



PAX Global Technology Limited 百富環球科技有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立的有限公司)
Stock Code 股份代號 : 00327

年報
ANNUAL REPORT

2018



INNOVATE
payment
solutions

* For Identification Purpose Only
僅供識別

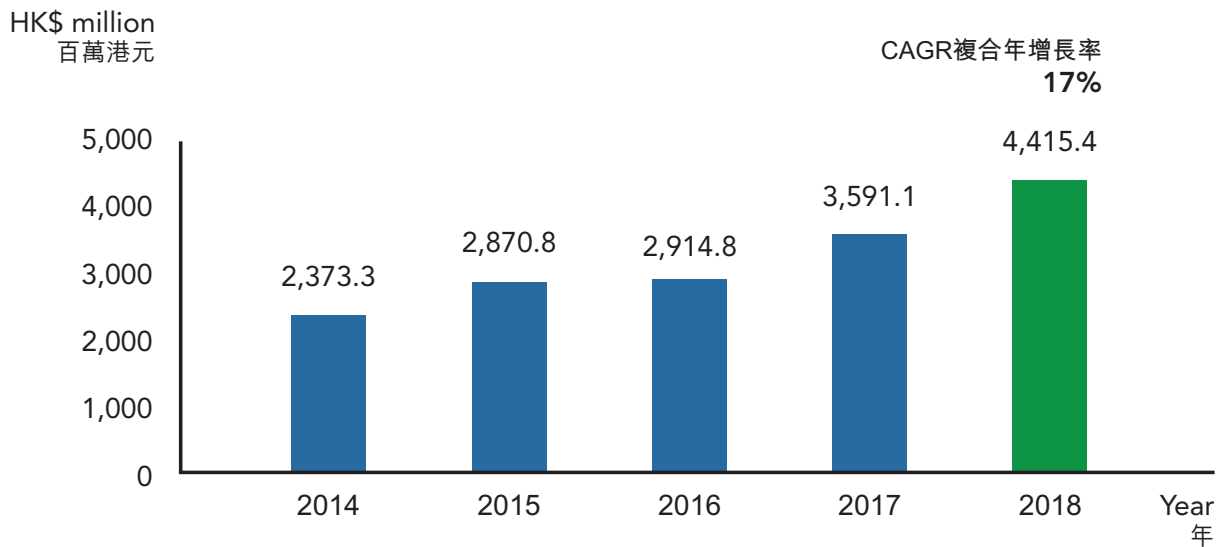


Financial Highlights

財務概要

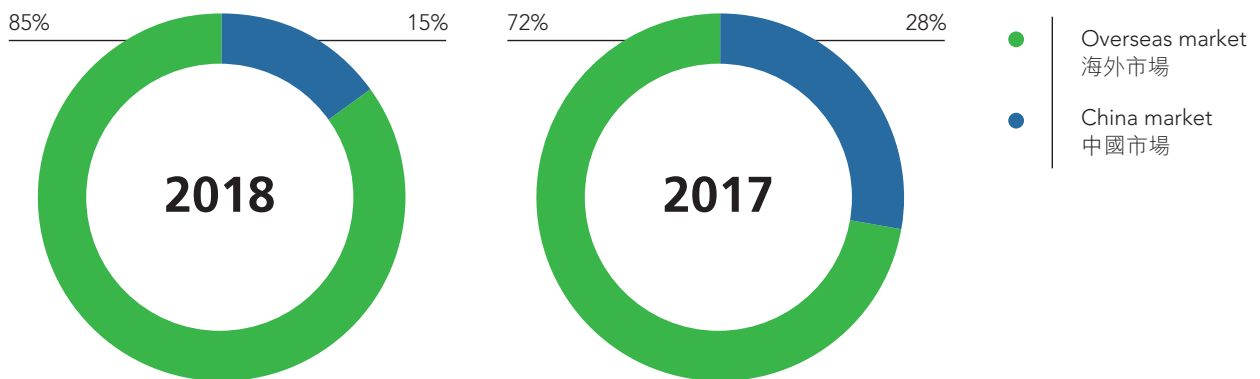
REVENUE

營業額



SALES BY GEOGRAPHICAL REGION

按地區營業額



Financial Highlights

財務概要

For the year ended 31 December (in HK\$'000)	截至十二月三十一日止年度 (千港元)	2018 二零一八年	2017 二零一七年	+ / (-)
Revenue	收入	4,415,409	3,591,080	+23.0%
Gross profit	毛利	1,626,681	1,457,593	+11.6%
Operating profit	經營溢利	639,269	428,023	+49.4%
Profit before income tax	除所得稅前溢利	632,742	424,540	+49.0%
Profit for the year	年度溢利	515,398	336,566	+53.1%
Profit attributable to the owners of the Company	本公司持有人應佔溢利	522,470	407,507	+28.2%
Research and development costs (included in administrative expenses)	研發開支(包括在行政費用內)	(332,016)	(287,230)	+15.6%
Net impairment losses on financial assets	金融資產之減值淨虧損	(43,290)	(43,220)	+0.2%
Impairment of assets (one-off in 2017)	資產減值(二零一七年一次性)	-	(136,192)	N/A 不適用

At 31 December (in HK\$'000)	於十二月三十一日(千港元)	2018 二零一八年	2017 二零一七年	+ / (-)
Total current assets	流動資產總值	5,343,736	4,839,173	+10.4%
Total assets	資產總值	5,775,554	5,232,216	+10.4%
Net current assets	流動資產淨值	3,802,754	3,521,846	+8.0%
Total equity	權益總額	4,212,608	3,897,066	+8.1%

EARNINGS PER SHARE & DIVIDEND

每股盈利及股息

Per Share (in HK\$)	每股(港元)	2018 二零一八年	2017 二零一七年	+ / (-)
Earnings per share	每股盈利			
- Basic	- 基本	0.475	0.367	+29.4%
- Diluted	- 攤薄	0.475	0.367	+29.4%
Proposed final dividend per ordinary share	建議每股普通股末期股息	0.04	0.04	-



Financial Highlights

財務概要

FINANCIAL RATIOS

財務比率

		2018 二零一八年	2017 二零一七年
Gross profit margin	毛利率	36.8%	40.6%
Operating profit margin	經營溢利率	14.5%	11.9%
Net profit margin	淨利潤率	11.7%	9.4%
Current ratio	流動比率	3.5	3.7
Return on equity ¹	權益回報 ¹	12.4%	10.5%
Return on assets ²	資產回報 ²	9.0%	7.8%

TURNOVER DAYS

週轉日數

Year	年度	2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年
Inventory ³	存貨 ³	114	112	142	138	146
Trade and bills receivables ⁴	應收賬款及應收票據 ⁴	118	121	164	158	155
Trade and bills payables ⁵	應付賬款及應付票據 ⁵	105	119	152	138	140
Cash conversion ⁶	現金轉換 ⁶	127	115	154	158	161

Notes

- Return on equity = Profit attributable to the owners of the Company/Equity as at year end
- Return on assets = Profit attributable to the owners of the Company/Total assets as at year end
- Inventory turnover days = Average Gross inventory balance/(Cost of sales for the year/365 days)
- Trade and bills receivables turnover days = Average Gross trade and bills receivables balance/(Turnover for the year/365 days)
- Trade and bills payables turnover days = Average Gross trade and bills payables balance/(Cost of sales for the year/365 days)
- Cash conversion days = Inventory turnover days + Trade and bills receivables turnover days – Trade and bills payables turnover days

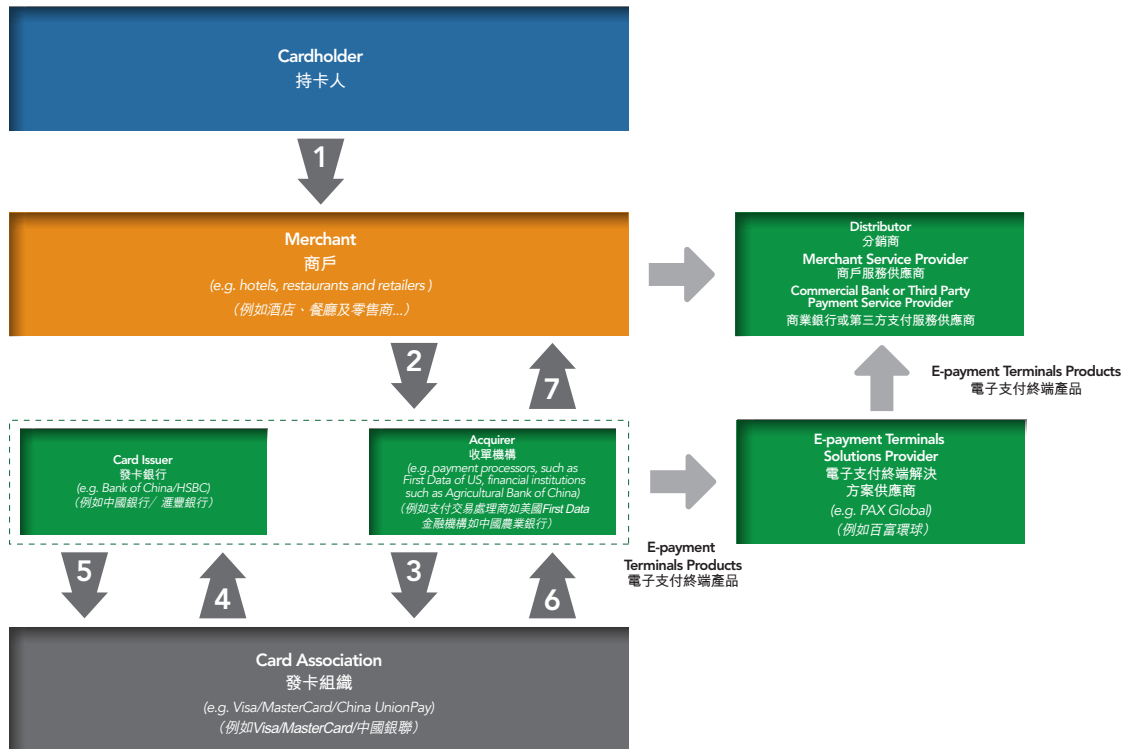
附註

- 權益回報 = 本公司持有人應佔溢利 / 年末權益
- 資產回報 = 本公司持有人應佔溢利 / 年末資產總值
- 存貨週轉日數 = 平均存貨結餘總額 / (年內銷售成本 / 365日)
- 應收賬款及應收票據週轉日數 = 平均應收賬款及應收票據結餘總額 / (年內營業額 / 365日)
- 應付賬款及應收票據週轉日數 = 平均應付賬款及應收票據總額 / (年內銷售成本 / 365日)
- 現金轉換日數 = 存貨週轉日數 + 應收賬款及應收票據週轉日數 - 應付賬款及應收票據週轉日數

