) 金融工具、合約資產及租賃應收款項之信貸虧損

(A) 自二零一八年一月一日起適用的政策

本集團就下列各項的預期信貸虧損確認虧損撥備：

- 按攤銷成本計量的金融資產(包括現金及現金等價物、貿易及其他應收款項以及向聯營公司提供貸款)；
- 按公平值計入其他全面收益計量的債務證券(可劃轉)；
- 租賃應收款項；及
- 並非按公平值計入損益之已發行貸款承擔。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- (A) Policy applicable from 1 January 2018 (Continued)

Financial assets measured at fair value, including units in bond funds, equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

以公平值計量的金融資產，包括債券基金單位、按公平值計入損益計量的股本證券、指定按公平值計入其他全面收益的股權證券(不可劃轉)及衍生金融資產，均不受限於預期信貸虧損的評估。

預期信貸虧損計量

預期信貸虧損乃以概率加權估計的信貸虧損。信貸虧損以所有預期現金短缺(即根據合約應付予本集團的現金流量及本集團預期收取的現金流量之間的差額)的現值計量。

對於未提取的貸款承諾而言，預期短缺現金以(i)如貸款承諾持有人提取貸款應付予本集團的合同現金流量及(ii)本集團預期提取貸款收取的現金流量之間的差額計量。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable;
- loan commitments: current risk-free rate adjusted for risks specific to the cash flows

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(A) 自二零一八年一月一日起適用的政策(續)

倘貼現影響屬重大，預期短缺現金將使用以下貼現率貼現：

- 固定利率金融資產、貿易及其他應收款項及合約資產：初始確認釐定時的實際利率或其近似值；
- 浮動利率金融資產：當前實際利率；
- 租賃應收款項須統詞：管理應收租賃款項管理中使用的折現率；
- 貸款承擔：就現金流量特定風險調整之即期無風險利率

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- (A) Policy applicable from 1 January 2018 (Continued)

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

在計量預期信貸虧損時，本集團考慮合理及有理據而毋須付出不必要的成本或努力獲得的資料。這包括過去事件、當前狀況和未來經濟狀況預測等資料。

預期信貸虧損基於下列其中一個基準計量：

- 12個月預期信貸虧損：預期於報告日期後12個月內可能發生的違約事件而導致的虧損；及
- 整個存續期的預期信貸虧損：預期於採用預期信貸虧損模式的項目在預期年限內所有可能發生的違約事件而導致的虧損。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments issued), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(A) 自二零一八年一月一日起適用的政策(續)

貿易應收款項、租賃應收款項及合約資產的虧損撥備一般乃按等同於整個存續期的預期信貸虧損的金額計量。這些金融資產的預期信貸虧損是利用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並按於報告日期債務人的個別因素及對當前及預測整體經濟狀況的評估進行調整。

對於所有其他金融工具(包括已發行的貸款承諾)，集團確認相當於12個月預期信貸虧損的虧損撥備，除非自初始確認以來金融工具的信用風險顯著增加，在這種情況下，虧損撥備計量等於整個存續期的預期信貸虧損的金額。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- (A) Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 180 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

信貸風險大幅上升

評估金融工具(包括貸款承諾)的信貸風險自初始確認以來有否大幅上升時，本集團會比較於報告日期及於初始確認日期評估的金融工具發生違約的風險。作出該重新評估時，本集團認為，倘(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸承擔；或(ii)金融資產已逾期180日，則發生違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due date;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(A) 自二零一八年一月一日起適用的政策(續)

具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融工具外部或內部信貸測評的實際或預期顯著惡化(如有)；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對集團責任的能力有重大不利影響。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- (A) Policy applicable from 1 January 2018 (Continued)

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

就貸款承擔而言，用於評估預期信貸虧損之初始確認日期被視為本集團成為不可撤銷承擔之訂約方當日。評估信貸風險自初始確認貸款承擔以來有否大幅上升時，本集團會考慮與貸款承擔有關之貸款發生違約之風險之變動。

取決於金融工具的性质，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(A) 自二零一八年一月一日起適用的政策(續)

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初始確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益中確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整，惟於按公平值計入其他全面收益計量(可劃轉)之債務證券之投資除外。有關投資之虧損撥備於其他全面收益內確認並於公平值儲備中累計(可劃轉)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- (A) Policy applicable from 1 January 2018 (Continued)

Basis of calculation of interest income

Interest income recognised in accordance with note 1(x)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

計算利息收益的基準

根據附註1(x)(ii)確認的利息收入乃根據金融資產之總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入乃根據金融資產之攤銷成本（即總賬面值減虧損撥備）計算。

於各報告日期，集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產估計未來現金流量有不利影響的事件時，金融資產出現信貸減值。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(A) 自二零一八年一月一日起適用的政策(續)

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人有重大財務困難；
- 違約，例如拖欠或未能償還利息或本金；
- 借款人可能破產或進行其他財務重組；
- 技術、市場、經濟或法律環境出現重大變動而對債務人造成不利影響；或
- 由於發行人出現財務困難，證券活躍市場消失。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

- (A) Policy applicable from 1 January 2018 (Continued)

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

- (A) 自二零一八年一月一日起適用的政策(續)

撇銷政策

若日後實際上不可收回款項，則會撇銷(部分或全部)金融資產、租賃應收款項或合約資產的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源來償還應撇銷的金額。

隨後收回先前撇銷之資產於收回期間在損益內確認為減值撥回。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an “incurred loss” model was used to measure impairment losses on financial assets not classified as at FVPL (e.g. trade and other receivables, available-for-sale investments and held-to-maturity debt securities). Under the “incurred loss” model, an impairment loss was recognised only when there was objective evidence of impairment.

Objective evidence of impairment included:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(B) 於二零一八年一月一日前適用的政策

於二零一八年一月一日前，「已產生虧損」模式用於計量尚未分類為按公平值計入損益的金融資產(例如貿易及其他應收款項、可供出售投資及持有至到期日之債務證券)的減值虧損。根據「已產生虧損」模式，減值虧損僅於有客觀證據證明時方予確認。

減值的客觀證據包括：

- 債務人陷入重大財政困難；
- 違約，如拖欠或未能到期支付利息或本金；
- 借款人有可能破產或進行其他財務重組；

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(B) Policy applicable prior to 1 January 2018 (Continued)

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence existed, an impairment loss was determined and recognised as follows:

- For trade and other receivables and other financial assets carried at amortised cost, impairment loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting was material.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(B) 於二零一八年一月一日前適用的政策(續)

- 技術、市場、經濟或法律環境出現重大變動而對債務人造成不利影響；及
- 股權工具投資的公平值大幅或長期下跌至低於其成本。

倘存在任何該等證據，則按下列方式釐定及確認減值虧損：

- 就按攤銷成本列賬的貿易及其他應收款項及其他金融資產而言，減值虧損乃按資產賬面值與估計未來現金流量現值的差額計量（倘貼現影響屬重大，則按金融資產原來實際利率貼現）。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(B) Policy applicable prior to 1 January 2018 (Continued)

This assessment was made collectively where these financial assets shared similar risk characteristics, such as similar past due status, and had not been individually assessed as impaired. Future cash flows for financial assets which were assessed for impairment collectively were based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through profit or loss. A reversal of an impairment loss was only recognised to the extent that it did not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(B) 於二零一八年一月一日前適用的政策(續)

倘該等金融資產具備類似風險特徵(例如類似逾期情況)及並未單獨被評估為減值，則該等資產會進行集體評估。集體評估為減值的金融資產的未來現金流量會根據與集體組別具有類似信貸風險特徵資產的過往虧損情況釐定。

倘減值虧損金額於其後期間減少，且該減少可客觀地與減值虧損確認後發生的事件聯繫，則減值虧損會透過損益撥回。減值虧損的撥回僅於未導致資產的賬面值超過該資產於過往年度如並無確認任何減值虧損而釐定的賬面值的情況下確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(B) Policy applicable prior to 1 January 2018 (Continued)

When the recovery of a trade debtor or other financial assets carried at amortised cost was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(B) 於二零一八年一月一日前適用的政策(續)

倘就以攤銷成本列賬的應收賬款或其他金融資產的可收回性被認為難以預料而並非微乎其微，則有關的減值虧損以撥備賬入賬。倘集團確認可收回性微乎其微，則視為不可收回的金額直接於該等資產的賬面總值中撇銷。先前在撥備賬中計提的金額如其後被收回，其從撥備賬中撥回。撥備賬的其他變動及其後收回先前直接撇銷的金額均於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(B) Policy applicable prior to 1 January 2018 (Continued)

- For available-for-sale investments, the cumulative loss that had been recognised in the fair value reserve (recycling) was reclassified to profit or loss. The amount of the cumulative loss that was recognised in profit or loss was the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss. Impairment losses recognised in profit or loss in respect of available-for-sale equity securities were not reversed through profit or loss. Any subsequent increase in the fair value of such assets was recognised in other comprehensive income.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(B) 於二零一八年一月一日前適用的政策(續)

- 就可供出售投資而言，已於公平值儲備(可劃轉)確認的累計虧損重新分類至損益。於損益中確認的累計虧損金額為收購成本(扣除任何本金還款及攤銷)與現時公平值的差額，減去該資產先前於損益中確認的任何減值虧損。就可供出售權益證券而於損益中確認的減值虧損並未透過損益撥回。該等資產的公平值的任何後續增加均於其他全面收益中確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

(B) Policy applicable prior to 1 January 2018 (Continued)

Impairment losses recognised in profit or loss in respect of available-for-sale debt securities were reversed if the subsequent increase in fair value could be objectively related to an event occurring after the impairment loss was recognised. Reversals impairment losses in such circumstances were recognised in profit or loss.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(i) 金融工具、合約資產及租賃應收款項之信貸虧損(續)

(B) 於二零一八年一月一日前適用的政策(續)

倘公平值的其後增加客觀上與確認減值虧損後發生的事件有關，則會撥回就可供出售債務證券於損益確認的減值虧損。在此情況下，撥回的減值虧損於損益中確認。

(ii) 已發出財務擔保之信貸虧損

財務擔保指當特定債務人到期不能按照債務工具條款償付債務時，要求發出人(即擔保人)向蒙受損失的擔保受益人(「持有人」)賠付特定金額的合約。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantees issued (Continued)

Financial guarantees issued are initially recognised within “trade and other payables” at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(ii) 已發出財務擔保之信貸虧損(續)

已發出的財務擔保初步於「貿易及其他應付款項」中按公平值確認，而該等公平值乃經比較貸方於有擔保下收取的實際利率與於如並無擔保下貸方應收取的估計利率（倘關資料可作出可靠估計）後，參考類似服務的公平交易中所收取的費用（於可獲得該等資料時）或利率差異而釐定。倘於發出該擔保時收取或可收取代價，該代價則根據本集團適用於該類資產的政策而予確認。倘有關代價尚未收取或應予收取，即時開支於損益中確認。

於初始確認後，初始確認為遞延收入的金額於擔保期內按實際利率法於損益中攤銷為已發出財務擔保的收入。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantees issued (Continued)

- (A) Policy applicable from 1 January 2018

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in “trade and other payables” in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 1(n)(i) apply.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(ii) 已發出財務擔保之信貸虧損(續)

- (A) 適用於二零一八年一月一日後的政策

本集團監察特定債務人違約的風險，並當財務擔保的預期信貸虧損確定為高於擔保的「貿易及其他應付款項」中的金額(即初始確認金額減累計攤銷)時確認撥備。

為釐定預期信貸虧損，本集團會考慮指定債務人自發出擔保以來的違約風險變動，並會計量12個月的預期信貸虧損，惟在指定債務人自發出擔保以來的違約風險大幅增加的情況下除外，在此情況下，則會計量整個存續期的預期信貸虧損。附註1(n)(i)所述的相同違約定義及信貸風險大幅增加的相同評估標準適用於此。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantees issued (Continued)

- (A) Policy applicable from 1 January 2018 (Continued)

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

- (B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, a provision would be recognised if and when it became probable that (i) the holder of the guarantee would call upon the Group under the guarantee and (ii) the amount of the claim on the Group was expected to exceed the amount carried in "trade and other payables" in respect of the guarantee.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(ii) 已發出財務擔保之信貸虧損(續)

- (A) 適用於二零一八年一月一日後的政策(續)

由於本集團僅須於根據獲擔保工具的條款指定債務人違約時作出付款，故預期信貸虧損乃按預期就補償持有人產生的信貸虧損而作出的付款，減本集團預期從擔保持有人(指定債務人或任何其他人士)收取的任何款項估計。有關金額其後將使用現時的無風險利率貼現，並就現金流量的特定風險作出調整。

- (B) 適用於二零一八年一月一日前的政策

於二零一八年一月一日之前，倘(i)擔保持有人可能根據擔保要求本集團還款及(ii)預期本集團的索賠金額將超過擔保的「貿易及其他應付款項」所載金額，則撥備將予以確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- investment property;
- other property, plant and equipment (other than properties carried at revalued amounts);
- pre-paid interests in leasehold land classified as being held under an operating lease;
- intangible assets;
- goodwill; and
- investments in subsidiaries and associate in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(iii) 其他非流動資產減值

本集團會於各報告期結束時檢討內部及外部資料來源，以確定下列資產是否減值(商譽除外)，或過往確認的減值虧損是否不再存在或已經減少：

- 投資物業；
- 其他物業、廠房及設備(按重估金額列賬之物業除外)；
- 分類為經營租賃下持有之租賃土地之預付權益；
- 無形資產；
- 商譽；及
- 本公司財務狀況表項下於附屬公司及聯營公司的投資。

倘存在任何有關跡象，則會估計資產的可收回金額。此外，就商譽、未可使用的無形資產及可使用年期為無限的無形資產而言，不論是否存在任何減值跡象，均會每年估計其可回收金額。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-current assets (Continued)

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(iii) 其他非流動資產減值(續)

計算可收回金額

資產的可收回金額為其公平值減出售成本與使用價值之間的較高者。於評估使用價值時，估計未來現金流量乃按能反映現時市場對貨幣時間價值及資產特定風險的評估的稅前貼現率貼現至其現值。倘資產所產生現金流入大致上不能獨立於其他資產所產生的現金流入，則就能獨立產生現金流入的最小資產組別(即現金產生單位)釐定可收回金額。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-current assets (Continued)

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(iii) 其他非流動資產減值(續)

- 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過可收回金額，則於損益確認減值虧損。分配就現金產生單位確認的減值虧損時，首先削減該現金產生單位(或該組單位)所獲分配之任何商譽的賬面值，其後按比例削減該單位(或該組單位)內其他資產的賬面值，惟資產的賬面值不會減至低於其公平值扣減出售成本(如能計量)或使用價值(如能釐定)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-current assets (Continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(iii) 其他非流動資產減值(續)

- 減值虧損撥回

就商譽以外的資產而言，倘用以釐定可收回金額的估計出現有利變動，有關減值虧損將予撥回；但商譽的減值虧損不會撥回。

撥回的減值虧損以在過往年度並無確認減值虧損的情況下原應釐定的資產賬面值為限。撥回的減值虧損乃於確認撥回的年度內計入損益。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit losses and impairment of assets (Continued)

(iv) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(n)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

1 主要會計政策(續)

(n) 信貸虧損及資產減值(續)

(iv) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須根據國際會計報告準則第34號中期財務報告，就財政年度首六個月編製中期財務報告。於中期期末，本集團應用的減值測試、確認及撥回標準與其將於財政年度末所應用者相同(見附註1(n)(i)及(ii))。

在中期期間就商譽所確認之減值虧損不會在其後期間撥回。即使僅在該中期所屬的財政年度終結時才評估減值並確認沒有虧損或所確認的虧損較少，也不會撥回減值虧損。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1 主要會計政策(續)

(o) 存貨

存貨以成本及可變現淨值兩者中的較低者入賬。

成本乃使用加權平均成本公式計算，並包括所有採購成本、轉換成本及將存貨運至現址及使其達至現時狀況所產生的其他成本。

可變現淨值乃於日常業務過程中的估計售價，減去估計完成的成本及進行銷售所需的估計成本。

於出售存貨時，該等存貨的賬面值在相關收入確認的期間確認為開支。存貨撇減至可變現淨值的金額及存貨的所有虧損在撇減或出現虧損的期間確認為開支。存貨的任何撇減撥回金額確認為存貨金額的減少，並於撥回發生期間確認為開支。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(x)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(q)).

(q) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 1(n)(i)).

1 主要會計政策(續)

(p) 合約負債

合約負債乃於客戶在本集團確認相關收益前支付代價時確認(見附註1(x))。倘本集團於本集團確認相關收益前有無條件接納代價的權利，則合約負債亦將予以確認。於此情況下，相應的應收款項亦將予以確認(見附註1(q))。

(q) 貿易及其他應收款項

應收款項於本集團有無條件權利收取代價時予以確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。

應收款項以實際利率法減信貸虧損撥備按攤銷成本列賬(見附註1(n)(i))。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(z)).

(s) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(t) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance, with policy set out in note 1(n)(i).

