



彼岸
PEIPOINT

彼岸控股有限公司 Peiport Holdings Ltd.

(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 : 2885

2018

ANNUAL REPORT 年報



Contents 目錄

2	Four-year Financial Summary	四年財務摘要
3	Corporate Information	公司資料
6	Chairman's Statement	主席致辭
11	Management Discussion and Analysis	管理層討論及分析
26	Directors and Senior Management	董事及高級管理層
34	Corporate Governance Report	企業管治報告
51	Report of the Directors	董事會報告
71	Independent Auditor's Report	獨立核數師報告
79	Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表
81	Consolidated Statement of Financial Position	綜合財務狀況表
83	Consolidated Statement of Changes in Equity	綜合權益變動表
85	Consolidated Statement of Cash Flows	綜合現金流量表
87	Notes to Financial Statements	財務報表附註

Four-year Financial Summary

四年財務摘要

A summary of the results, assets, liabilities and non-controlling interests of the Group for the last four financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below:

從已刊發的經審核財務報表摘錄且經適當重列／重新分類的本集團過去四個財政年度的業績、資產、負債及非控股權益的摘要載列如下：

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度			
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
REVENUE	收益	262,080	238,406	251,875	291,576
Gross profit	毛利	94,055	82,998	82,710	83,616
PROFIT BEFORE TAX	除稅前溢利	19,806	44,215	33,359	30,491
Income tax expense	所得稅開支	(8,299)	(9,290)	(7,720)	(5,848)
PROFIT FOR THE YEAR	年度溢利	11,507	34,925	25,639	24,643
Attributable to equity holders of the parent	母公司權益持有人應佔	11,507	34,469	26,038	24,919

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

		As at 31 December 於十二月三十一日			
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total assets	總資產	256,446	304,699	272,861	253,913
Total liabilities	總負債	(71,132)	(38,731)	(44,093)	(49,211)
Non-controlling interests	非控股權益	-	-	(1,877)	(2,389)
		185,314	265,968	226,891	202,313

Notes:

附註：

- (1) The financial statements of the Group for the years ended 31 December 2015, 2016 and 2017 was extracted from the Company's Prospectus issued on 31 December 2018 (the "Prospectus") in connection with the Listing of the Company's Shares on the Stock Exchange on 11 January 2019.
- (2) No financial information of the Group for the year ended 31 December 2014 has been published.

- (1) 本集團截至二零一五年、二零一六年及二零一七年十二月三十一日止年度的財務報表乃摘錄自本公司於二零一八年十二月三十一日刊發的招股章程（「招股章程」），其內容有關本公司的股份於二零一九年一月十一日在聯交所上市。
- (2) 概無公佈本集團截至二零一四年十二月三十一日止年度的財務資料。

Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. YEUNG Lun Ching
Ms. WONG Kwan Lik
Mr. YEUNG Chun Tai

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. NIU Zhongjie
Ms. YEUNG Hiu Fu Helen
Mr. HOU Min

COMPANY SECRETARY

Ms. LEUNG Chin Ching

AUTHORISED REPRESENTATIVES

Ms. WONG Kwan Lik
Ms. LEUNG Chin Ching

AUDIT COMMITTEE

Ms. YEUNG Hiu Fu Helen (*Chairwoman*)
Mr. NIU Zhongjie
Mr. HOU Min

REMUNERATION COMMITTEE

Mr. HOU Min (*Chairman*)
Mr. YEUNG Lun Ching
Mr. NIU Zhongjie

NOMINATION COMMITTEE

Mr. NIU Zhongjie (*Chairman*)
Ms. WONG Kwan Lik
Ms. YEUNG Hiu Fu Helen

AUDITOR

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong

執行董事

楊倫楨先生
王群力女士
楊振泰先生

獨立非執行董事

牛鍾洁先生
楊曉芙女士
侯珉先生

公司秘書

梁展鏗女士

授權代表

王群力女士
梁展鏗女士

審核委員會

楊曉芙女士 (*主席*)
牛鍾洁先生
侯珉先生

薪酬委員會

侯珉先生 (*主席*)
楊倫楨先生
牛鍾洁先生

提名委員會

牛鍾洁先生 (*主席*)
王群力女士
楊曉芙女士

核數師

安永會計師事務所
執業會計師
香港
中環添美道1號
中信大廈22樓

Corporate Information (Continued)

公司資料(續)

COMPLIANCE ADVISER

Guotai Junan Capital Limited

26/F–28/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

LEGAL ADVISER

L&C Legal LLP in association with Jingtian & Gongcheng (effective until 29 April 2019) Jingtian & Gongcheng LLP (effective from 30 April 2019)

Suites 3205–3207
32/F., Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China Limited

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1302, 13/F
Westlands Centre
20 Westlands Road
Taikoo Place, Quarry Bay
Hong Kong

REGISTERED OFFICE

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

合規顧問

國泰君安融資有限公司
香港
皇后大道中181號
新紀元廣場
低座26樓至28樓

法律顧問

羅陳律師事務所有限法律責任合夥
與競天公誠律師事務所聯營
(生效直至二零一九年四月二十九日)
競天公誠律師事務所有限法律責任合夥
(自二零一九年四月三十日起生效)
香港
皇后大道中15號
置地廣場
公爵大廈32樓
3205–3207室

主要往來銀行

香港上海滙豐銀行有限公司
中國工商銀行股份有限公司

總部及香港主要營業地點

香港
鰂魚涌太古坊
華蘭路20號
華蘭中心
13樓1302室

註冊辦事處

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

開曼群島證券登記總處及過戶辦事處

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

Corporate Information (Continued)

公司資料(續)

HONG KONG SHARE REGISTRAR

Union Registrars Limited

Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

香港股份過戶登記處

聯合證券登記有限公司

香港
北角
英皇道338號
華懋交易廣場2期
33樓3301-04室

STOCK CODE

2885

股份代號

2885

COMPANY'S WEBSITE

www.peiport.com

公司網站

www.peiport.com

Chairman's Statement

主席致辭

誠信勤奮
進取創新



Chairman's Statement (Continued)

主席致辭(續)

Dear Valuable Shareholders,

The successful listing of the shares of Peiport Holdings Ltd. (the "Company") on 11 January 2019 is a remarkable moment of us which marked the milestone of our business development with our entering of arena of international capital market. It also painted a glamorous and profound page of marketisation, business syntheticalisation and internationalisation on our business development.

Ever since the establishment of the Company and its subsidiaries (the "Group") in 1998, we dedicated our effort and strived for the best on the thermal imaging products and services, self-stabilised imaging products and services, and general aviation products and services (especially in the aircraft piston engines). Reviewing the three major businesses of the Company, including (i) thermal imaging products and services, (ii) self-stabilised imaging products and services, and (iii) general aviation products and services during 2018, while looking into the our business prospects and plans of the Company in 2019 to come, I, on behalf of the board (the "Board") of directors (the "Directors") of the Company hereby, present the annual results of the Company for the year ended 31 December 2018.

SAILING THROUGH THE WAVES OF GLOBAL INSTABILITY

2018 was a year of global econ-political turbulence. The China-US trade war affected the economy of Hong Kong and China, dampened by the Brexit and instability of world economy, as well as the fierce competition among the industry of thermal imaging products, all painted murkiness to the sea we are sailing.

With the motto of "Continuous striving; Cultivating self, Harmonious Peiport family; Caring for our staff; Contributing to the society; Creating return for our shareholders", we upheld our beliefs, and faced the wavy external environment with our endowed attitudes of "Integrity, Diligent, Ambitious and Innovative" during 2018 and sustained gradual growth in our three core businesses. Benefited by the increase in infrastructure for general aviation airports and the introduction of new models of small aircrafts by various manufacturers from Europe and the United States in their production line in China, which drove to a steady rise in demand for engines, giving us catalyst for relative growth in this segment.

致尊敬的股東：

彼岸控股有限公司(「本公司」)的股份於二零一九年一月十一日成功上市，對我們而言意義非凡，是我們業務發展上的又一里程碑，使我們進入國際資本市場的舞台，亦描繪出我們極富魅力且意義深遠的業務發展市場化、業務綜合化及國際化進程。

自本公司及其附屬公司(「本集團」)於1998年成立以來，我們不斷努力，務求在熱成像產品及服務、自穩定成像產品及服務以及通用航空產品及服務(特別是航空活塞發動機)方面精益求精。通過回顧本公司三大主要業務(包括：(i)熱成像產品及服務；(ii)自穩定成像產品及服務；及(iii)通用航空產品及服務)於二零一八年的表現，同時探討本公司於二零一九年的業務前景及計劃，本人謹此代表本公司董事(「董事」)會(「董事會」)呈列本公司截至二零一八年十二月三十一日止年度的年度業績。

在全球動盪的局勢下破浪前行

二零一八年全球經濟及政治形勢動盪不斷。香港及中國的經濟受中美貿易戰、英國脫歐及全球經濟不穩所影響及拖累，加上熱成像產品行業競爭激烈，給我們的業務營運帶來挑戰。

秉承「自強不息，修身齊家，關愛員工，反饋社會，回報股東」的宗旨，我們於二零一八年堅守信念，以「誠信，勤奮，進取，創新」的態度面對起伏不斷的外部環境，並使我們的三大核心業務保持逐步增長。受惠於通用航空機場的基建增加以及多家歐美製造商將新型號的小型飛機引入其於中國的生產線，繼而使發動機需求穩定上升，刺激我們在該領域的相關增長。

Chairman's Statement (Continued)

主席致辭(續)

SAILING THROUGH THE WAVES OF GLOBAL INSTABILITY (Continued)

For the year ended 31 December 2018, the revenue has increased from HK\$238.4 million to HK\$262.1 million, representing an increase of 9.9% when compared with 2017, while the general aviation products and services outshone the other two segments in its business performance in 2018.

GAINING MOMENTUM, SURFING TO OUR GOAL

The solid growth of our results in 2018 was a testimony for our long track records of quality products and services as well as our attainment of our motto, our beliefs and our spirit. Though there were times of ripples brought by the external environment, it was also a year for us to refine and improve ourselves through these tumbling times while gaining the momentum to further develop and expand our businesses.

The successful listing has reinforced the Group's financial position and promoted execution of the Group's business development strategy. The net proceeds raised from the listing has strengthened the Group's capital position, allowing the Group to progressively execute the business plans.

We place strong emphasis on research and development. We regard and cherish the research and development capability of our Group as one of our core competitive strengths. We also believe that in order to maintain our market position, it is paramount to continuously keep ourselves up to date with the latest technological advancement and market demand, and be able to deliver products to our customers which meet their needs. Apart from conducting some research and development in our Hong Kong headquarters, we also have a research and development centre in Guangzhou City, Guangdong Province. To kick things up a notch, in 2019, to grab hold of the opportunities brought by, we shall establish new research and development centres in China and Hong Kong to keep ourselves abreast of technological changes in the industry. We shall also enhance the recognition and

在全球動盪的局勢下破浪前行(續)

截至二零一八年十二月三十一日止年度，收益由238.4百萬港元增至262.1百萬港元，較二零一七年增長9.9%，而通用航空產品及服務於二零一八年的業務表現優於其他兩個分部。

蓄勢待發，追尋夢想

我們的業績於二零一八年穩健增長，正好印證我們一直以來提供優質產品及服務的往績記錄以及為實踐我們的宗旨、信念及精神所作出的努力。儘管外部環境時有風浪，但此等艱難歲月亦使我們能夠得到磨練並提升自我，更使我們能夠為業務的進一步發展及擴張蓄勢待發。

成功上市鞏固了本集團的財務狀況，並推動落實本集團的業務發展策略。上市所得款項淨額增強了本集團的資本實力，使本集團得以逐步實行業務計劃。

我們非常重視研發。我們認為本集團的研發實力是我們的核心競爭力之一。我們亦相信，為保持我們的市場地位，持續緊貼最新科技發展及市場需求並提供滿足客戶需求的產品至關重要。除於香港總部進行部分研發工作外，我們亦於廣東省廣州市設有一個研發中心。為使二零一九年的表現更上一層樓並把握各種機會，我們將在中國及香港設立新的研發中心以緊貼業內的科技變化。我們亦會通過獲得國際認可的證書以提升我們產品的認受性及資格，從而逐步建立品牌知名度及聲譽。我們對我們的未

Chairman's Statement (Continued)

主席致辭(續)

GAINING MOMENTUM, SURFING TO OUR GOAL (Continued)

qualification of our products by obtaining internationally recognised certificates so that we shall gradually build up our brand name and reputation. We are confident of our future prospects and believe that it would raise the Group's brand awareness and publicity on an international level and help to attract new potential local and international customers. Meanwhile, to strengthen our sales capacity and capturing new sales opportunities, we shall participate actively in industry exhibition, trade fairs and conventions and number of demonstration units so that we can establish and expand our business network. In addition, we see human resources is valuable and essential elements to the success of a business, as what our motto says, we are yearning to improve ourselves while caring about our well-being of our employees and maintaining a harmonious family of Peiport. Therefore, in 2019, we shall put more resources in recruitment of additional sales and marketing personnel and purchasing new information technology ("IT") hardware and software and upgrading our current IT system to support our frontline sales team and back office. We shall provide training to our staff to provide them the updated knowledge and skills of the industry so that we can provide innovative but high quality products and services to our customers and uphold our reputation and integrity. Having our spirit to remember, we believe that with these business strategies progressively implemented in 2019, our Company shall strengthen its position in the current market and continue its business expansion plan and further achieve our motto, as to maximise the long term returns of our shareholders. With the vision to sail our Company to success and better developments, the Group will continue devoting more resources to ambitiously explore new business opportunities through leveraging its experience in the industry with consideration of the market and global economic conditions.

蓄勢待發，追尋夢想(續)

來前景充滿信心，並相信其將使本集團的品牌知名度及曝光率提升至國際水平，並有助吸引新的本地及國際潛在客戶。同時，為鞏固我們的銷售實力及把握新銷售機遇，我們將積極參與行業展覽、交易會及會議，增加示範樣機，藉以建立及擴大我們的業務網絡。此外，我們認為人力資源對於取得業務成功而言是寶貴甚至必要的元素，正如我們的宗旨所言，我們一直自強不息，同時關心僱員的福祉，使彼岸成為一個和諧大家庭，達致修身齊家。因此，於二零一九年，我們將投放更多資源增聘銷售及營銷人員，並採購新資訊科技(「資訊科技」)硬件及軟件及升級現有資訊科技系統，以支援前線銷售團隊及後勤工作。我們將為員工提供培訓，讓其了解行業的最近知識及技術，從而使我們能夠為客戶提供創新及優質的產品及服務並維護我們的聲譽及誠信。我們將我們的精神銘記於心，並相信隨著該等業務策略於二零一九年逐步落實，本公司將鞏固其於目前市場的地位，繼續實施其業務擴張計劃，並進一步達成我們的宗旨，從而為股東帶來最大的長期回報。以本公司達至成功並取得更好發展為願景，本集團將繼續投放更多資源，憑藉其行業經驗，同時考慮市場及全球經濟狀況，雄心勃勃地探索新商機。

Chairman's Statement (Continued)

主席致辭(續)

APPRECIATION

Going forward, the Group will continue to pursue opportunities to keep up with the evolving marketplace and optimise our corporate strategy of creating long-term value for stakeholders.

I would like to take this opportunity to extend my sincere gratitude to customers and business partners for their continuous support and trust and thank my fellow directors for their concerted effort and insights through the past years. I would also like to extend my appreciation to our staff for the sweat and dedication they have contributed. Without the inspiration and unwavering commitment of our valuable staff, it would not make possible the outstanding growth of our Company and establishment of Peiport. Besides, I would like to thank the professional parties for their tremendous hard work and assistance during the listing of our shares. We shall commit to continuing sustainable development of our three businesses, in order to achieve our development goals and plans for 2019 and maximise the long-term return of our shareholders.

Mr. YEUNG Lun Ching

Chairman

Hong Kong, 26 March 2019

致謝

展望未來，本集團將繼續尋求機會緊貼不斷發展的市場並優化我們的公司策略以為持份者創造長期價值。

本人希望藉此機會對客戶及業務夥伴一直以來的支持及信賴致以真誠謝意，並感謝各位董事過去多年來的齊心協力及真知灼見。本人亦感謝我們員工所付出的辛勞及奉獻。本公司的顯著增長以及彼岸的成立絕對離不開我們員工的寶貴靈感及不懈努力。此外，本人亦感謝各專業人士及機構作出巨大努力以協助我們的股份上市。我們將致力保持我們三大業務的可持續發展，從而達成我們二零一九年的發展目標及計劃，並為股東提供最大的長期回報。

楊倫楨先生

主席

香港，二零一九年三月二十六日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

The Group was principally engaged in the provision of thermal imaging products and services, self-stabilised imaging products and services, and general aviation products and services in the People's Republic of China (the "PRC") and Hong Kong.

Established in 1998, 2018 marks a special year to the Group, celebrating the twentieth anniversary with the listing of shares of the Company (the "Listing") in January 2019 as well as the encouraging results of our businesses.

Our shares (the "Share(s)") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 January 2019 (the "Listing Date") of which 100,000,000 ordinary shares (comprising 20,000,000 Hong Kong offer shares and 80,000,000 international placing shares) had been allotted by global offering, at an offer price of HK\$1.25 per Share (the "Listing of Shares").

During the year ended 31 December 2018, the Group achieved an increase in revenue of approximately 9.9% to approximately HK\$262.1 million from approximately HK\$238.4 million for the corresponding year of 2017. In line with the increase in revenue, the Group's gross profit increased to approximately HK\$94.1 million for the year ended 31 December 2018 from approximately HK\$83.0 million for the year ended 31 December 2017, representing an increase of approximately 13.4%.

The increase in the Group's revenue during the year ended 31 December 2018 as compared to the year ended 31 December 2017 were mainly driven by the performance of (i) the sale of thermal imaging products and provision of services; (ii) the sale of self-stabilised imaging products and provision of services; and (iii) the sale of general aviation products and provision of services.

業務回顧及展望

本集團主要從事於中華人民共和國(「中國」)及香港提供熱成像產品及服務、自穩定成像產品及服務以及通用航空產品及服務。

本集團於一九九八年成立，而二零一八年對本集團而言是特別的一年，因適逢成立二十週年，且本公司股份於二零一九年一月上市(「上市」)，而我們的業務亦錄得令人鼓舞的業績。

我們的股份(「股份」)於二零一九年一月十一日(「上市日期」)在香港聯合交易所有限公司(「聯交所」)主板上市，其中100,000,000股普通股(包括20,000,000股香港發售股份及80,000,000股國際配售股份)已通過全球發售按發售價每股股份1.25港元配發(「股份上市」)。

於截至二零一八年十二月三十一日止年度，本集團的收益由二零一七年對應的約238.4百萬港元增加約9.9%至約262.1百萬港元。隨著收益增長，本集團的毛利由截至二零一七年十二月三十一日止年度的約83.0百萬港元增加約13.4%至截至二零一八年十二月三十一日止年度的約94.1百萬港元。

本集團於截至二零一八年十二月三十一日止年度的收益較截至二零一七年十二月三十一日止年度有所增加，乃主要受以下項目的表現所帶動：(i)銷售熱成像產品及提供服務；(ii)銷售自穩定成像產品及提供服務；及(iii)銷售通用航空產品及提供服務。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (Continued)

業務回顧及展望(續)

(1) Sale of thermal imaging products and provision of services

Our products and services in this business segment can broadly be divided into three categories: (i) PTi products; (ii) products of other brands; and (iii) thermal imaging inspection services.

Thermal imaging products are widely used in general consumption, commercial and industrial fields. Recently, the thermal imaging products and services market shows rapid growth, especially with the declining production cost of thermal imaging products. It has become more popular in various industries. For example, in lighting industry, engineers use thermal imaging products to check the heat distribution of the light-emitting diodes (LEDs); while in textile industry, designers use thermal imaging products to examine the thermal insulation properties of different textiles. In addition, the increasing use of thermal imaging products by the technicians of grid companies to check the cooling system of electric devices will also drive the growth of the industry. Besides, the technological advancement in the industry has broadened the use of thermal imaging technologies in both professional areas and in our daily lives. Nowadays, thermal imaging products are used for infection prevention and epidemic control. Thermal inspection systems are used in newly opened transportation hubs such as railway stations and airports, and newly opened public facilities such as hospitals and schools to detect human with fever and abnormal body temperature. The thermal imaging systems and products are no longer merely a tool for industrial or commercial use, but a technology that is widely used to protect our society. Together with the support from the PRC Government to infrared technology according to the "Guidelines for the Current Priority Areas of High-tech Industrialisation (2011)" (《當

(1) 銷售熱成像產品及提供服務

我們在該業務分部的產品和服務大致可分為三類：(i)PTi產品；(ii)其他品牌的產品；及(iii)熱成像監測服務。

熱成像產品廣泛應用於一般消費、商業及工業行業。最近，熱成像產品及服務市場增長迅速，特別是隨著熱成像產品的生產成本下降，其已在多個行業越來越受歡迎。例如於照明行業，工程師使用熱成像產品檢查發光二極管(LED)的熱量分布；而於紡織業，設計師使用熱成像產品檢驗不同紡織品的隔熱性能。此外，越來越多電網公司工程師使用熱成像產品檢查電力裝置的冷卻系統，亦將驅動行業增長。此外，業內的技術提升亦擴大了熱成像技術在專業範疇及日常生活中的使用範圍。現今，熱成像被用於預防感染及疫症控制。熱成像系統用於新開設交通樞紐(如地鐵站及機場)、新開設公共設施(如醫院及學校)以偵測發熱及異常人體體溫。熱成像系統及產品不再僅僅是工業或商業用工具，而是廣泛用於保護我們社會的技術。加上科學技術部頒佈的《當前優先發展的高技術

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (Continued)

業務回顧及展望(續)

(1) Sale of thermal imaging products and provision of services (Continued)

前優先發展的高技術產業化重點領域指南(2011 年度)》” and “The 13th Five-year Planning for Advanced Manufacturing Technology and Technology Innovation (《“十三五”先進製造技術領域科技創新專項規劃》)” published by Ministry of Science and Technology and our motto of “continuous self-enhancement and to contribute to our society”, the Group shall further improve our technology and aim to achieve international recognitions in our products and steady growth in this segment.

Revenue from this business segment during the year ended 31 December 2018 was approximately HK\$160.7 million (2017: HK\$146.7 million). It accounted for approximately 61.3% (2017: 61.6%) of the Group's revenue during the year ended 31 December 2018.

(2) Sale of self-stabilised imaging products and provision of services

The products in this business segment are designed to be mounted on moving platforms such as aircraft, helicopters, vessels and ships. The Group deploys a self-stabilisation technology whereby the imaging products are mounted on a multiple-axis gimbaled structure and achieve maximum stabilisation. Occasionally, we also rent our self-stabilised imaging products for aircraft to our customers for a fixed period at a rental fee. We will provide product training and technical assistance to our customers based on their requests.

(1) 銷售熱成像產品及提供服務(續)

產業化重點領域指南(2011 年度)》及《「十三五」先進製造技術領域科技創新專項規劃》等中國政府對紅外技術的支持以及我們「持續自我提升及貢獻社會」的格言，本集團將進一步提升我們的技術，旨在使我們的產品獲得國際認可及本分部可取得穩定增長。

於截至二零一八年十二月三十一日止年度，該業務分部的收益約為160.7百萬港元(二零一七年：146.7百萬港元)。其佔本集團截至二零一八年十二月三十一日止年度收益約61.3%(二零一七年：61.6%)。

(2) 銷售自穩定成像產品及提供服務

該業務分部的產品是專為裝置於移動平台(例如飛機、直升機、船艇等)上而設計。本集團運用自穩定技術，將成像產品裝置在多軸吊載架構上，以達致最大限度的穩定性。我們偶爾亦會按固定租期出租機載自穩定成像產品予客戶及收取租賃費用。我們將根據客戶的要求為彼等提供產品培訓及技術協助。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (Continued)

業務回顧及展望(續)

(2) Sale of self-stabilised imaging products and provision of services (Continued)

The market size of civil and law enforcement self-stabilised imaging products and services, in terms of revenue, has experienced an upward trend driven by various needs from downstream users such as powerlines inspections. Benefiting from the popularisation of application of the helicopters and unmanned aerial vehicles to carry the self-stabilised imaging products for diverse tasks such as forest fire prevention, we see a huge potential to expand in this industry. Especially, in recent years, domestic enterprises have been investing in the self-stabilised imaging products market. On the other hand, driven by the development of Internet of Things (“IoT”), which refers to the network of physical objects embedded with electronics and software that allow these items to communicate with each other by exchanging data, it is expected that the market will be prompted by the expansion of IoT as the application of the self-stabilised imaging products will further be diversified.

Nonetheless, the self-stabilised imaging products requires relatively high technical requirements which inevitably poses pressure on the Company to persistently keep alert of the market trends and developments to excel in our knowledge and technology. We believe that risk are also times of golden opportunities, especially that the high technical requirements imply that competitors are relatively limited in the industry. In fact, the technical capabilities of domestic enterprises are still relatively rare compared with foreign companies. Meanwhile, highly competitive talents who have comprehensive knowledge of electronics and automatic control and inertial navigation are relatively inadequate in the market. Grabbing hold of the supportive national industrial policies such as “The 13th Five-Year Plan for Development of Strategic Emerging Industries (《“十三五”國家戰略性新興產業發展規劃》)” which promote the expansion of the self-stabilised imaging products market as well, we believe that the segment will experience a relatively robust growth in the year to come.

(2) 銷售自穩定成像產品及提供服務(續)

民用及執法自穩定成像產品及服務按收益計算的市場規模受各種下游用戶的需求(例如電力巡線)所驅動而呈上升趨勢。受惠於直升機及無人飛行載具的應用普及，可安裝自穩定成像產品進行多種任務，例如火山火預防，故我們認為該行業有巨大的擴展潛力。特別是，近年來國內企業一直於自穩定成像產品市場投資。另一方面，受物聯網(「物聯網」)(指內嵌電子設備及軟件而可讓該等物件以交換數據的形式互相交流的實體物件網絡)發展推動，預期市場將因物聯網的擴展而加快增長，同時自穩定成像產品之應用將進一步多元化。

然而，自穩定成像產品有較高的技術要求，使本公司不可避免地面臨壓力，必須持續留意市場趨勢及發展以利用我們的知識及技術突圍而出。我們認為風險亦是黃金機遇期，特別是高技術要求意味著業內競爭對手相對有限。實際上，國內企業的技術能力與外資公司相比仍相對稀缺。同時，市場上對電子及自動化控制及慣性導航擁有全面知識的高競爭力人才較為不足。通過把握《「十三五」國家戰略性新興產業發展規劃》等推動自穩定成像產品市場擴張的支持國家產業政策，我們相信該分部將於來年迎來相當強勁的增長。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (Continued)

業務回顧及展望(續)

(2) Sale of self-stabilised imaging products and provision of services (Continued)

Revenue from this business segment during the year ended 31 December 2018 was approximately HK\$43.5 million (2017: HK\$41.1 million). It accounted for approximately 16.6% (2017: 17.2%) of the Group's revenue during the year ended 31 December 2018.

(2) 銷售自穩定成像產品及提供服務(續)

於截至二零一八年十二月三十一日止年度，該業務分部的收益約為43.5百萬港元(二零一七年：41.1百萬港元)。其佔本集團截至二零一八年十二月三十一日止年度收益約16.6%(二零一七年：17.2%)。

(3) Sale of general aviation products and provision of services

The services and products in this business segment can be broadly divided into three categories, namely (i) light and ultra-light aircraft engines and related components distribution; (ii) maintenance training course; and (iii) maintenance and support services. Our maintenance training courses and maintenance and support services are mainly carried out in our maintenance centre with a gross floor area of approximately 1,200 square metres which is located in Zhuhai City, Guangdong Province. Our customers in this segment include light and ultra-light aircraft manufacturers, flight schools, flying entertainment clubs, light aircraft research institutions and private flight owners.

(3) 銷售通用航空產品及提供服務

該業務部分的服務及產品大致可分為三類，即(i)輕型及超輕型航空發動機及相關部件分銷；(ii)維修保養培訓課程；及(iii)維修及支援服務。我們的維修培訓課程以及維修及支援服務主要於廣東省珠海市的維修中心經營，其總建築面積約為1,200平方米。該分部的客戶包括輕型及超輕型航空器製造商、飛行學校、飛行娛樂俱樂部、輕型飛機研究機構及私人飛機擁有人。

According to "The 13th Five-Year Planning for General Aviation (《通用航空“十三五”發展規劃》)", the market of general aviation is expected to become one of the key "strategic emerging markets" to develop in the PRC. From 2018 to 2022, the market of general aviation products and services in the PRC and Hong Kong shall be promising, driven by the national planning policies which include, among others, (i) the acceleration of the development pace of infrastructure and fuel supply; (ii) the simplification of the lengthy application processes; and (iii) the PRC government's encouragement on public institutions and large corporations to purchase general aviation aircraft, and plan to have more than 5,000 units general aviation aircraft by 2020 according

根據《通用航空「十三五」發展規劃》，通用航空市場預期會成為於中國發展的重點「策略性新興市場」之一。二零一八年至二零二二年，中國及香港通用航空產品及服務市場前景明朗，乃由於下列各項國家規劃政策所推動(其中包括)：(i)基礎建設及燃料供應發展步伐加快；(ii)簡化冗長的申請程序；及(iii)中國政府鼓勵公共機構及大型企業購買通用航空飛行器，並根據《通用航空「十三五」發展

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

BUSINESS REVIEW AND OUTLOOK (Continued)

業務回顧及展望(續)

(3) Sale of general aviation products and provision of services (Continued)

(3) 銷售通用航空產品及提供服務(續)

to “The 13th Five-Year Planning for General Aviation (《通用航空“十三五”發展規劃》)” in order to benefit public services and aviation transportation. Given piston engine aircraft account for a large portion in total number of registered general aviation aircraft, the number of registered piston engine is expected to grow at a compound annual growth rate of 19.6% from 2,220 units in 2018 to 4,546 units in 2022.

規劃》計劃於二零二零年前購置超過5,000架通用航空飛行器，以使公共服務及航空運輸界別受惠。鑑於活塞式發動機飛行器佔註冊通用航空飛行器總數的重大份額，註冊活塞式發動機數目預計將按複合年增長率19.6%由二零一八年的2,220個增加至二零二二年的4,546個。

Apart from the favorable government policies, with the accelerating development of infrastructure in general aviation including the gradual improvements in supporting facilities in airports and airport communication systems and facilities, we believe that there is enormous room for our products to infuse into this market. The Company shall focus on the development of the general aviation value chain in the PRC. The number of general aviation aircraft and the number of general aviation airports would increase to meet the rising demand for flight operations in the fields of agriculture, culture, training and sports, etc. In addition, with the increase in the number of high-net-worth individuals, the demand for personal travel shall continue to grow.

除有利的政府政策之外，隨著通用航空基建發展加快，包括機場配套設施及機場通訊系統及設施的逐漸完善，我們認為我們的產品有龐大的空間可進軍該市場。本集團應專注於發展中國通用航空價值鏈。通用航空飛行器之數目及通用航空機場之數目將增加以滿足農業、文化、培訓及運動等領域對飛行活動日漸增長的需求。此外，隨著高淨值人士數目增加，對個人旅行的需求將繼續增加。

Revenue from this business segment during the year ended 31 December 2018 was approximately HK\$57.9 million (2017: HK\$50.6 million). It accounted for approximately 22.1% (2017: 21.2%) of the Group’s revenue during the year ended 31 December 2018.

於截至二零一八年十二月三十一日止年度，該業務分部的收益約為57.9百萬港元(二零一七年：50.6百萬港元)。其佔本集團截至二零一八年十二月三十一日止年度收益約22.1%(二零一七年：21.2%)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

PROSPECT

Achieving our aspiration; Reaching for our dream

Our principal business objective is to maintain and/or enhance our growth potential and expand our market share by increasing our capabilities and offering high quality optoelectronics and general aviation products and services.

Looking forward, the Company is facing various challenges ahead. Competition is keen in both local and overseas markets with similar products and service providers with respect to the product quality, price, marketing and customer services. In addition to the global and the PRC macroeconomic conditions remain volatile and the simultaneous instability and fluctuation in foreign exchange of Renminbi and foreign exchange, painted gloominess to the business developments of the Company.

With the Listing of Shares in early 2019, the Company is more than confident and equipped to put forward its business strategies and overcome all the hurdles ahead. In 2019 to come, the Group shall start establishing new research and development centres in the PRC and Hong Kong to keep ourselves abreast of technological changes in the industry. We would also strive our best to enhance the recognition and qualification of our products by obtaining internationally recognised certificates. Meanwhile, we believe that it is equally important to build a reputation and a brand name in order to strengthen our sales capacity and capture new sales opportunities, therefore we shall actively increase our participation in industry exhibition, trade fairs and conventions and number of demonstration units. More importantly, human resources are the most valuable asset of the Company in achieving success in our business, we will therefore also put more resources in recruitment of additional sales and marketing personnel to strengthen our team and organise trainings to our staff to keep them update with the latest technological developments in the industry. We shall purchase new IT hardware and software and upgrade our current IT system to support our frontline sales team and back office. Always keep in mind our motto, our aspiration in our business, we shall continue to excel in technology, our productivity and service quality to create value to the Company and to our shareholders.

