



ANNUAL REPORT
年度報告
2018



Moody Technology Holdings Limited
滿地科技股份有限公司

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

Stock Code 股份代號: 1400



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ACTING CHAIRLADY'S STATEMENT

代理主席報告

RESULTS

The Group was exposed to enormous threats and pressure over the challenging environment and market during 2018. For the domestic market condition, the policies and reforms in China triggered rising costs of domestic enterprises amid changing international market conditions, the second half of the Year witnessed a significant impact on the domestic economy and consumer sentiment, while consumer spending and various economic indicators demonstrated a sign of economic slowdown. Our Group commenced some clothes trading in the fourth quarter of 2018 in the overseas market. However, the overseas market was also subject to unstable macroeconomic environment arising from the friction between China and the United States escalated from the trade issues to a full-scale conflict as against changing complicated landscapes in global politics and economy.

Under these unfavourable market conditions, the Group recorded revenue of approximately RMB250.7 million for the Year, representing a decrease of approximately 7.8% on a year-on-year basis, and the gross loss margin of the Group's products was immaterial to be only approximately 0.02%, representing a decrease of approximately 6.08% points over the previous year. Loss attributable to owners of the Company for the Year decreased significantly from loss of approximately RMB732.8 million in 2017 to loss of approximately RMB369.3 million in 2018, representing a decrease of approximately 49.6% as compared with the last year, which was mainly attributable to the substantial decrease in gross loss as just mentioned, the substantial decrease in general and administrative expenses resulted from less impairments made during the Year. Sales of fabrics decreased significantly from approximately RMB271.9 million for the year ended 31 December 2017 to approximately RMB227.2 million for the year ended 31 December 2018. The Group commenced a new business of shoes and clothes trading in the fourth quarter of the Year which contributed sales of trading of shoes and clothes of approximately RMB23.5 million. The name of the Company was changed from Wang Tai Holdings Limited to Moody Technology Holdings Limited which represented a new milestone of the Group. In the future, the Group will not only enhance the operations of principal business of sales of fabrics, but also develop a number of business activities like clothes trading which will bring the Group into a fast growing business entity.

業績

本集團於二零一八年因環境及市場充滿挑戰而承受巨大威脅及壓力。就國內市況而言，中國政策及改革在國際市況動盪中觸發國內企業成本上漲，下半年見證國內經濟及消費氣氛遭受重大影響，消費者的消費及各項經濟指標均顯示經濟有放緩跡象。本集團於二零一八年第四季度在海外市場展開若干服裝買賣。然而，海外市場亦因中美之間的磨擦從貿易問題升級至針對全球政治及經濟複雜形勢變化的全面衝突所帶來的不穩定宏觀經濟環境影響。

在該等不利市場狀況下，本集團於本年度的收益約為人民幣250.7百萬元，同比減少約7.8%。本集團產品的毛損率極低，僅約為0.02%，同比減少約6.08%。本年度本公司擁有人應佔虧損則由二零一七年虧損約人民幣732.8百萬元大幅減少至二零一八年虧損約人民幣369.3百萬元，較去年減少約49.6%，主要是因為前述毛損大幅減少、年內減值減少而造成一般及行政開支大幅減少所致。面料的銷售額由截至二零一七年十二月三十一日止年度約人民幣271.9百萬元大幅減少至截至二零一八年十二月三十一日止年度約人民幣227.2百萬元。本集團於本年度第四季展開全新的鞋履及服裝買賣業務，並錄得鞋履及服裝買賣銷售額約人民幣23.5百萬元。本公司的名稱由宏太控股有限公司改為滿地科技股份有限公司，標誌著本集團的新里程。未來，本集團不但會提升面料銷售等主要業務營運，亦會開發服裝買賣等幾類業務活動，這有望令本集團擠身成為高速增长業務實體。

OUTLOOK

The existing principal business of sales of fabrics and yarns was worsening during the past few years as they were subject to unfavourable macroeconomic environment and continuous unsatisfactory market condition. In March 2018, a new team of directors joined the Company to understand the Group's situation and continuously find the niche to improve the principal business of manufacturing and sales of fabrics. However, the result of the change of the management was not obvious as the industry seemed to be difficult to turn around in the short time duration. The principal business of manufacture and sale of fabrics will still be carried on but the Board will attempt to smooth out the operations by adoption of appropriate strategies from time to time.

After the name of the Company was changed from Wang Tai Holdings Limited to Moody Technology Holdings Limited during 2018, the management of the Group desires to provide a fresh image and take every opportunity to develop new potential businesses which will bring forth the Group into a new milestone. Clothes trading was commenced in the fourth quarter of 2018 which will generate higher income to the Group. As mentioned in the Acting Chairlady's statement, the international political and macroeconomic environments were unstable, the management must take caution to commence any business. The new team of directors need time and resources to understand the problems of the existing Group, find the means to resolve the problems and look for changing the Group into a fast growing business entity. The Group's resources were very limited. The management will strive for more resources from the market and work hand-in-hand with the stakeholders to support the Group in order to relieve the current difficult position.

Looking forward to 2019, the textile industry is expected to continuously face challenges and uncertainties. The Group will still keep the principal business, but the Group will also explore any new businesses at the same time. The clothes trading to the Asian countries will grow continuously in this forthcoming year.

ACKNOWLEDGEMENT

Lastly, I would like to express my gratitude on behalf of the Board to all our stakeholders for giving the Group their care, patience and support over the years.

展望

過去數年，由於宏觀經濟環境不利及市場狀況持續不理想，銷售面料及紗線的現有主要業務不斷下滑。於二零一八年三月，一支新的董事團隊加入本公司，以瞭解本集團情況及不斷尋找合適機會改善製造及銷售面料的主要業務。然而，鑒於短期內行業情況似乎難以好轉，管理層變動帶來的效果並不顯著。製造及銷售面料的主要業務仍會繼續，惟董事會將不時採納合適策略，讓業務營運更順暢。

二零一八年，本公司名稱由「宏太控股有限公司」改為「滿地科技股份有限公司」後，本集團管理層希望樹立全新形象及全力把握機會發展新的潛在業務，這將推動集團達到新里程碑。服裝買賣於二零一八年第四季度開始，將為本集團創造更高收入。誠如代理主席報告所述，國際政治及宏觀經濟環境不穩定，管理層必須審慎開展任何業務。新的董事團隊需要時間及資源瞭解現有集團的問題，尋找解決問題途徑，並尋求將本集團變為快速增長的業務實體。本集團的資源十分有限。管理層將竭力於市場獲取更多資源，同時與持份者攜手努力支持本集團，以緩解目前的困難局面。

展望二零一九年，紡織行業預期將繼續面臨挑戰及不確定因素。本集團將維持主要業務，但本集團同時亦將探索新業務。在即將來臨的本年度，對亞洲國家的布料買賣將持續增長。

鳴謝

最後，本人謹代表董事會對全體持份者一直以來對本集團的關注，忍耐和支持致以由衷的感謝！

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive directors

- Mr. Lin Qingxiong (*Chairman* resigned on 17 April 2018 but still as an executive director)
- Mr. Wu Jianxiong (Appointed as independent non-executive director on 29 March 2018, re-designated as executive director on 21 August 2018 and as chairman on 11 April 2019)
- Ms. Li Jia Yin (Appointed on 29 March 2018, re-designated as Acting Chairlady on 21 August 2018 and resigned on 11 April 2019)
- Mr. Li Dongfan (Appointed as executive director on 17 April 2018 and resigned on 21 August 2018)
- Mr. Tao Tao (Appointed as executive director on 17 April 2018 and resigned on 21 August 2018)
- Mr. Yan Ximao (Appointed as executive director on 21 September 2018 and resigned on 21 November 2018)
- Mr. Su Yichao (Appointed as executive director on 21 September 2018 and resigned on 21 November 2018)
- Mr. Zou Biao (Appointed as executive director on 11 April 2019)

Independent non-executive directors

- Mr. Chan Sui Wa
- Mr. Liu Shungang (Appointed on 29 March 2018)
- Mr. Lin Yugang (Appointed on 21 August 2018)
- Mr. Wu Jianxiong (Appointed as independent non-executive director on 29 March 2018, re-designated as executive director on 21 August 2018)

AUDIT COMMITTEE

- Mr. Chan Sui Wa (*Chairman*)
- Mr. Liu Shungang (Appointed on 29 March 2018)
- Mr. Lin Yugang (Appointed on 21 August 2018)
- Mr. Wu Jianxiong (Appointed as independent non-executive director on 29 March 2018, re-designated as executive director on 21 August 2018)

REMUNERATION COMMITTEE

- Mr. Liu Shungang (*Chairman* appointed on 29 March 2018)
- Mr. Chan Sui Wa
- Mr. Lin Yugang (Appointed on 21 August 2018)
- Mr. Wu Jianxiong (Appointed as independent non-executive director on 29 March 2018, re-designated as executive director on 21 August 2018)

董事會

執行董事

- 林清雄先生 (*主席*，於二零一八年四月十七日辭任，但仍為執行董事)
- 吳健雄先生 (於二零一八年三月二十九日獲委任為獨立非執行董事，於二零一八年八月二十一日調任為執行董事及於二零一九年四月十一日調任為主席)
- 李佳音女士 (於二零一八年三月二十九日獲委任，於二零一八年八月二十一日調任為代理主席並於二零一九年四月十一日辭任)
- 李東凡先生 (於二零一八年四月十七日獲委任為執行董事，並於二零一八年八月二十一日辭任)
- 陶濤先生 (於二零一八年四月十七日獲委任為執行董事，並於二零一八年八月二十一日辭任)
- 嚴希茂先生 (於二零一八年九月二十一日獲委任為執行董事，並於二零一八年十一月二十一日辭任)
- 蘇毅超先生 (於二零一八年九月二十一日獲委任為執行董事，並於二零一八年十一月二十一日辭任)
- 鄒彪先生 (於二零一九年四月十一日獲委任為執行董事)

獨立非執行董事

- 陳瑞華先生
- 劉順剛先生 (於二零一八年三月二十九日獲委任)
- 林宇剛先生 (於二零一八年八月二十一日獲委任)
- 吳健雄先生 (於二零一八年三月二十九日獲委任為獨立非執行董事，於二零一八年八月二十一日調任為執行董事)

審核委員會

- 陳瑞華先生 (*主席*)
- 劉順剛先生 (於二零一八年三月二十九日獲委任)
- 林宇剛先生 (於二零一八年八月二十一日獲委任)
- 吳健雄先生 (於二零一八年三月二十九日獲委任為獨立非執行董事，於二零一八年八月二十一日調任為執行董事)

薪酬委員會

- 劉順剛先生 (*主席*，於二零一八年三月二十九日獲委任)
- 陳瑞華先生
- 林宇剛先生 (於二零一八年八月二十一日獲委任)
- 吳健雄先生 (於二零一八年三月二十九日獲委任為獨立非執行董事，於二零一八年八月二十一日調任為執行董事)

NOMINATION COMMITTEE

Mr. Lin Yugang (*Chairman* appointed on 21 August 2018)

Mr. Chan Sui Wa

Mr. Liu Shungang (Appointed on 17 April 2018)

Mr. Wu Jianxiong (Appointed as independent non-executive director on 29 March 2018, re-designated as executive director on 21 August 2018)

REGULATORY COMPLIANCE COMMITTEE

Ms. Li Jia Yin (*Chairlady* appointed on 17 April 2018 and resigned on 11 April 2019)

Mr. Wu Jianxiong (Appointed on 17 April 2018)

Mr. Siu Kai Chun (Resigned as Company Secretary on 21 December 2018 but still as Chief Financial Officer)

COMPANY SECRETARY

Mr. Siu Kai Chun (Resigned as Company Secretary on 21 December 2018 but still as Chief Financial Officer)

Mr. Tsang Ho Yin *LLB, BComm, LLM, PCLL*
(Appointed on 29 January 2019)

AUTHORISED REPRESENTATIVES

Ms. Li Jia Yin (Appointed on 17 April 2018 and resigned on 11 April 2019)

Mr. Siu Kai Chun (Resigned on 21 December 2018)

Mr. Wu Jianxiong (Appointed on 21 December 2018)

AUDITOR

World Link CPA Limited

Certified Public Accountants

5/F., Far East Consortium Bldg,

121 Des Voeux Road Central,

Central

Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Bank of Communications

Bank of Quanzhou

China Merchants Bank, Quanzhou Shishi Branch

Nanyang Commercial Bank, Limited

Rural Commercial Bank of Shishi

Standard Chartered Bank (Hong Kong) Limited

CMB Wing Lung Bank

提名委員會

林宇剛先生 (*主席*，於二零一八年八月二十一日獲委任)

陳瑞華先生

劉順剛先生 (於二零一八年四月十七日獲委任)

吳健雄先生 (於二零一八年三月二十九日獲委任為獨立非執行董事，於二零一八年八月二十一日調任為執行董事)

監管合規委員會

李佳音女士 (*主席*，於二零一八年四月十七日獲委任並於二零一九年四月十一日辭任)

吳健雄先生 (於二零一八年四月十七日獲委任)

蕭啟晉先生 (於二零一八年十二月二十一日辭任公司秘書，但仍為首席財務官)

公司秘書

蕭啟晉先生 (於二零一八年十二月二十一日辭任公司秘書，但仍為首席財務官)

曾浩賢先生 *LLB, BComm, LLM, PCLL*
(於二零一九年一月二十九日獲委任)

授權代表

李佳音女士 (於二零一八年四月十七日獲委任並於二零一九年四月十一日辭任)

蕭啟晉先生 (於二零一八年十二月二十一日辭任)

吳健雄先生 (於二零一八年十二月二十一日獲委任)

核數師

華普天健(香港)會計師事務所有限公司

執業會計師

香港

中環

德輔道中 121 號

遠東發展大廈 5 樓

主要往來銀行

中國銀行(香港)有限公司

交通銀行

泉州銀行

招商銀行泉州石獅支行

南洋商業銀行有限公司

石獅農商銀行

渣打銀行(香港)有限公司

招商永隆銀行

CORPORATE INFORMATION 公司資料

REGISTERED OFFICE

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

HEADQUARTERS IN CHINA

Wubao Science and Technology Park
Hongshan Town
Shishi City
Fujian
China

PLACE OF BUSINESS IN HONG KONG

39th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

COMPANY'S WEBSITE

www.texitm.com

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1400

註冊辦事處

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

中國總部

中國
福建
石獅市
鴻山鎮
伍堡科技園

香港營業地點

香港
中環
皇后大道中15號
置地廣場
告羅士打大廈三十九樓

主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心
22樓

本公司網站

www.texitm.com

股份代號

香港聯合交易所有限公司：1400

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW

During the Year, the Group recorded revenue of approximately RMB250.7 million, representing a decrease of approximately 7.8% as compared with the last year, and loss attributable to owners of the Company increased from loss of approximately RMB732.8 million in 2017 to loss of approximately RMB369.3 million in 2018, representing a decrease of approximately 49.6% as compared with last year. The decrease in revenue was mainly attributable to decrease in demand for the fabric products. The decrease in net loss attributable to owners of the Company was mainly due to decrease in impairments.

INDUSTRY REVIEW

During the Year, the PRC economy was at the stage of transformation with structural adjustment, showing increasing downward pressure. The growth of GDP for the year was only 6.6%. Negatively affected by the macro economy, the Chinese textile industry was also under growing pressure, featuring a shift in growth drivers, continuous adjustments and an overall stable performance.

According to the statistics released by the China Cotton Textile Association, the production volume of fabrics increased by 1.43% to approximately 70.55 billion meters in 2018. This demonstrated a slowing down production volume of textile products in 2018 mainly because of sluggish demand from the garment manufacturing customers.

In terms of the raw materials, as the cotton policy has been reformed by the PRC government drove cotton prices being increasingly market-oriented and narrowed the gap between domestic and overseas prices, coupled with the growth in end-user spending, cotton prices showed an improving trend. According to the Cotton A Index, the average price for cotton in China during the Year was approximately RMB16,000 per ton, representing a year-on-year decrease of approximately 1.34%. Overseas cotton prices also increased due to stronger demand. The average global market price for cotton, according to the Cotlook A Index, was approximately US\$82.4 cents per pound, representing a year-on-year decrease of approximately 1.34%. In the long run, the narrowing gap between domestic and overseas cotton prices will help improve the overall competitiveness of China's exporting textile manufacturing industry.

概覽

於本年度，本集團錄得收益約人民幣250.7百萬元，較去年減少約7.8%，而本公司擁有人應佔虧損由二零一七年虧損約人民幣732.8百萬元增加至二零一八年虧損約人民幣369.3百萬元，較去年減少約49.6%。收入減少主要歸因於面料產品的需求減少。本公司擁有人應佔虧損淨額減少則主要由於減值減少所致。

行業回顧

於本年度，中國經濟正處於結構調整的轉型期，經濟下行壓力增大，而年內的GDP增速僅為6.6%。受宏觀經濟環境的負面影響，中國紡織行業發展壓力亦加大，顯現出增長動力轉換、調整持續推進和運行大體平穩的特點。

根據中國棉紡織行業協會的統計數據，二零一八年面料產量增加1.43%至約705.5億米，表明二零一八年紡織品產量因來自服裝生產客戶的需求薄弱而放緩。

原材料方面，中國政府改革棉花政策改革以來，棉花價格日益市場化，與國際市場逐漸接軌，同時受惠於終端消費增長，棉花價格呈現改善趨勢。年內，中國棉花價格A指數平均約為每噸人民幣16,000元，同比下跌約1.34%；外棉價格由於需求強勁而有所增長，國際市場Cotlook A指數平均每磅約為82.4美仙，同比下跌約1.34%。長期來看，內外棉價差的持續收窄有利於增強中國出口紡織製造行業整體競爭力。

BUSINESS REVIEW

During 2018, as the domestic cotton price was on a decline path due to weak recovery of the global economy, sluggish textile demand and impact from imported textile products, the selling price of China's textile products decreased accordingly, narrowing down the gross profit margin of textile products of the Group.

Revenue of the Group mainly comprises sales of grey and dyed garment fabrics as well as trading of cloths. During the Year, sales of fabrics represented 90.6% of the Group's total revenue for the Year, amounting to approximately RMB227.2 million, representing a decrease of approximately 16.4% when compared to the revenue of last year. The Group's production capacities were similar to the last year's level whereas the utilisation rate decreased given the decreasing of sales volume. For the year ended 31 December 2018 the business of trading of shoes and clothes commenced and contributed approximately RMB23.5 million to the Group's revenue.

The Group changed the nature of textile products from cotton textile to chemical fiber textile. The average selling price of fabrics decreased by approximately 22.4% to RMB5.9 per meter (2017: RMB7.6 per meter) when compared with the last year. The average unit cost of fabrics decreased significantly from RMB8.06 per meter for the year ended 31 December 2017 to RMB5.90 per meters representing a decrease of 26.8% for the year ended 31 December 2018. The gross loss margin for the year ended 31 December 2018 decreased from gross loss margin 6.1% in 2017 to gross loss margin of 0.02% in 2018 because of greater decrease in selling price despite of decrease of costs.

Decrease in general and administrative expenses was outweighed by increase in selling and distribution expenses which pulled down loss attributable to the owners of the Company to loss of approximately RMB369.3 million for the year ended 31 December 2018 from loss of approximately RMB732.8 million for the year ended 31 December 2017. Significant decrease in general and administrative expenses was mainly due to less impairment made during the Year.

業務回顧

二零一八年，全球經濟復甦乏力，紡織品需求持續低迷，加上受進口紡織品的衝擊，國內棉花價格處於回落態勢，中國紡織品銷售價格亦隨之下降，導致本集團紡織產品的毛利空間收窄。

本集團之收益主要包括坯布及色布的銷售以及服裝貿易。於本年度，面料銷售佔本集團年內總收益90.6%，為約人民幣227.2百萬元，較去年同期收益減少約16.4%。本集團產能與去年相若，惟使用率因銷量減少而有所降低。截至二零一八年十二月三十一日止年度，鞋履及服裝買賣業務已開展並為本集團收益貢獻約人民幣23.5百萬元。

本集團將紡織產品的性質由棉紡織變為化纖紡織。面料平均售價較去年下降約22.4%至每米人民幣5.9元(二零一七年：每米人民幣7.6元)。面料平均單位成本由截至二零一七年十二月三十一日止年度每米人民幣8.06元大幅減少至截至二零一八年十二月三十一日止年度每米人民幣5.90元減幅為26.8%。截至二零一八年十二月三十一日止年度的毛損率由二零一七年的毛損率6.1%減少至二零一八年的毛損率0.02%，因為即使成本下跌，但售價跌幅更大。

銷售及分銷開支增幅超逾一般及行政開支減幅，使本公司擁有人應佔虧損由截至二零一七年十二月三十一日止年度虧損約人民幣732.8百萬元減少至截至二零一八年十二月三十一日止年度虧損約人民幣369.3百萬元。一般及行政開支的大幅減少主要由於年內作出的減值較少。

PROSPECT

This is still a fierce competition in the PRC's textile industry, yet the market is immense and highly fragmented. A number of players in the textile industry are consolidated with survival of relatively strong competitive manufacturers in the industry. In 2019, the Group will remain focusing on extending its reach into domestic market, retain the existing market presence and step forward to the overseas trading market. The Group is more determined than ever to enhance its profitability to optimising the existing product portfolio and developing new invented and improved quality products that meet market demand.

With the above strategies, we hope not only to maintain the strategic position but to enhance the quality of products, boost our revenue and improve the profitability and customer loyalty.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by 7.8% from approximately RMB271.9 million for the year ended 31 December 2017 to approximately RMB250.7 million for the year ended 31 December 2018. Such decrease in the revenue was mainly due to revenue of our fabrics products decreased from approximately RMB271.9 million in 2017 to approximately RMB227.2 million in 2018. Such decrease in the revenue of our fabric products was primarily due to decline in the average selling price from around RMB7.6 per meter in 2017 to RMB5.9 per meter in 2018 mainly due to change of textile products from cotton in nature to chemical fiber in nature, which the latter has lower selling price.

Cost of sales

The cost of sales decreased to approximately RMB250.7 million for the year ended 31 December 2018 from approximately RMB288.5 million for the year ended 31 December 2017, mainly due to less raw materials and consumables used for decline in sales volume.

Gross loss and gross loss margin

The decrease in gross loss by 99.6% from approximately gross loss of RMB16.6 million for the year ended 31 December 2017 to gross loss of approximately RMB61,000 for the year ended 31 December 2018 was mainly due to decrease in revenue.

前景

中國紡織市場雖然競爭激烈，但市場規模龐大而且高度分散。紡織行業多家公司進行整合，唯有業內實力雄厚並具競爭力的製造商方可存活。於二零一九年，本集團將會繼續集中擴展其於國內市場的份額、鞏固現時的市場地位及進軍海外貿易市場。本集團將比以往更堅決改良現有產品組合、開發新品及改良可滿足市場需求的產品，藉此提高盈利能力。

憑藉上述策略，吾等希望不僅能夠維持策略性定位，而且能夠提高產品質量，從而推高收益、改善盈利能力及加強客戶忠誠度。

財務回顧

收益

本集團的收益由截至二零一七年十二月三十一日止年度約人民幣271.9百萬元，減少7.8%至截至二零一八年十二月三十一日止年度約人民幣250.7百萬元。收益減少主要由於面料產品收益由二零一七年約人民幣271.9百萬元，減少至二零一八年約人民幣227.2百萬元。吾等的面料產品收益減少主要是由於平均售價由二零一七年約每米人民幣7.6元下降至二零一八年每米人民幣5.9元，主要由於紡織品的性質由棉紡織轉為化纖紡織，而後者的售價較低。

銷售成本

截至二零一八年十二月三十一日止年度，銷售成本由截至二零一七年十二月三十一日止年度約人民幣288.5百萬元減少至約人民幣250.7百萬元，主要是因為銷售量減少導致所用原材料及消耗品減少。

毛損及毛損率

毛損由截至二零一七年十二月三十一日止年度毛損約人民幣16.6百萬元，減少99.6%至截至二零一八年十二月三十一日止年度毛損約人民幣61,000元，主要由於收益減少所致。

The Group changed the nature of textile products from cotton textile to chemical fiber textile. The average selling price of fabrics decreased by approximately 22.4% to RMB5.9 per meter (2017: RMB7.6 per meter) when compared with the last year. The average unit cost of fabrics decreased significantly from RMB8.06 per meter for the year ended 31 December 2017 to RMB5.90 per meters representing a decrease of 26.8% for the year ended 31 December 2018. The gross loss margin for the year ended 31 December 2018 increased from gross loss margin 6.1% in 2017 to gross loss margin of 0.02% in 2018 because of greater decrease in selling price despite of decrease of costs.

Selling and distribution costs

The increase in selling and distribution costs by 38.1% from approximately RMB2.1 million for the year ended 31 December 2017 to approximately RMB2.9 million for the year ended 31 December 2018 as the freight outward charges increased by approximately RMB6.6 million.

General and administrative expenses

The significant decrease in general and administrative expenses by 63.2% from approximately RMB606.8 million for the year ended 31 December 2017 to approximately RMB223.3 million for the year ended 31 December 2018 was mainly due to less impairments made during the year.

A provision of RMB176.5 million based on the provision policies for trade receivable of the Group, being provision for long outstanding with no settlement up to the date of approval of the consolidated financial statements.

Other income

Increase in other income by 256.0% from approximately RMB8.6 million for the year ended 31 December 2017 to approximately RMB30.6 million for the year ended 31 December 2018 was mainly due to increase of net foreign exchange gains of approximately RMB7.9 million and reversal of impairment losses of prepayment of approximately RMB10.9 million.

Finance costs

The increase in finance costs by 50.2% from approximately RMB68.7 million for the year ended 31 December 2017 to approximately RMB103.2 million for the year ended 31 December 2018 was mainly due to increase in the average balance of borrowings in order to meet our needs of working capital.

本集團將紡織產品的性質由棉紡織變為化纖紡織。面料平均售價較去年下降約22.4%至每米人民幣5.9元(二零一七年：每米人民幣7.6元)。面料平均單位成本由截至二零一七年十二月三十一日止年度每米人民幣8.06元大幅減少至截至二零一八年十二月三十一日止年度每米人民幣5.90元，減幅為26.8%。截至二零一八年十二月三十一日止年度的毛損率由二零一七年的毛損率6.1%上升至二零一八年的毛損率0.02%，因為即使成本下跌，但售價跌幅更大。

銷售及分銷成本

銷售及分銷成本由截至二零一七年十二月三十一日止年度約人民幣2.1百萬元，增加38.1%至截至二零一八年十二月三十一日止年度約人民幣2.9百萬元，因為銷貨運費增加約人民幣6.6百萬元。

一般及行政開支

一般及行政開支由截至二零一七年十二月三十一日止年度約人民幣606.8百萬元，大幅減少63.2%至截至二零一八年十二月三十一日止年度約人民幣223.3百萬元，主要由於在本年度作出的減值較少。

根據撥備政策，就本集團貿易應收款項作出人民幣176.5百萬元的撥備，為就截至合併財務報表通過日期尚未結付的長期未償還款項計提之撥備。

其他收入

其他收入由截至二零一七年十二月三十一日止年度約人民幣8.6百萬元，增加256.0%至截至二零一八年十二月三十一日止年度約人民幣30.6百萬元，主要由於增加淨外匯收益約人民幣7.9百萬元及預付款項之減值虧損撥回約人民幣10.9百萬元。

融資成本

融資成本由截至二零一七年十二月三十一日止年度約人民幣68.7百萬元，上升50.2%至截至二零一八年十二月三十一日止年度約人民幣103.2百萬元，主要由於借款平均結餘增加，以配合營運資金需求。

Share of losses of an associate

By application of equity method, the Group incurred a share of losses of an associate of approximately RMB70.6 million with comparison of approximately RMB15.4 million for the year ended 31 December 2017, the increase in loss was mainly due to suspension of production during the year ended 31 December 2018 and the associate recorded the impairment losses of asset approximately RMB184.9 million during the year.

Income tax credit/(expense)

The Group's income tax expense decreased by 103.8% to income tax credit of approximately RMB1.2 million in 2018 from income tax expense of approximately RMB31.8 million in 2017.

Leasehold land, property, plant and equipment

The Group's leasehold land, property, plant and equipment situated at Shishi and Hubei Production Facilities are land and various buildings in the manufacturing plants. The Group has 100% interest of 2 parcels of land located at Da Sheng Guan Shan Industrial Zone, Huangmei County, Huanggang City, Hubei Province, the PRC with gross floor area of approximately 99,903 square meters.

Inventories

Decrease in inventories by 41.2% from approximately RMB52.2 million as at 31 December 2017 to approximately RMB30.7 million as at 31 December 2018 was mainly due to impairment of approximately RMB7.4 million was made for slow moving items during the Year.

Trade and other receivables

Decrease in trade and other receivables significantly from approximately RMB225.8 million as at 31 December 2017 to approximately RMB114.1 million as at 31 December 2018 was mainly due to the allowance for trade receivables of approximately RMB176.5 million and the reversal of allowance for prepayments of approximately RMB10.9 million for the year 2018.

The Group has made full provision for those trade and bills receivables of approximately RMB176.5 million which are past due/or in default of payments. Such impaired amounts were directly made against trade receivables when there was no expectation of recovering any amount.

分佔一間聯營公司的虧損

本集團按權益法釐定分佔一間聯營公司的虧損約人民幣70.6百萬元，而截至二零一七年十二月三十一日止年度則為約人民幣15.4百萬元，虧損增加乃主要由於截至二零一八年十二月三十一日止年度暫停生產及聯營公司年內錄得資產減值虧損約人民幣184.9百萬元。

所得稅抵免／(開支)

本集團所得稅開支由二零一七年所得稅開支約人民幣31.8百萬元減少103.8%至二零一八年所得稅抵免約人民幣1.2百萬元。

租賃土地、物業、廠房及設備

本集團位於石獅及湖北生產設施的租賃土地、物業、廠房及設備為各生產廠房內的土地及多棟建築物。本集團在中國湖北省黃岡市黃梅縣大勝關山工業區擁有兩塊地的100%權益，總建築面積約99,903平方米。

存貨

存貨由二零一七年十二月三十一日約人民幣52.2百萬元，減少41.2%至二零一八年十二月三十一日約人民幣30.7百萬元，減少主要由於本年度就滯銷貨品作出減值約人民幣7.4百萬元。

貿易及其他應收款項

貿易及其他應收款項由二零一七年十二月三十一日約人民幣225.8百萬元大幅減少至二零一八年十二月三十一日約人民幣114.1百萬元，乃主要由於二零一八年的貿易應收款項撥備約人民幣176.5百萬元及預付款項減值撥回約人民幣10.9百萬元。

本集團已就逾期／或拖欠付款的貿易應收款項及應收票據悉數作出約人民幣176.5百萬元撥備。當預期無法收回任何金額時，於貿易應收款項直接作出有關減值金額。

The Group has also made reversal of provision for prepayment to suppliers for purchase of raw materials of approximately RMB10.9 million which are past due/or in default of receivables. Such impaired amounts were also directly made against the prepayment to suppliers for purchase of raw materials when there was no expectation of recovering any amount.

Cash flows

Net cash generated from operating activities amounted to approximately RMB6.6 million, mainly resulted from the net increase of trade and other receivables amounted to approximately RMB56.2 million, together with the increase in trade and other payables of approximately RMB24.8 million and the effect of loss before tax of approximately RMB370.4 million.

Net cash used in investing activities amounting to approximately RMB12.8 million, mainly resulted from purchase of items of property, plant and equipment of approximately RMB12.5 million which was partially offset by the proceed from disposals of property, plant and equipment RMB0.3 million.

Net cash from financing activities amounted to approximately RMB6.4 million which was mainly attributable to borrowings raised of approximately RMB265.8 million which was partially offset by the repayments of borrowings of approximately RMB241.5 million and interest paid of approximately RMB44.0 million.

Liquidities and financial resources

Our primary uses of cash are to satisfy our working capital needs and our capital expenditure needs. Since our establishment, our working capital needs and capital expenditure requirements have been principally financed through a combination of shareholders' equity, cash generated from operations, and borrowings.

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities and cash and cash equivalents are generally deposited with certain financial institutions such as banks denominated mostly in Renminbi and Hong Kong dollars.

本集團亦已就購買原材料支付予供應商的預付款項(已逾期/或拖欠收取)作出約人民幣10.9百萬元的撥備撥回。當預期無法收回任何金額時，亦於就購買原材料支付予供應商的預付款項直接作出有關減值金額。

現金流量

經營活動所得的現金淨額約人民幣6.6百萬元，主要由於貿易及其他收款項淨增加約人民幣56.2百萬元，連同貿易及其他應付款項增加約人民幣24.8百萬元及除稅前虧損的影響約人民幣370.4百萬元。

投資活動所用的現金淨額約人民幣12.8百萬元，主要來自購買物業、廠房及設備項目約人民幣12.5百萬元，部分被出售物業、廠房及設備項目的所得款項約人民幣0.3百萬元抵銷。

融資活動所得的現金淨額約為人民幣6.4百萬元，主要來自籌集借款約人民幣265.8百萬元，部分被償還借款約人民幣241.5百萬元及已付利息約人民幣44.0百萬元抵銷。

流動資金及財務資源

吾等的現金主要用於滿足吾等的營運資金需要及資本開支需要。自吾等成立以來，吾等的營運資金需要及資本開支需求一直主要透過股東權益、經營所得現金及借款獲得資金支持。

本集團採取審慎的現金及財務管理政策。為更好地控制成本及盡可能降低資金成本，本集團財資活動和現金及現金等價物一般存放於銀行等若干金融機構，且大部分以人民幣及港元計值。

Net current assets and working capital

The following table sets forth our current assets, current liabilities, current ratio, quick ratio, gearing ratio and debt to equity ratio as at 31 December 2017 and 2018:

流動資產淨額及營運資本

下表載列於二零一七年及二零一八年十二月三十一日吾等的流動資產、流動負債、流動比率、速動比率、權益負債比率及債務股本比率：

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產		
Leasehold land and land use right	租賃土地及土地使用權	558	558
Inventories	存貨	30,707	52,213
Trade and other receivables	貿易及其他應收款項	114,119	225,825
Amount due from an associate	應收一間聯營公司款項	–	7,290
Cash and bank balances	現金及銀行結餘	1,414	1,254
Total current assets	流動資產總額	146,798	287,140
Current liabilities	流動負債		
Borrowings	借款	530,489	438,324
Trade and other payables	貿易及其他應付款項	187,595	162,806
Amount due to an associate	應付一間聯營公司款項	4,492	–
Total current liabilities	流動負債總額	722,576	601,130
Net current liabilities	流動負債淨額	(575,778)	(313,990)
Current ratio	流動比率	20.32%	47.76%
Quick ratio	速動比率	16.07%	39.08%
Gearing ratio	權益負債比率	N/A 不適用	N/A 不適用
Debt to equity ratio	債務股本比率	N/A 不適用	N/A 不適用

Borrowings

Particulars of borrowings of the Company and the Group as at 31 December 2018 are set out in note 24 to the consolidated financial statements.