1 主要會計政策(續)

(r) 計息借款

計息借款初始按公平值減交易成本計量，於初始確認，計息借款乃使用實際利率法按攤銷成本呈列。利息收入乃根據本集團借款成本的會計政策確認(見附註1(z))。

(s) 貿易及其他應付款項

貿易及其他應付款項初始按公平值確認，其後按攤銷成本列賬，除非貼現的影響並不重大，在此情況下則按成本列賬。

(t) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、銀行及其他金融機構的活期存款，以及可隨時兌換為已知數額現金的短期高流動性投資，該等投資所面對的價值變動風險並不重大，並於購入起計三個月內到期。現金及現金等價物乃根據附註1(n)(i)所載的政策評估預期信貸虧損。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the People's Republic of China (the "PRC") are recognised as an expense in profit or loss as incurred.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

1 主要會計政策(續)

(u) 僱員福利

(i) 短期僱員福利及界定供款退休計劃的供款

薪金、年度花紅、有薪年假、界定供款退休計劃供款以及非貨幣性福利成本均在僱員提供相關服務的年度內計算。倘付款或結算遭遞延，且影響重大，則該等金額按其現值列賬。

根據中華人民共和國(「中國」)有關勞工規則及法規向當地適當界定供款退休計劃作出的供款於產生期間在損益內確認為開支。

(ii) 以股份為基礎付款

授予僱員購股權之公平值確認為僱員成本，相應的增加會於權益項下資本儲備反映。公平值在授出日期採用二項式期權定價模式，並計及授出購股權之條款及條件計量。倘僱員須符合歸屬條件方可無條件享有購股權，則購股權之估計總公平值會於考慮購股權將歸屬之可能性後在歸屬期內分攤。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Employee benefits (Continued)

(ii) Share-based payments

(Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

1 主要會計政策(續)

(u) 僱員福利(續)

(ii) 以股份為基礎付款(續)

於歸屬期內，本公司會檢討預期歸屬的購股權數目。所導致於過往年度確認累計公平值的任何調整乃扣自／計入有關檢討年度的損益，除非原有的僱員支出符合確認為資產的資格而資本儲備作出相應調整則作別論。於歸屬日，本公司調整確認為一項支出的款額，以反映歸屬的實際購股權數目（連同資本儲備的相應調整），惟倘沒收僅因未達致與本公司股份的市價有關的歸屬條件則除外。股權款額乃於資本儲備中確認，直至購股權獲行使（當其計入就已發行股份於股本確認的金額時）或購股權屆滿（當其直接轉出至保留溢利時）為止。

(iii) 辭退福利

辭退福利乃於以下之較早者確認：當本集團不再可以撤回該等福利之提供時與當其確認涉及辭退福利付款的重組成本時。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1 主要會計政策(續)

(v) 所得稅

年內所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均在損益內確認，惟倘與其他全面收益或直接於權益中確認的項目有關，則有關稅項金額分別於其他全面收益或直接於權益中確認。

即期稅項為年內應課稅收入的預期應付稅項，採用於報告期結束時已頒佈或實質已頒佈的稅率計算，以及就過往年度應付稅項作出的任何調整。

遞延稅項資產及負債分別由可扣減及應課稅暫時性差額所產生，暫時性差額即資產及負債就財務報告而言的賬面值與其稅基兩者之間的差額。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

1 主要會計政策(續)

(v) 所得稅(續)

除若干有限例外情況，所有遞延稅項負債及所有遞延稅項資產均於日後可能有應課稅溢利用以抵銷可動用資產時確認。可支持確認產生自可扣減暫時性差額的遞延稅項資產的日後應課稅溢利包括該等將產生自撥回現有應課稅暫時性差額的數額，惟該等差額須與相同稅務機關及相同應課稅實體有關，並預期於撥回可扣減暫時性差額的同一期間或產生自遞延稅項資產的稅項虧損可承後或承前結轉的期間撥回。在釐定現有應課稅暫時性差額是否支持確認由未動用稅項虧損及抵免產生的遞延稅項資產時採用相同的標準，即倘該等暫時性差額與相同稅務機關及相同應課稅實體有關，且預期在可動用稅項虧損或抵免期間內撥回則會計入該等暫時性差額。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Income tax (Continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1 主要會計政策(續)

(v) 所得稅(續)

已確認的遞延稅項金額乃按資產及負債賬面值的預期變現或清償方式，使用於報告期結束時已頒佈或實質已頒佈的稅率計量。遞延稅項資產及負債並無貼現。

遞延稅項資產的賬面值會於各報告期結束時審閱，並減至不再可能有足夠應課稅溢利以利用有關稅務優惠時為止。任何減幅會於可能有足夠應課稅溢利時撥回。

當確認派付相關股息之負債時，源於派息之額外所得稅乃予確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1 主要會計政策(續)

(v) 所得稅(續)

即期稅項結餘及遞延稅項結餘及其變動會分開列示，並不予抵銷。即期稅項資產與即期稅項負債，以及遞延稅項資產與遞延稅項負債只會在本集團有合法可執行權利以即期稅項資產抵銷即期稅項負債，並在符合下列附加條件的情況下，才可互相抵銷：

- 倘屬即期稅項資產及負債，本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 倘屬遞延稅項資產及負債，該資產及負債須與相同稅務機關就以下其中一項徵收的所得稅有關：
 - 相同應課稅實體；或
 - 不同應課稅實體，計劃在預期有重大金額的遞延稅項負債或資產須予清償或收回的每個未來期間，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現即期稅項資產及清償即期稅項負債。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(x) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of Group's assets under leases in the ordinary course of the Group's business.

1 主要會計政策(續)

(w) 撥備及或有負債

倘本集團或本公司因過去事項須承擔法律或推定責任，而履行該責任很可能須付出經濟效益及能夠作出可靠估計時，為未確定時間或金額的其他負債計提撥備。倘貨幣時間值重大，則按履行責任預計所需開支的現值計提撥備。

當須付出經濟效益的可能性不大，或其金額未能可靠估計時，便會將該責任披露為或有負債，惟經濟效益流出的可能性極低者除外。倘可能責任僅視乎一項或多項未來事項是否發生才能確定是否存在，亦會披露為或有負債，惟經濟效益流出的可能性極低者除外。

(x) 收益及其他收入

本集團將其日常業務過程中源自銷售貨品、提供服務或租賃項下讓渡本集團資產使用權的收入分類為收入。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Revenue and other income

(Continued)

Revenue is recognised when control over a product or service is transferred to the customers, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

Revenue is recognised when the customer accepts and takes the control of the products. Revenue represented the sales value of goods sold less returns, discounts, rebates and value added tax ("VAT").

In the comparative period, revenue from sales of goods was recognised when the customer had accepted the related risks and rewards of ownership.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(n)(i)).

1 主要會計政策(續)

(x) 收益及其他收入(續)

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額(不包括代表第三方收取的金額)轉移至客戶或承租人有權動用資產時，收入予以確認。收入不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

有關本集團收益及其他收入確認政策的進一步詳情載列如下：

(i) 銷售貨品

收益在客戶取得並控制產品時確認。收益指已售貨品的銷售價值，扣除退貨、折扣、回扣及增值稅(「增值稅」)。

於比較期間，銷售貨品的收益於客戶承擔所有權的相關風險及收益時確認。

(ii) 利息收入

利息收入於產生時以實際利率法確認。就按攤銷成本計量或按公平值計入其他綜合收益(可劃轉)且並無出現信貸減值的金融資產而言，則資產的總賬面值以實際利率適用。就出現信貸減值的金融資產而言，實際利率應用於資產的攤銷成本(即扣除虧損撥備的總賬面值)(見附註1(n)(i))。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Revenue and other income

(Continued)

(iii) E-commerce service income

E-commerce service income is recognised when the consigned goods from distributors sold through the Group's online shops are took possession and accepted by end customers.

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same year in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful lives of the asset by way of reduced depreciation expense.

Unconditional discretionary government grants from the local municipal government authorities are recognised in the profit or loss as other revenue when there is reasonable assurance that they will be received.

1 主要會計政策(續)

(x) 收益及其他收入(續)

(iii) 電子商務服務收入

電子商務服務收入於分銷商透過本集團的網店出售的代銷貨品由終端客戶取得並或其接納時予以確認。

(iv) 政府補助

政府補助將於收到合理保證及本集團將符合附帶條件時，初步於財務狀況表確認。補償本集團所產生開支的補助，於產生開支的相同年度按系統基準在損益內確認為收益。補償本集團一項資產成本的補助會於資產的賬面值中扣減，然後於資產的可使用年期內採用降低折舊費用法於損益內確認。

來自當地市政府機關無條件的政府酌情補助乃於有合理理由認為會取得有關款項時在損益中確認為其他收益。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Revenue and other income

(Continued)

(v) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

(y) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of reporting period. Exchange gains and losses are recognised in profit or loss.

1 主要會計政策(續)

(x) 收益及其他收入(續)

(v) 經營租賃租金收入

經營租賃項下之應收租金收入乃於租賃期涵蓋之期間內以等額分期方式於損益確認，惟倘有其他基準更能代表使用租賃資產所得利益之模式則除外。

(y) 外幣換算

年內，外幣交易按交易日的匯率換算。以外幣計值的貨幣資產及負債則按報告期結束時的匯率換算。匯兌收益及虧損於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Translation of foreign currencies (Continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated, of fair value are translated using the foreign exchange rates ruling of dates, the fair value was measured.

The results of operations outside mainland China are translated into Renminbi at the average exchange rates for the year which approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates ruling at the end of reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation outside mainland China, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

1 主要會計政策(續)

(y) 外幣換算(續)

以外幣按歷史成本計算的非貨幣資產及負債採用交易日的匯率換算。交易日期為公司初始確認有關非貨幣資產或負債的日期。按公平值呈列的以外幣計值的非貨幣資產及負債乃使用計量公平值當日通行的匯率進行換算的公平值呈列。

中國內地境外業務的業績按年內與交易日匯率相若的平均匯率換算為人民幣。財務狀況表內的項目按報告期結束時的收市匯率換算為人民幣。由此產生的匯兌差額於其他全面收益內確認並單獨於匯兌儲備權益中累積。

於出售中國內地境外的業務時，與該海外業務相關的累計匯兌差額在出售損益獲確認時由權益重新分類至損益。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(aa) Research and development

Expenditure on research activities is recognised as an expense in the year in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised as an expense in the year which it is incurred.

1 主要會計政策(續)

(z) 借款成本

收購、建造或生產需要長時間方可投入擬定用途或銷售的資產直接應佔的借款成本，將予資本化為該資產成本的一部分。其他借款成本則於產生期間支銷。

(aa) 研發

研究活動產生的開支在其產生年度確認為支出。如果某項產品或程序在技術和商業上可行，而且本集團有充足的資源及有意完成開發工作，開發活動的開支便會予以資本化。資本化開支包括物料成本、直接勞工成本及適當比例的經常費用。其他開發開支則在其產生年度確認為支出。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(bb) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.

1 主要會計政策(續)

(bb) 關聯方

- (a) 倘屬以下人士，即該人士或該人士的近親與本集團有關聯：
 - (i) 控制或共同控制本集團；
 - (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層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關聯：
 - (i) 該實體與本集團屬同一集團的成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關聯）。
 - (ii) 一間實體為另一間實體的聯營公司或合營企業（或另一實體為成員公司的集團旗下成員公司的聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方的合營企業。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(bb) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:

(Continued)

- (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).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

1 主要會計政策(續)

(bb) 關聯方(續)

- (b) 倘符合下列任何條件，即實體與本集團有關聯：

(續)

- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (v) 實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃。
- (vi) 實體受(a)所識別人土控制或共同控制。
- (vii) (a)(i)所識別人土對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

一名人士的近親是指與該實體交易時預期可影響該人士或受該人士影響的家庭成員。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(cc) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group operates in a single segment of sale of menswear goods. Accordingly, no segmental analysis is presented.

1 主要會計政策(續)

(cc) 分部報告

於財務報表之營運分部及各分部項目之金額乃於財務報表中確認，並定期向本集團最高行政管理層提供以分配資源及評估本集團各業務類別及地域位置之表現。

個別重大營運分部不會因財務報告而綜合入賬，惟各分部具有類似的經濟性質，以及產品與服務的性質、生產過程的性質、客戶類型或級別、分銷產品或提供服務所採用方法及監管環境的性質相似的情況除外。個別不屬重大的營運分部如符合絕大部分該等標準，則可綜合入賬。

本集團經營單一分部男裝貨品銷售。因此，並無呈列分部分析。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

2 REVENUE

The principal activities of the Group are the sale of menswear and related accessories in the People's Republic of China (the "PRC"). Revenue represents the sales value of goods sold less returns, discounts and value added taxes.

Disaggregation of revenue by sales channels is as follows:

2 收益

本集團之主要活動為於中華人民共和國(「中國」)銷售男裝及相關飾品。收益指貨品的銷售價值減去退貨、折讓及增值稅。

按銷售渠道區分的收益：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Online shops	線上店舖	430,481	283,169
Offline shops	線下店舖		
Wholesales	批發	309,812	328,560
Consignment	代銷	535,853	508,722
Self-owned	自營	1,431	42,263
		847,096	879,545
Less: Products repurchased for consignment business	減：為代銷業務 購回產品	(4,104)	(73,608)
Net Revenue	淨收益	1,273,473	1,089,106

During the year ended 31 December 2018, the Group had two (2017: three) customers with whom transactions have exceeded 10% of the Group's revenue. The amount of sales to these customers during the year ended 31 December 2018 was RMB269,814,000 (2017: RMB358,045,000). Details of concentrations of credit risk arising from these customers are set out in note 27(a).

截至二零一八年十二月三十一日止年度，本集團與兩名(二零一七年：三名)客戶的交易超出本集團收益的10%。截至二零一八年十二月三十一日止年度向該等客戶的銷售額為人民幣269,814,000元(二零一七年：人民幣358,045,000元)。有關該等客戶所產生的集中信貸風險詳情載於附註27(a)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

3 OTHER INCOME

3 其他收入

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest income	利息收入	14,775	13,515
Government grants (i)	政府補助(i)	34,973	13,909
Rental income from investment property (ii)	投資物業租金收入(ii)	2,634	—
Depreciation of investment property	投資物業折舊	(1,607)	—
Net gain on sale of promotion and display materials	銷售推廣及展示材料的淨收益	1,084	1,347
Net foreign exchange (loss)/gain	外匯(虧損)/收益淨額	(6,322)	9,089
Net gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備的收益/(虧損)淨額	1,362	(3,236)
Net fair value gain on financial assets at fair value through profit or loss	按公平值計入損益的金融資產的公平值淨收益	846	2,323
Investment income on available-for-sale financial assets	可供出售金融資產的投資收入	—	234
Others	其他	10,355	5,605
		58,100	42,786

Notes:

附註：

(i) Government grants in the years ended 31 December 2017 and 2018 represented unconditional cash awards granted by government authorities.

(i) 於截至二零一七年及二零一八年十二月三十一日止年度的政府補助指政府部門授予的無條件現金獎勵。

(ii) Total future minimum lease payments receivable by the Group:

(ii) 本集團應收的未來最低租賃付款總額：

Total future minimum lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in the future periods are as follows:

於報告日期存續的不可撤銷經營租賃未來最低租賃付款總額將由本集團於以下未來期間收取：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
within 1 year	一年內	3,677	—
After 1 year but with 5 year	一年後但五年內	11,950	—
After 5 year	五年後	—	—
		15,627	—

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

4 除稅前溢利

除稅前溢利已扣除：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
(a) Finance costs	融資成本		
Interest on bank borrowings and discounting of bank acceptance bills	銀行借款利息及銀行承兌票據貼現	19,891	16,555
(b) Staff costs	員工成本		
Contributions to defined contribution retirement plans (note 24)	界定供款退休計劃供款(附註24)	5,763	5,158
Equity settled share-based payment expenses (note 25)	權益結算以股份為基礎的付款開支(附註25)	1,167	360
Termination benefits	辭退福利	4,206	3,826
Salaries, wages and other benefits	薪金、工資及其他福利	73,821	70,412
		84,957	79,756

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

4 PROFIT BEFORE TAXATION (Continued)

Profit before taxation is arrived at after charging/
(crediting):

4 除稅前溢利(續)

除稅前溢利已扣除／(計入)：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
(c) Other items	其他項目		
Amortisation	攤銷		
– land lease premium	– 土地租賃費用	501	501
– intangible assets	– 無形資產	6,162	5,313
Depreciation	折舊	8,126	11,805
Provision for/(Reversal of)	減值虧損		
impairment losses	撥備／(回撥)		
– trade and	– 貿易及其他應收款項		
other receivables		661	(13,957)
Operating lease charges	關於物業的經營		
in respect of properties	租賃費用		
– minimum lease	– 最低租賃付款		
payments		9,714	18,256
– contingent rentals	– 或有租金	224	5,503
Auditors' remuneration	核數師酬金	3,443	3,241
Research and	研發成本(ii)		
development cost (ii)		24,300	27,224
Cost of inventories (iii)	存貨成本(iii)		
(note 17(b))	(附註 17(b))	736,740	585,327

Notes:

- (i) The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. see note 1(c).
- (ii) For the year ended 31 December 2018, research and development costs include staff costs of employees in the design, research and development department of RMB13,407,000 (2017: RMB17,961,000) which are included in the staff costs as disclosed in note 4(b).
- (iii) Cost of inventories includes carrying amount of inventories sold and write down of inventories.