前景

達成志向；實現夢想

我們的主要業務目標，是通過提高我們的能力及提供高質量的光電和通用航空產品及服務，以維持及／或增強我們的增長潛力，並擴大我們的市場份額。

展望未來，本公司面臨多重挑戰。本地及海外市場競爭同樣激烈，產品及服務供應商均有類似的產品質量、價格、營銷及客戶服務。全球及中國宏觀經濟條件仍存在波動，除此之外，人民幣匯率及外匯亦同時存在不穩定及波動情況，使本公司的業務發展蒙上陰影。

隨著股份於二零一九年年初上市，本公司更加有信心及能力推行其業務策略及克服未來的所有障礙。於二零一九年，本集團將開始在中國及香港設立新研發中心以緊貼行業內的科技變動。我們亦將竭力通過取得國際認可的證書以提高我們產品的認知度及資格。同時，我們認為建立聲譽及品牌知名度以鞏固銷售實力及把握新機遇亦同樣重要，因此我們將積極參與更多的行業展覽、貿易展及會議並增加示範樣機的數量。更為重要的是，人力資源對本公司業務取得成功而言是最寶貴的資產，因此我們亦將投入更多資源增聘銷售和營銷人員以增強我們的團隊及為員工安排培訓以使其了解業內最新的技術發展。我們將採購新資訊科技硬件及軟件及升級現有資訊科技系統，以支援前線銷售團隊及後勤工作。我們在業務中一直牢記我們的格言及志向，並將繼續提升我們的技術、生產力及服務質量，為本公司及我們的股東創造價值。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW

Revenue

The revenue of the Group was derived from business consisting of: (i) thermal imaging products and services; (ii) self-stabilised imaging products and services; and (iii) general aviation products and services.

For the year ended 31 December 2018, the total revenue of the Group increased by approximately HK\$23.7 million, or 9.9% from approximately HK\$238.4 million for the year ended 31 December 2017 to approximately HK\$262.1 million. The increase was primarily attributable to the following reasons:

(i) Thermal imaging products and services

Revenue derived from thermal imaging products and services increased by approximately HK\$14.0 million, or 9.5%, from approximately HK\$146.7 million for the year ended 31 December 2017 to approximately HK\$160.7 million for the year ended 31 December 2018. The increase was primarily attributable to an increase in sales of SF6 gas imaging cameras and PTi products, which was mainly attributable to an increase in demand from our customers, in particular electric power grid companies and a Hong Kong government department.

(ii) Self-stabilised imaging products and services

Revenue derived from self-stabilised imaging products and services increased by approximately HK\$2.4 million, or 5.8%, from approximately HK\$41.1 million for the year ended 31 December 2017 to approximately HK\$43.5 million for the year ended 31 December 2018. The increase was mainly attributable to an increase in revenue from rendering of maintenance services, which was mainly attributable to the maintenance services rendered to electric power grid companies.

財務回顧

收益

本集團的收益乃產生自以下業務：(i)熱成像產品及服務；(ii)自穩定成像產品及服務；及(iii)通用航空產品及服務。

於截至二零一八年十二月三十一日止年度，本集團的總收益由截至二零一七年十二月三十一日止年度的約238.4百萬港元增加約23.7百萬港元或9.9%至約262.1百萬港元。增長乃主要由於以下原因：

(i) 熱成像產品及服務

熱成像產品及服務產生的收益由截至二零一七年十二月三十一日止年度的約146.7百萬港元增加約14.0百萬港元或9.5%至截至二零一八年十二月三十一日止年度的約160.7百萬港元。增加乃主要由於SF6氣體成像儀及PTi產品的銷售增加，此乃主要由於來自我們客戶的需求增加，特別是電網公司及香港政府部門。

(ii) 自穩定成像產品及服務

自穩定成像產品及服務產生的收益由截至二零一七年十二月三十一日止年度的約41.1百萬港元增加約2.4百萬港元或5.8%至截至二零一八年十二月三十一日止年度的約43.5百萬港元。增加乃主要由於來自提供維修服務的收益增加，此乃主要由於向電網公司提供的維修服務。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (Continued)

Revenue (Continued)

(iii) General aviation products and services

Revenue derived from general aviation products and services increased by approximately HK\$7.3 million, or 14.4%, from approximately HK\$50.6 million for the year ended 31 December 2017 to approximately HK\$57.9 million for the year ended 31 December 2018. The increase was mainly attributable to our new customers in the general aviation industry, as a result of an increase in demand for light and ultra-light aircraft engine.

Gross Profit and Gross Profit Margin

Gross profit for the Group increased from approximately HK\$83.0 million for the year ended 31 December 2017 to approximately HK\$94.1 million for the year ended 31 December 2018, and the gross profit margin increased by approximately 1.1% from approximately 34.8% for the year ended 31 December 2017 to approximately 35.9% for the year ended 31 December 2018.

(i) Thermal imaging products and services

The gross profit margin of thermal imaging products and services increased by approximately 1.0% from approximately 29.6% for the year ended 31 December 2017 to approximately 30.6% for the year ended 31 December 2018. The increase was primarily attributable to an increase in the average selling price for a certain series of infrared cameras and the increase in demand of certain PTi products with higher gross margin.

(ii) Self-stabilised imaging products and services

The gross profit margin of self-stabilised imaging products and services increased by approximately 2.7% from approximately 53.6% for the year ended 31 December 2017 to approximately 56.3% for the year ended 31 December 2018. The increase in our gross profit margin was primarily attributable to the increase in rendering of maintenance services, which had a relatively higher gross profit margin.

財務回顧(續)

收益(續)

(iii) 通用航空產品及服務

通用航空產品及服務產生的收益由截至二零一七年十二月三十一日止年度的約50.6百萬港元增加約7.3百萬港元或14.4%至截至二零一八年十二月三十一日止年度的約57.9百萬港元。增長乃主要由於對輕型及超輕型航空發動機的需求增加使我們獲得通用航空行業的新客戶。

毛利及毛利率

本集團的毛利由截至二零一七年十二月三十一日止年度的約83.0百萬港元增加至截至二零一八年十二月三十一日止年度的約94.1百萬港元，而毛利率由截至二零一七年十二月三十一日止年度的約34.8%增加約1.1%至截至二零一八年十二月三十一日止年度的約35.9%。

(i) 熱成像產品及服務

熱成像產品及服務的毛利率由截至二零一七年十二月三十一日止年度的約29.6%增加約1.0%至截至二零一八年十二月三十一日止年度的約30.6%。增加乃主要由於若干系列的紅外線成像儀的平均售價增加以及對若干毛利率較高的PTi產品的需求增加。

(ii) 自穩定成像產品及服務

自穩定成像產品及服務的毛利率由截至二零一七年十二月三十一日止年度的約53.6%增加約2.7%至截至二零一八年十二月三十一日止年度的約56.3%。毛利率增加乃主要由於所提供的毛利率相對較高的維修服務增加。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (Continued)

Gross Profit and Gross Profit Margin (Continued)

(iii) General aviation products and services

The gross profit margin of general aviation products and services remained relatively stable at approximately 34.8% and 35.2% for the years ended 31 December 2017 and 2018, respectively.

Other Income and Gains, Net

The Group's other income and gains decreased by approximately HK\$3.9 million, or 68.4%, from approximately HK\$5.7 million for the year ended 31 December 2017 to approximately HK\$1.8 million for the year ended 31 December 2018. The decrease was mainly attributable to the absence of foreign exchange gain recognised for the year ended 31 December 2018 as compared with the foreign exchange gain of approximately HK\$5.5 million recognised for the year ended 31 December 2017.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately HK\$2.3 million, or 10.5%, from approximately HK\$22.0 million for the year ended 31 December 2017 to approximately HK\$24.3 million for the year ended 31 December 2018. The increase was mainly attributable to an increase in staff costs of our sales and marketing personnel resulting from the increase in sales commission, which was generally in line with the increase in our overall revenue for the year ended 31 December 2018.

Administrative Expenses

The Group's administrative expenses increased by approximately HK\$22.5 million, or by 104.2%, from approximately HK\$21.6 million for the year ended 31 December 2017 to approximately HK\$44.1 million for the year ended 31 December 2018, which was primarily attributable to an increase in listing expenses, which were non-recurring in nature, during the year ended 31 December 2018.

財務回顧(續)

毛利及毛利率(續)

(iii) 通用航空產品及服務

通用航空產品及服務的毛利率於截至二零一七年及二零一八年十二月三十一日止年度維持相對穩定，分別約為34.8%及35.2%。

其他收入及收益淨額

本集團的其他收入及收益由截至二零一七年十二月三十一日止年度的約5.7百萬港元減少約3.9百萬港元或68.4%至截至二零一八年十二月三十一日止年度的約1.8百萬港元。減少乃主要由於截至二零一七年十二月三十一日止年度確認外匯收益約5.5百萬港元，而截至二零一八年十二月三十一日止年度並無確認外匯收益。

銷售及分銷開支

本集團的銷售及分銷開支由截至二零一七年十二月三十一日止年度的約22.0百萬港元增加約2.3百萬港元或10.5%至截至二零一八年十二月三十一日止年度的約24.3百萬港元。增加乃主要由於銷售佣金增加使我們銷售及營銷人員的員工成本增加，大致上與我們截至二零一八年十二月三十一日止年度的整體收益增加一致。

行政開支

本集團的行政開支由截至二零一七年十二月三十一日止年度的約21.6百萬港元增加約22.5百萬港元或104.2%至截至二零一八年十二月三十一日止年度的約44.1百萬港元，乃主要由於截至二零一八年十二月三十一日止年度屬非經常性質的上市開支增加。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (Continued)

Other Expenses

The Group's other expenses increased by approximately HK\$6.7 million, or 744.4%, from approximately HK\$0.9 million for the year ended 31 December 2017 to approximately HK\$7.6 million for the year ended 31 December 2018. The increase in other expenses was primarily attributable to the recognition of foreign exchange loss arising from the depreciation of Renminbi against United States dollar for the year ended 31 December 2018.

Income Tax Expense

The Group's income tax expense decreased by approximately HK\$1.0 million, or 10.8%, from approximately HK\$9.3 million for the year ended 31 December 2017 to approximately HK\$8.3 million for the year ended 31 December 2018, which was primarily resulting from a decrease in taxable profits during the year ended 31 December 2018. The Group's effective tax rates increased from approximately 21.0% for the year ended 31 December 2017 to approximately 41.7% for the year ended 31 December 2018, which was primarily attributable to the increase in non-deductible listing expenses.

Profit for the Year Attributable to Owners of the Parent

As a result of the cumulative effect of the above factors, the Group's profit for the year attributable to the owners of the parent decreased by approximately HK\$23.0 million, or 66.7%, from approximately HK\$34.5 million for the year ended 31 December 2017 to approximately HK\$11.5 million for the year ended 31 December 2018. By excluding the non-recurring listing expenses from our results, we would have recorded profit for the year attributable to the owners of the parent of approximately HK\$33.3 million for the year ended 31 December 2018 and HK\$37.8 million for the year ended 31 December 2017, respectively.

財務回顧(續)

其他開支

本集團的其他開支由截至二零一七年十二月三十一日止年度的約0.9百萬港元增加約6.7百萬港元或744.4%至截至二零一八年十二月三十一日止年度的約7.6百萬港元。其他開支的增加乃主要由於截至二零一八年十二月三十一日止年度人民幣兌美元貶值而確認外匯虧損。

所得稅開支

本集團的所得稅開支由截至二零一七年十二月三十一日止年度的約9.3百萬港元減少約1.0百萬港元或10.8%至截至二零一八年十二月三十一日止年度的約8.3百萬港元，乃主要由於截至二零一八年十二月三十一日止年度的應課稅溢利減少。本集團的實際稅率由截至二零一七年十二月三十一日止年度的約21.0%增加至截至二零一八年十二月三十一日止年度的約41.7%，乃主要由於不可扣稅上市開支增加。

母公司擁有人應佔年度溢利

由於前述各項因素的累計影響，母公司擁有人應佔本集團年度溢利由截至二零一七年十二月三十一日止年度的約34.5百萬港元減少約23.0百萬港元或66.7%至截至二零一八年十二月三十一日止年度的約11.5百萬港元。倘將非經常性上市開支自業績剔除，則我們於截至二零一八年十二月三十一日止年度及截至二零一七年十二月三十一日止年度將錄得母公司擁有人應佔年度溢利分別約33.3百萬港元及37.8百萬港元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group maintained a healthy liquidity position, with working capital financed mainly by internal resources.

As at 31 December 2018, the Group reported net current assets of approximately HK\$172.6 million, as compared with approximately HK\$251.1 million as at 31 December 2017. As at 31 December 2018, the Group's cash and bank balances was approximately HK\$52.9 million, representing an increase of approximately HK\$12.3 million as compared to HK\$40.6 million as at 31 December 2017.

For the year ended 31 December 2018, the net cash generated from operating activities was approximately HK\$4.5 million (2017: HK\$9.2 million). The cash generated from operating activities was mainly from the profits during the year ended 31 December 2018.

The net cash generated from investing activities was approximately HK\$46.9 million (2017: net cash used in investing activities of approximately HK\$39.6 million). The net cash used in financing activities was approximately HK\$37.3 million (2017: HK\$0.8 million). The net cash generated from investing activities was mainly attributable to the repayments from directors. The net cash used in financing activities was mainly for the payment of listing expenses and the payment arising from the reorganisation prior to the Listing.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no significant contingent liabilities (31 December 2017: Nil).

流動資金及資本資源

本集團於年內維持健康的流動資金狀況，營運資金主要由內部資源提供。

於二零一八年十二月三十一日，本集團錄得流動資產淨值約172.6百萬港元，而二零一七年十二月三十一日則約為251.1百萬港元。於二零一八年十二月三十一日，本集團的現金及銀行結餘約為52.9百萬港元，較二零一七年十二月三十一日的40.6百萬港元增加約12.3百萬港元。

截至二零一八年十二月三十一日止年度，經營活動所得現金淨額約為4.5百萬港元(二零一七年：9.2百萬港元)。經營活動所得現金乃主要來自截至二零一八年十二月三十一日止年度的溢利。

投資活動所得現金淨額約為46.9百萬港元(二零一七年：投資活動所用現金淨額約為39.6百萬港元)。融資活動所用現金淨額約為37.3百萬港元(二零一七年：0.8百萬港元)。投資活動所得現金淨額乃主要來自董事還款。融資活動所用現金淨額主要為上市開支付款及上市前重組產生的付款。

或然負債

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

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

CAPITAL COMMITMENTS

As at 31 December 2018, the Group had no significant capital commitments (31 December 2017: Nil).

FOREIGN EXCHANGE EXPOSURE

Functional currency of the Group's operating subsidiaries is either Hong Kong dollar or Renminbi, while some of the Group's business transactions and cost of sales are denominated in United States dollar and Euro.

The Group has transactional currency exposures and such exposures arise from sales or purchases made by subsidiaries in currencies other than the subsidiaries' functional currencies. The Group's foreign currency exposure also comprises assets and liabilities denominated in United States dollar. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

PLEDGE OF ASSETS

As at 31 December 2018, the Group did not pledge any assets (31 December 2017: pledged time deposits of approximately HK\$0.5 million).

GEARING RATIO

As at 31 December 2018, since we did not have any bank borrowings, gearing ratio was not applicable to our Group.

資本承擔

於二零一八年十二月三十一日，本集團並無重大資本承擔(二零一七年十二月三十一日：無)。

外匯風險

本集團經營附屬公司的功能貨幣為港元或人民幣，而本集團若干業務交易及銷售成本則以美元及歐元計值。

本集團承受交易貨幣風險，該等風險來自附屬公司以附屬公司功能貨幣以外的貨幣進行的銷售或採購。本集團的外幣風險亦包括以美元計值的資產及負債。本集團密切監察匯率變動，藉此管理外幣風險。

資產抵押

於二零一八年十二月三十一日，本集團並無抵押任何資產(二零一七年十二月三十一日：抵押定期存款約0.5百萬港元)。

資產負債比率

於二零一八年十二月三十一日，由於我們並無任何銀行借款，故資產負債比率對本集團不適用。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

USE OF PROCEEDS

The final offer price for the Listing was HK\$1.25 per share, and the actual net proceeds from the Listing were approximately HK\$81.2 million (after deduction of the listing expenses). As at the date of this Annual Report, the net proceeds from the Listing were utilised as follows:

所得款項用途

上市的最終發售價為每股1.25港元，而實際上市所得款項淨額約為81.2百萬港元(經扣除上市開支)。於本年度報告日期，上市所得款項淨額的使用情況如下：

		Actual net proceeds	Amount utilised as at the date of this Annual Report	Amount unutilised as at the date of this Annual Report
		實際所得 款項淨額 HK\$'000 千港元	於本年度 報告日期 已使用金額 HK\$'000 千港元	於本年度 報告日期 未使用金額 HK\$'000 千港元
Establish new research and development centres in the PRC and Hong Kong	在中國及香港設立新研發中心	39,600	-	39,600
Enhance the recognition and qualification of our products	提高我們產品的認知度及資格	17,300	-	17,300
Strengthen our sales capacity and capture new sales opportunities	鞏固銷售實力及把握新銷售機遇	21,100	(29)	21,071
Purchase new IT hardware and software	購買新資訊科技硬件及軟件	2,500	(764)	1,736
Working capital	營運資金	700	-	700
		81,200	(793)	80,407

To facilitate the growth of our business, the use of proceeds for purchasing new IT hardware and software is ahead of schedule as disclosed in the Prospectus. The Directors considered that it would be in the best interest of the Group without materially impairing its financial capabilities to temporarily utilise such funds by earning interest income in bank accounts and they are not aware of any material change to the proposed use of proceeds as at the date of this Annual Report.

為促進我們業務的增長，用於購買新資訊科技硬件及軟件的所得款項的使用時間較招股章程所披露的預定時間為早。董事認為，臨時利用該等款項於銀行賬戶中賺取利息收入而不會大幅削弱本集團的財務能力乃符合本集團的最佳利益，而截至本年度報告日期，彼等並未知悉建議所得款項用途有任何重大變動。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

RESTRUCTURING AND SIGNIFICANT INVESTMENTS

During the year, the Group underwent corporate restructuring prior to the Listing of Shares. Please refer to the section headed “History, Reorganisation and Corporate Structure” in the Prospectus for further details on the restructuring and relevant significant investments.

EMPLOYEES AND REMUNERATION POLICY

The Group had a total of 140 (31 December 2017: 144) employees as at 31 December 2018. Total staff costs of the Group (excluding the Directors’ and chief executive’s remuneration) for the year ended 31 December 2018 was approximately HK\$29.5 million (2017: approximately HK\$25.6 million). The Group’s remuneration policies were in line with relevant legislation, market conditions and the performance of our employees.

DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 5 June 2019 to Wednesday, 12 June 2019, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending and voting at the annual general meeting (“AGM”) to be held on Wednesday, 12 June 2019, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged for registration with the Hong Kong share registrar of the Company, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong no later than 4:00 p.m. on Tuesday, 4 June 2019.

重組及重大投資

本集團於年內進行股份上市前公司重組。有關重組及相關重大投資的更多詳情，請參閱招股章程「歷史、重組及企業架構」一節。

僱員及薪酬政策

本集團於二零一八年十二月三十一日有合共140名(二零一七年十二月三十一日：144名)僱員。本集團於截至二零一八年十二月三十一日止年度的員工成本總額(不包括董事及最高行政人員的薪酬)約為29.5百萬港元(二零一七年：約25.6百萬港元)。本集團的薪酬政策符合相關法律、市場狀況及我們僱員的表現。

股息

董事會不建議派付截至二零一八年十二月三十一日止年度的末期股息(二零一七年：無)。

暫停辦理股份過戶登記

本公司將於二零一九年六月五日(星期三)至二零一九年六月十二日(星期三)(包括首尾兩日)暫停辦理股份過戶登記，期間將不會辦理股份過戶登記手續。為符合資格出席將於二零一九年六月十二日(星期三)舉行的股東週年大會(「股東週年大會」)並於會上投票，所有股份過戶文件連同相關股票及過戶表格最遲須於二零一九年六月四日(星期二)下午四時正前交回本公司香港股份過戶登記處聯合證券登記有限公司(地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室)以辦理登記手續。

Directors And Senior Management

董事及高級管理層

DIRECTORS

Executive Directors

Mr. YEUNG Lun Ching (楊倫楨), aged 70, is the founder of our Group. Mr. Yeung is the chairman of our Board and an executive Director. Mr. Yeung was appointed as a Director on 19 December 2017. He is in charge of the strategic direction and development strategy of our Group. Mr. Yeung is also a director of a number of our subsidiaries and the member of the Company's remuneration committee.

Mr. Yeung has over 20 years of experience in the optoelectronics and general aviation industry. He obtained his bachelor's degree in aeronautical engineering from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) (formerly known as Nanjing College of Aeronautics (南京航空學院)) in June 1982. Mr. Yeung started his career in the industry working as a designer of aircraft machinery at the Aviation Department Aircraft Design Institute* (中國航空工業總公司第六一一研究所, also known as 四川成都611所) from February 1982 to May 1985 where he was mainly responsible for design of aircraft machinery. He joined Schmidt & Co., (Hong Kong) Ltd., a company focusing on system integration, in May 1986 and was promoted to the role of product manager in January 1993 responsible for business development. He then founded our Group in April 1998 and has served as managing director of our Group since then.

Mr. Yeung served as the general manager (常務理事) of Infrared Analysis Society of China* (中國紅外分析學會) in 1989. In 2004, he was appointed as the Economic Development Consultant of Meijiang District, Meizhou* (梅州市梅江區經濟社會發展顧問) by the Meizhou Meijiang Committee Meizhou Meijiang People's Government* (中共梅州市梅江區委員會梅州市梅江區人民政府). He was awarded the title of the 20th Anniversary of Meijiang District Outstanding Contributor* (梅江區建區20週年突出貢獻者) by the Meizhou Meijiang Committee Meizhou Meijiang People's Government* (中共梅州市梅江區委員會梅州市梅江區人民政府) in 2008. Besides, Mr. Yeung was appointed as the Honorary Vice-chairman of Fifth Executive Committee of Guangzhou Land, Marine and Aero Modelling Association* (廣州市陸海空模型運動協會第五屆理事會名譽副主席) in 2011.

董事

執行董事

楊倫楨先生，70歲，為本集團的創辦人。楊先生為董事會主席及執行董事。楊先生於二零一七年十二月十九日獲委任為董事。彼負責本集團的策略方針及發展策略。楊先生亦於我們多間附屬公司擔任董事及為本公司之薪酬委員會的成員。

楊先生於光電學及通用航空行業擁有超過20年經驗。彼於一九八二年六月自南京航空航天大學(前稱為南京航空學院)取得航空工程學士學位。於一九八二年二月至一九八五年五月，楊先生於中國航空工業總公司第六一一研究所(亦稱為四川成都611所)任職飛機機械設計師，主要負責設計飛機機械，由此開展有關事業。彼於一九八六年五月加入興華科儀有限公司(該公司專注於系統集成)，並於一九九三年一月晉升為產品經理，負責業務發展。其後，彼於一九九八年四月創辦本集團及自此擔任本集團董事總經理。

於一九八九年，楊先生擔任中國紅外分析學會的常務理事。於二零零四年，彼獲中共梅州市梅江區委員會梅州市梅江區人民政府委任為梅州市梅江區經濟社會發展顧問。於二零零八年，彼獲中共梅州市梅江區委員會梅州市梅江區人民政府頒發「梅江區建區20週年突出貢獻者」之名銜。此外，於二零一一年，楊先生獲委任為廣州陸海空模型運動協會第五屆理事會名譽副主席。

Directors and Senior Management (Continued)

董事及高級管理層(續)

DIRECTORS (Continued)

Executive Directors (Continued)

Mr. Yeung has obtained various qualifications, including (i) the Service and Maintenance Course for Ultralight Aircraft Engines ROTAX 582-618-912 Diploma from ROTAX in March 1993; (ii) the Thermovision 500 Operator Training Course awarded by Agema Infrared Systems in October 1997; (iii) The American Society for Nondestructive Testing Level II Certificate Program in October 1999; and (iv) the Thermal Imaging Fundamentals Certificate awarded by FLIR Infrared Training Centre in June 2007. Mr. Yeung further completed the Advanced CEO Program* (企業總裁(CEO)高級研修班) at Tsinghua University in May 2010.

Mr. Yeung is the spouse of Ms. WONG Kwan Lik and the father of Mr. YEUNG Chun Tai.

Ms. WONG Kwan Lik (王群力), aged 62, is the chief executive officer and an executive Director. Ms. Wong was appointed as a Director on 19 December 2017. She joined our Group in April 1998 and has since then taken an active part in the sales and operation of our Group. Ms. Wong is also a director of a number of our subsidiaries and the member of the Company's nomination committee.

Ms. Wong has over 20 years of experience in the optoelectronics and general aviation industry. From February 1982 to May 1986, Ms. Wong worked on aviation machinery research at the Aviation Department Aircraft Design Institute* (中國航空工業總公司第六一一研究所, also known as 四川成都611所). Ms. Wong has been serving as the sales manager of Peiport Scientific Limited ("Peiport Scientific") and Peiport Scientific Aero Limited ("Peiport Aero") from April 1998 to June 2018 and since July 2018, respectively, and is responsible for planning and coordination of sales and operations of our Group.

Ms. Wong obtained a bachelor's degree in aeronautical engineering from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) (formerly known as Nanjing College of Aeronautics (南京航空學院)) in June 1982.

Ms. Wong is the spouse of Mr. YEUNG Lun Ching and the mother of Mr. YEUNG Chun Tai.

董事(續)

執行董事(續)

楊先生已取得多項資格，包括(i)於一九九三年三月獲ROTAX頒授超輕型飛機發動機服務及保養課程ROTAX 582-618-912文憑；(ii)於一九九七年十月獲Agema Infrared Systems頒授熱視系統500營運商培訓課程；(iii)於一九九九年十月完成美國非破壞性監測協會二級證書課程；及(iv)於二零零七年六月獲FLIR紅外線培訓中心(FLIR Infrared Training Center)頒授熱成像基礎證書。於二零一零年五月，楊先生再於清華大學完成企業總裁(CEO)高級研修班。

楊先生為王群力女士之配偶及楊振泰先生之父親。

王群力女士，62歲，為行政總裁及執行董事。王女士於二零一七年十二月十九日獲委任為董事。彼於一九九八年四月加入本集團，自此積極參與本集團的銷售及營運。王女士亦於我們多間附屬公司擔任董事及為本公司之提名委員會的成員。

王女士於光電學及通用航空行業擁有逾20年經驗。於一九八二年二月至一九八六年五月，王女士於中國航空工業總公司第六一一研究所(亦稱為四川成都611所)從事航空機械研究工作。自一九九八年四月及二零一八年七月起，王女士分別一直擔任彼岸科儀有限公司(「彼岸科儀」)及彼岸科航有限公司(「彼岸科航」)的銷售經理，負責規劃及協調本集團的銷售及營運。

王女士於一九八二年六月獲得南京航空航天大學(前稱南京航空學院)頒授航空工程學士學位。

王女士為楊倫楨先生的配偶及楊振泰先生的母親。

Directors and Senior Management (Continued)

董事及高級管理層(續)

DIRECTORS (Continued)

Executive Directors (Continued)

Mr. YEUNG Chun Tai (楊振泰), aged 31, is an executive Director. Mr. Yeung was appointed as a Director on 22 August 2018. Mr. Yeung joined our Group in February 2016 and has since then taken part in the management of operation and supplier relationship of our Group.

Mr. Yeung has over 2 years of experience in the optoelectronics and general aviation industry. From April 2013 till February 2014, Mr. Yeung worked as an associate in the ICT hardware department under the Bell Professional Management Program of Bell Canada, and was responsible for building and maintaining the office's computers and facilities. He was promoted to the position of technical analyst in October 2013 and was responsible for managing the daily work of the ICT hardware department. From August 2014 to March 2015, Mr. Yeung joined Bell Business Market of Bell Canada and worked as a technical analyst, responsible for building, testing and deploying Cisco telephone scripts for customers. Mr. Yeung has been working as the marketing manager of Peiport Scientific and Peiport Aero from February 2016 to June 2018 and since July 2018, respectively, and is mainly responsible for managing the daily operations of our Group.

Mr. Yeung obtained a bachelor's degree in engineering from McMaster University in Canada in June 2010, majoring in computer engineering. He further obtained a master's degree in engineering from McMaster University in June 2013, majoring in electrical and computer engineering.

Mr. Yeung is the son of Mr. YEUNG Lun Ching and Ms. WONG Kwan Lik.

董事(續)

執行董事(續)

楊振泰先生，31歲，為執行董事。楊振泰先生於二零一八年八月二十二日獲委任為董事。楊振泰先生於二零一六年二月加入本集團，自此參與本集團的營運及供應商關係管理。

楊振泰先生於光電及通用航空行業擁有逾兩年經驗。於二零一三年四月至二零一四年二月，楊先生擔任加拿大貝爾公司Bell Professional Management Program的ICT硬件部人員，負責建設及保養辦公室電腦及設施。彼於二零一三年十月晉升為技術分析員，負責管理ICT硬件部門的日常工作。於二零一四年八月至二零一五年三月，楊先生加盟加拿大貝爾公司Bell Business Market，擔任技術分析員，負責為客戶建設、測試及規劃思科的電話對話內容。於二零一六年二月至二零一八年六月及自二零一八年七月起，楊先生分別一直擔任彼岸科儀及彼岸科航的市場營銷經理，主要負責管理本集團的日常營運。

楊先生於二零一零年六月取得加拿大麥克馬斯特大學的工程學士學位，主修計算機工程。彼再於二零一三年六月取得麥克馬斯特大學的工程碩士學位，主修電子及計算機工程。

楊先生為楊倫楨先生與王群力女士的兒子。

Directors and Senior Management (Continued)

董事及高級管理層(續)

DIRECTORS (Continued)

Independent Non-Executive Directors

Mr. NIU Zhongjie (牛鍾洁), aged 51, was appointed as an independent non-executive Director on 18 December 2018. He is responsible for supervising and providing independent judgment to our Board. Mr. Niu is also the chairman of the Company's nomination committee and the member of the audit committee and remuneration committee.

Mr. Niu has worked with various financial institutions and has extensive experience in equity capital markets. He served as a director of Vision Finance Asset Management Limited from February 2008 to January 2015. He has been the director of Vision Finance International Company Limited since September 2007 to present, and has also been the responsible officer of the company to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities since November 2007. Furthermore, he has been the responsible officer for type 4 (advising on securities) and type 9 (asset management) regulated activities of Vision Finance Asset Management Limited since December 2008 and July 2010, respectively.

He has served as an independent non-executive director of Gold-Finance Holdings Limited (stock code: 1462) since February 2016. Mr. Niu previously served as an executive director of Beijing Sports and Entertainment Industry Group Limited (stock code: 1803), from 23 April 2015 to 7 November 2018.

Ms. YEUNG Hiu Fu Helen (楊曉英), aged 43, was appointed as an independent non-executive Director on 18 December 2018. She is responsible for supervising and providing independent judgment to our Board. Ms. Yeung is also the chairman of the Company's audit committee and the member of the nomination committee.

董事(續)

獨立非執行董事

牛鍾洁先生，51歲，於二零一八年十二月十八日獲委任為獨立非執行董事。彼負責監督董事會及向其提供獨立判斷。牛先生同時為本公司之提名委員會的主席，以及審核委員會及薪酬委員會的成員。

牛先生曾於多間金融機構工作，在股權資本市場擁有豐富經驗。彼於二零零八年二月至二零一五年一月擔任睿智金融資產管理有限公司的董事。由二零零七年九月至今，彼為睿智金融國際有限公司董事，亦於二零零七年十一月起擔任該公司就進行第1類(證券交易)及第6類(就機構融資提供意見)受規管活動方面的負責人員。另外，彼分別自二零零八年十二月及二零一零年七月起擔任睿智金融資產管理有限公司在第4類(就證券提供意見)及第9類(提供資產管理)受規管活動方面的負責人員。

自二零一六年二月起，彼為金誠控股有限公司(股份代號：1462)的獨立非執行董事。自二零一五年四月二十三日至二零一八年十一月七日，牛先生曾為北京體育文化產業集團有限公司(股份代號：1803)的執行董事。

楊曉英女士，43歲，於二零一八年十二月十八日獲委任為獨立非執行董事。彼負責監督董事會及向其提供獨立判斷。楊女士同時為本公司之審核委員會的主席及提名委員會的成員。

Directors and Senior Management (Continued)

董事及高級管理層(續)

DIRECTORS (Continued)

Independent Non-Executive Directors (Continued)

Ms. Yeung has over 15 years of experience in finance and accounting. Prior to joining our Group, Ms. Yeung worked in various companies being responsible in the finance and accounting aspects, among which she served as (i) a staff accountant in the audit department of Ernst & Young in Hong Kong from September 1997 to March 1999; (ii) an accounting officer of China Overseas Land & Investment Ltd from September 1999 to 2002; (iii) an accountant of Bruker Optics Inc. from January 2006 to February 2007; and (iv) the accounting manager of PCC Asia LCC since April 2007.

Ms. Yeung was awarded the Bachelor of Arts (Hons) Degree in Accountancy by The Hong Kong Polytechnic University in 1997. Ms. Yeung was admitted in January 2007 as a member of the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). She is currently a Certified Public Accountant registered with the HKICPA. She has been a member of Association of Chartered Certified Accountants since May 2006.

Mr. HOU Min (侯珉), aged 54, was appointed as an independent non-executive Director on 18 December 2018. He responsible for supervising and providing independent judgment to our Board. Mr. Hou is also the chairman of the company's remuneration committee and the member of the audit committee.

Mr. Hou has over 20 years of experience in the aviation industry. From 1980 to 1994, Mr. Hou served in the PRC military. Mr. Hou served as an officer at the Anti-Smuggling Bureau of the Beijing Customs Office between September 1994 and March 2002. From 2002 to 2004, Mr. Hou was employed by Sino Television Co. Ltd (神州電視有限公司) as a pilot for aerial photography. From May 2012 to December 2013, Mr. Hou worked at Anhui Dinghong General Aviation Company Limited* (安徽頂宏通用航空有限公司) (previously known as the Anhui Dinghong General Aviation Company Limited* (安徽鼎宏通用航空有限公司)), with his last position being the general manager responsible for daily operations.