借款

本公司及本集團於二零一八年十二月三十一日的借款詳情載於合併財務報表附註24。

Pledge of assets

As at 31 December 2018, the Group's land use rights and buildings, machinery and equipment with an aggregate net book value of approximately RMB301.1 million were pledged to secure banking facilities for purposes of working capital and purchases of fixed assets for the Group (as at 31 December 2017: approximately RMB245.2 million).

資產抵押

於二零一八年十二月三十一日，本集團賬面淨值總額約人民幣301.1百萬元的使用權及樓宇、機器及設備已予抵押，以取得用作本集團營運資金及購買固定資產的銀行融資（於二零一七年十二月三十一日：約人民幣245.2百萬元）。

Paid in capital

The total number of issued shares of the Company was kept at 1,860,000,000 as at the approval date of the consolidated financial statements.

Foreign exchange risk

The Group mainly operates in the mainland China with most of the revenue and expenditure transactions denominated and settled in RMB, where its foreign exchange risk is limited. The Group's exposure to foreign exchange risk is mainly on its sales and purchase transactions (i.e. export or import of products) in Hong Kong which are mainly denominated in USD, and the bonds denominated in HKD. The functional currency of the Company and its subsidiaries is RMB.

Contingent liabilities

The Group did not have any material contingent liabilities as at 31 December 2018, except for disclosed under the heading of "contingent liabilities" and "Significant events after the reporting period" in the consolidated financial statements.

Significant investment, material acquisitions and disposal of subsidiaries and associated companies

The Group did not have any material investment, acquisitions and disposal of subsidiaries and associated companies during the year 2018, except for the note 34(a) to the consolidated financial statements.

USE OF PROCEEDS AND EXPANSION PLAN

During the year ended 31 December 2018, all net proceeds from the placing new shares under general mandate with reference to the announcements of the Company dated 17 May, 7 June and 29 June 2018 have been fully utilised for general working capital purpose.

實繳資本

於合併財務報表通過日期，本公司已發行股份總數維持於1,860,000,000股。

外幣匯兌風險

本集團主要於中國內地營運，所以大部分收益及開支交易以人民幣計值及結算，故外幣匯兌風險有限。本集團所面對外幣風險主要為在香港主要以美金計值的銷售及採購交易（即出口或入口產品），而公司債券則以港元為單位。本公司及其附屬公司的功能貨幣為人民幣。

或然負債

除合併財務報表中「或然負債」及「報告期後的重大事項」所披露者外，於二零一八年十二月三十一日，本集團並無任何重大或然負債。

重大投資、重大收購以及出售附屬公司及聯營公司

於二零一八年，本集團並無任何重大投資、收購及出售附屬公司及聯營公司，惟合併財務報表附註34(a)所述者除外。

所得款項用途及擴充計劃

截至二零一八年十二月三十一日止年度，經參考本公司日期為二零一八年五月十七日、六月七日及六月二十九日的公告，根據一般授權配售新股份的全部所得款項淨額已悉數動用在一般營運資金用途上。

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Dismissal of winding up petition against the Company

As disclosed in the announcement of the Company dated 8 March 2018, 9 March 2018 and 19 April 2018 in relation to winding up petition against the Company, on 5 March 2018, the Company received a petition (the "Petition") entitled HCCW56/2018 presented by PC Securities Limited (the "Petitioner") to the High Court of Hong Kong S.A.R. for winding up of the Company and the hearing of the Petition is fixed for 9 May 2018 before a Master in Court. The Petitioner claimed to be the holder of a bond for the principal amount of HK\$84,000,000 with coupons 7% issued by the Company on 28 January 2015 (the "Bond"). As disclosed in the announcement of the Company dated 24 May 2018, the winding up petition was dismissed according to the order of the High Court.

ANNUAL GENERAL MEETING (THE "AGM")

The AGM will be held on 30 May 2019 and a notice convening the AGM will be published and dispatched in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") in due course.

HUMAN RESOURCES

As at 31 December 2018, the Group had a total workforce of 420 (as at 31 December 2017: 455). The Group successfully follows a higher ratio of the number of operating staff to the number of machines to scale down the total workforce. New employees were recruited to cater for the Group's business expansion during the year. The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options may also be granted to eligible staff based on individual and Group's performance. The Group is committed to nurturing a learning and sharing culture in the organization. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success is dependent on the contribution of all functional divisions comprising skilled and motivated staff.

DIVIDEND POLICY

The Board intends to adopt a prudent dividend payout policy which will base on the main factor of the Group's profitability for the year.

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2018 (2017: Nil). As there is no interim dividend payable during the year, there will be no dividend distribution for the whole year of 2018.

報告期後的重大事項

撤銷對本公司的清盤呈請

誠如本公司日期為二零一八年三月八日、二零一八年三月九日及二零一八年四月十九日有關針對本公司之清盤呈請的公告所披露者外，於二零一八年三月五日，本公司接獲寶鉅證券有限公司（「呈請人」）向香港特別行政區高等法院送呈編號HCCW56/2018之呈請（「呈請」），要求本公司清盤。呈請的聆訊訂於二零一八年五月九日於高等法院進行。呈請人聲稱為本公司於二零一五年一月二十八日所發行債券之持有人，債券本金額為84,000,000港元，另加息票7%（「該債券」）。誠如本公司日期為二零一八年五月二十四日之公告所披露，清盤呈請已根據高等法院之頒令撤銷。

股東週年大會（「股東週年大會」）

股東週年大會將於二零一九年五月三十日舉行，召開股東週年大會的通告將根據聯交所證券上市規則（「上市規則」）所要求方式於適當時候刊發及寄發。

人力資源

於二零一八年十二月三十一日，本集團員工合共420名（於二零一七年十二月三十一日：455名）。本集團成功提高營運員工對機器數目的比例，以縮減總員工人數。新聘僱員為應付本集團於年度內擴充的業務。本集團向其員工提供具競爭力的酬金計劃。此外，合資格員工亦可按其個人及本集團的表現獲授酌情花紅及購股權。本集團致力於組織內建立學習及分享文化。本集團的成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團重視員工的個人培訓及發展，以及建立團隊。

股息政策

董事會擬採用審慎的派息政策，根據本集團年內盈利能力等主要因素釐定派息。

董事會已議決不建議就截至二零一八年十二月三十一日止年度派發任何末期股息（二零一七年：無）。由於年內並無應派中期股息，故二零一八年全年將不會派發任何股息。

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the Company's shares by the Company or its subsidiaries during the Year.

CORPORATE GOVERNANCE

The Company was committed to maintaining high level of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board comprises three executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the "Code Provisions") set out in Appendix 14 to the Listing Rules. Throughout the year 2018, the Company had complied with the Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct for dealing in securities of the Company by the Directors. After specific enquiry made by the Company, all of the Directors confirmed that they had complied with the required standards set out in the Model Code and the Company's code of conduct regarding the Directors' securities transactions throughout the Year.

AUDIT COMMITTEE

The Audit Committee, comprising of the independent non-executive Directors, has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2018 and discussed with the management of the Company the accounting principles and accounting standards adopted by the Group and matters relating to risk management and internal control systems and financial reporting of the Group.

ACKNOWLEDGEMENT

The Directors would like to take this opportunity to express our sincere thanks to all the shareholders and business associates for their continuous support and the entire staff for their dedication and contribution to the Group during the Year.

購買、銷售及贖回本公司的上市證券

本公司或其附屬公司於本年度概無購買、銷售或贖回本公司任何股份。

企業管治

本公司一直致力保持高水平企業管治，以開明和開放的理念維護本集團的發展及保障股東的權益。董事會由三位執行董事及三位獨立非執行董事組成。董事會已採納現時載於上市規則附錄十四的企業管治守則內的守則條文（「守則條文」）。於二零一八年整年內，本公司已一直遵守守則條文。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事買賣本公司證券的行為守則。經本公司特定查詢後，全體董事確認彼等於本年度整年內，已遵守標準守則內所載的規定準則及本公司有關董事證券交易的行為守則。

審核委員會

審核委員會由獨立非執行董事組成，已審閱本集團截至二零一八年十二月三十一日止年度的合併財務報表，並與本公司管理層商討本集團採納的會計原則及會計準則及關於風險管理及內部監控制度及本集團財務申報的事宜。

鳴謝

董事藉此機會感謝全體股東及業務夥伴一直以來的鼎力支持，以及感謝本集團全體員工於本年度為本集團付出的努力和貢獻。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) as its own code of corporate governance. The manner in which the principles and code provisions in the CG Code are applied and implemented during the year ended 31 December 2018 and up to the date of this annual report (the “Period”) is explained in this Corporate Governance Report.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company acknowledges the important role of its Board in providing effective leadership and direction to its business, and ensuring transparency and accountability of its operations.

In the opinion of the Directors, the Company has complied with the applicable code provisions as set out in the CG Code throughout the Period save for code provision A.1.8.

Code provision A.1.8 of the CG Code stipulates that the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Currently, the Company does not consider necessary to have insurance cover for legal action against its Directors and will monitor any changes to the situation and make necessary action. The Board believes with the current internal control system and the close supervision of the management, the Directors’ risk of being sued or getting involved in litigation in their capacity as Directors is relatively low.

The Company will, from time to time, review and enhance its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「企業管治守則」）為其企業管治守則。截至二零一八年十二月三十一日止年度至截至本年報日期止（「期間」）企業管治守則內的有關原則及守則條文的應用及實施方式於本企業管治報告內說明。

企業管治

本公司致力於實現高標準企業管治以保障股東權益及提高企業價值及問責性。本公司確認，董事會在有效領導及掌舵本公司業務並確保本公司運作具透明度及問責性中擔任重要角色。

董事認為，除守則條文第A.1.8條外，本公司於整個期間一直遵守企業管治守則所載的適用守則條文。

企業管治守則守則條文第A.1.8條規定，本公司應就向其董事提出的法律行動安排合適的保險保障。目前，本公司認為暫無必要就向其董事提出的法律行動提供保險保障，但會監控任何情況變動以作出必要行動。董事會相信，透過現有的內部監控系統及管理層的密切監督，各董事以董事身份被控告或牽涉於訴訟的風險相對較低。

本公司將不時審閱及加強其企業管治常規以確保其持續符合企業管治守則的規定。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and employees who are likely to possess inside information of the Company (the "Securities Dealing Code"). The Company had made specific enquiry of all Directors whether they have complied with the required standard set out in the Model Code during the Period and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Period.

No incident of non-compliance of the Securities Dealing Code by the employees was noted by the Company during the Period.

THE BOARD OF DIRECTORS Responsibilities

The Board is responsible for leadership and control of the Company and oversees the businesses, strategic decisions and performance of the Group. The Board has delegated to the executive Directors and senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

All Directors carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

Board Composition

The Board currently comprises six members, consisting of three executive Directors and three independent non-executive Directors.

The Company has throughout the Period met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, and accounting or related financial management expertise. At all times during the Period, the independent non-executive Directors represent at least one-third of the Board.

董事的證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為可能取得本公司內幕消息的董事及僱員進行證券交易的行為守則(「證券交易守則」)。本公司已就全體董事於期間是否遵守標準守則所載的規定準則向全體董事作出特定查詢，而全體董事確認彼等於整個期間一直遵守標準守則及證券交易守則。

本公司不知悉僱員於期間有任何違反證券交易守則的行為。

董事會 責任

董事會負責領導及監控本公司並監察本集團的業務、策略性決定及表現。董事會已向執行董事及高級管理層轉授本集團日常管理及營運的權力及責任。此外，董事會已設立董事委員會，並向該等董事委員會轉授其各自職權範圍載列的各項責任。

全體董事時刻本著誠信、根據適用法律及法規及從本公司及其股東利益出發履行職責。

董事會組成

董事會目前由六名成員組成，包括三名執行董事及三名獨立非執行董事。

本公司於整個期間一直履行上市規則有關委任至少三名獨立非執行董事且至少一名獨立非執行董事須具備合適專業資格以及會計或相關財務管理專業知識的規定。於整個期間，獨立非執行董事至少佔董事會三分之一席位。

The Board comprises the following Directors:

Executive Directors:

Mr. WU Jianxiong (*Chairman*)
Mr. LIN Qingxiong
Mr. Zou Biao

Independent non-executive Directors:

Mr. CHAN Sui Wa
Mr. LIU Shungang
Mr. LIN Yugang

A description of the biographies of the Directors is set out in the section headed “Directors and Senior Management” in this annual report.

The list of Directors is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

The Board members have no financial, business, family or other material/relevant relationship with each other.

董事會包括下列成員：

執行董事：

吳健雄先生 (*主席*)
林清雄先生
鄒彪先生

獨立非執行董事：

陳瑞華先生
劉順剛先生
林宇剛先生

董事履歷詳情載於本年報「董事及高級管理層」一節。

董事名單亦於本公司根據上市規則不時刊發的所有公司通訊內披露。獨立非執行董事的身份均已根據上市規則在所有公司通訊中明確說明。

本公司已接獲各獨立非執行董事根據上市規則的規定就其獨立性而呈交的年度書面確認。根據上市規則所載的獨立性指引，本公司認為所有獨立非執行董事確屬獨立人士。

全體董事（包括獨立非執行董事）均為董事會的有效及高效運作注入廣泛而珍貴的業務經驗、知識及專業態度。獨立非執行董事獲邀加入本公司的審核委員會、薪酬委員會及提名委員會。

董事會成員之間並無財務、業務、家族或其他重大／相關關係。

Chairman and Chief Executive Officer

As at the date of this annual report, the chairman of the Company, Mr. Wu Jianxiong, leads the Board in the determination of the strategy of the Group and in the achievement of its objectives. He is responsible for organizing the business of the Board, ensuring its effectiveness and setting agenda but not involved in the day-to-day business of the Group.

The Company at present does not have a Chief Executive Officer. The duties and responsibilities of the Chief Executive Officer of daily operation of the Group are carried out by the executive Directors and they are accountable to the Board for financial and operational performance of the Group.

Appointment and Re-election of Directors

Pursuant to Article 84 of the Articles, at each annual general meeting of the Company, one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Pursuant to Article 83(3) of the Articles, any Director appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

The following Directors will retire by rotation and offer themselves for re-election in the forthcoming AGM to be held on 30 May 2019:

Mr. Lin Qingxiong

The following Directors appointed by the Board to fill a casual vacancy, will be subject to election by shareholders in the forthcoming AGM to be held on 30 May 2019.

Mr. Zou Biao
Mr. Wu Jianxiong
Mr. Liu Shungang

主席及行政總裁

於本年報日期，本公司主席吳健雄先生領導董事會釐定本集團策略及達成其目標。彼負責組織董事會事務、確保其效率及制定其日常事務，但不參與本集團的日常事務。

本公司現時並無行政總裁。行政總裁有關本集團日常運作的職責由執行董事履行，執行董事就本集團的財務及經營表現向董事會負責。

委任及重選董事

根據細則第84條，於本公司每屆股東週年大會上，當時董事總數三分之一人數（或如人數並非三(3)的倍數，則取最接近的整數，惟不得低於三分之一人數）須輪值告退，惟每名董事須至少每三年輪值告退一次。須輪值告退的董事將包括有意告退且無意膺選連任的董事。任何其他因此退任的董事將為其他董事中自上次重選連任或獲委任以來任期最長而須輪值告退的董事。如有超過一名董事上次乃於同一日重選連任，則會以抽籤方式決定退任者（除非彼等之間另行達成協議）。根據細則第83(3)條，獲董事會委任的任何董事的任期僅至本公司下屆股東大會為止，而彼屆時將符合資格膺選連任。

下列董事將於二零一九年五月三十日舉行的應屆股東週年大會上輪席告退，並表示願意膺選連任：

林清雄先生

下列獲董事會委任以填補臨時空缺的董事將於二零一九年五月三十日舉行之應屆股東週年大會上接受股東選舉。

鄧彪先生
吳健雄先生
劉順剛先生

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's articles of association. Pursuant to the Company's articles of association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall hold office until the first general meeting of the Company after his appointment and be eligible for re-election thereat and any Director appointed as an addition to the Board shall hold office until the next following annual general meeting of the Company after his appointment and be eligible for re-election thereat. Where vacancies arise at the Board, candidates will be proposed and put forward to the Board by the Nomination Committee.

Induction and Continuing Development of Directors

Each newly appointed Director receives comprehensive induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

According to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, as well as placing an appropriate emphasis on the roles, functions and duties of the Directors.

The executive Directors participated in three in-house professional development courses conducted by Mr. Tsang Ho Yin, our Company Secretary during the Period. The Directors confirm that they will comply with the relevant code provision in the coming year.

Board Meetings

Board Practices and Conduct of Meetings

Directors' resolutions were passed by way of written resolutions or by physical meetings during the Period.

The Board is expected to meet regularly and at least two times a year. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

委任、重選及罷免董事的程序及過程載於本公司的組織章程細則。根據本公司的組織章程細則，全體董事須至少每三年輪席退任一次，而任何獲委任以填補臨時空缺的新董事須任職至其獲委任後本公司首次舉行的股東大會為止，並於其時合資格重選連任，而任何獲委任為董事會新增成員的董事須任職至其獲委任後本公司下屆股東週年大會為止，並於會上合資格重選連任。倘董事會出現空缺席位，提名委員會將建議候選人並提交董事會批准。

董事的入職及持續發展

每名新委任的董事均會於首次接受委任時獲得全面的入職介紹，以確保其對本公司的業務及運作均有適當的認知，以及完全知悉上市規則及有關監管規定規範下的董事職務及責任。

根據企業管治守則守則條文第A.6.5條，全體董事須參與專業持續發展，以增進及重溫知識與技巧，確保對董事會作出知情適切的貢獻。本公司須負責安排及資助適當培訓，以及著重針對董事角色、職能及責任方面的培訓。

於期間內，執行董事曾參與公司內部由曾浩賢先生(公司秘書)舉辦的三項專業發展課程。董事確認，彼等將於來年遵守有關守則條文。

董事會會議

董事會會議常規及程序

於期間，董事決議案乃通過書面決議案或由現場會議通過。

預計董事會將定期舉行會議，每年至少舉行兩次會議。董事有權查閱本集團所有資料，亦有權在彼等認為有必要的情況下隨時諮詢獨立專業意見。

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. During the year, two Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

董事會定期會面以討論本集團整體策略以及營運及財務表現，並審閱以及批准本集團的年度及中期業績。於年內曾舉行兩次董事會會議，各董事的董事會會議出席率載列如下：

Board member	董事會成員	Number of Board meetings attended/held 出席／舉行 董事會會議次數
Executive Directors:		
Mr. Wu Jianxiong (chairman)	吳健雄先生(主席)	1/2
Ms. Li Jia Yin	李佳音女士	2/2
Mr. Lin Qingxiong	林清雄先生	2/2
Mr. Yan Ximao	嚴希茂先生	1/2
Mr. Su Yichao	蘇毅超先生	0/2
Mr. Li Dongfan	李東凡先生	0/2
Mr. Tao Tao	陶濤先生	1/2
Mr. Zou Biao	鄒彪先生	0/2
Independent non-executive Directors:		
Mr. Chan Sui Wa	陳瑞華先生	2/2
Mr. Liu Shungang	劉順剛先生	2/2
Mr. Lin Yugang	林宇剛先生	1/2

The Company has to comply with the CG Code provisions with regard to the conduct of meetings, have annual meeting schedules and draft agenda of each meeting made available to directors in advance and serve notice of regular Board meetings to all directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is required to be given.

本公司須遵守企業管治守則中有關會議程序、年度會議日程表及召開每次會議前向董事發出草擬議程，以及於常規董事會會議前至少14日向全體董事送達通知的條文。如屬其他董事會及委員會會議，則須發出合理通知。

Board papers together with all appropriate, complete and reliable information have to be sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

董事會文件連同所有合適、完整及可靠資料將於各董事會或委員會會議前至少3日向全體董事發出，讓董事知悉本公司最新發展及財務狀況，以便董事作出知情決定。如有需要，董事會及各董事亦可單獨聯絡高級管理層。

The Company's articles of association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

本公司的組織章程細則載有條文，規定董事在審批董事或彼等的任何聯繫人擁有重大權益之交易的會議上，須放棄投票及不得計入法定人數。

BOARD COMMITTEES

The Company established a nomination committee (the “Nomination Committee”), a remuneration committee (the “Remuneration Committee”) and an audit committee (the “Audit Committee”) on 27 March 2014 with written terms of reference in compliance with the CG Code. The Company also established a regulatory compliance committee (the “Regulatory Compliance Committee”) on 26 February 2014.

Nomination Committee

The Nomination Committee comprises three members who are all the independent non-executive Directors, namely Mr. Lin Yugang, Mr. Chan Sui Wa and Mr. Liu Shungang. Mr. Lin Yugang is the chairman of the Nomination Committee.

Mr. Wu Jianxiong and Mr. Liu Shungang were appointed on 17 April 2018. Mr. Wu Jianxiong was re-designated as executive director on 21 August 2018 and also as chairman on 11 April 2019 whereas Mr. Lin Yugang was appointed on the same date.

The primary duties of the Nomination Committee include reviewing the Board structure and composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the independent non-executive Directors based on criteria such as integrity, accomplishment, experience, professional and educational background and time commitments.

DIRECTOR NOMINATION POLICY

The director nomination policy of Company aims to set out the criteria and process in the nomination and appointment of directors of the Company; ensure that the board (the “Board”) of directors of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and ensure the Board continuity and appropriate leadership at Board level.

Criteria for nomination and appointment of Directors

The criteria for selecting any candidate for directorship are set out as follows:

- bringing an independent judgment and make constructive recommendation on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;

董事委員會

本公司於二零一四年三月二十七日根據企業管治守則成立提名委員會（「提名委員會」）、薪酬委員會（「薪酬委員會」）及審核委員會（「審核委員會」），並制訂書面職權範圍。本公司亦於二零一四年二月二十六日成立監管合規委員會（「監管合規委員會」）。

提名委員會

提名委員會包括三名成員，即林宇剛先生、陳瑞華先生及劉順剛先生（全部均為獨立非執行董事）。林宇剛先生為提名委員會主席。

吳健雄先生及劉順剛先生於二零一八年四月十七日獲委任。吳健雄先生於二零一八年八月二十一日被調任為執行董事及於二零一九年四月十一日被調任為主席，而林宇剛先生於當天亦被委任。

提名委員會的主要職責包括檢討董事會架構及組成、草擬及制定提名及委任董事的相關程序、就董事委任及接任計劃向董事會作出建議及根據操守、成就、經驗、專業及教育背景以及投入之時間等基準評估獨立非執行董事的獨立性。

董事提名政策

本公司董事提名政策旨在載列本公司提名及委任董事的準則及程序；確保本公司的董事會（「董事會」）成員具備切合本公司業務所需的技能、經驗及多元觀點；及確保董事會的持續性及維持其領導角色。

董事提名及委任標準

甄選董事候選人的標準如下：

- 就策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立判斷及提供建設性建議；
- 於發生潛在利益衝突時發揮領導作用；

- serving on the Audit Committee, and the Remuneration Committee and the Nomination Committee (in the case of candidate for Non-Executive Director) and other relevant Board Committees, if invited;
- devoting sufficient time to the Board and/or any Committee(s) on which he or she serves so as to allow them to benefit from his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board;
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- ensuring the Nomination Committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.
- 服務於審核委員會、薪酬委員會及提名委員會(如為非執行董事候選人)以及其他相關董事委員會(如獲邀請)；
- 對董事會及／或所服務的任何委員會投入充足時間，從而透過出席及參與董事會而令董事會及任何委員會受惠於其技能、專長、各種背景及資格以及多元觀點；
- 監察本公司在達致議定企業宗旨及目標方面的表現以及監督相關表現的申報情況；
- 確保所服務的提名委員會履行董事會授予的權力及職能；及
- 遵守董事會不時訂定或本公司章程文件不時所載或法例或上市規則不時施加的任何規定、指示及規例(如適用)。

If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

如建議委任候選人為獨立非執行董事，則須根據(其中包括)上市規則第3.13條(經聯交所可能不時作出修訂)所載的因素評估其獨立性。如適用，則亦須評估該候選人的學歷、資格及經驗等整體情況，以考慮其是否具備合適的專業資格或會計或相關財務管理專長(即上市規則第3.10(2)條所規定的相關資格或專長)以擔任獨立非執行董事。

Nomination process

(a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

提名程序

(a) 委任新董事

- (i) 提名委員會及／或董事會應在收到委任新董事的建議及候選人的履歷資料（或相關詳情）後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會及／或董事會應根據本公司的需要及各候選人的證明審查（如適用）排列彼等的優先次序。
- (iii) 提名委員會隨後應就委任合適人選擔任董事一事向董事會提出推薦意見（如適用）。
- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。

倘適合，提名委員會及／或董事會應就於股東大會上選舉董事的提案向股東提出推薦意見。

(b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed reelection of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

(c) Re-election of INED at General Meeting

Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

- (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
- (ii) if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- (iii) the perspectives, skills and experience that the individual can bring to the Board; and
- (iv) how the individual contributes to diversity (including gender diversity) of the Board.

(b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上文所載標準。
- (iii) 提名委員會及／或董事會其後應就於股東大會上重選董事的提案向股東提出推薦意見。

若董事會擬於股東大會上提呈決議案選舉或重選某候選人為董事，隨附有關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或適用法律及法規要求披露候選人的相關資料。

(c) 於股東大會上重選獨立非執行董事

倘董事會提呈一項決議案於股東大會上選任某人士為獨立非執行董事，則須於相關股東大會通告隨附的致股東通函及／或說明函件內載明：

- (i) 用以物色該名人士的流程，董事會認為應選任該名人士的理由以及認為該名人士屬獨立人士的原因；
- (ii) 如建議獨立非執行董事將出任第七家（或以上）上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
- (iii) 該名人士可為董事會帶來的觀點與角度、技能及經驗；及
- (iv) 該名人士如何促進董事會成員多元化（包括性別多元化）。

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and this Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs, to comply with all applicable laws and regulations from time to time and maintain good corporate governance practice.

On 27 March 2014, the Board adopted a board diversity policy which aims to set out the approach to achieve diversity on the Board. All Board appointments will be based on merit while taking into account diversity including gender diversity. The Nomination Committee will regularly review the measurable objectives to ensure its effectiveness to achieve diversity on the Board. The following measurable objectives have been set for implementing the board diversity policy:

- inclusion of candidates for Board members with overseas working experience (outside of PRC);
- ensuring that there is no limitation on gender on selection of Directors;
- inclusion of candidates for Board members with working experience in other industries; and
- inclusion of candidates for Board members with knowledge and skills in different aspects.

As at the date of this annual report, the above objectives have been achieved, 1 out of 6 members of the Board have overseas working experience and 3 out of 6 members of the Board have accounting or other professional qualifications.

The Nomination Committee shall meet at least once a year. Two committee meetings were held in 2018/19 to review the structure and composition of the Board and the re-election of the retiring Directors and attendance of each member is set out as follows:

提名委員會將會定期為董事會的架構、規模及組成及本政策舉行檢討，並在有需要時向董事會提出修訂建議，以完善本公司的企業策略及切合本公司的業務需要，以不時遵守所有適用的法律及法規以及維持良好企業管治常規。

董事會於二零一四年三月二十七日採納董事會成員多元化政策，旨在羅列達成董事會成員多元化的方法。董事會內任命的原則是任人唯才，亦考慮到多元性，包括性別多元。提名委員會將定期審閱可計量目標，確保有效達成董事會多元化。已就執行董事會多元化政策而訂立以下可計量目標：

- 董事會的候選董事應包括具備海外(中國境外)工作經驗者；
- 應確保不限性別地選任董事；
- 董事會的候選董事應包括具備其他行業工作經驗者；及
- 董事會的候選董事應具備不同領域的知識及技術。

於本年報日期，上述目標已達成，6名董事會成員中有1名具備海外工作經驗及6名董事會成員中有3名具備會計或其他專業資格。

提名委員會每年須會面至少一次。於二零一八/一九年曾舉行兩次委員會會議以檢討董事會的結構及組成以及重選退任董事，各成員的出席率載列如下：

Committee member	委員會成員	Number of committee meetings attended/held 出席／舉行 委員會會議次數
Mr. Chan Sui Wa	陳瑞華先生	2/2
Mr. Liu Shungang	劉順剛先生	2/2
Mr. Wu Jianxiong	吳健雄先生	1/2
Mr. Lin Yugang	林宇剛先生	1/2

The Nomination Committee has adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's businesses and activities.

Remuneration Committee

The Remuneration Committee comprises three members who are all the independent non-executive Directors, namely Mr. Liu Shungang, Mr. Chan Sui Wa and Mr. Lin Yugang. Mr. Liu Shungang is the chairman of the Remuneration Committee.

Mr. Wu Jianxiong and Mr. Liu Shungang were appointed on 29 March 2018. Mr. Wu Jianxiong was redesignated as executive director on 21 August 2018 whereas Mr. Lin Yugang was appointed on the same date.

The primary functions of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive Directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

提名委員會已採納一套以書面列載之提名程序（「提名程序」），具體列明本公司董事候選人之甄選及推薦程序及準則。提名委員會將根據提名程序所載之該等準則（如恰當經驗、個人專長及投放時間等）作為基礎，物色及向董事會推薦人選以予批准委任。

新董事在獲委任後將獲發一套入職資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

薪酬委員會

薪酬委員會包括三名成員，即劉順剛先生、陳瑞華先生及林宇剛先生（全部均為獨立非執行董事）。劉順剛先生為薪酬委員會主席。

吳健雄先生及劉順剛先生於二零一八年三月二十九日獲委任。吳健雄先生於二零一八年八月二十一日被調任為執行董事而林宇剛先生於當天亦被委任。

薪酬委員會之主要職能，包括建議及審批執行董事及高級管理人員之薪酬政策及架構以及薪酬待遇。薪酬委員會亦負責設立具透明度之程序，以發展有關薪酬政策及架構，從而確保概無任何董事或其任何聯繫人將參與釐定其本身之薪酬，有關薪酬將參照其個人及本公司表現以及市場慣例及狀況而定。

The Remuneration Committee shall meet at least once a year. During the year, two committee meetings were held in 2018/19 to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the executive and non-executive Directors and attendance of each member is set out as follows:

薪酬委員會每年須會面至少一次。於二零一八/一九年曾舉行兩次委員會會議以檢討及討論現行政策，以及執行董事及非執行董事的薪酬方案，各成員的出席率載列如下：

Committee member	委員會成員	Number of committee meetings attended/held 出席／舉行委員會會議次數
Mr. Chan Sui Wa	陳瑞華先生	2/2
Mr. Liu Shungang	劉順剛先生	2/2
Mr. Wu Jianxiong	吳健雄先生	1/2
Mr. Lin Yugang	林宇剛先生	1/2

The Remuneration Committee confirms that the remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

薪酬委員會確認，應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按彼等各自之僱傭或服務合約內之合約條款而釐定。

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management by band for the year ended 31 December 2018 is set out below:

根據企業管治守則的守則條文第B.1.5條，高級管理層於截至二零一八年十二月三十一日止年度之薪酬範圍載列如下：

In the band of	範圍	Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	1

Audit Committee

The Audit Committee comprises three members who are the independent non-executive Directors, namely Mr. Chan Sui Wa, Mr. Lin Yugang and Mr. Liu Shungang. Mr. Chan Sui Wa is the chairman of the Audit Committee.

審核委員會

審核委員會包括三名成員，即陳瑞華先生、林宇剛先生及劉順剛先生（全部均為獨立非執行董事）。陳瑞華先生為審核委員會主席。

Mr. Wu Jianxiong and Mr. Liu Shungang were appointed on 29 March 2018. Mr. Wu Jianxiong was redesignated as executive director on 21 August 2018 whereas Mr. Lin Yugang was appointed on the same date.

吳健雄先生及劉順剛先生於二零一八年三月二十九日獲委任。吳健雄先生於二零一八年八月二十一日被調任為執行董事而林宇剛先生於當天亦被委任。

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function, internal auditor or external auditors before submission to the Board.
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors.
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee oversees the internal control system of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

The Audit Committee shall meet at least twice a year. Two committee meetings were held in 2018/19 and the attendance of each member is set out as follows:

審核委員會主要職責包括下列各項：

- 在向董事會提交財務報表及報告前審閱該等財務報表及報告，並考慮由負責會計及財務申報職責的員工、內部核數師或外聘核數師所提出的任何重大或非規項目。
- 在參考核數師所進行之工作、其收費及委聘條款後，檢討與外聘核數師的關係，並就外聘核數師的委任、續聘及罷免向董事會作出建議。
- 審閱本公司的財務申報系統、內部監控系統及風險管理系統以及相關程序的充分性及有效程度。

審核委員會監督本集團內部監控系統，向董事會報告任何重大事項並向董事會提出建議。

審核委員會每年須會面至少兩次。於二零一八／一九年曾舉行兩次委員會會議，各成員的出席率載列如下：

Number of committee meetings attended/held
出席／舉行
委員會會議次數

Committee member	委員會成員	出席／舉行 委員會會議次數
Mr. Chan Sui Wa	陳瑞華先生	2/2
Mr. Liu Shungang	劉順剛先生	1/2
Mr. Wu Jianxiong	吳健雄先生	1/2
Mr. Lin Yugang	林宇剛先生	1/2

During the meetings held in 2018 and the first quarter of 2019, the Audit Committee had performed the work as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor regarding the final audit of the Group for the year ended 31 December 2018 (the "2018 Final Audit");
- (ii) reviewed the external auditor's report of findings and qualified audit opinion in relation to the 2018 Final Audit for the year ended 31 December 2018;
- (iii) reviewed the management accounts of the Group and the Group's 2018 interim financial statements;
- (iv) reviewed the financial report for the six months ended 30 June 2018; and
- (v) reviewed the effectiveness of internal control system of the Group including financial, operational and compliance control and risk management functions of the Group.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

Regulatory Compliance Committee

The Regulatory Compliance Committee comprises of two members, namely Mr. Wu Jianxiong and Mr. Siu Kai Chun. Mr. Wu Jianxiong is the chairman of the Regulatory Compliance Committee.