附註：

- (i) 本集團已於二零一八年一月一日首次應用國際財務報告準則第15號及國際財務報告準則第9號。根據所選擇的過渡方法，並無重列比較資料。參見附註1(c)。
- (ii) 截至二零一八年十二月三十一日止年度，研發成本分別包括設計、研究及開發部門僱員的員工成本人民幣13,407,000元(二零一七年：人民幣17,961,000元)，有關金額計入附註4(b)所披露員工成本內。
- (iii) 存貨成本包括已售存貨的賬面值及存貨撇減。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

5 綜合損益及其他全面收益表中的所得稅

(a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

(a) 綜合損益及其他全面收益表中的所得稅指：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax	即期稅項		
PRC Corporate Income Tax (iii)	中國企業所得稅 (iii)	84,936	59,847
Hong Kong Profits Tax (ii)	香港利得稅 (ii)	28	682
Under-provision in respect of prior years	過往年度的撥備不足	43	1,417
PRC withholding tax	中國預扣稅		
– dividend (iv)	– 股息 (iv)	8,500	7,400
– others	– 其他	1,902	401
		95,409	69,747
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (note 16(b))	產生及撥回暫時性差額 (附註 16(b))	(14,701)	11,821
		80,708	81,568

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) For the years ended 31 December 2018 and 2017, the provision for Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2017-18 subject to maximum reduction of \$30,000 for each business (2017: a maximum reduction of \$20,000 was granted for the year of assessment 2016-17 and was taken into account in calculating the provision for 2017).

附註：

- (i) 根據開曼群島及英屬處女群島 (「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。
- (ii) 截至二零一八年及二零一七年十二月三十一日止年度，香港利得稅撥備按年內估計應課稅溢利的 16.5% 計算，當中計及香港特區政府就二零一七至一八評稅年度授出的減免，即每間企業應付稅項的 75%，最高減免 30,000 港元 (二零一七年：就二零一六至一七評稅年度授出最高 20,000 港元的減免並已在計算二零一七年的撥備時計及)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

(a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents: (Continued)

Notes: (Continued)

(iii) The statutory income tax rate applicable to the Company's subsidiaries in the mainland China is 25% for the year ended 31 December 2018 (2017: 25%), except a newly set-up subsidiary which was registered in Xinjiang Uygur Autonomous Region Korgos Economic Development Zone and entitled to a 5-year income tax exemption from the first year that it generates its operating income.

(iv) According to the Corporate Income Tax Law and its implementation rules, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. In addition, under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident will be liable for withholding tax at the rate of 5% for dividend income derived from the PRC if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interests of the PRC company. Deferred tax liabilities have been provided for in this regard based on the expected dividends to be distributed from these subsidiaries in the foreseeable future in respect of the profits generated since 1 January 2008. The Group adopted 5% withholding tax rate for the year ended 31 December 2018 (before 5 August 2017: 10%, since 5 August 2017: 5%).

Dividend withholding tax represents tax charged by the PRC tax authority and dividend distributed by the Group and subsidiary in the mainland China during the year.

5 綜合損益及其他全面收益表中的所得稅(續)

(a) 綜合損益及其他全面收益表中的所得稅指：(續)

附註：(續)

(iii) 截至二零一八年十二月三十一日止年度適用於本公司附屬公司之中國大陸法定所得稅率為25%(二零一七年：25%)，惟一間於新疆維吾爾自治區霍爾果斯經濟開發區註冊的新建立附屬公司除外，並於其產生經營收入的首個年度起享有5年的所得稅豁免。

(iv) 根據企業所得稅法及其實施細則，非中國企業居民就自二零零八年一月一日起產生的溢利應收中國企業的股息須按10%的稅率繳納預扣稅，除非經稅收協定或安排削減。此外，根據內地與香港避免雙重徵稅安排及其有關法規，倘香港稅務居民為「實益擁有人」並持有中國公司的25%或以上的股權，則合資格的香港稅務居民將須就於中國產生的股息收入按5%的稅率繳納預扣稅。已根據該等附屬公司就自二零零八年一月一日起產生的溢利於可預見未來將予分派預期股息就此計提遞延稅項負債。本集團已就截至二零一八年十二月三十一日止年度採納5%的預扣稅(於二零一七年八月五日前：10%，自二零一七年八月五日起：5%)。

股息預扣稅指中國稅務機關就本集團及於中國內地的附屬公司年內分派的股息扣除的稅項。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

5 綜合損益及其他全面收益表中的所得稅(續)

(b) 稅項開支與按適用稅率計算的會計溢利的對賬：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	290,951	284,781
Notional tax on profit before taxation, calculated at the standard tax rates applicable to the respective tax jurisdictions	按適用於各稅務權區標準稅率計算的除稅前溢利的名義稅項	72,693	71,834
Effect of non-deductible expenses	不可扣稅開支的影響	1,007	2,369
Effect of non-taxable income	毋須課稅收入的影響	(642)	(401)
Effect of tax losses not recognised	未確認稅項虧損的影響	3,672	1,879
Statutory tax concession	法定稅務減免	-	(1,966)
Under-provision in prior years	過往年度的撥備不足	43	1,417
PRC dividend withholding tax (Note 16(b))	中國股息預扣稅(附註 16(b))	1,748	6,543
Other withholding tax	其他預扣稅	1,902	401
Others	其他	285	(508)
Actual tax expense	實際稅項開支	80,708	81,568

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

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6 DIRECTORS' EMOLUMENTS

6 董事薪酬

The details of directors' emoluments are disclosed as follows:

董事薪酬詳情披露如下：

		Salaries, allowances and benefits		Retirement scheme		Equity-settled share-based payments		2018 Total
		Directors' fee	in kind	Discretionary bonuses	contributions	Sub-total	(note ii)	
		薪金、董事袍金	津貼及實物福利	酌情花紅	退休計劃供款	小計	以股份為基礎的股權結算付款 (附註ii)	二零一八年總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors		執行董事						
Mr. Ziming Yang	楊紫明先生	-	16	-	25	41	-	41
Mr. Siu Keung Ng	吳少強先生	143	299	-	54	496	37	533
Mr. Rongqin Ke	柯榕欽先生	165	158	-	45	368	153	521
Mr. Qiang Wei (i)	韋強先生(i)	64	56	-	15	135	-	135
Independent non-executive directors		獨立非執行董事						
Mr. Yung Kwok Tsui	徐容國先生	307	-	-	-	307	-	307
Mr. Honghui Chen	陳宏輝先生	307	-	-	-	307	-	307
Mr. Ming Shu Leung	梁銘樞先生	307	-	-	-	307	-	307
Total	總計	1,293	529	-	139	1,961	190	2,151

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

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6 DIRECTORS' EMOLUMENTS

(Continued)

6 董事薪酬(續)

	Directors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (note ii)	2017 Total
	董事袍金	薪金、津貼及實物福利	酌情花紅	退休計劃供款	小計	以股份為基礎的股權結算付款 (附註ii)	二零一七年總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Mr. Ziming Yang	楊紫明先生	–	16	–	15	31	31
Mr. Siu Keung Ng	吳少強先生	138	247	47	37	469	469
Mr. Rongqin Ke	柯榕欽先生	172	189	53	29	443	476
Mr. Qiang Wei	韋強先生	168	145	42	22	377	377
Independent non-executive directors	獨立非執行董事						
Mr. Yung Kwok Tsui	徐容國先生	311	–	–	–	311	311
Mr. Honghui Chen	陳宏輝先生	281	–	–	–	281	281
Mr. Ming Shu Leung	梁銘樞先生	311	–	–	–	311	311
Total	總計	1,381	597	142	103	2,223	2,256

Notes:

(i) Mr. Qiang Wei resigned as an executive director with effect from 19 May 2018.

(ii) These represent the estimated value of share options granted to the directors under the Company's share option schemes. The value of these share options is measured according to the Group's accounting policies for share based payment transactions as set out in note 1(u)(ii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share Option Schemes" in Report of The Directors and note 25.

附註：

(i) 韋強先生已自二零一八年五月十九日起辭任執行董事。

(ii) 該等金額指根據本公司之購股權計劃向董事授出的購股權的估計價值。該等購股權的價值乃根據附註1(u)(ii)所載本集團就以股份為基礎付款交易的會計政策而計量。

該等實物福利詳情，包括主要條款及所授出購股權數目於董事會報告「購股權計劃」一段及附註25披露。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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7 INDIVIDUAL WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 2 (2017: none) are directors whose emoluments are disclosed in note 6 above. The aggregate of the emoluments in respect of the remaining individuals are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他薪酬	2,834	3,949
Contributions to retirement benefit scheme	退休福利計劃供款	86	74
Discretionary bonus	酌情花紅	—	871
Equity settled share-based payments	以股份為基礎的股權結算付款	343	60
		3,263	4,954

The emoluments of the three (2017: five) individuals with the highest emoluments are within the following bands:

		2018 二零一八年 Number of individuals 人數	2017 二零一七年 Number of individuals 人數
HK\$500,000 to HK\$1,000,000	500,000 港元至 1,000,000 港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	1
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	2

7 最高薪酬人士

五名最高薪酬人士中包括兩名董事(二零一七年：無)，彼等的薪酬於上文附註6披露。餘下個別人士的薪酬總額如下：

三名(二零一七年：五名)最高薪酬人士的薪酬介乎下列範圍：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

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8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of 668,157,000 ordinary shares (2017: 689,547,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

8 每股盈利

(a) 每股基本盈利

每股基本盈利乃以本公司普通權益持有人應佔溢利及年內的已發行普通股加權平均數 668,157,000 股 (二零一七年: 689,547,000 股) 為基準計算如下:

普通股加權平均數

	2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Issued ordinary shares at 1 January 於一月一日的已發行普通股	667,264	711,478
Effect of share options exercised (note 26(c)(iii)) 行使購股權的影響 (附註 26(c)(iii))	893	244
Effect of shares repurchased (note 26(c)(ii)) 購回股份的影響 (附註 26(c)(ii))	-	(22,175)
Weighted average number of ordinary shares at 31 December 於十二月三十一日的普通股加權平均數	668,157	689,547

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

8 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares of 668,907,000 shares (2017: 690,042,000), calculated as follows:

Weighted average number of ordinary shares (diluted)

8 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃以本公司普通股權持有人應佔溢利及普通股加權平均數 668,907,000 股(二零一七年：690,042,000 股)為基準計算如下：

普通股加權平均數(攤薄)

	2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Weighted average number of ordinary shares at 31 December 於十二月三十一日的普通股加權平均數	668,157	689,547
Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 25) 視作根據本公司購股權計劃以零代價發行股份的影響(附註25)	750	495
Weighted average number of ordinary shares (diluted) at 31 December 於十二月三十一日的普通股加權平均數(攤薄)	668,907	690,042

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

9 INVESTMENT PROPERTY

9 投資物業

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2017	於二零一七年一月一日	—
Reclassification from other property plant and equipment	自其他物業、廠房及 設備重新分類	42,990
At 31 December 2018	於二零一八年十二月三十一日	42,990
Accumulated depreciation:	累計折舊：	
At 1 January 2017	於二零一七年一月一日	—
Reclassification from other property plant and equipment	自其他物業、廠房及 設備重新分類	1,776
Charge for the year	年內扣除	1,607
At 31 December 2018	於二零一八年十二月三十一日	3,383
Net book value:	賬面淨值：	
At 31 December 2018	於二零一八年十二月三十一日	39,607
At 31 December 2017	於二零一七年十二月三十一日	—

Investment property of the Group is situated in the PRC.

本集團的投資物業位於中國。

Assets leased out under operating leases

The Group leases out an investment property under operating leases. The lease typically runs for an initial period of 5 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased every 5 years to reflect market rentals. The lease does not include contingent rentals.

All properties held under operating leases that would otherwise meet the definition of investment property are classified as investment property.

Included in investment property, property of RMB39,607,000 (2017: nil) is held under operating leases that would otherwise meet the definition of investment property. The carrying amount of the investment property was not materially different from its fair value as at 31 December 2018.

經營租賃項下租出的資產

本集團根據經營租賃租出投資物業。租賃的初始存續期間通常為5年，其後可選擇續訂租約，屆時所有條款均重新磋商。租賃付款通常每五年上調一次以反映市場租金。租賃並不包括或然租金。

於經營租賃項下持有的所有物業另行符合投資物業定義者分類為投資物業。

投資物業包括經營租賃項下持有另行符合投資物業定義的人民幣39,607,000元(二零一七年：零)的物業。於二零一八年十二月三十一日，投資物業的賬面值與其公平值相比並無重大差異。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

10 OTHER PROPERTY, PLANT AND EQUIPMENT

10 其他物業、廠房及設備

		Leasehold improvements	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Construction in progress	Total
		租賃物業裝修	廠房及機器	汽車	傢俬、裝置及設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本：						
At 1 January 2017	於二零一七年一月一日	37,067	1,406	11,321	26,078	38,002	113,874
Additions	添置	888	796	33	4,392	27,423	33,532
Disposals	出售	(11,307)	-	(294)	(476)	-	(12,077)
Transfer	轉撥	1,730	40,851	-	24	(42,605)	-
Exchange adjustment	匯兌調整	(20)	-	(107)	(16)	-	(143)
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	28,358	43,053	10,953	30,002	22,820	135,186
Additions	添置	46	6,186	3,203	1,252	27,567	38,254
Disposals	出售	(4,784)	(4,458)	(150)	(1,813)	-	(11,205)
Transfer	轉撥	2,761	33,183	-	-	(35,944)	-
Reclassification to investment property	重新分類至投資物業	-	(42,990)	-	-	-	(42,990)
Exchange adjustment	匯兌調整	14	-	76	119	-	209
At 31 December 2018	於二零一八年十二月三十一日	26,395	34,974	14,082	29,560	14,443	119,454
Accumulated depreciation:	累計折舊：						
At 1 January 2017	於二零一七年一月一日	24,142	814	9,818	21,579	-	56,353
Charge for the year	年內扣除	6,592	1,941	220	3,052	-	11,805
Written back on disposals	出售撥回	(5,371)	(184)	(77)	(336)	-	(5,968)
Exchange adjustment	匯兌調整	(20)	-	(48)	(12)	-	(80)
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	25,343	2,571	9,913	24,283	-	62,110
Charge for the year	年內扣除	1,935	1,693	232	2,659	-	6,519
Written back on disposals	出售撥回	(4,457)	(616)	(96)	(1,652)	-	(6,821)
Reclassification to investment property	重新分類至投資物業	-	(1,776)	-	-	-	(1,776)
Exchange adjustment	匯兌調整	14	-	61	21	-	96
At 31 December 2018	於二零一八年十二月三十一日	22,835	1,872	10,110	25,311	-	60,128
Net book value:	賬面淨值：						
At 31 December 2018	於二零一八年十二月三十一日	3,560	33,102	3,972	4,249	14,443	59,326
At 31 December 2017	於二零一七年十二月三十一日	3,015	40,482	1,040	5,719	22,820	73,076

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

11 INTERESTS IN LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASES

11 經營租賃下持作自用之租賃土地之權益

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2017	於二零一七年一月一日	23,400
Additions	添置	494
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	23,894
Additions	添置	—
At 31 December 2018	於二零一八年十二月三十一日	23,894
Accumulated amortisation:	累計攤銷：	
At 1 January 2017	於二零一七年一月一日	81
Charge for the year	年內扣除	501
At 31 December 2017	於二零一七年十二月三十一日	582
Charge for the year	年內扣除	501
At 31 December 2018	於二零一八年十二月三十一日	1,083
Net book value:	賬面淨值：	
At 31 December 2018	於二零一八年十二月三十一日	22,811
At 31 December 2017	於二零一七年十二月三十一日	23,312

Interests in leasehold land held for own use under operating leases represented the Group's land use rights on leasehold land located in the PRC.

At 31 December 2018, the remaining useful life of the land use rights was 46 years (2017: 47 years).

經營租賃下持作自用之租賃土地之權益指本集團位於中國之租賃土地之土地使用權。

於二零一八年十二月三十一日，土地使用權之剩餘使用年期為46年(二零一七年：47年)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

12 INTANGIBLE ASSETS

12 無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2017	於二零一七年一月一日	48,788	9,050	57,838
Addition	添置	10,698	–	10,698
Disposals	出售	(17)	–	(17)
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	59,469	9,050	68,519
Additions	添置	3,612	–	3,612
Disposals	出售	(320)	–	(320)
At 31 December 2018	於二零一八年 十二月三十一日	62,761	9,050	71,811
Accumulated amortisation:	累計攤銷：			
At 1 January 2017	於二零一七年一月一日	20,753	2,237	22,990
Charge for the year	年內扣除	5,313	–	5,313
Written back on disposals	於出售時撥回	(2)	–	(2)
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	26,064	2,237	28,301
Charge for the year	年內扣除	6,162	–	6,162
Written back on disposals	於出售時撥回	(45)	–	(45)
At 31 December 2018	於二零一八年 十二月三十一日	32,181	2,237	34,418
Net book value:	賬面淨值：			
At 31 December 2018	於二零一八年 十二月三十一日	30,580	6,813	37,393
At 31 December 2017	於二零一七年 十二月三十一日	33,405	6,813	40,218

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

12 INTANGIBLE ASSETS (Continued)

The amortisation charge of intangible assets for the year is included in “administrative and other operating expenses” and “selling and distribution expenses” in the consolidated statement of profit or loss and other comprehensive income.