Bank Card Transaction Flow of Electronic Payment 銀行卡電子支付交易流程

The following is a simplified diagram illustrating the transaction flow in a typical electronic payment transaction

以下簡圖所示為一般銀行卡電子支付交易的交易流程



Source: Analysys International, CSI

數據來源：易觀國際、中信證券

- “➡” E-payment Terminals solutions provider sells E-payment Terminals products and provides related services to merchant service provider and acquirer.
- “➡” Merchant service provider provides transaction processing solutions to merchants by assisting merchants in setting-up their operations to accept cards as a form of payment from their customers.
- “➡”
- 1: Cardholder purchases with card at a merchant through an E-payment Terminals.
- 2: The E-payment Terminals sends transaction data to the acquirer.
- 3&4: The acquirer sends authorisation request and verifies with the card issuer that the card number and transaction amount are both valid through the network of card association.
- 5&6: The card issuer verifies that the cardholder’s credit is sufficient and grants authorisation.
- 7: The acquirer receives the response and relays it to the merchant.

- 「➡」 電子支付終端解決方案供應商銷售電子支付終端產品，並提供相關服務予商戶服務供應商及收單機構。
- 「➡」 商戶服務供應商透過協助商戶建立接納客戶以卡作為支付方式的業務，向商戶提供交易處理解決方案。
- 「➡」
- 1： 持卡人於商戶透過電子支付終端以卡支付。
- 2： 電子支付終端傳送交易數據予收單機構。
- 3及4： 收單機構發送授權要求，並透過發卡組織的網絡向發卡機構核實卡號碼及交易金額均屬有效。
- 5及6： 發卡機構核實持卡人的信用額充足並給予授權。
- 7： 收單機構接收回應及轉達予商戶。



Products Highlights (for reference only) 公司產品 (僅供參考)

SMART E-PAYMENT SOLUTION (A-SERIES)

智能電子支付解決方案 (A系列)

General features: Powered by Android operating system, PCI PTS 5.x certified, the latest certification in the industry. Compact, portable, equipped with a large high resolution touch screen and inbuilt dual cameras. Support various kinds of payment options, including bank card payments, Near Field Communication ("NFC") contactless and QR code payments.

一般特點：以安卓作業系統操作，獲得業內最新的PCI PTS 5.x認證。外型小巧，方便手持，具有特大高清電觸摸屏、內置雙攝像頭。支持各類型支付方式，包括銀行卡支付、NFC非觸式及二維碼支付。



ALL-IN-ONE SMART ELECTRONIC CASH REGISTER SOLUTION (E-SERIES)

智能管理及支付一體化解決方案 (E系列)

General Features: Powered by Android operating system, the all-in-one integrated solution delivers cost efficient and space saving features to merchants. Certified with PCI PTS 5.x, the latest certification in the industry. Stylish, large color touch screen, customer-facing display and an inbuilt camera. Support various kinds of payment options including bank card payments, NFC contactless and QR code payments.

一般特點：以安卓作業系統操作的一體化解決方案，使商戶更節省空間和成本。產品擁有業內最新PCI PTS 5.x認證。外型時尚，擁有特大彩色觸摸屏、面向顧客的顯示屏、內置攝像頭，支持銀行卡支付、NFC非觸式及二維碼等各類型支付方式。



* New model launched in 2018
二零一八年推出的新型號

Products Highlights (for reference only)

公司產品 (僅供參考)

QR CODE E-PAYMENT SOLUTION

二維碼支付終端

General features: Support QR code payments.
一般特點： 支援二維碼支付。

QR65*



QR55



QR50*



QR10*



IM SERIES UNATTENDED SOLUTION

IM系列自助服務解決方案

General features: Ideal for self-service sales points such as petroleum forecourts, car parks, kiosk. PCI PTS 5.x certified and has met required standards for anti-vandalism and waterproofing. Various payment methods are accepted and connectivity options include 3G, 4G, WiFi and Bluetooth.

一般特點： 適用於油站、停車場、售貨亭等多個應用場景。通過PCI PTS 5.x認證，符合防破壞和防水標準，可支援各類型支付方式及3G、4G、WiFi和藍牙多個連接選項。

IM300*



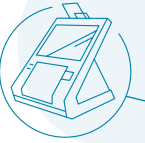
IM500*



IM700*



* New model launched in 2018
二零一八年推出的新型號



Products Highlights (for reference only) 公司產品 (僅供參考)

TRADITIONAL E-PAYMENT SOLUTION

傳統電子支付解決方案

- i) Countertop and Wireless E-payment Terminals
臺式及手持無線式電子支付終端

General features: Accept smart card, magnetic stripe card and support credit cards, debit cards and a full range of prepaid products, including gift cards and loyalty programs. Most of the models support QR code application.

一般特點：可讀取智能卡、磁條卡、並支持信用卡、借記卡及全系列預付產品，包括禮品卡及常客計劃。大部份型號可支援二維碼應用。

Q80s



S920



Other models: S910, S800, S500, S90, S80, S78, S60, S58
其他型號：S910、S800、S500、S90、S80、S78、S60、S58

Q80



S90



S900



Products Highlights (for reference only)

公司產品 (僅供參考)

TRADITIONAL E-PAYMENT SOLUTION

傳統電子支付解決方案

ii) Pin Pad Devices
密碼鍵盤設備

General features: Specifically designed for contactless payment, which comply with various industry standards including MasterCard's PayPass and Visa's payWave.

一般特點：專為非接觸式支付而設，並符合多個業內標準，包括MasterCard的PayPass及Visa的payWave。

Q30



SP200



Other models 其他型號：
SP20V4, SP30, S300

iii) Multilane Series
多媒體系列

General features: Sleek tablet design with large high resolution color screen, enabling high quality display to showcase merchants' advertising and campaigns.

一般特點：採用簡約的平板設計，擁有特大高解析度彩色顯示幕，以高品質的螢幕顯示呈現商戶定制的廣告及活動。

PX7A*



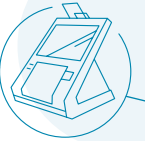
PX7



PX5



* New model launched in 2018
二零一八年推出的新型號



Products Highlights (for reference only) 公司產品 (僅供參考)

MOBILE E-PAYMENT SOLUTION

移動電子支付解決方案

General features: Lightweight and compact design, focusing on small and micro merchants. Support various kinds of payment options, including bank card payment and NFC contactless.

一般特點：產品設計小巧、便攜，針對微小商戶的需求，可支援各種支付方式包括銀行卡支付及NFC非觸式支付。

D220



D200



D210



D190



D180



D150



Products Highlights (for reference only)

公司產品 (僅供參考)

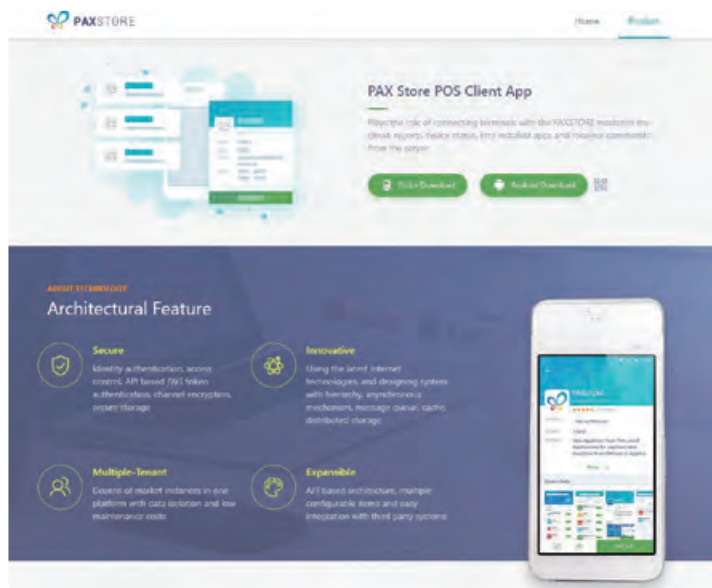
PAXSTORE

Features:

A secure cloud-based Software-as-a-Service (“SaaS”) platform that allows you to create and manage your own independent marketplace for software application distribution. It also provides an integrated terminal management system platform and smart data analysis.