Ms. Li Jia Yin and Mr. Wu Jianxiong were appointed on 17 April 2018. Ms. Li Jia Yin resigned on 11 April 2019.

The primary duties of the Regulatory Compliance Committee is to ensure that the Group's business operations and activities are in compliance with the relevant laws and regulations, and the Regulatory Compliance Committee directly reports to the Board.

於二零一八年及二零一九年第一季度舉行之會議，審核委員會已履行之工作概述如下：

- (i) 檢討及批准外聘核數師建議之本集團截至二零一八年十二月三十一日止年度之年終審核（「二零一八年年終審核」）之核數範圍及費用；
- (ii) 檢討外聘核數師就截至二零一八年十二月三十一日止年度之二零一八年年終審核結果及保留審核意見之報告；
- (iii) 檢討本集團管理賬目及本集團二零一八年中中期財務報表；
- (iv) 檢討截至二零一八年六月三十日止六個月之財務報告；及
- (v) 檢討本集團內部監控制度，包括本集團的財務、營運及遵規控制情況及風險管理功能的成效。

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

監管合規委員會

監管合規委員會包括二名成員，即吳健雄先生及蕭啟晉先生。吳健雄先生為監管合規委員會主席。

李佳音女士及吳健雄先生均於二零一八年四月十七日獲委任。李佳音女士於二零一九年四月十一日辭任。

監管合規委員會的主要職責為確保本集團業務經營及活動遵守相關法律法規，監管合規委員會直接向董事會報告。

The Regulatory Compliance Committee shall meet at least once a year. During the year, three committee meetings were held to review and discuss the compliance status of the existing business operations and activities, with the relevant laws and regulations in the PRC, Hong Kong and the respective jurisdictions if applicable. Attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meetings attended/held 出席／舉行的委員會會議數目
Ms. Li Jia Yin (Executive director)	李佳音女士(執行董事)	2/2
Mr. Wu Jianxiong (Executive director)	吳健雄先生(執行董事)	2/2
Mr. Siu Kai Chun (Chief Financial Officer)	蕭啟晉先生(首席財務官)	2/2

GOING CONCERN ISSUE

The Group incurred a loss of approximately RMB369,281,000 for the year ended 31 December 2018 and as at 31 December 2018, the Group had net current liabilities and net liabilities of approximately RMB575,778,000 and RMB472,180,000 respectively. Furthermore, as at 31 December 2018, the Group's bank borrowings of approximately RMB133,692,000 were overdue and its bonds of approximately RMB326,797,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on going concern basis. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt and/or equity financing to meet its liabilities as they fall due. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

DELEGATION OF MANAGEMENT FUNCTIONS

The Board reserves for its decision all major matters of the Company including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

監管合規委員會須至少每年舉行一次會議。年內曾舉行三次委員會會議，以檢討及討論現有業務營運及活動遵守中國、香港及各司法管轄區(如適用)的相關法例及法規的情況。各成員的出席率載列如下：

持續經營事宜

截至二零一八年十二月三十一日止年度，本集團產生虧損約人民幣369,281,000元，而於二零一八年十二月三十一日，本集團分別有流動負債淨額及負債淨額約人民幣575,778,000元及人民幣472,180,000元。此外，於二零一八年十二月三十一日，本集團約人民幣133,692,000元的銀行借款已到期，而約人民幣326,797,000元的債券須重續或於未來十二個月內悉數償付(披露於合併財務報表附註24)。此等狀況表示存在重大不確定因素，可能對本集團按持續經營基準經營的能力構成重大疑慮。因此，本集團可能無法於日常業務過程中變現資產及償還負債。

本公司董事認為，按持續經營基準編製合併財務報表乃合宜之舉。該等合併財務報表乃按持續經營基準編製，其有效程度視乎本集團能否與債權人順利磋商，並同意重續或延長現有借款，或完成債務及／或權益性融資以滿足到期的債務。倘本集團無法持續經營，則須於合併財務報表作出調整以將資產價值撇減至可收回金額，以為可能進一步產生的負債作出撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。此等調整的影響尚未反映於合併財務報表內。

管理職能之轉授

董事會保留對本公司所有重大事項的決定權，包括批准及監控所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易(尤其是該等可能涉及利益衝突之交易)、財務資料、委任董事及其他重大財務及經營事宜。

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensure that Board procedures and all applicable laws and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2018.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the Independent Auditor's Reports in this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis. The Group has developed its systems of internal control and risk management. The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group.

所有董事均可全面和及時取得所有有關資料以及公司秘書的意見及服務，旨在保證遵守董事會程序及所有適用法律法規。每名董事一般可於適當情況下在向董事會提出要求後尋求獨立專業意見，費用由本公司承擔。

本公司日常管理、行政及營運轉授予執行董事及高級管理人員。轉授的職能及職責會定期檢討。上述高級職員在訂立任何重大交易前須向董事會取得批准。

問責及審核

董事確認彼等編製本公司截至二零一八年十二月三十一日止年度財務報表之責任。

根據上市規則規定及其他法定及監管規定，董事會須負責就年度及中期報告、股價敏感公告及其他披露呈報持平、清晰且易於理解之評估。

管理層向董事會提供所需說明及資料，使董事會可就提呈董事會批准之本公司財務報表作出知情評估。

本公司外聘核數師關於本集團合併財務報表的申報責任載於本年報獨立核數師報告。

內部監控及風險管理

董事會負責維持充足的內部監控系統以保障股東的投資及本公司資產，並在審核委員會支援下每年檢討該制度的成效。本集團已發展其內部監控及風險管理系統。本集團內部監控系統旨在促進有效及高效營運，確保財務申報的可靠性及符合適用法例及規例，識別及管理潛在風險以保障本集團資產。

The annual review of the Group's internal control system was conducted during the Period. The annual review of the effectiveness of the internal control system of the Company including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget and also any non-compliances with the applicable laws and regulations, including bill-financing activities were conducted in the early 2018. The result of the annual review was satisfactory and no exceptions were noted during the review.

AUDITOR'S REMUNERATION

For the year ended 31 December 2018, the remuneration paid/payable to the Company's auditor, World Link CPA Limited, amounted to approximately RMB776,000 in respect of the annual audit service.

INDEPENDENT AUDITOR

The Audit Committee reviews and monitors the independent auditor's independence, objectivity and effectiveness of the audit process. It receives each year letter from the independent auditor confirming their independence and objectivity and holds meetings with representatives of the independent auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the independent auditor.

COMPANY SECRETARY

The company secretary of the Company, Mr. Tsang Ho Yin, is a full-time employee of the Group. Please refer to his biographical details as set out on page 39 of this annual report.

Rights of Shareholders to Convene an Extraordinary General Meeting

Pursuant to article 58 of the articles of association of the Company, shareholders holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

本公司已於期內對本集團內部監控系統進行年度檢討。本公司內部監控系統效能之年度檢討包括本公司在會計及財務申報職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算是否充足以及任何違反適用法律法規事項（包括票據融資活動），年度檢討已於二零一八年初進行。年度檢討結果已獲接納且檢討過程中並無出現異常情況。

核數師薪酬

截至二零一八年十二月三十一日止年度，就本公司核數師華普天健（香港）會計師事務所有限公司提供年度審核服務已付／應付酬金約為人民幣776,000元。

獨立核數師

審核委員會檢討及監察獨立核數師的獨立性、客觀性及審核過程的效用。其每年接獲獨立核數師函件，確認彼等的獨立性及客觀性，並與獨立核數師的代表進行會議，審議其審核範圍、批准其費用，以及將由其提供的非審核服務（如有）的範圍及適當性。審核委員會亦就獨立核數師的委任及留任向董事會作出推薦建議。

公司秘書

本公司的公司秘書為曾浩賢先生，彼為本集團全職僱員。有關其履歷詳情，請參閱本年報第39頁。

股東召開股東特別大會的權利

根據本公司組織章程細則第58條，於遞交請求書之日持有不少於本公司繳足資本（附有於本公司股東大會上投票的權利）十分之一的股東於任何時間均有權向董事會或本公司的公司秘書遞交請求書，要求董事會就處理有關請求書所述任何事宜的交易召開股東特別大會；而該大會須於請求書遞交日期後兩個月內舉行。如董事會於請求書遞交日期起計21天內未有召開該大會，則有關請求者可按相同方式自行召開大會，而本公司須向請求者償付因董事會未能召開大會而令請求者產生的所有合理開支。

Sending Enquiries to the Board and Procedures for Putting Forward Proposals at Shareholders' Meetings

Shareholders or investors can contact the Company in the following ways to make enquiry or to provide suggestions:

Contact Person: Mr. Tsang Ho Yin, company secretary
Postal Address: 39/F Gloucester Tower, The Landmark,
18 Queen's Road Central, Hong Kong

To put forward proposals at a general meeting, the shareholders should submit a written notice of those proposals with detailed contact information to the company secretary at the Company's principal place of business stated above.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The Company continues to enhance communication and relationship with its investors. Enquiries from investors are dealt with in an informative and timely manner.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution would be proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

CHANGES TO CONSTITUTIONAL DOCUMENTS

The Articles were adopted on 27 March 2014 and there is no change in the Articles since the date of adoption of the Articles up to the date of this report.

向董事會查詢及於股東大會上提呈建議之程序

股東或投資者如欲提出查詢或建議，可透過下列方式聯絡本公司：

聯絡人： 公司秘書曾浩賢先生
郵寄地址： 香港皇后大道中十八號置地廣場
告羅士打大廈三十九樓

股東如欲於股東大會上提呈建議，須將有關建議的書面通知連同詳細聯絡資料送交本公司上述主要營業地點，並註明公司秘書收啟。

與股東之溝通及投資者關係

本公司認為與股東之有效溝通對促進投資者關係及加深投資者對本集團業務表現及策略之了解攸關重要。本公司亦深明高透明度及適時披露公司資料之重要性，使股東及投資者能作出最佳投資決定。

本公司股東大會為董事會及股東提供溝通場所。本公司持續加強與其投資者的溝通及關係。投資者之查詢會適時處理及獲提供詳盡資料。

股東權利

為保障股東權益及權利，本公司就各重大獨立事宜（包括選舉個別董事）於股東大會提呈獨立決議案。

根據上市規則，所有在股東大會上提呈之決議案須以投票方式進行表決及投票表決結果將於每次股東大會結束後上載於本公司及聯交所網站。

章程文件變動

本公司已於二零一四年三月二十七日採納細則，而自採納細則日期起至本報告日期止，細則概無變動。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Wu Jianxiong (吳健雄) (“Mr. Wu”), aged 48, was appointed as the independent non-executive Director on 29 March 2018 and redesignated as executive director on 21 August 2018 and as chairman on 11 April 2019. He graduated from South China Normal University and majored in accounting computerization and human resource management. During the period from 1988 to 2014, he was responsible for the relevant departments and management in General Administration of Quality Supervision. In 2004, he was the chairman of Jianrong Daofu Asset Management Co., Ltd.* (建榮道富資產管理有限公司).

Mr. Lin Qingxiong (林清雄) (also known as Lin Shiti (林詩體) (“Mr. Lin”)), aged 52, is the executive Director. Mr. Lin co-founded Hongtai (China) Co., Ltd (宏太(中國)有限公司) (“Hongtai (China)”) with Mr. Qiu Zhiqiang and an Independent Third Party in 2004. Mr. Lin is responsible for the overall development and strategy of the Group and has played an important role in establishing the Group’s presence in the PRC textile and clothing industry. Mr. Lin has over 11 years of experience in the textile and clothing industry in the PRC. Prior to founding Hongtai (China) in 2004, Mr. Lin founded Shishi Gang Yi Dyeing Finishing & Wearing Co., Ltd. (石獅市港溢染整織造有限公司) which was engaged in the textile, clothing and dyeing industry, in July 2001, where he acted as the director and vice general manager until April 2009. Shishi Gang Yi Dyeing Finishing & Wearing Co., Ltd. is one of our suppliers since 2006. Mr. Lin disposed of his 27% equity interests in Shishi Gang Yi Dyeing Finishing & Wearing Co., Ltd. in May 2009 to an Independent Third Party because Mr. Lin decided to focus on the business development of the Group. Mr. Lin was appointed as the standing director of the first council of China Chamber of International Commerce Shishi Chamber of Commerce (中國國際商會石獅市商會首屆理事會) in December 2005. In December 2011, he was appointed as the vice standing president of the third council of Shishi Textile & Garments Commerce Chamber (石獅市紡織服裝商會第三屆理事會). Mr. Lin was appointed as the president of the second council of Shishi Hongshan Chamber of Commerce (石獅鴻山商會第二屆理事會) in November 2012 and the vice president of Shishi Federation of Industry & Commerce (石獅市工商業聯合會(總商會)) in May 2013.

執行董事

吳健雄先生(「吳先生」)，48歲，於二零一八年三月二十九日獲委任為獨立非執行董事於二零一八年八月二十一日調任為執行董事，並於二零一九年四月十一日調任為主席。彼畢業於華南師範大學，主修會計電算化及人力資源管理專業。一九八八年至二零一四年期間，彼於國家質檢總局擔任相關部門及管理工作。二零零四年於建榮道富資產管理有限公司擔任董事長職位。

林清雄先生(亦稱林詩體)(「林先生」)，52歲，為執行董事。林先生於二零零四年與邱志強先生及一名獨立第三方共同創辦宏太(中國)有限公司(「宏太(中國)」)。林先生負責本集團的整體發展及策略，並在確立本集團在中國紡織及服裝業的地位發揮重要作用。林先生在中國紡織及服裝業積逾11年經驗。於二零零四年創辦宏太(中國)之前，林先生於二零零一年七月創辦了石獅市港溢染整織造有限公司(從事紡織、服裝及染色行業)，並於該公司擔任董事兼副總經理直至二零零九年四月止。石獅市港溢染整織造有限公司自二零零六年起是我們的供應商之一。於二零零九年五月，林先生將其於石獅市港溢染整織造有限公司的27%股權售予一名獨立第三方，原因是林先生決定專注於本集團的業務發展。於二零零五年十二月，林先生獲委任為中國國際商會石獅市商會首屆理事會的常務理事。於二零一一年十二月，彼獲委任為石獅市紡織服裝商會第三屆理事會的副常務會長。林先生於二零一二年十一月獲委任為石獅鴻山商會第二屆理事會會長及於二零一三年五月獲委任為石獅市工商業聯合會(總商會)副會長。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Shungang (劉順剛) (“Mr. Liu”), aged 58, was appointed as the independent non-executive Director on 29 March 2018. He served in the 127th Division of the 43rd Corps of the Wuhan Military* (武漢軍區43軍127師) during 1979 to 1989, and as general manager of Guangdong Fenghuang Import and Export Trade Co., Ltd.* (廣東省鳳凰進出口貿易公司) during 1990 to 1999. From 2000 to 2012, he acted as the general manager of Zhongneng (International) Petroleum Exploration Co., Ltd.* (中能(國際)石油勘探有限公司). Mr. Liu has been employed as general manager subsequently at Defu Group and Shenzhen Defu Fund Management Co., Ltd. since 2013. In the meantime, Mr. Liu has acted as the chairman of the supervisory committee of the Tianjin Good Hand Railway Holding Co., Ltd. (stock code: 000594).

Mr. Chan Sui Wa (陳瑞華) (“Mr. Chan”), aged 44, was appointed as the independent non-executive Director on 27 March 2014. Mr. Chan has over 17 years of experience in auditing, finance, accounting, corporate governance and risk management. Mr. Chan graduated with a bachelor's degree in business administration from the Hong Kong University of Science & Technology in November 1997 and obtained a master's degree in corporate governance from the Hong Kong Polytechnic University in October 2011. Mr. Chan is currently a member of both of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators. Mr. Chan is also a fellow member of Association of Chartered Certified Accountants. Mr. Chan is currently the sole proprietor of S. W. Chan & Co. (陳瑞華會計師事務所), an accounting firm engaging in the provision of assurance, business advisory and tax services.

Mr. Chan had prior experience working in public accounting firms such as Deloitte Touche Tohmatsu, Arthur Andersen and PricewaterhouseCoopers in Hong Kong. He also held the position of group financial controller for Luxking Group Holdings Limited (力王集團控股有限公司) and Cacola Furniture International Limited (家居樂傢俬國際有限公司), which are companies listed on the Singapore Exchange.

獨立非執行董事

劉順剛先生(「劉先生」)，58歲，於二零一八年三月二十九日獲委任為獨立非執行董事。彼於一九七九年至一九八九年任職於武漢軍區43軍127師；一九九零年至一九九九年於廣東省鳳凰進出口貿易公司擔任總經理；於二零零零年至二零一二年間為中能(國際)石油勘探有限公司總經理。二零一三年至今，劉先生分別於德福集團及深圳德福基金管理有限公司擔任總經理。劉先生同時擔任天津國恒鐵路控股股份有限公司(股票代號：000594)監事會主席。

陳瑞華先生(「陳先生」)，44歲，於二零一四年三月二十七日獲委任為獨立非執行董事。陳先生在審計、融資、會計、企業管治及風險管理方面積逾17年經驗。陳先生於一九九七年十一月畢業於香港科技大學，取得工商管理學士學位，並於二零一一年十月取得香港理工大學的企業管治碩士學位。陳先生現為香港會計師公會及特許秘書及行政人員公會會員。陳先生亦為特許公認會計師公會資深會員。陳先生現時為陳瑞華會計師事務所唯一擁有人，該公司為從事提供審計、商業諮詢及稅務服務的會計師行。

陳先生過去於香港任職多家公眾會計師行，如德勤•關黃陳方會計師行、安達信會計師事務所及羅兵咸永道會計師事務所。彼亦曾擔任力王集團控股有限公司及家居樂傢俬國際有限公司的財務總監，該等公司均於新加坡交易所上市。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Lin Yugang (「林宇剛」) (“Mr. Lin”), aged 50, graduated from Sun Yat-Sen University with a bachelor’s degree in management, and completed the master’s program in accounting at the School of Management of Sun Yat-Sen University in 2008. From 1987 to 2001, he served in the Department of International Business at the Bank of China for a total of 14 years, where he was primarily responsible for reviewing offshore letters of credit. Subsequently, he became an industry expert and was the youngest director of a branch in Zhongshan City.

Mr. Lin was released from work for studying in Zhongshan during 2003, and subsequently resigned from his position at the Bank of China and successfully founded a number of companies. Currently, he works at 中山市迅翔股權投資管理有限公司 (Zhongshan City Xunxiang Equity Investment Management Company*), and also holds the positions of director and financial controller at 車美嗶(廣東)環保科技有限公司 (Chemeida (Guangdong) Environmental Technology Limited*). Mr. Lin is a banking and finance professional and an industry veteran in the field of international trading.

SENIOR MANAGEMENT

Mr. Zhang Wenwang (張文旺) (“Mr. Zhang”), aged 55, joined the group on 23 February 2011. He is the vice general manager of Hongtai (China) and the head of the production department. Mr. Zhang obtained a bachelor’s degree from Tianjin Institute of Textile Science and Technology (天津紡織工學院) (now known as Tianjin Polytechnic University (天津工業大學)) with a major in textile engineering (紡織工程) in July 1983. Prior to joining our Group in 2011, Mr. Zhang had worked as the chief engineer of several enterprises in the PRC. In December 1995, Mr. Zhang was qualified as a senior engineer (高級工程師). Mr. Zhang was a member of Shanxi Province Enterprise Technology Innovation Committee (山西省企業技術創新專家委員會).

林宇剛先生 (「林先生」)，50歲，中山大學管理學學士學位畢業，並於二零零八年完成中山大學管理學院會計專業碩士課程。彼於一九八七年至二零零一年間共十四年時間供職於中國銀行國際業務部，主要負責審核遠洋信用證等工作，後成為行業專家，曾是中山市最年輕的支行行長。

林先生於二零零三年脫產在中山學習，後辭去中國銀行公職，成功創辦多家企業，現在於中山市迅翔股權投資管理有限公司任職，兼任車美嗶(廣東)環保科技有限公司董事和財務總監。林先生是銀行金融界專業人士，是國際貿易行家能手。

高級管理層

張文旺先生 (「張先生」)，55歲，於二零一一年二月二十三日加盟本集團。彼為宏太(中國)的副總經理兼生產部主管。張先生於一九八三年七月取得天津紡織工學院(現稱為天津工業大學)的學士學位，主修紡織工程。於二零一一年加盟本集團之前，張先生曾於中國多家企業擔任總工程師。張先生於一九九五年十二月取得高級工程師資格。張先生曾出任山西省企業技術創新專家委員會委員。

Ms. Liu Xuemin (劉學敏) (“Ms. Liu”), aged 58, joined the group on 23 February 2011. She is the chief engineer of Hongtai (China) and the head of the research and development department. Ms. Liu obtained a bachelor’s degree from Tianjin Institute of Textile Science and Technology (天津紡織工學院) (now known as Tianjin Polytechnic University (天津工業大學)) with a major in textile engineering (紡織工程) in July 1983. Prior to joining the Group in 2011, Ms. Liu had worked in the research and product development of several enterprises in the PRC. In December 1995, Ms. Liu was qualified as a senior engineer (高級工程師). Ms. Liu was appointed as a member of China Textile Engineering Society Cotton Textile Professional Committee Wearing Technology Group (中國紡織工程學會棉紡織專業委員會織造學組) in September 2003.

Mr. Tsang Ho Yin (曾浩賢) (“Mr. Tsang”), aged 33, joined the group on 29 January 2019 as company secretary. Mr. Tsang has extensive experience in corporate and business affairs, including pre-listing reorganizations and investments, initial public offerings, merger and acquisitions, loan and financing transactions, investments in China, corporate governance and general compliance affairs of listed companies and private enterprises. Mr. Tsang obtained a bachelor degree in laws as well as a bachelor degree in commerce (accounting) and a master degree in laws from the University of Melbourne, Australia in 2008 and 2010 respectively. Mr. Tsang then obtained the Postgraduate Certificate in Laws from the City University of Hong Kong in 2011. He was admitted as a solicitor in Australia and Hong Kong in 2012 and 2013 respectively. Mr. Tsang has been appointed as the company secretary of Sino Energy International Holdings Group Limited (Stock code: 1096) since 1 November 2018.

劉學敏女士 (「劉女士」)，58歲，於二零一一年二月二十三日加盟本集團。彼為宏太(中國)的總工程師兼研發部主管。劉女士於一九八三年七月取得天津紡織工學院(現稱為天津工業大學)的學士學位，主修紡織工程。於二零一一年加盟本集團之前，劉女士曾於中國多家企業從事產品研發工作。劉女士於一九九五年十二月取得高級工程師資格。劉女士曾於二零零三年九月獲委任為中國紡織工程學會棉紡織專業委員會織造學組委員。

曾浩賢先生 (「曾先生」)，33歲，於二零一九年一月二十九日加盟本集團為公司秘書。曾先生在公司及商業事務方面擁有廣泛經驗，包括上市前重組及投資、首次公開招股、收購及合併、貸款及融資交易、中國投資、以及上市公司及私人企業的企業管治、以及一般合規事宜。曾先生於二零零八年獲澳洲墨爾本大學頒發法律學士及商學士(會計)學位及於二零一零年頒授法律碩士學位。曾先生及後於二零一一年獲香港城市大學頒授法律專業證書，於二零一二年及二零一三年分別於澳大利亞及香港取得事務律師執業資格。自二零一八年十一月一日起，曾先生擔任中能國際控股集團有限公司(股份代號：1096)之公司秘書。

REPORT OF THE DIRECTORS

董事會報告書

The Directors of the Company (the “Directors”) are pleased to present the annual report of the Company with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Group is engaged in the design, manufacturing and sales of fabrics in the People’s Republic of China as well as shoes and clothes trading mainly in Asia. The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements.

BUSINESS SEGMENTS

The Group is engaged in the manufacturing and sale of fabrics and yarns. Business analysis of sales, segment results, total assets and capital expenditure are set out in note 8 to the accompanying financial statements.

GEOGRAPHICAL SEGMENTS

The Group operates in two main geographical areas, the Mainland China and Hong Kong. Geographical analysis of sales, segment results, total assets, and capital expenditure are set out in note 8 to the accompanying financial statements.

BUSINESS REVIEW

For details of business review in relation to the development, performance or position of the Company’s business, please refer to the section headed “Management Discussion and Analysis” of this annual report.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. To the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands that a better future depends on everyone’s participation and contribution. It has encouraged all employees to participate in environmental and social activities which benefit the community as a whole.

本公司董事（「董事」）欣然提呈截至二零一八年十二月三十一日止年度的本公司年報及本集團經審核合併財務報表。

主要業務

本集團主要在中華人民共和國從事面料的設計、製造及銷售。本公司主要業務為投資控股並主要在亞洲從事皮鞋及衣服貿易。其主要附屬公司的主要業務詳情載於合併財務報表附註35。

業務分類

本集團主要製造及銷售面料及紗線。營業額、分類業績、資產總額及資本開支業務分析載於隨附之財務報表附註8。

地區分類

本集團主要於中國大陸及香港這二個地區經營業務。營業額、分類業績、資產總額及資本開支之地區分析載於隨附之財務報表附註8。

業務回顧

關於本公司業務發展、表現或狀況之業務回顧詳情，請參閱本年報「管理層討論及分析」一節。

環境、社會及企業責任

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。據董事所知本集團已遵守所有對本集團有重大影響且與其業務有關的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦因此鼓勵所有僱員參與環境及社會活動，惠及整個社區。

Thanks to its active engagement in the enhancement of management measures and technology improvement, the Group incurred less unit electricity consumption and expenses in production as compared to that of last year. The Group also advocated conservation of resources in office and encouraged employees to develop good habits, conserve resources and energy to build a green and comfortable office environment.

The Group will issue a separate environmental, social and governance report for the year ended 31 December 2018 in due course with the relevant requirements of the Listing Rules.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated financial statements of this annual report.

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

RESERVES

Details of movement in the reserves of the Group for the year ended 31 December 2018 are set out in note 28 to the consolidated financial statements and in the consolidated statement of changes in equity.

As at 31 December 2018, there was approximately RMB500.4 million reserve of the Company available for distribution (2017: RMB500.7 million).

DONATIONS

The Group did not make any charitable and other donations during the year (2017: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of and reasons for movements in the share capital of the Company during the year under review are set out in note 27 to the consolidated financial statements.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

本集團積極推進管理措施和技術改造，生產用電單耗用量及開支均比去年有所節約。本集團亦引導各項辦公室減耗措施，鼓勵員工養成良好習慣，節約資源和能源，建設綠色舒適的辦公環境。

本集團將於適當時候按照上市規則的有關規定另行發佈截至二零一八年十二月三十一日止年度之環境、社會及管治報告。

業績及撥款

本集團於截至二零一八年十二月三十一日止年度的業績載於本年報合併財務報表。

董事不建議就截至二零一八年十二月三十一日止年度派發股息(二零一七年：無)。

儲備

有關本集團截至二零一八年十二月三十一日止年度的儲備變動詳情，載於合併財務報表附註28及合併權益變動表。

於二零一八年十二月三十一日，本公司可供分派的儲備約為人民幣500.4百萬元(二零一七年：人民幣500.7百萬元)。

捐款

於年內，本集團並無作出任何慈善捐款及其他捐獻(二零一七年：無)。

物業、廠房及設備

本集團的物業、廠房及設備詳情載於合併財務報表附註17。

股本

於回顧年度內本公司的股本變動詳情及原因載於合併財務報表附註27。

稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東之稅務寬減或減免。

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 151–152 of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights over shares of the Company under the Company's articles of association (the "Articles") or the laws of Cayman Islands where the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

AUDITOR

ZHONGHUI ANDA CPA Limited ("Zhonghui") resigned as the auditor of the Company with effect from 6 December 2018. The Board has appointed WORLD LINK CPA Limited ("Worldlink") with effect from 7 December 2018 to fill the casual vacancy following the resignation of Zhonghui. Worldlink will retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company on 30 May 2019.

財務摘要

本集團過去五個財政年度的業績以及資產及負債概要載於本年報第 151 至 152 頁。

購買、出售或購回上市證券

於截至二零一八年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或購回本公司上市證券。

優先購買權

根據本公司的組織章程細則（「細則」）或本公司註冊成立地點開曼群島的法律，概無有關本公司有義務按比例向本公司現有股東發售新股份的本公司股份優先購買權的規定。

核數師

中滙安達會計師事務所（「中滙」）於二零一八年十二月六日辭任本公司核數師。董事會已委任華普天健（香港）會計師事務所有限公司（「華普天健」），由二零一八年十二月七日起生效，以填補中滙辭任留下的臨時空缺。於二零一九年五月三十日舉行之本公司應屆股東週年大會上，華普天健將退任及符合資格，將提呈膺選連任。

DIRECTORS

The Directors of the Company during the year and up to the date of this report are as follows:

Executive directors

- Mr. Lin Qingxiong (*Chairman* resigned on 17 April 2018 but still as an executive director)
- Mr. Wu Jianxiong (Appointed as independent non-executive director on 29 March 2018, re-designated as executive director on 21 August 2018 and as chairman on 11 April 2019)
- Ms. Li Jia Yin (Appointed on 29 March 2018, re-designated as Acting Chairlady on 21 August 2018 and resigned on 11 April 2019)
- Mr. Li Dongfan (Appointed as executive director on 17 April 2018 and resigned on 21 August 2018)
- Mr. Tao Tao (Appointed as executive director on 17 April 2018 and resigned on 21 August 2018)
- Mr. Yan Ximao (Appointed as executive director on 21 September 2018 and resigned on 21 November 2018)
- Mr. Su Yichao (Appointed as executive director on 21 September 2018 and resigned on 21 November 2018)
- Mr. Zou Biao (Appointed as executive director on 11 April 2019)

Independent non-executive directors

- Mr. Chan Sui Wa
- Mr. Liu Shungang (Appointed on 29 March 2018)
- Mr. Lin Yugang (Appointed on 21 August 2018)
- Mr. Wu Jianxiong (Appointed as independent non-executive director on 29 March 2018, re-designated as executive director on 21 August 2018)

The Company has received, from each of the independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent.

The biographical details of the Directors are set out in the section headed "Directors and Senior Management".

董事

於年內及截至本報告日期的本公司董事如下：

執行董事

- 林清雄先生 (*主席*，於二零一八年四月十七日辭任，但仍為執行董事)
- 吳健雄先生 (於二零一八年三月二十九日獲委任為獨立非執行董事，於二零一八年八月二十一日調任為執行董事及於二零一九年四月十一日調任為主席)
- 李佳音女士 (於二零一八年三月二十九日獲委任，於二零一八年八月二十一日調任為代理主席並於二零一九年四月十一日辭任)
- 李東凡先生 (於二零一八年四月十七日獲委任為執行董事，並於二零一八年八月二十一日辭任)
- 陶濤先生 (於二零一八年四月十七日獲委任為執行董事，並於二零一八年八月二十一日辭任)
- 嚴希茂先生 (於二零一八年九月二十一日獲委任為執行董事，並於二零一八年十一月二十一日辭任)
- 蘇毅超先生 (於二零一八年九月二十一日獲委任為執行董事，並於二零一八年十一月二十一日辭任)
- 鄒彪先生 (於二零一九年四月十一日獲委任為執行董事)

獨立非執行董事

- 陳瑞華先生
- 劉順剛先生 (於二零一八年三月二十九日獲委任)
- 林宇剛先生 (於二零一八年八月二十一日獲委任)
- 吳健雄先生 (於二零一八年三月二十九日獲委任為獨立非執行董事，於二零一八年八月二十一日調任為執行董事)

本公司已獲每名獨立非執行董事根據上市規則第3.13條規定確認其獨立性。本公司認為所有獨立非執行董事均為獨立人士。

董事履歷詳情載列於「董事及高級管理層」一節。

DIRECTORS' SERVICE CONTRACTS

Pursuant to Article 84 of the Articles, at each annual general meeting of the Company, one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Pursuant to Article 83(3) of the Articles, any Director appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to the service contracts entered into by each of executive directors as disclosed in the paragraph headed "Directors' services contracts" above, each of Mr. Lin Qingxiong, Mr. Wu Jianxiong and Mr. Zou Biao is entitled to a monthly salary of HK\$40,000, HK\$20,000 and HK\$20,000, respectively. In addition, pursuant to the above service contracts, each of them is also entitled to a management bonus in respect of each financial year in such sum as the Board may in its absolute discretion determine aggregate amount of management bonuses payable to all directors.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the Directors of the Company is currently in force and was in force throughout the year.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of his/her independence and the Company considers that each of them to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

董事服務合約

根據細則第84條，於本公司每屆股東週年大會上，當時董事總數三分之一人數（或如人數並非三（3）的倍數，則取最接近的整數，惟不得低於三分之一人數）須輪值告退，惟每名董事須至少每三年輪值告退一次。須輪值告退的董事將包括有意告退且無意膺選連任的董事。任何其他因此退任的董事將為其他董事中自上次重選連任或獲委任以來任期最長而須輪值告退的董事。如有超過一名董事上次乃於同一日重選連任，則會以抽籤方式決定退任者（除非彼等之間另行達成協議）。根據細則第83(3)條，獲董事會委任的任何董事的任期僅至本公司下屆股東大會為止，而彼屆時將符合資格膺選連任。概無董事與本公司或其任何附屬公司訂立任何在毋須作出賠償（法定賠償除外）的情況下本集團不可於一年內終止的服務合約。

根據上市規則第13.51B(1)條作出之披露

根據上文「董事服務合約」一段披露各執行董事各自訂立之服務合約，林清雄先生、吳健雄先生及鄒彪先生分別有權獲得月薪港幣40,000元、港幣20,000元及港幣20,000元。此外，根據上述服務合約，彼等各人亦有權就各財政年度獲得管理層花紅，董事會可全權酌情釐定應付全體董事的管理層花紅總額。

獲准許的彌償條文

有關本公司董事利益的獲准許彌償條文（定義見香港法例第622章公司條例第469條）現正生效及於本年度一直生效。

獨立非執行董事之獨立性

本公司已獲得各獨立非執行董事確認其獨立性，而根據上市規則第3.13條所載指引，本公司認為其各人均為獨立。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The Remuneration Committee considers and recommends to the Board on the remuneration and other benefits paid by the Company to the Directors by reference to the Company's operating results, individual performance and comparable market rates. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

As at 31 December 2018, the Group had an aggregate of 420 full-time employees (as at 31 December 2017: 455). Employee costs including directors' emoluments totalled RMB19.1 million for the year of 2018 (2017: RMB23.6 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and current market salary scale.