12 無形資產(續)

年內無形資產攤銷費用乃計入綜合損益及其他全面收益表項下的「行政及其他營運開支」及「銷售及分銷開支」。

13. INTEREST IN AN ASSOCIATE

Particulars of the associate which is an unlisted domestic enterprise in the PRC whose quoted market price is not available:

13 於一間聯營公司的權益

該聯營公司(為一間中國非上市境內企業，其市場報價並不可得)的詳情如下：

Name of associate 聯營公司名稱	Particulars of issued and paid up capital 已發行及已 繳足資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要活動
		Group's effective interest 本集團的 實際權益	Held by the Company 本公司所持有	Held by a subsidiary 附屬 公司所持有	
Guangzhou Huazhi Investments Co., Ltd. ("Huazhi Investments")* (note) 廣州華智投資有限公司 (「華智投資」)(附註)	RMB100,000,000 人民幣 100,000,000 元	33%	—	33%	Properties construction 物業建造

* The English translation of the Company name is for reference only. The official name of the Company is in Chinese.

* 公司名稱的英文翻譯僅供識別。正式的官方公司名稱為中文。

Note: The associate is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

附註：該聯營公司乃使用權益法在綜合財務報表內入賬。該聯營公司的財務資料概要於作出任何會計政策差異調整，並與綜合財務報表的賬面值進行對賬後披露如下：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

13. INTEREST IN AN ASSOCIATE (Continued) 13 於一間聯營公司的權益(續)

		RMB'000 人民幣千元
Gross amounts of the associate	聯營公司的總金額	
Current assets	流動資產	253,022
Non-current assets	非流動資產	3
Current liabilities	流動負債	(136,611)
Non-current liabilities	非流動負債	–
Equity	股權	116,414
Revenue	收益	–
Loss for the year	年內虧損	(686)
Total comprehensive income	全面收入總額	(686)
Reconciled to the Group's interests in the associate	與本集團於聯營公司的權益對賬	
Gross amounts of net assets of the associate	聯營公司資產淨值總額	116,414
Group's effective interest	本集團的實際權益	33%
Group's share of net assets of the associate	本集團應佔聯營公司資產淨值	38,417
Goodwill	商譽	10,932
Carrying amount in the consolidated financial statements	於綜合財務報表內的賬面值	49,349

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

14 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

14 於附屬公司的投資

下表僅載列對本集團業績、資產或負債有重大影響的附屬公司詳情。除另有指明外，所持股份屬普通股。

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Particulars of issued and paid up capital 已發行及繳足資本詳情	Proportion of ownership interest 擁有權權益比例			Principal activities 主要活動
			Group's effective interest 本集團的實際權益	Held by the Company 本公司所持有	Held by the subsidiaries 附屬公司所持有	
Cabbeen Clothing China Co., Ltd.* (note) ("Cabbeen China") 卡賓服飾(中國)有限公司(附註) (「卡賓中國」)	PRC 中國	HK\$50,000,000 50,000,000港元	100%	–	100%	Wholesale of menswear 批發男裝
Guangzhou Cabbeen Clothing Co., Ltd.* (note) 廣州市卡賓服飾有限公司(附註)	PRC 中國	HK\$20,000,000 20,000,000港元	100%	–	100%	Wholesale of menswear 批發男裝
Quanzhou Mijie Electronic Commerce Co., Ltd.* (note) 泉州市邁捷電子商務有限公司(附註)	PRC 中國	Nil 零	100%	–	100%	Wholesale of menswear 批發男裝
Guangzhou Zixi Enterprise Management Co., Ltd.* (note) 廣州市紫曦企業管理有限公司(附註)	PRC 中國	HK\$8,000,000 8,000,000港元	100%	–	100%	Trademark holding and retail of menswear 商標持有及男裝零售
Guangzhou Cabbeen Clothing Trading Co., Ltd.* 廣州卡賓服飾貿易有限公司	PRC 中國	RMB6,000,000 人民幣6,000,000元	100%	–	100%	Online sales of menswear 電商男裝銷售
Guangzhou Huazhi Development Co., Ltd.* 廣州華智置業發展有限公司	PRC 中國	RMB65,000,000 人民幣65,000,000元	60.6%	–	60.6%	Real estate development 房地產開發
Niujiangling Real Estate (Guangzhou) Co., Ltd.* (note) 牛角嶺置業(廣州)有限公司(附註)	PRC 中國	RMB65,000,000 人民幣65,000,000元	60.6%	–	60.6%	Real estate development 房地產開發

Note: These are wholly foreign-owned enterprises in the PRC.

附註：該等公司為中國外商獨資企業。

* The English translation of the companies' names is for reference only. The official names of these companies are in Chinese.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

14 INVESTMENTS IN SUBSIDIARIES 14 於附屬公司的投資(續)

(Continued)

The following table lists out the information relating to Niujiangling Real Estate (Guangzhou) Co., Ltd. and Guangzhou Huazhi Development Co., Ltd. ("Huazhi Development"), the two subsidiaries of the Group which have material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

下表載列有關牛角嶺置業(廣州)有限公司及廣州華智置業發展有限公司(「華智發展」)(本集團兩間擁有重大非控股權益之附屬公司)之資料。下列財務資料概要指扣除任何公司間對銷前之金額。

Niujiangling Real Estate (Guangzhou) Co., Ltd.:

牛角嶺置業(廣州)有限公司：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
NCI percentage	非控股權益百分比	39.4%	39.4%
Current assets	流動資產	64,973	5,215
Non-current assets	非流動資產	—	64,118
Current liabilities	流動負債	(2)	(922)
Non-current liabilities	非流動負債	—	—
Net assets	資產淨值	64,971	68,411
Carrying amount of NCI	非控股權益賬面值	25,599	26,954
Revenue	收益	—	—
(Loss)/profit for the year	年內(虧損)/溢利	(3,440)	3,411
Total comprehensive income	全面收益總額	(3,440)	3,411
(Loss)/profit allocated to NCI	分配至非控股權益 之(虧損)/溢利	(1,355)	1,344
Dividend paid to NCI	派付予非控股權益之股息	—	—
Cash flows from operating activities	經營活動所得現金流量	(2)	(34)
Cash flows from investing activities	投資活動所得現金流量	—	(65,840)
Cash flows from financing activities	融資活動所得現金流量	—	65,930

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

14 INVESTMENTS IN SUBSIDIARIES 14 於附屬公司的投資(續)

(Continued)

Huazhi Development:

華置發展：

		2018 二零一八年 RMB'000 千元
NCI percentage	非控股權益百分比	39.4%
Current assets	流動資產	47,984
Non-current assets	非流動資產	49,810
Current liabilities	流動負債	(32,003)
Non-current liabilities	非流動負債	—
Net assets	資產淨值	65,791
Carrying amount of NCI	非控股權益面值	25,922
Revenue	收益	—
Loss for the year	年內虧損	(209)
Total comprehensive income	全面收益總額	(209)
Loss allocated to NCI	分配至非控股權益之虧損	(82)
Dividend paid to NCI	派付予非控股權益之股息	—
Cash flows from operating activities	經營活動所得現金流量	(16)
Cash flows from investing activities	投資活動所得現金流量	(97,840)
Cash flows from financing activities	融資活動所得現金流量	98,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

15. OTHER LOANS RECEIVABLE

Other loan receivables as at 31 December 2017 consisted of two loans. One of the loans was a loan to a third party with face value of RMB15,840,000 and bears an interest at 30% above PBOC base interest rate and is repayable by July 2019. The second loan receivable as at 31 December 2017 was an additional loan with face value of RMB50,000,000, which was interest free and carried a conversion option to acquire 33% equity interest in a company (the "Huazhi Investments", see note 13) holding a piece of land in Guangzhou City, the PRC. Conversion option would be lapsed by July 2019 should the conversion criteria are not met and the loan would become due and payable. Both loans were guaranteed by the third party's 50% equity interest in Huazhi Investments. Loans receivable were recorded at amortized cost as non-current other loans receivable while the conversion options was recorded as other financial asset at fair value through profit or loss as at 31 December 2017. In August 2018, the Group received the repayment of other loans receivable amounted to RMB65,840,000 from the third party, and invested in Huazhi Investments via the newly established subsidiary, Huazhi Development (Notes 13 and 14).

15 其他應收貸款

於二零一七年十二月三十一日的其他應收貸款包括兩項貸款。其中一項貸款乃授予一項第三方的貸款，賬面值為人民幣15,840,000元及按中國人民銀行基準利率上浮30%計息並須於二零一九年七月前償還。於二零一七年十二月三十一日的第二項應收貸款為一項賬面值為人民幣50,000,000元的新增貸款，其為免息並附有收購一間持有一幅中國廣州市地塊的公司（「華智投資」，見附註13）33%股權的轉換權。倘未符合轉換標準及該貸款到期及應償還，該轉換權將於二零一九年七月失效。該兩項貸款由第三方於華智投資的50%股權作擔保。於二零一七年十二月三十一日，應收貸款乃按攤銷成本入賬為非流動其他應收貸款，而轉換權入賬列為按公平值計入損益之其他金融資產。於二零一八年八月，本集團自第三方取得人民幣65,840,000元的其他應收貸款還款，並透過新成立的附屬公司華智發展投資於華智投資（附註13及14）。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

16 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
PRC Corporate Income Tax 中國企業所得稅	34,084	19,293
Hong Kong Profits Tax 香港利得稅	811	636
	34,895	19,929

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Inventory provision	Allowances for doubtful debts	Accrued expenses	Unrealised profits	PRC dividend withholding tax relating to the undistributed profits of the Company's PRC subsidiaries* 有關本公司中國附屬公司未分派溢利的中國股息預扣稅*	Total
以下各項所產生遞延稅項：	存貨撥備 RMB'000 人民幣千元	呆賬撥備 RMB'000 人民幣千元	應計開支 RMB'000 人民幣千元	未變現溢利 RMB'000 人民幣千元	中國股息預扣稅* RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2017 於二零一七年一月一日	4,583	3,489	10,031	19,683	(11,577)	26,209
Credited/(charged) to profit or loss (note 5(a)) 計入/(扣除自)損益(附註5(a))	8,439	(3,489)	(5,316)	(12,312)	857	(11,821)
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	13,022	-	4,715	7,371	(10,720)	14,388
Credited to profit or loss (note 5(a)) 計入損益(附註5(a))	2,877	165	2,743	2,164	6,752	14,701
At 31 December 2018 二零一八年十二月三十一日	15,899	165	7,458	9,535	(3,968)	29,089

(a) 綜合財務狀況表內的即期稅項指：

(b) 已確認的遞延稅項資產及負債：

(i) 遞延稅項資產及負債的各部分變動

於綜合財務狀況表確認的遞延稅項資產/(負債)的組成部分及年內變動如下：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

16 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised: (Continued)

(i) Movement of each component of deferred tax assets and liabilities (Continued)

* The amount included the provision of withholding tax on profits of the PRC subsidiaries amounting to RMB1,748,000 for the year ended 31 December 2018 (2017: RMB6,543,000), and the reversal of deferred tax liabilities on withholding tax upon distribution of dividends amounting to RMB8,500,000 during the year ended 31 December 2018 (2017: RMB7,400,000).

16 綜合財務狀況表內的所得稅 (續)

(b) 已確認的遞延稅項資產及負債：(續)

(i) 遞延稅項資產及負債的各部分變動(續)

* 該金額包括就截至二零一八年十二月三十一日止年度之中國附屬公司溢利作出的預扣稅撥備人民幣1,748,000元(二零一七年：人民幣6,543,000元)，及於截至二零一八年十二月三十一日止年度就派息後的預扣稅作出的遞延稅項負債撥回人民幣8,500,000元(二零一七年：人民幣7,400,000元)。

(ii) Reconciliation to the consolidated statement of financial position

(ii) 綜合財務狀況表對賬

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net deferred tax asset recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項資產淨值	33,257	26,158
Net deferred tax liability recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項負債淨額	(4,168)	(11,770)
		29,089	14,388

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

16 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(c) Deferred tax assets not recognised

The Group did not recognise deferred tax assets in respect of cumulative tax losses of certain PRC subsidiaries of RMB14,761,000 (2017: RMB9,408,000), which will expire in five years under the current tax legislation. The tax effect on such tax losses has not been recognised as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

(d) Deferred tax liabilities not recognised

Deferred tax liabilities in respect of the PRC dividend withholding tax relating to certain undistributed profits of the Company's PRC subsidiaries were not recognised as the Company controls the dividend policy of these subsidiaries. Based on the assessment made by management as at the end of each reporting period, it was determined that the undistributed profits of RMB900,710,000 (2017: RMB708,785,000) of the Company's PRC subsidiaries would not be distributed in the foreseeable future.

16 綜合財務狀況表內的所得稅(續)

(c) 未確認的遞延稅項資產

本集團並無確認有關若干中國附屬公司的累計稅項虧損人民幣14,761,000元(二零一七年：人民幣9,408,000元)的遞延稅項資產，其在現行稅法項下將於五年後屆滿。由於相關實體日後不大可能於相關稅務權區有能用以抵銷虧損的應課稅溢利，故並無確認有關該等稅項虧損的稅務影響。

(d) 未確認的遞延稅項負債

並無確認與本公司中國附屬公司的若干未分派溢利有關的中國股息預扣稅的遞延稅項負債，原因為本公司控制該等附屬公司的股息政策。按照管理層於各報告期結束時作出的評估，已決定本公司中國附屬公司的未分派溢利人民幣900,710,000元(二零一七年：人民幣708,785,000元)將不會於可見將來分派。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

17 INVENTORIES

17 存貨

- (a) Inventories in the consolidated statement of financial position comprise:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	原材料	22,373	12,582
Finished goods	製成品	361,205	324,470
		383,578	337,052

- (a) 綜合財務狀況表的存貨包括：

- (b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount of inventories sold	已出售存貨的賬面值	694,730	551,493
Write down of inventories	存貨撇減	42,010	33,834
		736,740	585,327

- (b) 確認為開支並計入損益的存貨金額分析如下：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

18 TRADE AND OTHER RECEIVABLES 18 貿易及其他應收款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	363,867	334,017
Bills receivable	應收票據	—	12,500
Less: Loss allowance	減：虧損撥備	(661)	—
Trade and bills receivables	貿易應收款項及應收票據	363,206	346,517
Prepayments to suppliers	向供應商預付款項	124	7,414
Other deposits, prepayments and receivables (Note)	其他按金、預付款項及應收款項(附註)	143,063	91,898
		506,393	445,829

All of the current trade and other receivables are expected to be recovered or recognised as expense within one year, except for the Group's deposits of RMB1,966,000 (2017: RMB2,201,000), which are expected to be recovered after more than one year.

Note: Included in other deposits, prepayment and receivable, as at 31 December 2018:

(1) there are two loans with face value of RMB15,840,000 and RMB32,000,000 to Huazhi Investments which are repayable by July 2019 and August 2019, respectively. Both loans bear an interest at 30% above The People's Bank of China ("PBOC") base interest rate. The loans were recorded at amortized cost as at 31 December 2018;

(2) there is one loan with face value of RMB 25,610,000 to one of the minority shareholders of the Group, which was secured by above shareholder's minority interest in the Group's subsidiary.

所有即期貿易及其他應收款項預期將於一年內收回或確認為開支，惟預期將於超過一年後收回的本集團的按金人民幣1,966,000元(二零一七年：人民幣2,201,000元)除外。

附註：於二零一八年十二月三十一日的其他按金、預付款項及應收款項包括：

(1) 授予華智投資的賬面值為人民幣15,840,000元及人民幣32,000,000元的兩項貸款，分別應於二零一九年七月及二零一九年八月償還。兩項貸款按中國人民銀行(「中國人民銀行」)基準利率上浮30%計息。該等貸款乃於二零一八年十二月三十一日按攤銷成本入賬；

(2) 授予本集團一名少數股東的一項公平值為人民幣25,610,000元的貸款，乃由上述股東於本集團附屬公司的少數股東權利擔保。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

18 TRADE AND OTHER RECEIVABLES

(Continued)

The Group accepts bank acceptance bills from major banks in the PRC for settlement of trade debts. The management considered that the risk of these bills relates substantially to credit risk. Accordingly, when these bills were transferred by either discounting or endorsement, they were derecognised as a financial asset. At 31 December 2018, the Group transferred bank acceptance bills totalling RMB257,030,000 (2017: RMB293,280,000), and derecognised them as financial assets. These bank acceptance bills will mature six months from the date of issue.

(a) Ageing analysis

Included in trade and other receivables are trade and bills receivable with the following ageing analysis based on invoice date and net of loss allowance as at 31 December 2018 and 2017 are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 3 months	三個月以內	292,839	254,317
More than 3 months but within 6 months	三個月以上六個月以內	69,794	76,356
More than 6 months but within 1 year	六個月以上一年以內	573	15,814
More than 1 year	一年以上	—	30
		363,206	346,517

Trade and bills receivables are due within 180-270 days from the date of billing. Further details on the Group's credit policy are set out in note 27(a).