特點：

一個安全的雲端軟體即服務(「SaaS」)平台，允許您創建及管理您自己獨立的軟件應用市場。同時，它提供一個終端綜合管理系統平台和智能數據分析。





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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

NIE Guoming (*Chairman*)
LU Jie (*Chief Executive Officer*)
LI Wenjin

Independent Non-Executive Directors

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

JOINT COMPANY SECRETARIES

CHEUNG Shi Yeung
LAU Ling Yun Agnes
CHAN Yiu Kwong

AUTHORISED REPRESENTATIVES

LI Wenjin
CHEUNG Shi Yeung
CHAN Yiu Kwong (alternate)

BERMUDA RESIDENT REPRESENTATIVE

Conyers Corporate Services (Bermuda) Limited

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS

As to Hong Kong Law

Reed Smith Richards Butler
Woo Kwan Lee & Lo

As to Bermuda Law

Conyers Dill & Pearman

董事會

執行董事

聶國明 (主席)
蘆杰 (行政總裁)
李文晉

獨立非執行董事

葉偉明
吳敏
文國權

聯席公司秘書

張仕揚
劉令茵
陳耀光

授權代表

李文晉
張仕揚
陳耀光 (替任)

百慕達註冊處代表

Conyers Corporate Services (Bermuda) Limited

核數師

羅兵咸永道會計師事務所

法律顧問

香港法律

禮德齊伯禮律師行
胡關李羅律師行

百慕達法律

Conyers Dill & Pearman



Corporate Information

公司資料

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2416, 24th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

SHARE REGISTRAR IN BERMUDA

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

COMPANY'S WEBSITE

www.paxglobal.com.hk

STOCK CODE

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主要往來銀行

中國工商銀行(亞洲)有限公司
香港上海滙豐銀行有限公司
恒生銀行有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港主要營業地點

香港
灣仔
港灣道30號
新鴻基中心
24樓2416室

百慕達股份過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

股份過戶登記處香港分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

公司網站

www.paxglobal.com.hk

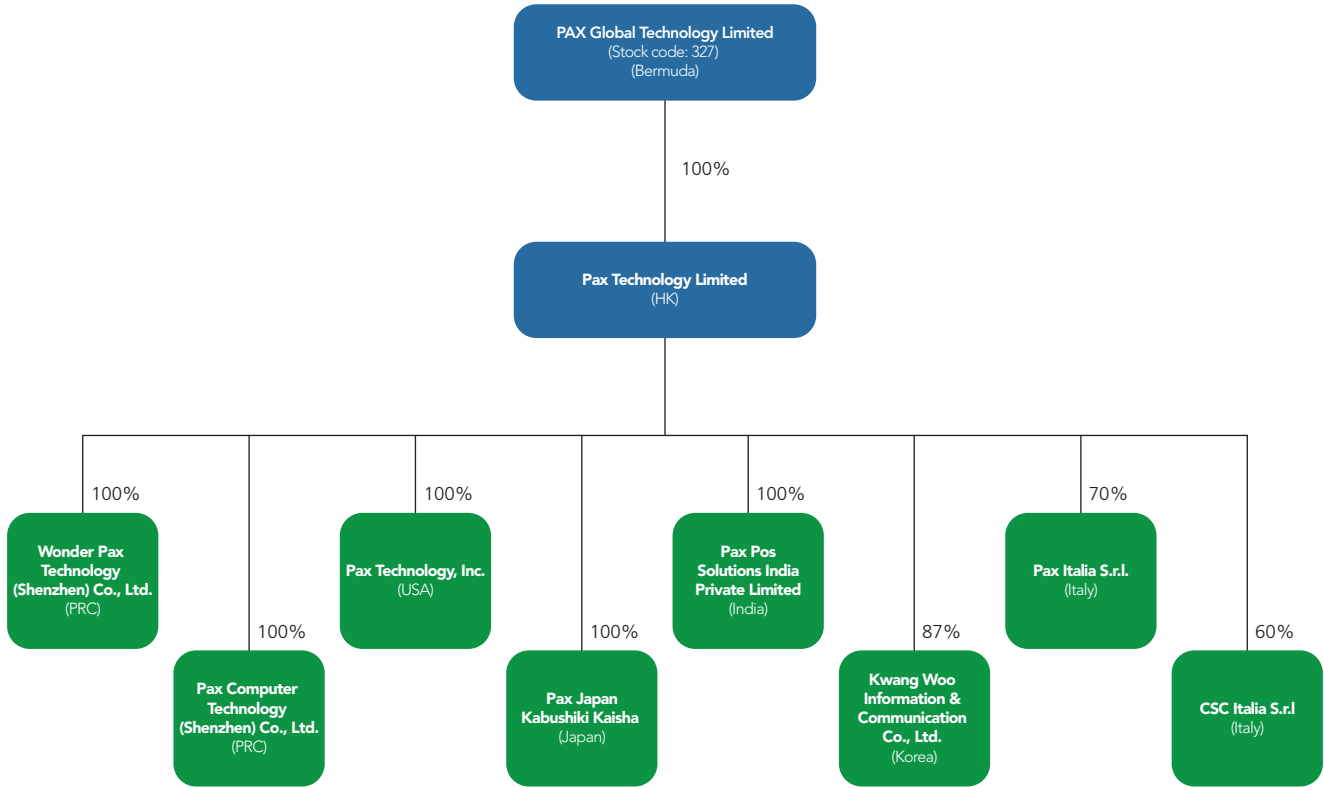
股份代號

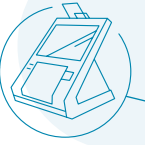
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Simplified Corporate Chart

公司架構簡表

The following is a simplified corporate chart of the Group's principal operating subsidiaries up to the date of this report.

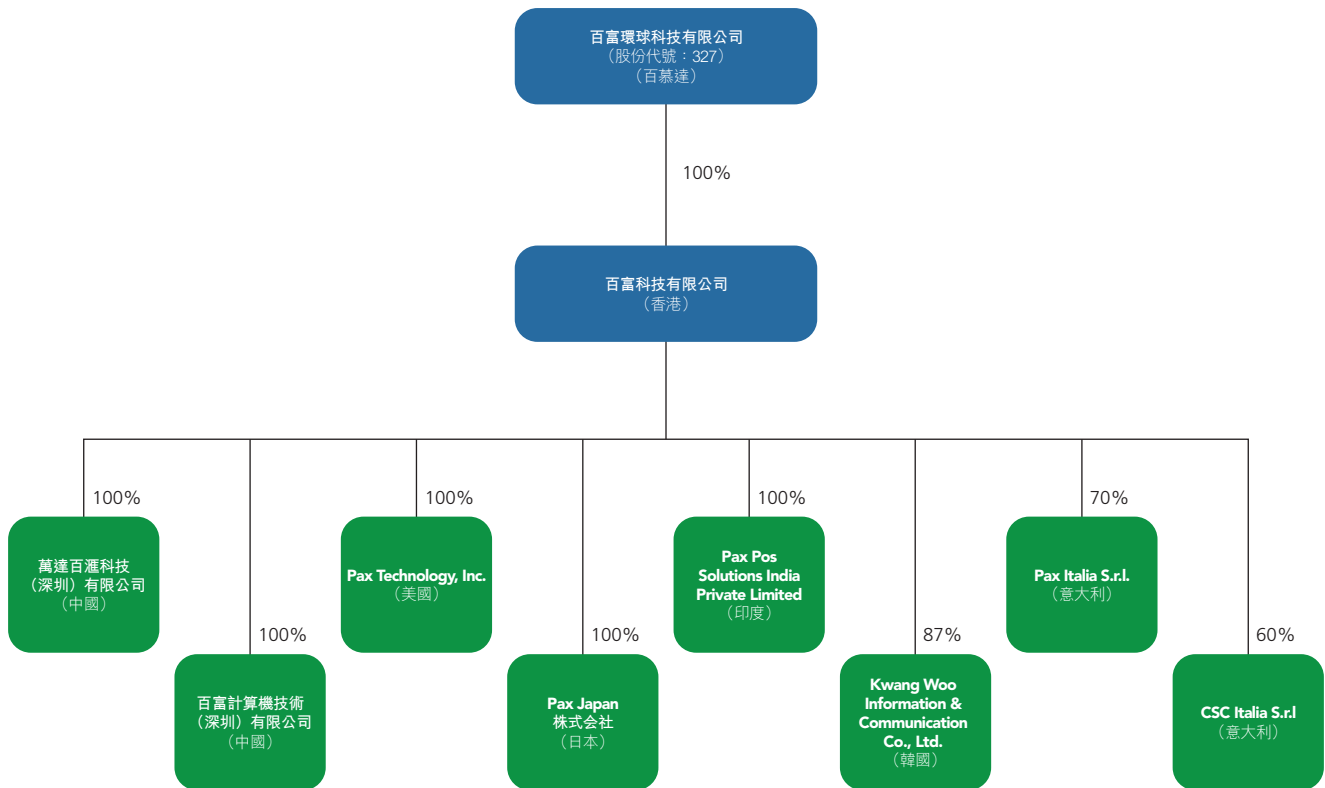




Simplified Corporate Chart

公司架構簡表

下表為截至本報告日期本集團主要營運附屬公司的公司架構簡表。





Directors and Senior Management

董事及高級管理層



As at 6 March 2019, the date of the Report of the Directors, the biographical details of the directors (the “Director(s)”) and senior management of PAX Global Technology Limited (the “Company”) are as follows:

BOARD OF DIRECTORS

Executive Directors

NIE Guoming *Chairman*

Mr. Nie, aged 56, is the Chairman and an Executive Director of the Company and the general manager of Pax Computer Technology (Shenzhen) Co. Ltd. (“Pax Technology (Shenzhen)”). He is responsible for the overall management and strategic development of the Company and its subsidiaries (collectively, the “Group”). Mr. Nie has over 23 years of experience in the card payment industry. He joined Pax Technology Limited (“Pax Technology”) at its founding in March 2000 as the vice president until January 2001 and subsequently as the president prior to his appointment as the chairman in June 2010. Mr. Nie previously worked as an engineer in the Information Technology Department of the Headquarters of China Merchants Bank in the People’s Republic of China (the “PRC”) from 1996 to 1999. Mr. Nie graduated from Tsinghua University in 1984 with a bachelor’s degree in Radio Electronics and obtained a master’s degree in Radio Electronics Engineering from Southeast University in 1991. He was appointed as the Chairman and an Executive Director of the Company in December 2010.