The Group regularly reviews the emolument package of the existing employees, considers increment of salaries and conducts some long-term incentive scheme when appropriate.

Details of Directors' remuneration are set out in note 14 to the financial statements.

薪酬政策

本集團僱員的薪酬政策乃由管理層根據彼等表現、資歷及能力制訂。

薪酬委員會經參考本公司經營業績、個人表現及可比較市場水平考慮及向董事會推薦本公司向董事支付的酬金及其他福利。所有董事的酬金受薪酬委員會定期監察，確保其酬金和薪酬定於適當水平。

於二零一八年十二月三十一日，本集團共有420名全職僱員（於二零一七年十二月三十一日：455名）。二零一八年的僱員成本（包括董事酬金）共計人民幣19.1百萬元（二零一七年：人民幣23.6百萬元）。本集團根據個人能力及發展潛力聘請及提升僱員。本集團根據個人表現及當前市場薪資水平釐定所有僱員（包括董事）的薪酬待遇。

本集團經常複核現存僱員之薪酬待遇，並在適當時考慮提升薪金及採取一些長期激勵計劃。

董事酬金詳情載於財務報表附註14。

DISCLOSURE OF INTERESTS IN SECURITIES

A. Directors' interests in the shares of the Company

As at 31 December 2018, the interests and/or short positions of the Directors of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the shares are listed, will be as follows:

Interests in the Company:

- (a) Ordinary shares of HK\$0.01 each of the Company

於證券中的權益披露

A. 董事於本公司股份中的權益

於二零一八年十二月三十一日，本公司董事在股份上市後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、相關股份或債權證中，擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及／或淡倉（包括彼等根據證券及期貨條例上述條文被當作或視作擁有的權益及淡倉）；或根據證券及期貨條例第352條須登記於根據該條例須存置的登記冊的權益及／或淡倉；或根據上市規則《上市發行人董事進行證券交易的標準守則》在股份上市後須知會本公司及聯交所的權益及／或淡倉如下：

於本公司權益：

- (a) 本公司每股面值0.01港元的普通股

Name of Director	Capacity/Nature of interest	Number of shares held in the Company	Approximate percentage of shareholding in the Company 佔本公司股權概約百分比
董事姓名	身份／權益性質	所持本公司股份數目	
Mr. Lin Qingxiong 林清雄先生	Interest of a controlled corporation 受控法團權益	279,600,000 shares (note) (long position) 279,600,000股(附註) (好倉)	15.03%
	Beneficial owner 實益擁有人	10,840,000 shares (long position) 10,840,000股(好倉)	0.58%
Mr. Qiu Zhiqiang 邱志強先生	Beneficial owner 實益擁有人	126,840,000 shares (long position) 126,840,000股(好倉)	6.82%

Note:

These shares are held by Merit Lead Investments Limited, the entire issued share capital of which is owned by Mr. Lin Qingxiong.

附註：

該等股份乃由德利投資有限公司持有，其全部已發行股本由林清雄先生擁有。

Interests in the associated corporation of the Company:

於本公司相聯法團權益：

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares held in the associated corporation	Approximate percentage of shareholding in the associated corporation 佔該相聯法團股權概約百分比
董事姓名	相聯法團名稱	身份／權益性質	所持相聯法團股份數目	
Mr. Lin Qingxiong	Merit Lead Investments Limited	Beneficial owner	One share of US\$1.00 (long position)	100%
林清雄先生	德利投資有限公司	實益擁有人	一股面值1.00美元(好倉)	

Save as disclosed above, as at 31 December 2018, none of the directors of the Company had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations.

除上文披露者外，於二零一八年十二月三十一日，概念本公司董事於本公司或其任何相關法團的任何股份及相關股份中擁有任何權益或淡倉。

B. Substantial shareholders' interests in the shares of the Company

As at 31 December 2018, so far as the Directors are aware, the following persons (not being a Director of the Company) had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 5% or more of the Company's issued share capital:

B. 主要股東於本公司股份中的權益

就董事所知，於二零一八年十二月三十一日，下列人士(並非本公司董事)擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公司及聯交所披露的股份或相關股份的權益或淡倉，或直接或間接於本公司5%或以上的已發行股本中擁有權益：

Name of shareholder	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding in the Company 佔本公司股權概約百分比
股東名稱	身份／權益性質	股份數目	
Merit Lead Investments Limited (note)	Beneficial owner	279,600,000 shares (long position)	15.03%
德利投資有限公司(附註)	實益擁有人	279,600,000股(好倉)	

Note:

Merit Lead Investments Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. Lin Qingxiong.

附註：

德利投資有限公司為一家在英屬處女群島註冊成立的公司，其全部已發行股本由林清雄先生擁有。

Save as disclosed above, as at 31 December 2018, the directors of the Company are not aware of any other persons (other than the directors of the Company whose interests are set out in the section "Directors' interests in the shares of the Company" above) who held any interests or short positions in the shares, or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year 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 debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme on 27 March 2014, and such scheme has become effective on the Listing Date (the "Share Option Scheme"). The purpose of the Share Option Scheme is to recognize and acknowledge the contribution of the eligible participants made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to Directors (including the independent non-executive Directors), the Company's subsidiaries, employees of the Group and other persons the Board considers have contributed or will contribute to the Group. The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company (i.e. 100,000,000 shares), unless otherwise approved by the shareholders of the Company in general meeting and/or other requirements prescribed under the Listing Rules. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the Shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall remain effective within a period of 10 years from that date.

As at 31 December 2015 and 2016, 50,000,000 share options and 50,000,000 share options were granted and exercised, respectively, representing maximum number of shares to be granted under the Share Option Scheme. For details of the share option scheme, please refer to page 57 to 58 of the 2016 annual report and page 44 to 45 of the 2015 annual report, respectively.

除上文披露者外，於二零一八年十二月三十一日，本公司董事概不知悉有任何其他人士（除彼等之權益已載於上文「董事於本公司股份中的權益」一節的本公司董事外）於本公司的股份或相關股份中，擁有已記入根據證券及期貨條例第336條規定須存置的登記冊的權益或淡倉。

購買股份或債券的安排

於年內任何時間，本公司、其控股公司或其任何附屬公司概無訂立任何安排，以令本公司董事可透過獲得本公司或任何其他法團的股份或債券而獲得利益。

購股權計劃

本公司於二零一四年三月二十七日有條件採納購股權計劃，該計劃於上市日期起生效（「購股權計劃」）。購股權計劃旨在肯定及獎勵對本集團作出貢獻的合資格參與者。董事會根據購股權計劃可酌情決定向董事（包括獨立非執行董事）、本公司的附屬公司、本集團僱員及董事會認為對本集團已作出或將作出貢獻的其他人士授出購股權。根據購股權計劃可能授出的購股權所涉及的股份數目上限合共不得超過本公司已發行股本的10%（即100,000,000股股份），惟本公司股東在股東大會上另行批准及／或上市規則有其他規定者除外。某一特定購股權所涉及股份的認購價不得低於以下三者的最高者：(a) 於聯交所每日報價表所報的官方收市價；(b) 緊接授出日期前五個營業日股份於聯交所每日報價表所報的官方收市價平均數；及(c) 股份面值。購股權計劃自該日期起計10年期間仍屬有效。

於二零一五年及二零一六年十二月三十一日，分別有50,000,000份購股權及50,000,000份購股權已獲授出及行使，即根據購股權計劃可授出的股份數目上限。關於購股權計劃的詳情，請分別參閱二零一六年年報第57至58頁及二零一五年年報第44至45頁。

Share options granted

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity.

For the share options granted by the Company, when they are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in other reserve will continue to be held in other reserve.

CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries, was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the aggregate sales attributable to the Group's largest and five largest customers were 14% and 41% of the Group's total sales respectively (2017: 15% and 51%). The aggregate purchases attributable to the Group's largest and five largest suppliers were 22% and 52% of the Group's total purchases respectively during the year under review (2017: 11% and 34%).

During the year, none of the Directors, their associates or any shareholders (who to the knowledge of the Directors owned more than 5% of the issued share capital of the Company) had any interest in any of the five largest customers or suppliers of the Group.

授予的購股權

所獲取服務的公平值乃參照所授出購股權於授出日期的公平值而釐定，按歸屬期以直線法支銷，權益亦相應增加。

就本公司授出的購股權而言，當購股權獲行使時，原先於購股權儲備內確認的款項將轉撥至股份溢價，而當購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，原先於購股權儲備內確認的款項將繼續於購股權儲備內持有。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，原先於其他儲備內確認的款項將繼續於其他儲備內持有。

重大合約

概無任何與本集團業務有重大關係且本公司及其附屬公司為訂約方及董事擁有重大權益（不論直接或間接）之合約於年終或年內任何時間存在。

本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東（定義見上市規則）之間概無訂立重大合約。

主要客戶及供應商

於回顧年度，來自本集團最大及五大客戶的總銷售額分別佔本集團總銷售額的14%及41%（二零一七年：15%及51%），於回顧年度，來自本集團最大及五大供應商的總採購額分別佔本集團總採購額的22%及52%（二零一七年：11%及34%）。

於年內，概無董事、其聯繫人或據董事所知擁有本公司已發行股本5%以上的任何股東於本集團五大客戶或供應商中擁有任何權益。

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Being people-oriented, the Group ensures all staff are reasonably remunerated and continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety.

The Group maintains a good relationship with its customers. A customer complaint handling mechanism is in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality.

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers on an annual basis.

MANAGEMENT CONTRACTS

No contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year under review.

CONNECTED TRANSACTIONS

No connected transactions were incurred during the year ended 31 December 2018.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, from the Listing Date and up to the date of this report, the Company has maintained a sufficient public float of at least 25% of the Company's issued share capital as required under the Listing Rules.

DIVIDEND POLICY

The Board intends to adopt a prudent dividend payment policy which will base on the main factor of the Group's profitability for the year.

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2018 (2017: Nil). As there is no interim dividend payable during the year, there will be no dividend distribution for the whole year at 2018.

BOARD COMMITTEES

The Company comprises the Nomination Committee, the Remuneration Committee, the Audit Committee and the Regulatory Compliance Committee as described from page 23 to 32 of this annual report.

與僱員、顧客及供應商的重要關係

本集團以人為本，給予僱員合理待遇，同時為挽留人才不斷完善薪酬福利、培訓、職業健康與安全等制度，並定期檢討更新。

本集團與其顧客維持良好關係。為改善服務質素，本集團定下顧客投訴管理機制，包括投訴收集、分析研究及提出改善意見。

本集團與其供應商關係良好，每年對供應商進行公平及嚴格審核。

管理合約

於回顧年度內，本公司並無就整體業務或任何重要業務部分之管理及行政工作簽訂或存有任何重要合約。

關連交易

截至二零一八年十二月三十一日止年度，概無發生關連交易。

公眾持股量之充足程度

根據可供本公司公開索取之資料及就董事所知，由上市日期起及截至本報告日期，本公司按照上市規則所規定維持至少本公司已發行股本25%的充足公眾持股量。

股息政策

董事會擬採用審慎的派息政策，根據本集團年內盈利能力等主要因素釐定派息。

董事會不建議就截至二零一八年十二月三十一日止年度派發任何末期股息(二零一七年：無)。由於年內並無應派中期股息，故二零一八年全年將不會派發股息。

董事委員會

本公司包括提名委員會、薪酬委員會、審核委員會及監管合規委員會，在本年報第23至32頁詳列。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors has confirmed that he is neither engaged, nor interested, in any business which, directly or indirectly, competes or may compete with the Group's business.

NON-COMPETITION UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS

Each of Merit Lead Investments Limited, Mr. Lin Qingxiong, Mr. Qiu Zhiqiang and Mr. Cai Jinxu, being controlling shareholders of the Company, has entered into a deed of non-competition on 27 March 2014 (the "Deed of Non-Competition") so as to better safeguard the Group from any potential competition and to formalise the principles for the management of potential conflicts between them and to enhance its corporate governance in connection with the listing of the shares on the Stock Exchange.

The independent non-executive Directors were not required to review any matter in relation to compliance and enforcement of the Deed of Non-Competition during the Period.

The Company has received written confirmation from Mr. Lin Qingxiong, Mr. Qiu Zhiqiang and Mr. Cai Jinxu, being controlling shareholders of the Company on 30 March 2015 that they have complied with the terms of the deed of non-competition and consent to the respective terms and conditions.

LITIGATION

Dismissal of winding up petition against the Company

As disclosed in the announcement of the Company dated 8 March 2018, 9 March 2018 and 19 April 2018 in relation to winding up petition against the Company, on 5 March 2018, the Company received a petition (the "Petition") entitled HCCW56/2018 presented by PC Securities Limited (the "Petitioner") to the High Court of Hong Kong S.A.R. for winding up of the Company and the hearing of the Petition is fixed for 9 May 2018 before a Master in Court. The Petitioner claimed to be the holder of a bond for the principal amount of HK\$84,000,000 with coupons 7% issued by the Company on 28 January 2015 (the "Bond"). As disclosed in the announcement of the Company dated 24 May 2018, the winding up petition was dismissed according to the order of the High Court.

董事於競爭業務之權益

各董事已確認其概無從事與本集團業務直接或間接存在競爭或可能存在競爭之業務或於該等業務中擁有權益。

控股股東作出之不競爭承諾

於二零一四年三月二十七日，本公司控股股東德利投資有限公司、林清雄先生、邱志強先生及蔡金旭先生各自訂立一份不競爭契約（「不競爭契約」），為更能保障本集團免於涉及任何潛在競爭及規範針對彼等之間潛在衝突的管理原則，以及就股份於聯交所上市加強企業管治。

獨立非執行董事毋須在本期間檢討有關遵守及執行不競爭契約的任何事宜。

本公司已在二零一五年三月三十日收到林清雄先生、邱志強先生及蔡金旭先生作為本公司控股股東就關於他們已經遵守不競爭契約中的條款並同意有關條文及條件的確認函。

訴訟

撤銷對本公司的清盤呈請

誠如本公司日期為二零一八年三月八日、二零一八年三月九日及二零一八年四月十九日有關針對本公司之清盤呈請的公告所披露者外，於二零一八年三月五日，本公司接獲寶鉅證券有限公司（「呈請人」）向香港特別行政區高等法院送呈編號HCCW56/2018之呈請（「呈請」），要求本公司清盤。呈請的聆訊訂於二零一八年五月九日於高等法院進行。呈請人聲稱為本公司於二零一五年一月二十八日所發行債券之持有人，債券本金額為84,000,000港元，另加息票7%（「該債券」）。誠如本公司日期為二零一八年五月二十四日之公告所披露，清盤呈請已根據高等法院之頒令撤銷。

SUBSEQUENT EVENTS

(a) Proposed change of domicile; proposed adoption of new memorandum of continuance and new Bye-laws; proposed cancellation of share premium account; and proposed capital reorganisation

On 12 November 2018, the Company announcement that the board of directors of the Company (the "Board") proposes to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda (the "Change of Domicile"). The implementation of the Change of Domicile will not affect the continuity of the Company and its listing status on the Stock Exchange.

In connection with the Change of Domicile, it is proposed that the new Memorandum of Continuance and the new Bye-laws be adopted by the Company to replace the existing Memorandum and the Articles, respectively, in order to comply with the laws of Bermuda.

The Board proposes to cancel the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company before the Change of Domicile becoming effective. The account designated as the contributed surplus account of the Company, subject to the approval of the shareholders at the extraordinary general meeting by way of special resolution, shall be the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda upon the Change of Domicile becoming effective.

The Board proposes to implement the capital reorganisation ("Capital Reorganisation") after the Change of Domicile becoming effective which comprises the following:

- (i) share consolidation on the basis of every ten issued and unissued existing shares of par value HK\$0.10 each into one consolidated share of par value HK\$1.00 each;
- (ii) reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued consolidated share so that the nominal value of each issued consolidated shares will be reduced from HK\$1.00 to HK\$0.01; and

結算日後事項

(a) 建議遷冊；建議採納新存續大綱及新細則；建議註銷股份溢價賬；及建議股本重組

本公司於二零一八年十一月十二日公佈，董事會（「董事會」）建議透過撤銷於開曼群島之註冊，將本公司之註冊地點由開曼群島更改為百慕達及根據百慕達法例以獲豁免公司形式存續（「遷冊」）。實施遷冊將不會影響本公司的延續性及其於聯交所的上市地位。

建議採納新存續大綱及新細則就遷冊而言，本公司建議採納新存續大綱及新細則，以分別代替現有大綱及細則，藉此遵守百慕達法例。

董事會建議於遷冊生效前，註銷本公司股份溢價賬的所有進賬額，並將該註銷所產生的進賬額轉移至指定作為本公司實繳盈餘賬的賬戶。待股東於股東特別大會以特別決議案批准後，指定作為本公司實繳盈餘賬的賬戶在遷冊生效後將成為本公司的實繳盈餘賬（定義見百慕達一九八一年公司法）。

董事會建議於遷冊生效後實施股本重組（「資本重組」），其包括下列各項：

- (i) 股份合併：其基準為按每十股每股面值0.10港元的已發行及未發行現有股份合併為一股每股面值1.00港元的合併股份；
- (ii) 股本削減：涉及以註銷本公司繳足股本（以每股已發行合併股份0.99港元為限）的方式削減本公司已發行股本，致使每股已發行合併股份的面值由1.00港元減至0.01港元；及

(iii) the share subdivision of each authorised but unissued consolidated share of HK\$1 (including those arising from the capital reduction) into one hundred adjusted shares of HK\$0.01 each.

On 21 February 2019, the Board of the Company announced that the Change of Domicile has not yet become effective and therefore it is expected that the effective date of the Capital Reorganisation will be delayed.

Details of above are set out in the Company's announcements dated 12 November 2018 and 21 February 2019.

(b) Demand for repayment of borrowings

On 14 February 2019, the Company received demand from Ms. Zhang Xue Ping, the bond holder, in respect of repayment of the bond principal of approximately HK\$680,000 together with the interest (including the bond interest and the default interest). The Company is seeking legal advice on this matter.

(c) Issue of bond

From the year end date of 31 December 2018 to the date of annual report, the Company issued corporate bonds amounted to approximately HK\$11.0 million for the raising of working capital purpose.

AUDITOR

The financial statements have been audited by World Link CPA Limited. A resolution to reappoint World Link CPA Limited, the independent auditor of the Company will be proposed at the forthcoming annual general meeting.

DISCLAIMER OF OPINION

1. Opening balances and corresponding figures

In the predecessor auditor's report dated 29 March 2018 in respect of the audit of the consolidated financial statements of the Group for the year ended 31 December 2017 (the "2017 Financial Statements"), the predecessor auditor did not express an opinion on the 2017 Financial Statements. The disclaimer of opinion was resulted from scope limitation based on reasons summarised in the basis for disclaimer of opinion paragraphs therein.

(iii) 股份拆細：將每股面值1港元的法定但未發行合併股份（包括自股本削減產生的合併股份）拆細為一百股每股面值0.01港元的經調整股份。

本公司董事會於二零一九年二月二十一日公佈，遷冊尚未生效，因此預期股本重組之生效日期將延後。

上述詳情載列於本公司日期為二零一八年十一月十二日及二零一九年二月二十一日的公佈。

(b) 要求償還借款

於二零一九年二月十四日，本公司接獲債券持有人張雪萍女士要求償還債券本金額約680,000港元連同利息（包括債券利息及違約利息）。本公司正就此事尋求法律意見。

(c) 發行債券

自二零一八年十二月三十一日（年結日）至本年報日期，本公司發行公司債券約為11.0百萬港元，用以籌集營運資金。

核數師

財務報表已經由華普天健（香港）會計師事務所有限公司審核。即將舉行的股東週年大會將會提出一項就關於重新委任華普天健（香港）會計師事務所有限公司的動議。

不發表意見

1. 年初結餘及相關數字

於有關截至二零一七年十二月三十一日止年度貴集團合併財務報表（「二零一七年財務報表」）的審計而出具日期為二零一八年三月二十九日的前任核數師報告中，前任核數師並無就二零一七年財務報表發表意見。不發表意見乃由於根據於以下有關不發表意見的基準各段概述的原因而出現的範圍限制。

Consequently, the auditors were unable to obtain sufficient appropriate audit evidence regarding the opening balances and corresponding figures and there were no alternative audit procedures to satisfy themselves as to whether the opening balances and corresponding figures were free from material misstatement.

2. Trade and other receivables, impairment losses of trade receivables and reversal of impairment losses of prepayments

As at 31 December 2017, the carrying amounts of trade receivables and prepayments were approximately RMB155,927,000 (net of allowance for trade receivables of approximately RMB575,432,000) and RMB17,726,000 (net of allowance for prepayments of approximately RMB163,990,000) respectively and during the year ended 31 December 2018, the Group recognised impairment losses of trade receivables and reversal of impairment losses of prepayments of approximately RMB176,546,000 and RMB10,921,000 respectively. The auditors have been unable to obtain sufficient and appropriate audit evidence to satisfy themselves whether the aforesaid balances of trade receivables and prepayments were fairly stated as at 31 December 2017 and whether the related impairment losses of trade receivables and reversal of impairment losses of prepayments were properly recorded for the year ended 31 December 2018.

3. Investment in an associate, impairment losses of goodwill of investment in an associate and share of losses of an associate

As at 31 December 2017, the carrying amount of investment in an associate were approximately RMB71,506,000 (net of impairment losses of goodwill of investment in an associate of approximately RMB60,000,000) and during the year ended 31 December 2018, the Group recognised impairment losses of goodwill of investment in an associate and share of losses of an associate of approximately RMB909,000 and RMB70,597,000 respectively. The auditors have been unable to obtain sufficient and appropriate audit evidence to satisfy themselves whether the aforesaid balance of investment in an associate was fairly stated as at 31 December 2017 and whether the related impairment losses of goodwill of investment in an associate and share of losses of an associate were properly recorded for the year ended 31 December 2018.

因此，審計師未能就年初結餘及相關數字取得充足合適的審核憑證，且概無其他審計步驟能令他們信納年初結餘及相關數字並不存在重大錯誤陳述。

2. 貿易及其他應收款項、貿易應收款項之減值虧損及預付款項之減值撥回

於二零一七年十二月三十一日，貿易應收賬款及預付款項的賬面值分別為約人民幣155,927,000元（扣除貿易應收款項的撥備約人民幣575,432,000元）及人民幣17,726,000元（扣除預付款項的撥備約人民幣163,990,000元），截至二零一八年十二月三十一日止年度，貴集團分別確認貿易應收賬款之減值虧損及預付款項之減值撥回約人民幣176,546,000元及人民幣10,921,000元。審計師未能取得充足合適的審核憑證，使他們信納上述貿易應收款項及預付款項的結餘於二零一七年十二月三十一日是否已公平列明，以及截至二零一八年十二月三十一日止年度貿易應收款項之減值虧損及預付款項之減值撥回是否已妥善記錄。

3. 於一間聯營公司的投資、於一間聯營公司的投資的商譽減值虧損及分佔一間聯營公司的虧損

於二零一七年十二月三十一日，於一間聯營公司的投資的賬面值為約人民幣71,506,000元（扣除於一間聯營公司的投資的商譽減值虧損約人民幣60,000,000元）及截至二零一八年十二月三十一日止年度，貴集團分別就於一間聯營公司的投資的商譽減值虧損及分佔一間聯營公司的虧損確認約人民幣909,000元及人民幣70,597,000元。審計師未能取得充足合適的審核憑證，使他們信納上述於一間聯營公司的投資結餘於二零一七年十二月三十一日是否已公平列明，以及截至二零一八年十二月三十一日止年度於一間聯營公司的投資的商譽減值虧損及分佔一間聯營公司的虧損是否已妥善記錄。

4. Material uncertainty related to going concern

The auditors draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately RMB369,281,000 for the year ended 31 December 2018, and as at 31 December 2018, the Group had net current liabilities and net liabilities of approximately RMB575,778,000 and RMB472,180,000, respectively. Furthermore, as at 31 December 2018, the Group's bank borrowings of approximately RMB133,692,000 were overdue and its bonds of approximately RMB326,797,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt financing to meet its liabilities as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from the failure to meet in full its financial obligations in the foreseeable future. The auditors consider that the material uncertainty has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the uncertainty relating to the continued support of the Group's bankers and bondholders, the auditors disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

On behalf of the Board

Li Jia Yin
Acting Chairlady

Hong Kong, 27 March 2019

4. 有關持續經營的重大不明朗因素

務請注意合併財務報表附註2所述本集團截至二零一八年十二月三十一日止年度產生虧損約人民幣369,281,000元，及於二零一八年十二月三十一日，本集團的流動負債淨額及負債淨額分別約為人民幣575,778,000元及人民幣472,180,000元。此外，於二零一八年十二月三十一日，本集團的銀行借款約人民幣133,692,000元已逾期，而其債券約人民幣326,797,000元可予重續或如合併財務報表附註24所披露於未來十二個月內悉數償還。該等情況說明存在重大不明朗因素，可能對本集團的持續經營能力造成重大疑問。合併財務報表按持續經營基準編製，其有效性取決於貴集團將能成功與債權人磋商，並同意重續或延長現有借款或完成債務融資，以於可見將來償清還其到期負債。合併財務報表並不包括於可見將來未能全面履行其財務責任所導致的任何調整。審計師認為重大不明朗因素已於合併財務報表充分披露。然而，鑒於本集團獲得銀行及債券持有人持續支持的不明朗因素的程度，審計師不就持續經營基準的重大不明朗因素發表意見。

代表董事會

李佳音
代理主席

香港，二零一九年三月二十七日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

World Link CPA Limited

華普天健 (香港) 會計師事務所有限公司

To the members of **Moody Technology Holdings Limited**
(Formerly known as "Wang Tai Holdings Limited")
(Incorporated in Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Moody Technology Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 61 to 150, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致滿地科技股份有限公司股東
(前稱「宏太控股有限公司」)
(於開曼群島註冊成立的有限公司)

不發表意見

吾等獲委任審核第61頁至150頁所載滿地科技股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表，包括於二零一八年十二月三十一日的合併財務狀況表，及截至該日期止年度的合併損益及其他全面收益表、合併權益變動表及合併現金流量表，以及合併財務報表附註，包括重大會計政策概要。

吾等不就貴集團合併財務報表發表任何意見。由於吾等於不發表意見的基準所述事宜的重大性，吾等未能獲取充足及適當的審核證據，作為就該等合併財務報表發表審核意見的依據。在所有其他方面，吾等認為，合併財務報表已遵照香港公司條例的披露規定妥善編製。

BASIS FOR DISCLAIMER OF OPINION**1. Opening balances and corresponding figures**

In the predecessor auditor's report dated 29 March 2018 in respect of the audit of the consolidated financial statements of the Group for the year ended 31 December 2017 (the "2017 Financial Statements"), the predecessor auditor did not express an opinion on the 2017 Financial Statements. The disclaimer of opinion was resulted from scope limitation based on reasons summarised in the basis for disclaimer of opinion paragraphs therein.

Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the opening balances and corresponding figures and there were no alternative audit procedures to satisfy ourselves as to whether the opening balances and corresponding figures were free from material misstatement. Any adjustments that might have been found necessary may have effect on the Group's assets and liabilities as at 31 December 2017 and 1 January 2018 and its results for the year ended 31 December 2018, and the presentation and disclosure thereof in the consolidated financial statements.

2. Trade and other receivables, impairment losses of trade receivables and reversal of impairment losses of prepayments

As at 31 December 2017, the carrying amounts of trade receivables and prepayments were approximately RMB155,927,000 (net of allowance for trade receivables of approximately RMB575,432,000) and RMB17,726,000 (net of allowance for prepayments of approximately RMB163,990,000) respectively and during the year ended 31 December 2018, the Group recognised impairment losses of trade receivables and reversal of impairment losses of prepayments of approximately RMB176,546,000 and RMB10,921,000 respectively. We have been unable to obtain sufficient and appropriate audit evidence to satisfy ourselves whether the aforesaid balances of trade receivables and prepayments were fairly stated as at 31 December 2017 and whether the related impairment losses of trade receivables and reversal of impairment losses of prepayments were properly recorded for the year ended 31 December 2018.

不發表意見的基準**1. 年初結餘及相關數字**

於有關截至二零一七年十二月三十一日止年度貴集團合併財務報表（「二零一七年財務報表」）的審計而出具日期為二零一八年三月二十九日的前任核數師報告中，前任核數師並無就二零一七年財務報表發表意見。不發表意見乃由於根據於以下有關不發表意見的基準各段概述的原因而出現的範圍限制。

因此，吾等未能就年初結餘及相關數字取得充足合適的審核憑證，且概無其他審計步驟能令吾等信納年初結餘及相關數字並不存在重大錯誤陳述。可能被發現須作出的任何調整可能對貴集團於二零一七年十二月三十一日及二零一八年一月一日的資產及負債及其於截至二零一八年十二月三十一日止年度的業績及有關資料於合併財務報表的呈列及披露造成影響。

2. 貿易及其他應收款項、貿易應收款項之減值虧損及預付款項之減值撥回

於二零一七年十二月三十一日，貿易應收賬款及預付款項的賬面值分別為約人民幣155,927,000元（扣除貿易應收款項的撥備約人民幣575,432,000元）及人民幣17,726,000元（扣除預付款項的撥備約人民幣163,990,000元），截至二零一八年十二月三十一日止年度，貴集團分別確認貿易應收賬款之減值虧損及預付款項之減值撥回約人民幣176,546,000元及人民幣10,921,000元。吾等未能取得充足合適的審核憑證，使吾等信納上述貿易應收款項及預付款項的結餘於二零一七年十二月三十一日是否已公平列明，以及截至二零一八年十二月三十一日止年度貿易應收款項之減值虧損及預付款項之減值撥回是否已妥善記錄。

BASIS FOR DISCLAIMER OF OPINION (continued)

3. Investment in an associate, impairment losses of goodwill of investment in an associate and share of losses of an associate

As at 31 December 2017, the carrying amount of investment in an associate were approximately RMB71,506,000 (net of impairment losses of goodwill of investment in an associate of approximately RMB60,000,000) and during the year ended 31 December 2018, the Group recognised impairment losses of goodwill of investment in an associate and share of losses of an associate of approximately RMB909,000 and RMB70,597,000 respectively. We have been unable to obtain sufficient and appropriate audit evidence to satisfy ourselves whether the aforesaid balance of investment in an associate was fairly stated as at 31 December 2017 and whether the related impairment losses of goodwill of investment in an associate and share of losses of an associate were properly recorded for the year ended 31 December 2018.

Any adjustments found to be necessary in respect of the figures as described above might have a significant consequential effect on the Group's financial performance and cash flows for the year ended 31 December 2018 and the financial positions of the Group as at 31 December 2017, and the related disclosures thereof in the consolidated financial statements.