董事(續)

獨立非執行董事(續)

楊女士在財務及會計方面擁有逾15年經驗。加入本集團前，楊女士曾在多間公司工作，負責財務及會計事務，其中彼(i)於一九九七年九月至一九九九年三月在香港安永會計師事務所會計部擔任會計師；(ii)由一九九九年九月至二零零二年擔任中國海外發展有限公司的會計人員；(iii)於二零零六年一月至二零零七年二月在Bruker Optics Inc.擔任會計師；及(iv)自二零零七年四月起擔任PCC Asia LCC的會計經理。

於一九九七年，楊女士獲香港理工大學頒授會計文學(榮譽)學士學位。楊女士於二零零七年一月獲認可為香港會計師公會(「香港會計師公會」)會員。彼目前於香港會計師公會註冊為執業會計師。彼自二零零六年五月起成為特許公認會計師公會會員。

侯珉先生，54歲，於二零一八年十二月十八日獲委任為獨立非執行董事。彼負責監督董事會及向其提供獨立判斷。侯先生同時為本公司的薪酬委員會的主席及審核委員會的成員。

侯先生在航空業擁有逾20年經驗。由一九八零年至一九九四年，侯先生於中國參軍。侯先生於一九九四年九月至二零零二年三月在北京海關辦事處海關緝私局擔任公職人員。由二零零二年至二零零四年，侯先生受聘於神州電視有限公司，擔任航拍的駕駛員。由二零一二年五月至二零一三年十二月，侯先生任職於安徽頂宏通用航空有限公司(前稱為安徽鼎宏通用航空有限公司)，離任前的最後職位為總經理，負責日常營運。

Directors and Senior Management (Continued)

董事及高級管理層(續)

DIRECTORS (Continued)

Independent Non-Executive Directors (Continued)

From February 2015 to August 2017, Mr. Hou was the general manager of Hunan Sunward General Aviation Company Limited* (湖南山河華翔通航有限公司) responsible for the daily operations of the Company. From December 2017 to the present, Mr. Hou has been the legal representative and general manager of Guizhou Huang Ping Qie Lan General Aviation Company Limited* (貴州黃平且蘭通用航空有限公司) responsible for the overall operation and management.

Mr. Hou completed the fighter pilot diploma at the PRC People's Liberation Army Air Force Fourth Aviation School* (中國人民解放軍空軍第四航空學校) in December 1982. He further obtained a bachelor's degree in military science from the Army Staff College* (陸軍參謀學院) in the PRC in July 1994.

SENIOR MANAGEMENT

Ms. SZE So Fan (史溯帆), aged 49, is the deputy chief executive officer of our Group. Ms. Sze joined our Group in May 1999 and is responsible for overall administration and human resources management of our Group.

Ms. Sze has around 20 years of experience in the marketing field. Between March 1998 to April 1999, Ms. Sze worked as a marketing executive in TFH Technology Co., Ltd., a company which engages in the trading of engineering equipment and she was mainly responsible for assisting the sales and marketing manager for formulation and implementation of sales and marketing strategy.

Ms. Sze graduated from Minzu University of China (中央民族學院) in June 1991 with a bachelor's degree in physics.

董事(續)

獨立非執行董事(續)

由二零一五年二月至二零一七年八月，侯先生為湖南山河華翔通航有限公司的總經理，負責公司日常營運。由二零一七年十二月至今，侯先生為貴州黃平且蘭通用航空有限公司的法人代表及總經理，負責整體營運及管理。

侯先生於一九八二年十二月修畢中國人民解放軍空軍第四航空學校的戰鬥機駕駛員學位。彼於一九九四年七月進一步取得中國陸軍參謀學院的軍事科學學士學位。

高級管理層

史溯帆女士，49歲，為本集團的副行政總裁。史女士於一九九九年五月加入本集團及負責本集團的整體行政及人力資源管理。

史女士於市場營銷領域擁有約20年經驗。於一九九八年三月至一九九九年四月期間，史女士於TFH Technology Co., Ltd. (從事工程設備貿易)任職市場營銷人員，主要負責協助銷售及市場營銷經理制定及實施銷售及市場營銷策略。

史女士於一九九一年六月於中央民族學院畢業，獲物理學學士學位。

Directors and Senior Management (Continued)

董事及高級管理層(續)

SENIOR MANAGEMENT (Continued)

Mr. KWAN Leung Yu (關亮宇), aged 42, is the technology director of our Group and is responsible for the overall technical products and supplier relationship management of our Group. Mr. Kwan has around 20 years of experience in the engineering field. Mr. Kwan joined our Group in September 1999 as a sales engineer and was promoted to assistant general manager in April 2004 where he was mainly responsible for design, tailoring and preparation of technical proposals of thermal imaging products and services and self-stabilised imaging related products and services for our customers. Mr. Kwan obtained his bachelor's degree in engineering from The University of Hong Kong in December 1998.

Mr. XIA Xiaoming (夏曉明), aged 59, is the chief engineer of our Group. Mr. Xia joined our Group in 2002 and is responsible for research and development of the products of our Group. Mr. Xia has over 15 years of experience in the optoelectronics and general aviation industry. From January 1989 to March 1993, Mr. Xia worked as a teacher in Nanjing University of Aeronautics and Astronautics (南京航空航天大學) (formerly known as Nanjing University of Aeronautics (南京航空大學)). From 1993 to 1995, Mr. Xia worked as technical manager in Shenzhen Transportation Machinery and Electronics Company* (深圳交運機械電子公司) and was responsible for research and development of mechanical products.

Mr. Xia obtained a master's degree in engineering, and doctor's degree in engineering, from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) (formerly known as Nanjing University of Aeronautics (南京航空大學)) in December 1984 and May 1989, respectively. He further obtained a master's degree in business administration from Duquesne University in the United States in December 1997.

高級管理層(續)

關亮宇先生，42歲，為本集團的技術總監並負責管理本集團整體技術產品及供應商關係管理。關先生於工程領域擁有約20年經驗。關先生於一九九九年九月加入本集團擔任銷售工程師並於二零零四年四月獲晉升為助理總經理，主要負責為客戶設計、訂造及編製熱成像產品及服務和自穩定成像相關產品及服務的技術方案。關先生於一九九八年十二月獲得香港大學工程學學士學位。

夏曉明先生，59歲，為本集團總工程師。夏先生於二零零二年加入本集團及負責本集團產品研發。夏先生於光電及通用航空行業擁有逾15年經驗。於一九八九年一月至一九九三年三月，夏先生在南京航空航天大學(前稱南京航空大學)任職教師。於一九九三年至一九九五年，夏先生在深圳交運機械電子公司任職技術經理，負責機械產品研發。

夏先生分別於一九八四年十二月及一九八九年五月獲得南京航空航天大學(前稱南京航空大學)的工程學碩士學位及工程學博士學位。彼再於一九九七年十二月取得美國杜肯大學的工商管理碩士學位。

Directors and Senior Management (Continued)

董事及高級管理層(續)

SENIOR MANAGEMENT (Continued)

Ms. LEUNG Chin Ching (梁展鏗), aged 32, is the company secretary and financial controller of our Group and is primarily responsible for the secretarial, compliance work and overall financial and accounting operations of our Group.

Ms. Leung has over 9 years of experience in finance and accounting. Ms. Leung obtained the bachelor degree of business administration in accountancy from the City University of Hong Kong in July 2009. She is admitted as a certified public accountant of the HKICPA in July 2013.

Note: If there is any inconsistency between the official Chinese name of the PRC laws or regulations or the PRC Government authorities or the PRC entities and their English translation, the Chinese version shall prevail. English translations of official Chinese names are for identification purposes only and are marked with “*”.

高級管理層(續)

梁展鏗女士，32歲，為本集團公司秘書及財務總監，主要負責本集團的秘書、合規工作及整體財務及會計運作。

梁女士在財務及會計方面擁有逾9年經驗。梁女士於二零零九年七月獲得香港城市大學的工商管理(會計)學士學位。彼於二零一三年七月獲認可為香港會計師公會的執業會計師。

附註：倘中國法律或法規或中國政府機關或中國實體的官方中文名稱與其英文翻譯存在任何歧義，概以中文版為準。官方中文名稱的英文翻譯僅供識別用途，並以「*」標記。

Corporate Governance Report

企業管治報告

The Board of Directors is pleased to present the corporate governance report of the Company (the “Corporate Governance Report”) for the year ended 31 December 2018.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

As the Company was not yet listed on the Stock Exchange during the year ended 31 December 2018, the principles and code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) was not applicable to the Company during the period under review. The Company has adopted the principles and code provisions of the CG Code as the basis of the Company’s corporate governance practices, and the CG Code has been applicable to the Company with effect from the Listing Date. The Company has complied with all the applicable code provisions set out in the CG Code throughout the period from the Listing Date up to the date of this Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set forth in Appendix 10 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors in the securities of the Company and other matters covered by the Model Code.

As the Company was not yet listed on the Stock Exchange as at 31 December 2018, the provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions were not applicable to the Company for the year ended 31 December 2018. Specific enquiry has been made to all Directors and they have confirmed that they have complied with the Model Code since the Listing Date and up to the date of this Annual Report.

董事會欣然呈列本公司截至二零一八年十二月三十一日的企業管治報告(「企業管治報告」)。

企業管治常規

本公司致力於達致高水平的企業管治標準。董事會相信，對於提供本集團保障股東利益的框架以及提升企業價值及問責度而言，高水平的企業管治標準至關重要。

由於本公司於截至二零一八年十二月三十一日止年度尚未於聯交所上市，故聯交所證券上市規則(「上市規則」)附錄十四所載之企業管治守則(「企管守則」)的原則及守則條文於回顧期內並不適用於本公司。本公司已採納企管守則的原則及守則條文作為本公司的企業管治常規基礎，且企管守則自上市日期起即適用於本公司。本公司自上市日期起至本年度報告日期止期間一直遵守企管守則所載之所有適用守則條文。

證券交易的標準守則

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」)作為其自身的證券交易守則，以規管董事從事本公司證券的所有交易及標準守則涵蓋的其他事項。

由於本公司於截至二零一八年十二月三十一日止年度尚未於聯交所上市，故上市規則下有關董事就證券交易遵守標準守則的條文於截至二零一八年十二月三十一日止年度並不適用於本公司。經向全體董事作出具體詢問後，彼等確認其自上市日期起直至本年度報告日期一直遵守標準守則。

Corporate Governance Report (Continued)

企業管治報告(續)

THE BOARD

Roles and Responsibilities of the Board and Senior Management

The Board is the primary decision making body of the Company and is responsible for overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board makes decisions objectively in the interests of the Company.

All Directors, including 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.

The Group's senior management is responsible for the day-to-day management of the Group's businesses and is responsible for overseeing the general operation, business development, finance and marketing.

BOARD COMPOSITION

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

During the year ended 31 December 2018 and up to the date of this corporate governance report, the composition of the Board comprises the following Directors:

Executive Directors

Mr. YEUNG Lun Ching (*Chairman*)
Ms. WONG Kwan Lik
Mr. YEUNG Chun Tai
(*appointed on 22 August 2018*)

Independent Non-Executive Directors

Mr. NIU Zhongjie
(*appointed on 18 December 2018*)
Ms. YEUNG Hiu Fu Helen
(*appointed on 18 December 2018*)
Mr. HOU Min (*appointed on 18 December 2018*)

董事會

董事會及高級管理層的職務及責任

董事會為本公司主要決策機構，負責監管本集團的業務、策略決策及表現以及集體負責透過指導及監管本公司的事務推動其成功發展。董事會應以本公司的利益作出客觀決定。

全體董事(包括獨立非執行董事)均為董事會提供多種領域的寶貴業務經驗、知識及專長，使其高效及有效地運作。

本集團高級管理層負責本集團業務的日常管理並負責監管整體營運、業務發展、財務及市場推廣。

董事會組成

董事會現由六名成員組成，當中包括三名執行董事及三名獨立非執行董事。

截至二零一八年十二月三十一日止年度及直至本企業管治報告日期，董事會組成包括下列董事：

執行董事

楊倫楨先生(主席)
王群力女士
楊振泰先生
(於二零一八年八月二十二日獲委任)

獨立非執行董事

牛鍾洁先生
(於二零一八年十二月十八日獲委任)
楊曉芙女士
(於二零一八年十二月十八日獲委任)
侯珉先生(於二零一八年十二月十八日獲委任)

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMPOSITION (Continued)

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" on pages 26 to 33 of this Annual Report. The relationships between the members of the Board are also disclosed under the same section.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. YEUNG Lun Ching, being the chairman of the Board (the "Chairman"), provides leadership and is responsible for the effective functioning and leadership of the Board. Ms. WONG Kwan Lik, being the chief executive officer, focuses on the Company's business development and the daily management and operations. The segregation of roles of the Chairman and the chief executive officer of the Company aligns with the requirement pursuant to the code provision A.2.1 of the CG Code.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board at all times after the Listing Date met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing more than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors a written annual confirmation in respect of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years unless terminated by not less than three months' notice in writing served by independent non-executive Director concerned or our Company expiring at the end of the initial term or at any time thereafter.

董事會組成(續)

董事的履歷資料載於本年度報告第26至33頁「董事及高級管理層」一節。董事會各成員之間的關係亦於同一章節內披露。

主席及行政總裁

楊倫楨先生為董事會主席(「主席」)，負責領導並為董事會的有效運作及領導負責。王群力女士為行政總裁，專注於本公司的業務發展及日常管理及營運。本公司主席與行政總裁的角色區分符合企管守則守則條文第A.2.1條的要求。

獨立非執行董事

自上市日期之後，董事會始終符合上市規則關於至少委任三名獨立非執行董事的要求，該三名董事佔董事會三分之一以上，且其中一名擁有適當專業資格或會計或相關財務管理專長。

董事會已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出的書面年度確認函。本公司認為所有獨立非執行董事均屬獨立。

各獨立非執行董事已與本公司訂立委任函，初始期限為三年(除非經相關獨立非執行董事或本公司發出不少於三個月的書面通知予以終止)，並於初始期限結束時或其後任何時間屆滿。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD MEETINGS

Code provision A.1.1 of the CG Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communications.

As the Company was only listed on 11 January 2019, the Board convened only one meeting on 18 December 2018. The board meeting was attended by all Directors, namely Mr. YEUNG Lun Ching, Ms. WONG Kwan Lik, Mr. YEUNG Chun Tai, Mr. NIU Zhongjie, Ms. YEUNG Hiu Fu Helen and Mr. HOU Min. The Company expects to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision A.1.1 of the CG Code.

BOARD COMMITTEES

The Board has established three committees, namely, the audit committee, the remuneration committee and the nomination committee, for overseeing particular aspects of the Company's affairs. Each of these committees are established with defined written terms of reference. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange.

Audit Committee

The audit committee of the Company (the "Audit Committee") was established by our Company pursuant to a resolution of the Board on 18 December 2018 with written terms of reference in compliance with the Rule 3.22 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules.

The primary duties of the Audit Committee are to (i) make recommendations to our Board on the appointment, re-appointment and removal of external auditors; (ii) review the financial statements; (iii) provide material advice in respect of our financial reporting process; (iv) oversee our internal control and risk management systems and audit process; and (v) provide advice and comment to our Board on matters related to corporate governance.

董事會會議

企管守則守則條文第A.1.1條規定，董事會會議應每年召開至少四次，約每季度一次，且須有大多數董事(以親身出席或透過電子通訊方式)積極參與。

由於本公司於二零一九年一月十一日方始上市，董事會僅於二零一八年十二月十八日召開一次會議。全體董事包括楊倫楨先生、王群力女士、楊振泰先生、牛鍾浩先生、楊曉芙女士以及侯珉先生均出席董事會會議。本公司預期根據企管守則守則條文第A.1.1條，於各財政年度召開至少四次定期會議，約每季度一次。

董事委員會

董事會已成立三個委員會(即審核委員會、薪酬委員會及提名委員會)以監督本公司事務的特定方面。各委員會均制定書面職權範圍。董事委員會的職權範圍刊登於本公司網站及聯交所網站。

審核委員會

本公司於二零一八年十二月十八日根據董事會決議案成立本公司的審核委員會(「審核委員會」)，並遵照上市規則第3.22條及上市規則附錄十四所載的企管守則制定書面職權範圍。

審核委員會的主要職責為(i)就外聘核數師的委任、重續及罷免向董事會作出推薦建議；(ii)審閱財務報表；(iii)就財務報告程序提供重大意見；(iv)監督內部監控及風險管理系統及審核程序；及(v)就與企業管治有關的事宜向董事會提供意見及建議。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

The Audit Committee comprises three independent non-executive Directors, namely Mr. NIU Zhongjie, Ms. YEUNG Hiu Fu Helen and Mr. HOU Min. Ms. YEUNG Hiu Fu Helen is the chairwoman of the Audit Committee.

As the Shares were listed on the Stock Exchange on the Listing Date which was after the year ended 31 December 2018, the Audit Committee did not have any meeting and did not meet the Company's external auditor during the year ended 31 December 2018.

During the period from the Listing Date up to the date of this Annual Report, the Audit Committee had one meeting with the external auditor of the Company to discuss the annual audit for the year ended 31 December 2018. The Audit Committee has reviewed the accounting principles and practices adopted by the Group, discussed risk management, internal controls and financial reporting matters with management and the Board, including and review of the annual results of the Group for the year ended 31 December 2018.

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") was established by our Company pursuant to a resolution of the Board on 18 December 2018 with written terms of reference in compliance with Rule 3.26 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to (i) review and make recommendations to our Board on the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management; (ii) assessing performance of Directors; and (iii) approving the terms of the Directors' service contracts.

The Remuneration Committee comprises two independent non-executive Directors, namely Mr. HOU Min and Mr. NIU Zhongjie and one executive Director, namely Mr. YEUNG Lun Ching. Mr. HOU Min is currently the chairman of the Remuneration Committee.

董事委員會(續)

審核委員會(續)

審核委員會包括三名獨立非執行董事，即牛鍾洁先生、楊曉芙女士及侯珉先生。楊曉芙女士為審核委員會的主席。

由於股份於上市日期(即於截至二零一八年十二月三十一日止年度之後)在聯交所上市，故審核委員會於截至二零一八年十二月三十一日止年度並無召開任何會議且並無與本公司外聘核數師會面。

於上市日期起直至本年度報告日期期間，審核委員會與本公司外聘核數師進行一次會議以討論截至二零一八年十二月三十一日止年度的年度審計工作。審核委員會已審閱本集團採納的會計原則及慣例，與管理層及董事會討論風險管理、內部控制及財務報告事宜，包括審閱本集團截至二零一八年十二月三十一日止年度的年度業績。

薪酬委員會

本公司於二零一八年十二月十八日根據董事會決議案成立本公司的薪酬委員會(「薪酬委員會」)，並遵照上市規則第3.26條及上市規則附錄十四所載的企管守則制定書面職權範圍。薪酬委員會的主要職責為(i)審閱及向董事會建議應付董事及高級管理層的薪酬待遇、花紅及其他薪酬的條款；(ii)考核董事的表現；及(iii)批准董事服務合約條款。

薪酬委員會包括兩名獨立非執行董事，即侯珉先生及牛鍾洁先生，及一名執行董事，即楊倫楨先生。侯珉先生為薪酬委員會的主席。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

As the Shares were listed on the Stock Exchange on the Listing Date which is after the year ended 31 December 2018, the Remuneration Committee did not have any meeting during the year ended 31 December 2018.

Details of the remuneration payable to each Director of the Company for the year ended 31 December 2018 are set out in note 7 to the financial statements.

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

Within the band of	組別介乎於	Number of individuals 人數
Nil to HK\$1,000,000	零至 1,000,000 港元	3
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1

Nomination Committee

The nomination committee of the Company (the "Nomination Committee") was established by our Company pursuant to a resolution of the Board on 18 December 2018 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Nomination Committee are to (i) review the structure, size and composition of our Board; (ii) identify individuals suitably qualified to become board members; (iii) assess the independence of independent non-executive Directors; and (iv) review and make recommendations to the Board on appointment or re-appointment of directors and the management of the Board succession.

The Nomination Committee comprises two independent non-executive Directors, namely Mr. NIU Zhongjie and Ms. YEUNG Hiu Fu Helen and one executive Director, namely Ms. WONG Kwan Lik. Mr. NIU Zhongjie is currently the chairman of the Nomination Committee.

As the Shares were listed on the Stock Exchange on the Listing Date which is after the year ended 31 December 2018, the Nomination Committee did not have any meeting during the year ended 31 December 2018.

董事委員會(續)

薪酬委員會(續)

由於本公司的股份於上市日期(即於截至二零一八年十二月三十一日止年度之後)在聯交所上市,故薪酬委員會於截至二零一八年十二月三十一日止年度並無召開任何會議。

截至二零一八年十二月三十一日止年度應付本公司各董事薪酬之詳情載於財務報表附註7。

根據企管守則守則條文第B.1.5條,截至二零一八年十二月三十一日止年度按等級劃分的高級管理層薪酬如下:

提名委員會

本公司於二零一八年十二月十八日根據董事會決議案成立本公司的提名委員會(「提名委員會」),並遵照上市規則附錄十四所載的企管守則制定書面職權範圍。提名委員會的主要職責為(i)審閱董事會架構、規模及組成;(ii)物色合資格成為董事會成員的適當人選;(iii)評估獨立非執行董事的獨立性;及(iv)審閱及就委任或重新委任董事及管理董事會繼任人向董事會提供推薦建議。

提名委員會包括兩名獨立非執行董事,即牛鍾潔先生及楊曉芙女士,及一名執行董事,即王群力女士。牛鍾潔先生為提名委員會的主席。

由於本公司的股份於上市日期(即於截至二零一八年十二月三十一日止年度之後)在聯交所上市,故提名委員會於截至二零一八年十二月三十一日止年度並無召開任何會議。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD DIVERSITY POLICY

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director.

In identifying and selecting suitable candidates to serve as a director of the Company, the Nomination Committee would consider the above criteria necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendations to the Board.

The Board will consider setting measurable objectives to implement board diversity and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee shall review and monitor the effectiveness of the board diversity of the Board.

As at the date of this Annual Report, the Board's composition under diversified perspectives was summarised as follows:

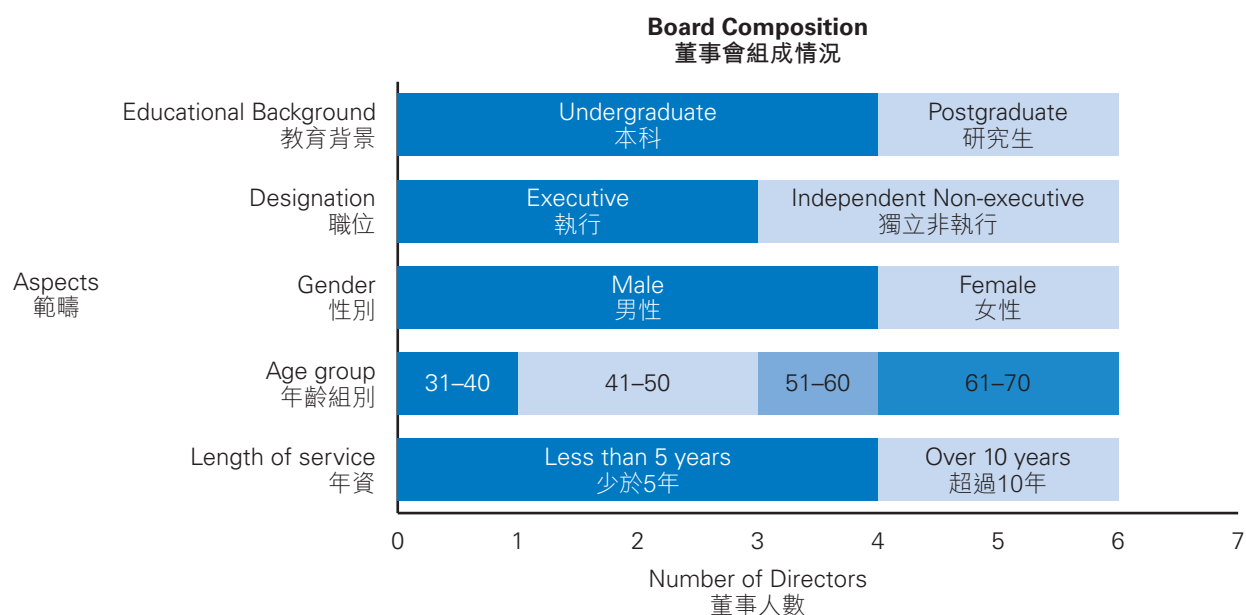
董事會成員多元化政策

在評估董事會組成時，提名委員會會考慮董事會成員多元化政策所載之多個範疇，包括但不限於性別、年齡、文化及教育背景、行業經驗、技術及專業技能及／或資格、知識、年資及作為董事將投入的時間。

在物色及挑選擔任本公司董事的適合人選以向董事會作出推薦建議前，提名委員會將考慮上述對配合公司策略及達致董事會成員多元化而言屬必要的標準(如適用)。

董事會將考慮制定可計量目標以實行董事會成員多元化政策，並不時審閱該等目標，確保其適當程度及確定達致該等目標的進度。提名委員會應審閱及監察董事會的董事會成員多元化的成效。

於本年度報告日期，董事會在多元化角度下的組成情況概述如下：



Corporate Governance Report (Continued)

企業管治報告(續)

NOMINATION POLICY

The Group adopted a nomination policy (the “Nomination Policy”) on 22 February 2019. A summary of this policy is disclosed as below.

Objectives

The Nomination Committee assists the Board in making recommendations to the Board on the appointment of Directors and succession planning for Directors. This Policy provides the key selection criteria and principles of the Nomination Committee in making any such recommendations.

Selection Criteria

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- (1) Reputation for integrity;
- (2) Accomplishment, experience and reputation in the business and other relevant sectors relate to the Company and/or its subsidiaries;
- (3) Commitment in respect of sufficient time and attention to the Company’s business;
- (4) Diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge and experience;
- (5) The ability to assist and support management and make significant contributions to the Company’s success;

提名政策

本集團於二零一九年二月二十二日採納一項提名政策(「提名政策」)。該政策的概要披露如下。

目的

提名委員會為董事會提供協助，就委任董事及董事繼任計劃向董事會提供建議。本政策說明提名委員會於作出任何有關建議時所採用的主要甄選標準及原則。

甄選標準

於就任何建議候選人的委任或董事會的任何現有成員的重新委任而向董事會作出推薦建議時，提名委員會在評估建議候選人的合適性時應考慮多項因素，包括但不限於以下因素：

- (1) 誠信的聲譽；
- (2) 在涉及本公司及／或其附屬公司的業務或其他相關行業中的成就、經驗及聲譽；
- (3) 對本公司的業務給予足夠時間及關注的承諾；
- (4) 所有方面的多樣性，包括但不限於性別、年齡、文化／教育及專業背景、技能、知識及經驗；
- (5) 協助及支持管理層及為本公司的成功作出重要貢獻的能力；

Corporate Governance Report (Continued)

企業管治報告(續)

NOMINATION POLICY (Continued)

Selection Criteria (Continued)

- (6) Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive Director; and
- (7) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's Articles of Association (the "Articles of Association") and other applicable rules and regulations.

Nomination Procedures

In general, the Board shall have the ultimate responsibility for all matters relating to the selection, appointment and re-appointment of Directors.

- (1) The secretary of the Nomination Committee shall convene a meeting and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration.
- (2) In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.
- (3) In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

提名政策(續)

甄選標準(續)

- (6) 符合載列於上市規則第3.13條對委任獨立非執行董事所規定的獨立性標準；及
- (7) 提名委員會或董事會不時決定的任何其他相關因素。

委任任何董事會建議候選人或重新委任董事會任何現有成員均須根據本公司的組織章程細則(「組織章程細則」)及其他適用規則和規例進行。

提名程序

一般而言，董事會應對有關甄選、委任及重新委任董事的所有事宜負最終責任。

- (1) 提名委員會的秘書須召開會議，並邀請董事會成員提名的候選人(如有)供提名委員會考慮。提名委員會亦可提名候選人供其考慮。
- (2) 對於任何建議的董事會候選人的任命，提名委員會應對有關人士進行充分的盡職調查，並提出建議，供董事會審議及批准。
- (3) 就重新委任董事會任何現有成員而言，提名委員會須提交建議供董事會考慮及作出推薦，讓建議候選人可於股東大會上膺選連任。

Corporate Governance Report (Continued)

企業管治報告(續)

NOMINATION POLICY (Continued)

Review and Monitoring of the Policy

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

DIVIDEND POLICY

The Group adopted a dividend policy (the “Dividend Policy”) on 22 February 2019. A summary of this policy is disclosed as below.

The Group is committed to maintaining sufficient resources and flexibility to meet the Group’s financial and operational requirements. At the same time, the Company continually seeks ways to enhance shareholders’ value to ensure sustainable long-term yields for shareholders.

Under the Dividend Policy, the Company gives priority to distributing dividend in cash and shares its profits with its shareholders. The dividend payout ratio shall be determined or recommended, as appropriate, by the Board at its absolute discretion after taking into account the Group’s financial results, future prospects and other factors, and subject to:

- (1) the Articles of Association of the Company;
- (2) the applicable restrictions and requirements under the laws of the Cayman Islands;
- (3) any banking or other funding covenants by which the Company is bound from time to time;
- (4) the investment and operating requirements of the Group; and
- (5) any other factors that have material impact on the Company.

The Board may consider distributing special dividend to all shareholders, and the amount of which shall be determined and approved by the Board at its absolute discretion.

提名政策(續)

檢討及監察政策

提名委員會將檢討提名政策(如適用)以確保提名政策的有效性。提名委員會將討論任何可能須作出的修訂並提交任何有關修訂建議予董事會作審議及批准。

股息政策

本集團於二零一九年二月二十二日採納一項股息政策(「股息政策」)。該政策的概要披露如下。

本集團致力維持充足資源及靈活性以迎合本集團財政及營運需求。同時，本公司不斷尋求提升股東價值的方法，以確保股東的可持續性長期收益。

根據股息政策，本公司優先考慮以現金方式分派股息，與股東共享其溢利。股息派付率應由董事會考慮本集團業績、未來前景及其他因素後全權酌情釐定或建議，並受以下各項限制：

- (1) 本公司之組織章程細則；
- (2) 開曼群島法律下的適用限制及規定；
- (3) 本公司不時受其約束的任何銀行或其他融資契諾；
- (4) 本集團的投資及經營需求；及
- (5) 任何其他對本公司構成重大影響的因素。

董事會可考慮分派特別股息予全體股東，而有關金額應由董事會全權酌情釐定及批准。

Corporate Governance Report (Continued)

企業管治報告(續)

DIVIDEND POLICY (Continued)

Under the Cayman Islands Companies Act and the Articles of Association of the Company, all of our shareholders have equal entitlement to dividends and distributions. The Board shall have the right to review the Dividend Policy from time to time as it deems fit according to the financial and business development requirements of the Group.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in code provision D.3.1 of the CG Code.

The Board would review the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the code of conduct applicable to employees and Directors, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors keep abreast of the responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed director will receive formal, comprehensive and tailored induction on the first occasion of his/her 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.

In accordance with 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. All Directors are encouraged to attend relevant training courses at the Company's expenses.

股息政策(續)

根據開曼群島公司法及本公司之組織章程細則，全體股東享有同等股息及分派之權利。董事會有權於其認為合適時按本集團財政及業務發展需求不時審閱股息政策。

企業管治職能

董事會負責履行企管守則守則條文第D.3.1條所載之職能。

董事會檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、適用於僱員及董事的行為準則以及本公司遵守企管守則及本企業管治報告披露的情況。

董事的持續專業發展

董事須時刻了解作為本公司董事的職責及本公司的經營、業務活動及發展。

每名新任董事均於首次獲委任時獲提供正式、全面及針對性的入職介紹，確保其可適當掌握本公司業務及營運，並完全了解於上市規則及相關法定要求下的董事職責及責任。

根據企管守則第A.6.5條，全體董事均應參與持續專業發展以提高及更新其知識及技能，確保繼續在具備全面資訊及切合所需的情況下向董事會作出貢獻。本公司鼓勵所有董事參與相關培訓課程，費用由本公司承擔。

Corporate Governance Report (Continued)

企業管治報告(續)

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT (Continued)

For the year ended 31 December 2018, the Company organised a training session conducted by lawyers for Directors and the training session focused on corporate governance, directors' duties, responsibilities and obligations under the Securities and Futures Ordinance and the Listing Rules. All Directors, namely Mr. YEUNG Lun Ching, Ms. WONG Kwan Lik, Mr. YEUNG Chun Tai, Mr. NIU Zhongyie, Ms. YEUNG Hiu Fu Helen and Mr. HOU Min have attended the training session.

ACCOUNTABILITY AND AUDIT

Directors' Responsibility in Respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group and other financial disclosures required in accordance with the statutory requirements and applicable accounting standards.

In preparing the accounts for the year ended 31 December 2018, the Directors confirm that, to the best of their knowledge, the accounts is prepared on a going concern basis and they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

A statement by the auditor about their reporting responsibilities for the financial statements is included in the "Independent Auditor's Report" on pages 71 to 78 of this Annual Report.