LU Jie *Chief Executive Officer*

Mr. Lu, aged 54, is the Chief Executive Officer and an Executive Director of the Company and a director in a number of subsidiaries of the Company. He joined the Group in August 2001 and is responsible for managing the business development, sales and marketing functions of the Group. Mr. Lu has over 18 years of experience in sales and marketing in the electronic payment industry and served a number of management positions and executive role at Beijing Order Computer Company (“Beijing Order”), a system integration company, from 1998 to 2001, including general manager of insurance department, general manager of marketing department and vice president. He had also worked as an engineer of the Ministry of Geology and Mineral Resources of the PRC and the Chinese Academy of Geological Sciences from 1986 to 1994 and from 1994 to 1995 respectively. Mr. Lu holds a bachelor’s degree from Chengdu Geology Institute. He obtained an Executive Master of Business Administration degree from the Cheung Kong Graduate School of Business in 2010. He was appointed as the Chief Executive Officer and an Executive Director of the Company in May 2013.

於二零一九年三月六日（即董事會報告日期），百富環球科技有限公司（「本公司」）董事（「董事」）及高級管理人員的履歷詳情如下：

董事會

執行董事

聶國明 *主席*

聶先生，56歲，為本公司主席兼執行董事，並為百富計算機技術（深圳）有限公司（「百富科技（深圳）」）的總經理。彼負責本公司及其附屬公司（統稱「本集團」）的整體管理及策略發展。聶先生於卡支付行業擁有逾23年經驗。彼自百富科技有限公司（「百富科技」）於二零零零年三月成立日起加入該公司出任副總裁至二零零一年一月，再出任總裁，直至二零一零年六月獲委任為主席。聶先生於一九九六年至一九九九年曾於中華人民共和國（「中國」）的中國招商銀行總部的信息科技部門任職工程師。聶先生於一九八四年畢業於清華大學，持有無線電電子學學士學位，其後於一九九一年獲東南大學頒授無線電工程碩士學位。彼於二零一零年十二月獲委任為本公司主席及執行董事。

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蘆先生，54歲，為本公司行政總裁兼執行董事，及本公司多間附屬公司董事。彼於二零零一年八月加入本集團，負責管理本集團的所有業務發展、銷售及營銷工作。蘆先生於電子支付行業的銷售及營銷方面擁有逾18年經驗，曾於一九九八年至二零零一年在北京方正奧德計算機系統有限公司（「北京方正奧德」），一間系統集成公司，擔任多個管理職位及行政角色，包括保險部總經理、營銷部總經理及副總裁。彼亦於一九八六年至一九九四年及一九九四年至一九九五年分別在中國地質礦產部及中國地質科學院擔任工程師。蘆先生持有成都地質學院的學士學位。彼於二零一零年獲長江商學院頒授高級管理人員工商管理碩士學位。彼於二零一三年五月獲委任為本公司行政總裁兼執行董事。



Directors and Senior Management 董事及高級管理層

LI Wenjin

Mr. Li, aged 55, is an Executive Director of the Company. He is responsible for the Company's risk management and treasury management and overseeing operations of Pax Technology, of which he has been serving a director since April 2000. Mr. Li has over 27 years of experience in investment and administrative affairs. Mr. Li was the director of Hi Sun Information Technology Services Limited ("HSITSL") from August 1997 to May 2005, a Hong Kong company engaging in general trading and provision of consultancy services. HSITSL provided consultancy services to Pax Technology from 2002 to 2003. Mr. Li is also the managing director of Hi Sun Limited since August 1999 and an executive director of Hi Sun Technology (China) Limited ("Hi Sun"), a controlling shareholder of the Company, since June 2001. He has also been appointed as an executive director of both Hi Sun Limited and Hi Sun and certain of their subsidiaries. Prior to joining Hi Sun Limited in 1999, he worked for several companies in the PRC and Hong Kong, including Beijing Order from 1994 to 1995 where he was responsible for investment and administrative affairs. Mr. Li obtained a master's degree in laws from the Peking University in 1989. He was appointed as an Executive Director of the Company in February 2010.

Independent Non-Executive Directors

YIP Wai Ming

Mr. Yip, aged 53, was appointed as an Independent Non-Executive Director of the Company in December 2010. Mr. Yip is currently an independent non-executive director of Ju Teng International Holdings Limited (巨騰國際控股有限公司), Far East Horizon Limited (遠東宏信有限公司), Poly Culture Group Corporation Limited (保利文化集團股份有限公司), Yida China Holdings Limited (億達中國控股有限公司) and Pantronics Holdings Limited (桐成控股有限公司), all of which are companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Yip graduated from The University of Hong Kong with a bachelor's degree in social sciences in 1987. He also holds a bachelor's degree in laws from the University of London. Mr. Yip is a fellow of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants.

WU Min

Dr. Wu, aged 47, was appointed as an Independent Non-Executive Director of the Company in December 2010. Previously, Dr. Wu was an assistant professor at The Hong Kong University of Science & Technology Business School and The University of Hong Kong School of Business. Dr. Wu has been teaching International Accounting Standards, US Generally Accepted Accounting Principles and Chinese Accounting Standards. Her academic research achievements in identifying US accounting restatements and frauds were reported by various media, including the Wall Street Journal, New York Times, Business Week, Fortune, CNN, etc. Dr. Wu used to cooperate with major accounting firms and the Public Company Accounting Oversight Board (US) in conducting research in the areas of accounting manipulation and frauds by US listed companies. She also provides professional interpretation and analysis services for investment funds on accounting standards and on listed companies' financial statements. Dr. Wu graduated from Peking University with a bachelor's degree in Economics in 1994 and obtained a master's degree in Economics from Tufts University in 1996 and a Ph.D. in Accounting from Stern School of Business, New York University in 2003.

李文晉

李先生，55歲，為本公司執行董事。彼負責本公司的風險管理及財務管理。彼自二零零零年四月起亦出任百富科技的董事，負責監察百富科技的營運。李先生於投資及行政事務擁有逾27年經驗。李先生於一九九七年八月至二零零五年五月擔任高陽信息產品服務有限公司（「高陽信息」）（一家進行一般買賣及提供諮詢服務的香港公司）的董事。高陽信息於二零零二年至二零零三年向百富科技提供諮詢服務。李先生亦自一九九九年八月起擔任高陽有限公司的董事總經理，並自二零零一年六月起出任高陽科技（中國）有限公司（「高陽」）的執行董事，而高陽則為本公司的控股股東。彼亦獲委任為高陽有限公司及高陽以及兩者的若干附屬公司的執行董事。彼於一九九九年加入高陽有限公司前，曾在中國及香港多家公司工作，包括於一九九四年至一九九五年在北京方正奧德負責投資及行政事務。李先生於一九八九年獲北京大學頒授法律碩士學位。彼於二零一零年二月獲委任為本公司執行董事。

獨立非執行董事

葉偉明

葉先生，53歲，於二零一零年十二月獲委任為本公司獨立非執行董事。葉先生目前為巨騰國際控股有限公司、遠東宏信有限公司、保利文化集團股份有限公司、億達中國控股有限公司及桐成控股有限公司的獨立非執行董事，所有上述公司均於香港聯合交易所有限公司（「聯交所」）上市。葉先生在一九九七年畢業於香港大學，持有社會科學學士學位。彼亦持有倫敦大學法律學士學位。葉先生為特許公認會計師公會資深會員及香港會計師公會及中國註冊會計師協會會員。

吳敏

吳博士，47歲，於二零一零年十二月獲委任為本公司的獨立非執行董事。吳博士之前為香港科技大學商學院和香港大學商學院助理教授。吳博士一直教授國際會計準則、美國公認會計準則及中國會計準則。其於識別美國會計重列及欺詐的學術研究成果廣獲華爾街日報、紐約時報、商業周刊、財富、CNN等多家媒體報道。吳博士過去曾與主要會計公司及美國上市公司會計監察委員會合作研究美國上市公司的會計操縱及欺詐領域。彼亦為投資資金提供有關會計準則及上市公司財務報表的專業詮釋及分析服務。吳博士於一九九四年畢業於北京大學，獲經濟學士學位，及於一九九六年獲塔夫斯大學頒授經濟碩士學位，並於二零零三年獲紐約大學Stern School of Business頒授會計博士學位。



Directors and Senior Management

董事及高級管理層



MAN Kwok Kuen, Charles

Mr. Man, aged 60, was appointed as an Independent Non-Executive Director of the Company in December 2010. Mr. Man graduated from The University of Hong Kong with a bachelor's degree in laws in 1981. Mr. Man was admitted as a solicitor in Hong Kong in 1984 and has practised as a solicitor at Joseph S. C. Chan & Co. (formerly known as Chan and Lo) in Hong Kong since then. He is currently a partner of Joseph S.C. Chan & Co.

SENIOR MANAGEMENT

LUO Shaowen

Mr. Luo, aged 50, is the executive vice president and chairman of Pax Technology (Shenzhen). He is responsible for the research and development management of the Company's smart electronic payment point-of-sale terminals ("E-payment Terminals") products and supply chain business (procurement production, quality management and information technology) and oversees the finance of the operations in Shenzhen. Mr. Luo graduated from Wuhan University with a bachelor's degree in economic management. Mr. Luo has over 21 years of experience in the card payment industry and over 16 years of experience in financial administration and supply chain management. He joined Pax Technology (Shenzhen) in December 2004 as the chief financial officer. Prior to joining the Group, Mr. Luo served various management positions in the Beijing Order and Beijing Hi Sun Electric Power Information Technology Limited.