不發表意見的基準 (續)

3. 於一間聯營公司的投資、於一間聯營公司的投資的商譽減值虧損及分佔一間聯營公司的虧損

於二零一七年十二月三十一日，於一間聯營公司的投資的賬面值為約人民幣71,506,000元(扣除於一間聯營公司的投資的商譽減值虧損約人民幣60,000,000元)及截至二零一八年十二月三十一日止年度，貴集團分別就於一間聯營公司的投資的商譽減值虧損及分佔一間聯營公司的虧損確認約人民幣909,000元及人民幣70,597,000元。吾等未能取得充足合適的審核憑證，使吾等信納上述於一間聯營公司的投資結餘於二零一七年十二月三十一日是否已公平列明，以及截至二零一八年十二月三十一日止年度於一間聯營公司的投資的商譽減值虧損及分佔一間聯營公司的虧損是否已妥善記錄。

如對上文所述的數字作出任何必要調整，或會對貴集團截至二零一八年十二月三十一日止年度之財務表現及現金流量、貴集團於二零一七年十二月三十一日之財務狀況及合併財務報表內的相關披露產生重大後續影響。

BASIS FOR DISCLAIMER OF OPINION (continued)**4. Material uncertainty related to going concern**

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately RMB369,281,000 for the year ended 31 December 2018, and as at 31 December 2018, the Group had net current liabilities and net liabilities of approximately RMB575,778,000 and RMB472,180,000, respectively. Furthermore, as at 31 December 2018, the Group's bank borrowings of approximately RMB133,692,000 were overdue and its bonds of approximately RMB326,797,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt financing to meet its liabilities as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from the failure to meet in full its financial obligations in the foreseeable future. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the uncertainty relating to the continued support of the Group's bankers and bondholders, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

不發表意見的基準(續)**4. 有關持續經營的重大不明朗因素**

務請注意合併財務報表附註2所述貴集團截至二零一八年十二月三十一日止年度產生虧損約人民幣369,281,000元，及於二零一八年十二月三十一日，貴集團的流動負債淨額及負債淨額分別約為人民幣575,778,000元及人民幣472,180,000元。此外，於二零一八年十二月三十一日，貴集團的銀行借款約人民幣133,692,000元已逾期，而其債券約人民幣326,797,000元可予重續或如合併財務報表附註24所披露於未來十二個月內悉數償還。該等情況說明存在重大不明朗因素，可能對貴集團的持續經營能力造成重大疑問。合併財務報表按持續經營基準編製，其有效性取決於貴集團將能成功與債權人磋商，並同意重續或延長現有借款或完成債務融資，以於可見將來償清還其到期負債。合併財務報表並不包括於可見將來未能全面履行其財務責任所導致的任何調整。吾等認為重大不明朗因素已於合併財務報表充分披露。然而，鑒於貴集團獲得銀行及債券持有人持續支持的不明朗因素的程度，吾等不就持續經營基準的重大不明朗因素發表意見。

董事對合併財務報表的責任

董事負責根據國際會計準則理事會發佈的國際財務報告準則以及香港公司條例的披露規定編製真實及公平的合併財務報表，並負責董事認為必要的內部控制，以令合併財務報表的編製不存在重大錯誤陳述(不論是否因欺詐或錯誤所引致)。

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

World Link CPA Limited
Certified Public Accountants

Lo Ka Ki

Audit Engagement Director

Practising Certificate Number – P06633

5th Floor
Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

Hong Kong, 27 March 2019

董事對合併財務報表的責任 (續)

在編製合併財務報表時，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宜（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。

審核委員會協助董事履行監督本集團財務報告過程的責任。

核數師對審核合併財務報表的責任

吾等的責任是遵循香港會計師公會（「香港會計師公會」）發佈的香港核數準則對貴集團的合併財務報表執行審核工作並發表核數師報告。然而，由於吾等之報告不發表意見的基準章節所述事宜，吾等未能取得充足適當的審核證據，作為就該等合併財務報表發表審核意見的依據。

根據香港會計師公會的專業會計師道德守則（「守則」），吾等與貴集團互為獨立，吾等亦根據守則履行其他道德責任。

華普天健(香港)會計師事務所有限公司
執業會計師

盧家麒

審計項目董事

執業證書編號 – P06633

香港
德輔道中 121 號
遠東發展大廈
5 樓

香港，二零一九年三月二十七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

合併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

		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
Revenue	收益	9	250,660	271,858
Cost of sales	銷售成本		(250,721)	(288,462)
Gross loss	毛損		(61)	(16,604)
Other income	其他收入	10	30,584	8,591
Selling and distribution costs	銷售及分銷成本		(2,906)	(2,090)
General and administrative expenses	一般及行政開支		(223,322)	(606,820)
Loss from operations	營運虧損		(195,705)	(616,923)
Finance costs	融資成本	11	(103,220)	(68,678)
Impairment losses of goodwill of investment in an associate	於一間聯營公司的投資的商譽減值虧損		(909)	–
Share of losses of an associate	分佔一間聯營公司的虧損		(70,597)	(15,350)
Loss before tax	除稅前虧損		(370,431)	(700,951)
Income tax credit/(expense)	所得稅抵免/(開支)	12	1,150	(31,814)
Loss and total comprehensive income for the year attributable to the owners of the Company	年內本公司擁有人應佔虧損及全面收益總額	13	(369,281)	(732,765)
Loss per share	每股虧損			
Basic (RMB cents)	基本(人民幣分)	16(a)	(21.62)	(47.27)
Diluted (RMB cents)	攤薄(人民幣分)	16(b)	(21.62)	(47.27)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

合併財務狀況表

At 31 December 2018

於二零一八年十二月三十一日

			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
	Note 附註			
Non-current assets		非流動資產		
Property, plant and equipment	17	物業、廠房及設備	373,734	396,372
Leasehold land and land use right	18	租賃土地及土地使用權	22,665	23,223
Investment in an associate	19(a)	於一間聯營公司的投資	–	71,506
			396,399	491,101
Current assets		流動資產		
Leasehold land and land use right	18	租賃土地及土地使用權	558	558
Inventories	20	存貨	30,707	52,213
Trade and other receivables	21	貿易及其他應收款項	114,119	225,825
Amount due from an associate	19(b)	應收一間聯營公司款項	–	7,290
Bank and cash balances	22	銀行及現金結餘	1,414	1,254
			146,798	287,140
Current liabilities		流動負債		
Trade and other payables	23	貿易及其他應付款項	187,595	162,806
Borrowings	24	借款	530,489	438,324
Amount due to an associate	19(b)	應付一間聯營公司款項	4,492	–
			722,576	601,130
Net current liabilities		流動負債淨額	(575,778)	(313,990)
Total assets less current liabilities		資產總額減流動負債	(179,379)	177,111

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 合併財務狀況表

At 31 December 2018
於二零一八年十二月三十一日

		Note	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		附註		
Non-current liabilities	非流動負債			
Borrowings	借款	24	278,660	287,337
Deferred income	遞延收入	25	13,722	17,237
Deferred tax liabilities	遞延稅項負債	26	419	1,569
			292,801	306,143
Net liabilities	負債淨額		(472,180)	(129,032)
Equity	權益			
Share capital	股本	27	150,493	124,010
Reserves	儲備	28	(622,673)	(253,042)
Total deficit	虧絀總額		(472,180)	(129,032)

Approved and authorised for issue by the Board of Directors on 27 March 2019.

於二零一九年三月二十七日獲董事會批准及授權刊發。

Ms. Li Jai Yin
李佳音女士
Director
董事

Mr. Wu Jianxiong
吳健雄先生
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Share capital 股本	Share premium 股份溢價 (note 28 (a)) (附註28(a))	Capital reserve 資本儲備 (note 28 (b)) (附註28(b))	Statutory reserve 法定儲備 (note 28 (c)) (附註28(c))	Accumulated losses 累計虧損	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	124,010	500,745	113,510	24,151	(158,683)	603,733
Total comprehensive income and changes in equity for the year	年內全面收益總額及權益變動	-	-	-	-	(732,765)	(732,765)
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	124,010	500,745	113,510	24,151	(891,448)	(129,032)
Issue of shares	發行股份	26,483	(350)	-	-	-	26,133
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(369,281)	(369,281)
Changes in equity for the year	年內權益變動	26,483	(350)	-	-	(369,281)	(343,148)
At 31 December 2018	於二零一八年十二月三十一日	150,493	500,395	113,510	24,151	(1,260,729)	(472,180)

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

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

	Note	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	附註		
Cash flows from operating activities			
Loss before tax		(370,431)	(700,951)
Adjustments for:			
Amortisation of deferred income		(3,515)	(867)
Amortisation of leasehold land and land use right		558	557
Depreciation of property, plant and equipment		34,768	33,657
Gain on disposal of available-for-sale financial assets		-	(300)
Impairment losses of goodwill of investment in an associate		909	-
Impairment losses of inventories		7,373	1,529
Impairment losses of other receivables		2,825	-
Impairment losses of trade receivables		176,546	445,544
Finance costs		103,220	68,678
Loss on disposals of property, plant and equipment		109	459
Interest income		(6)	(246)
(Reversal of impairment)/impairment losses of prepayments		(10,921)	104,603
Share of losses of an associate		70,597	15,350
Operating profit/(loss) before working capital changes		12,032	(31,987)
Decrease/(increase) in inventories		14,133	(3,805)
Increase in trade and other receivables		(56,149)	(90,679)
Decrease/(increase) in amount due from an associate		7,290	(7,290)
Increase/(decrease) in trade and other payables		24,789	(38,365)
Increase in amount due to an associate		4,492	-
Cash generated from/(used in) operations		6,587	(172,126)
Hong Kong Profits Tax paid		-	(1,485)
Net cash generated from/(used in) operating activities		6,587	(173,611)
Cash flow from investing activities			
Acquisition of subsidiaries	34(a)	(595)	-
Purchases of items of property, plant and equipment	34(b)	(12,531)	(4,138)
Proceeds from disposals of property, plant and equipment		292	3,716
Interest received		6	246
Net cash used in investing activities		(12,828)	(176)

CONSOLIDATED STATEMENT OF CASH FLOWS 合併現金流量表

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Note 附註		
Cash flow from financing activities	融資活動所得現金流動		
Borrowings raised	籌集借款	265,756	384,308
Repayment of borrowings	償還借款	(241,465)	(208,356)
Decrease in pledged bank deposits	抵押銀行存款減少	-	20,960
Interest paid	已付利息	(44,023)	(25,953)
Proceeds from issue of shares	發行股份所得款項	26,133	-
Net cash from financing activities	融資活動所得現金淨額	6,401	170,959
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	160	(2,828)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	1,254	4,082
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	1,414	1,254
Analysis of cash and cash equivalents	現金及現金等價物分析		
Bank and cash balances	銀行及現金結餘	1,414	1,254
	22		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

1. CORPORATE INFORMATION

Moody Technology Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 29 April 2013. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company in Hong Kong is located at 39/F, Gloucester Tower, the Landmark, 15 Queen's Road Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 25 April 2014 (the "Listing").

With effect from 30 August 2018, the name of the Company was changed from Wang Tai Holdings Limited to Moody Technology Holdings Limited.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements.

2. GOING CONCERN BASIS

The Group incurred a loss of approximately RMB369,281,000 for the year ended 31 December 2018 and as at 31 December 2018, the Group had net current liabilities and net liabilities of approximately RMB575,778,000 and RMB472,180,000 respectively. Furthermore, as at 31 December 2018, the Group's bank borrowings of approximately RMB133,692,000 were overdue and its bonds of approximately RMB326,797,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on going concern basis. These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew or extend the existing borrowings or complete debt financing to meet its liabilities as they fall due. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

1. 公司資料

滿地科技股份有限公司(「本公司」)於二零一三年四月二十九日根據開曼群島法律第22章《公司法》(一九六一年第3號法律，經合併及修訂)在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1108, Cayman Islands。本公司於香港的主要營業地點位於香港中環皇后大道中15號置地廣場告羅士打大廈39樓。本公司股份自二零一四年四月二十五日起在香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。

由二零一八年八月三十日起，本公司名稱由宏太控股有限公司改為滿地科技股份有限公司。

本公司是一家投資控股公司。其附屬公司從事的主要業務載於合併財務報表附註35。

2. 持續經營基準

截至二零一八年十二月三十一日止年度，本集團產生虧損約人民幣369,281,000元，而於二零一八年十二月三十一日，本集團分別有流動負債淨額及負債淨額約人民幣575,778,000元及人民幣472,180,000元。此外，於二零一八年十二月三十一日，本集團約人民幣133,692,000元的銀行借款已到期，而約人民幣326,797,000元的債券須重續或於未來十二個月內悉數償付(披露於合併財務報表附註24)。此等狀況表示存在重大不確定因素，可能對本集團按持續經營基準經營的能力構成重大疑慮。因此，本集團可能無法於日常業務過程中變現資產及償還負債。

本公司董事認為，按持續經營基準編製合併財務報表乃合宜之舉。該等合併財務報表乃按持續經營基準編製，其有效程度視乎本集團能否與債權人順利磋商，並同意重續或延長現有借款，或完成債務融資以滿足到期的債務。倘本集團無法持續經營，則須於合併財務報表作出調整以將資產價值撇減至可收回金額，以為可能進一步產生的負債作出撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。此等調整的影響尚未反映於合併財務報表內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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

3. BASIS OF PREPARATION

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

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

4. ADOPTION OF NEW AND REVISED IFRSs

(a) Application of new and revised IFRSs

The IASB has issued a number of new and revised IFRSs that are first effective for annual periods beginning on or after 1 January 2018. Of these, the following developments are relevant to the Group’s consolidated financial statements:

- (i) IFRS 9 Financial Instruments; and
- (ii) IFRS 15 Revenue from Contracts with Customers.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. 呈列基準

合併財務報表乃根據國際會計準則理事會（「國際會計準則理事會」）頒佈之國際財務報告準則（「國際財務報告準則」）編製。國際財務報告準則包括國際財務報告準則（「國際財務報告準則」）；國際會計準則（「國際會計準則」）；及詮釋。該等合併財務報表亦遵守聯交所證券上市規則之適用披露條文及香港公司條例（第622章）之披露規定。本集團採納的重大會計政策披露如下。

國際會計準則理事會已發佈若干新訂及經修訂國際財務報告準則，該等準則於本集團本會計期間首次生效或可供提早採納。附註4提供有關因初始應用該等發展而導致任何會計政策變動的資料，而其範圍與本集團於本合併財務報表所反映的現時及過往會計期間有關。

4. 採納新訂及經修訂國際財務報告準則

(a) 應用新訂及經修訂國際財務報告準則

國際會計準則理事會頒佈若干於二零一八年一月一日或之後開始的年度期間首次生效的國際財務報告準則。其中，以下發展與本集團的合併財務報表相關：

- (i) 國際財務報告準則第9號金融工具；及
- (ii) 國際財務報告準則第15號來自客戶合約的收益

本集團並無應用於本會計期間尚未生效之任何新訂準則或詮釋。

4. ADOPTION OF NEW AND REVISED IFRSs

(continued)

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

IFRS 9 Financial instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

The adoption of IFRS 9 resulted in the following changes to the Group's accounting policies.

(a) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

4. 採納新訂及經修訂國際財務報告準則 (續)

(a) 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第9號金融工具

國際財務報告準則第9號取代國際會計準則第39號與確認、分類及計量金融資產及金融負債、取消確認金融工具、金融資產減值以及對沖會計處理有關的條文。

本集團按照國際財務報告準則第9號所列的過渡條文執行國際財務報告準則第9號，即對於於二零一八年一月一日(初次應用日)仍未被終止確認的金融工具，追溯執行分類及計量規定，對於於二零一八年一月一日已被終止確認的金融工具則不執行。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值之間的差異，計入期初累計虧損及其他權益組成部分，並不重列比較數據。

採納國際財務報告準則第9號導致本集團會計政策產生以下變動。

(a) 分類

自二零一八年一月一日起，本集團將其金融資產分為以下計量類別：

- 其後將按公平值計入其他全面收益(「以公平值計入其他全面收益」)或以公平值計入損益(「以公平值計入損益」)計量的金融資產；及
- 按攤銷成本計量的金融資產。

該分類取決於本集團用以管理金融資產及現金流量合約條款的業務模式。

對於按公平值計量的資產，收益及虧損將計入損益或其他全面收益。就並非持作買賣之權益工具投資而言，其將取決於本集團是否作出不可撤回選擇，於初步確認時將以公平值計入其他全面收益計量之權益工具入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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

4. ADOPTION OF NEW AND REVISED IFRSs

(continued)

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

IFRS 9 Financial instruments (continued)

(b) Measurement

At initial recognition, the Group measures a financial assets at its fair value plus, in the case of a financial assets not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

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

(c) Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its financial assets carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4. 採納新訂及經修訂國際財務報告準則 (續)

(a) 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第9號金融工具 (續)

(b) 計量

於初步確認時，本集團按公平值計量金融資產，倘為並非按公平值計入損益計量之金融資產，則按收購金融資產直接產生之交易成本計量。按公平值計入損益之金融資產之交易成本於損益中支銷。

釐定現金流量是否純粹為支付本金及利息時，附帶嵌入衍生工具的金融資產作為整體考慮。

(c) 減值

自二零一八年一月一日起，本集團以前瞻性的基準評估按攤銷成本和以公平值計入其他全面收益列報的金融資產的預期信用損失（「預期信貸虧損」）。減值方法的使用取決於是否出現重大的信用風險上升。

就應收款項而言，本集團應用國際財務報告準則第9號允許之簡易方法，當中要求自初步確認應收款項起確認預期整個期間虧損。

4. ADOPTION OF NEW AND REVISED IFRSs

(continued)

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

IFRS 9 Financial instruments (continued)

Set out below is the impact of the adoption of IFRS 9 on the Group.

With respect to the financial assets classified as loans and receivables (which were measured at amortised cost) under IAS 39, the Group has assessed the business model under which the financial assets are managed and its contractual cash flow characteristics, and these financial assets will continue with their respective classification and measurements upon the adoption of IFRS 9, and the carrying amounts of these financial assets as at 1 January 2018 have not been impacted by the initial application of IFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application.

The Group did not designate or de-recognise any financial assets or financial liabilities at FVTPL at 1 January 2018 and the initial adoption of IFRS 9 did not have impact on the Group's opening accumulated losses.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. The initial adoption of IFRS 15 did not have impact on the Group's opening accumulated losses and how the Group recognised its revenue.

4. 採納新訂及經修訂國際財務報告準則 (續)

(a) 應用新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第9號金融工具 (續)

以下載列採用國際財務報告準則第9號對本集團的影響。

根據國際會計準則第39號分類為貸款和應收款項(按攤餘成本計量)和「以公允價值計量且其變動計入當期損益的金融資產」,本集團已評估了其管理業務模式及其合同現金流特徵,並且適用國際財務報告準則第9號後此類金融資產仍將分別保持前述的分類和計量方法,同時此類金融資產於二零一八年一月一日的賬面價值不受首次適用國際財務報告準則第9號的影響。

所有金融負債的計量方式保持不變。於二零一八年一月一日,全部金融負債的賬面值並無受首次應用影響。

於二零一八年一月一日,本集團沒有將任何金融資產或金融負債指定為按公平值計入損益或取消確認該等金融資產或金融負債,首次採納國際財務報告準則第9號對本集團之年初累計虧損並無任何影響。

國際財務報告準則第15號來自客戶合約的收益

國際財務報告準則第15號建立一個釐定是否確認、確認多少及何時確認收入的綜合框架。其取代了國際會計準則第18號收入、國際會計準則第11號建造合約及相關詮釋。

本集團追溯應用國際財務報告準則第15號,對於初次執行的累計影響確認於二零一八年一月一日(初次應用日)。於初次應用日之任何差異確認於期初累計虧損(如適當,或者其他權益組成部分),比較數據不會重列。首次採納國際財務報告準則第15號對本集團之年初累計虧損及本集團如何確認其收益並無影響。

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

4. ADOPTION OF NEW AND REVISED IFRSs

(continued)

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

The Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2018. These new and revised IFRSs include the following which may be relevant to the Group.

4. 採納新訂及經修訂國際財務報告準則(續)

(b) 已發行但尚未生效的新訂及經修訂國際財務報告準則

本集團並無提早採用已頒佈但於二零一八年一月一日開始的財政年度尚未生效的新制訂和經修訂的國際財務報告準則。該等新制訂和經修訂的國際財務報告準則包括以下各項可能與本集團有關。

		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 Leases	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 Uncertainty over Income Tax Treatments	國際財務報告詮釋公告第23號 所得稅處理的不確定性	1 January 2019 二零一九年一月一日
Annual Improvements to IFRSs 2015–2017 Cycle	國際財務報告準則二零一五年至 二零一七年週年之年度改進	1 January 2019 二零一九年一月一日
Amendments to IAS 28 Long-term Interest in Associates and Joint Ventures	國際會計準則第28號(修訂本) 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

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of 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 impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ended 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that interim financial report.

本集團正在評估預期這些新制訂準則及修訂於首次應用期間的影響。到目前為止，本集團已識別到國際財務報告準則第16號的若干方面可能會對合併財務報表構成重大影響。有關預期影響的進一步詳情在下文討論。儘管對國際財務報告準則第16號的評估已經大致完成，由於目前已完成的評估乃以本集團當前可得的資料為基礎，首次應用該等準則的實際影響可能會有所不同，而在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中首次應用該等準則前，可能會識別到進一步的影響。在中期財務報告中首次應用該等準則前，本集團亦可能更改其會計政策選擇(包括過渡方案)。

4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

(b) New and revised IFRSs in issue but not yet effective (continued)**IFRS 16 Leases**

IFRS 16 replaces IAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). IFRS 16 carries forward the accounting requirements for lessors in IAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or finance leases.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group's operating leases. The Group's office property leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under IFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

As disclosed in note 31, the Group's future minimum lease payments under non-cancellable operating leases for its office properties amounted to approximately RMB933,000 as at 31 December 2018. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once IFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

4. 採納新訂及經修訂國際財務報告準則 (續)**(b) 已發行但尚未生效的新訂及經修訂國際財務報告準則 (續)****國際財務報告準則第16號租賃**

國際財務報告準則第16號取代國際會計準則第17號租賃及其相關詮釋。新準則就承租人引入單一會計模式。就承租人而言，經營和融資租賃的區分已經移除，而承租人須就所有租賃確認使用權資產及租賃負債（短期租賃及低價值資產的租賃可獲選擇性豁免）。國際財務報告準則第16號沿用國際會計準則第17號有關出租人的會計要求而並無重大更改。因此，出租人將繼續將租賃分類為經營租賃或融資租賃。

國際財務報告準則第16號適用於二零一九年一月一日或以後開始的年度期間。本集團擬採用簡化過渡方法，而將不會重列首次採用前一年的比較金額。

根據初步評估，該準則將主要影響本集團經營租賃的會計處理。本集團的辦公室物業租賃目前分類為經營租賃，租賃付款額（扣除從出租人所獲得的任何優惠）在租賃期內按照直線法確認為開支。根據國際財務報告準則第16號，本集團可能須就該等租賃按未來最低租賃付款額的現值確認及計量負債，並確認相應的使用權資產。租賃負債的利息開支及使用權資產的折舊將會在損益內確認。本集團的資產及負債將會因而有所增加，而確認開支的時間亦將會受到影響。

誠如附註31所披露，於二零一八年十二月三十一日，本集團辦公室物業的不可撤銷經營租賃的未來最低租賃付款額約為人民幣933,000元。預期一旦採用國際財務報告準則第16號，該等租賃將會確認為租賃負債以及相應的使用權資產。有關金額將會就折現的影響及本集團可用的過渡寬免作出調整。

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4. ADOPTION OF NEW AND REVISED IFRSs

(Continued)

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

IFRS 16 Leases (continued)

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of IFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements from 2019 onwards.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation of IAS 12 Income Taxes sets out how to apply that standard when there is uncertainty about income tax treatments. Entities are required to determine whether uncertain tax treatments should be assessed separately or as a group depending on which approach will better predict the resolution of the uncertainties. Entities will have to assess whether it is probable that a tax authority will accept an uncertain tax treatment. If yes, the accounting treatment will be consistent with the entity's income tax filings. If not, however, entities are required to account for the effects of the uncertainty using either the most likely outcome or expected value method depending on which method is expected to better predict its resolution.

The Group is unable to estimate the impact of the interpretation on the consolidated financial statements until a more detailed assessment has been completed.

5. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

4. 採納新訂及經修訂國際財務報告準則 (續)

(b) 已發行但尚未生效的新訂及經修訂國際財務報告準則 (續)

國際財務報告準則第16號租賃 (續)

除確認租賃負債及使用權資產外，本集團預期於首次採納國際財務報告準則第16號時作出的過渡調整將並不重大。然而，上述會計政策的預期變動可能對本集團自二零一九年起的合併財務報表產生重大影響。

國際財務報告詮釋公告第23號所得稅處理的不確定性

國際會計準則第12號所得稅載列當所得稅處理存在不確定性時如何應用該準則。實體需要確定是應單獨抑或作為一組評估不確定的稅收處理，此乃取決於何者能更準確預測不確定性的解決方案。實體必須評估稅務機關是否有可能接受不確定的稅務處理。倘為是，會計處理將與實體的所得稅申報一致。然而，倘為非，則實體需要使用最可能的結果或預期價值法來說明不確定性的影響，此乃取決於預期何者能更準確預測解決方案。

在完成更詳細的評估之前，本集團無法估計該詮釋對合併財務報表的影響。

5. 主要會計政策

該等合併財務報表乃根據歷史成本慣例編製。

編製符合國際財務報告準則的財務報表須使用若干關鍵會計估計。這亦須管理層在應用本集團會計政策過程中作出判斷。該等範疇涉及高度判斷或複雜性或為其假設及估計對合併財務報表有重大影響的範疇，在附註6中披露。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

5. 主要會計政策(續)

以下為編製該等合併財務報表所應用的主要會計政策。

(a) 合併入賬

合併財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司指本集團擁有控制權之實體。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則其控制該實體。當本集團之現有權力賦予其目前掌控有關業務(即大幅影響實體回報之業務)之能力時，則本集團對該實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有之潛在投票權。僅在持有人能實際行使潛在投票權之情況下，方會考慮該權利。

附屬公司之賬目由其控制權轉至本集團當日起合併入賬，直至控制權終止之日起不再合併入賬。

因出售一間附屬公司而導致失去控制權的盈虧指(i)出售代價公平值加上於該附屬公司任何保留投資公平值與(ii)本公司應佔該附屬公司資產淨值加上與該附屬公司有關的任何餘下商譽及任何累計外幣匯兌儲備兩者間的差額。

集團內公司間交易、結餘及未變現溢利均予對銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司的會計政策已作出必要調整，以確保與本集團所採納的政策貫徹一致。

於本公司之財務狀況表內，除非投資分類為持作出售(或計入分類為持作出售之出售組別)，否則於附屬公司的投資乃按成本減減值虧損列賬。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Investment in associates

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

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

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

5. 主要會計政策(續)

(b) 於聯營公司的投資

聯營公司為本集團對其有重大影響力的實體。重大影響力乃於有關實體的財務及營運政策的決策擁有參與權而非控制或共同控制權。包括其他實體持有的潛在投票權在內的現時可行使或可兌換的潛在投票權的存在及影響將於評估本集團有否重大影響力時予以考慮。在評估一項潛在投票權有否重大影響力時，不會考慮持有者是否有意及在財務上是否有能力行使或兌換該項權利。

於聯營公司的投資乃採用權益法於合併財務報表列賬，並按成本作出初步確認。所收購聯營公司的可識別資產及負債乃按其於收購當日的公平值計算。倘投資成本超出本集團攤分聯營公司的可識別資產及負債的公平淨值，則差額將以商譽列賬，而該商譽將列入投資的賬面值，並在有客觀證據顯示投資出現減值時連同於各報告期末的投資一併進行減值測試。倘本集團攤分可識別資產及負債的公平淨值高於收購成本，則有關差額將於合併損益確認。

本集團分佔聯營公司收購後損益及其他全面收益於合併損益及其他全面收益表內確認。倘本集團應佔聯營公司虧損等於或多於其於聯營公司的權益(當中包括任何實際構成本集團於聯營公司投資淨額的長期權益)，則本集團不會進一步確認虧損，除非其已產生負債或代聯營公司付款。倘聯營公司其後報收溢利，則本集團僅於其應佔溢利等於其應佔未確認的虧損後恢復確認其應佔的該等溢利。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Investment in associates (Continued)

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

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

5. 主要會計政策 (續)

(b) 於聯營公司的投資 (續)

對銷本集團與其聯營公司間交易的未實現溢利乃以本集團於聯營公司的權益為限。除非交易提供已轉讓資產出現減值之憑證，否則未實現虧損亦予以對銷。附屬公司之會計政策在必要時會作出更改，以確保與本集團所採納之政策一致。

(c) 外幣匯兌

(i) 功能及呈列貨幣

本集團各實體財務報表內所包括項目，均利用該實體經營的主要經濟環境的貨幣（「功能貨幣」）計量。合併財務資料以人民幣（「人民幣」）呈列，人民幣為本公司之功能及呈列貨幣。

(ii) 於各個實體的財務報表中的交易及結餘

外幣交易於初始確認時使用交易日期之通行匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債按各報告期末之匯率換算。此換算政策產生之盈虧於損益內確認。

按公平值計量及以外幣計值的非貨幣項目乃按釐定公平值當日的匯率換算。

當非貨幣項目的盈利或虧損於其他全面收益確認時，該盈利或虧損的任何匯兌部分於其他全面收益確認。當非貨幣項目的盈利或虧損於損益確認時，該盈利或虧損的任何匯兌部分於損益確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

5. 主要會計政策(續)

(c) 外幣匯兌(續)

(iii) 合併換算

功能貨幣與本公司呈列貨幣不同的所有集團實體的業績及財務狀況，均按以下方法換算為本公司的呈列貨幣：

- 呈列於每份財務狀況表的資產及負債，均以該財務狀況表的收市匯率換算；
- 期內收入及支出均按平均匯率換算（惟該平均值並非有關交易日通行匯率累積影響的合理近似值則作別論，在此情況收入及支出均按交易日匯率換算）；及
- 所有最終匯兌差額於其他全面收益確認及於外幣匯兌儲備累計。

於合併賬目時，因換算貨幣項目而產生之匯兌差額構成於海外實體投資淨額之部份於其他全面收益確認及於外幣匯兌儲備累計。當境外業務被出售時，有關匯兌差額作為出售之盈利或虧損之一部份被重新分類至合併損益。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods, or for administrative purposes are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The useful lives are as follows:

Buildings	20 years
Machinery and equipment	10 years
Office equipment, furniture and vehicles	5 years

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

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

5. 主要會計政策(續)

(d) 物業、廠房及設備

物業、廠房及設備(持作用於生產或提供貨品或作行政用途)乃按成本減後續累計折舊及後續累計減值虧損(如有)於合併財務狀況表列賬。

其後成本只有在與該資產有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在項目的賬面值或確認為獨立資產(按適用)。所有其他維修及保養成本在產生的期間內於損益內確認。

物業、廠房及設備的折舊乃按足以在其估計可使用年期內撇銷其成本減剩餘價值的折舊率以直線法計算。可使用年期列載如下：

建築物	20年
機器及設備	10年
辦公室設備、傢俱及汽車	5年

剩餘價值、可使用年期及折舊方法在各報告期末進行檢討及在適當情況下調整。

在建工程指在建的建築物及有待安裝的廠房及設備，按成本減減值虧損列值。有關資產可供使用時開始折舊。

出售物業、廠房及設備的收益或虧損指出售所得款項淨額與有關資產的賬面值的差額，並確認於損益。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

Prepaid land lease payments are stated at cost and subsequently amortised on the straight-line basis over the remaining term of the lease.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

5. 主要會計政策 (續)

(e) 經營租賃

倘資產所有權的絕大部分風險及回報並無轉讓予本集團，則相關租賃列作經營租賃。租賃款項在扣除出租人給予的任何優惠後，於租賃期內以直線法確認為開支。

預付土地租賃款項按成本列賬並其後按剩餘租期以直線法攤銷。

(f) 存貨

存貨乃按成本與可變現淨值兩者之中較低者列賬。成本使用加權平均成本法釐定。製成品及在製品的成本包括原料、直接人工及適當比例的所有生產雜項開支及分包開支（如適用）。可變現淨值為日常業務過程中的估計售價減去估計完成生產的成本及銷售所需的估計成本。

(g) 確認及終止確認金融工具

金融資產及金融負債於集團實體成為工具合約條文的訂約方時於合併財務狀況表內確認。

金融資產和金融負債在初始時會以公平值進行計量。直接歸屬於購置或發行金融資產和金融負債（按公平值計入損益之金融資產及金融負債除外）的交易費用在初始確認時計入或扣自各金融資產或金融負債（視何者適用而定）的公平值。直接歸屬於購置按公平值計入損益之金融資產或金融負債的交易費用須即時在損益中確認。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Recognition and derecognition of financial instruments (Continued)

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(h) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Trade and other receivables

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

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

5. 主要會計政策(續)

(g) 確認及終止確認金融工具(續)

僅當從資產收取現金流的合約權利屆滿時，或本集團轉讓金融資產且將資產所有權有關的絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認該項金融資產。倘本集團並無轉讓亦無保留擁有權的絕大部分風險及回報，而繼續控制被轉讓資產，則本集團確認其於該項資產之保留權益，並將可能需支付之款項確認為相關負債。若本集團保留被轉讓金融資產擁有權的絕大部分風險及回報，則本集團會繼續確認該項金融資產，亦就所收到之所得款項確認抵押借貸。

本集團當及僅於其責任獲解除、取消或已失效時終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價(包括任何所轉讓之非現金資產或所承擔之負債)之間的差額於損益中確認。

(h) 金融資產

所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。所有已確認金融資產其後全部按攤銷成本或公平值計量，視乎金融資產的分類而定。

(i) 貿易及其他應收款項

本集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價的權利僅需經過一段時間方為無條件。如收益在本集團擁有無條件權利收取代價前經已確認，則金額呈列為合約資產。

應收款項利用實際利率法按攤銷成本減信貸虧損撥備列賬。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL.

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(m) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

5. 主要會計政策(續)

(j) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、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且並無明顯變值風險的短期高流通性投資，並在購入後三個月內到期。就合併現金流量表而言，須按要求償還並構成本集團現金管理組成部分的銀行透支亦入賬列作現金及現金等價物的一部分。現金及現金等價物評估預期信貸虧損。

(k) 金融負債及權益工具

金融負債及權益工具按所訂立合約安排的內容及國際財務報告準則中金融負債和權益工具的定義分類。權益工具為證明本集團的資產於扣除其所有負債後的剩餘權益的任何合約。下文載列就特定金融負債及權益工具採納的會計政策。

(l) 借款

借款初步按公平值扣除所產生之交易成本確認，並其後以實際利率法按攤銷成本值計算。

除非本集團擁有無條件權利，可將負債之償還日期遞延至報告期後至少十二個月，否則借貸被分類為流動負債。

(m) 貿易及其他應付款項

貿易及其他應付款項按公平值初始確認，其後使用實際利率法按攤銷成本計量，除非貼現影響不大，在該情況下以成本列賬。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(o) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the sale of manufactured products is recognised when control of the goods has transferred, being when the goods have been shipped to the buyer's specific location (delivery). Following delivery, the buyer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the buyer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

5. 主要會計政策(續)

(n) 權益工具

權益工具指能證明於實體扣除其所有負債後之資產中擁有剩餘權益之任何合約。本公司所發行的權益工具按已收所得款項(扣除直接發行成本)入賬。

(o) 收益確認

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額(不包括代表第三方收取的金額)轉移至客戶時確認收益。收益不包括增值稅或其他銷售稅,並經扣除任何貿易折扣。

來自銷售製成品的收益在貨物控制權轉移時確認,即貨物已運至買方的特定地點(交付)。交付後,買方可以完全自行決定銷售商品的分銷方式和價格,在銷售商品時承擔主要責任,並承擔與貨物相關的過時及損失風險。當貨物交付買方時,本集團確認應收款項,原因是收取代價之權利於此時間點變為無條件,僅須待時間過去便可收取款項。

利息收入於其應計時按實際利率法計算確認。對於以攤銷成本計量的金融資產或按公平值計入其他全面收益而不作信貸減值的金融資產(可劃轉),實際利率適用於資產的總賬面金額。就信貸減值金融資產而言,實際利率適用於資產的攤銷成本(即扣除虧損撥備的總賬面值)。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Revenue recognition (Continued)

Policy prior to 1 January 2018

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group when specific criteria have been met for each of the Group's activities.