董事的持續專業發展(續)

截至二零一八年十二月三十一日止年度，本公司組織了一場由律師進行的董事培訓課程及主題為企業管治、董事於證券及期貨條例及上市規則下的職責、責任及義務的培訓課程。全體董事包括楊倫楨先生、王群力女士、楊振泰先生、牛鍾洁先生、楊曉英女士以及侯珉先生均參與培訓課程。

問責及審核

董事對財務報表之責任

董事知悉其根據法定要求及適用會計準則編製本集團綜合財務報表及其他所需財務披露的責任。

於編製截至二零一八年十二月三十一日止年度的賬目時，董事確認，就其所知，賬目乃按持續經營基準編製，且其並不知悉存在可能對本公司持續經營能力引起重大疑問的任何重大不確定事件或情況。

核數師就其於財務報表的申報責任發出的聲明載於本年度報告第71至78頁的「獨立核數師報告」。

Corporate Governance Report (Continued)

企業管治報告(續)

AUDITOR'S RESPONSIBILITY AND REMUNERATION

During the year ended 31 December 2018, the Company appointed Ernst & Young as the external auditor. Details of the fees paid or payable in respect of the audit and non-audit services provided by Ernst & Young for the year ended 31 December 2018 are set out in the table below:

核數師的職責及薪酬

於截至二零一八年十二月三十一日止年度，本公司委任安永會計師事務所為外聘核數師。截至二零一八年十二月三十一日止年度就安永會計師事務所提供的審計及非審計服務而已付或應付費用的詳情載於下表：

Services rendered	已提供服務	Fees paid/ payable 已付/ 應付費用 (HK\$000) (千港元)
Audit services:	審計服務：	
— Annual audit and related services	— 年度審計及相關服務	1,360
— Audit services for initial public offering	— 有關首次公開發售之審計服務	3,300
Non-audit services:	非審計服務：	
— Tax services	— 稅務服務	660

RISK MANAGEMENT AND INTERNAL CONTROLS

風險管理及內部控制

The Board has undertaken the overall responsibility for overseeing the Group's risk management and internal control systems on an on-going basis and reviewing their effectiveness at least annually in order to safeguard the interests of the shareholders and the assets of the Group.

董事會全面負責持續監督本集團的風險管理及內部控制系統，且至少每年檢討其有效性，以保障股東的利益及本集團的資產。

The Board acknowledges its responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and ensuring that the Group has established and maintained appropriate and effective risk management and internal control systems. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

董事會知悉其有責任評估及釐定其願意為實現本集團的策略目標而承擔的風險的性質及程度，並確保本集團已建立及維持適當及有效的風險管理及內部控制系統。該等系統旨在管理而非消除未能實現業務目標的風險，且僅可合理而非絕對保證能避免重大錯誤陳述或損失。

Corporate Governance Report (Continued)

企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

The Board has delegated to the Audit Committee to review the effectiveness of the risk management and internal controls of the Group. Based on its review, the Audit Committee advises the Board on the effectiveness of the Group's risk management and internal control systems, including the identification and monitoring of the risks, the adequacy of resources, staff qualifications and experience, training programmes and the Company's accounting and financial reporting functions. The management has also been delegated to design, implement and maintain the appropriate and effective risk management and internal control systems of the Group.

To further strengthen the risk management and internal control of the Group, the Company appointed external advisers to undertake the internal audit function and perform the ongoing monitoring of the internal control systems of the Group. The external advisers evaluate the Group's risk management and internal control systems by reviewing the material controls, including financial, operation and compliance. The rotation basis would be applied to operations with similar risk associated so as to enhance the efficiency and effectiveness of the internal audit function. Review results and the recommendations in the form of written report are submitted to the Audit Committee for discussion and review. Follow up actions will be taken up by the management of the Group to ensure all significant control activities are properly in place within the Group and findings previously identified have been properly resolved.

The Company has conducted annual review on the effectiveness and efficiency of the Groups risk management and internal control systems for the year ended 31 December 2018 and the management has confirmed that there is no significant deficiency and weakness on the internal control system has been identified by the external advisers. During the year under review, both the Board and the Audit Committee satisfied and confirmed that the Group's risk management and internal control systems were effective and adequate.

風險管理及內部控制(續)

董事會已委託審核委員會檢討本集團風險管理及內部控制的有效性。根據其檢討，審核委員會就本集團風險管理及內部控制系統的有效性向董事會提供意見，包括識別及監察風險、本公司於會計及財務匯報職能的資源、員工資歷及經驗、培訓課程的足夠性。管理層亦獲委託設計、實施及維持本集團適當及有效的風險管理及內部控制系統。

為進一步加強本集團的風險管理及內部控制，本公司委任外部顧問承擔內部審核職能，並持續監察本集團的內部控制系統。外部顧問通過檢討重大控制情況(包括財務、營運及合規)以評估本集團的風險管理及內部控制系統。涉及類似風險的業務將應用輪替基準以提升內部審計職能的效率及有效性。檢討結果及推薦意見會以書面報告形式提交予審核委員會進行討論及審閱。本集團管理層將採取跟進行動，以確保在本集團內妥為實施所有重大控制活動，且先前已識別的問題已妥善解決。

本公司已對本集團截至二零一八年十二月三十一日止年度的風險管理及內部控制系統的有效性、效率進行年度檢討，而管理層已確認外部顧問並無發現內部控制系統有重大不足之處及弱點。於回顧年度內，董事會及審核委員會均信納及確認，本集團的風險管理及內部控制系統均屬有效及充足。

Corporate Governance Report (Continued)

企業管治報告(續)

INSIDE INFORMATION

With respect to procedures and internal controls for handling the dissemination of inside information, the Group has adopted a policy on the disclosure of inside information (the “Inside Information Policy”) in order to comply with the Securities and Futures Ordinance (“SFO”) and the Listing Rules. According to the Inside information Policy, the Company has taken appropriate measures to identify inside information and preserve its confidentiality until proper dissemination via the electronic publication system operated by the Stock Exchange. Senior management of the Group must take all reasonable measures to ensure that proper safeguards exist to prevent the leakage of inside information of the Company from time to time. They must also promptly bring any possible leakage or divulgence of inside information to the attention of the Board accordingly for taking the appropriate action promptly.

COMPANY SECRETARY

The company secretary of the Company (the “Company Secretary”), Ms. LEUNG Chin Ching, who is also the financial controller of the Group, is a full-time employee of the Company. Her biography is set out on page 33 of this Annual Report in the section of “Directors and Senior Management”.

During the year ended 31 December 2018, Ms. LEUNG Chin Ching has confirmed that she has complied with all the qualifications and training requirements as required under Rule 3.29 of the Listing Rules.

內幕消息

就處理內幕消息傳播的程序及內部控制而言，本集團已採納內幕消息披露政策（「內幕消息政策」）以遵守證券及期貨條例（「證券及期貨條例」）及上市規則。根據內幕消息政策，本公司已採取適當措施以識別內幕消息並於透過聯交所營運的電子發佈系統適當發佈前保持其機密。本集團高級管理層必須採取一切合理措施，確保本公司不時設有恰當的防範措施，以防本公司的內幕消息遭洩露。彼等亦必須迅速就內幕消息的任何潛在洩漏或洩露提請董事會注意，以便及時採取適當的行動。

公司秘書

本公司公司秘書（「公司秘書」）梁展銓女士亦為本集團的財務總監及本公司的全職僱員。其履歷載於本年度報告第33頁「董事及高級管理層」一節。

於截至二零一八年十二月三十一日止年度，梁展銓女士確認，其已遵守上市規則第3.29條下的所有資格及培訓規定。

Corporate Governance Report (Continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meetings (the "EGM") by the Shareholders

Pursuant to Article 58 of the Articles of Association, the Board may whenever it thinks fit call EGM. EGM shall also be convened on the requisition of any one or more members 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 EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (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.

Putting Forward Proposals at a General Meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the principal place of business in Hong Kong of the Company at Room 1302, 13/F, Westlands Centre, 20 Westlands Road, Taikoo Place, Quarry Bay, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

Putting Forward Enquiries to the Board

Shareholders have the right to put forward enquiries to the Board at general meeting or send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong at Room 1302, 13/F, Westlands Centre, 20 Westlands Road, Taikoo Place, Quarry Bay, Hong Kong.

股東權利

股東召開股東特別大會(「股東特別大會」)

根據組織章程細則第58條，董事會可於其認為適當的任何時候召開股東特別大會。任何一位或以上於遞呈要求當日持有不少於本公司繳足股本(具本公司股東大會之投票權)十分之一的股東於任何時候有權透過向本公司董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理該要求中指明的任何事務；且該大會應於遞呈該要求後兩(2)個月內舉行。若於遞呈當日起二十一(21)日內，董事會沒有開展召開有關大會之程序，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會之缺失而產生的所有合理開支應由本公司向遞呈要求人償付。

於股東大會作出提議

股東可向董事會及公司秘書作出書面請求(發送至香港主要營業地點，地址為香港鰂魚涌太古坊華蘭路20號華蘭中心13樓1302室)，當中列明股東的持股資料、其聯繫方式詳情及其就任何具體交易／業務而有意於股東大會提出的提議以及其支持文件。

向董事會作出查詢

股東有權於股東大會上向董事會作出查詢，或將書面查詢發送至本公司的香港主要營業地點(地址為香港鰂魚涌太古坊華蘭路20號華蘭中心13樓1302室)並由公司秘書接收。

Corporate Governance Report (Continued)

企業管治報告(續)

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has established a shareholders' communication policy on 18 December 2018. Such policy is monitored and reviewed by the Board on a regular basis to ensure its effectiveness. 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 endeavors to maintain an on-going dialogue with shareholders and in particular, through AGMs and other general meetings. At the forthcoming AGM, Directors (or their delegates as appropriate) will be available to meet shareholders and answer their enquiries.

To promote effective communication, the Company maintains a website at "www.peiport.com". Through its website, the Company provides shareholders with corporate information, corporate governance practice, interim and annual reports, announcements, circulars and etc. The Company will also update the website information from time to time to inform the shareholders and investors of the latest development of the Company.

CHANGES OF ARTICLES OF THE ASSOCIATION

The Company has not made any changes to its Articles of Association on or after the Listing Date. An up to date version of the Company's Articles of Association is available on the Company's website and the Stock Exchange's website.

與股東溝通及投資者關係

本公司於二零一八年十二月十八日已制定股東溝通政策。該政策由董事會定期監察及審閱以確保其有效性。本公司認為，與股東有效溝通對加強投資者關係及讓投資者了解本集團業務表現及策略至關重要。本公司竭力維持與股東之間的持續溝通，尤其是透過股東週年大會及其他股東大會。董事(或彼等代表，如適合)將出席應屆股東週年大會與股東會面及解答疑問。

為推動有效溝通，本公司設立網站「www.peiport.com」。通過其網站，本公司向股東提供公司資料、企業管治常規、中期及年度報告、公告、通函等等。本公司亦將繼續不時更新網站資料以向股東及投資者提供本公司的最新發展動向。

組織章程細則變動

本公司於上市日期或之後並無對其組織章程細則作出任何變動。本公司的最新組織章程細則可於本公司網站及聯交所網站查閱。

Report of the Directors

董事會報告

The Board of Directors is pleased to present their report together with the audited financial statements of the Company and of the Group for the year ended 31 December 2018.

GLOBAL OFFERING

Peiport Holdings Ltd., incorporated as an exempted company with limited liability in the Cayman Islands on 19 December 2017 and registered as a non-Hong Kong company under part 16 of the Companies Ordinance on 6 September 2018. The Company's Shares were listed on the Stock Exchange on 11 January 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company and its subsidiaries were principally engaged in the provision of (i) thermal imaging products and services; (ii) self-stabilised imaging products and services; and (iii) general aviation products and services. An analysis of the principal activities of the Group during the year ended 31 December 2018 is set out in the section headed "Management Discussion and Analysis" in this Annual Report.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion of the principal risks and uncertainties facing the Group, an indication of likely future developments in the Group's businesses and other relevant information, can be found in the sections headed "Chairman's Statement" and the "Management Discussion and Analysis" set out on pages 6 to 10 and pages 11 to 25 of this Annual Report, respectively. Such discussion forms part of this "Report of the Directors".

In addition, discussion on the Group's environmental policies and performance, compliance with relevant laws and regulations and the key relationships with the Company's key stakeholders which have a significant impact on the Group are set out in the "Environmental, Social and Governance Report".

董事會欣然呈列其截至二零一八年十二月三十一日止年度的報告以及本公司及本集團經審核財務報表。

全球發售

彼岸控股有限公司於二零一七年十二月十九日在開曼群島註冊成立為獲豁免有限公司，並於二零一八年九月六日根據公司條例第16部註冊為非香港公司。本公司的股份於二零一九年一月十一日在聯交所上市。

主要業務及業務回顧

本公司為投資控股公司，且其附屬公司主要從事提供 (i) 熱成像產品及服務；(ii) 自穩定成像產品及服務；及 (iii) 通用航空產品及服務。對本集團截至二零一八年十二月三十一日止年度的主要活動的分析載於本年度報告「管理層討論及分析」一節。

根據香港法例第622章香港公司條例附表5所規定，有關該等業務之進一步討論及分析（包括有關本集團所面臨主要風險及不確定因素之討論，及本集團業務未來可能發展之指引及其他相關資料）可分別於本年度報告第6至10頁的「主席報告」及第11至25頁的「管理層討論及分析」兩節查閱。此討論構成本「董事會報告」之一部份。

此外，有關本集團環境政策及表現、遵守相關法律及法規的情況及與對本集團有重大影響的本公司主要持份者的主要關係的討論載於「環境、社會及管治報告」。

Report of the Directors (Continued)

董事會報告(續)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to contributing to the sustainability of the environment and is committed to becoming an environmentally-friendly corporation. Details of our environmental, social and governance policies and performance during the year ended 31 December 2018 shall be disclosed in a standalone “Environmental, Social and Governance Report” to be published within three months after the publication of this Annual Report on the websites of the Company and the Stock Exchange.

RESULTS AND DIVIDENDS

The Group’s profit for the year ended 31 December 2018 and the Group’s financial position as at 31 December 2018 are set out in the financial statements on pages 79 to 82.

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

FINANCIAL SUMMARY

A summary of the audited results and the assets, liabilities and non-controlling interests of the Group for the last four financial years, as extracted from the published audited financial statements, is set out on page 2 of this Annual Report.

SUBSIDIARIES

Particulars of the Company’s subsidiaries are set out in note 1 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2018 are set out in note 12 to the financial statements.

環境、社會及管治報告

本集團致力為環境的可持續性作出貢獻，並致力成為一間環保的企業。我們於截至二零一八年十二月三十一日止年度的環境、社會及管治政策及表現的詳情單獨披露於「環境、社會及管治報告」，其將於本年度報告刊發後三個月內於本公司及聯交所網站刊發。

業績及股息

本集團截至二零一八年十二月三十一日止年度的年度溢利及本集團於二零一八年十二月三十一日的財務狀況載於第79至82頁的財務報表。

董事會不建議派付截至二零一八年十二月三十一日止年度的末期股息(二零一七年：零)。

財務摘要

對本集團於過去四個財政年度的經審核業績及資產、負債及非控股權益的概要乃摘錄自己刊發的經審核財務報表，並載於本年度報告第2頁。

附屬公司

本公司附屬公司的詳情載於財務報表附註1。

物業、廠房及設備

本集團於截至二零一八年十二月三十一日止年度的物業、廠房及設備變動詳情載於財務報表附註12。

Report of the Directors (Continued)

董事會報告(續)

SHARE CAPITAL

Details of movements in the share capital of the Company for the year ended 31 December 2018 and details of the shares issued during the year ended 31 December 2018 are set out in note 22 to the financial statements.

DEBENTURE ISSUED

The Group did not issue any debenture since the Listing Date and up to the date of this Annual Report.

EQUITY-LINKED AGREEMENTS

Save for disclosed in “Share Option Scheme” as set out in this section, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2018.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period from the Listing Date up to the date of this Annual Report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Company during the year ended 31 December 2018 are set out in note 23 to the financial statements and the consolidated statements of changes in equity. The distributable reserve of the Company as at 31 December 2018 was nil.

股本

本公司截至二零一八年十二月三十一日止年度的股本變動詳情及於截至二零一八年十二月三十一日止年度的已發行股份詳情載於財務報表附註22。

已發行債權證

自上市日期起及直至本年度報告日期，本集團並無發行任何債權證。

股權掛鈎協議

除本節所載的「購股權計劃」所披露者外，截至二零一八年十二月三十一日止年度，本集團並無訂立或存續任何股權掛鈎協議。

優先購買權

組織章程細則或開曼群島法例並無規定本公司須按比例向現有股東發售新股份的優先購買權條文。

購買、出售或贖回本公司上市證券

於上市日期至本年度報告日期期間，本公司及其附屬公司概無購買、出售或贖回任何本公司上市證券。

可分派儲備

本公司於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財務報表附註23及綜合權益變動表。本公司於二零一八年十二月三十一日的可分派儲備為零。

Report of the Directors (Continued)

董事會報告(續)

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2018, sales to the Group's five largest customers accounted for 39.2% of the total sales for the year and sales to the largest customer included therein amounted to 15.8%.

During the year ended 31 December 2018, purchases from the Group's five largest suppliers accounted for 84.3% of the total purchases for the year and purchase from the largest supplier included therein amounted to 52.7%.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers during the year ended 31 December 2018.

DIRECTORS

The Directors who held office during the year ended 31 December 2018 and up to the date of this Annual Report are:

Executive Directors

Mr. YEUNG Lun Ching (*Chairman*)
Ms. WONG Kwan Lik
Mr. YEUNG Chun Tai (*appointed on 22 August 2018*)

Independent Non-executive Directors

Mr. NIU Zhongjie (*appointed on 18 December 2018*)
Ms. YEUNG Hiu Fu Helen (*appointed on 18 December 2018*)
Mr. HOU Min (*appointed on 18 December 2018*)

主要客戶及供應商

於截至二零一八年十二月三十一日止年度，向本集團五大客戶作出的銷售額佔年度銷售總額的39.2%，而其中向最大客戶作出的銷售額佔15.8%。

於截至二零一八年十二月三十一日止年度，向本集團五大供應商作出的採購額佔年度採購總額的84.3%，而其中向最大供應商作出的採購額佔52.7%。

概無本公司董事或其任何聯繫人或任何股東（據董事所知持有本公司已發行股本超過5%）於本集團截至二零一八年十二月三十一日止年度的五大客戶及供應商中擁有任何實益權益。

董事

截至二零一八年十二月三十一日止年度及直至本年度報告日期在任的董事如下：

執行董事

楊倫楨先生(主席)
王群力女士
楊振泰先生(於二零一八年八月二十二日獲委任)

獨立非執行董事

牛鍾浩先生(於二零一八年十二月十八日獲委任)
楊曉英女士(於二零一八年十二月十八日獲委任)
侯珉先生(於二零一八年十二月十八日獲委任)

Report of the Directors (Continued)

董事會報告(續)

In accordance with article 84 of the Articles of Association, at each AGM, 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 at an AGM at least once every three years. Accordingly, Mr. YEUNG Lun Ching (“Mr. YEUNG”) and Ms. WONG Kwan Lik (“Ms. WONG”), will retire by rotation at the forthcoming AGM of the Company and, being eligible, offers themselves for re-election.

The Company has received written annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The nomination committee of the Company has duly reviewed the independence of each of these directors. The Company considered that all independent non-executive Directors are independent.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Biographical information of the Directors and senior management of the Group are set out in the section headed “Directors and Senior Management” on pages 26 to 33 of this Annual Report.

DIRECTORS’ SERVICE CONTRACTS

Each of the Directors has entered into a service agreement with our Company for a term of three years and are subject to termination in accordance with their respective terms. The term of the service contracts may be renewed in accordance with the Articles of Association and the applicable rules of the Listing Rules.

Save as discussed above, none of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company and/or any of its subsidiaries, which is not terminable by employing company within one year without payment of compensation, other than statutory compensation.

根據組織章程細則第84條，於每屆股東週年大會上，當時為數三分之一的董事(或如董事人數並非三(3)的倍數，則須為最接近但不少於三分之一之數目)須輪席退任，每位董事須至少每三年在股東週年大會上輪席退任一次。因此，楊倫楨先生(「楊先生」)及王群力女士(「王女士」)將於本公司應屆股東週年大會上輪席退任，並符合資格甄選連任。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之書面年度獨立確認書。本公司提名委員會已妥為檢視該等董事各自的獨立性。本公司認為全體獨立非執行董事均屬獨立。

董事及高級管理層的履歷資料

本集團董事及高級管理層的履歷資料載於本年度報告第26至33頁「董事及高級管理層」一節。

董事的服務合約

各董事已與本公司訂立服務協議，為期三年，並可根據其各自的條款予以終止。服務合約的期限可根據組織章程細則及上市規則的適用規則重續。

除上文所討論者外，概無擬於應屆股東週年大會重選連任之董事與本公司及／或其附屬公司訂有僱用公司不可於一年內免付賠償(法定賠償除外)而終止之服務合約。

Report of the Directors (Continued)

董事會報告(續)

REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE AND FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the Directors and chief executive and the five highest paid employees of the Group are set out in notes 7 and 8 to the financial statements of this Annual Report.

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force since the Listing Date. The Company has maintained appropriate directors' and officers' liability insurance to provide appropriate coverage for the Directors and other officers of the Group since the Listing Date and up to the date of this Annual Report.

DEED OF NON-COMPETITION

Mr. YEUNG, Ms. WONG and Peiport Alpha Ltd. ("Peiport Alpha"), each being the controlling shareholder (as defined under the Listing Rules) of the Company (the "Controlling Shareholder(s)"), have entered into a deed of non-competition dated 18 December 2018 (in favour of the Company (the "Deed of Non-Competition"). Details of the Deed of Non-Competition was set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

The Company has received confirmations from Mr. YEUNG, Ms. WONG and Peiport Alpha of their compliance with the terms of the Deed of Non-Competition. Mr. YEUNG, Ms. WONG and Peiport Alpha declared that they have fully complied with the Deed of Non-Competition for the year ended 31 December 2018.

董事及行政總裁及五名最高薪酬僱員的薪酬

本集團董事及行政總裁及五名最高薪酬僱員的薪酬詳情載於本年度報告財務報表附註7及8。

獲允許彌償

根據組織章程細則，在不違反適用法律法規的情況下，各董事將獲本公司以資產及溢利作彌償保證，確保不會因彼等或彼等任何一方於履職過程中引致或蒙受的所有訴訟、費用、收費、損失、損害及開支而受損。上述獲准許的彌償條文已自上市日期起生效。自上市日期起及直至本年度報告日期，本公司已投購適當的董事及高級職員責任保險，以為本集團董事及其他高級職員提供適當保障。

不競爭契據

楊先生、王女士及彼岸阿爾法有限公司(「彼岸阿爾法」)(各自均為本公司控股股東(定義見上市規則)(「控股股東」))已以本公司為受益人訂立日期為二零一八年十二月十八日的不競爭契據(「不競爭契據」)。有關不競爭契據的詳情載於招股章程「與控股股東的關係」一節。

本公司已收到楊先生、王女士及彼岸阿爾法確認其遵守不競爭契據條款的確認。楊先生、王女士及彼岸阿爾法表示，彼等截至二零一八年十二月三十一日止年度已完全遵守不競爭契據。

Report of the Directors (Continued)

董事會報告(續)

DEED OF NON-COMPETITION (Continued)

The independent non-executive Directors of the Company have reviewed the confirmations from the Controlling Shareholders and confirmed that up to the date of this Annual Report, all the undertakings under the Deed of Non-Competition have been complied with by Mr. YEUNG, Ms. WONG and Peiport Alpha.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The shares of the Company were listed on the Stock Exchange on 11 January 2019 and therefore, Divisions 7 and 8 of Part XV of the SFO, Section 352 of the SFO and the Model Code as set out in Appendix 10 to the Listing Rules were not applicable as at 31 December 2018. As at the date of this Annual Report, the following Directors and chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

Ordinary Shares of the Company:

Name of Director 董事姓名	Capacity/ Nature of interest 身份／權益性質	Number of ordinary shares and class of securities 普通股的數目及證券類別	Approximate percentage of shareholding (%) 持股概約百分比(%)
Mr. YEUNG ⁽³⁾ 楊先生 ⁽³⁾	Interest of a controlled corporation 受控制法團權益	300,000,000 Shares (L) ⁽¹⁾ 300,000,000 股股份 (L) ⁽¹⁾	75% ⁽²⁾
Ms. WONG ⁽³⁾ 王女士 ⁽³⁾	Interest of spouse 配偶權益	300,000,000 Shares (L) ⁽¹⁾ 300,000,000 股股份 (L) ⁽¹⁾	75% ⁽²⁾

不競爭契據(續)

本公司獨立非執行董事已檢閱控股股東的確並確認直至本年度報告日期，楊先生、王女士及彼岸阿爾法均已遵守不競爭契據下的所有承諾。

董事及行政總裁於股份、相關股份及債權證中的權益及淡倉

本公司的股份於二零一九年一月十一日在聯交所上市，因此，證券及期貨條例第XV部第7及第8分部、證券及期貨條例第352條及上市規則附錄十所載的標準守則於二零一八年十二月三十一日並不適用。於本年度報告日期，下列本公司董事及行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有或被視為擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括彼等根據證券及期貨條例之該等規定被當作或視為擁有之權益及淡倉);或(ii)根據證券及期貨條例第352條須記錄於該條例所指之登記冊之權益或淡倉;或(iii)根據標準守則須知會本公司及聯交所之權益或淡倉:

本公司之普通股股份:

Report of the Directors (Continued)

董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

董事及行政總裁於股份、相關股份及債權證中的權益及淡倉(續)

Ordinary Shares of the Company: (Continued)

本公司之普通股股份：(續)

Notes:

附註：

- The letter "L" denotes to the person with long position in the Shares.
- The calculation is based on the total number of 400,000,000 Shares in issue after completion of the global offering.
- Our Company is owned as to approximately 75% by Peiport Alpha. The entire issued share capital of Peiport Alpha is owned as to 70% and 30% by Mr. YEUNG and Ms. WONG, respectively. Ms. WONG is the spouse of Mr. YEUNG and therefore each of Ms. WONG and Mr. YEUNG is deemed to be interested in Shares held by Peiport Alpha pursuant to the SFO. Mr. YEUNG, Ms. WONG and Peiport Alpha together are a group of Controlling Shareholders of our Company.

- 字母「L」指該人士於股份的好倉。
- 基於全球發售完成後已發行股份總數400,000,000股計算。
- 本公司由彼岸阿爾法擁有約75%。彼岸阿爾法全部已發行股本分別由楊先生及王女士擁有70%及30%。王女士為楊先生的配偶，因此，根據證券及期貨條例，王女士及楊先生各自被視為於彼岸阿爾法持有的股份中擁有權益。楊先生、王女士及彼岸阿爾法共同為本公司一組控股股東。

Ordinary Shares of an Associated Corporation — Peiport Alpha:

相聯法團 — 彼岸阿爾法之普通股股份：

Name of Director 董事姓名	Capacity/ Nature of interest 身份／權益性質	Number of ordinary shares and class of securities 普通股的數目及證券類別	Approximate percentage of shareholding (%) 持股概約百分比(%)
Mr. YEUNG ⁽³⁾ 楊先生 ⁽³⁾	Interest of a controlled corporation 受控制法團權益	10 shares (L) ⁽¹⁾ 10股股份(L) ⁽¹⁾	100% ⁽²⁾
Ms. WONG ⁽³⁾ 王女士 ⁽³⁾	Interest of spouse 配偶權益	10 shares (L) ⁽¹⁾ 10股股份(L) ⁽¹⁾	100% ⁽²⁾

Notes:

附註：

- The letter "L" denotes to the person with long position in the shares.
- The calculation is based on the total number of 10 shares of Peiport Alpha in issue.
- The entire issued share capital of Peiport Alpha is owned as to 7 shares and 3 shares by Mr. YEUNG and Ms. WONG respectively. Since Ms. WONG is the spouse of Mr. YEUNG, pursuant to the SFO, they are deemed to be interested in the entire issued share capital of Peiport Alpha and the Shares held by Peiport Alpha.

- 字母「L」指該人士於股份的好倉。
- 基於彼岸阿爾法已發行股份總數10股計算。
- 彼岸阿爾法的全部已發行股本由楊先生及王女士分別擁有7股及3股股份。由於王女士為楊先生的配偶，根據證券及期貨條例，彼等被視為於彼岸阿爾法全部已發行股本及彼岸阿爾法所持股份中擁有權益。

Report of the Directors (Continued)

董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Ordinary Shares of an Associated Corporation — Peiport Alpha: (Continued)

Save as disclosed above, as at the date of this Annual Report, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" in this section, at no time during the year ended 31 December 2018 were rights to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

董事及行政總裁於股份、相關股份及債權證中的權益及淡倉(續)

相聯法團 — 彼岸阿爾法之普通股股份：(續)

除上文所披露者外，於本年度報告日期，概無本公司董事或行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中登記任何根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括彼等根據證券及期貨條例之該等規定被當作或視為擁有之權益或淡倉)；或根據證券及期貨條例第352條須記錄於該條例所指之登記冊之權益或淡倉；或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份及債權證的權利

除於上文「董事及行政總裁於股份、相關股份及債權證中的權益及淡倉」一段披露者外，於截至二零一八年十二月三十一日止年度內本公司並無授予任何董事或其各自配偶或未滿十八歲之子女任何透過購買本公司股份或相關股份或債券而獲取利益之權利；以上人士亦無行使所述任何權利，本公司或其任何控股公司、附屬公司或同系附屬公司亦無參與任何安排，致令各董事於任何其他法人團體獲得此等權利。

Report of the Directors (Continued)

董事會報告(續)

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the "Connected Transactions" as set out in this section and the related party transactions disclosed in note 28 to the financial statements of this Annual Report, no Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party, at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2018, none of the Directors nor their respective associates had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") has been conditionally adopted on 18 December 2018.

The Board may, at its discretion, offer to grant an option to any person belonging to any of the following classes of participants (the "Eligible Participants"), to take up options to subscribe for the shares:

- (1) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (2) any directors (including executive, non-executive Directors and independent non-executive Directors) of our Company or any of its subsidiaries;
- (3) any advisers (professional or otherwise), consultants, suppliers, customers and agents to our Company or any of its subsidiaries; and
- (4) related entities who, in the sole opinion of the Board, will contribute or have contributed to our Company or any of its subsidiaries.

The Share Option Scheme became effective on the Listing Date and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of adoption of the Share Option Scheme (i.e. 17 December 2028).

董事於交易、安排或合約的權益

除本節所載的「關連交易」所披露者及本年度報告財務報表附註28所披露的關聯方交易外，概無董事於年內任何時間直接或間接於本公司、其控股公司或其任何附屬公司所訂立的任何交易、安排或合約中擁有重大權益。

董事於競爭業務的權益

於截至二零一八年十二月三十一日止年度，概無董事或彼等各自的聯繫人於直接或間接與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

購股權計劃

本公司已於二零一八年十二月十八日有條件採納購股權計劃(「購股權計劃」)。

董事會可酌情向屬於以下任何類別參與者(「合資格參與者」)的任何人士授出購股權以認購股份：

- (1) 本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員；
- (2) 本公司或其任何附屬公司的任何董事(包括執行、非執行董事及獨立非執行董事)；
- (3) 本公司或其任何附屬公司的任何顧問(專業或其他顧問)、諮詢人、供應商、客戶及代理；及
- (4) 董事會全權認為將會或已對本公司或其任何附屬公司作出貢獻的有關實體。

購股權計劃於上市日期生效，除另行註銷或修訂外，將自購股權計劃採納日期起計10年(即二零二八年十二月十七日)內有效。

Report of the Directors (Continued)

董事會報告(續)

SHARE OPTION SCHEME (Continued)

The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 40,000,000 shares, representing 10% of the shares of the Company in issue as at the Listing Date and as at the date of this annual report. The maximum number of shares issuable under share options granted to each eligible participant in the Share Option Scheme (including both exercised and outstanding options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any grant or further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. A grant of share options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option). In addition, any grant of share options to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, which would result in the shares issued and to be issued, upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding), to such person in the 12-month period up to and including the date of the grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted on or before the relevant acceptance date upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the Board in its absolute discretion, save that such a period shall not be more than 10 years from the date of offer of the share options and subject to the provisions for early termination as set out in the Share Option Scheme. There is no minimum period for which an option must be held before it can be exercised.

購股權計劃(續)

因根據購股權計劃授出及將予授出的所有購股權獲行使而可能發行的股份數目上限為40,000,000股股份，佔於上市日期及本年報日期本公司已發行股份的10%。於任何12個月期間根據購股權計劃向每位合資格參與者授出的購股權(包括已行使及尚未行使的購股權)可予以發行的股份數目上限以本公司已發行股份之1%為限。任何授出或進一步授出超過此限額的任何購股權均須經股東於股東大會上批准。根據購股權計劃向本公司董事、主要行政人員或主要股東，或任何彼等的聯繫人士授出購股權須經獨立非執行董事(不包括身為購股權承授人的任何獨立非執行董事)事先批准。此外，若於截至授出日期(包括該日)的12個月期間內，向本公司主要股東或獨立非執行董事或任何彼等的聯繫人士授出的任何購股權，將導致於行使所有已授出及將授出的購股權(包括已行使、已註銷及尚未行使購股權)時向該等人士發行及將予發行的股份超過本公司已發行股份0.1%及總價值(根據本公司股份於授出日期的收市價計算)超過5百萬港元，則須經股東於股東大會上事先批准。

授出購股權的要約可於承授人支付合共1港元的名義代價後於相關承兌日期當日或之前予以接納。所授出購股權的行使期由董事會全權酌情決定，惟該期間不得為期超過購股權要約日期起計10年，且須受購股權計劃所載提前終止條文所規限。行使購股權前並無持有購股權最短期限的規定。

Report of the Directors (Continued)

董事會報告(續)

SHARE OPTION SCHEME (Continued)

The exercise price of the share options shall be not less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options, which must be a date on which the Stock Exchange is open for business of dealing in securities; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately before the date of offer; and (iii) the nominal value of the Company's share as at the date of offer.

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions Eligible Participants had or may have made to the Group. The Share Option Scheme will provide Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives: (i) motivate Eligible Participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain on-going business relationship with Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

No options had been granted or agreed to be granted under the Share Option Scheme during the year and up to the date of this Annual Report. The Company did not have any outstanding share options, warrants and convertible instruments into shares as at 31 December 2018 and up to the date of this Annual Report.