CHEUNG Shi Yeung

Mr. Cheung, aged 35, is the Chief Financial Officer and one of the joint company secretaries of the Company (the "Company Secretary(ies)"). He joined the Group in October 2016 and is responsible for overseeing the business development, finance, compliance, merger and acquisition, and investor relations of the Group. Mr. Cheung graduated from The Chinese University of Hong Kong with a bachelor's degree in Business Administration and has over 11 years of financial and accounting related experience. He is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Cheung worked for an international public accountancy firm and was involved in a number of audit and assurance, capital market transaction and advisory projects advising corporate clients including listed companies and conglomerates worldwide.

文國權

文先生，60歲，於二零一零年十二月獲委任為本公司獨立非執行董事。文先生於一九八一年畢業於香港大學，獲法學學士學位。文先生於一九八四年成為香港律師，自此一直在香港的陳順祖、文國權、潘慧妍律師行（前稱Chan and Lo）執業。彼目前為陳順祖、文國權、潘慧妍律師行的合夥人。

高級管理層

羅韶文

羅先生，50歲，為百富科技（深圳）的常務副總裁及董事長。彼負責公司智能電子支付銷售點終端（「電子支付終端」）產品的研發管理及供應鏈業務（採購生產、質量管理及資訊科技），並監察在深圳營運的財務。羅先生畢業於武漢大學，獲經濟管理學士學位。羅先生於卡支付行業擁有逾21年經驗，及於財務管理及供應鏈管理方面擁有逾16年經驗。彼於二零零四年十二月加入百富科技（深圳）擔任財務總監。羅先生於加入本集團前，曾在北京方正奧德及北京高陽萬為電力信息技術有限公司擔任多個管理職位。

張仕揚

張先生，35歲，為本公司的首席財務官及本公司聯席公司秘書（「公司秘書」）之一。彼於二零一六年十月加入本集團，並負責監督本集團業務發展、財務、合規、併購以及投資者關係事宜。張先生畢業於香港中文大學，持有工商管理學士學位及擁有逾11年財務及會計相關經驗。彼為香港會計師公會之會員。於加入本集團前，張先生任職於一間國際會計師事務所，並參與多項審計及鑒證、資本市場交易及諮詢項目，為全球各地上市公司及企業集團等公司客戶提供意見。



Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board of Directors (the "Board") of PAX Global Technology Limited ("PAX" or "the Company", together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Group for the year ended 31 December 2018.

FINANCIAL RESULTS

For the year under review, the Group's turnover amounted to HK\$4,415.4 million, representing an increase of 23.0% compared to HK\$3,591.1 million in 2017. The incline was mainly contributed by the huge increase of 43.4% in overseas markets. All regional overseas business recorded growth, especially in the Latin America and the Commonwealth of Independent States ("LACIS"). Moreover, the proportion of the total revenue of the overseas markets over the Group's total was 84.5%, as compared to 72.5% in the corresponding period last year. Shipments of E-payment Terminals reached a record high of over 10 million units, out of which approximately 6 million units were shipped overseas.

In 2018, profit for the year was HK\$515.4 million, representing an increase of 53.1% compared to HK\$336.6 million in 2017. Profit for the year attributable to the owners of the Company was HK\$522.5 million, representing an increase of 28.2% as compared to HK\$407.5 million in 2017. Basic earnings per share for the year was 47.5 HK cents (2017: 36.7 HK cents).

The Board has recommended to declare a final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2018 (2017: HK\$0.04 per ordinary share, amounting to a total of approximately HK\$44,008,000 (2017: HK\$44,008,000)).

各位股東：

本人謹代表百富環球科技有限公司（「百富」或「本公司」，連同其附屬公司統稱「本集團」）董事會（「董事會」），欣然提呈本集團截至二零一八年十二月三十一日止年度的年報。

財務業績

於回顧年度，本集團營業額達4,415.4百萬港元，較二零一七年的3,591.1百萬港元增加23.0%。收入上升主要由於海外市場營業額較二零一七年大幅增加43.4%。海外各分部業務均錄得增長，特別是在拉丁美洲和獨聯體國家（「LACIS」）。此外，海外市場佔整體營業額比例84.5%，去年同期為72.5%。電子支付終端出貨量屢創新高達一千萬台，當中海外出貨量約六百萬台。

於二零一八年，年度溢利為515.4百萬港元，較二零一七年的336.6百萬港元上升53.1%。本公司的持有人應佔年度溢利為522.5百萬港元，較二零一七年的407.5百萬港元上升28.2%。本年度每股基本盈利為47.5港仙（二零一七年：36.7港仙）。

董事會已建議宣派截至二零一八年十二月三十一日止年度之末期股息每股普通股0.04港元（二零一七年：每股普通股0.04港元），總金額約為44,008,000港元（二零一七年：44,008,000港元）。



Chairman's Statement

主席報告



OUTLOOK

The Group is dedicated to the pursuit of excellence in providing secure electronic payment terminal solutions for customers worldwide. Fostered by impressive research and development (“R&D”) capabilities, superior levels of technical support resources, as well as innovative solutions portfolio, PAX continues to achieve remarkable milestones in sales, market share and innovative product launches, thereby solidifying our position in the global E-payment Terminals industry. Being one of the world's leading E-payment Terminals providers, PAX has deployed in more than 100 countries globally. In 2018, revenue from overseas markets increased even further to approximately 84.5% of the Group's total revenue. Shipments of E-payment Terminals reached a record high of over 10 million units, out of which approximately 6 million units were shipped overseas, demonstrating strong performance in overseas markets.

As financial technology continues to innovate and flourish, many new forms of payment option are being introduced in markets worldwide. The ongoing enhancements of payment security and transactional convenience have boosted the rapid growth of cashless transactions, enabling the Group to achieve excellent results in numerous overseas markets. In LACIS, the steady growth of third-party payment acquiring businesses in Brazil is driving demand for PAX solutions. In Europe, the Middle East and Africa (“EMEA”) region, PAX continues to strengthen its partnership with acquiring banks and payment service providers, obtaining more and more nation-specific product certifications, thus laying ever stronger foundations for the Group's business expansion in the EMEA region. In the United States, merchants are not only committed to Europay, MasterCard and Visa (“EMV”) payment standards migration, but are also devoting more resources to customer relationship management and data analysis, where our innovative multilane retail and Android based terminal solutions are delivering these value-added features to the merchants. Across the Asia Pacific region, the electronic payment is booming in various markets. Apart from accelerating the integration process of the Group's newly acquired Korean E-payment Terminals supplier, Kwang Woo Information & Communication Co. Ltd., PAX has also increased its commitment and investment in exploring new markets through setting up local subsidiaries in Japan and India.

前景

一直以來，本集團致力為全球客戶打造卓越的安全電子支付終端解決方案。憑藉出色的研發能力、優質的技術支援，以及創新的解決方案組合，百富在銷售、市場份額和創新產品發佈方面不斷開創新里程碑，奠定了我們在全球電子支付終端行業堅實的地位。作為全球領先電子支付終端供應商之一，百富現已佈局全球100多個國家，二零一八年海外收入佔比進一步增長，佔集團總收入約84.5%。電子支付終端出貨量屢創新高達一千萬台，當中海外出貨量約六百萬台，海外業績表現強勁。

隨著金融技術持續創新和蓬勃發展，許多新興的支付方式在世界各地冒起。支付安全性及交易便利性持續提升，推動無現金交易的飛快增長，使本集團在多個海外市場取得卓越成績。在LACIS，巴西的第三方支付收單業務穩定增長，帶動市場對百富解決方案的需求。在歐洲、中東和非洲（「EMEA」），百富進一步加深與當地收單銀行、支付服務供應商的合作夥伴關係，並取得更多國家級的產品認證，為本集團在EMEA地區的業務拓展打下更紮實的基礎。在美國，商戶不但致力推進Europay, MasterCard and Visa（「EMV」）支付標準遷移，同時亦在客戶關係管理和數據分析方面加大投入，而我們創新的多媒體零售和安卓終端解決方案為商戶提供相關的增值服務。在亞太地區，電子支付在各市場發展火熱，本集團不但加快推進新收購的韓國電子支付終端供應商Kwang Woo Information & Communication Co., Ltd.的整合進程，同時加大投入開拓新市場，目前本集團已先後在日本和印度成立子公司。



Chairman's Statement

主席報告

In China, electronic payment continues to boom rapidly while alternative payment methods via smartphone and NFC overwhelm the country and have greatly reshaped the Chinese payment landscape. Further intensified market competition, unpredictable and complex international trade relations continue to pose challenges for the Group. During the year, PAX established a "China Business Unit", an independent team to conduct product planning and deployment specifically for the Chinese market, thereby addressing responsiveness to the market and flexibility in response to ever-changing market conditions.

Amid the rapidly evolving environment of the global payment market, PAX will keep close track of the pace of technological development and market changes, and continue to invest in R&D so as to maintain a leading position in the industry. Payment service providers and their merchant customers have growing demand for diversified and more personalised payment solutions to meet the specific needs of different retail segments and business scenarios. Therefore, in terms of R&D, the Group is focusing on the innovation of all-in-one Android-based E-payment Terminals solutions, strengthening on product development and portfolio enhancement so as to cater to global customer requirements. In January 2019, the Group established a joint venture with CCV Group B.V. ("CCV"), one of the leading European payment service and solution providers, focusing on the development of new unattended payment solutions.

Looking ahead, PAX will continue to carry forward the spirit of excellence for which our Group is renowned, devoting more resources toward R&D of multi-functional all-in-one E-payment Terminals solutions. The Group will also actively pursue merger and acquisition ("M&A") opportunities and strategic partnerships, creating greater value for customers and shareholders.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express my utmost gratitude to our customers, bankers, suppliers, business associates and most valued shareholders for their continuing trust and support for the Group, and to our directors, management and staff for their commitment and valuable contribution in 2018.