18 貿易及其他應收款項(續)

本集團就結清貿易債項接納中國主要銀行的銀行承兌票據。管理層認為該等票據的風險主要與信貸風險有關。因此，當該等票據透過貼現或背書轉讓時，該等票據已終止確認為金融資產。於二零一八年十二月三十一日，本集團已轉讓總額為人民幣257,030,000元(二零一七年：人民幣293,280,000元)的銀行承兌票據，並終止確認其為金融資產。該等銀行承兌票據將自發行日期起計六個月到期。

(a) 賬齡分析

於二零一八年及二零一七年十二月三十一日計入貿易及其他應收款項的貿易應收款項及應收票據扣除虧損撥備後根據發票日期的賬齡分析如下：

貿易應收款項及應收票據於開票日期起計180至270日內到期。有關本集團信貸政策的進一步詳情載於附註27(a)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

18 TRADE AND OTHER RECEIVABLES

(Continued)

(b) Impairment of trade and bills receivables

The movement in the loss allowance for trade receivables during the year is as follows:

18 貿易及其他應收款項(續)

(b) 貿易應收款項及應收票據的減值

年內之貿易應收款項虧損撥備變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	—	13,957
Impairment loss recognised/(reversed)	確認／(撥回)減值虧損	661	(13,957)
Uncollectible amounts written off	撇銷不可收回款項	—	—
At 31 December	於十二月三十一日	661	—

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

19 OTHER FINANCIAL ASSETS

19 其他金融資產

	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元	At 1 January 2018 於二零一八年 一月一日 RMB'000 人民幣千元	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元
Available-for-sale financial assets (i) 可供出售金融資產(i)	-	-	188,000
Financial assets at fair value through profit or loss 按公平值計入損益之金融資產			
- Convertible Loan (note 15) - 可轉換貸款(附註15)	-	52,404	-
- Conversion option - 可轉換期權	-	-	5,159
- Wealth management products (ii) - 理財產品(ii)	60,000	248,000	60,000
	60,000	300,404	253,159

Note: Upon the adoption of IFRS 9, an opening adjustment as at 1 January 2018 was made to reclassify the entire Available-for-sale financial assets and entire convertible loans to financial assets at fair value through profit or loss.

附註：於採納國際財務報告準則第9號後，於二零一八年一月一日乃作出期初調整以重新分類全部可供出售金融資產及全部可轉換貸款至按公平值計入損益的金融資產。

(i) Available-for-sale financial assets as at 31 December 2017 were seven principal-guaranteed wealth management products issued by banks in the PRC with principal amount of RMB188,000,000. These wealth management products were matured in 2018.

(i) 於二零一七年十二月三十一日，可供出售金融資產為七項由中國之銀行發行的保本型理財產品，本金額為人民幣188,000,000元。該等理財產品已於二零一八年內到期。

(ii) Included in financial assets at fair value through profit or loss as at 31 December 2017 and 2018 were principal-guaranteed wealth management products issued by a bank in the PRC with maturity period within one year, amounting to RMB60,000,000 (2017: RMB60,000,000).

(ii) 於二零一七年及二零一八年十二月三十一日按公平值計入損益之金融資產包括由中國之銀行發行的於一年內到期的保本型理財產品，金額為人民幣60,000,000元(二零一七年：人民幣60,000,000元)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

20 PLEDGED BANK DEPOSITS

Bank deposits have been pledged as security for bills payable (note 23) and banking facilities. The pledged bank deposits will be released upon the settlement of relevant bills payable and expiration of banking facilities.

20 已抵押銀行存款

銀行存款已抵押作為應付票據(附註23)及銀行授信的擔保。已抵押銀行存款將於清償有關應付票據或銀行授信到期後解除。

21 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash at bank and on hand 銀行存款及手頭現金	211,198	122,978
Other deposit 其他存款	9,286	11,615
Cash and cash equivalents 於綜合財務狀況表的 in the consolidated 現金及現金等價物 financial position	220,484	134,593

At 31 December 2018, cash and cash equivalents placed with banks in the mainland China amounted to RMB210,877,000 (2017: RMB112,658,000). Remittance of funds out of mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

(a) 現金及現金等價物包括：

於二零一八年十二月三十一日，存置於中國內地銀行的現金及現金等價物為人民幣210,877,000元(二零一七年：人民幣112,658,000元)。自中國內地匯出的資金須遵守中國政府頒佈的外匯管制的相關規則及法規。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

21 CASH AND CASH EQUIVALENTS

(Continued)

(b) Reconciliation of profit before taxation to cash generated from operations:

21 現金及現金等價物(續)

(b) 除稅前溢利與經營活動所得現金的對賬：

	Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	290,951	284,781
Adjustments for:	調整：		
Depreciation	折舊 4(c)	8,126	11,805
Amortisation of intangible assets	無形資產攤銷 4(c)	6,162	5,313
Amortisation of lease prepayments	租賃預付款項攤銷 4(c)	501	501
Share of loss of an associate	分佔一間聯營公司虧損	190	—
Finance costs	融資成本 4(a)	19,891	16,555
Net foreign exchange loss/(gain)	外匯虧損／(收益)淨額	7,838	(7,638)
Interest income	利息收入 3	(14,775)	(13,515)
Net (gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)／虧損淨額 3	(1,362)	3,236
Net loss on disposal of intangible assets	出售無形資產虧損淨額	—	15
Net fair value gain on financial assets at fair value through profit or loss	按公平值計入損益的金融資產的公平值淨收益 3	(846)	(2,323)
Investment income on available-for-sale financial assets	可供出售金融資產的投資收入 3	—	(234)
Equity settled share-based payment expenses	權益結算以股份為基礎的付款開支 4(b)	1,167	360
Changes in working capital:	營運資金變動：		
Increase in inventories	存貨增加	(46,526)	(8,239)
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)／減少	(14,295)	50,037
Increase in trade and other payables	貿易及其他應付款項增加	7,847	33,690
Cash generated from operations	經營活動所得現金	264,869	374,344

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

21 CASH AND CASH EQUIVALENTS

(Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

21 現金及現金等價物(續)

(c) 融資活動所產生負債之對賬

下表載列融資活動所產生本集團負債之變動詳情，包括現金及非現金變動。融資活動產生之負債指現金流量已或未來現金流量將於本集團綜合現金流量表分類為融資活動產生之現金流量的負債。

		31 December 2018 Bank loans and other borrowings 2018 年 12 月 31 日 銀行貸款及 其他借款 \$'000 千元 (Note 22) (附註 22)	31 December 2017 Bank loans and other borrowings 2017 年 12 月 31 日 銀行貸款及 其他借款 \$'000 千元 (Note 22) (附註 22)
At 1 January	於一月一日	288,097	127,095
Changes from financing cash flows:	融資現金流量之變動：		
Proceeds from new bank loans	新銀行貸款之所得款項	-	324,749
Repayment of bank loans	償還銀行貸款	(17,372)	(147,095)
Other borrowing costs paid	已付其他借款成本	-	(4,367)
Total changes from financing cash flows	融資現金流量之變動總額	(17,372)	171,953
Exchange adjustments	匯兌調整	15,194	(12,285)
Other change:	其他變動：		
Amortization on other borrowings cost	其他借款成本攤銷	1,533	-
At 31 December	於十二月三十一日	287,452	288,097

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

22 BANK BORROWINGS

Bank borrowings are repayable as follows:

22 銀行借款

銀行借款乃按以下所示償還：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	於一年內	52,566	16,636
After 1 year but within 2 years	於1年後但於2年內	234,886	49,908
After 2 years but within 5 years	於2年後但於5年內	—	221,553
		287,452	288,097

Bank borrowings as of 31 December 2017 and 31 December 2018 were unsecured, carried at amortized cost and were denominated in Hong Kong Dollar. The bank borrowings were drawn down under a loan facility of HK\$350,000,000. Pursuant to the facility, the controlling shareholder shall maintain his equity interest and voting rights in the Company at a certain level, and at the same time it is subject to the fulfilment of covenants relating to certain of the Group's financial ratios. A breach of these undertakings would result that the drawn down facilities and interest would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2017 and 31 December 2018, none of the covenants relating to the drawn down facilities had been breached.

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的銀行借款為無抵押，按攤銷成本計量及以港元計值。銀行借款乃根據貸款融資350,000,000港元提取。根據該項融資，控股股東將其於本公司的股權及投票權維持在特定水平，同時其須達致有關本集團若干財務比率的契諾。違反該等承諾將導致所提取的融資及利息將須按要求償還。本集團定期監察遵守該等契諾的狀況。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，有關提取融資的契諾並無遭違反。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

23 TRADE AND OTHER PAYABLES

23 貿易及其他應付款項

		At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元	At 1 January 2018 於二零一八年 一月一日 RMB'000 人民幣千元	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元
Trade payables	貿易應付款項	123,153	142,578	142,578
Bills payable (note (b))	應付票據(附註(b))	345,784	311,851	311,851
Trade and bills payables (note (c))	貿易應付款項及 應付票據(附註(c))	468,937	454,429	454,429
Receipts in advance (note (a))	預收款項(附註(a))	-	-	13,904
Contract liabilities	合約負債	52,381	52,445	-
Other payables and accruals	其他應付款項及應計費用	76,077	83,168	121,709
		597,395	590,042	590,042

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

23 TRADE AND OTHER PAYABLES

(Continued)

All of the trade and other payables are expected to be settled or recognized as income within one year or are repayable on demand.

- (a) As a result of the adoption of IFRS15, receipts in advance is included in contract liabilities (see note 1(p)).
- (b) Bills payable as at 31 December 2018 were secured by pledged bank deposits of RMB140,485,000 (2017: RMB105,015,000) (note 20).
- (c) An ageing analysis of the trade and bills payables based on the invoice date is as follows:

23 貿易及其他應付款項(續)

所有貿易及其他應付款項預期將於一年內結付或確認為收入或按要求償還。

- (a) 由於採納國際財務報告準則第15號，預收款項已列入合約負債(見附註1(p))。
- (b) 二零一八年十二月三十一日的應付票據以已抵押銀行存款人民幣140,485,000元(二零一七年：人民幣105,015,000元)作抵押(附註20)。
- (c) 貿易應付款項及應付票據根據發票日期的賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 3 months	三個月以內	320,370	346,551
More than 3 months but within 6 months	三個月以上六個月以內	140,323	103,326
More than 6 months but within 1 year	六個月以上一年以內	5,147	2,909
More than 1 year	一年以上	3,097	1,643
		468,937	454,429

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

24 EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plans

The PRC subsidiaries of the Group participate in defined contribution retirement benefit schemes (the “Schemes”) organised by the PRC municipal and provincial government authorities whereby the PRC subsidiaries are required to make contributions at the rate of 14% to 20% of the eligible employees’ salaries to the Schemes. The Group has accrued for the required contributions which are remitted to the respective local government authorities when the contributions become due. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

The Group also operates a Mandatory Provident Fund Scheme (the “MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The Group has no other material obligation for the payment of pension benefits beyond the contributions described above.

24 僱員退休福利

界定供款退休計劃

本集團的中國附屬公司參與由中國市級及省級政府機構所成立的界定供款退休福利計劃(「該計劃」)，據此，中國附屬公司須以合資格僱員薪金的14%至20%的比率向該計劃作出供款。本集團已積累所需供款，於供款到期時匯付予各地方政府機關。地方政府機關就向該計劃涵蓋的退休僱員支付退休金承擔責任。

本集團亦根據香港強制性公積金計劃條例，為於香港僱傭條例項下司法權區僱用的僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立受託人管理的界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須向計劃供款，供款額為僱員有關收入的5%，惟不得超過每月相關收入30,000港元的上限。向計劃作出的供款即時歸屬。

除上文所述供款外，本集團於退休金福利付款方面並無其他重大責任。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

25 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has two share option schemes namely, the Pre-IPO Employee Share Option Scheme (the Pre-IPO Share Option Scheme) and the Share Option Scheme, which were adopted on 8 October 2013.

(a) Pre-IPO Share Option Scheme

On 8 October 2013, the Company granted options to subscribe for an aggregate of 8,520,000 shares of the Company to its directors, employees and one of its distributors, under the Pre-IPO Share Option Scheme at an exercise price of HK\$2.024, being 80% of the initial public offering price. No further option could be granted under the Pre-IPO Share Option Scheme after 8 October 2013. Options granted had vesting periods of 1 to 3 years commencing from 28 October 2013, being the date of the listing of the Company on the Main Board of the Stock Exchange. Each option gives the holders the right to subscribe for one ordinary share in the Company.

Pursuant to the rules of the share option scheme, options will lapse when the grantee ceases to be an employee of the Group for reasons other than death, permanent disability, retirement and transfer of employment to related parties, or terminates the business with the Group.

25 權益結算以股份為基礎的交易

本公司設有兩項購股權計劃，即首次公開發售前僱員購股權計劃（首次公開發售前購股權計劃）及購股權計劃，該等計劃於二零一三年十月八日採納。

(a) 首次公開發售前購股權計劃

於二零一三年十月八日，本公司根據首次公開發售前購股權計劃向其董事、僱員及其分銷商之一授出可認購合共8,520,000股本公司股份之購股權，行使價為2.024港元（即首次公開發售價之80%）。於二零一三年十月八日後不可根據首次公開發售前購股權計劃授出其他購股權。已授出購股權之歸屬期為自二零一三年十月二十八日（即本公司於聯交所主板上市日期）起計1至3年。每份購股權賦予持有人權利認購一股本公司普通股。

根據購股權計劃的規則，倘承授人因身故、永久殘障、退休及調職至關聯方以外的原因而不再為本集團僱員或其終止與本集團的業務，則購股權將告失效。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

25 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) Pre-IPO Share Option Scheme

(Continued)

The number of pre-IPO share options outstanding and exercisable as at year end dates are as follows:

		2018 二零一八年	2017 二零一七年
Outstanding as at 1 January	於一月一日尚未行使	6,199,000	7,189,000
Exercised during the year	年內已行使	(1,329,000)	(550,000)
Lapsed during the year	年內已失效	(1,720,000)	(440,000)
Outstanding as at 31 December	於十二月三十一日尚未行使	3,150,000	6,199,000
Exercisable as at 31 December	於十二月三十一日可予行使	3,150,000	6,199,000

The weighted average closing price immediately before the date on which share options were exercised during the year was HK\$2.55 (2017: HK\$2.40).

The share options outstanding at 31 December 2018 had a weighted average remaining contractual life of 4.8 years (2017: 5.8 years).

25 權益結算以股份為基礎的交易 (續)

(a) 首次公開發售前購股權計劃 (續)

於年結日尚未行使及可予行使之首次公開發售前購股權數目如下：

年內，緊接購股權獲行使日期前之加權平均收市價為2.55港元(二零一七年：2.40港元)。

於二零一八年十二月三十一日尚未行使購股權之加權平均剩餘合約年期為4.8年(二零一七年：5.8年)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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25 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) Share Option Scheme

- (i) Pursuant to the Share Option Scheme, the directors of the Company are authorised, at their discretion, to invite eligible participants, including employees and directors of any company in the Group, to take up options at a nominal consideration of HK\$1 to subscribe for shares of the Company to a maximum of 70,000,000 shares.

Pursuant to the rules of the share option scheme, options will lapse when the grantee ceases to be an employee of the Group for reasons other than death, permanent disability, retirement and transfer of employment to related parties, or terminates the business with the Group.

On 3 August 2017 (the "Date of Offer"), options were offered by the Company, which were accepted by one director and certain other employees on 3 August 2017 to subscribe for 6,000,000 shares of the Company under the Share Option Scheme at an exercise price of HK\$2.19. The closing prices of the Company's shares immediately before the Date of Offer and on the Date of Offer were HK\$2.18 and HK\$2.19, respectively. The options have vesting periods of 5 years commencing from the Date of Offer and have a contractual life of 10 years. Each option gives the holders the right to subscribe for one ordinary share in the Company.

25 權益結算以股份為基礎的交易 (續)

(b) 購股權計劃

- (i) 根據購股權計劃，本公司董事獲授權酌情邀請合資格的參與者，包括本集團任何公司的僱員及董事，按1港元的名義代價接納購股權以認購本公司之股份，最多為70,000,000股股份。

根據購股權計劃的規則，倘承授人因身故、永久殘障、退休及調職至關聯方以外的原因而不再為本集團僱員或其終止與本集團的業務，則購股權將告失效。

於二零一七年八月三日(「要約日期」)，本公司根據購股權計劃提呈購股權並於二零一七年八月三日獲一名董事及若干其他僱員接納，可按2.19港元的行使價認購6,000,000股本公司股份。本公司股份緊接要約日期前及於要約日期的收市價分別為2.18港元及2.19港元。該等購股權的歸屬期為自要約日期起計5年，合約年期為10年。每份購股權賦予持有人權利認購一股本公司普通股。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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25 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) Share Option Scheme (Continued)

(i) (Continued)

On 13 June 2018 (the “Date of Offer”), options were offered by the Company, which were accepted by two directors and certain other employees on 13 June 2018 to subscribe for 7,400,000 shares of the Company under the Share Option Scheme at an exercise price of HK\$3.54. The closing prices of the Company’s shares immediately before the Date of Offer and on the Date of Offer were HK\$3.58 and HK\$3.54, respectively. The options have vesting periods of 5 years commencing from the Date of Offer and have a contractual life of 10 years. Each option gives the holders the right to subscribe for one ordinary share in the Company.