購股權計劃(續)

購股權的行使價不得低於下列各項的最高者：
(i) 本公司股份於購股權要約日期(須為聯交所開始進行證券買賣的日子)在聯交所的收市價；
(ii) 本公司股份於緊接要約日期前五個交易日在聯交所的平均收市價；及
(iii) 本公司股份於要約日期的面值。

購股權計劃為一項股份獎勵計劃，乃為嘉許及肯定合資格參與者對本集團所作出或可能作出的貢獻而設立。購股權計劃將為合資格參與者提供於本公司持有個人權益的機會，旨在達到下列目的：(i) 激勵合資格參與者為本集團利益提高工作效率；及(ii) 吸引及挽留其貢獻目前或將來對本集團長期發展有利的合資格參與者，或以其他方式維持與該等合資格參與者的持續業務關係。

於本年度及直至本年度報告日期，概無根據購股權計劃授出或同意授出購股權。本公司於二零一八年十二月三十一日及直至本年度報告日期並無任何發行在外的購股權、認股權證及可換股工具。

Report of the Directors (Continued)

董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the shares of the Company were not listed on the Stock Exchange. Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO were not applicable to our Company as of 31 December 2018.

As of the date of this Annual Report, so far as was known to any Director, or chief executive of our Company, the following persons (other than the Directors and chief executive of the Company) had, or were deemed to have, interests and/or short positions in the Shares, underlying shares and debentures of the Company which would fall to be disclosed to our Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於股份、相關股份及債權證中的權益

於二零一八年十二月三十一日，本公司股份尚未於聯交所上市。證券及期貨條例第XV部第2及3分部以及證券及期貨條例第336條於截至二零一八年十二月三十一日對本公司並不適用。

於本年度報告日期，據本公司董事或行政總裁所知，以下人士(本公司董事及行政總裁除外)於本公司股份、相關股份及債權證中擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部須向本公司及聯交所披露的權益及／或淡倉或本公司根據證券及期貨條例第336條規定備置之登記冊所記錄的權益及／或淡倉：

Name of Shareholder 股東姓名／名稱	Capacity/ Nature of interest 身份／權益性質	Number of ordinary shares and class of securities 普通股的數目及證券類別	Approximate percentage of shareholding (%) 持股概約百分比(%)
Peiport Alpha ⁽³⁾ 彼岸阿爾法 ⁽³⁾	Beneficial owner 實益擁有人	300,000,000 Shares (L) ⁽¹⁾ 300,000,000 股股份 (L) ⁽¹⁾	75% ⁽²⁾
Mr. YEUNG ⁽³⁾ 楊先生 ⁽³⁾	Interest in a controlled corporation; Interest of spouse 受控制法團權益；配偶權益	300,000,000 Shares (L) ⁽¹⁾ 300,000,000 股股份 (L) ⁽¹⁾	75% ⁽²⁾
Ms. WONG ⁽³⁾ 王女士 ⁽³⁾	Interest in a controlled corporation; Interest of spouse 受控制法團權益；配偶權益	300,000,000 Shares (L) ⁽¹⁾ 300,000,000 股股份 (L) ⁽¹⁾	75% ⁽²⁾

Notes:

- The letter "L" denotes to the entity's with long position in the securities.
- The calculation is based on the total number of 400,000,000 Shares in issue after completion of the global offering.
- Our Company is owned as to approximately 75% by Peiport Alpha. The entire issued share capital of Peiport Alpha is owned as to 70% and 30% by Mr. YEUNG and Ms. WONG, respectively. Ms. WONG is the spouse of Mr. YEUNG and therefore each of Ms. WONG and Mr. YEUNG is deemed to be interested in Shares held by Peiport Alpha pursuant to the SFO. Mr. YEUNG, Ms. WONG and Peiport Alpha together are a group of Controlling Shareholders of our Company.

附註：

- 字母「L」指該實體於證券的好倉。
- 基於全球發售完成後已發行股份總數400,000,000股計算。
- 本公司由彼岸阿爾法擁有約75%。彼岸阿爾法全部已發行股本分別由楊先生及王女士擁有70%及30%。王女士為楊先生的配偶，因此，根據證券及期貨條例，王女士及楊先生各自被視為於彼岸阿爾法持有的股份中擁有權益。楊先生、王女士及彼岸阿爾法共同為本公司一組控股股東。

Report of the Directors (Continued)

董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Save as disclosed above, as at the date of this Annual Report, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" in this section, had any interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts, other than the employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year ended 31 December 2018.

RELATED PARTY TRANSACTIONS

Related party transactions entered into by the Group for the year ended 31 December 2018 are disclosed in note 28 to the financial statements. These transactions were conducted in accordance with terms as agreed between us and the respective related parties. Our Directors confirm that all related party transactions during the year ended 31 December 2018 were conducted on normal commercial terms that were reasonable and in the interest of our Group as a whole. Save as disclosed in below sections of this Annual Report, there were no other connected transactions or non-exempted continuing connected transactions under the Listing Rules as at the date of this Annual Report.

主要股東於股份、相關股份及債權證中的權益(續)

除上文所披露者外，於本年度報告日期，概無主要或高持股量股東或其他人士(本公司董事及行政總裁除外，其權益載於本節「董事及行政總裁於股份、相關股份及債權證中的權益及淡倉」一段)於本公司股份或相關股份中擁有本公司根據證券及期貨條例第336條規定備置之登記冊所記錄的任何權益或淡倉。

管理合約

於截至二零一八年十二月三十一日止年度，我們並無就本集團業務的全部或任何重部分的管理及行政事宜訂立或存有合約(僱傭合約除外)。

關聯方交易

本集團於截至二零一八年十二月三十一日止年度訂立的關聯方交易披露於財務報表附註28。該等交易乃按我們與相應關聯方協定的條款進行。我們的董事確認，於截至二零一八年十二月三十一日止年度的所有關聯方交易均按合理的正常商業條款進行，並符合本集團的整體利益。除本年度報告下文章節所披露者外，於本年度報告日期並無上市規則項下的其他關連交易或非豁免持續關連交易。

Report of the Directors (Continued)

董事會報告(續)

CONNECTED TRANSACTIONS

Non-Exempt Continuing Connected Transactions

During the year ended 31 December 2018, we have entered into a number of lease agreement (together, the "Lease Agreements", and each the "Lease Agreement") with the connected persons (as defined in the Listing Rules) in our ordinary and usual course of business, which constitute continuing connected transactions under the Listing Rules upon our Listing.

Details of these continuing connected transactions of our Group are set out below:

關連交易

非豁免持續關連交易

於截至二零一八年十二月三十一日止年度，我們於日常及一般業務過程中與關連人士(定義見上市規則)訂立多項租賃協議(統稱為「租賃協議」及各為一份「租賃協議」)，其於我們上市後構成上市規則項下的持續關連交易。

本集團的該等持續關連交易的詳情載列如下：

Date of lease agreement 租賃協議日期	Landlord 業主	Tenant 租戶	Connected relationship 關連關係	Location of property 物業地點	Area of property 物業面積	Term 租期	Maximum annual rent payable 應付最高年租	Use of property 物業用途
18 December 2018 二零一八年十二月十八日	Peiport Scientific 彼岸科儀	Peiport Aero 彼岸科航	Peiport Scientific is owned as to 70% and 30% by Mr. YEUNG and Ms. WONG, respectively. Mr. YEUNG and Ms. WONG are our Controlling Shareholders and executive Directors 彼岸科儀分別由楊先生及王女士擁有70%及30%。楊先生及王女士為控股股東及執行董事	Room 1301, Westlands Centre, 20 Westlands Road, Taikoo Place, Hong Kong 香港太古坊華蘭路20號華蘭中心1301室	156.12 sq. m 156.12平方米	Period commencing from the Listing Date and up to 31 December 2020 由上市日期直至二零二零年十二月三十一日止期間	HK\$600,000 600,000港元	Warehouse, system integration and service centre 倉庫、系統整合及服務中心
18 December 2018 二零一八年十二月十八日	Peiport Scientific 彼岸科儀	Peiport Aero 彼岸科航	Peiport Scientific is owned as to 70% and 30% by Mr. YEUNG and Ms. WONG, respectively. Mr. YEUNG and Ms. WONG are our Controlling Shareholders and executive Directors 彼岸科儀分別由楊先生及王女士擁有70%及30%。楊先生及王女士為控股股東及執行董事	Room 1302, Westlands Centre, 20 Westlands Road, Taikoo Place, Hong Kong 香港太古坊華蘭路20號華蘭中心1302室	159.23 sq.m 159.23平方米	Period commencing from the Listing Date and up to 31 December 2020 由上市日期直至二零二零年十二月三十一日止期間	HK\$600,000 600,000港元	Warehouse, system integration and service centre 倉庫、系統整合及服務中心
18 December 2018 二零一八年十二月十八日	Peiport Scientific 彼岸科儀	Peiport Aero 彼岸科航	Peiport Scientific is owned as to 70% and 30% by Mr. YEUNG and Ms. WONG, respectively. Mr. YEUNG and Ms. WONG are our Controlling Shareholders and executive Directors 彼岸科儀分別由楊先生及王女士擁有70%及30%。楊先生及王女士為控股股東及執行董事	Room 1307, Westlands Centre, 20 Westlands Road, Taikoo Place, Hong Kong 香港太古坊華蘭路20號華蘭中心1307室	158.29 sq.m 158.29平方米	Period commencing from the Listing Date and up to 31 December 2020 由上市日期直至二零二零年十二月三十一日止期間	HK\$600,000 600,000港元	Warehouse, system integration and service centre 倉庫、系統整合及服務中心
9 January 2018 二零一八年一月九日	Mr. YEUNG 楊先生	Peiport Guangzhou Sijing Opto-electronics System Limited ("Peiport Guangzhou") 廣州彼岸思精光電系統有限公司 (「彼岸廣州」)	Mr. YEUNG is our Controlling Shareholder and executive Director 楊先生為控股股東及執行董事	Unit 2523, Wuyang Xincheng Plaza, No. 111 Siyou New Road, Yuexiu District, Guangzhou, Guangdong Province, the PRC 中國廣東省廣州市越秀區寺右新馬路111號五羊新城2523室	139.55 sq.m 139.55平方米	Period of three years commencing from 1 January 2018 二零一八年一月一日起為期三年	Renminbi ("RMB") 159,600 人民幣 (「人民幣」) 159,600元	Office 辦事處

Report of the Directors (Continued)

董事會報告 (續)

CONNECTED TRANSACTIONS (Continued)

關連交易 (續)

Non-Exempt Continuing Connected Transactions (Continued)

非豁免持續關連交易 (續)

Date of lease agreement 租賃協議日期	Landlord 業主	Tenant 租戶	Connected relationship 關連關係	Location of property 物業地點	Area of property 物業面積	Term 租期	Maximum annual rent payable 應付最高年租	Use of property 物業用途
9 March 2017 二零一七年 三月九日	Ms. WONG 王女士	Beijing Peiport Jingdu Technology Limited ("Peiport Beijing") 北京彼岸京都科技 有限公司 (「彼岸北京」)	Ms. WONG is our Controlling Shareholder and executive Director 王女士為控股股東及執行董事	Fiat 2-7 on level 121 Block 1, Yuetan Mansion, No. 2 Yuetan North Street, Xicheng District, Beijing, the PRC 中國北京市西城區月壇北街2號月壇大廈一座121樓2-7室	235.45 sq.m 235.45平方米	Period of five years commencing from 12 March 2017 二零一七年三月十二日起為期五年	RMB360,000 人民幣 360,000元	Office 辦事處
9 March 2017 二零一七年 三月九日	Ms. WONG 王女士	Peiport Beijing 彼岸北京	Ms. WONG is our Controlling Shareholder and executive Director 王女士為控股股東及執行董事	Fiat 2-8 on level 121 Block 1, Yuetan Mansion, No. 2 Yuetan North Street, Xicheng District, Beijing, the PRC 中國北京市西城區月壇北街2號月壇大廈一座121樓2-8室	123.56 sq.m 123.56平方米	Period of five years commencing from 12 March 2017 二零一七年三月十二日起為期五年	RMB357,600 人民幣 357,600元	Office 辦事處
1 November 2017 二零一七年 十一月一日	Ms. WONG 王女士	Peiport Guangzhou 彼岸廣州	Ms. WONG is our Controlling Shareholder and executive Director 王女士為控股股東及執行董事	Unit 1102, Block C, Hesheng Jingguang Centre, No. 11 Tangyan Road, Xi'an Hi-tech Industries Development Zone, Yantat District, Xi'an, Shaanxi Province, the PRC 中國陝西省西安市雁塔區西安高新技術產業開發區唐延路11號禾盛京廣中心C座1102室	192 sq.m 192平方米	Period of two years commencing from 1 November 2017 二零一七年十一月一日起為期兩年	RMB172,800 人民幣 172,800元	Office 辦事處
8 January 2018 二零一八年一月八日	Ms. WONG 王女士	Peiport Guangzhou 彼岸廣州	Ms. WONG is our Controlling Shareholder and executive Director 王女士為控股股東及執行董事	Unit 2301, Office Block 1 Jinniu Wanda Plaza, No. 118 Renmin North Road, 2nd Section, Jinniu District, Chengdu, Sichuan Province, the PRC 中國四川省成都市金牛區二段人民北路118號金牛萬達廣場寫字樓1座2301室	276.6 sq.m 276.6平方米	Period of two years commencing from 19 January 2018 二零一八年一月十九日起為期兩年	RMB215,784 人民幣 215,784元	Office 辦事處

During the year ended 31 December 2018, there was no material change in the Lease Agreements. There was also no termination of the Lease Agreements, nor was there any failure to terminate when the restrictions that led to the adoption of the Lease Agreements are removed.

於截至二零一八年十二月三十一日止年度，租賃協議並無重大變動。概無租賃協議被終止，當導致採納租賃協議的各項限制解除時亦無發生任何未能終止租賃協議的情況。

Report of the Directors (Continued)

董事會報告(續)

CONNECTED TRANSACTIONS (Continued)

Non-Exempt Continuing Connected Transactions (Continued)

The aggregate of the maximum annual rent payable by the Group under all of the Lease Agreements described above is approximately HK\$1.8 million, HK\$3.8 million and HK\$3.8 million which shall constitute the maximum amount of rent payable by us to Peiport Scientific, Mr. YEUNG and Ms. WONG for the year ended 31 December 2018 and each of the years ending 31 December 2019 and 2020, respectively. The aggregate of the maximum annual rent payable by the Group under all of the Lease Agreements for the year ended 31 December 2018 is less than those for each of the two years ending 31 December 2020 because some of the Lease Agreements for the properties in Hong Kong only commenced in December 2018 which are not full year rentals. In relation to the Lease Agreements for the properties in Hong Kong, our Group was not charged any rentals in respect of our usage thereof before the entering into of the Lease Agreements for the properties in Hong Kong.

Mr. YEUNG and Ms. WONG are our Controlling Shareholders and executive Directors, while Peiport Scientific is an associate of our Controlling Shareholders. Accordingly, the transactions contemplated under the Lease Agreements will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules.

Since each of applicable percentage ratios (other than the profits ratio) as defined under Rule 14.07 of the Listing Rules for the Lease Agreements is expected to be more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the Lease Agreements are subject to the reporting, annual review and announcement but will be exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

關連交易(續)

非豁免持續關連交易(續)

本集團根據上文所述所有租賃協議應付的最高年租總額分別約為1.8百萬港元、3.8百萬港元及3.8百萬港元，其指我們於截至二零一八年十二月三十一日止年度以及截至二零一九年及二零二零年十二月三十一日止年度各年須向彼岸科儀、楊先生及王女士支付的最高租金。本集團於截至二零一八年十二月三十一日止年度根據所有租賃協議應付最高年租總額少於截至二零二零年十二月三十一日止兩個年度各年，此乃由於香港物業的租賃協議僅於二零一八年十二月開始，並非全年租金。就香港物業的租賃協議而言，於訂立香港物業的租賃協議前，本集團並無因使用有關物業而被收取任何租金。

楊先生及王女士為我們的控股股東及執行董事，而彼岸科儀為控股股東的聯營公司。因此，據租賃協議擬進行的交易將構成本公司於上市規則第14A章下的持續關連交易。

由於根據上市規則第14.07條所界定有關租賃協議的各適用百分比率(不包括利潤率)預期將不超過每年0.1%但少於5%，故據租賃協議擬進行的交易須遵守報告、年度審閱及公告規定，但獲豁免遵守上市規則第14A章下的獨立股東批准規定。

Report of the Directors (Continued)

董事會報告(續)

CONNECTED TRANSACTIONS (Continued)

Non-Exempt Continuing Connected Transactions (Continued)

In accordance with Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions and confirmed that these continuing connected transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, Ernst & Young, the Company's external auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Financial statements* and with reference to Practice Note 740 *Auditors' Letter on Continuing Connected Transactions under Hong Kong Listing Rules* issued by the HKICPA.

Ernst & Young issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Save as disclosed above, the Company had no connected transactions or continuing connected transactions which fell to be disclosed in accordance with the provisions under Chapter 14A of the Listing Rules in relation to the disclosure of connected transactions and continuing connected transactions.

關連交易(續)

非豁免持續關連交易(續)

根據上市規則第14A.55條，獨立非執行董事已審閱持續關連交易，並確認該等持續關連交易乃於以下情況訂立：

- (1) 於本集團日常及一般業務過程中；
- (2) 按正常商業條款或更佳條款；及
- (3) 根據各自規管該等交易的協議按公平合理的條款進行，並符合本公司股東整體利益。

根據上市規則第14A.56條，本公司外聘核數師安永會計師事務所已獲委聘按照香港會計師公會頒佈之香港鑒證業務準則第3000號(經修訂)下之非審核或審閱過往財務資料之鑒證工作規定，並參照實務說明第740號關於香港上市規則所述持續關連交易的核數師函件就本集團之持續關連交易作出報告。

根據上市規則第14A.56條，安永會計師事務所已就本集團披露的持續關連交易發出無保留意見，並載有其發現和結論的函件。本公司已將核數師函件副本提供予聯交所。

除上文所披露者外，本公司概無根據上市規則第14A章項下有關關連交易及持續關連交易披露的條文而須予披露的關連交易或持續關連交易。

Report of the Directors (Continued)

董事會報告(續)

REMUNERATION POLICIES

As at 31 December 2018, the remuneration policy for employees of the Group is determined based on their responsibilities, qualifications, performance, experience and seniority which are reviewed periodically.

Compensation of Directors of the Group is reviewed by the Remuneration Committee, approved by the Board and authorised by the shareholders at the AGM of the Company, which is based on the Group's performance and the executives' respective contributions to the Group.

The Company has adopted the Share Option Scheme as incentive to Directors and eligible employees, details of the scheme are set out in the section headed "Share Option Scheme" on pages 60 to 62 of this Annual Report.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by our Company are set out in the "Corporate Governance Report" section on pages 34 to 50 of this Annual Report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this Annual Report, the Company has maintained the prescribed percentage of public float under the Listing Rules.

EVENT AFTER THE REPORTING PERIOD

Details of the significant event after the reporting period are set out in note 32 to the financial statements.

薪酬政策

於二零一八年十二月三十一日，本集團的僱員薪酬政策乃基於其職責、資格、表現、經驗及年資而釐定，並會進行定期審閱。

本集團董事的薪酬由薪酬委員會審閱及董事會批准，並經股東於本公司股東週年大會上授權，乃基於本集團的表現及行政人員各自對本集團的貢獻。

本公司已採納購股權計劃作為對董事及合資格僱員的激勵，計劃詳情載於本年度報告第60至62頁「購股權計劃」一節。

企業管治

本公司採納的主要企業管治常規載於本年度報告第34至50頁「企業管治報告」一節。

公眾持股量充足性

根據本公司可獲取的公開資料及就董事所知悉，於本年報日期，本公司維持上市規則下規定的公眾持股量百分比。

報告期後事項

報告期後的重大事項詳情載於財務報表附註32。

Report of the Directors (Continued)

董事會報告(續)

AUDITOR

A resolution will be proposed at the forthcoming AGM for the re-appointment of Ernst & Young as the independent auditor of the Company.

By order of the Board of Directors

Mr. YEUNG Lun Ching

Chairman and Executive Director

Hong Kong

26 March 2019

核數師

應屆股東週年大會上將提出決議案以續聘安永會計師事務所為本公司獨立核數師。

承董事會命

楊倫楨先生

主席兼執行董事

香港

二零一九年三月二十六日

Independent Auditor's Report

獨立核數師報告



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To the shareholders of Peiport Holdings Ltd.
(Incorporated in the Cayman Islands with limited liability)

致彼岸控股有限公司股東
(於開曼群島註冊成立之有限公司)

OPINION

意見

We have audited the consolidated financial statements of Peiport Holdings Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 79 to 176, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

吾等已審核載於第79至176頁的彼岸控股有限公司(「貴公司」)及其他附屬公司(「貴集團」)的綜合財務報表，包括二零一八年十二月三十一日的綜合財務狀況表、截至該日期止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及包括主要會計政策概要在內的財務報表附註。

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

吾等認為綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例之披露要求而妥善編製。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

意見的基礎

吾等已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。吾等在該等準則下承擔的責任已在吾等的報告「核數師就審核綜合財務報表須承擔之責任」一節中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「守則」)，吾等獨立於貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為我們的意見提供基礎。

關鍵審核事項

關鍵審核事項是根據吾等的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。該等事項是在吾等審核整體綜合財務報表及就此出具意見時進行處理的，且吾等不會對該等事項提供單獨的意見。吾等對下述每一事項於審計中是如何處理的描述亦以此為背景。

吾等已履行吾等的報告「核數師就審核綜合財務報表須承擔之責任」一節闡述的責任，包括與該等事項相關的責任。相應地，吾等的審核工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審核程序。吾等執行審核程序的結果，包括處理下述事項所執行的程序，為綜合財務報表審核意見提供基礎。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

Key audit matters

關鍵審核事項

Impairment assessment of trade and bills receivables

貿易應收款項及應收票據的減值評估

As at 31 December 2018, the Group had trade and bills receivables of HK\$111,725,000, after making a provision of HK\$1,216,000. The Group applies the simplified approach to provide impairment for expected credit losses ("ECLs") under HKFRS 9, which permits the use of the lifetime ECLs for all trade and bills receivables. To measure the ECLs, trade and bills receivables are grouped based on shared credit risk characteristics and the days past due and the calculation of ECLs are based on the historical observable default rates and forward-looking information. The ECLs of trade and bills receivables were HK\$1,216,000 as at 31 December 2018.

於二零一八年十二月三十一日，貴集團作出撥備1,216,000港元後有貿易應收款項及應收票據111,725,000港元。貴集團採用簡化法，就香港財務報告準則第9號下的預期信貸虧損（「預期信貸虧損」）計提減值撥備，該條允許就所有貿易應收款項及應收票據使用全期預期虧損撥備。就計量預期信貸虧損，貿易應收款項及應收票據已根據共同信貸風險特徵及逾期日數分類，而預期信貸虧損乃基於過往可觀察的拖欠率及前瞻性資料計算。於二零一八年十二月三十一日的貿易應收款項及應收票據預期信貸虧損為1,216,000港元。

We focused on this area because it required a high level of management judgement and estimation and the amounts involved were material.

吾等關注該範疇乃由於其需要高水平的管理層判斷及估計，而涉及金額重大。

The Group's disclosures of the trade and bills receivables are included in notes 3 and 14 to the financial statements.

貴集團對貿易應收款項及應收票據的披露載於財務報表附註3及14。

關鍵審核事項(續)

How our audit addressed the key audit matters

吾等的審核如何處理關鍵審核事項

We assessed the Group's internal controls over the credit control of trade and bills receivables. We also reviewed management's assessment regarding the recoverability of the Group's trade and bills receivables by evaluating the assumptions and methodologies of the ECLs model, obtaining evidence which included background search and review of repayment history, checking the accuracy of ageing of trade and bills receivables and forward-looking information and recalculating ECLs. We also assessed the disclosures related to trade and bills receivables in the consolidated financial statements.

吾等評估貴集團對貿易應收款項及應收票據信貸控制的內部控制。吾等亦評估預期信貸虧損模型的假設及方法、獲取證據（包括背景調查及審閱還款記錄）、檢查貿易應收款項及應收票據賬齡及前瞻性資料的準確性及重新計算預期信貸虧損，藉以審閱管理層就貴集團貿易應收款項及應收票據的可收回性進行的評估。吾等亦評估綜合財務報表中涉及貿易應收款項及應收票據的披露。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matters

關鍵審核事項

How our audit addressed the key audit matters

吾等的審核如何處理關鍵審核事項

Allowance for inventory obsolescence

陳舊存貨撥備

As at 31 December 2018, the Group had inventories of HK\$43,270,000, after making allowance for inventory obsolescence of HK\$404,000. Allowance for inventory obsolescence is based on management's judgement using the available facts and circumstances, including but not limited to, the inventories' own physical conditions, their market selling prices and estimated selling costs of the inventories.

於二零一八年十二月三十一日，貴集團作出陳舊存貨撥備404,000港元後有存貨43,270,000港元。陳舊存貨撥備乃基於管理層使用可得事實及情況(包括但不限於存貨本身的物理狀況、其市場售價及存貨的估計銷售成本)而作出的判斷。

We focused on this area as the inventories were material to the consolidated financial statements and the determination of allowance for inventory obsolescence involved significant management's judgement and estimation.

吾等關注該範疇乃由於存貨對綜合財務報表屬重大，且釐定陳舊存貨撥備涉及管理層的重大判斷及估計。

The Group's disclosures of the inventories are included in notes 3 and 13 to the financial statements.

貴集團對存貨的披露載於財務報表附註3及13。

We attended management's inventory counts and observed the processes at material inventory locations, including observing the processes implemented by management to identify and monitor obsolete inventories. We evaluated the assessments made by management with respect of identification of inventory obsolescence by assessing inventory costing, ageing reports, and obsolete inventories on a sampling basis. We recalculated the allowance for inventory obsolescence in accordance with the Group's policy.

吾等出席管理層的存貨盤點並於主要存貨地點觀察有關程序，包括觀察管理層為識別及監察陳舊存貨所實施的程序。吾等抽樣評估存貨成本、賬齡報告及陳舊存貨，藉以評估管理層就識別陳舊存貨而作出的評估。吾等根據貴集團的政策重新計算陳舊存貨撥備。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

年報內的其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表作出的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，在此過程中考慮其他資料是否與綜合財務報表或吾等於審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若吾等基於已完成的工作認為其他資料存在重大錯誤陳述，吾等須報告該事實。吾等就此並無任何事項須報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，以及落實董事認為所必需的有關內部監控，以確保有關綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(倘適用)。除非貴公司董事有意將貴集團清盤或停止營運，或別無其他實際的替代方案，否則董事須採用持續經營為會計基礎。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

董事就綜合財務報表須承擔的責任(續)

貴公司董事在審核委員會的協助下履行職責，監督貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

吾等的目標為合理核證整體上綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含吾等意見的核數師報告。吾等僅向閣下(作為整體)報告，除此之外，本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理核證屬高層次的核證，但不能保證根據香港核數準則進行的審核於某一重大錯誤陳述存在時總能發現。錯誤陳述可以由於欺詐或錯誤引起，倘個別或整體於合理預期情況下可影響使用者依據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

在根據香港核數準則進行審核的過程中，吾等運用專業判斷，於整個審核過程中保持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯報風險，因應該等風險設計及執行審核程序，獲得充足及適當的審核憑證為吾等的意見提供基礎。由於欺詐涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯報風險高於未能發現由於錯誤而導致的重大錯報風險。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

核數師就審核綜合財務報表須承擔的責任(續)

- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對 貴集團的內部控制的有效性發表意見。
- 評估所用會計政策是否恰當，以及董事所作出的會計估算及相關披露是否合理。
- 總結董事採用持續經營會計基礎是否恰當，並根據已獲取的審核憑證，確定是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘若吾等總結認為有重大不確定因素，吾等須於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則我們應當發表非標準無保留意見。吾等的結論為基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況或會導致 貴集團不再具有持續經營的能力。
- 評估綜合財務報表的整體呈列、架構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足、適當的審核憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行 貴集團的審核工作。吾等為審核意見承擔全部責任。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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

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

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

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

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

Ernst & Young
Certified Public Accountants
Hong Kong
26 March 2019

核數師就審核綜合財務報表須承擔的責任(續)

吾等與審核委員會溝通計劃的審核範圍、時間安排、重大審核發現等，包括吾等在審核中識別出的內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的相關道德要求，並與其溝通有可能合理地被認為會影響吾等獨立性的所有關係及其他事宜以及適用的相關保障措施。

從與審核委員會溝通的事項中，吾等確定該等對本期綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。吾等在核數師報告中描述此等事項，除非法律法規不允許公開披露此等事項，或在極端罕見的情況下，如果合理預期在吾等報告中談及某事項造成的負面後果超過產生的公眾利益，吾等決定不應在報告中談及該事項。

出具本獨立核數師報告的審核項目合夥人為許建輝。

安永會計師事務所
執業會計師
香港
二零一九年三月二十六日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
REVENUE	收益	5	262,080	238,406
Cost of sales	銷售成本		(168,025)	(155,408)
Gross profit	毛利		94,055	82,998
Other income and gains, net	其他收入及收益淨額	5	1,827	5,728
Selling and distribution expenses	銷售及分銷開支		(24,308)	(21,977)
Administrative expenses	行政開支		(44,127)	(21,586)
Other expenses	其他開支		(7,641)	(948)
PROFIT BEFORE TAX	除稅前溢利	6	19,806	44,215
Income tax expense	所得稅開支	9	(8,299)	(9,290)
PROFIT FOR THE YEAR	年度溢利		11,507	34,925
OTHER COMPREHENSIVE (LOSS)/ INCOME	其他全面(虧損)/收益			
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	將於其後期間重新分類至損益的其他全面(虧損)/收益：			
Available-for-sale investments:	可供出售投資：			
Changes in fair value	公平值變動		-	128
Reclassification adjustments for gain on disposal	就出售收益之重新分類調整	5	-	(128)
Exchange differences on translation of foreign operations	換算外國業務的匯兌差額		(3,061)	2,271
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR, NET OF TAX	年內其他全面(虧損)/收益，扣除稅項		(3,061)	2,271
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額		8,446	37,196

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

綜合損益及其他全面收益表(續)

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

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit attributable to:			
Owners of the parent	以下各方應佔溢利： 母公司擁有人	11,507	34,469
Non-controlling interests	非控股權益	–	456
		11,507	34,925
Total comprehensive income attributable to:	以下各方應佔全面收益總額：		
Owners of the parent	母公司擁有人	8,446	36,617
Non-controlling interests	非控股權益	–	579
		8,446	37,196
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人 應佔每股盈利		
Basic and diluted	基本及攤薄	11 HK3.84 cents 港仙	HK11.50 cents 港仙

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	10,483	12,907
Deferred tax assets	遞延稅項資產	21	2,240	2,007
Total non-current assets	非流動資產總值		12,723	14,914
CURRENT ASSETS	流動資產			
Inventories	存貨	13	43,270	30,130
Trade and bills receivables	貿易應收款項及應收票據	14	111,725	88,031
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	15	35,812	12,003
Amount due from the ultimate holding company	應收最終控股公司款項	28(d)	–	4
Amounts due from directors	應收董事款項	28(d)	–	102,306
Amount due from a related company	應收一間關聯公司款項	28(d)	–	1,404
Available-for-sale investments	可供出售投資	16	–	14,806
Pledged deposits	已抵押存款	17	–	480
Cash and bank balances	現金及銀行結餘	17	52,916	40,621
Total current assets	流動資產總值		243,723	289,785
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	18	13,886	14,935
Other payables and accruals	其他應付款項及應計費用	19	38,828	12,712
Contract liabilities	合約負債	20	13,497	5,531
Tax payable	應付稅項		4,921	5,553
Total current liabilities	流動負債總值		71,132	38,731
NET CURRENT ASSETS	流動資產淨值		172,591	251,054
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		185,314	265,968
Net assets	資產淨值		185,314	265,968

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

31 December 2018 二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	22	4	4
Reserves	儲備	23	185,310	265,964
Total equity	總權益		185,314	265,968

YEUNG Lun Ching
楊倫楨
Director
董事

WONG Kwan Lik
王群力
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔								
		Share capital	Other reserve*	Statutory surplus reserve*	Available-for-sale investments revaluation reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
		股本	其他儲備*	法定盈餘儲備*	可供出售投資重估儲備*	匯率波動儲備*	保留溢利*	合計	非控股權益	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 22)	(note 23)	(note 23)						
		(附註22)	(附註23)	(附註23)						
At 1 January 2017	於二零一七年一月一日	-	19,415	2,510	-	(1,028)	205,994	226,891	1,877	228,768
Profit for the year	年度溢利	-	-	-	-	-	34,469	34,469	456	34,925
Other comprehensive income for the year:	年內其他全面收益：									
Changes in fair value of available-for-sale investments, net of tax:	可供出售投資之公平值變動，扣除稅項：	-	-	-	128	-	-	128	-	128
Reclassification adjustments for gain on disposal of available-for-sale investments	就出售可供出售投資之收益之重新分類調整	-	-	-	(128)	-	-	(128)	-	(128)
Exchange differences on translation of foreign operations	換算外國業務的匯兌差額	-	-	-	-	2,148	-	2,148	123	2,271
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	2,148	34,469	36,617	579	37,196
Acquisition of non-controlling interests	收購非控股權益	-	2,456	-	-	-	-	2,456	(2,456)	-
Issue of shares	發行股份	4	-	-	-	-	-	4	-	4
Transfer from retained profits	轉撥自保留溢利	-	-	213	-	-	(213)	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	4	21,871	2,723	-	1,120	240,250	265,968	-	265,968

Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表(續)

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

		Attributable to owners of the parent 母公司擁有人應佔					
		Share capital	Other reserve*	Statutory surplus reserve*	Exchange fluctuation reserve*	Retained profits*	Total equity
		股本	其他儲備*	法定盈餘儲備*	匯率波動儲備*	保留溢利*	總權益
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元	千港元
		(note 22)	(note 23)	(note 23)			
		(附註22)	(附註23)	(附註23)			
At 31 December 2017	於二零一七年十二月三十一日	4	21,871	2,723	1,120	240,250	265,968
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號之影響	-	-	-	-	(386)	(386)
	Note 附註						
	2.2						
At 1 January 2018 (restated)	於二零一八年一月一日(經重列)	4	21,871	2,723	1,120	239,864	265,582
Profit for the year	年度溢利	-	-	-	-	11,507	11,507
Other comprehensive loss for the year:	年內其他全面虧損:						
Exchange differences on translation of foreign operations	換算外國業務的匯兌差額	-	-	-	(3,061)	-	(3,061)
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額	-	-	-	(3,061)	11,507	8,446
Transfer from retained profits	轉撥自保留溢利	-	-	957	-	(957)	-
Deemed distribution to the shareholders	視作分派予股東	-	(88,714)	-	-	-	(88,714)
At 31 December 2018	於二零一八年十二月三十一日	4	(66,843)	3,680	(1,941)	250,414	185,314

* These reserve accounts comprise the consolidated reserves of HK\$185,310,000 (2017: HK\$265,964,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表內的綜合儲備185,310,000港元(二零一七年: 265,964,000港元)。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit before tax:	除稅前溢利：	19,806	44,215
Adjustments for:	就以下各項作出調整：		
Bank interest income	銀行利息收入	(87)	(50)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	468	–
Gain on disposal of available-for-sale investments (transfer from equity on disposal)	出售可供出售投資之收益(轉撥自出售權益)	–	(128)
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產之收益	(79)	–
Depreciation	折舊	2,602	1,992
Provision for/(reversal of) inventory obsolescence	陳舊存貨撥備/(撥回)	(254)	411
Provision for/(reversal of) doubtful receivables, net	應收款項呆賬撥備/(撥回)淨額	(1,552)	695
		20,904	47,135
(Increase)/decrease in inventories	存貨(增加)/減少	(15,306)	5,064
Increase in trade and bills receivables	貿易應收款項及應收票據增加	(27,034)	(27,125)
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項(增加)/減少	(6,609)	7,825
Decrease in amount due from a related company	應收一間關聯公司款項減少	1,404	–
Decrease in amount due from the ultimate holding company	應收最終控股公司款項減少	4	–
Decrease/(increase) in pledged deposits	已抵押存款減少/(增加)	480	(480)
Increase/(decrease) in trade payables	貿易應付款項增加/(減少)	5,160	(18,039)
Increase in other payables and accruals	其他應付款項及應計費用增加	26,707	4,969
Increase/(decrease) in contract liabilities	合約負債增加/(減少)	7,987	(2,701)
Decrease in amounts due to related companies	應付關聯公司款項減少	–	(156)
Cash generated from operations	營運所產生現金	13,697	16,492
Interest received	已收利息	87	50
Income taxes paid	已付所得稅	(9,318)	(7,382)
Net cash flows from operating activities	經營活動所得現金流量淨額	4,466	9,160

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量			
Purchases of items of property, plant and equipment	收購物業、廠房及設備項目	12	(226)	(1,656)
Purchases of available-for-sale investments	收購可供出售投資		-	(67,147)
Purchases of financial assets at fair value through profit or loss	收購按公平值計入損益的金融資產		(11,810)	-
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項		-	65,357
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產所得款項		27,003	-
Receipt of returns on available-for-sale investments	已收可供出售投資回報	5	-	128
Receipt of returns on financial assets at fair value through profit or loss	已收按公平值計入損益的金融資產回報	5	79	-
Settlement of directors' balances	結算董事結餘		36,786	-
Advances to directors	墊款予董事		(4,966)	(36,280)
Net cash flows from/(used in) investing activities	投資活動所得/(所用)現金流量淨額		46,866	(39,598)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量			
Listing expenses paid — equity portion	已付上市開支—權益部分	24	(17,905)	(844)
Cash paid arising from Reorganisation (as defined in note 1)	重組(定義見附註1)產生的已付現金		(19,371)	-
Net cash flows used in financing activities	融資活動所用現金流量淨額		(37,276)	(844)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額		14,056	(31,282)
Cash and cash equivalents at beginning of year	年初現金及現金等價物		40,621	69,924
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額		(1,761)	1,979
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物		52,916	40,621
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析			
Cash and bank balances	現金及銀行結餘	17	52,916	40,621

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Peiport Holdings Ltd. (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 19 December 2017. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 January 2019 (the “Listing Date”).