Nie Guoming
Chairman

Hong Kong, 6 March 2019

在中國，電子支付規模持續高速增長，移動支付及NFC支付等各項創新的支付方式在國內遍地開花，新型的支付方式亦令整個中國市場的產品結構產生巨大變化。市場競爭日益加劇，以及不可預測及複雜的國際貿易關係使本集團面臨嚴峻的挑戰。本年度，百富成立「中國事業部」，以獨立團隊針對國內市場進行產品規劃和部署，務求更快速地響應市場需求，以及靈活應對不斷變化的市場狀況。

面對全球支付市場日新月異的環境，百富將緊貼技術發展及市場需求變化的步伐，持續對研發項目進行投入以保持領先的行業地位。支付服務供應商及其商家客戶對多元化及更個性化的支付解決方案的需求日益增長，該類型終端可滿足不同的零售細分市場及業務場景的需求。因此，本集團在研發方面將聚焦創新一體化安卓電子支付解決方案，加大產品的開發和優化工作，以滿足廣大客戶的殷切需求。二零一九年一月，本集團與歐洲領先的支付服務及解決方案供應商之一CCV Group B.V. (「CCV」) 已成立合資公司，聚焦開發場景應用自助解決方案。

展望未來，百富將繼續弘揚精益求精的企業精神，深耕科研，發展多功能的一體化電子支付解決方案。同時，本集團將積極探索不同的併購及戰略合作機會，為客戶及股東創造更大的價值。

鳴謝

本人藉此機會代表董事會向各客戶、銀行、供應商、業務夥伴及最尊貴的股東對本集團的持續信賴及支持，及向我們的董事、管理層及員工在二零一八年所作出的不懈努力及寶貴貢獻致以由衷感謝。

主席
聶國明

香港，二零一九年三月六日

Management Discussion and Analysis

管理層之討論與分析

FINANCIAL REVIEW

The key financial figures are extracted as follows:

財務回顧

主要財務數據摘錄如下：

		For the year ended 31 December		
		截至十二月三十一日止年度		
		2018	2017	
		二零一八年	二零一七年	
		HK\$'000	HK\$'000	
		千港元	千港元	+ / (-)
Revenue	收入	4,415,409	3,591,080	+23.0%
Gross profit	毛利	1,626,681	1,457,593	+11.6%
Other income	其他收入	76,929	72,838	+5.6%
Selling expenses	銷售開支	(437,809)	(426,432)	+2.7%
Administrative expenses	行政費用	(590,819)	(498,780)	+18.5%
Net impairment losses on financial assets	金融資產之減值淨虧損	(43,290)	(43,220)	+0.2%
Impairment of assets (one-off in 2017)	資產減值(二零一七年 一次性)	-	(136,192)	N/A 不適用
Profit before income tax	除所得稅前溢利	632,742	424,540	+49.0%
Income tax expense	所得稅開支	(117,344)	(87,974)	+33.4%
Profit for the year	年度溢利	515,398	336,566	+53.1%
Profit attributable to the owners of the Company	本公司持有人應佔溢利	522,470	407,507	+28.2%
Research and development costs (included in administrative expenses)	研發開支(包括在行政 費用內)	(332,016)	(287,230)	+15.6%

		As at 31 December		
		於十二月三十一日		
		2018	2017	
		二零一八年	二零一七年	
		HK\$'000	HK\$'000	
		千港元	千港元	+ / (-)
Total current assets	流動資產總值	5,343,736	4,839,173	+10.4%
Total non-current assets	非流動資產總值	431,818	393,043	+9.9%
Total assets	資產總值	5,775,554	5,232,216	+10.4%
Total current liabilities	流動負債總額	1,540,982	1,317,327	+17.0%
Total non-current liabilities	非流動負債總額	21,964	17,823	+23.2%
Total liabilities	負債總額	1,562,946	1,335,150	+17.1%
Net current assets	流動資產淨值	3,802,754	3,521,846	+8.0%
Total equity	權益總額	4,212,608	3,897,066	+8.1%



Management Discussion and Analysis

管理層之討論與分析

For the year ended 31 December

截至十二月三十一日止年度

	2018	2017	+ / (-)
	二零一八年	二零一七年	

PER SHARE (IN HK\$)

Earnings per share for the profit attributable to the owners of the Company

每股（港元）

本公司持有人應佔溢利的每股盈利

- Basic	0.475	0.367	+29.4%
- Diluted	0.475	0.367	+29.4%

—基本

—攤薄

For the year ended

31 December

截至十二月三十一日止年度

2018 2017

二零一八年 二零一七年

FINANCIAL RATIOS

Gross profit margin

Net profit margin

財務比率

毛利率

淨利潤率

36.8% 40.6%

11.7% 9.4%

Revenue

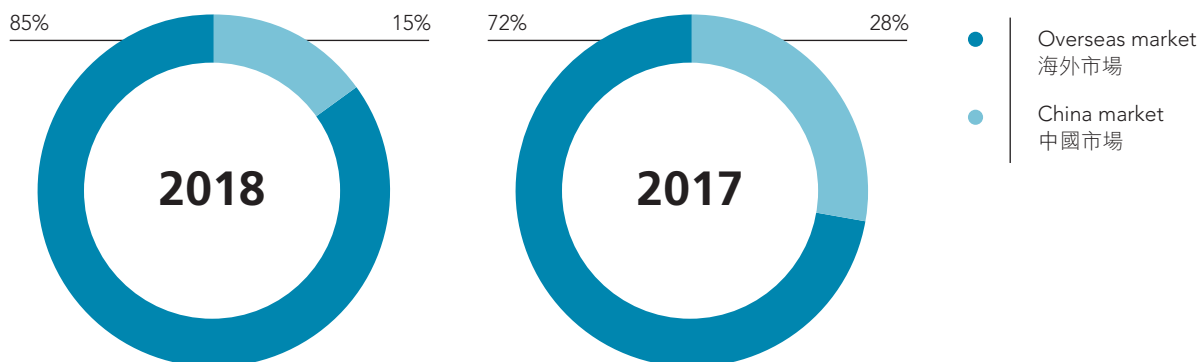
Turnover increased by 23.0% or HK\$824.3 million to HK\$4,415.4 million for the year ended 31 December 2018 from HK\$3,591.1 million for the year ended 31 December 2017. Turnover from overseas markets grew by HK\$1,129.8 million to HK\$3,732.3 million, representing a growth of 43.4%. Turnover from the China Market decreased by 30.9% year-on-year or HK\$305.5 million to HK\$683.1 million.

收入

營業額由截至二零一七年十二月三十一日止年度的3,591.1百萬港元增加23.0%或824.3百萬港元至截至二零一八年十二月三十一日止年度的4,415.4百萬港元。來自海外市場營業額增加1,129.8百萬港元至3,732.3百萬港元，增長43.4%。來自中國市場的營業額按年下降30.9%或305.5百萬港元至683.1百萬港元。

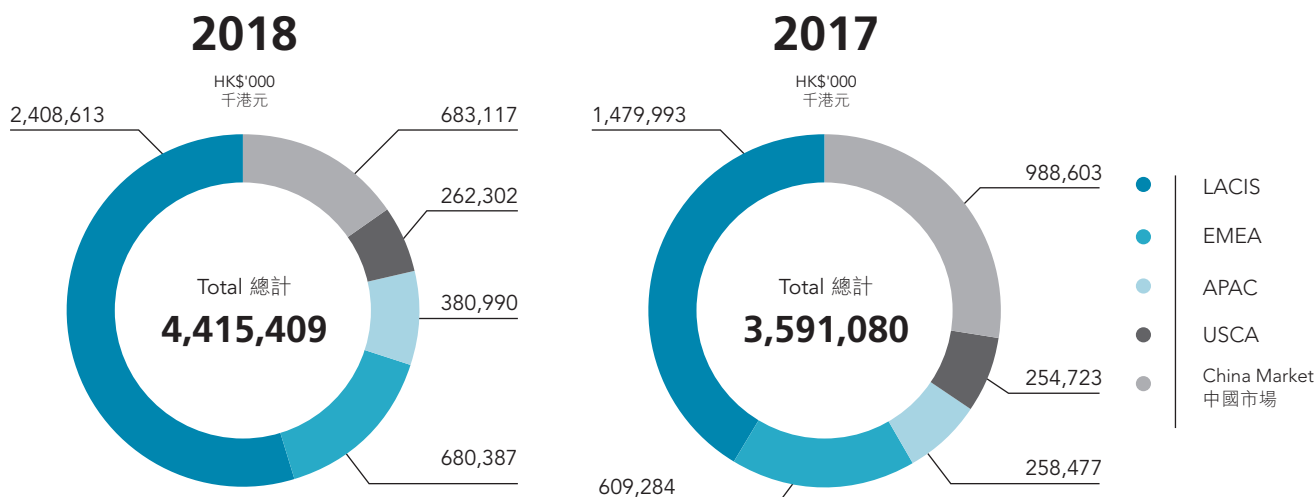
i) Sales by Geographical Region

i) 按地區分類的營業額



Management Discussion and Analysis

管理層之討論與分析



For the year ended 31 December

截至十二月三十一日止年度

		2018	2017	
		二零一八年	二零一七年	
		HK\$'000	HK\$'000	
		千港元	千港元	+ / (-)
Overseas markets	海外市場			
- Latin America and the Commonwealth of Independent States ("LACIS")	- 拉丁美洲和獨聯體國家 (「LACIS」)	2,408,613	1,479,993	+62.7%
- Europe, Middle East and Africa ("EMEA")	- 歐洲、中東及非洲 (「EMEA」)	680,387	609,284	+11.7%
- Asia Pacific Region (Except for Mainland China) ("APAC")	- 亞太區 (除中國大陸外) (「APAC」)	380,990	258,477	+47.4%
- United States of America and Canada Region ("USCA")	- 美國與加拿大區 (「USCA」)	262,302	254,723	+3.0%
		3,732,292	2,602,477	+43.4%
China Market	中國市場	683,117	988,603	-30.9%
Total	總額	4,415,409	3,591,080	+23.0%



Management Discussion and Analysis

管理層之討論與分析

Turnover generated from overseas markets increased by 43.4% to HK\$3,732.3 million for the year ended 31 December 2018 from HK\$2,602.5 million for the year ended 31 December 2017. Turnover generated from overseas markets accounted for 84.5% of total revenue for the year ended 31 December 2018, growing from 72.5% for the year ended 31 December 2017. All overseas business units recorded growth, especially the LACIS region.