25 權益結算以股份為基礎的交易 (續)

(b) 購股權計劃(續)

(i) (續)

於二零一八年六月十三日(「要約日期」)，本公司根據購股權計劃提呈購股權並於二零一八年六月十三日獲兩名董事及若干其他僱員接納，可按3.54港元的行使價認購7,400,000股本公司股份。本公司股份緊接要約日期前及於要約日期的收市價分別為3.58港元及3.54港元。該等購股權的歸屬期為自要約日期起計5年，合約年期為10年。每份購股權賦予持有人權利認購一股本公司普通股。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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25 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) Share Option Scheme (Continued)

(i) (Continued)

Details of movements in the share options which have been granted under the Share Option Scheme are as follows:

		Options granted on 3 August 2017 with exercise price of HK\$2.19 於二零一七年 八月三日授出的 行使價為2.19港元 的購股權	Options granted on 13 June 2018 with exercise price of HK\$3.54 於二零一八年 六月十三日授出的 行使價為3.54港元 的購股權	Total 總計
Outstanding at 1 January 2017	於二零一七年 一月一日 尚未行使	-	-	-
Granted	已授出	6,000,000	-	6,000,000
Outstanding 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 一月一日尚未行使	6,000,000	-	6,000,000
Granted	已授出	-	7,400,000	7,400,000
Lapsed	已失效	(400,000)	-	(400,000)
Outstanding at 31 December 2018	於二零一八年 十二月三十一日 尚未行使	5,600,000	7,400,000	13,000,000

There were 13,000,000 (2017: 6,000,000) share options outstanding and none of which was exercisable as at 31 December 2017 and 31 December 2018.

The share options outstanding at 31 December 2018 had a weighted average remaining contractual life of 9.1 years. (2017: 9.6 years)

25 權益結算以股份為基礎的交易 (續)

(b) 購股權計劃(續)

(i) (續)

已根據購股權計劃授出的購股權變動詳情載列如下：

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存有13,000,000份(二零一七年：6,000,000份)尚未行使購股權，其中並無可予行使者。

於二零一八年十二月三十一日的尚未行使購股權的加權平均剩餘合約年期為9.1年(二零一七年：9.6年)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

25 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) Share Option Scheme (Continued)

(ii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial option pricing model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the a binomial option pricing model.

25 權益結算以股份為基礎的交易 (續)

(b) 購股權計劃(續)

(ii) 購股權公平值及假設

作為授出購股權之回報而收取之服務之公平值乃參照所授出購股權之公平值而計量。所授出購股權之估計公平值採用二項式期權定價模式計量。購股權之合約年期作為該模式之一項輸入數據。提早行使預期已納入二項式期權定價模式。

2017 二零一七年		
Fair value at measurement date	於計量日期之公平值	HK\$ 港元 0.58-0.59
Share price	股價	HK\$ 港元 2.19
Exercise price	行使價	HK\$ 港元 2.19
Expected volatility (expressed as weighted average volatility used in the modelling under binomial lattice model)	預期波幅(按二項式點陣模式項下模型所採用之加權平均波幅列示)	40.56%
Option life (expressed as weighted average life used in the modelling under binomial lattice model)	購股權年期(按二項式點陣模式項下模型所採用之加權平均年期列示)	10 years 年
Expected dividends	預期股息	5.84%
Risk-free interest rate (based on Hong Kong Government Bond)	無風險利率(根據香港政府債券得出)	1.53%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

25 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) Share Option Scheme (Continued)

(ii) Fair value of share options and assumptions (Continued)

		2018 二零一八年
Fair value at measurement date	於計量日期之公平值	HK\$ 港元 0.99-1.01
Share price	股價	HK\$ 港元 3.54
Exercise price	行使價	HK\$ 港元 3.54
Expected volatility (expressed as weighted average volatility used in the modelling under binomial lattice model)	預期波幅(按二項式點陣模式項下模型所採用之加權平均波幅列示)	37.30%
Option life (expressed as weighted average life used in the modelling under binomial lattice model)	購股權年期(按二項式點陣模式項下模型所採用之加權平均年期列示)	10 years 年
Expected dividends	預期股息	4.80%
Risk-free interest rate (based on Hong Kong Government Bond)	無風險利率(根據香港政府債券得出)	2.35%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

25 權益結算以股份為基礎的交易 (續)

(b) 購股權計劃(續)

(ii) 購股權公平值及假設 (續)

預期波幅乃基於過往波幅(按購股權加權平均剩餘年期計算)，並根據公開可得資料就未來波幅的任何預期變動作出調整。預期股息乃以過往股息為基準。主觀輸入數據假設變動或會對公平值估計產生重大影響。

購股權乃根據服務條件而授出。此條件並無計入所得服務於授出日期之公平值計量。授出購股權並無附帶任何市場條件。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

26 CAPITAL, RESERVES AND DIVIDENDS

26 資本、儲備及股息

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

(a) 權益部分變動

本集團綜合權益各部分的年初及年終結餘的對賬載於綜合權益變動表。本公司權益個別部分於年初至年終的變動詳情載列如下：

Company		Share capital	Share premium	Capital redemption reserves	Capital reserves	Exchange reserve	Retained profits	Total
本公司		股本	股份溢價	贖回儲備	資本儲備	匯兌儲備	保留溢利	總計
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2017	於二零一七年一月一日的結餘	5,583	4,712	-	5,424	1,168	61,630	78,517
Changes in equity for 2017:	二零一七年的權益變動:							
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(5,981)	142,789	136,808
Shares issued under share option scheme	根據購股權計劃發行股份	26(c)(iii)	4	1,348	(400)	-	-	952
Transfer between reserves	儲備間調撥	-	-	-	(430)	-	430	-
Equity settled share-based transactions	權益結算以股份為基礎的交易	-	-	-	360	-	-	360
Dividends declared	已宣派股息	26(b)	-	-	-	-	(66,418)	(66,418)
Shares repurchased	購回股份	26(c)(ii)	(384)	-	384	-	(92,298)	(92,298)
Balance 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的結餘	31	5,203	6,060	384	4,954	46,133	57,921
Changes in equity for 2018:	二零一八年的權益變動:							
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	3,071	163,495	166,566
Shares issued under share option scheme	根據購股權計劃發行股份	26(c)(iii)	11	3,135	(972)	-	-	2,174
Transfer between reserves	儲備間調撥	-	-	-	(1,454)	-	1,454	-
Equity settled share-based transactions	權益結算以股份為基礎的交易	-	-	-	1,167	-	-	1,167
Dividends declared	已宣派股息	26(b)	-	-	-	-	(122,328)	(122,328)
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	31	5,214	9,195	384	3,695	88,754	105,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

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26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

26 資本、儲備及股息(續)

(b) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the year

(b) 股息

- (i) 歸屬於本年度應付本公司權益股東的股息

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interim dividend declared and paid of HK\$0.132 per ordinary share (2017: HK\$0.06 per ordinary share)	已宣派及已支付的中期股息每股普通股0.132港元(二零一七年：每股普通股0.06港元)	76,658	34,956
Final dividend proposed after the end of the reporting period of HK\$0.048 per ordinary share (2017: HK\$0.085 per ordinary share)	於報告期結束後擬派的末期股息每股普通股0.048港元(二零一七年：每股普通股0.085港元)	27,524	46,225
		104,182	81,181

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

於報告期結束後擬派的末期股息並無在報告期末確認為負債。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

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26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

26 資本、儲備及股息(續)

(b) Dividends (Continued)

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(b) 股息(續)

- (ii) 歸屬於上一財政年度但於本年度批准及派付的應付本公司權益股東的股息

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Final dividend proposed after the end of the reporting period of HK\$0.085 per ordinary share (2017: HK\$0.05 per ordinary share)	於報告期結束後擬派的末期股息每股普通股0.085港元(二零一七年：每股普通股0.05港元)	45,670	31,462

(c) Share capital

(i) Authorised and issued share capital

(c) 股本

(i) 法定及已發行股本

		2018 二零一八年			2017 二零一七年		
		No. of shares 股份數目	HK\$'000 千港元	RMB'000 人民幣千元	No. of shares 股份數目	HK\$'000 千港元	RMB'000 人民幣千元
Authorised: Ordinary shares of HK\$0.01 each	法定： 每股面值0.01港元之普通股	10,000,000,000	100,000	79,208	10,000,000,000	100,000	79,208
Ordinary shares, issued and fully paid: At 1 January	已發行繳足普通股： 於一月一日	667,264,000	6,672	5,203	711,478,000	7,115	5,583
Shares issued under share option scheme (note 26(c)(iii))	根據購股權計劃發行股份(附註26(c)(iii))	1,329,000	14	11	550,000	5	4
Shares repurchased (note 26(c)(iv))	購回股份(附註26(c)(iv))	-	-	-	(44,764,000)	(448)	(384)
At 31 December	於十二月三十一日	668,593,000	6,686	5,214	667,264,000	6,672	5,203

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Share capital (Continued)

(i) Authorised and issued share capital (Continued)

The equity shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Shares repurchased

During the year ended 31 December 2017, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

Month/Year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
年／月	購回股份數目	已付每股最高價 HK\$ 港元	已付每股最低價 HK\$ 港元	已付總價 RMB'000 人民幣千元
April 2017 二零一七年四月	18,487,000	2.66	2.29	40,426
August 2017 二零一七年八月	26,277,000	2.44	2.21	51,872
	44,764,000			92,298

The repurchase was governed by the applicable laws of the Cayman Islands. The shares had been cancelled after buy-back. The total amount paid on the repurchased shares of RMB92,298,000 was paid wholly out of retained profits.

There is no such repurchase of shares during the year ended 31 December 2018.

26 資本、儲備及股息(續)

(c) 股本(續)

(i) 法定及已發行股本(續)

權益股東有權收取不時宣派的股息，並有權就每股股份於本公司股東大會上投一票。所有普通股就本公司剩餘資產享有同等地位。

(ii) 購回股份

截至二零一七年十二月三十一日止年度，本公司於香港聯合交易所有限公司購回其自身股份如下：

有關購回受開曼群島適用法律規管。該等股份已於購回後註銷。就購回股份支付之總金額人民幣92,298,000元悉數從保留溢利撥付。

截至二零一八年十二月三十一日止年度，並無購回股份。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Share capital (Continued)

(iii) Shares issued under share option scheme

During the 31 December 2018, options were exercised to subscribe for a total of 1,329,000 (31 December 2017: 550,000) ordinary shares in the Company at a consideration of RMB2,174,000 (31 December 2017: RMB952,000), of which RMB11,000 (31 December 2017: RMB4,000) and RMB2,163,000 (31 December 2017: RMB948,000) were credited to share capital and the share premium account respectively. The amount of RMB972,000 (31 December 2017: RMB400,000) has been transferred from the capital reserve to the share premium account in accordance with policy set out in the note 1(u)(ii).

(d) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the funds in the Company's share premium account are distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the course of business.

26 資本、儲備及股息(續)

(c) 股本(續)

(iii) 根據購股權計劃發行股份

於二零一八年十二月三十一日，已行使購股權認購合共1,329,000股(二零一七年十二月三十一日：550,000股)本公司普通股，代價為人民幣2,174,000元(二零一七年十二月三十一日：人民幣952,000元)，其中人民幣11,000元(二零一七年十二月三十一日：人民幣4,000元)及人民幣2,163,000元(二零一七年十二月三十一日：人民幣948,000元)已分別計入股本及股份溢價賬。為數人民幣972,000元(二零一七年十二月三十一日：人民幣400,000元)的金額已根據附註1(u)(ii)所載政策自資本儲備轉撥至股份溢價賬。

(d) 儲備的性質及用途

(i) 股份溢價

根據開曼群島公司法，本公司股份溢價賬上的資金可分派予股東，前提為緊隨建議派發股息當日之後，本公司仍有能力在業務過程中清償到期欠債。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves

(Continued)

(ii) Capital reserve

Capital reserves comprise the followings:

26 資本、儲備及股息(續)

(d) 儲備的性質及用途(續)

(ii) 資本儲備

資本儲備包括以下項目：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
The Group	本集團		
Equity settled share-based transactions (Note 25)	權益結算以股份為基礎的交易(附註25)	3,556	4,815
Arising from reorganisation (notes (i) and (ii))	因重組產生(附註(i)及(ii))	37,493	37,493
		41,049	42,308
The Company	本公司		
Equity settled share-based transactions (Note 25)	權益結算以股份為基礎的交易(附註25)	3,556	4,815
Arising from reorganisation (note (ii))	因重組產生(附註(ii))	139	139
		3,695	4,954

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves

(Continued)

(ii) Capital reserve (Continued)

Notes:

- (i) On 18 May 2009, the controlling shareholder sold his entire equity interest in Cabbeen China to Cabbeen China Investments Limited ("Cabbeen Investments"), so that Cabbeen Investments became the holding company of Cabbeen China. The consideration for the transaction was RMB11,200,000. The difference of RMB37,354,000 between the initial cash consideration and the capital of Cabbeen China was recorded as a capital reserve.
- (ii) On 31 July 2012, the Company issued and allotted 100 shares with par value of HK\$0.01 each as a consideration to purchase the entire issued share capital of Grandfull International Holdings Limited ("Grandfull International") and Cabbeen International Holdings Limited from the controlling shareholder. The difference of RMB139,000 between the purchase consideration and the share capital of Grandfull International and Cabbeen International Holdings Limited was recorded as an increase of shareholder's contribution in capital reserve.

26 資本、儲備及股息(續)

(d) 儲備的性質及用途(續)

(ii) 資本儲備(續)

附註：

- (i) 於二零零九年五月十八日，控股股東將其於卡賓中國的全部股權出售予卡賓中國投資有限公司(「卡賓投資」)，故卡賓投資成為卡賓中國的控股公司。該交易的代價為人民幣11,200,000元。最初現金代價與卡賓中國資本間的差額人民幣37,354,000元計入資本儲備。
- (ii) 於二零一二年七月三十一日，本公司發行及配發100股每股面值0.01港元的股份，作為向控股股東購買君富國際控股有限公司(「君富國際」)及卡賓國際控股有限公司全部已發行股本的代價。購買代價與君富國際及卡賓國際控股有限公司的股本之間的差額人民幣139,000元於資本儲備中作為股東出資的增加入賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves

(Continued)

(iii) Capital redemption reserve

Capital redemption reserve represents the nominal amount of the shares repurchased.

(iv) Statutory reserve

As stipulated by regulations in the PRC, the Company's subsidiaries established and operated in the mainland China are required to appropriate 10% of their after-tax-profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of profits to parent companies.

The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside mainland China which are dealt with in accordance with the accounting policies set out in note 1(y).

26 資本、儲備及股息(續)

(d) 儲備的性質及用途(續)

(iii) 資本贖回儲備

資本贖回儲備指購回股份之面值。

(iv) 法定儲備

按中國的法規規定，本公司於中國內地成立及營運的附屬公司須將其按中國會計規則及法規釐定的除稅後溢利(經抵銷往年虧損後)的約10%撥入法定盈餘儲備，直至儲備結餘達註冊資本的50%為止。撥款予該儲備須於向母公司分派溢利前進行。

法定儲備待相關機構批准後方可用以抵銷累計虧損或增加附屬公司的資本，惟於有關使用後的結餘不得低於其註冊資本的25%。

(v) 匯兌儲備

匯兌儲備包括因換算中國內地境外業務財務報表而產生的所有外匯差額，此換算乃根據附註1(y)所載會計政策處理。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves

(Continued)

(v) Distributability of reserves

At 31 December 2018, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB99,902,000 (2017: RMB52,334,000). After the end of the reporting period the directors propose a final dividend of HK\$0.048 (2017: HK\$0.085) per ordinary share (note 26(b)).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its equity shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

26 資本、儲備及股息(續)

(d) 儲備的性質及用途(續)

(v) 儲備的分派能力

於二零一八年十二月三十一日，可供分派予本公司權益股東的儲備總額為人民幣99,902,000元(二零一七年：人民幣52,334,000元)。於報告期結束後，董事建議派付末期股息每股普通股0.048港元(二零一七年：0.085港元)(附註26(b))。

(e) 資本管理

本集團管理資本的首要目標為保障本集團持續經營的能力，透過因應風險水平為產品定價以及以合理成本取得融資，繼續為權益股東帶來回報及為其他權益股東帶來利益。

本集團積極定期審視及管理其資本架構，以期在爭取在更高水平的借款下可能實現的更高股東回報與維持穩健資本狀況的好處及安全之間維持平衡，並且因應經濟情況的變化調整資本架構。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

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26 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(e) Capital management (Continued)

The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, at 31 December 2018 was 44% (2017: 46%).

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

26 資本、儲備及股息(續)

(e) 資本管理(續)

本集團參照其債務情況監察資本架構。本集團的策略是保持權益與債務的適當平衡，確保有足夠營運資金支付債務。於二零一八年十二月三十一日，本集團的債務資產比率（即本集團的總負債除以總資產所得比率）為44%（二零一七年：46%）。

本公司或其任何附屬公司均不受外界施加的資本規定所限制。

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables, deposits with banks and other financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

27 金融風險管理及公平值

本集團於日常業務過程中產生信貸、流動資金、利率及貨幣風險。下文說明本集團面臨該等風險的狀況及本集團管理該等風險所採用的金融風險管理政策及慣例。

(a) 信貸風險

信貸風險指交易對手未能履行其合約義務而使本集團產生財務虧損的風險。本集團的信貸風險主要來自貿易及其他應收款項、銀行存款及其他金融資產。管理層已實施信貸政策，並持續監察該等信貸風險。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

(i) Trade and other receivables

Credit evaluations are performed on customers requiring credit terms. These evaluations focus on the customer's history of making payments and current abilities to pay and take into account information specific to the customer as well as to the economic environment.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2018, 23% (2017: 25%) of the total trade and bills receivables were concentrated in one customer, and 58% (2017: 69%) of the total trade and bills receivables were concentrated in five customers of the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. As at 31 December 2018, the Group does not provide any guarantees which would expose the Group to credit risk.