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively the “Group”) were principally engaged in the provision of (i) thermal imaging products and services; (ii) self-stabilised imaging products and services; and (iii) general aviation products and services.

In the opinion of the directors, the ultimate holding company of the Group is Peiport Alpha Ltd. (the “Ultimate Holding Company”), which was incorporated in the British Virgin Islands (“BVI”) with limited liability and is controlled by Mr. YEUNG Lun Ching (“Mr. YEUNG”) and Ms. WONG Kwan Lik (“Ms. WONG”).

Pursuant to the reorganisation of the Company in connection with the listing of the shares of the Company on the Stock Exchange (the “Reorganisation”), the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the section headed “History, Reorganisation and Corporate Structure” in the prospectus of the Company dated 31 December 2018 (the “Prospectus”).

1. 公司及集團資料

彼岸控股有限公司(「本公司」)於二零一七年十二月十九日根據開曼群島公司法(經修訂)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司股份於二零一九年一月十一日(「上市日期」)在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一間投資控股公司。年內本公司及其附屬公司(統稱「本集團」)主要從事提供(i)熱成像產品及服務；(ii)自穩定成像產品及服務；及(iii)通用航空產品及服務。

董事認為，本集團的最終控股公司為彼岸阿爾法有限公司(「最終控股公司」)，其為一間於英屬維爾京群島(「英屬維爾京群島」)註冊成立的有限公司，並受楊倫楨先生(「楊先生」)及王群力女士(「王女士」)控制。

根據本公司就本公司股份於聯交所上市而進行的重組(「重組」)，本公司成為本集團現時旗下公司的控股公司。重組的詳情載於本公司日期為二零一八年十二月三十一日的招股章程(「招股章程」)中「歷史、重組及企業架構」一節。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name 名稱	Place and date of incorporation/ registration and place of operations 成立/註冊地點及 日期以及經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Peiport Bravo Ltd. 彼岸進取有限公司	BVI 20 December 2017 英屬維爾京群島 二零一七年十二月二十日	HK\$1 1港元	100	-	Investment holding 投資控股
Peiport Creative Ltd. 彼岸創新有限公司	BVI 20 December 2017 英屬維爾京群島 二零一七年十二月二十日	HK\$1 1港元	100	-	Investment holding 投資控股
Peiport Scientific Aero Limited 彼岸科航有限公司	Hong Kong 18 December 2017 香港 二零一七年十二月十八日	HK\$1 1港元	-	100	Provision of (i) thermal imaging products and services and (ii) self-stabilised imaging products and services 提供(i)熱成像產品及服務及(ii)自穩定成像產品及服務
Peiport Industries Limited 彼岸實業有限公司	Hong Kong 1 March 2006 香港 二零零六年三月一日	HK\$2,000,000 2,000,000港元	-	100	Provision of (i) thermal imaging products and services; (ii) self-stabilised imaging products and services; and (iii) general aviation products 提供(i)熱成像產品及服務；(ii)自穩定成像產品及服務；及(iii)通用航空產品

1. 公司及集團資料(續)

附屬公司資料

本公司附屬公司的詳情如下：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

1. 公司及集團資料(續)

Information about subsidiaries (Continued)

附屬公司資料(續)

Name 名稱	Place and date of incorporation/ registration and place of operations 成立/註冊地點及 日期以及經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
DNL Optoelec Systems Limited 識卓光電系統有限公司	Hong Kong 11 August 2000 香港 二零零零年八月十一日	HK\$1,000,000 1,000,000 港元	-	100	Provision of thermal imaging products and services 提供熱成像產品及服務
Peiport (Shanghai) Optoelectronics Technology Limited ⁽ⁱ⁾ 彼岸(上海)光電科技有限公司 ⁽ⁱ⁾	People's Republic of China (the "PRC")/ Mainland China 9 November 2011 中華人民共和國(「中國」)/ 中國內地 二零一一年十一月九日	Renminbi ("RMB") 10,180,000 人民幣(「人民幣」) 10,180,000 元	-	100	Provision of (i) thermal imaging products and services; (ii) self-stabilised imaging products and services; and (iii) general aviation products 提供(i)熱成像產品及服務；(ii)自穩定成像產品及服務；及(iii)通用航空產品
Guangzhou Peiport Sijing Optoelectronics System Limited 廣州彼岸思精光電系統有限公司	PRC/Mainland China 19 November 2003 中國/中國內地 二零零三年十一月十九日	RMB20,000,000 人民幣 20,000,000 元	-	100	Provision of (i) thermal imaging products and services; (ii) self-stabilised imaging products and services; and (iii) general aviation products 提供(i)熱成像產品及服務；(ii)自穩定成像產品及服務；及(iii)通用航空產品

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

1. 公司及集團資料(續)

Information about subsidiaries (Continued)

附屬公司資料(續)

Name 名稱	Place and date of incorporation/ registration and place of operations 成立/註冊地點及 日期以及經營地點	Nominal value of issued ordinary/ registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Beijing Peiport Jingdu Technology Limited	PRC/Mainland China 26 March 2001	RMB5,100,000	–	100	Provision of (i) thermal imaging products and services; (ii) self-stabilised imaging products and services; and (iii) general aviation products
北京彼岸京都科技有限公司	中國/中國內地 二零零一年三月二十六日	人民幣 5,100,000元			提供(i)熱成像產品及服務; (ii)自穩定成像產品及服務; 及(iii)通用航空產品
Peiport (Zhuhai) Air Equipment Manufacturing Limited ⁽ⁱ⁾	PRC/Mainland China 2 January 2004	US dollars ("US\$") 250,000	–	100	Provision of general aviation products and services
彼岸(珠海)航空器材製造有限公司 ⁽ⁱ⁾	中國/中國內地 二零零四年一月二日	250,000美元 (「美元」)			提供通用航空產品及服務

(i) Registered as wholly-foreign-owned enterprises under the PRC law.

(i) 根據中國法律註冊為外商獨資企業。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION

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

Basis of consolidation

Pursuant to the Group’s reorganisation as set out in the section headed “History, Reorganisation and Corporate Structure” in the Prospectus, the Company became the holding company of its subsidiaries now comprising the Group. The consolidated financial statements of the Group have been prepared as if the Group had always been in existence throughout both years presented; or since the respective dates of incorporation or establishment of the group companies, rather than from the date when the Company became the holding company pursuant to the Reorganisation.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

2.1 編製基準

財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例的披露規定而編製。其乃按歷史成本慣例編製。財務報表以港元(「港元」)呈列，且所有價值均約整至最接近的千位，惟另有說明者除外。

綜合入賬基準

根據招股章程「歷史、重組及公司架構」一節所載的集團重組，本公司成為本集團現時旗下附屬公司的控股公司。本集團綜合財務報表乃假設本集團於呈列的兩個年度或自集團公司各自的註冊成立或成立日期起一直存在而編製，而非假設自本公司根據重組成為控股公司的日期起存在而編製。

附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力(即本集團獲賦予現有能以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2.1 編製基準(續)

綜合入賬基準(續)

- (a) 與投資對象的其他投票權持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表使用與本公司一致的會計政策按同一報告期間編製。附屬公司的業績由本集團取得控制權當日起計入綜合賬目，並持續計入綜合賬目至該控制權終止當日為止。

損益及其他全面收益的各個組成部份歸屬於本集團母公司的擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。所有有關本集團各成員公司間的交易集團內部公司間資產及負債、權益、收入、開支及現金流量會於綜合賬目時全數抵銷。

倘事實及情況顯示上文所述三項控制因素之一項或多項出現變化，本集團會重新評估其是否控制投資對象。於一間附屬公司的擁有權權益變動，惟並無失去控制權，則以權益交易入賬。

倘本集團失去附屬公司的控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)計入權益的累計匯兌差額；並確認(i)已收取代價的公平值；(ii)任何保留投資的公平值；及(iii)所產生並於損益確認的任何盈餘或虧絀。先前已於其他全面收益確認的本集團應佔組成部分乃重新分類至損益或保留溢利(倘適用)，基準與本集團直接出售相關資產或負債所需使用的基準相同。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

HKFRS 15 *Revenue from Contracts with Customers* and Amendments to HKFRS 15 *Clarifications to HKFRS 15 Revenue from Contracts with Customers* have been early adopted by the Group in the preparation of the financial statements throughout the reporting period.

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

2.2 會計政策及披露事項變動

本集團已於本年度的財務報表首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第2號的修訂本	以股份為基礎付款之交易的分類及計量
香港財務報告準則第4號的修訂本	與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號金融工具
香港財務報告準則第9號	金融工具
香港會計準則第40號的修訂本	轉移投資物業
香港(國際財務報告詮釋委員會)一詮釋第22號	外幣交易及預付代價
二零一四年至二零一六年週期年度改進	香港財務報告準則第1號及香港會計準則第28號的修訂

於整個報告期內，本集團於編制財務報表時已提早採納香港財務報告準則第15號來自客戶合約的收益及香港財務報告準則第15號的修訂本對香港財務報告準則第15號來自客戶合約的收益的澄清。

除下文對香港財務報告準則第9號的影響的解釋外，採納上述新訂及經修訂準則對財務報表並無重大財務影響。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (a) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together both two aspects of the accounting for financial instruments: classification and measurement and impairment.

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

Classification and measurement

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

2.2 會計政策及披露事項變動(續)

- (a) 香港財務報告準則第9號金融工具於二零一八年一月一日或以後開始的年度期間取代香港會計準則第39號金融工具：確認及計量，合併金融工具會計的兩個方面：分類及計量及減值。

本集團已確認對二零一八年一月一日權益適用期初結餘的過渡性調整。因此，比較資料並無重述及繼續在香港會計準則第39號下呈報。

分類及計量

以下資料載有採納香港財務報告準則第9號對財務狀況表的影響，包括將香港會計準則第39號的已產生信貸虧損計算替換為香港財務報告準則第9號的預期信貸虧損（「預期信貸虧損」）的影響。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

2.2 會計政策及披露事項變動(續)

(a) (Continued)

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 is as follows:

(a) (續)

於二零一八年一月一日香港會計準則第39號下的賬面值與香港財務報告準則第9號下所報告的結餘之間的對賬如下：

		Notes	HKAS 39 measurement Category	Amount	Reclassification	ECLs	HKFRS 9 measurement Amount	Category
		附註	香港會計準則 第39號計量 類別	金額 HK\$'000 千港元	重新分類 HK\$'000 千港元	預期信貸虧損 HK\$'000 千港元	香港財務報告 準則第9號計量 金額 HK\$'000 千港元	類別
Financial assets	金融資產							
Trade and bills receivables	貿易應收款項及應收票據	14	L&R ¹	88,031	-	(513)	87,518	AC ³
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	15	L&R	7,531	-	-	7,531	AC
Amount due from the ultimate holding company	應收最終控股公司款項	28(d)	L&R	4	-	-	4	AC
Amounts due from directors	應收董事款項	28(d)	L&R	102,306	-	-	102,306	AC
Amount due from a related company	應收一間關聯公司款項	28(d)	L&R	1,404	-	-	1,404	AC
Available-for-sale investments	可供出售投資	16	AFS ²	14,806	(14,806)	-	-	N/A 不適用
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產		N/A 不適用	-	14,806	-	14,806	FVPL ⁴
Pledged deposits	已抵押存款	17	L&R	480	-	-	480	AC
Cash and bank balances	現金及銀行結餘	17	L&R	40,621	-	-	40,621	AC
				255,183	-	(513)	254,670	
Other assets	其他資產							
Deferred tax assets	遞延稅項資產	21		2,007	-	127	2,134	
Total assets	總資產			257,190	-	(386)	256,804	
Financial liabilities	金融負債							
Trade payables	貿易應付款項	18	AC	14,935	-	-	14,935	AC
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債		AC	851	-	-	851	AC
Total liabilities	總負債			15,786	-	-	15,786	

- ¹ L&R: Loans and receivables
² AFS: Available-for-sale investments
³ AC: Financial assets or financial liabilities at amortised cost
⁴ FVPL: Financial assets at fair value through profit or loss

- ¹ L&R: 貸款及應收款項
² AFS: 可供出售投資
³ AC: 按攤銷成本列賬的金融資產或金融負債
⁴ FVPL: 按公平值計入損益的金融資產

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued) 2.2 會計政策及披露事項變動(續)

(a) (Continued)

Impairment

The following table reconciles the aggregate opening impairment allowances under HKAS 39 to the ECL allowances under HKFRS 9.

(a) (續)

減值

下表為香港會計準則第39號下的年初減值撥備總額與香港財務報告準則第9號下的預期信貸虧損撥備之間的對賬。

	Impairment allowances under HKAS 39 at 31 December 2017 於二零一七年十二月三十一日香港會計準則第39號下的減值撥備 HK\$'000 千港元	Re-measurement 重新計量 HK\$'000 千港元	ECL allowances under HKFRS 9 at 1 January 2018 於二零一八年一月一日香港財務報告準則第9號下的預期信貸虧損撥備 HK\$'000 千港元
Trade and bills receivables 貿易應收款項及應收票據	2,247	513	2,760

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued) 2.2 會計政策及披露事項變動(續)

(a) (Continued)

Impact on reserves and retained profits

The impact of the Group's retained profits due to the remeasurement of financial instruments as at 1 January 2018, the Group's date of initial application of HKFRS 9, is as follows:

(a) (續)

對儲備及保留溢利的影響

由於在二零一八年一月一日(本集團首次應用香港財務報告準則第9號的日期)對金融工具進行重新計量而對本集團保留溢利造成的影響如下：

		HKFRS 9 Amortised cost 香港財務報告 準則第9號 攤銷成本 HK\$'000 千港元
At 1 January 2018 (originally stated)	於二零一八年一月一日(原列)	240,250
Remeasurement upon initial application of HKFRS 9	首次應用香港財務報告準則第9號後重新計量	(386)
At 1 January 2018 (restated)	於二零一八年一月一日(經重列)	239,864

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

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

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

² Effective for annual periods beginning on or after 1 January 2020

³ Effective for annual periods beginning on or after 1 January 2021

⁴ No mandatory effective date yet determined but available for adoption

Further information about HKFRS 16 that is expected to be applicable to the Group is described below.

2.3 已頒佈但尚未生效的香港財務報告準則

本集團並無於此等財務報表應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

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

¹ 於二零一九年一月一日或之後開始的年度期間生效

² 於二零二零年一月一日或之後開始的年度期間生效

³ 於二零二一年一月一日或之後開始的年度期間生效

⁴ 強制生效日期尚未釐定但可供採納

有關預期將適用於本集團的香港財務報告準則第16號的更多資料描述如下。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

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

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)一詮釋第4號釐定安排是否包括租賃、香港(常務詮釋委員會)一詮釋第15號經營租賃 — 優惠及香港(常務詮釋委員會)一詮釋第27號評估涉及租賃法律形式的交易內容。該準則載列確認、計量、呈列及披露租賃的原則，並規定承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免 — 低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃年期內支付的租賃款項為負債(即租賃負債)，並確認可於租賃年期內使用相關資產的權利為資產(即使用權資產)。除非使用權資產符合香港會計準則第40號對投資物業的定義，或與應用重估模型的物業、機器及設備類別有關，否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及就租賃付款而減少。承租人將須分別確認租賃負債的利息開支及使用權資產的折舊開支。承租人亦將須於若干事件發生(例如租賃年期變更或用於釐定未來租賃付款的一項指數或比率變更而引致該等付款變更)時重新計量租賃負債。承租人一般將重新計量租賃負債的數額確認為使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則將所有租賃分類，並將之分類為經營租賃及融資

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application.

The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of HKFRS 16. The Group has estimated that right-of-use assets of HK\$11,278,000 and lease liabilities of HK\$11,278,000 will be recognised at 1 January 2019.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

租賃。香港財務報告準則第16號規定，承租人及出租人須作出較香港會計準則第17號更廣泛的披露。承租人可選擇以全面追溯或經修訂追溯的方式應用該準則。本集團將自二零一九年一月一日起採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號的過渡規定，將首次採納的累計影響確認為對於二零一九年一月一日保留溢利期初結餘的調整，以及將不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用香港會計準則第17號而識別為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，以及使用本集團於首次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。

本集團計劃就租期於截至首次應用日期12個月內終止的租賃合約採用相關標準准許的豁免情況。於二零一八年，本集團已詳細評估採納香港財務報告準則第16號的影響。本集團估計，11,278,000港元的使用權資產及11,278,000港元的租賃負債將於二零一九年一月一日確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.4 主要會計政策概要

Fair value measurement

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

公平值計量

本集團於各報告期末按公平值計量其可供出售投資。公平值為市場參與者於計量日期在有序交易中出售資產所收取價格或轉讓負債所支付價格。公平值計量已假設出售資產或轉讓負債之交易於資產或負債主要市場或(在無主要市場情況下)資產或負債最具優勢市場進行。主要或最具優勢市場須為本集團可進入之市場。資產或負債之公平值乃按假設市場參與者於資產或負債定價時會以其最佳經濟利益行事計量。

非金融資產之公平值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途之其他市場參與者所產生經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公平值之估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

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

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

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

2.4 主要會計政策概要(續)

公平值計量(續)

公平值於財務報表計量或披露之所有資產及負債乃基於對公平值計量整體而言屬重大之最低層輸入數據按以下公平值等級分類：

- 第一級 — 基於相同資產或負債於活躍市場之報價(未經調整)
- 第二級 — 基於對公平值計量而言屬重大之可觀察(直接或間接)最低層輸入數據之估值方法
- 第三級 — 基於對公平值計量而言屬重大之不可觀察最低層輸入數據之估值方法

就按經常性基準於財務報表確認之資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公平值計量整體而言屬重大之最低層輸入數據)確定是否發生不同等級轉移。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 主要會計政策概要(續)

Impairment of non-financial assets

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

非金融資產減值

倘存在減值跡象，或須每年對資產(存貨及金融資產除外)作減值測試時，資產之可收回金額會予以估計。資產之可收回金額乃資產或現金產生單位之使用價值，以及其公平值減出售成本較高者，並就個別資產釐定，除非資產並不產生很大程度上獨立於其他資產或資產組別之現金流入，在此情況下，可收回金額按資產所屬之現金產生單位釐定。

減值虧損僅於資產之賬面值超過其可收回金額時確認。評估使用價值時，估計日後現金流量按能反映當時市場對貨幣時值之評估及該項資產特定風險之除稅前貼現率貼現為現值。減值虧損於其產生期間在損益內與已減值資產功能相符的開支類別下扣除。

於各報告期末，將評估是否有跡象顯示先前確認之減值虧損或不再存在或可能已減少。倘存在該跡象，則會估計可收回金額。倘用以釐定資產之可收回金額之估計出現變動，先前確認之資產(商譽除外)減值虧損方可撥回，惟該數額不得超過有關資產於過往年度並未有確認減值虧損而予以釐定之賬面值(扣除任何折舊/攤銷)。該減值虧損之撥回於其產生期間計入損益。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

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

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

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
 - (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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要(續)

關聯方

一方將被視為與本集團有關聯，條件為：

- (a) 該方為某一人士或該人士家屬及該人士之直系親屬且該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本集團母公司之主要管理人員；

或

- (b) 倘該方為符合以下任何條件之實體：
 - (i) 該實體及本集團為同一集團成員；
 - (ii) 一家實體為另一家實體(或另一家實體之母公司、附屬公司或同系附屬公司)之聯營公司或合營企業；
 - (iii) 實體及本集團為同一第三方之合營企業；
 - (iv) 一家實體為第三方實體之合營企業，而另一家實體為第三方實體之聯營公司；
 - (v) 實體為本集團或與本集團有關聯之實體為其僱員福利而設立之退休福利計劃；及為退休福利計劃提供資助之僱主亦與該實體有關聯；
 - (vi) 實體受(a)項所述之人士控制或共同控制；
 - (vii) (a)(i)項所述之人士對實體擁有重大影響力或為實體(或其母公司)之主要管理人員；及
 - (viii) 實體或所屬集團旗下任何成員公司向本集團或本集團母公司提供主要管理人員服務。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation

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

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

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

Land and buildings	5%
Leasehold improvements	Over the shorter of the lease terms or 20%
Furniture, fixtures and office equipment	20% to 33 $\frac{1}{3}$ %
Plant and machinery	20% to 33 $\frac{1}{3}$ %
Equipment for rental purpose	20%
Motor vehicles	30%

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

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊

物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目成本包括購買價及使資產達至營運狀況及地點以作擬定用途產生之任何直接應佔成本。

物業、廠房及設備項目投入運作後產生之開支，如維修及保養費，一般於產生期間在損益中扣除。倘符合確認標準，主要檢查開支於資產賬面值中資本化為重置成本。如須不時更換物業、廠房及設備的重要部分，則本集團將該等部分確認為具有特定使用年期的個別資產，並按各自使用年期折舊。

折舊以直線法按每項物業、廠房及設備項目之估計使用年期撇銷成本至剩餘價值計算。為此而採用之主要年率如下：

土地及樓宇	5%
租賃物業裝修	按租賃期或20%之較短者
傢俬、裝置及辦公室設備	20%至33 $\frac{1}{3}$ %
廠房及機械	20%至33 $\frac{1}{3}$ %
用作租賃之設備	20%
汽車	30%

倘物業、廠房及設備項目各部分使用年期不同，則該項目的成本按合理基準於各部分之間分配，而各部分分別折舊。本集團至少於各財政年度末檢討剩餘價值、使用年期及折舊方法，並予以調整(如適用)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

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

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

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

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊(續)

物業、廠房及設備項目(包括初步確認之任何重大部分)於出售時或當預期使用或出售不再產生日後經濟利益,則終止確認。在資產終止確認年度於損益確認之出售或報廢的任何收益或虧損為出售所得款項淨額與有關資產賬面值之間的差額。

租賃

資產擁有權之絕大部分回報與風險仍歸於出租人之租賃列作經營租賃。倘本集團為承租人,則經營租賃之應付租金(扣除任何收自出租人的補償)按照租期以直線法在損益中扣除。

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

首次確認及計量

金融資產於初步確認時分類為隨後按攤銷成本計量、按公平值計量且其變動計入其他全面收益及按公平值計量且其變動計入損益。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Initial recognition and measurement (Continued)

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

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

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

2.4 主要會計政策概要(續)

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

首次確認及計量(續)

金融資產於初步確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式。除並無重大融資成分或本集團並未就此應用不調整重大融資成分影響實際權宜方法的貿易應收款項外，本集團初步按其公平值加(倘並非按公平值計量且其變動計入損益的金融資產)交易成本計量金融資產。如下文「收益確認」所載政策，並無重大融資成分或本集團並未就此應用實際權宜方法的貿易應收款項按香港財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公平值計量且其變動計入其他全面收益分類及計量，需產生僅為支付本金及未償還本金利息(「SPPI」)的現金流量。

本集團管理金融資產的業務模式指為產生現金流量管理金融資產的方式。業務模式釐定現金流量會否來自收取合約現金流量、出售金融資產或以上兩者。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

2.4 主要會計政策概要(續)

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

後續計量

金融資產的後續計量視乎以下分類：

按攤銷成本列賬的金融資產(債務工具)

倘達成以下兩項條件，本集團按攤銷成本計量金融資產：

- 金融資產於目的為持有金融資產以收取合約現金流量的業務模式持有。
- 金融資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

按攤銷成本列賬的金融資產隨後使用實際利率法計量，並可予減值。收益及虧損於資產終止確認、修改或減值時於損益表中確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

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

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

2.4 主要會計政策概要(續)

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

後續計量(續)

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣金融資產、於初步確認後指定按公平值計入損益的金融資產，或需要強制按公平值計量的金融資產。倘金融資產乃為於近期進行出售或購置而收購，則金融資產會分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，除非衍生工具指定為實際對沖工具，則作別論。現金流量並非僅可用作償還本金及未償還本金利息的金融資產分類為按公平值計入損益計量，而不論業務模式。儘管如上文所述債務工具可分類為按攤銷成本或按公平值計入其他全面收益，倘能夠消除或顯著減少會計錯配，則債務工具或會於初步確認時指定為按公平值計入損益。

按公平值計入損益的金融資產乃於財務狀況表按公平值列賬，而公平值變動淨額則於損益表確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

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

2.4 主要會計政策概要(續)

投資及其他金融資產(自二零一八年一月一日前適用的香港會計準則第39號下政策)

首次確認及計量

金融資產於首次確認時乃分類為按公平值計入損益的金融資產、貸款及應收款項以及可供出售投資，或作為在實際對沖中指定為對沖工具之衍生工具(如適用)。金融資產於首次確認時按公平值計量，另加收購有關金融資產應佔的交易成本，惟透過損益按公平值列賬的金融資產則另作別論。

所有定期買賣的金融資產概於交易日(即本集團承諾購買或出售該資產的日期)確認。定期買賣是指於市場規定或慣例一般規定的期間內須交付資產的金融資產買賣。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

2.4 主要會計政策概要(續)

投資及其他金融資產(自二零一八年一月一日前適用的香港會計準則第39號下政策)(續)

後續計量

金融資產的後續計量取決於其分類，載列如下：

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣的金融資產以及於初步確認時指定為按公平值計入損益的金融資產。倘收購金融資產之主要目的為於短期內出售，則分類為持作買賣。

按公平值計入損益的金融資產在財務狀況表以公平值列示，公平值的正數變動於損益表呈列為其他收入及收益，而公平值的負數淨變動呈列為財務成本。該等公平值淨變動不包括就該等金融資產賺取的任何股息或利息，該等利息會根據下文「收益確認」所載政策確認。

初步確認時指定為按公平值計入損益的金融資產在初步確認當日且僅須在符合香港會計準則第39號標準的情況下指定為該分類。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Subsequent measurement (Continued)

Loans and receivables

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

Available-for-sale investments

Available-for-sale investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 主要會計政策概要(續)

投資及其他金融資產(自二零一八年一月一日前適用的香港會計準則第39號下政策)(續)

後續計量(續)

貸款及應收款項

貸款及應收款項為具有固定或可確定付款但在活躍市場中無報價的非衍生金融資產。於首次計量後，此類資產隨後用實際利率法減任何減值撥備按攤銷成本計量。攤銷成本在計及任何收購折讓或溢價後計算，包括屬於實際利率固有組成部分的費用或成本。實際利率攤銷計入損益表的其他收入及收益。出現減值時產生的虧損於損益表的貸款財務成本及應收款項的其他開支確認。

可供出售投資

可供出售投資為上市及非上市股權投資及債務證券的非衍生金融資產。列為可供出售的股權投資乃既未分類為持作買賣亦未指定為透過損益按公平值列賬的股權投資。該類別中的債務證券為擬無限期待持有，且可能出售以滿足流動資金需求或回應市場狀況變動。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Subsequent measurement (Continued)

Available-for-sale investments (Continued)

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

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

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

2.4 主要會計政策概要(續)

投資及其他金融資產(自二零一八年一月一日前適用的香港會計準則第39號下政策)(續)

後續計量(續)

可供出售投資(續)

於首次確認後，可供出售投資隨後按公平值計量，未變現收益或虧損作為其他全面收益在可供出售投資重估儲備中確認，直至終止確認投資為止，屆時，累計收益或虧損於損益表確認為其他收入，或直至投資被釐定為出現減值為止，屆時累計收益或虧損由可供出售投資重估儲備重新分類至損益表的其他收益及收入。透過持有可供出售投資所賺取的利息及股息分別呈報為利息收入及股息收入，並按照下文「收益確認」所載政策在損益表確認為其他收入。

倘由於(a)非上市股權投資的合理公平值的估計範圍存在重大可變性或(b)無法合理評估上述範圍內各種估計的可能性且不能用於估算公平值，而導致非上市股權投資的公平值不能可靠計量，則有關投資以成本減任何減值虧損列賬。

本集團評估近期出售其可供出售金融資產的能力及意圖是否仍然恰當。倘在罕見情況下，因市場不活躍而導致本集團未能買賣該等金融資產，則本集團可在管理層有能力及有意於可預見未來持有資產或持有資產至到期的情況下，選擇重新分類該等金融資產。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Subsequent measurement (Continued)

Available-for-sale investments (Continued)

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

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

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

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

2.4 主要會計政策概要(續)

投資及其他金融資產(自二零一八年一月一日前適用的香港會計準則第39號下政策)(續)

後續計量(續)

可供出售投資(續)

就自可供出售類別中重新分類的金融資產而言，於重新分類日期的公平值賬面值成為其新攤銷成本，且該資產早前已於權益確認的任何收益或虧損使用實際利率按投資的剩餘年期攤銷至損益。新攤銷成本與到期金額的差額，亦使用實際利率按資產的剩餘年期攤銷。倘該資產其後釐定減值，則原計入權益的金額乃重新分類至損益表。

終止確認金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號下政策及自二零一八年一月一日前適用的香港會計準則第39號下政策)

金融資產(或(如適用)一項金融資產的一部分或一組類似金融資產的一部分)主要在下列情況下被終止確認(即自本集團綜合財務狀況表中移除)：

- 收取該項資產所得現金流量的權利已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或已根據一項「轉付」安排，在並無嚴重延遲的情況下，負責向第三方全數支付所收取現金流量，以及(a)本集團已轉讓該項資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

2.4 主要會計政策概要(續)

終止確認金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號下政策及自二零一八年一月一日前適用的香港會計準則第39號下政策)(續)

當本集團已轉讓其收取該項資產所得現金流量的權利或已訂立一項轉付安排，則其將評估其是否保留擁有該項資產的風險及回報，或其保留該等風險及回報的程度。倘其並無轉讓或保留該項資產的絕大部分風險及回報，且並無轉讓該項資產的控制權，本集團繼續按本集團的持續參與程度確認該轉讓資產。在此情況下，本集團亦確認相關負債。已轉讓的資產及相關負債按反映本集團已保留的權利及責任的基準計量。

持續參與指就已轉讓資產作出的保證，並按該項資產的原賬面值與本集團或須償還的代價數額上限之較低者計算。

金融資產減值(自二零一八年一月一日起適用的香港財務報告準則第9號下政策)

本集團就所有並非按公平值計入損益持有的債務工具確認預期信貸虧損撥備。預期信貸虧損乃以根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額為基準，按原有實際利率相近的差額貼現。預期現金流量將包括來自銷售所持有抵押品或其他信用增級的現金流量，此乃合約條款不可或缺的部分。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General approach

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

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

The Group considers a financial asset in default when contractual payments are 1 year past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要(續)

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

一般方法

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

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

本集團將合約付款逾期1年的金融資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸提升安排前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。當無合理預期可收回合約現金流量時，金融資產將被撇銷。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 主要會計政策概要(續)

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

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

General approach (Continued)

一般方法(續)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

按公平值計量且計入其他全面收益的債務投資及按攤銷成本計量的金融資產，在一般方法下可能會發生減值，並且除了貿易應收款項及採用簡化方法的合約資產(以下詳述)外，它們在以下階段分類用於預期信貸虧損計量。

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

第一階段 — 金融工具自初始確認以來信貸風險未顯著增加，且其虧損撥備相等於12個月預期信貸虧損

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

第二階段 — 金融工具自初始確認後信貸風險顯著增加，但並非信貸減值金融資產且其虧損撥備相等於終身預期信貸虧損

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

第三階段 — 於報告日期信貸減值的金融資產(但不是購買或原始信貸減值)，其虧損撥備相等於終身預期信貸虧損

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Simplified approach

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

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

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

2.4 主要會計政策概要(續)

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

簡化方法

對於不包含重大融資成分的貿易應收款項及應收票據，或本集團採用實際權宜之計，不會就重大融資成分的影響調整時，本集團採用簡化方法進行預期信貸虧損計量。根據簡化方法，本集團不會追蹤信貸風險的變化，而是於各報告日期進行終身預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並根據債務人及經濟環境的前瞻性因素作出調整。

金融資產減值(自二零一八年一月一日前適用的香港會計準則第39號下政策)

本集團於各報告期末評估是否有客觀證據表明一項金融資產或一組金融資產出現減值。倘於首次確認資產後發生的一宗或多宗事件對該項或該組金融資產的估計未來現金流量造成影響且有關影響能可靠地估計，則存在減值。減值證據可包括一名或多名借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目或與違約相關的經濟狀況出現變動。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Financial assets carried at amortised cost

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

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

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

2.4 主要會計政策概要(續)

金融資產減值(自二零一八年一月一 日前適用的香港會計準則第39號下 政策)(續)

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，評估是否存在減值。倘本集團釐定按個別基準經評估的金融資產(無論屬重大與否)並無客觀跡象顯示存在減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估減值。經個別評估減值的資產，其減值虧損會予以確認或繼續確認入賬，而不會納入共同減值評估之內。

任何已識別的減值虧損金額按資產的賬面值與估計未來現金流量(不包括尚未產生的未來信貸損失)的現值之間差額計算。估計未來現金流量的現值以該金融資產原本的實際利率(即首次確認時計算的實際利率)折現。

有關資產的賬面值可通過備抵賬目作出抵減，而虧損在損益表確認。利息收入在已抵減的賬面值中持續產生，並採用計算減值虧損時用以折現未來現金流量的利率。如預期貸款及應收款項實際上無法在未來收回且所有抵押已獲解除或轉讓予本集團，則連同任何相關撥備一併撇銷。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Available-for-sale investments

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

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

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

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss — is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

2.4 主要會計政策概要(續)

金融資產減值(自二零一八年一月一 日前適用的香港會計準則第39號下 政策)(續)

可供出售投資

以後期間，若估計減值虧損金額因確認減值後發生的事件而增加或減少，則透過調整備抵賬目增加或減少先前確認的減值虧損。若撤銷其後收回，則該項收回計入損益表的其他開支。

就可供出售投資而言，本集團於各報告期末評估是否有客觀證據表明一項投資或一組投資出現減值。

當可供出售資產減值時，有關金額(即其成本(扣除任何本金付款和攤銷)與其現有公平值間的差額，減之前於損益表確認的任何減值虧損)將自其他全面收益中移除，並在損益表中確認。

倘股權投資分類為可供出售類別，客觀證據將包括該項投資公平值大幅或長期跌至低於其成本值。「大幅」是相對於投資的原成本評估，而「長期」則相對於公平值低於原成本的時期評估。倘出現減值證據，則累計虧損(按收購成本與現時公平值的差額，減該項投資之前在損益表確認的任何減值虧損計量)將從其他全面收益中移除，並於損益表內確認。分類為可供出售的股權工具的減值虧損不可透過損益表回撥，而其公平值於減值後的增加部分直接於其他全面收益中確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Available-for-sale investments (Continued)

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade payables, and other payables and accruals.