Turnover generated from the China Market decreased by 30.9% to HK\$683.1 million for the year ended 31 December 2018, from HK\$988.6 million for the year ended 31 December 2017. The decrease was mainly due to the influence of the product mix shifting and the continuously keen price competition.

來自海外市場的營業額由截至二零一七年十二月三十一日止年度的2,602.5百萬港元增加43.4%至截至二零一八年十二月三十一日止年度的3,732.3百萬港元。截至二零一八年十二月三十一日止，海外市場營業額佔總營業額比截至二零一七年十二月三十一日止年度72.5%增長至84.5%。海外各分部業務均錄得增長，特別是LACIS地區。

來自中國市場的營業額由截至二零一七年十二月三十一日止年度的988.6百萬港元下降30.9%至截至二零一八年十二月三十一日止年度的683.1百萬港元。其下降主要是由於產品組合需求產生變化及持續激烈的價格競爭。

ii) Sales by Product Category

ii) 按產品分類的銷售額

		For the year ended 31 December		
		截至十二月三十一日止年度		
		2018	2017	
		二零一八年	二零一七年	
		HK\$'000	HK\$'000	
		千港元	千港元	+ / (-)
E-payment Terminals	電子支付終端	4,331,207	3,429,679	+26.3%
Services	服務	84,202	161,401	-47.8%
Total	總額	4,415,409	3,591,080	+23.0%

E-payment Terminals products

E-payment Terminals products include smart E-payment Terminals, all-in-one smart electronic cash register solution, traditional E-payment Terminals, mobile E-payment Terminals, QR code E-payment Terminals and other accessory items.

Turnover from the sales of E-payment Terminals products increased by 26.3% to HK\$4,331.2 million for the year ended 31 December 2018 from HK\$3,429.7 million for the year ended 31 December 2017. The growth is attributed to the increase in sales in the overseas markets during the year.

電子支付終端產品

電子支付終端產品包括智能電子支付終端、智能管理及支付一體化解決方案、傳統電子支付終端、移動電子支付終端、二維碼支付終端及其他配件。

銷售電子支付終端產品的營業額由截至二零一七年十二月三十一日止年度的3,429.7百萬港元上升26.3%至截至二零一八年十二月三十一日止年度的4,331.2百萬港元，增長由於年內海外市場銷售額上升。



Management Discussion and Analysis

管理層之討論與分析



Services

Services income consists of income generated from the provision of maintenance and installation services and payment solutions services.

Turnover from services decreased by 47.8% to HK\$84.2 million for the year ended 31 December 2018 from HK\$161.4 million for the year ended 31 December 2017. The decrease was mainly attributable to the termination of the operation of the Group's non-wholly owned subsidiaries, Shanghai New Kashuo Information Technology Limited ("Shanghai Kashuo") and its subsidiaries (collectively, the "Kashuo Group") in 2017.

Gross Profit Margin

Gross profit margin for the year ended 31 December 2018 was 36.8%, representing a decrease in 380 basis points as compared to 40.6% for the year ended 31 December 2017. The decrease was mainly due to the incentives given to long-term customers in overseas markets and the keen price competition in China Market.

Other Income

Other income comprises primarily value-added tax refund, interest income from time deposit and subsidy income. It increased slightly by 5.6% to HK\$76.9 million for the year ended 31 December 2018 from HK\$72.8 million for the year ended 31 December 2017, due to the increase of interest income.

Selling Expenses

Selling expenses increased by 2.7% to HK\$437.8 million for the year ended 31 December 2018, from HK\$426.4 million for the year ended 31 December 2017. Excluding Kashuo Group's selling expenses incurred in prior period, the selling expenses grew generally in line with the turnover growth.

服務

服務收入包括收入來自提供維護及安裝服務及支付解決方案服務。

服務營業額由截至二零一七年十二月三十一日止年度的161.4百萬港元下降47.8%至截至二零一八年十二月三十一日止年度的84.2百萬港元。其減少主要由於本集團非全資附屬公司上海新卡說信息技術有限公司（「上海卡說」）及其附屬公司（統稱「卡說集團」）於二零一七年停止運作。

毛利率

截至二零一八年十二月三十一日止年度的毛利率為36.8%，較截至二零一七年十二月三十一日止年度40.6%下跌380基點。下降主要由於對海外市場長期客戶提供之優惠及中國市場價格競爭激烈。

其他收入

其他收入主要包括增值稅退稅、定期存款利息收入及補貼收入。其他收入因利息收入的增加而輕微上升5.6%，由截至二零一七年十二月三十一日止年度的72.8百萬港元上升至截至二零一八年十二月三十一日止年度的76.9百萬港元。

銷售開支

銷售開支由截至二零一七年十二月三十一日止年度的426.4百萬港元增加2.7%至截至二零一八年十二月三十一日止年度的437.8百萬港元。除去年同期錄得卡說集團之銷售費用後，銷售開支隨營業額增長而大致上同幅增加。



Management Discussion and Analysis

管理層之討論與分析

Administrative Expenses

Administrative expenses increased by 18.5% to HK\$590.8 million for the year ended 31 December 2018 from HK\$498.8 million for the year ended 31 December 2017. The increase was mainly due to the increase in certification expenses and research and development (“R&D”) investment in the United States of America (the “US”).

Net Impairment Losses on Financial Assets

The Group has recognised a provision for net impairment of receivables of HK\$43.3 million during the year, mainly in relation to the trade receivables of certain customers in China. Detail is set out in Note 21 to the consolidated financial statements.

Profit for the Year and Profit Attributable to the Owners of the Company

As a result of the foregoing, profit for the year was HK\$515.4 million, representing an increase of 53.1% compared to HK\$336.6 million in 2017.

In 2018, profit for the year attributable to the owners of the Company was HK\$522.5 million, representing an increase of 28.2% as compared to HK\$407.5 million in 2017.

Other Event

Reference is made to the announcement of the Company dated 16 November 2017, the disclosure in the Company’s 2017 annual report and 2018 interim report concerning Kashuo Group.

In July 2018, a court of competent jurisdiction in Shanghai rendered a civil ruling in acceptance of Shanghai Kashuo’s application for bankruptcy liquidation in accordance with the Enterprise Bankruptcy Law of the People’s Republic of China. Should Shanghai Kashuo liquidate, the Group is expected to recognise a potential gain of up to approximately HK\$60 million in reversal of its existing liabilities. As at 31 December 2018, the liquidation process was still underway.

行政費用

行政費用由截至二零一七年十二月三十一日止年度的498.8百萬港元增加18.5%至截至二零一八年十二月三十一日止年度的590.8百萬港元，其增加的主要由於認證費用及在美國的研發投資增加。

金融資產之減值淨虧損

本集團於年內計提應收款項淨減值撥備43.3百萬港元，主要有關若干中國客戶的應收賬款。詳情載於綜合財務報表附註21。

年度溢利及本公司持有人應佔溢利

由於以上所述，年度溢利為515.4百萬港元，較二零一七年的336.6百萬港元上升53.1%。

於二零一八年，本公司持有人應佔年度溢利為522.5百萬港元，較二零一七年的407.5百萬港元上升28.2%。

其他事項

謹此提述本公司於二零一七年十一月十六日之公佈、本公司二零一七年年報與二零一八年中報報告有關卡說集團之披露。

於二零一八年七月，上海一所擁有適當管轄權的法院根據《中華人民共和國企業破產法》作出了民事裁定，接受上海卡說的破產清算申請。若上海卡說清盤，本集團預期將確認不多於約60百萬港元的潛在收益，以撥回其現有負債。於二零一八年十二月三十一日，清算程序正在進行中。



Management Discussion and Analysis

管理層之討論與分析

OVERVIEW

The Group is one of the global leading suppliers of E-payment Terminals solutions, engaging in the R&D and sales of point-of-sale hardware and related software applications, as well as a series of services such as terminal deployments, repair and maintenance (collectively referred to as the “E-payment Terminals solutions business”). The Group is renowned for its cutting edge R&D capabilities, best-in-class product quality and the industry’s widest and most innovative product portfolio.

The PAX brand image has been further enhanced since the launch of the new generation innovative A-series family of Android terminals and the E-series family of all-in-one smart electronic cash register. In addition to basic payment and marketing functions, markets are pursuing more valuable customer relationship management and data analysis tools. The Group’s smart terminals empower acquiring banks and payment service providers to enhance their marketing capabilities, allow their merchants to analyse consumer behavior data, enhance customer loyalty and conduct target customer campaigns through the marketplace platform. All of the A-series and E-series models have been PCI 5.x certified, the highest specification security standard in the payment industry, supporting a variety of alternative payment methods, including QR code payments such as WeChat pay, Alipay, and NFC contactless payment.

The Group has established a strong global presence and continues to take lead in the global market, delivering products and services to a large customer base in over 100 countries, serving through an extensive network of local sales offices, channel partners and reputable payment system integrators.