27 金融風險管理及公平值(續)

(a) 信貸風險(續)

(i) 貿易及其他應收款項

本公司對要求信用期的客戶進行信貸評估。該等評估的重點在於客戶的支付記錄及現時的支付能力，並考慮客戶以及經濟環境的特定資料。

本集團承受的信貸風險主要受各客戶個人特徵的影響，因此倘本集團承受個別客戶的重大風險，則會使信貸風險重大集中。於二零一八年十二月三十一日，貿易應收款項及應收票據總額的23%(二零一七年：25%)集中於一個客戶，而貿易應收款項及應收票據總額的58%(二零一七年：69%)集中於本集團的五個客戶。

最高信貸風險指經扣除任何減值撥備後綜合財務狀況表內各金融資產的賬面值。於二零一八年十二月三十一日，本集團未提供將使本集團承受信貸風險的任何擔保。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

(i) Trade and other receivables (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2018:

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	0.05%	362,814	(181)
1-90 days past due	逾期1至90日	1.00%	125	(1)
91-180 days past due	逾期91至180日	50.00%	898	(449)
More than 180 days past due	逾期超過180日	100.00%	30	(30)
			363,867	(661)

27 金融風險管理及公平值(續)

(a) 信貸風險(續)

(i) 貿易及其他應收款項(續)

本集團按等同於整個有效期的預期信貸虧損的金額計量貿易應收款項之虧損撥備，其乃使用提列矩陣進行計算。由於本集團過往的信貸虧損並未就不同客戶分部顯示重大不同虧損模式，基於逾期狀態的虧損撥備不會進一步於本集團不同客戶基礎之間進一步區分。

下表載列於二零一八年十二月三十一日本集團面臨信貸風險敞口的資料及貿易應收款項及合約資產的預期信貸虧損：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

(i) Trade and other receivables (Continued)

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

There was no material impact on trade and other receivables for the initial application of the new impairment requirements under IFRS 9 compared with under IAS 39.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 18.

27 金融風險管理及公平值(續)

(a) 信貸風險(續)

(i) 貿易及其他應收款項 (續)

預期虧損率乃根據過往2年的實際虧損經驗得出。該等比率會作出調整以反映已蒐集歷史數據的期間的經濟狀況、當前狀況及本集團對應收款項預期期間的經濟狀況的觀點的差異。

首次應用國際財務報告準則第9號項下的新減值規定較之國際會計準則第39號項下者並無對貿易及其他應收款項產生重大影響。

有關本集團所承受來自貿易及其他應收款項的信貸風險進一步定量披露載於附註18。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

(i) Trade and other receivables (Continued)

As at 31 December 2018, the Group had transferred bank acceptance bills totalling RMB257,030,000 (2017: RMB293,280,000), which were derecognised as financial asset. The transferees have recourse right to the Group in case of default by the issuing banks. In such cases, the Group would have to repurchase these bank acceptance bill at face value. These bank acceptance bills mature six months from respective dates of issue and the Group's maximum loss in case of default are RMB257,030,000 (2017: RMB293,280,000) as at 31 December 2018.

The Group accepts bank acceptance bills issued by major banks in the PRC and considers that the credit risk associated with such bank acceptance bills to be insignificant.

At 31 December 2018, the Group lent the two loans with face value of RMB15,840,000 and RMB32,000,000 to Huazhi Investments, the associate of the Group, which are repayable by July 2019 and August 2019, respectively. Based on the financial position and the economic environment the associate operates, the Group considers that the credit risk associated with above loans to be insignificant.

27 金融風險管理及公平值(續)

(a) 信貸風險(續)

(i) 貿易及其他應收款項(續)

於二零一八年十二月三十一日，本集團已轉讓銀行承兌票據合共人民幣257,030,000元(二零一七年：人民幣293,280,000元)，該等銀行承兌票據已終止確認為金融資產。倘發證銀行違約，承讓人對本集團有追索權。在此情況下，本集團將不得不按面值購回該等銀行承兌票據。該等銀行承兌票據自其各自的發行日期起計六個月到期，如出現違約，本集團於二零一八年十二月三十一日承受的最大虧損為人民幣257,030,000元(二零一七年：人民幣293,280,000元)。

本集團接納中國主要銀行出具的銀行承兌票據，並認為與該等銀行承兌票據有關的信貸風險並不重大。

於二零一八年十二月三十一日，本集團向本集團聯營公司華智投資借出兩項賬面值分別為人民幣15,840,000元及人民幣32,000,000元的貸款，分別應於二零一九年七月及二零一九年八月償還。根據該聯營公司的財務狀況及經營的經濟環境，本集團認為與上述貸款有關的信貸風險並不重大。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

(i) Trade and other receivables (Continued)

At 31 December 2018, the Group lent the loan with face value of RMB25,610,000 to one of the minority shareholders of the Group. The loan was secured by above shareholder's minority interest in the Group's subsidiary, the Group considers that the credit risk associated with above loans to be insignificant.

(ii) Deposits with banks

The Group mitigates its exposure to credit risk by placing deposits with financial institutions with established credit rating. Given the high credit ratings of the banks, management does not expect any counterparty to fail to meet its obligations.

(iii) Other financial assets

The Group entered into a wealth management products with bank during the years ended 31 December 2018 and 2017. The management considers that the counterparties are the banks with high credit rating and, therefore, the default risk is remote.

27 金融風險管理及公平值(續)

(a) 信貸風險(續)

(i) 貿易及其他應收款項(續)

於二零一八年十二月三十一日，本集團向本集團的一名少數股東借出一項賬面值為人民幣25,610,000元的貸款。該貸款乃由上述股東於本公司附屬公司的少數權益作擔保，本集團認為與上述貸款相關的信貸風險並不重大。

(ii) 銀行存款

本集團透過在信貸評級卓著的金融機構存款減低信貸風險。由於銀行信貸評級良好，管理層預計任何對手方均不會不履行其責任。

(iii) 其他金融資產

於截至二零一八年及二零一七年十二月三十一日止年度，本集團與銀行訂立若干理財產品。管理層認為對手方為具高信貸評級的銀行，故違約風險極低。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the management and directors when the borrowings exceed certain predetermined levels of authority.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, if any, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

All non-interest bearing financial liabilities and discounted bills of the Group are carried at amount not materially different from their contractual undiscounted cash flow as all the financial liabilities are with maturities within one year or repayable on demand at the end of the reporting period.

27 金融風險管理及公平值(續)

(b) 流動資金風險

本集團內的個別經營實體負責其本身的現金管理，包括現金盈餘的短期投資及募集貸款以應付預期的現金需求，惟倘借款超出若干預定的授權水平，則須取得管理層及董事批准。

本集團的政策乃定期監察流動資金需求及其借貸契諾(如有)的遵守情況，以確保其維持充裕現金儲備及自主要金融機構取得足夠的承諾資金，以應付短期及長期的流動資金需求。

由於所有金融負債於一年內屆滿或須於報告期結束時應要求償還，故本集團的所有免息金融負債及貼現票據均按與其合約未貼現現金流量相近的金額計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

The contractual undiscounted cash flow and carrying amount of bank borrowings as at the end of the reporting period are set out as follow:

31 December 2018	Contractual undiscounted cash flow					
	Carrying amount	Total	Within 1 year or on demand	More than 1 year but less than 2 year	More than 2 year but less than 5 years	More than 5 years
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
二零一八年十二月三十一日	賬面值	總計	一年內或應要求	一年以上兩年以內	兩年以上五年以內	五年以上
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bank borrowings 銀行借款	287,452	310,043	54,267	255,776	-	-
	287,452	310,043	54,267	255,776	-	-

31 December 2017	Contractual undiscounted cash flow					
	Carrying amount	Total	Within 1 year or on demand	More than 1 year but less than 2 year	More than 2 year but less than 5 years	More than 5 years
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
二零一七年十二月三十一日	賬面值	總計	一年內或應要求	一年以上兩年以內	兩年以上五年以內	五年以上
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bank borrowings 銀行借款	288,097	325,104	17,254	54,304	253,546	-
	288,097	325,104	17,254	54,304	253,546	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank borrowings carried at variable rates, which exposes the Group to cash flow interest rate risk. The effective interest rate of the bank borrowings of the Group as at 31 December 2018 was 6.70% (2017: 6.10%).

Sensitivity analysis

At 31 December 2018, it is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax for the year and retained profits by approximately RMB2,400,000 (2017: RMB2,406,000). Other components of equity would not be affected by the changes in interest rates.

The sensitivity analysis above indicates the impact on the Group's profit for the year and retained profits that would arise assuming that there is an annualised impact on interest income and expense by a change in interest rates. The analysis has been performed on the same basis for 2017.

27 金融風險管理及公平值(續)

(c) 利率風險

利率風險指金融工具的公平值或未來現金流量將會因市場利率的變化而波動的風險。本集團的利率風險主要來自按浮息計算的銀行借款，令本集團面臨現金流量利率風險。於二零一八年十二月三十一日，本集團的銀行借款實際利率為6.70%（二零一七年：6.10%）。

敏感度分析

於二零一八年十二月三十一日，估計當利率整體上升／下降1%而所有其他變量保持不變，本集團年內除稅後溢利及保留溢利將減少／增加約人民幣2,400,000元（二零一七年：人民幣2,406,000元）。股權的其他部分不會受利率變動的影響。

上述敏感度分析顯示假設利率變動對全年利息收入及開支產生影響情況下對本集團年內溢利及保留溢利造成的影響。該分析乃按二零一七年的相同基準進行。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Currency risk

The Group is exposed to currency risk primarily arising from bank deposits of RMB505,000 (2017: RMB1,276,000) denominated in RMB held by the entities for which HK\$ is the functional currency.

Sensitivity analysis

At 31 December 2018, it is estimated that a general appreciation/depreciation of 1% in RMB, with all other variables held constant, would have decreased/increased the Group's net profit for the year and retained profits by approximately RMB4,000 (2017: decreased/increased by RMB11,000).

The sensitivity analysis assumes that the change in foreign exchange rate had been applied to re-measure the bank deposits and bank loan which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statement of foreign operations into the Group's presentation currency.

27 金融風險管理及公平值(續)

(d) 貨幣風險

本集團承受的貨幣風險主要源自以港元作為功能貨幣的實體持有的人民幣計值銀行存款人民幣505,000元(二零一七年：人民幣1,276,000元)。

敏感度分析

於二零一八年十二月三十一日，估計當人民幣整體升值／貶值1%而所有其他變量保持不變，本集團年內純利及保留溢利將減少／增加約人民幣4,000元(二零一七年：減少／增加人民幣11,000元)。

上述敏感度分析假設已採用外幣匯率變動以重新計算銀行存款及銀行貸款，該等存款及貸款導致本集團於報告期結束時承受外匯風險。有關分析並無考慮將海外業務財務報表換算為本集團呈報貨幣所產生的差異。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(e) Fair value

(i) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

27 金融風險管理及公平值(續)

(e) 公平值

(i) 按公平值計量的金融資產

公平值等級

下表按國際財務報告準則第13號公平值計量所界定的三個公平值等級，列示本集團金融工具於報告期末按經常性準則計量的公平值。公平值計量所歸入的等級參照估值技術所用輸入數據的可觀察性及重要性釐定如下：

- 第一級估值：僅使用第一級輸入數據，即相同資產或負債於計量日於活躍市場的報價(未經調整)計量的公平值。
- 第二級估值：使用第二級輸入數據，即不符合第一級標準的可觀察輸入數據，且不使用重要不可觀察輸入數據計量的公平值。不可觀察輸入數據指並無可得市場數據的輸入數據。
- 第三級估值：使用重要不可觀察輸入數據計量的公平值。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

27 金融風險管理及公平值(續)

(e) Fair value (Continued)

(i) Financial assets measured at fair value (Continued)

Fair value hierarchy (Continued)

(e) 公平值(續)

(i) 按公平值計量的金融資產(續)

公平值等級(續)

	Fair value at 31 December 2018 於二零一八年 十二月三十一日 的公平值	Fair value measurements as at 31 December 2018 categorised into 於二零一八年十二月三十一日的 公平值計量分類為		
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
Recurring fair value measurements	經常性公平值計量			
Assets:	資產：			
Financial asset at fair value through profit or loss (note 19)	按公平值計入損益的金融資產(附註19)			
– Wealth management products	– 理財產品			
		60,000	–	60,000

	Fair value at 31 December 2017 於二零一七年 十二月三十一日 的公平值	Fair value measurements as at 31 December 2017 categorised into 於二零一七年十二月三十一日的 公平值計量分類為		
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
Recurring fair value measurements	經常性公平值計量			
Assets:	資產：			
Available-for-sale financial assets (note 19)	可供出售金融資產(附註19)	188,000	–	188,000
Financial assets at fair value through profit or loss (note 19)	按公平值計入損益之金融資產(附註19)	60,000	–	60,000
Derivative financial instruments:	衍生金融工具：			
– Conversion option embedded in convertible loan (note 19)	– 可轉換貸款內含之轉換權(附註19)	5,159	–	5,159

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(e) Fair value (Continued)

(i) Financial assets measured at fair value (Continued)

Fair value hierarchy (Continued)

During the years ended 31 December 2017 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of wealth management products in Level 2 is the estimated amount that the Group would receive at the end of the reporting period, taking into account the current creditworthiness of the wealth management products counterparties.

Information about Level 3 fair value measurements

27 金融風險管理及公平值(續)

(e) 公平值(續)

(i) 按公平值計量的金融資產(續)

公平值等級(續)

截至二零一七年及二零一八年十二月三十一日止年度，第一級與第二級之間並無任何轉移，亦無轉入或轉出第三級。本集團政策為於報告期末在公平值等級間出現轉移時確認轉移。

第二級公平值計量所用之估值技術及輸入數據

第二級內理財產品之公平值為本集團將於報告期末收取之估計金額，當中計及理財產品交易方之當前信用。

有關第三級公平值計量之資料

	Valuation techniques	Significant unobservable inputs	Range	Weighted average
	估值技術	重要不可觀察輸入數據	範圍	加權平均值
Conversion option embedded in convertible loan	Binomial lattice model	Expected volatility	(2017: 25.15-51.53%)	(2017: 37.51%)
可轉換貸款內含之轉換權	二項式點陣模式	預期波幅	(二零一七年: 25.15至51.53%)	(二零一七年: 37.51%)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

27 金融風險管理及公平值(續)

(e) Fair value (Continued)

(i) Financial assets measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

The fair value of conversion option embedded in convertible loan was determined using binomial lattice model and the significant unobservable input used in the fair value measurement was expected volatility. The fair value measurement was positively correlated to the expected volatility. As at 31 December 2017, it was estimated that with all other variables held constant, an increase/decrease in the expected volatility by 5% would have increased/decreased the Group's profit by RMB313,000. The convertible loan was repaid at August 2018 (note 15).

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

(e) 公平值(續)

(i) 按公平值計量的金融資產(續)

有關第三級公平值計量之資料(續)

可轉換貸款內含之轉換權之公平值乃採用二項式點陣模式釐定，而公平值計量所用之重要不可觀察輸入數據為預期波幅。公平值計量與預期波幅呈正相關關係。於二零一七年十二月三十一日，估計當預期波幅上升／下降5%而所有其他變量保持不變，本集團之溢利將增加／減少人民幣313,000元。可轉換貸款已於二零一八年八月償還(附註15)。

期內該等第三級公平值計量結餘之變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Conversion option embedded in convertible loan:	可轉換貸款內含之轉換權：		
Reclassification At 1 January/On issue day	重新分類於一月一日／發行日	47,245	—
Changes in fair value recognised in profit or loss during the period	期內於損益確認之公平值變動	52,404	2,835
Repayment of the loan At 31 December	貸款還款於十二月三十一日	(2,865)	2,324
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	就報告期末所持資產計入損益之期內收益或虧損總額	(49,539)	—
		—	5,159
		(2,865)	2,324

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(e) Fair value (Continued)

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2017 and 2018.

28 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at 31 December 2018 not provided for in the financial statements were as follows:

27 金融風險管理及公平值(續)

(e) 公平值(續)

(ii) 並非按公平值列賬之金融資產及負債的公平值

於二零一七年及二零一八年十二月三十一日，本集團按成本或攤銷成本列賬之金融工具的賬面值與其公平值並無重大差異。

28 承擔

(a) 資本承擔

於二零一八年十二月三十一日，未於財務報表計提撥備的未履行資本承擔如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contracted for	已訂約	7,790	19,248
Authorised but not contracted for	已授權惟未訂約	22,272	26,683
		30,062	45,931

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

28 COMMITMENTS (Continued)

(b) Operating leases commitments

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	一年內	5,864	9,991
After 1 year but within 5 years	一年後五年內	210	7,106
After 5 years	五年後	—	—
		6,074	17,097

The Group leases a number of properties under operating leases. The leases typically run for an initial period for one to six years, at the end of which period all terms are renegotiated.

28 承擔(續)

(b) 經營租賃承擔

於二零一八年十二月三十一日，根據不可撤銷經營租賃應付的未來最低租賃付款總額如下：

本集團根據經營租約租賃多項物業。租約一般初步為期一至六年，所有條款可於租約期末重新磋商。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

29 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions.