Subsequent measurement

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

Loans and borrowings

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

2.4 主要會計政策概要(續)

金融資產減值(自二零一八年一月一
日前適用的香港會計準則第39號下
政策)(續)

可供出售投資(續)

釐定「大幅」或「長期」時需要判斷。於
作出此判斷時，本集團評估(其中包括)
投資的公平值低於其成本的期間或程度。

首次確認及計量

金融負債於初步確認時分類為按公平值
計入損益的金融負債、貸款及借款、應
付款項或作為在實際對沖中指定為對沖
工具之衍生工具(如適用)。

所有金融負債首次按公平值確認，而就
貸款及借款及應付款項而言則扣除直接
應佔交易成本。

本集團的金融負債包括貿易應付款項及
其他應付款項及應計費用。

後續計量

金融負債的後續計量取決於其分類，載
列如下：

貸款及借款

於首次確認後，計息貸款及借款其後以
實際利率法按攤銷成本計量，但若折現
的影響並不重大，於此情況下，則按成
本列賬。損益會於負債終止確認時透過
實際利率攤銷程序於損益表確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Loans and borrowings (Continued)

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

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 主要會計政策概要(續)

金融資產減值(自二零一八年一月一日起適用的香港會計準則第39號下政策)(續)

貸款及借款(續)

攤銷成本經計及任何購買折扣或溢價及組成實際利率整體部分的費用或成本計算得出。實際利率攤銷計入損益表中的財務成本內。

終止確認金融負債(自二零一八年一月一日起適用的香港財務報告準則第9號下政策及自二零一八年一月一日起適用的香港會計準則第39號下政策)

當負債的責任被解除或取消或屆滿，金融負債將被終止確認。如現有金融負債由條款有重大差異的相同放款人負債所取代，或現有負債的條款有重大修訂，此類交換或修訂將被視為取消確認原負債及確認新負債處理，有關賬面值的差額於損益表確認。

抵銷金融工具(自二零一八年一月一日起適用的香港財務報告準則第9號下政策及自二零一八年一月一日起適用的香港會計準則第39號下政策)

倘目前擁有可強制執行的法律權力以抵銷已確認金額且有意按淨額基準結算或同時變現資產及結清負債時，金融資產與金融負債可予抵銷，而淨額在財務狀況表呈報。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the special identification basis and, in the case of semi-finished products and finished products, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

2.4 主要會計政策概要(續)

存貨

存貨按成本與可變現淨值之較低者列賬。成本按特定的識別基準釐定及就半成品及成品而言包括直接材料、直接勞工及合適比例的雜項開支。可變現淨值按估計售價減任何於完成及出售時所產生之估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物為手頭現金及活期存款，以及可隨時兌換為已知數額現金、無重大價值變動風險及通常購入後三個月內到期之短期及高流動性投資，扣除須按要求償還且構成本集團現金管理不可或缺部分之銀行透支。

就綜合財務狀況表而言，現金及現金等價物為手頭現金及銀行存款，包括用途不受限制之定期存款以及性質與現金相似之資產。

所得稅

所得稅包括即期及遞延稅項。有關在損益以外確認的項目的所得稅乃在損益以外於其他全面收益或直接於權益內確認。

即期稅項資產及負債按預期自稅務機關退回或向稅務機關支付的金額，並根據於報告期間結束時已頒佈或實際頒佈的稅率(及稅法)計量，並經考慮本集團經營所在國家現行的詮釋及常規。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項使用負債法，就於報告期間末資產及負債的稅基與其作財務申報用途的賬面值之間的所有暫時差額計提撥備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 遞延稅項負債乃因首次確認交易（並非業務合併）的商譽或資產或負債而產生，且於交易時並不影響會計溢利或應課稅損益；及
- 就與於附屬公司的投資有關的應課稅暫時差額而言，暫時差額的撥回時間可予控制，而該等暫時差額於可見將來可能不會撥回。

就所有可扣減暫時差額以及未動用稅項抵免及任何未動用稅項虧損的結轉確認遞延稅項資產。遞延稅項資產乃於有應課稅溢利可動用以抵銷可扣減暫時差額以及未動用稅項抵免及未動用稅項虧損可結轉的情況下予以確認，惟下列情況除外：

- 與可扣減暫時差額有關的遞延稅項資產乃因在一項並非業務合併的交易中首次確認資產或負債而產生，並於交易時並不影響會計溢利或應課稅損益；及

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 主要會計政策概要(續)

所得稅(續)

- 就與於附屬公司的投資有關的可扣減暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回及有應課稅溢利可動用以抵銷暫時差額的情況下，方予確認。

本集團於各報告期間末檢討遞延稅項資產的賬面值，並在不再可能有足夠應課稅溢利以動用全部或部分遞延稅項資產時，相應扣減該賬面值。未確認的遞延稅項資產會於各報告期間末重新評估，並在可能有足夠應課稅溢利以收回全部或部分遞延稅項資產的情況下予以確認。

遞延稅項資產及負債按照於各報告期間末已實施或實質上實施的稅率(及稅法)，以預計於變現資產或償還負債的期間內適用的稅率計量。

倘有法定可強制執行權利將即期稅項資產及即期稅項負債抵銷，且該等遞延稅項與同一納稅實體和稅務機構相關，則會抵銷遞延稅項資產與遞延稅項負債。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue from contracts with customers

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

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

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

2.4 主要會計政策概要(續)

收益確認

來自客戶合約的收益

來自客戶合約的收益乃於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素得到解決時，確認的累積收益金額將不會發生重大收益回撥。

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，使用貼現率折現，而該貼現率將反映在本集團與客戶在合同開始時的單獨融資交易中。當合約中包含融資部分，該融資部分為在本集團提供了一年以上的重大財務利益時，合約項下確認的收益包括按實際利息法在合約負債上加算的利息。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用香港財務報告準則第15號中實際權宜之計，不會對重大融資部分的影響作出調整。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 主要會計政策概要(續)

Revenue recognition (Continued)

收益確認(續)

Revenue from contracts with customers (Continued)

來自客戶合約的收益(續)

(a) Sales of products

(a) 產品銷售

Revenue from the sales of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

產品銷售所得收益於資產控制權轉讓予客戶之時(一般於交付產品時)確認。

(b) Provision of maintenance services

(b) 提供維修服務

Revenue from the provision of maintenance services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

提供維修服務所得收益於計劃期間內按直線基準確認，乃由於客戶同時接受及享用本集團提供的利益。

Revenue from other sources

來自其他來源的收益

Equipment rental income is recognised on a time proportion basis over the lease terms.

設備租賃收入於租賃期內按時間比例確認。

Other income

其他收入

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

利息收入按應計基準採用將金融工具於預期年期或更短期間(倘適用)的估計未來現金收入精確貼現至金融資產賬面淨值的比率，以實際利率法予以確認。

Contract liabilities

合約負債

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

合約負債是向客戶轉移貨品或服務的責任，本集團已就該責任向客戶收取代價(或應付代價金額)。倘客戶在本集團轉移貨品或服務予該客戶前支付代價，則合約負債於作出付款或付款到期支付時(以較早者為準)予以確認。合約負債於本集團履行合約時確認為收益。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company’s memorandum and articles of association grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 主要會計政策概要(續)

僱員福利

退休金計劃

本集團根據《強制性公積金計劃條例》為合資格參與定額供款強制性公積金退休福利計劃(「強積金計劃」)的僱員營運強積金計劃。供款按僱員的基本薪金百分比作出，並於供款根據強積金計劃規則變為應付時於損益扣除。強積金計劃的資產與本集團的資產於獨立管理基金中分開持有。本集團的僱主供款於注入強積金計劃時悉數歸屬於僱員。

本集團於中國內地營運之附屬公司之僱員須參與地方市政府運作之中央退休金計劃。該等附屬公司須將其薪金成本之若干百分比向中央退休金計劃供款。有關供款在其根據中央退休金計劃之規則須予支付時於損益扣除。

股息

末期股息於股東於股東大會上批准時確認為負債。

由於本公司的組織章程大綱及章程細則賦予董事權力宣派中期股息，故中期股息同時建議派付及宣派。因此，中期股息於建議派付及宣派時即時確認為負債。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

The financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.4 主要會計政策概要(續)

外幣

財務報表乃以本公司的功能貨幣港元列示。本集團旗下各個實體均可自行決定其功能貨幣，而每個實體的財務報表所包含的項目均採用該功能貨幣計量。本集團旗下實體所記錄的外幣交易在初次記錄時，採用交易發生當日的有關功能貨幣匯率。以外幣計算的貨幣資產及負債採用報告期末的現行匯率換算。貨幣項目結算或換算產生的差額，均於損益表確認。

以外幣歷史成本計算的非貨幣項目按初次交易發生當日的匯率換算。以外幣公平值計算的非貨幣項目按計量公平值當日的匯率換算。換算按公平值計量的非貨幣項目所產生的收益或虧損與確認該項目公平值變動的收益或虧損的處理方法一致(即於其他全面收益或損益中確認公平值收益或虧損的項目的換算差額，亦分別於其他全面收益或損益確認)。

為了確定涉及預付代價及終止非貨幣資產或非貨幣負債的相關資產、開支或收入於初始確認時的匯率，初始交易日期為本集團初始確認因支付或收到預付代價而產生的非貨幣性資產或負債的日期。倘於確認相關項目之前有多個付款或收據，則本集團確定每筆預付代價付款或收據的交易日期。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

The functional currencies of certain subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of certain subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

2.4 主要會計政策概要(續)

外幣(續)

若干附屬公司的功能貨幣並非港元。於報告期末，該等實體的資產及負債按報告期末的當時匯率換算為港元，其損益表按年內加權平均匯率換算為港元。

所產生匯兌差異於其他全面收益確認及於匯兌波動儲備中累計。出售海外業務時，有關該指定海外業務的其他全面收益部分於損益表確認。

就綜合現金流量表而言，若干附屬公司之現金流量按現金流量日期的現行匯率換算為港元。海外附屬公司整年經常產生之現金流量則按該年度之加權平均匯率換算為港元。

3. 重大會計判斷及估計

管理層編製本集團的財務報表時，須作出判斷、估計及假設，而該等判斷、估計及假設對所呈報的收益、開支、資產及負債的金額，及其隨附披露以及或然負債披露會產生影響。由於此等假設及估計存在不確定因素，因此可能導致須於將來對受影響的資產或負債的賬面值作出重大調整。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Withholding taxes arising from the distribution of dividends

The Group's determination as to whether to accrue for withholding taxes arising from the distribution of dividends from a subsidiary according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividends or on whether the subsidiary of the Group is determined to be Chinese resident enterprise by the PRC governing tax authorities in the future. Management considered that it is not probable that the Group's subsidiary in Mainland China will distribute retained profits as at the end of each of the reporting periods in the foreseeable future, and accordingly no provision for withholding tax was made. Where the final outcome of these matters is different from the amounts originally rewarded, the difference will impact the deferred tax provision in the period in which the difference arises.

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 described below.

3. 重大會計判斷及估計(續)

判斷

於採納本集團之會計政策之過程中，除涉及估計之會計政策外，管理層已作出對財務報表已確認金額構成最重大影響之判斷如下：

分派股息產生之預扣稅

本集團於釐定是否應根據相關稅收司法權區規定累算就來自附屬公司之股息分派所產生的預扣稅時，須判斷股息支付的時間或本集團之附屬公司未來是否會被具有管轄權的中國稅務機關確定為中國居民企業。管理層認為，本集團位於中國內地的附屬公司於可預見的未來不大可能會於報告期末分派留存溢利，因此，並無就預扣稅作出撥備。倘該等事項的最終結果與原本授予的金額不同，該差額將影響產生差額期間的遞延稅項撥備。

估計的不確定性

報告期末為未來作出的主要假設及其他主要不明朗估計要素載述如下，該等因素極有可能使下一財政年度的資產負債賬面值出現重大調整。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Deferred tax assets

Deferred tax assets are recognised for certain deductible temporary differences and unpaid expenses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 21 to the financial statements.

Provision for expected credit losses on trade and bills receivables

Before 1 January 2018, the Group assesses at the end of the reporting periods whether there is any objective evidence that trade and bills receivables and contract assets are impaired. In determining whether there is objective evidence of impairment, the Group takes into consideration the ageing status and the likelihood of collection by reference to the background and repayment history of the debtors and the occurrence of any default or disputes. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on such factors as repayment plans committed by debtors and subsequent collections. An impairment loss is made for trade and bills receivables and contract assets of which the present values of future cash flows are less than their carrying amounts. Further details are included in note 14 to the financial statements.

From 1 January 2018, the Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting periods.

3. 重大會計判斷及估計(續)

遞延稅項資產

遞延稅項資產就若干可扣稅暫時性差額及未支付開支加以確認，而其確認的金額不超過很可能獲得可用作抵除可扣稅暫時性差額或未動用稅項虧損之未來應課稅溢利。此舉需管理層作重大判斷，根據未來應課稅溢利的時間及水平連同未來稅務規劃策略，釐定可確認的遞延稅項資產金額。進一步的詳情載於財務報表附註21。

貿易應收款項及應收票據預期信貸虧損撥備

二零一八年一月一日前，本集團於各報告期末評估是否存在任何客觀證據表明貿易應收款項及應收票據及合約資產出現減值。於釐定是否存在減值的客觀證據時，本集團會參考債務人的背景及還款歷史及發生的任何拖欠或糾紛，考慮賬齡情況及收回賬款的可能性。倘存在減值的客觀證據，則未來現金流量的金額及時間會基於債務人承諾的還款計劃及其後回收情況等多項因素予以估計。未來現金流量的現值低於其賬面值的相關貿易應收款項及應收票據及合約資產會作出減值虧損。更多詳情載於財務報表附註14。

由二零一八年一月一日起，本集團根據違約風險及預期虧損率的假設計提應收款項撥備。本集團於作出該等假設及選擇減值計算的輸入數據時行使判斷，此乃根據本集團的過往記錄、於各報告期末的當前市況及前瞻估計。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Provision for expected credit losses on trade and bills receivables (Continued)

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and bills receivables and doubtful debt expenses in the periods in which such estimate has been changed. Further details of the trade and bills receivables are given in note 14 to the financial statements.

Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on the estimated net realisable value of the inventories. The assessment of the provision required involves management's judgement and estimates on market conditions. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amounts of inventories and the write-down and reversal of write-down of inventories in the period in which such estimate has been changed.

3. 重大會計判斷及估計(續)

貿易應收款項及應收票據預期信貸虧損撥備(續)

倘預測有別於原先估計，則有關差異將影響貿易應收款項及應收票據以及呆賬開支於該估計變動期間之賬面值。有關貿易應收款項及應收票據之更多詳情載於財務報表附註14。

撇減存貨至可變現淨值

存貨乃根據存貨之估計可變現淨值而撇減至可變現淨值。評估該撥備需要牽涉管理層對市況之判斷及估計。倘實際結果或未來預測有別於原先估計，則有關差異將影響存貨及存貨撇減和撇減撥回於該估計變動期間之賬面值。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION

The Group was principally engaged in the provision of thermal imaging products and services, self-stabilised imaging products and services and general aviation products and services. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mainland China	中國內地	228,931	200,339
Hong Kong	香港	31,005	32,959
Overseas	海外	2,144	5,108
		262,080	238,406

The revenue information above is based on the locations of the customers.

4. 經營分部資料

本集團主要從事提供熱成像產品及服務、自穩定成像產品及服務和通用航空產品及服務。就資源分類及績效評估向本集團主要營運決策人呈報的資料，集中於本集團之整體經營業績，因本集團的資源經已整合且並無可用的獨立經營分部資料。故此，並無呈列經營分部資料。

地區資料

(a) 來自外部客戶的收益

上述收益資料乃根據客戶所在地作出。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(b) Non-current asset

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mainland China	中國內地	10,406	12,780
Hong Kong	香港	77	127
		10,483	12,907

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

Information about major customers

Revenue derived from sales to individual customers which contributed over 10% of the total revenue of the Group during the year is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶A	29,237	38,741
Customer B	客戶B	41,345	38,684

4. 經營分部資料(續)

地區資料(續)

(b) 非流動資產

上述非流動資產資料乃根據資產所在地作出，不包括遞延稅項資產。

主要客戶資料

於年內，貢獻本集團總收益超過10%之個人客戶銷售所得收益如下：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue, other income and gains, net is as follows:

5. 收益、其他收入及收益淨額

收益、其他收入及收益淨額分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益		
Thermal imaging products and services	熱成像產品及服務		
— Sales of goods ^{Note (A)}	— 銷售貨品 ^{附註(A)}	149,067	138,531
— Rendering of maintenance services and equipment rental ^{Note (B)}	— 提供維修服務及設備租賃 ^{附註(B)}	11,593	8,184
		160,660	146,715
Self-stabilised imaging products and services	自穩定成像產品及服務		
— Sales of goods ^{Note (A)}	— 銷售貨品 ^{附註(A)}	28,989	32,322
— Rendering of maintenance services and equipment rental ^{Note (B)}	— 提供維修服務及設備租賃 ^{附註(B)}	14,498	8,821
		43,487	41,143
General aviation products and services	通用航空產品及服務		
— Sales of goods ^{Note (A)}	— 銷售貨品 ^{附註(A)}	57,337	49,171
— Rendering of maintenance services ^{Note (B)}	— 提供維修服務 ^{附註(B)}	596	1,377
		57,933	50,548
Total	總計	262,080	238,406

Note (A) The revenue from sales of goods was recognised at a point in time.

附註(A) 銷售貨品收益乃於某時間點確認。

Note (B) The revenue of rendering of maintenance services and equipment rental was recognised over time.

附註(B) 提供維修服務及設備租賃收益乃隨時間確認。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

Performance obligation

The performance obligation for sales of goods is satisfied upon delivery of the goods and the performance obligation for rendering of maintenance services and equipment rental is satisfied over time.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 is as follows:

		2018 二零一八年 HK\$'000 千港元
Remaining performance obligations for rendering of maintenance services and equipment rental expected to be satisfied during the following periods:	預期於下列期間完滿履行的提供維修服務及設備租賃的剩餘履約責任：	
Within one year	一年內	9,357
More than one year	多於一年	30,101
		39,458

For sales of goods contracts with original expected duration of less than one year, the Group has elected not to disclose information about the remaining performance obligations. All considerations from contracts with customers with original expected duration of not less than one year have been included in the transaction price and, therefore, were included in the information disclosed in the above table.

5. 收益、其他收入及收益淨額(續)

履約責任

銷售貨品的履約責任於交付貨物時獲完滿履行，而提供維修服務和設備租賃的履約責任則隨時間推移而獲完滿履行。

於二零一八年十二月三十一日分配至剩餘履約責任(未獲完滿履行或部分未獲完滿履行)的交易價格如下：

就原初預期持續時間少於一年的銷售貨品合約而言，本集團已選擇不披露有關剩餘履約責任的資料。從原初預計持續時間不少於一年的客戶合約而來的所有代價已包含在交易價格中，因此亦已包含於上表披露的信息中。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

5. 收益、其他收入及收益淨額(續)

Other income and gains, net

其他收入及收益淨額

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank interest income	銀行利息收入	87	50
Gain on disposal of available-for-sale investments (transfer from equity on disposal)	出售可供出售投資之收益(轉撥自出售權益)	–	128
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產之收益	79	–
Reversal of doubtful receivables, net	應收款項呆賬撥回淨額	1,552	–
Foreign exchange differences, net	匯兌差額淨額	–	5,514
Others	其他	109	36
		1,827	5,728

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

6. 除稅前溢利

本集團的除稅前溢利乃經扣除/(計入)以下各項後達致：

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本		161,215	151,239
Cost of services provided	提供服務成本		6,810	3,154
Depreciation	折舊	12	2,602	1,992
Research and development costs	研發成本		4,091	4,445
Provision for/(reversal of) doubtful receivables, net	應收款項呆賬撥 備/(撥回)淨額	14	(1,552)	695
Provision for/(reversal of) inventory obsolescence	陳舊存貨撥備/(撥回)		(254)	411
Minimum lease payments under operating leases	經營租賃下最低租賃 付款		2,665	2,476
Employee benefit expense (excluding directors' and chief executive's remuneration (note 7)):	僱員福利開支(不包括 董事及最高行政人員 薪酬(附註7)):			
Wages and salaries	工資及薪金		27,935	24,414
Pension scheme contributions (defined contribution scheme)	退休金計劃供款 (定額供款計劃)		1,530	1,197
			29,465	25,611
Auditor's remuneration	核數師薪酬		1,360	500
Listing expenses	上市開支		21,821	3,250
Foreign exchange differences, net*/**	匯兌差額淨額*/**		5,545**	(5,514)*
Loss on disposal of items of property, plant and equipment	出售物業、廠房及 設備項目虧損		468	-
Gain on disposal of available-for- sale investments (transfer from equity on disposal)	出售可供出售投資之 收益(轉撥自出售 權益)	5	-	(128)
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益 的金融資產之收益	5	(79)	-
Bank interest income	銀行利息收入	5	(87)	(50)

* The foreign exchange gain, net was included in "Other income and gains, net" in the consolidated statement of profit or loss and other comprehensive income.

** The foreign exchange loss, net was included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

* 外匯收益淨額計入綜合損益及其他全面收益表中的「其他收入及收益淨額」。

** 外匯虧損淨額計入綜合損益及其他全面收益表中的「其他開支」。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fees	袍金	15	–
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,280	3,879
Pension scheme contributions	退休金計劃供款	36	36
		4,331	3,915

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. NIU Zhongjie	牛鍾洁先生	5	–
Ms. YEUNG Hiu Fu Helen	楊曉英女士	5	–
Mr. HOU Min	侯珉先生	5	–
		15	–

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

7. 董事及最高行政人員薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部披露的年內董事及最高行政人員薪酬如下：

(a) 獨立非執行董事

年內向獨立非執行董事支付的袍金如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. NIU Zhongjie	牛鍾洁先生	5	–
Ms. YEUNG Hiu Fu Helen	楊曉英女士	5	–
Mr. HOU Min	侯珉先生	5	–
		15	–

年內概無其他應付獨立非執行董事的酬金(二零一七年：無)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

7. 董事及最高行政人員薪酬(續)

(b) Executive directors and the chief executive

(b) 執行董事及最高行政人員

		Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 HK\$'000 千港元	Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元	Total remuneration 薪酬總額 HK\$'000 千港元
2018 二零一八年				
Mr. YEUNG	楊先生	1,766	–	1,766
Ms. WONG*	王女士*	1,598	18	1,616
Mr. YEUNG Chun Tai	楊振泰先生	916	18	934
		4,280	36	4,316
2017 二零一七年				
Mr. YEUNG	楊先生	1,710	–	1,710
Ms. WONG*	王女士*	1,622	18	1,640
Mr. YEUNG Chun Tai	楊振泰先生	547	18	565
		3,879	36	3,915

* Ms. WONG is also the chief executive officer of the Company.

* 王女士亦為本公司行政總裁。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2017: Nil).

於年內，概無有關董事放棄或同意放棄任何薪酬之安排(二零一七年：無)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2017: two directors), details of whose remuneration are set out in note 7 to the financial statements. Details of the remuneration for the year of the remaining two (2017: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,170	1,180
Pension scheme contributions	退休金計劃供款	36	108
Performance related bonus	表現相關花紅	711	1,666
		1,917	2,954

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	零至1,000,000港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	1	1
		2	3

8. 五名最高薪僱員

年內的五名最高薪僱員包括三名董事(二零一七年：兩名董事)，其薪酬詳情載於財務報表附註7。年內餘下兩名(二零一七年：三名)並非本公司董事或最高行政人員的最高薪僱員的薪酬詳情如下：

列入以下薪酬組別的非董事及非最高行政人員之最高薪僱員數目如下：

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

9. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operated. Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax.

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Pursuant to the PRC Income Tax Law and the respective regulations, corporate income tax has been provided at the rate of 25% (2017: 25%) on the taxable income of the subsidiaries operated in Mainland China during the year.

9. 所得稅開支

本集團須按實體基準就本集團之附屬公司註冊成立及經營所在司法權區產生或來自該地的溢利繳納所得稅。根據開曼群島法規及規則，本公司毋須繳納任何所得稅。

已於年內就在香港所產生之估計應課稅溢利按16.5% (二零一七年：16.5%)之稅率作出利得稅撥備。

根據中國所得稅法及相關規例，企業所得稅已於年內就在中國內地經營的附屬公司的應課稅收入按25% (二零一七年：25%)之稅率作出撥備。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current	即期	8,437	9,565
Deferred	遞延	(138)	(275)
Total tax charge for the year		8,299	9,290

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

9. INCOME TAX EXPENSE (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before tax	除稅前溢利	19,806	44,215
Tax at the statutory tax rate of 16.5%	按法定稅率 16.5% 計算之稅項	3,268	7,295
Effect on different taxation rate in Mainland China	於中國內地稅率不同之影響	1,045	729
Income not subject to tax	毋須課稅收入	(194)	(128)
Expenses not deductible for tax	不可扣稅支出	4,030	1,484
Tax losses not recognised	未確認稅項虧損	210	-
Tax concession	稅務減免	(60)	(90)
Total tax charge for the year	年內稅項支出總額	8,299	9,290

10. DIVIDEND

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

9. 所得稅開支(續)

按本公司及其大部分附屬公司註冊成立所在國家之法定稅率計算除稅前溢利之適用稅項開支與按實際稅率計算之稅項開支之對賬，以及適用稅率(即法定稅率)與實際稅率之對賬如下：

10. 股息

董事會不建議派付截至二零一八年十二月三十一日止年度的末期股息(二零一七年：無)。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 300,000,000 (2017: 299,633,534) in issue during the year, as adjusted for the assumption that 299,620,000 new shares issued pursuant to the Capitalisation Issue (as defined in note 32) had been issued on 1 January 2017, which is made to be consistent with the basis of presentation of financial statements for the year ended 31 December 2017.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2018 and 2017.

The calculations of basic and diluted earnings per share are based on:

Earnings 盈利

Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations

計算每股基本及攤薄盈利所用的母公司普通權益持有人應佔溢利

2018
二零一八年
HK\$'000
千港元

2017
二零一七年
HK\$'000
千港元

11,507

34,469

11. 母公司普通權益持有人應佔每股盈利

每股基本盈利乃基於母公司普通權益持有人應佔年內溢利及年內已發行300,000,000股(二零一七年: 299,633,534股)普通股的加權平均股數(經調整以假設於二零一七年一月一日根據資本化發行(定義見附註32)已發行299,620,000股新股份)計算,其與截至二零一七年十二月三十一日止年度的財務報表呈列基準一致。

本集團於截至二零一八年及二零一七年十二月三十一日止年度並無已發行的潛在攤薄普通股。

每股基本及攤薄盈利乃基於以下項目計算:

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

11. 母公司普通權益持有人應佔每股盈利(續)

Shares 股份	Number of shares 股份數目	
	2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Issue of shares on 19 December 2017 於二零一七年十二月十九日 發行股份	380	14
Effect of Capitalisation Issue on 11 January 2019 (note 32) 於二零一九年一月十一日進行 資本化發行的影響(附註32)	299,620	299,620
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculations 計算每股基本及攤薄盈利 所用的普通股加權平均股數	300,000	299,634

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Plant and machinery	Equipment for rental purpose	Motor vehicles	Total
		土地及樓宇	租賃 物業裝修	傢俱、裝置及 辦公室設備	廠房及機械	租賃之設備 用作	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
31 December 2018	二零一八年 十二月三十一日							
Cost:	成本：							
At 1 January 2018	於二零一八年 一月一日	6,298	1,307	1,165	3,370	7,390	261	19,791
Additions	添置	-	-	205	21	-	-	226
Disposals	出售	-	-	(36)	(99)	(1,073)	-	(1,208)
Transfer*	轉撥*	-	-	-	-	982	-	982
Exchange realignment	匯兌調整	(320)	(67)	(44)	(169)	(372)	(13)	(985)
At 31 December 2018	於二零一八年 十二月三十一日	5,978	1,240	1,290	3,123	6,927	248	18,806
Accumulated depreciation:	累計折舊：							
At 1 January 2018	於二零一八年 一月一日	1,574	175	769	2,713	1,392	261	6,884
Provided during the year	年內撥備	312	440	191	345	1,314	-	2,602
Disposals	出售	-	-	(36)	(97)	(607)	-	(740)
Exchange realignment	匯兌調整	(93)	(27)	(73)	(104)	(113)	(13)	(423)
At 31 December 2018	於二零一八年 十二月三十一日	1,793	588	851	2,857	1,986	248	8,323
Net book value:	賬面淨值：							
At 31 December 2018	於二零一八年 十二月三十一日	4,185	652	439	266	4,941	-	10,483

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

12. 物業、廠房及設備(續)

		Land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Plant and machinery	Equipment for rental purpose	Motor vehicles	Total
		土地及樓宇	租賃 物業裝修	傢俱、裝置及 辦公室設備	廠房及機械	租賃之設備 用作	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
31 December 2017	二零一七年 十二月三十一日							
Cost:	成本							
At 1 January 2017	於二零一七年一月一日	5,839	-	864	3,044	1,006	242	10,995
Additions	添置	-	1,307	264	85	-	-	1,656
Transfers*	轉撥*	-	-	-	-	6,305	-	6,305
Exchange realignment	匯兌調整	459	-	37	241	79	19	835
At 31 December 2017	於二零一七年 十二月三十一日	6,298	1,307	1,165	3,370	7,390	261	19,791
Accumulated depreciation:	累計折舊:							
At 1 January 2017	於二零一七年一月一日	1,170	-	598	2,214	313	242	4,537
Provided during the year	年內撥備	303	168	144	362	1,015	-	1,992
Exchange realignment	匯兌調整	101	7	27	137	64	19	355
At 31 December 2017	於二零一七年 十二月三十一日	1,574	175	769	2,713	1,392	261	6,884
Net book value:	賬面淨值:							
At 31 December 2017	於二零一七年 十二月三十一日	4,724	1,132	396	657	5,998	-	12,907

* Transfers represented the fact that the purpose of "SkyEye dispatcher" and thermal infrared imager were changed from sale to lease and the products were reclassified from inventories to property, plant and equipment accordingly.