Revenue from the sales of manufactured goods is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

(p) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Pension obligations*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) *Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

5. 主要會計政策 (續)

(o) 收益確認 (續)

二零一八年一月一日之前的政策

當收益金額能可靠地計量，而未來經濟利益可能流入該實體，且符合本集團各項活動的特定準則時，本集團便確認收入。

來自銷售製成品的收益在所有權的重大風險及回報轉移時確認，此通常與貨物交付及所有權轉移給客戶的時間一致。

利息收入按時間比例採用實際利率法確認。

(p) 僱員福利

(i) *僱員應享假期*

僱員的年假及長期服務假期於僱員應享有時予以確認。截至報告期末，因僱員所提供的服務而產生的年假及長期服務假期的估計負債已計提撥備。

僱員享有的病假及產假於僱員休假時方會確認。

(ii) *退休金責任*

本集團向為所有僱員提供的定額供款退休計劃進行供款。本集團及僱員對計劃的供款根據僱員基本薪金的百分比計算。在損益內扣除的退休福利計劃成本指本集團須向基金支付的供款。

(iii) *離職福利*

離職福利於本集團不能取消提供該等福利時及本集團確認重組成本並涉及支付離職福利時(以較早者為準)予以確認。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants relating to the purchase of assets are recorded as deferred income and recognised in profit or loss on a straight-line basis over the useful lives of the related assets.

5. 主要會計政策 (續)

(q) 借貸成本

直接歸屬於收購、興建或生產合資格資產 (指必須經一段長時間處理以作其預定用途或銷售的資產) 的一般及特定借貸成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。在特定借貸撥作合資格資產的支出前暫時用作投資所賺取的投資收入，須從合資格資本化的借貸成本中扣除。

以一般性借入資金用於獲取一項合資格資產為限，可撥充資本之借貸成本數額乃透過該項資產之支出所採用之資本化率而釐定。資本化率乃適用於本集團借貸 (於有關期間內尚未償還) 之借貸成本之加權平均數，惟特別為獲取合資格資產而作出之借貸則除外。

借貸成本於產生期間在損益中確認。

(r) 政府補助金

當能合理確定本集團將遵守補助金的附帶條件並將收到政府的補助金時，則補助金會予以確認。

與收入相關的政府補助金將遞延並於損益內根據與獲補償之成本作相對性的期間確認。

作為已承擔開支或虧損的補償或向本集團提供即時財務援助而可收取 (並無日後相關成本) 的政府補助金，乃於其成為可收取的期間於損益內確認。

與購買資產相關的政府補助金記錄為遞延收入及以直線法按相關資產的可使用年期於損益確認。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

5. 主要會計政策(續)

(s) 稅項

所得稅指即期稅項及遞延稅項的總額。

即期應付稅項按本年度應課稅溢利計算。應課稅溢利與於損益內確認的溢利有所不同，乃由於其他年度的應課稅或可扣稅收入或開支項目以及免稅或不可扣稅項目。本集團有關即期稅項的負債採用於報告期末前已實行或實際已實行的稅率計算。

遞延稅項就合併財務報表內資產及負債的賬面值與計算應課稅溢利所採用相應稅基之間的差額予以確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認。倘暫時差額乃因商譽或初步確認一項既不影響應課稅溢利亦不影響會計溢利的交易(業務合併除外)中的其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債就於附屬公司及聯營公司投資而產生的應課稅暫時差額予以確認，惟倘本集團可控制暫時差額的撥回，且該暫時差額可能不會於可見將來撥回者除外。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

5. 主要會計政策(續)

(s) 稅項(續)

遞延稅項資產之賬面值於各報告期末進行檢討，並在不可能再有足夠應課稅溢利以收回全部或部份遞延稅項資產時予以減少。

遞延稅項根據於報告期末前已實行或實際已實行的稅率，按預期在負債償還或資產變現期間適用的稅率計算。遞延稅項於損益內確認，惟倘遞延稅項與其他全面收益內確認或直接於權益中確認的項目有關，則遞延稅項亦於其他全面收益內確認或直接於權益中確認。

遞延稅項資產及負債的計量反映按照本集團預期於報告期末收回或結算其資產及負債賬面值的方式而產生的稅務影響。

當合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並且當與同一稅務機關所徵收的所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，遞延稅項資產及負債可予以對銷。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Related parties

For the purposes of these consolidated financial statements, a related party is a person or entity that is related to the Group.

- (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 Company or a parent of the Company.
- (B) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (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 Company or to a parent of the Company.

5. 主要會計政策(續)

(t) 關連方

就該等合併財務報表而言，關連方為與本集團有關連之人士或實體。

- (A) 倘屬以下人士，即該人士或該人士的近親為本集團的關連方：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本公司或本公司母公司主要管理人員的其中一名成員。
- (B) 倘符合下列任何條件，即該實體與本集團有關連：
 - (i) 該實體與本公司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連）。
 - (ii) 一間實體為另一實體的聯營公司或合營公司（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公司）。
 - (iii) 兩間實體均為同一第三方的合營公司。
 - (iv) 一間實體為第三方實體的合營公司，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連的實體就僱員利益設立的離職福利計劃。
 - (vi) 實體受上文(A)所識別人士控制或受共同控制。
 - (vii) 受上文(A)(i)所識別人士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) 該實體或其所屬的集團的任何成員公司向本公司或本公司母公司提供主要管理人員服務。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(v) Impairment of financial assets

The Group recognises a loss allowance for ECL on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

5. 主要會計政策(續)

(u) 非金融資產減值

非金融資產之賬面值於各報告日期檢討有否出現減值跡象，倘資產已減值，則作為開支透過合併損益表撇減至其估計可收回金額。可收回金額就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入除外。在此情況下，可收回金額就資產所屬之現金產生單位釐定。可收回金額按個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者計算。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間價值及資產／現金產生單位(已計量減值)特有風險之稅前貼現率計算。

現金產生單位減值虧損首先就該單位之商譽進行分配，然後按比例在現金產生單位其他資產間進行分配。因估計變動而造成其後可收回金額增加將計入損益直至撥回已作出之減值。

(v) 金融資產減值

本集團就貿易應收款項的預期信貸虧損確認虧損撥備。預期信貸虧損之金額於各報告日期更新，以反映信貸風險自初步確認相關金融工具以來之變化。

本集團通常就貿易應收款項確認全期預期信貸虧損。該等金融資產之預期信貸虧損乃使用根據本集團過往信貸虧損經驗計算的撥備矩陣進行估計，並就債務人之特定因素、整體經濟狀況及對於報告日期之現時狀況及預測動向的評估(於適用情況下包括貨幣之時間價值)作出調整。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

就所有其他金融工具而言，倘信貸風險自初始確認後顯著增加，則本集團確認全期預期信貸虧損。然而，倘該金融工具的信貸風險自初始確認後並無顯著增加，本集團以相當於12個月預期信貸虧損的金額計量該金融工具的損失撥備。

全期預期信貸虧損指一切可能於相關工具預計年內發生之違約事件將導致之預期信貸虧損。相對而言，12個月期預期信貸虧損指預期於報告日期之後12個月內可能發生違約事件所引致之部分全期預期信貸虧損。

信貸風險顯著上升

於評估金融工具信貸風險自初始確認以來有否顯著上升時，本集團會將金融工具於各報告期末發生的違約風險與金融工具在初始確認日期發生的違約風險相比較。本集團進行評估時，會考慮合理並有證據支持的量性及質性資料（包括參考過往經驗及毋須耗費龐大人力物力即可取得的前瞻性資料）。所考慮前瞻性資料包括本集團債務人經營行業的未來前景、自經濟專家報告、財務分析員、政府機構、相關智庫及其他類似組織獲取的報告，以及考慮與本集團核心業務相關的實際及預測經濟資料的多個外部來源。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk (continued)

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

5. 主要會計政策(續)

(v) 金融資產減值(續)

信貸風險顯著上升(續)

具體而言，評估信貸風險自初始確認以來有否顯著上升時，會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大倒退；
- 某特定金融工具的信貸風險的外部市場指標的重大惡化；
- 業務、財務或經濟狀況現存或預測的不利變動，預料將導致債務人履行其債務責任的能力顯著下降；
- 債務人經營業績的實際或預期顯著倒退；
- 同一債務人的其他金融工具的信貸風險大幅增加；
- 債務人監管、經濟或技術環境的實際或預期重大不利變動，導致債務人履行其債務責任的能力顯著下降。

不論上述評估結果，本集團假定，倘合約付款逾期超過30日，則金融資產的信貸風險自初始確認以來已顯著增加，惟當本集團擁有合理並有據支持的資料顯示情況並非如此，則作別論。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) The financial instrument has a low risk of default,
- (ii) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

信貸風險顯著上升 (續)

儘管有上述規定，若於報告日期金融工具被判定為具有較低信貸風險，本集團會假設金融工具的信貸風險自初步確認以來並未顯著上升。在以下情況下，金融工具會被判定為具有較低信貸風險：

- (i) 金融工具具有較低違約風險，
- (ii) 借款人有很強的能力履行近期的合約現金流量義務；及
- (iii) 經濟及商業環境的長期不利變動有可能但未必會降低借款人履行合約現金流量義務的能力。

本集團認為，若根據眾所周知的定義，資產的外部信貸評級為「投資級」，或若無外部評級，資產的內部信貸評級為「履行」，則該金融資產具有較低信貸風險。「履行」意味著交易對手具有強大的財務狀況且無逾期金額。

本集團定期監察識別信貸風險是否顯著上升所用標準的有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險的顯著上升。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

5. 主要會計政策(續)

(v) 金融資產減值(續)

違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回。

- 交易對手違反財務契諾；或
- 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)。

不論上述分析，本集團認為，違約已於當金融資產逾期超過90天時發生，惟本集團有合理且可支持的資料證明更為滯後的違約標準更為適當除外。

信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一項或多項事件之時，該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

- 發行人或交易對手陷入嚴重財困；
- 違反合約，例如違約或逾期事件；
- 交易對手的貸款人出於與交易對手財困相關的經濟或合約原因，而向交易對手授予貸款人原本不會考慮的優惠；
- 交易對手可能破產或進行其他財務重組；或
- 金融資產的活躍市場因財困而消失。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

5. 主要會計政策 (續)

(v) 金融資產減值 (續)

撇銷政策

本集團在有資料顯示債務人陷入嚴重財務困難，且無實際收回可能之時（包括債務人被清盤或已進入破產程序，或貿易應收款項逾期超過兩年（以較早發生者為準））撇銷金融資產。在考慮法律意見（如適當）後，已撇銷金融資產仍可根據本集團之收回程序實施強制執行。任何收回款項於損益中確認。

預期信貸虧損的計量及確認

預期信貸虧損的計量乃指違約概率、違約損失率程度（即倘違約損失的程度）及違約風險的函數。評估違約概率及違約損失率程度根據歷史數據作出，並根據前瞻性資料調整。就金融資產違約風險而言，此乃代表根據過往趨勢確定於報告日期的資產賬面總值、本集團對債務人未來具體融資需求的了解，以及其他相關前瞻性信息。

就金融資產而言，預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預期可收取的所有現金流量（按原定實際利率貼現）之間的差額估算。

倘本集團於前一報告期間按全期預期信貸虧損的相同金額計量金融工具的虧損撥備，惟於本報告日期判定已不再符合全期預期信貸虧損之條件，則本集團於本報告日期按12個月預期信貸虧損的相同金額計量虧損撥備，惟使用簡化方法的資產則作別論。

本集團於損益確認所有金融工具的減值收入或損失，並通過虧損撥備賬對其賬面值作出相應調整。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets (Continued)

Policy prior to 1 January 2018

At the end of each reporting period, the Group assesses whether its financial assets (other than those at FVTPL) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

For trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

5. 主要會計政策(續)

(v) 金融資產減值(續)

於二零一八年一月一日前政策

本集團會於每個報告期末根據因初始確認後發生一項或多項事件，令金融資產(組別)估計未來現金流量受到影響的客觀證據，評估其金融資產有否減值(除按公平值計入損益者外)。

就經評估後並無個別減值的貿易應收款項而言，本集團根據本集團過往收款經驗、組合內延遲還款的增加，以及與拖欠應收款項情況相關的經濟狀況可觀察變動等因素，以綜合評估其有否減值。

僅就貿易應收款項而言，賬面值會透過使用撥備賬扣減，而先前已撇銷而其後收回的數額乃計入撥備賬。撥備賬內賬面值變動於損益中確認。

就所有其他金融資產而言，賬面值會直接按減值虧損扣減。

就攤銷成本計量的金融資產而言，倘減值虧損的金額於往後期間減少，而該減幅可以客觀地與確認減值後發生的事件有關，則先前已確認的減值虧損於損益中撥回(直接撥回或通過調整貿易應收款項的撥備賬)。然而，撥回不得導致撥回減值當日的賬面值超過該金融資產於未確認減值時應有的攤銷成本。

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5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(x) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. 主要會計政策 (續)

(w) 撥備及或然負債

倘本集團因過往事件須承擔現有法律或推定責任，而履行責任有可能導致經濟利益流出，並能夠作出可靠估計時，須對時間或金額不確定的負債確認撥備。倘金額的時間價值重大，則撥備按預期用於履行該責任的支出現值列賬。

倘經濟利益流出的可能性較低，或金額無法可靠估計，則責任披露為或然負債，除非流出的可能性極低則另作別論。可能出現的責任（其存在與否僅取決於一項或多項未來事件的發生與否）亦披露為或然負債，除非流出的可能性極低則另作別論。

(x) 報告期後事項

提供本集團於報告期末之額外資料之報告期後事項為調整事項，並反映於合併財務報表。並非調整事項之報告期後事項，如屬重大時乃於合併財務報表附註披露。

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully negotiate and agree with the creditors to renew the existing borrowings or complete debt financing to meet its liabilities as they fall due in the foreseeable future. Details are explained in note 2 to the consolidated financial statements.

(b) *Significant increase in credit risk*

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

6. 重要判斷及主要估計

應用會計政策的重要判斷

於應用會計政策的過程中，本集團已作出以下對合併財務報表中所確認金額有重大影響的判斷(下文所述涉及估計的該等判斷除外)。

(a) *持續經營基準*

此等合併財務報表乃按持續經營基準編製，其有效性取決於本集團將可成功與債權人磋商及協定重續現有借款或完成債務融資，以於可見將來，其債務到期時償還負債。詳情於合併財務報表附註2闡述。

(b) *信貸風險大幅增長*

預期信貸虧損就第1階段資產按等於12個月預期信貸虧損的撥備計量，就第2階段或第3階段資產按全期預期信貸虧損的撥備計量。資產在其信貸風險自初步確認後顯著增加時轉入第2階段。國際財務報告準則第9號並無界定構成信貸風險顯著增加的因素。於評估資產的信貸風險是否顯著上升時，本集團會考慮合理且具支持的定量及定性前瞻性資料。

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6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2018 was approximately RMB373,734,000 (2017: RMB396,372,000).

(b) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds their recoverable amount. The recoverable amount is determined with reference to the fair value less costs of disposal. Where the fair value less costs of disposal are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of fair value less costs of disposal, a material impairment loss may arise.

No impairment of property, plant and equipment was made during the year ended 31 December 2018 (2017: Nil).

6. 重要判斷及主要估計(續)

估計不確定性之主要來源

下文詳述有關未來的主要假設及於報告期末的其他主要不確定估計來源，而該等假設及不確定估計存在導致下一財政年度的資產及負債賬面值須作出重大調整的重大風險。

(a) 物業、廠房及設備及折舊

本集團釐定本集團物業、廠房及設備的估計可使用年期、剩餘價值以及相關折舊開支。該等估計乃根據性質及功能相近的物業、廠房及設備實際可使用年期及剩餘價值的過往經驗而作出。當可使用年期及剩餘價值與原先估計者不同時，本集團會對折舊開支進行相應調整，或將已報廢之技術過時或非策略資產註銷或撇減。

物業、廠房及設備於二零一八年十二月三十一日之賬面值約為人民幣373,734,000元(二零一七年：人民幣396,372,000元)。

(b) 物業、廠房及設備之減值

每當事件或情況變化表明資產的賬面價值超過其可收回金額時，對物業、廠房和設備進行減值測試。可收回金額參照公平值減出售成本確定。倘公平值減出售成本少於預期情況或者有不利用事件及變故導致對修訂公平值減出售成本，可能產生重大的減值損失。

截至二零一八年十二月三十一日止年度，概無就物業、廠房及設備作出減值(二零一七年：無)。

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

During the year, income tax of approximately RMB1,150,000 was credited to profit or loss (2017: income tax expense of approximately RMB31,814,000 was charged to profit or loss).

(d) Impairment of investment in an associate

The Group's management determines at each reporting date whether there is any objective evidence that the investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of losses of an associate" and "impairment losses of goodwill of investment in an associate" in the consolidated statement of profit or loss and other comprehensive income.

Share of losses of an associate and impairment losses of goodwill of investment in an associate of approximately RMB70,597,000 and RMB909,000 (2017: RMB15,350,00 and Nil) respectively were made for the year ended 31 December 2018.

(e) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

6. 重要判斷及主要估計 (續)

估計不確定性之主要來源 (續)

(c) 所得稅

本集團須於若干個司法權區繳納所得稅。釐定所得稅撥備時須作出重大估計。於一般業務過程中，大部份最終稅項之交易及計算屬不確定。倘該等事項的最終評稅結果與初始記錄的數額存在差異，則相關差異將影響釐定期間所得稅及遞延稅項撥備。

於年內，所得稅抵免約人民幣1,150,000元計入損益(二零一七年：所得稅開支約人民幣31,814,000元於損益扣除)。

(d) 於一間聯營公司的投資的減值

本集團管理層於各報告日期釐定是否有客觀證據，反映於一間聯營公司的投資已減值。倘如此，本集團計算減值金額，即聯營公司的可收回金額與賬面值的差額，並於合併損益及其他全面收益表「聯營公司虧損」及「於一間聯營公司的投資的商譽減值虧損」內一併確認金額。

截至二零一八年十二月三十一日止年度，分別錄得分佔一間聯營公司虧損及於一間聯營公司的投資商譽減值虧損約人民幣70,597,000元及人民幣909,000元(二零一七年：人民幣15,350,00元及無)。

(e) 滯銷存貨撥備

滯銷存貨撥備乃以存貨貨齡及估計可變現淨值為基準計算。評估撥備金額涉及判斷及估計。倘日後之實際結果有別於原來估計，該等差額將影響上述估計出現變動期間存貨賬面值及撥備開支/撥回。

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6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(e) Allowance for slow-moving inventories (continued)

Allowance for slow-moving inventories of approximately RMB7,373,000 (2017: RMB1,529,000) was made for the year ended 31 December 2018.

(f) Impairment loss for trade and other receivables

Prior to the adoption of IFRS 9 on 1 January 2018, the management of the Group assesses at the end of each reporting period whether there is any objective evidence that trade and other receivables are impaired. The provision policy for bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of trade and other receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

Since the adoption of IFRS 9 on 1 January 2018, the management of the Group estimates the amount of impairment loss for ECL on trade and other receivables based on the credit risk of trade and other receivables. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2018, the carrying amount of trade and other receivables is approximately RMB114,119,000 (net of allowance for doubtful debts of approximately RMB907,872,000) (2017: RMB225,825,000 (net of allowance for doubtful debts of approximately RMB739,422,000)).

6. 重要判斷及主要估計 (續)

估計不確定性之主要來源 (續)

(e) 滯銷存貨撥備 (續)

截至二零一八年十二月三十一日止年度，計提滯銷存貨撥備約人民幣7,373,000元（二零一七年：人民幣1,529,000元）。

(f) 貿易及其他應收款項減值虧損

於二零一八年一月一日採納國際財務報告準則第9號之前，本集團管理層於各報告期末評估是否有任何客觀證據顯示貿易及其他應收款項已經減值。本集團的壞賬及呆賬撥備政策乃以對賬目可收回性的評估及賬齡分析以及管理層的判斷為依據。於評估貿易及其他應收款項的最終可收回性時須作出大量判斷，包括各客戶當前的信譽及過往收款記錄。倘本集團客戶的財務狀況惡化，導致其付款能力遭削弱，則或須計提額外撥備。

自二零一八年一月一日採納國際財務報告準則第9號以來，本集團管理層根據貿易及其他應收款項的信貨風險，估計貿易及其他應收款項的預期信貸虧損的減值虧損金額。根據預期信貸虧損模式計算的減值虧損金額，乃按根據合約應付本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額（按初始確認時釐定的實際利率貼現）計量。如未來現金流量低於預期，或因事實及情況變化而下調，則可能出現重大減值虧損。

於二零一八年十二月三十一日，貿易及其他應收款項的賬面值約為人民幣114,119,000元（扣除呆賬撥備約人民幣907,872,000元）（二零一七年：人民幣225,825,000元（扣除呆賬撥備約人民幣739,422,000元））。

7. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in the currencies other than functional currencies of the Group entities.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate of HK\$, with all other variables held constant, of the Group's loss before tax due to changes in the value of monetary assets and liabilities.

		Functional currency strengthened/ (weakened) by 功能貨幣 增強/(減弱) %	(Increase)/ decrease in loss before tax 除稅前虧損 (增加)/減少 RMB'000 人民幣千元
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度	5%/(5%)	(28,773)/28,773 (Note) (附註)
Year ended 31 December 2017	截至二零一七年 十二月三十一日止年度	5%/(5%)	(23,833)/23,833 (Note) (附註)

Note: This is mainly a result of foreign exchange gain/(loss) on borrowings denominated in HK\$.

附註：此乃主要由按港元計值借款的外匯收益/(虧損)所導致。

7. 財務風險管理

本集團經營活動面臨各種金融風險，包括外幣風險、信貸風險、流動性風險及利率風險。本集團的整體風險管理乃專注於不可預測的金融市場，並努力降低對本集團財務表現的潛在不利影響。

(a) 外幣風險

本集團面臨若干外幣風險，因為其部分業務交易、資產及負債以集團實體的功能貨幣以外的貨幣計值。

本集團目前並無就外匯交易、資產及負債制定外匯對沖政策。本集團密切監察其外匯風險，並將適時考慮對沖重大外匯風險。

下表顯示在全部其他變量不變的情況下，因貨幣資產及負債價值變化而產生的本集團除稅前虧損對報告期末港元匯率的合理潛在變化的敏感度。

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7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The carrying amounts of trade and other receivables and bank balances included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group has no concentration of credit risk.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 90 days from the date of billing. Debtors with balances that are more than 30 days past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

7. 財務風險管理 (續)

(b) 信貸風險

計入合併財務狀況表的貿易及其他應收款項及銀行結餘之賬面值指本集團就其金融資產所承擔的最高信貸風險。

本集團並無集中信貸風險。

各業務單元在本集團既有關於客戶信貸風險管理的政策、程序及監控規限下，管理客戶信貸風險。我們會對所有要求獲得超出若干金額的信貸的客戶進行個別信貸評估。此等評估針對客戶過往的到期還款紀錄及現時的還款能力，並考慮客戶的個別資料及與客戶所處經濟環境相關的資料。貿易應收款項由發票日期當日起計90天內到期。在進一步獲授任何信貸前，結餘預期超過30天的應收賬項須全數清償餘額。本集團一般並無自客戶獲得抵押品。

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的虧損撥備，預期信貸虧損乃使用提列矩陣進行估計。由於本集團過往信貸虧損情況並無明顯表示不同客戶分部的不同虧損模式，故並無根據過往逾期狀況計算的虧損撥備在本集團不同客戶群之間作進一步區分。

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7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables 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%	27,668	–
Less than 6 months past due	逾期少於六個月	36%–100%	10,854	7,595
Over 6 months but less than 12 months	超過六個月但少於 12個月	36%–100%	14,173	9,244
Over 1 year	一年以上	100%	635	635
			53,330	17,474

The above expected loss 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 trade receivables.

For other receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for the other receivables at an amount equal to 12-month ECL.

7. 財務風險管理(續)

(b) 信貸風險(續)

下表提供有關本集團於二零一八年十二月三十一日所面對的信貸風險及貿易應付款項之預期信貸虧損資料：

上述預期虧損率乃經調整，以反映收集歷史數據期間的經濟狀況、目前狀況以及本集團對貿易應收款項的預期可用年期期間經濟狀況之看法的差異。

就其他應收款項而言，本集團在信貸虧損自初始確認起大幅增加時確認全期預期信貸虧損。然而，倘其他應收款項的信貸虧損自初始確認起並無大幅增長，本集團則按與十二個月預期信貸虧損相等的金額計量其他應收款項的虧損撥備。

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7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECL for other receivables which has significant increase in the credit risk 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
		%		
Other receivables	其他應收款項	1%-5%	56,802	2,825

The above expected loss 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 other receivables.

Except for the above, the Group has assessed that the ECL of other receivables is insignificant as at 31 December 2018 under 12-month ECL model and therefore no loss allowance provision was recognised.

7. 財務風險管理 (續)

(b) 信貸風險 (續)

下表提供本集團所面臨信貸風險及於二零一八年十二月三十一日信貸風險大幅增長的其他應收款項之預期信貸虧損的資料：

上述預期虧損率乃經調整，以反映收集歷史數據期間的經濟狀況、目前狀況以及本集團對其他應收款項的預期年期經濟狀況之看法的差異。

除上述者外，本集團已評估，按十二個月預期信貸虧損模式其他應收款項於二零一八年十二月三十一日的預期信貸虧損極微，故毋須確認虧損撥備。

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Prior to 1 January 2018

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment. At 31 December 2017, trade receivables of approximately RMB155,927,000 was determined to be impaired. The aging analysis of trade receivables that were not considered to be impaired was as follows:

		2017 二零一七年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	58,186
Less than 6 months past due	預期少於六個月	75,755
Over 6 months but less than 12 months past due	預期超過六個月但少於12個月	21,986
		97,741

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

The credit risk on bank balances are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

7. 財務風險管理(續)

(b) 信貸風險(續)

於二零一八年一月一日之前

於二零一八年一月一日之前，僅在有客觀減值證據時確認減值虧損。於二零一七年十二月三十一日，貿易應收款項約人民幣155,927,000元釐定為將減值。並無被視為減值之貿易應收款項之賬齡分析如下：

未逾期亦未減值之貿易應收款項與大量不同並無近期拖欠記錄之客戶有關。

逾期但並無減值的應收款項與若干於本集團過往記錄良好的獨立客戶有關。基於過往經驗，管理層認為，信貸質素並無重大變動且結餘仍被視為可悉數收回，故毋須就該等結餘作出任何減值撥備。

銀行結餘的信貸風險有限，因對手方為國際信貸評級機構所指定的高信貸評級銀行。

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7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

The Group's bonds bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its bank borrowings. The bank borrowings bear interests at variable rates that vary with the then prevailing market condition.

Except as stated above, the Group does not have other significant interest-bearing assets and liabilities at the end of reporting period, its income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variable held constant, of the Group's loss before tax.

7. 財務風險管理 (續)

(c) 利率風險

本集團之債券按固定利率計息，故須承擔公平值利率風險。

本集團所承擔利率風險源自其銀行借款。銀行借款按浮動利率計息，隨著當時現行市況而有所變動。

除上述者外，本集團於報告期末並無其他重大計息資產及負債，其收入及經營現金流量大部分不受市場利率變化影響。

下表顯示在全部其他變量維持不變的情況下，本集團的除稅前虧損對利率的合理潛在變化的敏感度。

		Increase/ (decrease) in interest rate 利率 增加/(減少) %	(Increase)/ decrease in loss before tax 除稅前虧損 (增加)/減少 RMB'000 人民幣千元
For the year ended 31 December 2018	截至二零一八年十二月 三十一日止年度	1%/(1%)	(2,337)/2,337
For the year ended 31 December 2017	截至二零一七年十二月 三十一日止年度	1%/(1%)	(2,518)/2,518

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7. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

		On demand or less than 1 year 按要求 或一年內 RMB'000 人民幣千元	1 to 2 years 一至兩年 RMB'000 人民幣千元	2 to 5 years 兩至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2018	二零一八年十二月 三十一日					
Trade and other payables	貿易及其他應付款項	178,316	-	-	-	178,316
Amount due to an associate	應付一間聯營公司款項	4,492	-	-	-	4,492
Borrowings	借款	629,488	74,119	249,815	169,073	1,122,495
31 December 2017	二零一七年十二月 三十一日					
Trade and other payables	貿易及其他應付款項	156,353	-	-	-	156,353
Borrowings	借款	474,812	107,434	138,910	275,269	996,425

7. 財務風險管理 (續)

(d) 流動性風險

本集團政策為定期監控即期及預期流動資金要求，以確保其維持充足現金儲備以滿足其短期及長期的流動資金需求。

下表列示本集團金融負債於各報告期末按未貼現現金流量(包括按合約利率計算或(如為浮動利率)按報告日期的現行利率計算的利息付款)及本集團可能被要求付款的最早日期計算的剩餘合約年期。

本集團非衍生金融負債按合約未貼現現金流量的到期情況分析如下：

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7. FINANCIAL RISK MANAGEMENT (Continued)

(e) Categories of financial instruments at 31 December

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets at amortised cost	按攤銷成本計量的金融資產	109,969	-
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	-	216,643
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	991,957	882,014

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. 財務風險管理(續)

(e) 於十二月三十一日之金融工具分類

(f) 公平值

合併財務狀況表所示本集團金融資產及金融負債的賬面值與其各自的公平值相若。

8. SEGMENT INFORMATION

For the year ended 31 December 2018, the Group has two reportable segments as follows:

- Sales of fabrics; and
- Sales of shoes and clothes.

For the year ended 31 December 2017, the Group has three reportable segments as follows:

- Sales of fabrics;
- Sales of cotton yarns; and
- trading of polyetherimide ("PEI").

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

8. 分部資料

截至二零一八年十二月三十一日止年度，本集團有以下兩個可呈報分部：

- 面料銷售；及
- 鞋履及服裝銷售。

截至二零一七年十二月三十一日止年度，本集團有以下三個可呈報分部：

- 銷售面料；
- 棉線銷售；及
- 工程塑料(「工程塑料」)買賣。

本集團的可呈報分部為提供各種產品的策略業務單位。由於各業務需要不同的技術及營銷策略，故策略業務單位各自獨立管理。

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8. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as those described in note 5 to the consolidated financial statements. Segment profit or loss do not include other income, selling and distribution costs, general and administrative expenses, finance costs, impairment losses of goodwill of investment in an associate and share of losses of an associate. Segment assets do not include investment in an associate, amount due from an associate and bank and cash balances. Segment liabilities do not include amount due to an associate, current and deferred tax liabilities and borrowings.

8. 分部資料(續)

經營分部的會計政策與合併財務報表附註5所述之會計政策相同。分部損益不包括其他收入、銷售及分銷成本、一般及行政開支、融資成本、於聯營公司的投資的商譽減值虧損及分佔聯營公司虧損。分部資產不包括於一間聯營公司的投資、應收聯營公司款項及銀行及現金結餘。分部負債不包括應付一間聯營公司款項、即期及遞延稅項負債及借款。

		Fabrics 面料 RMB'000 人民幣千元	Shoes and clothes 鞋履及服裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment results	分部業績			
Year ended 31 December 2018:	截至二零一八年十二月三十一日止年度：			
Reportable revenue from external customers	來自外部客戶的可呈報收益	227,163	23,497	250,660
Reportable segment (loss)/profit	可呈報分部(虧損)/溢利	(3,427)	3,366	(61)
Other income	其他收入			30,584
Selling and distribution costs	銷售及分銷成本			(2,906)
General and administrative expenses	一般及行政開支			(223,322)
Finance costs	融資成本			(103,220)
Impairment losses of goodwill of investment in an associate	於一間聯營公司的投資的商譽減值虧損			(909)
Share of losses of an associate	分佔一間聯營公司的虧損			(70,597)
Loss before tax	除稅前虧損			(370,431)
Other segment items	其他分部項目			
Capital expenditure	資本開支	12,531	-	12,531
Amortisation of leasehold land and use right	租賃土地及土地使用權攤銷	558	-	558
Depreciation of property, plant and equipment	物業、廠房及設備折舊	33,126	-	33,126
Impairment losses	減值虧損	175,828	-	175,828

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8. SEGMENT INFORMATION (Continued)

8. 分部資料(續)

	Fabrics 面料 RMB'000 人民幣千元	Yarns 棉線 RMB'000 人民幣千元	PEI 工程塑料 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	
Segment results	分類業績				
Year ended 31 December 2017:	截至二零一七年十二月三十一日止年度：				
Reportable revenue from external customers	來自外部客戶的可呈報收益	271,858	-	-	271,858
Reportable segment loss	可呈報分部虧損	(16,604)	-	-	(16,604)
Other income	其他收入				8,591
Selling and distribution costs	銷售及分銷成本				(2,090)
General and administrative expenses	一般及行政開支				(606,820)
Share of losses of an associate	分佔一間聯營公司的虧損				(15,350)
Finance costs	融資成本				(68,678)
Loss before tax	除稅前虧損				(700,951)
Other segment items	其他分部項目				
Capital expenditure	資本開支	28,774	-	-	28,774
Amortisation of leasehold land and land use right	租賃土地及土地使用權攤銷	557	-	-	557
Depreciation of property, plant and equipment	物業、廠房及設備折舊	31,606	1,499	-	33,105
Impairment losses	減值虧損	242,071	-	309,605	551,676

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8. SEGMENT INFORMATION (Continued)

8. 分部資料(續)

		Fabrics 面料 RMB'000 人民幣千元	Shoes and clothes 鞋履及服裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment assets and liabilities At 31 December 2018:	分部資產及負債 於二零一八年十二月 三十一日：			
Segment assets	分部資產	539,714	2,069	541,783
Unallocated assets	未分配資產			1,414
Total assets	資產總額			543,197
Segment liabilities	分部負債	201,317	-	201,317
Unallocated liabilities	未分配負債			814,060
Total liabilities	負債總額			1,015,377

		Fabrics 面料 RMB'000 人民幣千元	Yarns 棉線 RMB'000 人民幣千元	PEI 工程塑料 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment assets and liabilities At 31 December 2017:	分部資產及負債 於二零一七年十二月 三十一日：				
Segment assets	分部資產	698,191	-	-	698,191
Unallocated assets	未分配資產				80,050
Total assets	資產總額				778,241
Segment liabilities	分部負債	177,423	2,620	-	180,043
Unallocated liabilities	未分配負債				727,230
Total liabilities	負債總額				907,273

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8. SEGMENT INFORMATION (Continued)

Geographical information

The Group's revenue from external customers by location of operations are detailed below:

		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
Hong Kong	香港	11,062	78,884
Korea	韓國	23,497	–
The People's republic of China (the "PRC")	中華人民共和國(「中國」)	216,101	192,974
		250,660	271,858

Over 90% of the Group's non-current assets (excluding investment in an associate) are located in the PRC. Accordingly, no further geographical information of non-current assets to be disclosed.