(a) Operating lease with related parties

The operating lease charges in respect of properties paid and payable to Shishi City Junyuan Development Co., Ltd. ("Junyuan Development") (石獅市駿源發展有限公司) amounted to RMB2,111,000 (2017: RMB2,907,000) for the year ended 31 December 2017, which constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. Junyuan Development is 100% indirectly owned by Mr. Ziming Yang, the controlling shareholder. The disclosures required by Chapter 14A of the Listing Rules are provided in section headed "Connected Transactions" of the Reports of the Directors.

29 重大關聯方交易

除財務報表其他部分披露的關聯方資料外，本集團訂立以下重大關聯方交易。

(a) 與關聯方的經營租賃

截至二零一八年十二月三十一日止年度，就物業已付及應付石獅市駿源發展有限公司(「駿源發展」)的經營租賃費用為人民幣2,111,000元(二零一七年：人民幣2,907,000元)，其構成上市規則第14A章所界定的持續關連交易。駿源發展由控股股東楊紫明先生間接全資擁有。上市規則第14A章規定之披露載於董事會報告「關連交易」一節。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

29 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Operating lease with related parties (Continued)

The total future minimum lease payments under non-cancellable operating leases that are payable to Junyuan Development as follows:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year 一年內	658	1,182

(b) Loans to a related party

	Amounts owed to the Group by a related party 關聯方結欠本集團的款項 As at 31 December 於十二月三十一日		Related interest income 相關利息收入 Year ended 31 December 截至十二月三十一日止年度	
	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loans to an associate (Note) 授予一間聯營公司的貸款 (附註)	47,840	—	906	—

Note: The outstanding balance with this related party is included in "Trade and other receivables" (note 18).

(a) 與關聯方的經營租賃(續)

不可撤銷經營租賃項下應付駿源發展的日後最低租賃付款總額如下：

(b) 授予關聯方的貸款

附註：與此關聯方的尚未償還結餘計入「貿易及其他應收款項」(附註18)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

29 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 6 and certain of the highest paid employees as disclosed in note 7, is as follows:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Short-term employee benefits 短期僱員福利	6,596	7,297
Contributions to retirement benefit scheme 退休福利計劃供款	582	373
Discretionary bonus 酌情花紅	—	1,583
Equity settled share-based payment expenses 權益結算以股份為基礎的付款開支	1,167	360
	8,345	9,613

Total remuneration is included in "staff costs" (note 4(b)).

29 重大關聯方交易(續)

(b) 主要管理人員薪酬

本集團主要管理人員酬金(包括支付予附註6所披露的本公司董事及附註7所披露的若干最高薪僱員的款項)如下:

薪酬總額載於「員工成本」(附註4(b))。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

30 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the financial statements. The principal accounting policies are set forth in note 1. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

(a) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. It could change significantly as a result of change in customer preference and competitor actions in response to the industry situation. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's net assets value. The Group reassesses these estimates at the end of each reporting period.

30 重大會計估計及判斷

估計及判斷會以經驗及其他因素(包括因應當時情況認為屬對未來事件的合理預期)為基準持續評估。

重要會計政策的選擇、影響該等政策應用的判斷及其他不明朗因素以及所呈報業績對條件及假設變動的敏感度均為審閱財務報表時考慮的因素。主要會計政策載列於附註1。本集團相信，以下重要會計政策涉及編製財務報表所使用最為重要的判斷及估計。

(a) 存貨的可變現淨值

存貨的可變現淨值乃於日常業務過程中的估計售價，減估計完成的成本及進行銷售所需的估計成本。該等估計乃基於目前市況及銷售類似性質產品的過往經驗。其可能因客戶偏好的變動及競爭對手針對行業狀況採取的行動而出現重大變化。假設的任何變動將增加或減少過往年度作出的存貨撇減的金額或有關撇減撥回，並影響本集團的資產淨值。本集團於各報告期末重新評估該等估計。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

30 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

(b) Impairment of trade and other receivables

The Group estimates the loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives.

(c) Bank acceptance bills

As set out in note 27(a)(i), the Group considers that the credit risk associated with bank acceptance bills issued by major banks in the PRC to be insignificant. The Group monitors the credit risk of issuing banks. The judgement to derecognise bank acceptance bills upon discounting or endorsement is reviewed when the credit risk of issuing banks deteriorates significantly.

30 重大會計估計及判斷(續)

(b) 貿易及其他應收款項減值

本集團透過評估預期信貸虧損估計貿易應收款項的虧損撥備。這需要運用估計及判斷。預期信貸虧損乃根據跟集團的過往信貸虧損經驗，就具體債務人的因素作出之調整及於報告期末對當前及預期整體經濟狀況作出的評估得出。倘估計與初始估計出現差異，有關差異將影響貿易應收款項的賬面值，因此，有關估計期間的減值虧損會出現變動。本集團會在預期期限內不斷評估貿易應收款項的預期信貸虧損。

(c) 銀行承兌票據

如附註27(a)(i)所述，本集團認為中國主要銀行發行的銀行承兌票據相關的信貸風險並不重大。本集團監察發行銀行的信貸風險。當發行銀行的信貸風險顯著惡化時，貼現或背書後終止確認銀行承兌票據的判斷將加以審閱。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

31 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

31 公司財務狀況表

	Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current asset	非流動資產		
Investments in subsidiaries	於附屬公司的投資	7,205	6,038
Current assets	流動資產		
Other receivables	其他應收款項	213,464	65,501
Cash and cash equivalents	現金及現金等價物	557	2,028
		214,021	67,529
Current liability	流動負債		
Other payables and accruals	其他應付款項及應計費用	115,726	15,646
		115,726	15,646
Net current assets	流動資產淨值	98,295	51,883
NET ASSETS	資產淨值	105,500	57,921
CAPITAL AND RESERVES	資本及儲備	26(a)	
Capitals	資本	5,214	5,203
Reserves	儲備	100,286	52,718
NET ASSETS	資產淨值	105,500	57,921

Approved and authorised for issue by the board of directors on 22 February 2019.

經董事會於二零一九年二月二十二日批准及授權刊發。

Mr. Siu Keung Ng

吳少強先生

Chief Executive Officer and Executive Director

行政總裁兼執行董事

Mr. Rongqin Ke

柯榕欽先生

Executive Director

執行董事

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

32 COMPARATIVE FIGURES

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods design, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 1(c)

32 比較數字

本集團已於二零一八年一月一日首次應用國際財務報告準則第15號及國際財務報告準則第9號。根據過渡方法的設計，比較資料不予重列。有關會計政策變動的進一步詳情披露於附註1(c)。

33 ULTIMATE CONTROLLING PARTIES

As at 31 December 2018, the directors consider the ultimate controlling party of the Company to be Mr. Ziming Yang.

33 最終控股方

於二零一八年十二月三十一日，董事認為本公司的最終控股方為楊紫明先生。

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

34 截至二零一八年十二月三十一日止年度已頒佈惟尚未生效的修訂、新訂準則及詮釋的可能影響

截至本財務報表刊發日期，國際會計準則理事會已頒佈多項修訂、新訂準則及詮釋，該等修訂及新訂準則及詮釋於截至二零一八年十二月三十一日止年度尚未生效，且於本財務報表並未採用。以下為可能與本集團相關的有關準則。

	Effective for accounting periods beginning on or after 於下列日期或之後開始的會計期間生效
IFRS 16, <i>Leases</i> 國際財務報告準則第16號，租賃	1 January 2019 二零一九年一月一日
IFRIC 23, <i>Uncertainty over income tax treatments</i> 國際財務報告詮釋委員會詮釋第23號，所得稅處理之不確定性	1 January 2019 二零一九年一月一日
Annual Improvements to IFRSs 2015-2017 Cycle 二零一五年至二零一七年週期的國際財務報告準則年度改進	1 January 2019 二零一九年一月一日
Amendments to IAS 28, <i>Long-term interest in associates and joint ventures</i> 國際會計準則第28號的修訂 於聯營公司及合營企業的長期權益	1 January 2019 二零一九年一月一日

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

(Continued)

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

34 截至二零一八年十二月三十一日止年度已頒佈惟尚未生效的修訂、新訂準則及詮釋的可能影響(續)

本集團正在評估該等修訂、新準則及詮釋預期對首次應用期間產生的影響。目前，本集團已識別國際財務報告準則第16號的若干方面可能對綜合財務報表產生重大影響。有關預期影響的進一步詳情闡述如下。儘管對國際財務報告準則第16號的評估已大致完成，惟首次採納該準則的實際影響可能會有所不同，原因為迄今完成的評估乃基於本集團現時可得之資料得出，而進一步影響可能在該準則首次應用於本集團截至二零一九年六月三十日止六個月的中期財務報告時發現。本集團可能亦會變動其會計政策選擇，包括過渡選擇，直至該準則首次應用於該財務報告。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

(Continued)

IFRS 16, Leases

As disclosed in note 1(k), currently the Group classifies leases into operating leases, and accounts for the lease arrangements according to the nature of the lease. The Group enters into leases as the lessee.

IFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once IFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

34 截至二零一八年十二月三十一日止年度已頒佈惟尚未生效的修訂、新訂準則及詮釋的可能影響(續)

國際財務報告準則第16號，租賃

誠如附註1(k)所披露，本集團現時將租賃分類為經營租賃，並根據租賃的性質對租賃安排進行列賬。本集團作為承租人訂立租約。

預期國際財務報告準則第16號將不會大幅影響出租人根據租約將彼等權利及義務入賬的方式。然而，一旦採納國際財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受可行權宜方法的規限，承租人將按與現有融資租賃會計處理方法類似的方式將所有租約入賬，即於租約開始日期，承租人將按日後最低租賃付款的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債結餘所產生的利息開支及使用權資產折舊，而非根據現有政策於租期內按系統基準確認根據經營租約所產生的租賃開支。作為一項可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下）及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

(Continued)

IFRS 16, Leases (Continued)

IFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 28(b), at 31 December 2018 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB6,074,000 (2017: RMB17,097,000) for properties, the majority of which is payable within 1 year after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once IFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of IFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of IFRS 16 and the effects of discounting.

34 截至二零一八年十二月三十一日止年度已頒佈惟尚未生效的修訂、新訂準則及詮釋的可能影響(續)

國際財務報告準則第16號，租賃(續)

國際財務報告準則第16號將主要影響本集團作為租約承租人就若干物業、廠房及設備(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於損益表確認開支的時間。誠如附註28(b)所披露，於二零一八年十二月三十一日，本集團於不可撤銷經營租賃項下就物業的日後最低租賃付款達人民幣6,074,000元(二零一七年：人民幣17,097,000元)，其中大部分須於報告日期後一年內支付。因此，一旦採納國際財務報告準則第16號，若干該等款項可能須確認為租賃負債，並附帶相應使用權資產。經考慮可行權宜方法的適用性及就現時與採納國際財務報告準則第16號期間已訂立或終止的任何租約及貼現影響作出調整後，本集團將須進行更為詳細的分析以釐定於採納國際財務報告準則第16號時經營租賃承擔所產生的新資產及負債的金額。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated)

(除另行指明者外，以人民幣列示)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

(Continued)

IFRS 16, Leases (Continued)

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard offers different transition options and practical expedients, including the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. If this practical expedient is chosen, the Group will apply the new definition of a lease in IFRS 16 only to contracts that are entered into on or after the date of initial application. If the practical expedient is not chosen, the Group will need to reassess all of its decisions about which existing contracts are, or contain, leases, using the new definition. Depending on whether the Group elects to adopt the standard retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment. The Group has not yet decided whether it will choose to take advantage of this practical expedient, and which transition approach to be taken.

34 截至二零一八年十二月三十一日止年度已頒佈惟尚未生效的修訂、新訂準則及詮釋的可能影響(續)

國際財務報告準則第16號，租賃(續)

國際財務報告準則第16號於二零一九年一月一日或之後開始之年度期間生效。該準則提供不同的過渡選擇及可行權益方法，包括融入先前評估的可行權宜方法，當中現有安排為(或包含)租賃。倘選擇此可行權宜方法，本集團僅將國際財務報告準則第16號對租賃的新定義應用於首次應用日期或之後訂立的合約。倘並無選擇可行權益方法，本集團則需要重新評估其應用新定義下，對哪些現有合約為(或包含)租賃而作的所有決定。視乎本集團是否選擇以追溯方式採納準則，或遵從經修訂可追溯方式確認對首次應用當日權益期初結餘的累計效應調整，本集團未必需要重列因重新評估而引致任何會計變動的比較資料。本集團尚未決定是否將選擇採用此可行權益方法及將採取哪種過渡方法。

FIVE YEARS SUMMARY

五年概要

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	收益	1,273,473	1,089,106	1,160,799	1,356,486	1,098,188
Cost of sales	銷售成本	(694,730)	(551,493)	(604,829)	(730,032)	(636,185)
Gross profit	毛利	578,743	537,613	555,970	626,454	462,003
Other income	其他收入	58,100	42,786	51,709	56,805	60,115
Share of loss of an associate	分佔一間聯營公司的虧損	(190)	-	-	-	-
Selling and distribution expenses	銷售及分銷開支	(179,423)	(153,392)	(160,425)	(121,607)	(78,641)
Administrative and other operating expenses	行政及其他營運開支	(146,388)	(125,671)	(194,198)	(166,811)	(121,264)
Profit from operations	經營溢利	310,842	301,336	253,056	394,841	322,213
Finance cost	融資成本	(19,891)	(16,555)	(5,848)	(3,137)	(1,538)
Profit before taxation	除稅前溢利	290,951	284,781	247,208	391,704	320,675
Income tax	所得稅	(80,708)	(81,568)	(65,519)	(104,146)	(85,173)
Profit for the year	年內溢利	210,243	203,213	181,689	287,558	235,502
Earnings per share	每股盈利					
Basic (RMB)	基本(人民幣)	0.32	0.29	0.26	0.404	0.35
Diluted (RMB)	攤薄(人民幣)	0.32	0.29	0.25	0.402	0.35

FIVE YEARS SUMMARY (CONTINUED)

五年概要(續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Non-current assets	非流動資產					
Investment properties	投資物業	39,607	-	-	-	-
Property, plant and equipment	物業、廠房及設備	59,326	73,076	57,521	29,817	15,657
Interests in leasehold land held for own use under operating lease	經營租賃下持作自用之租賃土地之權益	22,811	23,312	23,319	-	-
Intangible assets	無形資產	37,393	40,218	34,848	35,297	22,275
Prepayments for acquisition of plant and equipment	收購廠房及設備之預付款項	1,039	9,744	-	-	-
Other loans receivables	其他應收貸款	-	64,118	-	-	-
Interest in an associate	於一間聯營公司的權益	49,349	-	-	-	-
Deferred tax assets	遞延稅項資產	33,257	26,158	37,786	24,368	16,661
		242,782	236,626	153,474	89,482	54,593
Current assets	流動資產					
Inventories	存貨	383,578	337,052	328,813	266,765	105,024
Trade and other receivables	貿易及其他應收款項	506,393	445,829	465,086	485,917	272,914
Other financial assets	其他金融資產	60,000	253,159	21,400	10,000	-
Deposits with banks with original maturity date over three months	原到期日逾三個月的銀行存款	443,944	452,860	275,400	288,622	355,231
Pledged bank deposits	已抵押銀行存款	240,485	105,015	239,068	428,375	307,235
Cash and cash equivalents	現金及現金等價物	220,484	134,593	222,885	294,543	324,451
		1,854,884	1,728,508	1,552,652	1,774,222	1,364,855
Current liabilities	流動負債					
Bank borrowings	銀行借款	52,566	16,636	127,095	220,479	101,212
Trade and other payables	貿易及其他應付款項	597,395	590,042	555,696	704,182	566,449
Current tax payable	應付即期稅項	34,895	19,929	30,041	26,758	31,799
		684,856	626,607	712,832	951,419	699,460
Non-current liabilities	非流動負債					
Bank borrowings	銀行借款	234,886	271,461	-	-	-
Deferred tax liabilities	遞延稅項負債	4,168	11,770	11,577	15,384	2,781
		239,054	283,231	11,577	15,384	2,781
Net assets	資產淨值	1,173,756	1,055,296	981,717	896,901	717,207
Capital and reserves	資金及儲備					
Share capital	股本	5,214	5,203	5,583	5,580	5,578
Reserves	儲備	1,112,743	1,018,653	976,134	891,321	711,629
		1,117,957	1,023,856	981,717	896,901	717,207
Non-controlling interests	非控股權益	55,799	31,440	-	-	-
Total equity	總權益	1,173,756	1,055,296	981,717	896,901	717,207

REVIEW OF ANNUAL RESULTS

The final results of the Group for the year ended 31 December 2018 have been reviewed by the Audit Committee.

2019 AGM

The 2019 AGM will be held in Hong Kong on Tuesday, 2 April 2019. Notice of the 2019 AGM will be issued and dispatched to shareholders of the Company in due course in accordance with the Listing Rules and the articles of association of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The 2018 Annual Report will be dispatched to shareholders and published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company's website at www.ir.cabbeen.com in due course. This announcement can also be accessed on the above websites.

By Order of the Board
Cabbeen Fashion Limited
Ziming Yang
Chairman

Hong Kong, 22 February 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Ziming YANG, Mr. Siu Keung NG and Mr. Rongqin KE; and the independent non-executive Directors of the Company are Mr. Yung Kwok TSUI, Mr. Honghui CHEN and Mr. Ming Shu LEUNG.