* 轉撥指「SkyEye 調度器」及紅外線熱像儀之用途由銷售轉為租賃，故產品由存貨重新分類至物業、廠房及設備。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

13. INVENTORIES

13. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Components and consumables	部件及消耗品	997	689
Semi-finished products	半成品	2,093	2,010
Finished products	製成品	40,180	27,431
		43,270	30,130

14. TRADE AND BILLS RECEIVABLES

14. 貿易應收款項及應收票據

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收款項	97,020	88,286
Bills receivables	應收票據	15,921	1,992
		112,941	90,278
Impairment under HKAS 39	根據香港會計準則第39號作出的減值	-	(2,247)
Allowance for ECLs under HKFRS 9	根據香港財務報告準則第9號就預期信貸虧損作出的撥備	(1,216)	-
		111,725	88,031

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade and bills receivables are non-interest-bearing.

本集團與客戶的貿易條款主要為信貸，惟新客戶除外，新客戶一般須預先付款。信貸期通常為一至三個月。每名客戶均設有最高信貸額。本集團設法嚴格控制其未償還應收款項，並設有信貸監控政策以盡量減低信貸風險。逾期結餘由高級管理人員定期檢討。貿易應收款項及應收票據為不計息。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

14. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of the trade and bills receivables as at the end of reporting period, based on the invoice date and net of loss allowance, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Less than 3 months	少於三個月	63,800	61,309
3 to 6 months	三至六個月	20,602	4,537
6 to 12 months	六至十二個月	13,850	3,791
Over 1 year	一年以上	13,473	18,394
		111,725	88,031

The movements in the loss allowance for impairment/ECLs of trade and bills receivables are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	於年初	2,247	1,541
Effect on adoption of HKFRS 9 (note 2.2)	採納香港財務報告準則 第9號的影響(附註2.2)	513	-
At beginning of year (restated)	於年初(經重列)	2,760	1,541
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	-	695
ECLs reversed (note 6)	已撥回預期信貸虧損(附註6)	(1,552)	-
Exchange realignment	匯兌調整	8	11
At end of year	於年末	1,216	2,247

14. 貿易應收款項及應收票據(續)

於報告期末按發票日期列示的貿易應收款項及應收票據的賬齡分析如下(扣除虧損撥備):

貿易應收款項及應收票據的減值虧損撥備/預期信貸虧損的變動情況如下:

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

14. TRADE AND BILLS RECEIVABLES (Continued)

Impairment under HKFRS 9 for the year ended 31 December 2018

An impairment analysis of trade and bills receivables is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off if past due for more than three years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

As at 31 December 2018

		Current	Past due within 1 year	Past due more than 1 year but within 2 years	Past due more than 2 years but within 3 years	Past due over 3 years	Total
		即期	逾期少於一年	逾期超過一年但少於兩年	逾期超過兩年但少於三年	逾期超過三年	總計
ECL rate	預期信貸虧損率	0%–0.2%	1.1%	4.7%	83.8%	100%	0%–1.3%
Gross carrying amount (HK\$'000)	賬面總值(千港元)	103,090	8,260	673	–	918	112,941
ECLs (HK\$'000)	預期信貸虧損(千港元)	175	91	32	–	918	1,216

14. 貿易應收款項及應收票據(續)

香港財務報告準則第9號下截至二零一八年十二月三十一日止年度的減值

於各報告日期均採用撥備矩陣進行貿易應收款項及應收票據的減值分析，以計量預期信貸虧損。撥備率乃基於就擁有類似虧損模式的多個客戶分部進行的分組的逾期日數計算。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。一般而言，倘逾期超過三年且並無受到強制執行活動，則貿易應收款項及應收票據將予以撇銷。

以下為本集團採用撥備矩陣計量的貿易應收款項及應收票據之信用風險敞口資料：

於二零一八年十二月三十一日

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

14. TRADE AND BILLS RECEIVABLES (Continued)

The ageing analysis of the trade and bills receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	75,085
Past due:	逾期：	
Less than 3 months	少於三個月	5,194
3 to 6 months	三至六個月	1,358
6 to 12 months	六至十二個月	991
Over 1 year	一年以上	5,403
		88,031

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

14. 貿易應收款項及應收票據(續)

根據香港會計準則第39號於二零一七年十二月三十一日並無個別或共同被視為減值的貿易應收款項及應收票據的賬齡分析如下：

	2017 二零一七年 HK\$'000 千港元
未逾期亦未減值的應收款項	75,085
逾期：	
少於三個月	5,194
三至六個月	1,358
六至十二個月	991
一年以上	5,403
	88,031

未逾期亦未減值的應收款項乃與大量最近並無拖欠記錄的各類客戶有關。

已逾期但未減值的應收款項乃與若干與本集團有良好往績記錄的獨立客戶有關。基於過往經驗，本公司董事認為，由於該等結餘的信貨質素並無重大變動，故毋須根據香港會計準則第39號就該等結餘作出減值撥備且該等結餘仍視為可悉數收回。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Prepayments	預付款項	3,410	3,389
Deposits and other receivables	按金及其他應收款項	13,644	7,531
Prepaid listing cost	預付上市成本	18,758	1,083
		35,812	12,003

The above balances are unsecured and interest-free.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there were no recent history of default.

15. 預付款項、按金及其他應收款項

上述結餘為無抵押且免息。

上述資產概無逾期或減值。上述結餘所包含的金融資產與近期沒有違約記錄的應收款項有關。

16. AVAILABLE-FOR-SALE INVESTMENTS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Wealth management products, at fair value	理財產品，按公平值	-	14,806

The wealth management products were issued by the commercial bank with variable interest rate indexed to the performance of underlying assets. The Group elected the fair value method at the date of initial recognition and carried these investments subsequently at fair value. Changes in the fair value were reflected in available-for-sale investments revaluation reserve before 1 January 2018 and in profit or loss since 1 January 2018, respectively. The fair values were based on the bank quoted expected returns and were within level 2 of the fair value hierarchy.

16. 可供出售投資

理財產品由商業銀行發行，其浮動利率與相關資產表現掛鈎。本集團於初始確認日期選擇公平值法及該等投資其後按公平值列賬。公平值變動於二零一八年一月一日前在可供出售投資重估儲備及於二零一八年一月一日後在損益反映。公平值乃根據銀行所報預期回報及屬於公平值層級的第2級。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

17. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

17. 現金及銀行結餘及已抵押存款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	49,144	40,621
Time deposits	定期存款	3,772	480
		52,916	41,101
Less: Pledged time deposits for bank guarantee	減：用作銀行擔保的已抵押定期存款	-	(480)
Cash and bank balances	現金及銀行結餘	52,916	40,621

At the end of reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$18,377,000 (2017:HK\$22,424,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣計值之現金及銀行結餘為18,377,000港元(二零一七年：22,424,000港元)。人民幣不可自由兌換其他貨幣，然而，根據《中華人民共和國外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權進行外匯業務的銀行將人民幣兌換成其他貨幣。

銀行現金根據每日銀行存款率按浮動利率賺取利息。短期定期存款按各自的定期存款利率賺取利息。銀行結餘及已抵押按金存放於近期並無違約記錄的可靠銀行。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

18. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 1 month	少於一個月	6,300	5,165
1 to 3 months	一至三個月	2,716	8,558
Over 3 months	三個月以上	4,870	1,212
		13,886	14,935

The trade payables are interest-free and are normally settled ranging from 30 to 90 days.

19. OTHER PAYABLES AND ACCRUALS

Other payables	其他應付款項	4,698	3,117
Accruals	應計費用	8,619	8,639
Accrued listing expenses	應計上市開支	25,511	956
		38,828	12,712

Other payables are non-interest-bearing and are normally settled within one year.

18. 貿易應付款項

於報告期末按發票日期列示的貿易應付款項的賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 1 month	少於一個月	6,300	5,165
1 to 3 months	一至三個月	2,716	8,558
Over 3 months	三個月以上	4,870	1,212
		13,886	14,935

貿易應付款項不計息及通常結付期為30至90日。

19. 其他應付款項及應計費用

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other payables	其他應付款項	4,698	3,117
Accruals	應計費用	8,619	8,639
Accrued listing expenses	應計上市開支	25,511	956
		38,828	12,712

其他應付款項不計息及通常於一年內結付。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

20. CONTRACT LIABILITIES

The following table provides information about contract liabilities from contracts with customers:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contract liabilities	合約負債	13,497	5,531

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying goods or services are yet to be provided.

Changes in the contract liabilities during the years ended 31 December 2018 and 2017 are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	於年初	5,531	7,995
Revenue recognised that was included in the contract liabilities balance at beginning of year	於年初計入合約負債結餘的已確認收益	(5,531)	(7,995)
Increases due to cash received, excluding amounts recognised as revenue during the year	因已收現金而增加，不包括於年內已確認為收益的款額	13,497	5,531
At end of year	於年末	13,497	5,531

20. 合約負債

下表列載有關客戶合約的合約負債資料：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contract liabilities	13,497	5,531

本集團的合約負債主要源於客戶墊付款項，而相關產品或服務尚未提供。

於截至二零一八年及二零一七年十二月三十一日止年度的合約負債變動列載如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	5,531	7,995
Revenue recognised that was included in the contract liabilities balance at beginning of year	(5,531)	(7,995)
Increases due to cash received, excluding amounts recognised as revenue during the year	13,497	5,531
At end of year	13,497	5,531

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

21. DEFERRED TAX

The movements in deferred tax assets during the year are as follows:

Deferred tax assets

21. 遞延稅項

遞延稅項資產於年內的變動如下：

遞延稅項資產

		Unpaid accrued expenses 未支付應計開支 HK\$'000 千港元	Provision for inventories and trade receivables 存貨及貿易應收款項撥備 HK\$'000 千港元	Unrealised profit 未變現溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2018	二零一八年十二月三十一日				
At 1 January 2018	於二零一八年一月一日	644	458	905	2,007
Effect on adoption of HKFRS 9 (note 2.2)	採納香港財務報告準則第9號的影響(附註2.2)	-	127	-	127
At 1 January 2018 (restated)	於二零一八年一月一日(經重列)	644	585	905	2,134
Deferred tax credited/(charged) to profit or loss during the year (note 9)	計入/(扣除自)年內損益之遞延稅項(附註9)	(195)	(260)	593	138
Exchange realignment	匯兌調整	(25)	(7)	-	(32)
At 31 December 2018	於二零一八年十二月三十一日	424	318	1,498	2,240

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

21. DEFERRED TAX (Continued)

Deferred tax assets (Continued)

		Unpaid accrued expenses	Provision for inventories and trade receivables	Unrealised profit	Total
		未支付應計開支	存貨及貿易應收款項撥備	未變現溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
31 December 2017	二零一七年十二月三十一日				
At 1 January 2017	於二零一七年一月一日	482	259	940	1,681
Deferred tax credited/(charged) to profit or loss during the year (note 9)	計入/(扣除自)年內損益之遞延稅項(附註9)	118	192	(35)	275
Exchange realignment	匯兌調整	44	7	-	51
At 31 December 2017	於二零一七年十二月三十一日	644	458	905	2,007

Pursuant to the PRC Corporate Income Tax Law, a 10% (or a lower rate if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

內地成立的外商投資企業須就向外國投資者宣派的股息提撥10%(若中國內地與外國投資者所屬司法權區有稅務協議,則可申請較低的稅率)預扣稅。該規定由二零零八年一月一日起生效,並適用於二零零七年十二月三十一日後產生的盈利。因此本集團須就於中國內地成立之該等附屬公司因自二零零八年一月一日起產生之盈利而分派之股息繳付預扣稅。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

21. DEFERRED TAX (Continued)

As at 31 December 2018, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, the Group's earnings will be retained in Mainland China, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. As at 31 December 2018, the aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China was approximately HK\$2,981,000 (2017: HK\$2,233,000).

The Group also has tax losses arising in Mainland China of HK\$210,000 (2017: Nil) that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

22. SHARE CAPITAL

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 19 December 2017 with an authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each, of which 380,000 shares were issued and allotted to Peiport Alpha Ltd., which is controlled by Mr. YEUNG and Ms. WONG.

21. 遞延稅項(續)

於二零一八年十二月三十一日，本集團並未就於中國內地成立且須繳交預扣稅之附屬公司之未匯出盈利應付之預扣稅確認遞延稅項。董事認為，本集團之盈利將保留於中國內地，故該等附屬公司於可預見未來將不可能分派該等盈利。於二零一八年十二月三十一日，與投資中國內地附屬公司有關的臨時差異總額約為2,981,000港元(二零一七年：2,233,000港元)。

本集團亦於中國內地產生稅項虧損210,000港元(二零一七年：無)，該稅項虧損於一至五年內到期，可用作抵銷產生虧損的公司未來應課稅溢利。

並無就該等虧損確認遞延稅項資產，因產生遞延稅項資產之附屬公司已呈虧損一段時間，並認為不大可能會產生應課稅溢利以抵銷可動用之稅項虧損。

22. 股本

本公司為於二零一七年十二月十九日根據公司法在開曼群島註冊成立之獲豁免有限公司，法定股本為380,000港元，分為38,000,000股每股面值0.01港元之股份，其中380,000股股份已發行及配發予彼岸阿爾法有限公司，該公司由楊先生及王女士控制。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Issued and fully paid:	已發行及繳足：		
380,000 (2017: 380,000)	380,000股(二零一七年：		
ordinary shares of HK\$0.01 each	380,000股)每股面值		
	0.01港元的普通股	4	4

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

23. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

Other reserve

The balance represented the aggregate paid-in capital of the subsidiaries acquired, offset by investment costs in subsidiaries of the Company during the Reorganisation.

Statutory surplus reserve

Pursuant to the relevant laws and regulations in the PRC, the Company's subsidiaries registered in the PRC shall appropriate a certain percentage of their net profit after tax (after offsetting any prior years' losses) calculated under the accounting principles generally applicable to the PRC enterprises to the reserve fund. When the balance of this reserve fund reaches 50% of the entity's capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the capital after these usages. After making the appropriation to the statutory surplus reserve, the Company's subsidiaries may also appropriate their profits for the year to the discretionary surplus reserve upon approval by the board of directors or the shareholders in a general meeting.

23. 儲備

本集團於本年度及過往年度之儲備金額及其變動於財務報表中的綜合權益變動表呈列。

其他儲備

該結餘代表所收購附屬公司繳足股本總額，被重組期間本公司附屬公司的投資成本抵銷。

法定盈餘儲備

根據中國相關法律及法規，於中國註冊的本公司附屬公司須將除稅後純利(抵銷任何往年虧損後)的若干百分比撥至儲備基金，金額根據中國企業一般適用會計原則計算。當該儲備基金結餘到達實體資本的50%時，可選擇性地作出任何其他撥款。法定盈餘儲備可用作抵銷往年虧損或增加資本。然而，法定盈餘儲備的結餘必須維持於該等用途後資本的至少25%。對法定盈餘儲備作出撥款後，本公司附屬公司經董事會或股東於股東大會上批准後亦可將其年內溢利撥至酌情盈餘儲備。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

24. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

On 12 March 2018, Peiport Scientific Limited as vendor and the Group as purchaser entered into the business transfer agreement, pursuant to which Peiport Scientific Limited agreed to sell and the Group agreed to purchase the procurement, sales, marketing and maintenance of thermal imaging products and services and self-stabilised imaging products and services business and the related assets and liabilities owned or held by Peiport Scientific Limited and utilised in this business for a consideration of approximately HK\$188,304,000, which had been fully settled by (i) offsetting the amounts due from directors of approximately HK\$66,145,000, (ii) repayment to directors of approximately HK\$4,806,000, and (iii) the waiver from the relevant director of approximately HK\$117,353,000.

24. 綜合現金流量表附註

(a) 主要非現金交易

於二零一八年三月十二日，彼岸科儀有限公司(為賣方)與本集團(為買方)訂立業務轉讓協議，據此，彼岸科儀有限公司同意出售及本集團同意收購採購、銷售、營銷及保養熱成像產品及服務和自穩定成像產品及服務的業務及彼岸科儀有限公司擁有或持有及用於該業務的相關資產及負債，代價約為188,304,000港元，全部已透過以下方式結付：(i)抵銷應收董事款項約66,145,000港元；(ii)向董事還款約4,806,000港元；及(iii)相關董事放棄約117,353,000港元。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

24. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities:

2018

24. 綜合現金流量表附註(續)

(b) 融資活動產生的負債變動：

二零一八年

		Accrued listing expenses included in other payables and accruals 計入其他應付款項及應計費用的累計上市開支 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	239
Changes from financing cash flows	融資現金流量變動	(17,905)
Recognition of prepaid listing expenses	確認預付上市費用	17,675
At 31 December 2018	於二零一八年十二月三十一日	9

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

24. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities: (Continued)

2017

		Accrued listing expenses included in other payables and accruals 計入其他應付款項及應計費用的累計上市開支 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	-
Changes from financing cash flows	融資現金流量變動	(844)
Recognition of prepaid listing expenses	確認預付上市費用	1,083
At 31 December 2017	於二零一七年十二月三十一日	239

25. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank guarantee are included in note 17 to the financial statements.

24. 綜合現金流量表附註(續)

(b) 融資活動產生的負債變動：(續)

二零一七年

25. 資產抵押

有關本集團就本集團之銀行擔保所抵押的資產詳情載於財務報表附註17。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

26. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases certain finished products under operating lease arrangements, with leases negotiated for terms ranging from three months to three years.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

26. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排出租若干製成品，經協商的租期介乎三個月至三年。

於二零一八年十二月三十一日，根據與其租戶之不可撤銷經營租約，本集團之到期應收未來最低租金總額如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	1,733	2,930
In the second to fifth years	第二至第五年	1,023	846
		2,756	3,776

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

26. OPERATING LEASE ARRANGEMENTS (Continued)

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for property are negotiated for terms ranging from one to five years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	5,073	1,929
In the second to fifth years	第二至第五年	4,897	4,054
		9,970	5,983

27. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments.

26. 經營租賃安排(續)

(b) 作為承租人

本集團根據經營租賃安排租賃若干其辦公室物業。物業租賃年期磋商為一至五年。

於二零一八年十二月三十一日，根據不可撤銷經營租約，本集團之到期應付未來最低租金總額如下：

27. 承諾

於報告期末，本集團並無任何重大承諾。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

28. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

(a) Names of the Group's principal related parties and their relationship with the Group

Name of related parties 關聯方之姓名／名稱	Relationship 關係
Mr. YEUNG 楊先生	Director 董事
Ms. WONG 王女士	Director 董事
Guangzhou Zhiyuan Science and Technology Limited ("Zhiyuan") 廣州智源科技有限公司(「智源」)	A company controlled by Mr. Yang Ju, brother of Mr. YEUNG 楊先生之兄弟楊舉先生控制的一間公司
Peiport Scientific Limited 彼岸科儀有限公司	A company controlled by Mr. YEUNG and Ms. WONG 楊先生及王女士控制的一間公司

(b) Significant related party transactions during the year as follows:

除於該等財務報表其他地方所詳述之交易外，本集團於年內與關聯方進行以下交易：

(a) 本集團主要關聯方之姓名／名稱及其與本集團之關係：

(b) 年內之重大關聯方交易如下：

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sales of products to Zhiyuan 銷售產品予智源	(i)	—	59
Purchases of products from Zhiyuan 向智源購買產品	(ii)	—	1,082
Rental fee paid to directors 支付予董事之租賃費用	(iii)	1,489	1,252

Notes:

- (i) The sales to Zhiyuan were made at prices based on mutual agreements between the parties. This is also a discontinued connected transaction.
- (ii) The purchases from Zhiyuan were made at prices based on mutual agreements between the parties. This is also a discontinued connected transaction.
- (iii) Certain subsidiaries in Mainland China rented commercial units from Mr. YEUNG and Ms. WONG as offices which were made in accordance with terms in lease agreements, which was approved by the Stock Exchange in the Prospectus. This is also a continuing connected transaction under Chapter 14A of the Listing Rules.

附註：

- (i) 向智源作出之銷售乃按訂約方互相協定的價格作出。此亦為一項已終止關連交易。
- (ii) 向智源作出之採購乃按訂約方互相協定的價格作出。此亦為一項已終止關連交易。
- (iii) 中國內地若干附屬公司根據租賃協議條款向楊先生及王女士租賃商業單位作為辦公室，並已獲聯交所於招股章程中批准。根據上市規則第14A章，此亦為一項持續關連交易。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

28. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

28. 關聯方交易及結餘(續)

(c) Other transaction with a related party:

The Group occupied the office owned by Peiport Scientific Limited at a nil consideration.

(c) 與關聯方之其他交易：

本集團以零代價佔用彼岸科儀有限公司擁有的辦公室。

(d) Outstanding balances with related parties:

(d) 與關聯方之未清償結餘：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amount due from the ultimate holding company	應收最終控股公司款項	-	4
Amounts due from directors:	應收董事款項：		
Ms. WONG	王女士	-	63,587
Mr. YEUNG	楊先生	-	38,719
		-	102,306
Amount due from a related company:	應收一間關聯公司款項：		
Zhiyuan	智源	-	1,404

Among the above balances, the amount due from Zhiyuan is trade nature and others are non-trade nature. The above balances are unsecured, interest-free and repayable on demand.

於上述結餘中，應收智源款項屬於貿易性質，其他屬於非貿易性質。上述結餘為無抵押、免息及須按要要求償還。

(e) Compensation of key management personnel of the Group:

Details of the compensation of key management personnel of the Group, who are the directors, are disclosed in note 7 to the financial statements.

(e) 本集團主要管理人員之薪酬：

本集團主要管理人員(身為董事)之薪酬詳情於財務報表附註7披露。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

29. FINANCIAL INSTRUMENTS BY CATEGORY

As at 31 December 2017, other than the available-for-sale investments in note 16 to the financial statements which are stated at fair value, all financial assets and liabilities of the Group were receivables and financial liabilities stated at amortised cost.

As at 31 December 2018, all financial assets and liabilities of the Group were receivables and financial liabilities stated at amortised cost.

The Group's classification of its financial assets and liabilities is explained in notes 2.2 and 2.4 to the financial statements.

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 31 December 2017, management has assessed that the fair values of cash and bank balances, pledged deposits, available-for-sale investments, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, amount due from a related company, amounts due from directors, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

As at 31 December 2018, management has assessed that the fair values of cash and bank balances, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the financial controller analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

29. 按類別劃分之金融工具

於二零一七年十二月三十一日，除財務報表附註16中的可供出售投資按公平值列賬外，本集團所有金融資產及負債均為應收款項及按攤銷成本列賬的金融負債。

於二零一八年十二月三十一日，本集團所有金融資產及負債均為應收款項及按攤銷成本列賬的金融負債。

本集團對其金融資產及負債分類的解釋載於財務報表附註2.2及2.4。

30. 金融工具的公平值及公平值層級

於二零一七年十二月三十一日，管理層經評估後認為，現金及銀行結餘、已抵押存款、可供出售投資、貿易應收款項及應收票據、計入預付款項、按金及其他應收款項的金融資產、應收一間關聯公司款項、應收董事款項、貿易應付款項及計入其他應付款項及應計費用的金融負債的公平值與其賬面值相若，乃主要由於該等工具於短期內到期。

於二零一八年十二月三十一日，管理層經評估後認為，現金及銀行結餘、貿易應收款項及應收票據、計入預付款項、按金及其他應收款項的金融資產、貿易應付款項及計入其他應付款項及應計費用的金融負債的公平值與其賬面值相若，乃主要由於該等工具於短期內到期。

本集團之財務總監負責釐定金融工具公平值計量之政策及程序。於各報告日期，財務總監分析金融工具公平值之變動及釐定估值中所應用的主要輸入數字。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2017 於二零一七年十二月三十一日

Available-for-sale investments

可供出售投資

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2017:Nil).

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise available-for-sale investments and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

30. 金融工具的公平值及公平值層級(續)

金融資產及負債之公平值乃雙方知悉及自願(而非被迫或已算定的銷售)的情況下進行的交易中交換金融工具的金額。

公平值層級

下表載述本集團金融工具公平值計量層級：

按公平值計量的資產：

Fair value measurement using 公平值計量				
Quoted prices in active market (Level 1) 於活躍 市場之報價 (第1層級) HK\$'000 千港元	Significant observable input (Level 2) 重大可觀察 輸入數字 (第2層級) HK\$'000 千港元	Significant unobservable input (Level 3) 重大不可觀察 輸入數字 (第3層級) HK\$'000 千港元	Total 總計 HK\$'000 千港元	

- 14,806 - 14,806

年內，金融資產及金融負債之公平值計量並無在第1層級及第2層級之間轉移，亦無轉入或轉出第3層級。(二零一七年：無)。

31. 金融風險管理目標及政策

本集團之主要金融工具包括可供出售投資及現金及銀行結餘。該等金融工具之主要用途乃為本集團之營運籌備資金。本集團擁有多種其他金融資產及金融負債，如貿易應收款項及應收票據及貿易應付款項，直接源自其營運。

本集團之金融工具所產生的主要風險為外匯風險、信貸風險及流動資金風險。董事會審閱及協定管理該等風險的政策，有關政策於下文概述。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by subsidiaries in currencies other than the subsidiaries' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible changes by 1% in the US\$ exchange rate against RMB, with all other variables held constant, of the Group's profit before tax due to changes in the fair value of monetary assets and liabilities:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
If US\$ strengthens against RMB	美元兌人民幣升值	(1,108)	(984)
If US\$ weakens against RMB	美元兌人民幣貶值	1,108	984

The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets.

31. 金融風險管理目標及政策(續)

外匯風險

本集團承擔交易貨幣風險。有關風險源自附屬公司以附屬公司功能貨幣以外之貨幣所作出之銷售或採購。

下表展示在全部其他變量不變情況下，報告期末本集團之除稅前溢利因貨幣資產及負債公平值變動對美元兌人民幣匯率合理潛在變動1%的敏感度：

本集團透過密切監察匯率變動管理其外匯風險。

信貸風險

本集團僅與獲認可及信譽可靠的第三方進行買賣。本集團的政策為所有有意按信貸條款進行買賣之客戶均須接受信貸審核程序。此外，本集團持續監控應收款項結餘，且本集團面臨的壞賬風險並不重大。

於二零一八年十二月三十一日的最高風險及年結階段

下表載列基於本集團的信貸政策的信貸質素及最高信貸風險，主要基於逾期資料(除非其他資料可在無須付出不必要成本或努力的情況下獲得)，及於二零一八年十二月三十一日的年結階段分析。所呈列的有關金額指金融資產總賬面值。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging as at 31 December 2018 (Continued)

		12-month	Lifetime ECLs			Total
		ECLs	Simplified			
		12個月預期 信貸虧損	全期預期信貸虧損			總計
		Stage 1	Stage 2	Stage 3	approach	Total
		第1階段	第2階段	第3階段	簡化方法	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Trade and bills receivables*	貿易應收款項及應收票據*	-	-	-	111,725	111,725
Financial assets included in prepayments, deposits, and other receivables	計入預付款項、按金及其他應收款項的金融資產					
— Normal**	— 正常**	35,812	-	-	-	35,812
— Doubtful**	— 可疑**	-	-	-	-	-
Cash and bank balances	現金及銀行結餘					
— Not yet past due	— 尚未逾期	52,916	-	-	-	52,916
		88,728	-	-	111,725	200,453

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 14 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

31. 金融風險管理目標及政策(續)

信貸風險(續)

於二零一八年十二月三十一日的最高風險及年結階段(續)

* 就本集團應用簡化減值方法的貿易應收款項及應收票據，基於撥備矩陣的資料分別於財務報表附註14披露。

** 倘計入預付款項、按金及其他應收款項的金融資產並未逾期且並無資料顯示該金融資產的信貸風險自其初始確認以來大幅增加，則其信貸質素被視為「正常」。否則，金融資產的信貸質素被視為「可疑」。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and bank balances, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

At the end of the reporting period, the Group had certain concentrations of credit risk as 42% (2017: 44%) of the Group's trade receivables were due from the Group's two largest customers.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 14 to the financial statements.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

31. 金融風險管理目標及政策(續)

信貸風險(續)

於二零一七年十二月三十一日的最高風險

本集團其他金融資產(包括現金及銀行結餘、存款及其他應收款項)的信貸風險源自對手方違約，最高風險等於該等工具的賬面值。

於報告期末，本集團承受若干信貸集中風險，因本集團的貿易應收款項中有42%(二零一七年：44%)乃由本集團兩大客戶結欠。

有關本集團因貿易應收款項及應收票據而面臨的信貸風險的更多量化數據披露於財務報表附註14。

流動資金風險

本集團旨在透過使用經營所得內部產生現金流維持資金持續性與靈活度之間的平衡。本集團定期檢討其主要資金狀況以確保其擁有足夠的財務資源可達成其財務責任。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

31. 金融風險管理目標及政策(續)

流動資金風險(續)

本集團於報告期末按合約未折現付款的金融負債到期情況如下：

		2018 二零一八年 On demand and less than 1 year 按要求及 少於一年 HK\$'000 千港元
Trade payables	貿易應付款項	13,886
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	25,198
		39,084
		2017 二零一七年 On demand and less than 1 year 按要求及 少於一年 HK\$'000 千港元
Trade payables	貿易應付款項	14,935
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	851
		15,786

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

32. EVENTS AFTER THE REPORTING PERIOD

- (a) Pursuant to a written resolution of the shareholders of the Company passed on 18 December 2018, a total of 299,620,000 shares of HK\$0.01 each were allotted and issued at par value to the shareholders as of the date immediately before the Listing Date on a pro rata basis by way of capitalisation of HK\$2,996,200 (the "Capitalisation Issue") from the Company's share premium account on the Listing Date.
- (b) On the Listing Date, 100,000,000 new shares were issued at a price of HK\$1.25 per share in connection with the Company's initial public offering on the Stock Exchange. The net proceeds from the global offering, after deducting the underwriting commission and related listing expenses payable by the Company in the global offering, is estimated to be approximately HK\$81.2 million.

31. 金融風險管理目標及政策(續)

資本管理

本集團資本管理之主要目標為保障本集團持續經營的能力及維持穩健的資本比率，以支持其業務及實現股東價值最大化。

本集團因應經濟狀況變化及相關資產的風險特徵管理其資本架構及作出調整。為維持或調整資本架構，本集團或須調整派付予股東的股息、向股東返還資本或發行新股份。本集團毋須遵守任何外部施加的資本規定。於截至二零一八年及二零一七年十二月三十一日止年度，管理資本之目標、政策或程序並無作出任何變動。

32. 報告期後事件

- (a) 根據本公司股東於二零一八年十二月十八日通過的書面決議案於上市日期，合共299,620,000股每股面值0.01港元的股份通過將本公司股份溢價賬中的2,996,200港元撥充資本而按面值及按比例獲配發及發行予截至緊接上市日期前之日的股東(「資本化發行」)。
- (b) 於上市日期，100,000,000股新股份就本公司於聯交所首次公開發售而按每股1.25港元的價格獲發行。經扣除包銷佣金及本公司於全球發售應付的相關上市開支後，全球發售所得款項淨額估計約為81.2百萬港元。

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

33. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT ASSET	非流動資產		
Investment in subsidiaries	於附屬公司的投資	—*	—*
CURRENT ASSETS	流動資產		
Amount due from the ultimate holding company	應收最終控股公司款項	—	4
Amount due from a subsidiary	應收一間附屬公司款項	11	—
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	18,897	—
Total current assets	流動資產總值	18,908	4
CURRENT LIABILITIES	流動負債		
Amounts due to subsidiaries	應付附屬公司款項	13,649	—*
Other payables and accruals	其他應付款項及應計費用	26,520	—
Total current liabilities	流動負債總值	40,169	—
NET CURRENT ASSETS/ (LIABILITIES)	流動資產/(負債)淨額	(21,261)	4
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	(21,261)	4
Net assets/(liabilities)	淨資產/(負債)	(21,261)	4
EQUITY	權益		
Share capital	股本	4	4
Accumulated losses (note)	累計虧損(附註)	(21,265)	—
Total equity/(deficiency in assets)	權益總值/(資產虧絀)	(21,261)	4

* The amount is less than HK\$1,000.

* 金額少於1,000港元。

YEUNG Lun Ching
楊倫楨
Director
董事

WONG Kwan Lik
王群力
Director
董事

Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2018 二零一八年十二月三十一日

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's accumulated losses is as follows:

33. 本公司財務狀況表(續)

附註：

本公司累計虧損概要如下：

		Accumulated losses
		累計虧損
		HK\$'000
		千港元
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、二零一七年十二月三十一日及二零一八年一月一日	-
Total comprehensive loss for the year	年內全面虧損總額	(21,265)
At 31 December 2018	於二零一八年十二月三十一日	(21,265)

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2019.

34. 批准財務報表

財務報表已於二零一九年三月二十六日經董事會批准及授權刊發。

彼岸控股有限公司
Peiport Holdings Ltd.