8. 分部資料(續)

地區資料

本集團來自外部客戶收益按經營位置詳列如下：

超過90%的本集團非流動資產(不包括於一間聯營公司的投資)位於中國。因此，概無非流動資產的其他地理資料須予披露。

Information about major customers

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Customer A	客戶A	35,159	–*
Customer B	客戶B	–*	40,723
Customer C	客戶C	–*	29,334

* Revenue from these customers did not exceed 10% of total revenue for the year. These amounts were shown for comparative purpose.

主要客戶的資料

* 來自該等客戶的收益不超過年內總收益的10%。該等金額乃供比較用途而列示。

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9. REVENUE

Revenue represents the aggregation of net amounts received and receivable during the year. An analysis of the Group's revenue for the year 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
Recognised at point in time:	在某一時間點確認：		
Sales of fabrics	面料銷售	227,163	271,858
Sales of shoes and clothes	鞋履及服裝銷售	23,497	-
		250,660	271,858

9. 收益

收益指年內已收及應收淨額之總額。本集團的年內收益分析如下：

10. OTHER INCOME

		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
Amortisation of deferred income of government grants relating to assets	與資產有關的政府補貼遞延收入攤銷	3,515	867
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產的收益	-	300
Government grants received	已收到政府補助金	7,900	7,158
Interest income	利息收入	6	246
Net foreign exchange gains	淨外匯收益	7,889	-
Reversal of impairment losses of prepayments	預付款項之減值撥回	10,921	-
Others	其他	353	20
		30,584	8,591

10. 其他收入

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11. FINANCE COSTS

11. 融資成本

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest expenses on bank borrowings	銀行借款的利息開支	21,077	18,625
Interest expenses on bonds	債券的利息開支	82,143	50,053
		103,220	68,678

12. INCOME TAX (CREDIT)/EXPENSE

12. 所得稅(抵免)/開支

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax:	即期稅：		
Hong Kong Profits Tax	香港利得稅		
Under-provision in prior years	過往年度撥備不足	-	232
PRC Enterprise Income Tax ("PRC EIT")	中國企業所得稅		
Under-provision in prior years	(「中國企業所得稅」) 過往年度撥備不足	-	267
		-	499
Deferred tax	遞延稅項	(1,150)	31,315
		(1,150)	31,814

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year ended 31 December 2018 (2017: Nil).

PRC EIT has been provided at a rate of 25% (2017: 25%) on the estimated assessable profit of those subsidiaries established in the PRC for the year ended 31 December 2018.

由於本集團於截至二零一八年十二月三十一日止年度並無應課稅溢利，故毋須就香港利得稅作出撥備(二零一七年：零)。

截至二零一八年十二月三十一日止年度，已按中國成立的該等附屬公司的估計應課稅溢利按25%(二零一七年：25%)計提中國企業所得稅撥備。

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12. INCOME TAX (CREDIT)/EXPENSE (Continued)

The reconciliation between the income tax (credit)/expense and the loss before tax is as follows:

12. 所得稅(抵免)/開支(續)

所得稅(抵免)/開支及除稅前虧損的對賬如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss before tax	除稅前虧損	(370,431)	(700,951)
Notional tax on loss before taxation, calculated at the rates applicable in the tax jurisdictions concerned	除稅前國內稅虧損，按相關稅務司法權區的適用稅率計算	(75,650)	(137,264)
Tax effect of income that is not taxable and expenses that are not deductible	不應課稅收入及不可扣稅開支之稅務影響	14,996	46,005
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	11,141	18,710
Tax effect of impairment losses provision and share of losses of an associate for which no deferred tax assets was recognised	減值虧損撥備及分佔一間聯營公司虧損之稅務影響未確認遞延稅項資產的減值撥備	48,363	103,864
Under-provision in prior years	過往年度撥備不足	-	499
Income tax (credit)/expense	所得稅(抵免)/開支	(1,150)	31,814

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13. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/
(crediting):

13. 年內虧損

本集團的年內虧損經扣除／(計入)後得出：

		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
Auditor's remuneration	核數師薪酬	776	1,041
Raw materials and consumables used	所用原材料及消耗品	175,989	246,826
Amortisation of leasehold land and land use right	租賃土地及土地使用權攤銷	558	557
Depreciation of property, plant and equipment	物業、廠房及設備折舊	34,768	33,657
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產收益	-	(300)
Net foreign exchange (gains)/losses	淨外匯(收益)／虧損	(7,889)	15,347
Impairment losses of inventories	存貨之減值虧損	7,373	1,529
Impairment losses of other receivables	其他應收款項之減值虧損	2,825	-
Impairment losses of trade receivables	貿易應收款項之減值虧損	176,546	445,544
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	109	459
Minimum lease payments under operating leases in respect of office premises	有關辦公處所經營租賃的最低租賃款項	3,040	946
(Reversal of impairment)/impairment losses of prepayments	預付款項之(減值撥回)／減值虧損	(10,921)	104,603
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
– Salaries, bonuses and allowances	– 薪金、紅利及津貼	17,676	16,745
– Retirement benefit scheme contributions	– 退休福利計劃供款	1,384	6,811
		19,060	23,556

Note: Depreciation of property, plant and equipment and staff costs of approximately RMB33,126,000 and RMB10,517,000 (2017: RMB33,105,000 and RMB10,827,000) were included in the cost of sales.

附註：物業、廠房及設備折舊及員工成本約人民幣33,126,000元及人民幣10,517,000元(二零一七年：人民幣33,105,000元及人民幣10,827,000元)已計入銷售成本。

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14. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance 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
Fees	袍金	313	312
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,570	1,583
Retirement benefit scheme contributions	退休福利計劃供款	82	36
		1,652	1,619
		1,965	1,931

14. 董事福利及權益

(a) 董事酬金

根據香港公司條例第383(1)條披露的董事酬金如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fees	袍金	313	312
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,570	1,583
Retirement benefit scheme contributions	退休福利計劃供款	82	36
		1,652	1,619
		1,965	1,931

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14. BENEFITS AND INTERESTS OF DIRECTORS 14. 董事福利及權益 (續)

(Continued)

(a) Directors' emoluments (Continued)

(a) 董事酬金 (續)

			Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	Note	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
31 December 2018						
Executive directors	執行董事					
Mr. Deng Qinghui	鄧慶輝先生 (i)	–	93	11	104	
Mr. Li Dongfan	李東凡先生 (ii)	–	103	2	105	
Ms. Li Jia Yin	李佳音女士 (iii)	–	248	23	271	
Mr. Lin Qingxiong	林清雄先生	–	580	26	606	
Mr. Qiu Zhiqiang	邱志強先生 (iv)	–	136	11	147	
Mr. Su Yichao	蘇毅超先生 (v)	–	77	1	78	
Mr. Tao Tao	陶濤先生 (ii)	–	103	2	105	
Mr. Wu Jianxiong	吳健雄先生 (vi)	–	98	5	103	
Mr. Yan Ximao	嚴希茂先生 (v)	–	77	1	78	
Mr. Yeung Wing Nam	楊永南先生 (vii)	–	55	–	55	
Independent non-executive directors	獨立非執行董事					
Mr. Chan Sui Wa	陳瑞華先生	103	–	–	103	
Mr. Lin Yugang	林宇剛先生 (viii)	16	–	–	16	
Mr. Liu Shungang	劉順剛先生 (ix)	104	–	–	104	
Mr. Lo Pak Ho	盧栢浩先生 (x)	7	–	–	7	
Mr. Ma Chongqi	馬崇啟先生 (xi)	18	–	–	18	
Mr. Tam On Yu, Alfred	談安宇先生 (x)	7	–	–	7	
Mr. Wu Jianxiong	吳健雄先生 (vi)	40	–	–	40	
Mr. Yu Yubin	俞毓斌先生 (xi)	18	–	–	18	
		313	1,570	82	1,965	
31 December 2017						
Executive directors	執行董事					
Mr. Deng Qinghui	鄧慶輝先生 (i)	–	129	12	141	
Mr. Lin Qingxiong	林清雄先生	–	1,291	12	1,303	
Mr. Qiu Zhiqiang	邱志強先生 (iv)	–	163	12	175	
Independent non-executive directors	獨立非執行董事					
Mr. Chan Sui Wa	陳瑞華先生	104	–	–	104	
Mr. Ma Chongqi	馬崇啟先生 (xi)	104	–	–	104	
Mr. Yu Yubin	俞毓斌先生 (xi)	104	–	–	104	
		312	1,583	36	1,931	

14. BENEFITS AND INTERESTS OF DIRECTORS 14. 董事福利及權益(續)

(Continued)

(a) Directors' emoluments (Continued)

Notes:

- (i) Resigned as an executive director with effect from 5 March 2018.
- (ii) Appointed as executive directors with effect from 17 April 2018 and resigned with effect from 21 August 2018.
- (iii) Appointed as an executive director with effect from 29 March 2018.
- (iv) Resigned as an executive director with effect from 17 April 2018.
- (v) Appointed as executive directors with effect from 21 September 2018 and resigned with effect from 21 November 2018.
- (vi) Appointed as an independent non-executive director with effect from 29 March 2018 and re-designated from an independent non-executive director to an executive director with effect from 21 August 2018.
- (vii) Appointed as an executive director with effect from 5 March 2018 and resigned with effect from 29 March 2018.
- (viii) Appointed as an independent non-executive director with effect from 21 August 2018.
- (ix) Appointed as an independent non-executive director with effect from 29 March 2018.
- (x) Appointed as independent non-executive directors with effect from 5 March 2018 and resigned with effect from 29 March 2018.
- (xi) Resigned as independent non-executive directors with effect from 5 March 2018.

There was no arrangement under which a director waived or agreed to waive any emolument during the year (2017: Nil).

During the year, no emolument has been paid to the directors as an inducement to join or upon joining the Group; or as compensation for loss of office (2017: Nil).

There was no discretionary bonus paid or payable to any of the directors during the year (2017: Nil).

(a) 董事酬金(續)

附註：

- (i) 自二零一八年三月五日起辭任執行董事。
- (ii) 自二零一八年四月十七日起獲委任為執行董事，並於二零一八年八月二十一日辭職。
- (iii) 自二零一八年三月二十九日起獲委任為執行董事。
- (iv) 自二零一八年四月十七日起辭任執行董事。
- (v) 自二零一八年九月二十一日起獲委任為執行董事，並自二零一八年十一月二十一日起辭任。
- (vi) 自二零一八年三月二十九日起獲委任為獨立非執行董事，並由二零一八年八月二十一日從獨立非執行董事調任為執行董事。
- (vii) 自二零一八年三月五日起獲委任為執行董事，並於二零一八年三月二十九日辭任。
- (viii) 自二零一八年八月二十一日起獲委任為獨立非執行董事。
- (ix) 自二零一八年三月二十九日起獲委任為獨立非執行董事。
- (x) 自二零一八年三月五日起獲委任為獨立非執行董事，並於二零一八年三月二十九日辭任。
- (xi) 自二零一八年三月五日起辭任獨立非執行董事。

於年內，概無董事放棄或同意放棄任何酬金之安排(二零一七年：無)。

於年內，概無支付任何酬金予董事作為吸引加入本集團或加入本集團時的獎勵或作為離職補償(二零一七年：無)。

於年內，概無向任何董事支付或應付任何酌情花紅(二零一七年：無)。

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14. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(b) Directors' material interests in transactions, arrangements or contracts

Save for disclosed in note 33 to the consolidated financial statements, no significant transaction, arrangement and contract in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

15. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals in the Group during the year included four (2017: two) directors whose emoluments are reflected in the analysis presented in note 14 to the consolidated financial statements. The emoluments of the remaining one (2017: three) individual are set out below:

		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, bonuses and benefits in kind	薪金、花紅及實物福利	969	1,380
Retirement benefit scheme contributions	退休福利計劃供款	15	16
		984	1,396

The number of non-directors, highest paid employees, whose emoluments fell within the following bands, is as follows:

		僱員數目	
		2018 二零一八年	2017 二零一七年
Nil to RMB1,000,000	零至人民幣 1,000,000 元	1	3

14. 董事福利及權益 (續)

(b) 董事於交易、安排或合約中的重大權益

除合併財務報表附註33所披露者外，於年終及本年內任何時間，概無於本集團作為一方而與本集團業務有關的重大交易、安排及合約中，本公司董事及董事關連人士直接或間接擁有重大權益。

15. 五名最高薪酬人士

於年內，本集團五名最高薪酬人士包括四名(二零一七年：兩名)董事，其薪酬反映在合併財務報表附註14中的分析中。其餘一名(二零一七年：三名)人士的薪酬如下：

於年內，薪酬介乎下列範圍的非董事最高薪酬人士數目如下：

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16. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the following:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss for the year attributable to owners of the Company used in the basic loss per share calculation	(369,281)	(732,765)

計算每股基本虧損所用之本公司擁有人應佔年內虧損

每股基本虧損乃根據以下資料計算：

	2018 二零一八年	2017 二零一七年
Weighted average number of ordinary shares in issue during the year used in basic loss per share calculation	1,707,972,603	1,550,000,000

計算每股基本虧損所用之年內已發行普通股加權平均數

Number of shares 股份數目

(b) Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the two years ended 31 December 2018 and 2017.

(b) 每股攤薄虧損

由於本公司於截至二零一八年及二零一七年十二月三十一日止兩個年度概無任何潛在攤薄普通股，故無呈列每股攤薄虧損。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings	Machinery and equipment	Office equipment, furniture and vehicles	Construction in progress	Total
		建築物	機器及設備	辦公室設備、傢俬及車輛	在建工程	總計
		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
Cost	成本					
At 1 January 2017	於二零一七年一月一日	371,037	232,915	5,197	-	609,149
Additions	添置	-	6,274	-	22,500	28,774
Disposals	出售	-	(35,458)	(407)	-	(35,865)
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	371,037	203,731	4,790	22,500	602,058
Additions	添置	-	6,510	120	5,901	12,531
Transfer	轉撥	26,919	-	-	(26,919)	-
Disposals	出售	-	(3,835)	(142)	-	(3,977)
At 31 December 2018	於二零一八年十二月三十一日	397,956	206,406	4,768	1,482	610,612
Accumulated depreciation	累計折舊					
At 1 January 2017	於二零一七年一月一日	72,481	129,011	2,227	-	203,719
Charge for the year	年內支出	16,590	16,515	552	-	33,657
Disposals	出售	-	(31,365)	(325)	-	(31,690)
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	89,071	114,161	2,454	-	205,686
Charge for the year	年內支出	15,934	17,192	1,642	-	34,768
Disposals	出售	-	(3,448)	(128)	-	(3,576)
At 31 December 2018	於二零一八年十二月三十一日	105,005	127,905	3,968	-	236,878
Carrying amount	賬面值					
At 31 December 2018	於二零一八年十二月三十一日	292,951	78,501	800	1,482	373,734
At 31 December 2017	於二零一七年十二月三十一日	281,966	89,570	2,336	22,500	396,372

17. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2018, buildings of the Group with carrying amount of approximately RMB250,431,000 (2017: RMB186,733,000) and machinery and equipment of the Group with carrying amount of approximately RMB27,447,000 (2017: RMB34,689,000) were pledged as collateral for certain bank borrowings of the Group (note 24).

The Group has carried out a review of the recoverable amount of its property, plant and equipment as at 31 December 2018 with reference to the independent valuation performed by an independent valuer, Castores Magi (Hong Kong) Limited. The recoverable amount is assessed based on fair value less cost of disposal by using replacement cost basis under level 3 fair value measurement. No impairment loss is recognised for the year ended 31 December 2018 (2017: Nil) as the recoverable amount of the subject property, plant and equipment is higher than and close to its carrying amount as at 31 December 2018.

18. LEASEHOLD LAND AND LAND USE RIGHT

		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	23,781	24,338
Amortisation for the year	年內攤銷	(558)	(557)
At 31 December	於十二月三十一日	23,223	23,781
Less: current portion	減：流動部分	(558)	(558)
Non-current portion	非流動部分	22,665	23,223

Leasehold land and land use right represent the net book amount of prepaid operating lease payments. All land use right is located in the PRC. As at 31 December 2018, the Group's leasehold land and land use right with carrying amount of approximately RMB23,223,000 (2017: RMB23,781,000) were pledged as collateral for certain bank borrowings of the Group (note 24).

17. 物業、廠房及設備(續)

於二零一八年十二月三十一日，本集團賬面值約人民幣250,431,000元(二零一七年：人民幣186,733,000元)的建築物以及本集團賬面值約人民幣27,447,000元(二零一七年：人民幣34,689,000元)的機器及設備已抵押作本集團若干銀行借款的抵押品(附註24)。

本集團已參考獨立估值師嘉漫(香港)有限公司進行的獨立估值，審閱其於二零一八年十二月三十一日的物業、廠房及設備的可收回金額。可收回金額使用第三級公平值計量下的重置成本基準，以公平值減出售成本作評估。由於在二零一八年十二月三十一日，目標物業、廠房及設備的可收回金額高於及接近其賬面值，因此概無就截至二零一八年十二月三十一日止年度確認減值虧損(二零一七年：無)。

18. 租賃土地及土地使用權

租賃土地及土地使用權指預付經營租賃款項賬面淨值。所有土地使用權位於中國。於二零一八年十二月三十一日，本集團賬面值約為人民幣23,223,000元(二零一七年：人民幣23,781,000元)的租賃土地及土地使用權已抵押作本集團若干銀行借款的抵押品(附註24)。

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19. INTERESTS IN AN ASSOCIATE

(a) Investment in an associate

19. 於一間聯營公司的權益

(a) 於一間聯營公司的投資

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Unlisted investments:	非上市投資：		
Share of net assets	分佔資產淨值	-	70,597
Goodwill	商譽	60,909	60,909
		60,909	131,506
Impairment loss on goodwill	商譽減值虧損	(60,909)	(60,000)
Share of net assets	分佔資產淨值	-	71,506

Details of the Group's associate at 31 December 2018 are as follows:

本集團於二零一八年十二月三十一日的聯營公司詳情如下：

Name 名稱	Place of incorporation 註冊成立地點	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest 佔擁有權百分比	Principal activities and place of operation 主要活動及經營地點
Baixin (China) Co., Limited 百鑫(中國)有限公司	The PRC 中國	RMB100,000,000 人民幣100,000,000元	50%	Manufacturing and sales of yarn and cotton fabric, the PRC 製造及銷售紗線及面料·中國

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19. INTERESTS IN AN ASSOCIATE (continued)

(a) Investment in an associate (continued)

The associate is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the financial statements of the associate.

		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 31 December:	於十二月三十一日：		
Non-current assets	非流動資產	168,812	313,178
Current assets	流動資產	45,420	130,402
Non-current liabilities	非流動負債	(92,258)	(106,920)
Current liabilities	流動負債	(190,307)	(193,750)
Net (liabilities)/assets	(負債)/資產淨值	(68,333)	142,910
Group's share of carrying amount of interest	本集團應佔權益賬面值	-	71,506
Year ended 31 December:	截至十二月三十一日止年度：		
Revenue	收益	137,668	122,988
Loss and total comprehensive income for the year	年內虧損及全面收益總額	(211,243)	(30,700)

The associate suspended the production during the year ended 31 December 2018 and recorded approximately RMB184,856,000 impairment losses of assets. The Group shared the loss of the associate of approximately RMB70,597,000 for the year ended 31 December 2018. The Group has not recognised loss for the year amounting to approximately RMB35,024,000 (2017: Nil) for the associate. The accumulated losses not recognised were approximately RMB35,024,000 (2017: Nil).

As at 31 December 2018, the bank and cash balances of the Group's associate in the PRC denominated in RMB amounted to approximately RMB815,000 (2017: RMB4,309,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

(b) Amount due from/to an associate

The amount due from/to an associate is unsecured, interest-free and repayable on demand.

19. 於一間聯營公司的權益(續)

(a) 於一間聯營公司的投資(續)

下表載列本集團聯營公司的資料。該聯營公司使用權益法於合併財務報表入賬。財務資料概要乃根據聯營公司的財務報表呈列。

截至二零一八年十二月三十一日止年度，聯營公司暫停生產，並錄得約人民幣184,856,000元的資產減值虧損。截至二零一八年十二月三十一日止年度，本集團分佔聯營公司虧損約人民幣70,597,000元。本集團未就該聯營公司確認年度虧損約人民幣35,024,000元(二零一七年：無)。未確認的累計虧損約為人民幣35,024,000元(二零一七年：無)。

於二零一八年十二月三十一日，本集團之中國聯營公司以人民幣計值的銀行及現金結餘為約人民幣815,000元(二零一七年：人民幣4,309,000元)。將人民幣兌換為外幣須受中國外匯管制條例規管。

(b) 應收/付一間聯營公司款項

應收/付一間聯營公司款項為無抵押、免息並須按要求償還。

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20. INVENTORIES

20. 存貨

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	原材料	9,593	6,601
Work-in-progress	在製品	7,129	7,209
Finished goods	製成品	13,985	38,403
		30,707	52,213

As at 31 December 2018, the Group's inventories with carrying amount of approximately RMB5,445,000 (2017: RMB14,138,000) were pledged as collateral for certain bank borrowings of the Group (note 24).

於二零一八年十二月三十一日，本集團賬面值為約人民幣5,445,000元(二零一七年：人民幣14,138,000元)的存貨已抵押作本集團若干銀行借款的抵押品(附註24)。

21. TRADE AND OTHER RECEIVABLES

21. 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 (note (a))	貿易應收款項(附註(a))	787,834	731,359
Less: Allowance for trade receivables (note (a))	減：貿易應收款項的撥備(附註(a))	(751,978)	(575,432)
		35,856	155,927
Prepayments to suppliers for purchase of raw materials	就購買原材料向供應商支付的預付款項	158,633	181,716
Less: Allowance for prepayments	減：預付款項的撥備	(153,069)	(163,990)
		5,564	17,726
Other receivables	其他應收款項	75,185	52,172
Less: Allowance for other receivables	減：其他應收款項的撥備	(2,825)	–
		72,360	52,172
Amount due from a director (note (b))	應收一名董事款項(附註(b))	339	–
		114,119	225,825

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21. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

The Group's trading terms customers are mainly on credit. The credit terms generally 90 days (2017: 90–120 days). Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade receivables based on the invoice date, and net of allowance, 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
Within 6 months	6個月內	30,927	103,998
Over 6 months but less than 12 months	6個月以上但少於12個月	4,929	51,929
		35,856	155,927

As of 31 December 2018, trade receivables of approximately RMB35,856,000 (2017: RMB155,927,000) were past due but not impaired. These trade receivables related to customers for whom there was no recent history of default. The ageing analysis of these trade receivables, based on due date, 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
Neither past due nor impaired	未逾期亦未減值	27,668	58,186
Less than 6 months past due	逾期少於6個月	3,259	75,755
Over 6 months but less than 12 months past due	逾期6個月以上但少於12個月	4,929	21,986
		35,856	155,927

The Group does not charge interest or hold any collateral over these balances.

21. 貿易及其他應收款項 (續)

(a) 貿易應收款項

本集團與客戶之貿易往來主要以信貸形式進行。信貸期一般為90日(二零一七年: 90至120日)。每名客戶設有最高信貸限額。就新客戶而言,我們通常要求預先付款。本集團致力嚴格監控未償還應收款項。董事定期審閱逾期結餘。

貿易應收款項(已扣除撥備)按發票日期之賬齡分析如下:

於二零一八年十二月三十一日,貿易應收款項約人民幣35,856,000元(二零一七年: 人民幣155,927,000元)已逾期但未減值。該等貿易應收款項與近期並無違約記錄的客戶有關。該等貿易應收款項按逾期情況之賬齡分析如下:

本集團並無就該等結餘收取利息或持有任何抵押品。

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21. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

The Group applied simplified approach to provide the ECL as prescribed by IFRS 9. The impairment methodology is set out in notes 5(v) and 7(b) to the consolidated financial statements.

As part of the Group's credit risk management, the Group assesses the impairment for its customers based on different group of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Details of the credit risk assessment are included in note 7(b) to the consolidated financial statements.

Lifetime ECL that has been recognised in accordance with simplified approach set out in IFRS 9 for the year ended 31 December 2018 is as follows:

21. 貿易及其他應收款項 (續)

(a) 貿易應收款項 (續)

本集團採用簡化方法得出國際財務報告準則第9號規定的預期信貸虧損。減值方法載於合併財務報表附註5(v)及7(b)。

作為本集團信貸風險管理的一部分，本集團根據共享共同風險特徵的不同客戶群評估其客戶的減值，而該等風險特徵代表客戶根據合約條款悉數付款的能力。信貸風險評估的詳情載於合併財務報表附註7(b)。

根據國際財務報告準則第9號所載，截至二零一八年十二月三十一日止年度的簡化方法確認的全期預期信貸虧損如下：

		2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	575,432
Charged for the year	年內支出	176,546
At 31 December	於十二月三十一日	751,978

Prior to 1 January 2018, impairment losses were recognised when there was objective evidence of impairment. The movement of the impairment losses of the trade receivables for the year ended 31 December 2017 is as follows:

於二零一八年一月一日，減值虧損於有客觀減值憑證時予以確認。截至二零一七年十二月三十一日止年度貿易應收款項的減值虧損變動如下：

		2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	129,888
Charged for the year	年內支出	445,544
At 31 December	於十二月三十一日	575,432

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21. TRADE AND OTHER RECEIVABLES (continued)

(b) Amount due from a director

The amount due is unsecured, interest-free and repayable on demand.

Amount due from a director disclosed pursuant to section 383(1)(d) to the Hong Kong Companies Ordinance is as follows:

	Maximum outstanding balance during the year 年內最高 未償還結餘	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
Mr. Lin Qingxiong 林清雄先生	339	339	—

21. 貿易及其他應收款項 (續)

(b) 應收一名董事款項

該款項為無抵押、免息及須按要求償還。

根據香港公司條例第383(1)(d)條披露的應收一名董事款項如下：

22. BANK AND CASH BALANCES

		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
RMB 人民幣		240	373
USD 美元		1,021	101
HK\$ 港元		153	780
		1,414	1,254

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

人民幣兌換為外幣須受《中國外匯管制條例》及《結匯、售匯及付匯管理規定》規管。

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23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付款項

		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 payables	貿易應付款項	54,300	59,270
Advance payments from customers	客戶墊款	9,279	6,453
Payables for purchases of property, plant and equipment	購買物業、廠房及設備應付款項	34,145	26,845
Salary payables	應付薪酬	23,371	23,783
Interest payables	應付利息	37,160	25,109
Other payables and accruals	其他應付款項及應計費用	29,340	21,346
		187,595	162,806

An aging analysis of trade payables at the end of the reporting period, based on the invoice date, is as follows:

於報告期末根據發票日期的貿易應付款項及應付票據賬齡分析如下：

		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	3個月內	15,055	4,203
Over 3 months but less than 12 months	3個月以上但少於12個月	11,250	8,505
Over 12 months	12個月以上	27,995	46,562
		54,300	59,270

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24. BORROWINGS

24. 借款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current:	流動：		
Secured bank borrowings (note a)	有抵押銀行借款(附註a)	190,173	227,475
Unsecured bank borrowings (note a)	無抵押銀行借款(附註a)	13,519	24,286
Unsecured bonds (note b)	無抵押債券(附註b)	326,797	186,563
		530,489	438,324
Non-current:	非流動：		
Secured bank borrowings (note a)	有抵押銀行借款(附註a)	30,000	–
Unsecured bonds (note b)	無抵押債券(附註b)	248,660	287,337
		278,660	287,337
		809,149	725,661

Notes:

(a) Bank borrowings

As at 31 December 2018, bank borrowings amounted to approximately RMB133,692,000 (2017: RMB195,991,000) were overdue by the Group due to temporary shortage of funds. As a result, the Group is subject to a penalty interest expense during the overdue period.

The Group's bank borrowings of approximately RMB220,173,000 (2017: RMB227,475,000) were secured by its property, plant and equipment (note 17), leasehold land and land use right (note 18) and inventories (note 20).

The effective interest rates on bank borrowings were ranging from 5.64% to 14.58% (2017: 5.75% to 10.16%) per annum for the year ended 31 December 2018.

The maturity profile of the carrying amount of the bank borrowings is analysed as follows:

附註：

(a) 銀行借款

於二零一八年十二月三十一日，基於臨時資金短缺，本集團約人民幣133,692,000元(二零一七年：人民幣195,991,000元)的銀行借款已逾期。因此，本集團須於逾期期間繳付罰息開支。

本集團銀行借款約人民幣220,173,000元(二零一七年：人民幣227,475,000元)由其物業、廠房及設備(附註17)、租賃土地及土地使用權(附註18)及存貨(附註20)作抵押。

截至二零一八年十二月三十一日止年度銀行借款的實際年利率介乎5.64%至14.58%(二零一七年：5.75%至10.16%)。

銀行借款賬面值的到期情況分析如下：

		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 one year	一年以內	203,692	251,761
In the second year	第二年內	30,000	–
		233,692	251,761

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24. BORROWINGS (continued)

Notes: (continued)

(b) Unsecured bonds

As at 31 December 2018, the Company issued a number of HK\$-denominated bonds with an aggregate principal of approximately RMB671,815,000 (2017: RMB557,266,000). The bonds are unsecured, bearing interest rates at a range of 1.5% – 24% (2017: 1.5% – 14%) per annum, and repayable during the period from January 2019 to December 2027 (2017: January 2018 to June 2026). The maturity profile of the carrying amount of the bonds is analysed as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年以內	326,797	186,563
In the second year	第二年內	13,997	77,613
In the third to fifth years, inclusive	第三至第五年(包括首尾兩年)	138,350	89,996
After five years	五年後	96,313	119,728
		575,457	473,900

25. DEFERRED INCOME

		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
Government grants relating to leasehold land and land use right	與租賃土地及土地使用權有關的政府補助金	13,722	14,035
Government grants relating to plant and equipment	與廠房及設備有關的政府補助金	–	3,202
		13,722	17,237

24. 借款(續)

附註：(續)

(b) 無抵押債券

於二零一八年十二月三十一日，本公司發行多份以港元計值的債券，本金總額約人民幣671,815,000元(二零一七年：人民幣557,266,000元)。該等債券為無抵押、按年利率介乎1.5%至14%(二零一七年：1.5%至24%)計息並須於二零一九年一月至二零二七年十二月(二零一七年：二零一八年一月至二零二六年六月)期間償還。該等債券的賬面值的到期情況分析如下：

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25. DEFERRED INCOME (continued)

The movements of deferred income during the year 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
At 1 January	於一月一日	17,237	18,104
Amortised as income	攤銷為收入	(3,515)	(867)
At 31 December	於十二月三十一日	13,722	17,237

25. 遞延收入(續)

遞延收入於年內的變動載列如下：

26. DEFERRED TAX LIABILITIES

		Capitalised interest 資本化利息 RMB'000 人民幣千元	Accrued payroll 應計工資 RMB'000 人民幣千元	Deferred income 遞延收入 RMB'000 人民幣千元	Impairment provision of assets 資產減值 撥備 RMB'000 人民幣千元	Tax losses 稅項虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	(1,605)	4,769	15	20,008	6,559	29,746
Credited/(charged) to profit or loss	於損益中計入/(扣除)	36	(4,769)	(15)	(20,008)	(6,559)	(31,315)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	(1,569)	-	-	-	-	(1,569)
Credited to profit or loss	於損益中計入	1,150	-	-	-	-	1,150
At 31 December 2018	於二零一八年十二月三十一日	(419)	-	-	-	-	(419)

26. 遞延稅項負債

For the year ended 31 December 2017, in respect of the deterioration of the Group's operating performance, the directors of the Company considered (i) to write back the deferred tax assets recognised in relation to the accrued payroll, deferred income, impairment provision of assets and tax losses recognised in the past; and (ii) not to recognise any deferred tax assets for the current year due to the unpredictability of future profit stream.

At the end of the reporting period the Group has unused tax losses of approximately RMB221,637,000 (2017: RMB173,709,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB199,169,000 (2017: RMB161,134,000) that will expire in five years. Other tax losses may be carried forward indefinitely.

截至二零一七年十二月三十一日止年度，就本集團的營運表現惡化而言，本公司董事考慮：(i)撥回過去就應計工資、遞延收入、資產減值撥備及稅項虧損確認的遞延稅項資產；及(ii)由於難以預測未來溢利流，並無就本年度確認任何遞延稅項資產。

於報告期末，本集團可用作抵免未來溢利的未動用稅項虧損約人民幣221,637,000元(二零一七年：人民幣173,709,000元)。由於無法預測未來溢利流，故未確認遞延稅項資產。未確認稅項虧損包括將於五年內到期的虧損約人民幣199,169,000元(二零一七年：人民幣161,134,000元)。其他稅項虧損可無限期結轉。

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27. SHARE CAPITAL

27. 股本

		2018 二零一八年		2017 二零一七年	
		Number of shares 股份數目 (thousands) (千股)	Amount 金額 HK\$'000 千港元	Number of shares 股份數目 (thousands) (千股)	Amount 金額 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.10 each	每股0.10港元的普通股				
At 1 January and 31 December	於一月一日及十二月三十一日	10,000,000	1,000,000	10,000,000	1,000,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.10 each	每股0.10港元的普通股				
At 1 January	於一月一日	1,550,000	155,000	1,550,000	155,000
Issue of shares (note)	發行股份(附註)	310,000	31,000	-	-
At 31 December	於十二月三十一日	1,860,000	186,000	1,550,000	155,000
Equivalent to RMB'000	相等於人民幣千元		150,493		124,010

Note: On 17 May 2018, the Company and the placing agent entered into a placing agreement in respect of the placement of 310,000,000 ordinary shares of HK\$0.10 each at a price of HK\$0.10 per share under general mandate. The placement was completed on 29 June 2018. As the shares were issued at par value, the share issue expenses of approximately RMB350,000 was debited to the Company's share premium account.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The capital structure of the Group comprises all components of shareholders' equity.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts. No change was made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

附註：於二零一八年五月十七日，本公司與配售代理訂立配售協議，以根據一般授權配售310,000,000股每股0.10港元的普通股，價格為每股0.10港元。於二零一八年六月二十九日，配售事項已告完成。由於股份按面值發行，股份發行開支約人民幣350,000元已記入本公司股份溢價賬。

本集團在資本管理上的目標為保障本集團有能力繼續營運，透過優化債務及股本結餘為股東提供最大回報。本集團的資本架構包括所有股東權益部分。

本集團透過考慮資本成本及與各類資本有關的風險經常審閱資本架構。本集團將透過派付股息、發行新股及股份回購以及發行新債、贖回現有債務或出售資產以減少債務來平衡整體資本架構。截至二零一八年及二零一七年十二月三十一日止年度，資本管理的目標、政策或程序並無作出任何變動。

27. SHARE CAPITAL (continued)

The only externally imposed capital requirement for the Group is that in order to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the shares. The Group has maintained a sufficient public float to comply with the Listing Rules from the date of the Listing.

28. RESERVES

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

Nature and purpose of reserves

(a) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(b) Capital reserve

The capital reserve of the Group mainly represents the reserve arising from the Group reorganisation.

(c) Statutory reserve

In accordance with the PRC Company Law and the Group's PRC subsidiaries' articles of association, the Group's PRC subsidiaries are required to allocate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC companies to the statutory reserve until such reserve reaches 50% of the registered capital. The appropriation to the reserve must be made before any distribution of dividends to equity holders. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as paid-in capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the paid-in capital of the Group's subsidiaries.

27. 股本(續)

唯一外部強制性資本要求為，本集團如欲維持其在聯交所上市的地位，其公眾持股量最少為股份的25%。本集團自上市日期起一直維持足夠的公眾持股量以符合上市規則。

28. 儲備

本集團儲備金額及其變動於合併損益及其他全面收益表及合併權益變動表內呈列。

儲備性質及用途

(a) 股份溢價

股份溢價指本公司股份面值與本公司發行股份獲得的所得款項之間的差額。

根據開曼群島公司法，本公司股份溢價賬的金額可供分派予本公司股東，惟緊隨建議分派股息之日，本公司能夠於日常業務過程中償付其到期的債務。

(b) 資本儲備

本集團資本儲備主要指集團重組產生的儲備。

(c) 法定儲備

根據中國公司法及本集團中國附屬公司的章程細則，本集團之中國附屬公司須按照適用於中國公司的相關會計原則及財務規定所釐定的10%稅後利潤撥入法定儲備，直至該儲備達到註冊資本50%。儲備撥款必須在向股東分配股息之前進行。法定盈餘儲備可用以抵銷過往年度的虧損(如有)，而部分法定盈餘儲備可資本化為實收資本，惟資本化後剩餘的該等儲備的金額不得少於本集團附屬公司的實收資本的25%。

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For the year ended 31 December 2018
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29. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

29. 本公司財務狀況表及儲備變動

(a) 本公司財務狀況表

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司投資	352	243,211
Amount due from subsidiaries	應收附屬公司款項	-	-
		352	243,211
Current assets	流動資產		
Other receivables	其他應收款項	74	-
Cash and bank balances	現金及銀行結餘	150	738
		224	738
Current liabilities	流動負債		
Other payables	其他應付款項	-	7,144
Amounts due to subsidiaries	應付附屬公司款項	28,098	-
Borrowings	借款	326,797	186,563
		354,895	193,707
Net current liabilities	流動負債淨額	(354,671)	(192,969)
Total assets less current liabilities	資產總額減流動負債	(354,319)	50,242
Non-current liabilities	非流動負債		
Borrowings	借款	248,660	287,337
Net liabilities	負債淨額	(602,979)	(237,095)

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29. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(continued)

(a) Statement of financial position of the Company (continued)

29. 本公司財務狀況表及儲備變動(續)

(a) 本公司財務狀況表(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
Equity	權益		
Share capital	股本	150,493	124,010
Reserves (note 29 (b))	儲備(附註29(b))	(753,472)	(361,105)
Capital deficiency	資金虧絀	(602,979)	(237,095)

Approved and authorised for issue by the Board of Directors on 27 March 2019.

於二零一九年三月二十七日獲董事會批准及授權刊發。

Ms. Li Jia Yin
李佳音女士
Director
董事

Mr. Wu Jianxiong
吳健雄先生
Director
董事

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29. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(continued)

(b) Reserves movement of the Company

		Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	737,285	76,634	813,919
Total comprehensive income for the year	年內全面收益總額	-	(1,175,024)	(1,175,024)
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	737,285	(1,098,390)	(361,105)
Issue of shares	發行股份	(350)	-	(350)
Total comprehensive income for the year	年內全面收益總額	-	(392,017)	(392,017)
At 31 December 2018	於二零一八年十二月三十一日	736,935	(1,490,407)	(753,472)

29. 本公司財務狀況表及儲備變動 (續)

(b) 本公司儲備變動

30. CAPITAL COMMITMENT

Capital commitment contracted but not provided for at the end of the reporting period but not yet incurred are as follows:

30. 資本承擔

於報告期末已訂約但尚未撥備且尚未產生的資本承擔如下：

		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
Property, plant and equipment	物業、廠房及設備	4,654	45,749

31. LEASE COMMITMENT

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 one year	一年內	933	1,145
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	-	859
		933	2,004

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for an average term of two years and rentals are fixed over the lease terms and contingent rentals.

32. CONTINGENT LIABILITIES

During the course of business, the Group has received claims from suppliers, customers and employees concerned with the quality of goods and personal injuries, including claims of insignificant or unspecified amounts. The directors are of the opinion that the Group has a meritorious defence against these claims. Accordingly, the directors do not believe that these claims will have any material adverse impact on the Group and accordingly no provisions have been made in respect thereof.

(a) Demand for repayment of borrowings

- (i) On 16 January 2018, the Company received demand from Bank of China (Hong Kong) Limited for the repayment of import invoice finance granted under the general banking facilities letter, with its principal amount of approximately US\$423,000, interest payable as at 10 January 2018 of approximately US\$5,000, and further interest accrued from 11 January 2018 to the date of payment at its rate of 10.5% per annum which subject to fluctuation. This bank borrowing was fully settled during the year 2018.

31. 租賃承擔

於二零一八年十二月三十一日，不可撤銷經營租賃下的應付未來最低租賃款項總額如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	933	1,145
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	-	859
		933	2,004

經營租賃款項指本集團就其若干辦公處所應付的租金。經磋商之租賃平均期限為兩年，租金在該等租期為固定且為或然租金。

32. 或然負債

於業務過程中，本集團收到來自供應商、客戶及僱員有關商品質量及人身傷亡的申索，包括所涉金額不重大或不明的申索。董事認為，本集團就該等申索具有有力抗辯。因此，董事相信該等申索對本集團不會產生任何重大不利影響，故並無就此作出任何撥備。

(a) 要求償還借款

- (i) 於二零一八年一月十六日，本公司接獲中國銀行(香港)有限公司要求償還根據一般銀行融資函授出的進口發票融資，其本金額為約423,000美元及於二零一八年一月十日的應付利息為約5,000美元，並於二零一八年一月十一日起至付款日期止按年利率10.5% (可能波動) 另外產生利息。該項銀行借款於二零一八年內已全數結清。

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32. CONTINGENT LIABILITIES (continued)

(a) Demand for repayment of borrowings

(continued)

- (ii) On 29 January 2018, the Company received demand from PC Securities Limited (“PC Securities”), the bond holder, in respect of repayment of the debt or secure or compound for it to the PC Securities’ satisfaction, with its principal amount of HK\$84,000,000 and interest of approximately HK\$2,980,000. With respect to the default of the aforesaid bond, another bond with its principal amount of HK\$57,900,000 is regarded as cross default, PC Securities also demands the Company to repay it immediately.

On 5 March 2018, the Company received a petition (“Petition”) entitled HCCW 56/2018 presented by PC Securities (“Petitioner”) to the High Court of Hong Kong S.A.R. for winding up of the Company and the hearing of the Petition was fixed for 9 May 2018 before a Master in Court. The Petitioner claimed to be the holder of a bond for the principal amount of HK\$84,000,000 with coupons 7% issued by the Company on 28 January 2015 (the “Bond”). However, according to the register kept by the Registrar, the Bank of New York Depository (Nominees) Limited, the Petitioner is not the registered holder of the Bond. The Company is now making enquiry of the locus standi of the Petitioner and seeking legal advice on the matter.

32. 或然負債(續)

(a) 要求償還借款(續)

- (ii) 於二零一八年一月二十九日，本公司接獲債券持有人寶鉅證券有限公司(「寶鉅證券」)要求償還債務，或為債務提供令寶鉅證券滿意的抵押或了結，其本金額為84,000,000港元及利息為約2,980,000港元。就拖欠上述債券而言，另一項本金額為57,900,000港元的債券視為交叉違約，寶鉅證券亦要求本公司即時償還該債券。

於二零一八年三月五日，本公司接獲寶鉅證券(「呈請人」)向香港特別行政區高等法院送呈編號HCCW 56/2018之呈請(「呈請」)，要求本公司清盤。呈請的聆訊訂於二零一八年五月九日於高等法院進行。呈請人聲稱為本公司於二零一五年一月二十八日所發行債券之持有人，債券本金額為84,000,000港元，另加息票7%(「該債券」)。然而，根據登記處The Bank of New York Depository (Nominees) Limited存置的登記冊，呈請人並非該債券之註冊持有人。本公司正就呈請人的出庭陳述權進行諮詢，並就此尋求法律意見。

32. CONTINGENT LIABILITIES (continued)

(a) Demand for repayment of borrowings

(continued)

(ii) (continued)

On 19 April 2018, Moody Group (Int'l) Holding Limited (formerly known as "Hongtai Group (Int'l) Holding Limited"), a wholly-owned subsidiary of the Company ("Moody Group (Int'l)") and the Petitioner entered into a settlement deed ("Settlement Deed"). Pursuant to the Settlement Deed, the parties thereto agreed that the total outstanding amount owed by the Company to the Petitioner as at the date of the Settlement Deed was HK\$92,600,306.38 and Moody Group (Int'l) agreed to settle such outstanding amount by instalments (with the date of the final instalment being 29 June 2019) together with further interest. Upon signing of the Settlement Deed and following the receipt of the cheques/cashier orders required in the Settlement Deed and the clearance of the cheques/cashier orders for the first instalment payment of HK\$6,524,217.26, the Petitioner shall enter into a consent summons to seek leave from the court to have the Petition withdrawn.

On 24 May 2018, the High Court made an order that the Petition be withdrawn following the Company and the Petitioner have made a joint application by way of consent summons to the court for the withdrawal of the Petition.

32. 或然負債(續)

(a) 要求償還借款(續)

(ii) (續)

於二零一八年四月十九日，本公司全資附屬公司滿地集團(國際)股份有限公司(前稱為「宏太集團(國際)股份有限公司」)(「滿地集團(國際)」)與呈請人訂立清償契據(「清償契據」)。根據清償契據，契據訂約方同意，本公司於清償契據日期結欠呈請人的未償還總額為92,600,306.38港元，且滿地集團(國際)同意分期清償有關金額連同額外利息，最後一期款項日期為二零一九年六月二十九日。簽立清償契據後及於接獲清償契據所要求的支票/本票並就第一期款項6,524,217.26港元的支票/本票結算後，呈請人將訂立同意傳票，向法庭尋求許可，以撤回呈請。

在本公司及呈請人以同意傳票方式向法院聯合申請撤回呈請後，高等法院於二零一八年五月二十四日頒令撤回呈請。

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32. CONTINGENT LIABILITIES (continued)

(a) Demand for repayment of borrowings

(continued)

- (iii) On 13 February 2018, the Company received demand from Mr. Zhang Hua, the bond holder, in respect of repayment of the bond principal of HK\$27,000,000, interest payable from 28 December 2017 to 9 January 2018 of approximately HK\$192,000 and daily default interest of approximately HK\$13,000 payable until repayment. On 13 February 2018, the Company received final demand from Well Honour Investment (Group) Limited, the bond holder, in respect of repayment of the bond principal of HK\$430,000, or otherwise legal actions will be taken. The Company settled the above bonds during the year 2018.
- (iv) On 3 February 2018, Mr. Lin Yingjie ("Mr. Lin") filed a claim through Fujian Province Shishi City People's Court (福建省石獅市人民法院) against to an indirect wholly-owned subsidiary of the Group, Hongtai (China) Co., Limited (宏太(中國)有限公司) ("Hongtai (China)") for the repayment of outstanding borrowing in aggregate of approximately RMB1,350,000. Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required in preparing the consolidated financial statements for the year ended 31 December 2018.

32. 或然負債(續)

(a) 要求償還借款(續)

- (iii) 於二零一八年二月十三日，本公司接獲債券持有人張華先生要求償還債券本金27,000,000港元、於二零一七年十二月二十八日至二零一八年一月九日的應付利息約192,000港元及直至還款前的應付每日違約利息約13,000港元。於二零一八年二月十三日，本公司接獲債券持有人Well Honour Investment (Group) Limited的最終要求，有關償還債券本金430,000港元，否則將採取法律行動。本公司於二零一八年清償以上債券。
- (iv) 於二零一八年二月三日，林英傑先生(「林先生」)透過福建省石獅市人民法院向本集團的間接全資附屬公司宏太(中國)有限公司(「宏太(中國)」)提出申索，內容有關償還借款合同共約人民幣1,350,000元。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為編制截至二零一八年十二月三十一日止年度的合併財務報表時毋須就該申索作出撥備。

32. CONTINGENT LIABILITIES (continued)**(b) Contract disputes**

- (i) Since 9 November 2016, claim of approximately HK\$2,620,000 in aggregation was brought against Hongtai (China) by a supplier namely 重慶紗線產品交易中心有限公司 (the "Plaintiff 1") alleging that Hongtai (China) was liable for payment of defected goods supplied to Hongtai (China) by the Plaintiff 1. This case was filed in the Chongqing Nan'an District People's Court (重慶市南岸區人民法院) against Hongtai (China). Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. In preparing these consolidated financial statements, the directors are of the opinion that no provision of the claim of approximately HK\$2,620,000 is necessary as having considered the legal advice from the Group's PRC legal counsel, the directors believe that the Company has merits in the defence against the claim.
- (ii) On 23 January 2017, claim of approximately HK\$2,244,000 in aggregation was brought against Hongtai (China) by a supplier namely 莆田市瑞鑫紡織服裝貿易有限公司 (the "Plaintiff 2") alleging that Hongtai (China) was liable for payment of defected goods to the Plaintiff 2. This case was filed in the Fujian Province Shishi City People's Court (福建省石獅市人民法院) against Hongtai (China). Up to the date of these consolidated financial statements, the legal proceeding in respect of above case was still in progress and the outcome of which cannot be ascertain. Accordingly, the directors consider that no provision for the claim is required in preparing the consolidated financial statements for the year ended 31 December 2018.

32. 或然負債(續)**(b) 合約糾紛**

- (i) 自二零一六年十一月九日起，宏太(中國)面臨由供應商重慶紗線產品交易中心有限公司(「原告人1」)所提出合共約2,620,000港元的申索，聲稱宏太(中國)有責任支付原告人1向宏太(中國)所供應缺陷商品的款項。該項個案乃透過重慶市南岸區人民法院向宏太(中國)提起訴訟。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。編制該等合併財務報表時，董事認為毋須就申索約2,620,000港元作出撥備，因考慮到本集團中國法律顧問的法律意見，董事相信本公司就該申索具有力抗辯。
- (ii) 於二零一七年一月二十三日，宏太(中國)面臨由供應商莆田市瑞鑫紡織服裝貿易有限公司(「原告人2」)所提出合共約2,244,000港元的申索，聲稱宏太(中國)有責任向原告人2支付瑕疵商品的款項。該項個案乃透過福建省石獅市人民法院向宏太(中國)提起訴訟。直至該等合併財務報表日期，有關上述個案的法律程序仍在進行，結果尚未能確定。因此，董事認為編制截至二零一八年十二月三十一日止年度的合併財務報表時毋須就該申索作出撥備。

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33. RELATED PARTY TRANSACTIONS

Other than those related party balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

(a) Balance

Details of the balances with related parties are set out in the consolidated statement of financial position and in notes 19(b) and 21(b) to the consolidated financial statements.

(b) The emoluments of directors and other members of key management during the year was as follows:

33. 關聯方交易

除合併財務報表其他地方披露的關聯方結餘外，本集團於年內與關聯方進行之交易如下：

(a) 結餘

與關聯方的結餘詳情載於合併財務狀況表及合併財務報表附註19(b)及21(b)。

(b) 年內董事及其他主要管理人員的酬金如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fees	袍金	313	312
Other emoluments	其他酬金		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,539	2,963
Retirement benefit scheme contributions	退休福利計劃供款	97	52
		2,636	3,015
		2,949	3,327

Further details of emoluments of directors and other members of key management during the year are set out in notes 14 and 15 to the consolidated financial statements.

本年度董事及其他主要管理層成員的酬金詳情載於合併財務報表附註14及15。

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

On 15 May 2018, 19 July 2018, 3 August 2018, 28 August 2018 and 30 November 2018, the Group acquired the entire issued share capital of Ultima Prime International Ltd (“Ultima Prime”), Digital Assets Group Co., Limited (“Digital Assets”), Cloud Hase Mining Limited (“Cloud Hase”), Moody Technology Research and Development Co., Limited (“MTR&D”) and Guangzhou Seojin Trading Co., Limited (“Seojin”) (collectively as the “Acquired Companies”) for considerations of approximately RMB342,000, RMB9,000, RMB9,000, RMB60,000 and RMB175,000 respectively (the “Acquisition”).

Immediately prior to the completion of Acquisition, the Acquired Companies were inactive. The fair value of the identifiable assets of Acquired Companies acquired as at the date of Acquisition are as follows:

	Ultima Prime	Digital Assets	Cloud Hase	MTR&D	Seojin	Total
	Ultima Prime	Digital Assets	Cloud Hase	MTR&D	Seojin	Total
	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
Amounts due from shareholders	342	9	9	60	175	595
Settled by cash	342	9	9	60	175	595

(b) Major non-cash transaction

During the year ended 31 December 2017, a bank borrowing of approximately RMB4,800,000 was settled by available-for-sale financial assets of approximately RMB4,500,000 and addition of construction in progress of approximately RMB22,500,000 has not yet paid by the Group.

34. 合併現金流量表附註

(a) 收購附屬公司

本集團分別於二零一八年五月十五日、二零一八年七月十九日、二零一八年八月三日、二零一八年八月二十八日及二零一八年十一月三十日，收購 Ultima Prime International Ltd (「Ultima Prime」)、數字資產集團有限公司 (「數字資產」)、雲計算有限公司 (「雲計算」)、滿地科技研發有限公司 (「滿地研發」) 及廣州首進貿易有限公司 (「廣州首進」) (統稱為「收購公司」) 全部已發行股本，代價分別約為人民幣 342,000 元、人民幣 9,000 元、人民幣 9,000 元、人民幣 60,000 元及人民幣 175,000 元 (「收購事項」)。

緊接收購事項完成前，被收購公司並不活躍。於收購日期，被收購的收購公司的可識別資產公平值如下：

(b) 主要非現金交易

截至二零一七年十二月三十一日止年度，銀行借款約人民幣 4,800,000 元由可供出售金融資產約人民幣 4,500,000 結付，本集團尚未支付在建工程添置約人民幣 22,500,000 元。

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Reconciliation of liabilities arising from financing activities

The table set forth below is the detail changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

34. 合併現金流量表附註(續)

(c) 融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債的變動，包括現金和非現金變動。融資活動所產生負債為曾或將於本集團合併現金流量表中分類為融資活動現金流量或未來現金流量的負債。

		Borrowings 借款 RMB'000 人民幣千元	Bonds 債券 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 January 2017	於二零一七年 一月三十一日	261,609	277,988	539,597
Cash flow	現金流量	(11,851)	161,850	149,999
Interest expenses	利息開支	18,625	50,053	68,678
Transfer to interest payables	撥往應付利息	(11,822)	–	(11,822)
Settled by available-for-sales financial assets	已由可供出售金融 資產結付	(4,800)	–	(4,800)
Exchange differences	匯兌差額	–	(15,991)	(15,991)
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	251,761	473,900	725,661
Cash flow	現金流量	(27,095)	7,363	(19,732)
Interest expenses	利息開支	21,077	82,143	103,220
Transfer to interest payables	撥往應付利息	(12,051)	–	(12,051)
Exchange differences	匯兌差額	–	12,051	12,051
At 31 December 2018	於二零一八年 十二月三十一日	233,692	575,457	809,149

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35. SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2018 are as follows:

35. 附屬公司(續)

於二零一八年十二月三十一日，本公司附屬公司之詳情如下：

Name 名稱	Place of incorporation/ establishment 註冊成立/註冊地點	Registered/issued and paid up capital 已註冊/已發行 及繳足股本	Percentage of ownership interest 擁有權所佔百分比	Principal activities and place of operation 主要業務及經營地點
Potent Union Holdings Limited 康匯控股有限公司	The British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	US\$200 200美元	Direct 100% 直接 100%	Investment holding, Hong Kong 投資控股，香港
Digital Assets Group Co., Limited 數字資產集團有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Direct 100% 直接 100%	Investment holding, Hong Kong 投資控股，香港
Coral Pearl International Limited 寶瑚國際有限公司	BVI 英屬處女群島	US\$100 100美元	Direct 100% 直接 100%	Investment holding, Hong Kong 投資控股，香港
Ultima Prime International Limited	BVI 英屬處女群島	US\$50,000 50,000美元	Direct 100% 直接 100%	Investment holding, Hong Kong 投資控股，香港
Moody Group (Int'l) Holding Limited 滿地集團(國際)股份有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接 100%	Investment holding and sales of fabrics, Hong Kong 投資控股及銷售面料，香港
Hongtai (China) Co., Limited* 宏太(中國)有限公司	The PRC 中國	HK\$520,000,000 520,000,000港元	Indirect 100% 間接 100%	Design, manufacturing and sales of fabrics, the PRC 設計、生產及銷售面料，中國
Fengtai Hubei Textile Co., Limited* 豐太湖北紡織有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	Indirect 100% 間接 100%	Manufacturing and sales of fabrics, the PRC 生產及銷售面料，中國
Hongtai (Hubei) Sales Co., Limited* 宏太(湖北)營銷有限公司	The PRC 中國	RMB2,000,000 人民幣2,000,000元	Indirect 100% 間接 100%	Sales of fabrics, the PRC 銷售面料，中國
Shishi Hongtai Supply Chain Management Co., Limited* 石獅市宏太供應鏈管理公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	Indirect 100% 間接 100%	Dormant, the PRC 無業務活動，中國
Cloud Hase Mining Limited 雲計算有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Indirect 100% 間接 100%	Dormant, Hong Kong 無業務活動，香港
Guangzhou Seojin Trading Co., Limited 廣州首進貿易有限公司	Hong Kong 香港	HK\$500,000 500,000港元	Indirect 100% 間接 100%	Trading of shoes and clothes, the PRC 鞋履及服裝貿易，中國
Moody Technology Research and Development Co., Limited 滿地科技研發有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	Indirect 100% 間接 100%	Dormant, Hong Kong 無業務活動，香港
Zhuhai Lanhan Technology Co., Ltd* 珠海瀾瀚科技有限公司	The PRC 中國	HK\$1,000,000 1,000,000港元	Indirect 100% 間接 100%	Dormant, the PRC 無業務活動，中國

* The English translation of the company names is for reference only. The official names of these companies are in Chinese. The companies are registered as limited liability companies under the PRC law.

* 公司名稱之英文翻譯僅供識別。該等公司的官方名稱為中文。該等公司根據中國法律註冊為有限公司。

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36. EVENT AFTER THE REPORTING PERIOD

(a) Proposed change of domicile; proposed adoption of new memorandum of continuance and new Bye-laws; proposed cancellation of share premium account; and proposed capital reorganisation

On 12 November 2018, the Company announcement that the board of directors of the Company (the "Board") proposes to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda (the "Change of Domicile"). The implementation of the Change of Domicile will not affect the continuity of the Company and its listing status on the Stock Exchange.

In connection with the Change of Domicile, it is proposed that the new Memorandum of Continuance and the new Bye-laws be adopted by the Company to replace the existing Memorandum and the Articles, respectively, in order to comply with the laws of Bermuda.

The Board proposes to cancel the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company before the Change of Domicile becoming effective. The account designated as the contributed surplus account of the Company, subject to the approval of the shareholders at the extraordinary general meeting by way of special resolution, shall be the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda upon the Change of Domicile becoming effective.

36. 報告期後事項

(a) 建議遷冊；建議採納新存續大綱及新細則；建議註銷股份溢價賬；及建議股本重組

於二零一八年十一月十二日，本公司宣佈本公司董事會（「董事會」）建議透過撤銷於開曼群島之註冊，將本公司之註冊地點由開曼群島更改為百慕達及根據百慕達法例以獲豁免公司形式存續（「遷冊」）。實施遷冊將不會影響本公司的延續性及其於聯交所的上市地位。

就遷冊而言，本公司建議採納新存續大綱及新細則，以分別代替現有大綱及細則，藉此遵守百慕達法例。

董事會建議於遷冊生效前，註銷本公司股份溢價賬的所有進賬額，並將該註銷所產生的進賬額轉移至指定作為本公司實繳盈餘賬的賬戶。待股東於股東特別大會以特別決議案批准後，指定作為本公司實繳盈餘賬的賬戶在百慕達一九八一年遷冊生效後將成為本公司的實繳盈餘賬（定義見公司法）。

36. EVENT AFTER THE REPORTING PERIOD (continued)

(a) Proposed change of domicile; proposed adoption of new memorandum of continuance and new Bye-laws; proposed cancellation of share premium account; and proposed capital reorganisation (continued)

The Board proposes to implement the capital reorganisation (“Capital Reorganisation”) after the Change of Domicile becoming effective which comprises the following:

- (i) share consolidation on the basis of every ten issued and unissued existing shares of par value HK\$0.10 each into one consolidated share of par value HK\$1.00 each;
- (ii) reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued consolidated share so that the nominal value of each issued consolidated shares will be reduced from HK\$1.00 to HK\$0.01; and
- (iii) the share subdivision of each authorised but unissued consolidated share of HK\$1 (including those arising from the capital reduction) into one hundred adjusted shares of HK\$0.01 each.

On 21 February 2019, the Board of the Company announced that the Change of Domicile has not yet become effective and therefore it is expected that the effective date of the Capital Reorganisation will be delayed.

Details of above are set out in the Company’s announcements dated 12 November 2018 and 21 February 2019.

(b) Demand for repayment of borrowings

On 14 February 2019, the Company received demand from Ms. Zhang Xue Ping, the bond holder, in respect of repayment of the bond principal of approximately HK\$680,000 together with the interest (including the bond interest and the default interest). The Company is seeking legal advice on this matter.

36. 報告期後事項 (續)

(a) 建議遷冊；建議採納新存續大綱及新細則；建議註銷股份溢價賬；及建議股本重組 (續)

董事會建議於遷冊生效後實施股本重組(「股本重組」)，其包括下列各項：

- (i) 股份合併：其基準為按每十股每股面值0.10港元的已發行及未發行現有股份合併為一股每股面值1.00港元的合併股份；
- (ii) 以註銷本公司繳足股本(以每股已發行合併股份0.99港元為限)的方式削本公司已發行股本，致使每股已發行合併股份的面值由1.00港元減至0.01港元；及
- (iii) 股份拆細：將每股面值1港元的法定但未發行合併股份(包括自股本削減產生的合併股份)拆細為一百股每股面值0.01港元的經調整股份。

於二零一九年二月二十一日，本公司董事會宣佈遷冊尚未生效，因此預期股本重組的生效日期將會延遲。

上文詳情載於本公司日期為二零一八年十一月十二日及二零一九年二月二十一日之公告。

(b) 要求償還借款

於二零一九年二月十四日，本公司接獲債券持有人張雪萍女士要求償還債券本金額約680,000港元連同利息(包括債券利息及違約利息)。本公司正就此事尋求法律意見。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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

37. CERTAIN COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes included the reclassification of (i) interest income previously classified under "finance costs" to "other income"; (ii) net foreign exchange gain previously classified under "finance costs" to "general and administrative expenses"; and (iii) the other losses previously classified under "other losses" to "general and administrative expenses". The new classification of the accounting items was considered to provide a more appropriate presentation of the consolidated financial performance of the Group.

38. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are approved and authorised for issue by the Board of Directors on 27 March 2019.

37. 若干比較數字

若干比較數字已重新分類，以符合本年度之呈列。該等變化包括將(i) 先前歸類為「融資成本」的利息收益重新分類為「其他收入」；(ii) 先前歸類為「融資成本」的淨外匯收益重新分類為「一般及行政開支」；(iii) 先前歸類為「其他損失」的其他損失重新分類為「一般及行政開支」。此會計項目新分類被認為能夠更恰當地反映本集團的合併財務表現。

38. 批准合併財務報表

合併財務報表已於二零一九年三月二十七日獲董事會批准並授權刊發。

FINANCIAL SUMMARY

財務摘要

OPERATING RESULTS

經營業績

		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	2016 二零一六年	2015 二零一五年	2014 二零一四年
Revenue	收益					
– From continuing business (RMB'000)	– 來自持續經營業務 (人民幣千元)	250,660	271,858	780,310	670,255	810,795
Gross (loss)/profit	毛(損)/利					
– From continuing business (RMB'000)	– 來自持續經營業務 (人民幣千元)	(61)	(16,604)	(20,843)	8,396	149,306
Gross (loss)/profit margin	毛(損)/利率					
– From continuing business	– 來自持續經營業務	(0.02%)	(6.1%)	(2.7%)	1.3%	18.4%
(Loss)/Profit and total comprehensive income attributable to owners of our Company (RMB'000)	本公司擁有人應佔 (虧損)/溢利及全面收益總額 (人民幣千元)	(369,281)	(732,765)	(331,023)	(23,317)	66,402
Net (loss)/profit margin	(淨虧損)/純利率					
– From continuing business	– 來自持續經營業務	(147.3%)	(269.5%)	(42.4%)	(3.5%)	8.2%

CONSOLIDATED BALANCE SHEET

The following table sets forth our assets/liabilities position as at 31 December 2014, 2015, 2016, 2017 and 2018:

合併資產負債表

下表載列我們於二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日的資產/負債狀況：

		As at 31 December 於十二月三十一日				
		2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Current assets	流動資產	146,798	287,140	761,168	877,676	501,925
Current liabilities	流動負債	722,576	601,130	412,213	240,696	288,455
Net current (liabilities)/assets	流動(負債淨額)/資產淨值	(575,778)	(313,990)	348,955	636,980	213,470
Net (liabilities)/assets	(負債)/資產淨值	(472,180)	(129,032)	603,733	908,489	480,460

FINANCIAL INDICATORS

財務指標

		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	2016 二零一六年	2015 二零一五年	2014 二零一四年
Return on equity (%) (Note 1)	股本回報率%(附註1)	N/A 不適用	N/A 不適用	(54.8)	(2.6)	13.8
Return on assets (%) (Note 2)	資產回報率%(附註2)	(68.0)	(94.2)	(25.2)	(1.6)	6.6
Interest coverage (Note 3)	利息覆蓋率(附註3)	(3.6)	(10.7)	(4.4)	(1.0)	4.8

		As at 31 December 於十二月三十一日				
		2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年
Current ratio (%) (Note 4)	流動比率%(附註4)	20.3	47.7	184.7	364.6	174.0
Quick ratio (%) (Note 5)	速動比率%(附註5)	16.1	39.1	172.5	338.0	150.4
Debt to equity ratio (%) (Note 6)	債務股本比率%(附註6)	N/A 不適用	N/A 不適用	114.2	44.6	68.2
Gearing ratio (%) (Note 7)	權益負債比率%(附註7)	N/A 不適用	N/A 不適用	110.0	0.7	27.8

Notes:

- Return on equity for the years ended 31 December 2014, 2015, 2016, 2017 and 2018 was calculated based on our total comprehensive income for the respective year divided by the total equity of the respective year and multiplied by 100%.
- Return on assets for the years ended 31 December 2014, 2015, 2016, 2017 and 2018 was calculated based on our total comprehensive income for the respective year divided by our total assets of the respective year and multiplied by 100%.
- Interest coverage ratio for the years ended 31 December 2014, 2015, 2016, 2017 and 2018 was calculated based on our (loss)/profit for the year for the respective year divided by our finance costs for the respective year.
- Current ratio as at 31 December 2014, 2015, 2016, 2017 and 2018 were calculated based on our current assets of the respective date divided by our current liabilities of the respective date and multiplied by 100%.
- Quick ratio as at 31 December 2014, 2015, 2016, 2017 and 2018 were calculated based on our current assets minus inventories as at the respective date divided by our current liabilities as at the respective date and multiplied by 100%.
- Debt to equity ratio as at 31 December 2014, 2015, 2016, 2017 and 2018 were calculated based on our total debts (being sum of our total borrowings and amounts due to related parties and third parties) as at the respective date divided by total equity as at the respective year and multiplied by 100%.
- Gearing ratio as at 31 December 2014, 2015, 2016, 2017 and 2018 were calculated based on our net debts (being total debts net of cash and cash equivalents and restricted bank deposits) as at the respective date divided by total equity as at the respective year and multiplied by 100%.

附註：

- 截至二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日止年度的股本回報率，乃按有關年度全面收益總額除以有關年度權益總額再乘以100%計算。
- 截至二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日止年度的資產回報率，乃按有關年度全面收益總額除以有關年度資產總額再乘以100%計算。
- 截至二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日止年度的利息覆蓋率，乃按有關年度經營(虧損)/溢利除以有關年度的融資成本計算。
- 於二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日的流動比率，乃按有關日期的流動資產除以有關日期的流動負債再乘以100%計算。
- 於二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日的速動比率，乃按有關日期的流動資產減去存貨後除以有關日期的流動負債再乘以100%計算。
- 於二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日的債務股本比率，乃按有關日期的債務總額(即借款總額與應付關聯方及第三方款項的總和)除以有關年度總權益再乘以100%計算。
- 於二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日的權益負債比率，乃按有關日期的債務淨額(即債務總額扣除現金及現金等價物以及受限制銀行存款)除以有關年度總權益再乘以100%計算。



Moody Technology Holdings Limited
滿地科技股份有限公司