Overseas markets

LACIS

In Latin America & CIS (the latter includes Russia and the Commonwealth of Independent States), the Group recorded remarkable revenue growth of over 50% in two consecutive years. Impressive sales were achieved in Brazil, the largest economy in Latin America, where smartphone penetration is undergoing significant growth, together with mature card usage habits of Brazilians and the government’s initiatives on payment, are fueling strong demand for PAX terminals from local merchant acquiring organisations. PAX and our distributor have worked closely with prestigious banks and payment service providers in Brazil, some of which successfully launched IPOs in the United States during 2018, further strengthening the PAX brand image in the region. In addition to having solid leading position in Brazilian mobile payment terminals market, PAX’s mobile traditional terminals are also highly recognised by the market. In 2018, PAX has begun deploying new generation Android smart terminals in Brazil, Mexico, Argentina and other markets in LACIS.

概述

本集團是全球領先的電子支付終端解決方案供應商之一，從事開發及銷售電子支付終端硬件、相關支付軟件應用以及終端安裝和維護等一系列服務（統稱「電子支付終端解決方案業務」）。本集團具備卓越的研發能力、一流的產品質量和業界最全面且最具創新性的產品組合，使百富在國際支付行業中享負盛名。

自新一代創新的A系列安卓終端和E系列智能管理及支付一體化解決方案推出市場，百富的品牌形象亦進一步提升。除了基本的支付和營銷功能，市場追求更具價值的客戶關係管理、數據分析等功能。本集團的智能終端有助收單銀行及支付服務供應商提升其營銷能力，讓商戶通過後台分析消費者行為數據，增加現有客戶的黏度，並進行精準營銷。集團全線A系列及E系列產品獲得PCI 5.x安全認證，具備目前行業最高規格標準，支援各類新興支付方式，包括微信支付、支付寶等二維碼支付，以及非觸閃付等。

本集團已透過遍佈全球的辦事處、渠道合作夥伴和聲譽卓著的支付系統集成商形成龐大的銷售網絡，為世界各地100多個國家龐大的客戶群提供產品和服務，強大的全球佈局使本集團在國際市場穩佔領導地位。

海外市場

LACIS

在拉丁美洲和獨聯體國家（後者包括俄羅斯和獨立國家聯合體），本集團連續兩年錄得超過50%的卓越增長。當中，百富在拉丁美洲最大經濟體—巴西的銷售表現最為突出。在巴西市場，該國智能手機用戶正在爆發式增長，同時巴西人用卡習慣成熟，加上政府對支付行業的推動，帶動當地收單機構對百富終端的強勁需求。百富及我們的分銷商與巴西享負盛名的銀行及支付服務供應商緊密合作，部分合作伙伴於二零一八年成功在美國上市，進一步加強百富在當地的品牌形象。百富不但在巴西的移動支付終端市場擁有穩固的領導地位，移動傳統終端亦受到市場熱烈追捧。二零一八年，本集團陸續在巴西、墨西哥及阿根廷等拉丁美洲市場展開新一代安卓智能支付終端的部署。



Management Discussion and Analysis 管理層之討論與分析

In Russia, the rollout of the national “Mir” payment system and the 2018 FIFA World Cup contributed to significant growth of the electronic payment sector. According to the Central Bank of Russian Federation, the number of E-payment Terminals nationwide reached 2,465,898 as of October 2018, representing an increase of 12.6% when compared with 2,189,060 units in 2017. PAX terminals played an important role in payment during the 2018 FIFA World Cup, providing fans in and around stadium locations with convenient cashless payments.

EMEA

Across Europe, the Middle East and Africa, the Group has further strengthened its working relationship with acquiring banks and payment service providers. In recent years, some payment terminal companies operating in Europe have shifted their businesses focus towards the merchant acquiring and transaction processing segments, which has opened up opportunities for PAX to capture the terminal market share. In 2018, PAX recorded steady sales growth in many European markets including Italy, Belgium, Germany and Poland. Meanwhile, the Group also obtained important certifications in France, Spain, Denmark, Italy and the United Kingdom. Among these, the French Carte Bancaire 5.5 certification, the Italian PagoBANCOMAT certification and Common SECC approval in the United Kingdom, have contributed to an important strategic breakthrough for the Group’s European business expansion. Driven by ongoing technology upgrade of E-payment Terminals, major acquiring banks are replacing older generation with the more recent PCI 4.x and PCI 5.x versions, PAX has been experiencing growing demand for its products in Europe. In the Middle East and North Africa, PAX maintained its market leading position. In Egypt, PAX has recorded large volume sales for the second consecutive year. The Group continues to explore more opportunities in Western Africa, where E-payment Terminals solutions are still relatively underdeveloped.

APAC

The Asia Pacific region provided steady growth for PAX, with further expansion through the Group’s newly established subsidiaries in Japan and India. Although cash payment is still the mainstream transaction method in Japan, the 2019 Rugby World Cup, the 2020 Tokyo Olympics, as well as the promotion of EMV migration and cashless society by the local government, will drive the significant growth of the Japanese payment market in the coming years.

Driven by Indian government’s “Digital India” initiative, PAX has further partnered with numbers of the mainstream acquiring banks and payment service companies and recorded a strong sales growth during the year.

受惠於俄羅斯政府大力開發自身國家的支付系統「Mir」及「二零一八年國際足協世界盃」，推動當地電子支付高速發展。根據俄羅斯銀行數據，截至二零一八年十月全國的電子支付終端高達2,465,898台，較二零一七年全年2,189,060台上升12.6%。本集團的移動終端於二零一八年世界盃期間在支付層面上起了重要的作用，在比賽體育館場內外為球迷提供便利的無現金支付。

EMEA

在歐洲、中東和非洲區，本集團進一步加強與收單銀行和支付服務供應商的夥伴關係。近年，部分歐洲的支付終端公司走向收單和交易處理領域，為百富帶來終端市場機遇。二零一八年，百富在意大利、比利時、德國和波蘭等多個歐洲市場均錄得穩健的銷售增長。此外，本集團成功在法國、西班牙、丹麥、意大利和英國取得重要的認證，包括法國Carte Bancaire 5.5認證、意大利PagoBANCOMAT認證和英國Common SECC認證，為本集團在歐洲業務拓展作出重要的戰略突破。受惠電子支付終端的技術升級，主要收單銀行以較新型版本PCI 4.x和PCI 5.x的終端替換舊版，市場對百富產品的需求不斷增長。在中東和北非，百富保持領先的市場地位。在埃及，百富連續第二年錄得大批量的銷售。本集團亦積極在電子支付終端解決方案相對較落後的西非地區開拓市場。

APAC

本集團在亞太區取得穩定增長，先後在日本及印度成立子公司，並進一步在區內開拓業務。在日本，儘管現金支付仍然是主流，但隨著日本舉辦「二零一九年世界杯橄欖球賽」和「二零二零年東京奧運會」，以及當地政府大力推進EMV遷移和無現金化社會，日本電子支付市場未來幾年將會實現強勁增長。

受惠於印度政府推動「數字印度」國家戰略，百富進一步與多間主流收單銀行和支付服務公司進行合作，並於年內在當地錄得強勁的銷售增長。



Management Discussion and Analysis 管理層之討論與分析



Since the acquisition of Kwang Woo Information & Communication Co., Ltd., a Korean E-payment Terminals provider in 2017, the Group has successfully expanded its global footprint to Korea and aims to further scale up its business in the coming years.

USCA

According to the Nilson Report, an industry report, it is expected that the total consumer payment in the United States will increase from approximately US\$10 trillion in 2017 to approximately US\$13 trillion in 2022. The proportion of card payments will increase from 62.3% to 70.4%.

PAX's comprehensive product line and reputation of high product quality continue to be well received by merchants in North America. In view of the growing emphasis by chain store retailers on customer relationship management and data analytics, the Group increases investment in R&D, continues to innovate and launch more diversified E-payment solutions and management platform. In the past two years, PAX launched the new generation E-Series which has proven to be very popular with merchants across the region.

With increasing PAX brand recognition in the United States, the Group has successfully partnered with many new clients. Meanwhile, PAX has further strengthened the partnership with leading global merchant acquirers which have begun rolling out PAX's Android smart terminals.

China Market

In 2018, the People's Bank of China established NetsUnion Clearing Corporation to monitor third-party online payment transactions, and mandated that payment institutions should realise 100% centralised deposit of clients' pending payments by mid-January 2019. Implementation of various reform policies would facilitate stable and healthy development of Chinese payment industry. Since 2018, in particular in the second half of the year, the escalating international trade disputes have created uncertainty in the Chinese economy, domestic companies have been facing unprecedented challenges. The Group will continue to closely monitor and evaluate the rapidly changing market environment, as well as credit risk status of customers. In 2018, PAX established a dedicated China Business Unit, with its own independent R&D, sales and marketing resources to strategically respond to the rapidly evolving Chinese market.

自二零一七年完成收購韓國電子支付終端供應商Kwang Woo Information & Communication Co., Ltd.後，本集團成功擴展國際佈局至韓國，並計劃於未來幾年進一步擴大其業務規模。

USCA

根據行業報告Nilson Report預期，美國總消費者支付規模將由二零一七年約10兆美元增長至二零二二年約13兆美元，卡支付佔比由62.3%提升至70.4%。

百富全面的產品線和高產品質量繼續受到北美商戶的歡迎和認可。鑑於連鎖零售商對客戶關係管理和數據分析的重視，本集團加大研發投入，不斷創新，推出更多元化的電子支付解決方案及管理平台。過去兩年，百富推出的新一代智能電子支付終端E系列深得客戶的廣泛認可。

隨著百富的品牌知名度在美國不斷提升，本集團成功與多個新客戶建立夥伴關係。同時，百富進一步加深與全球領先的收單機構的合作，陸續推出百富的安卓智能終端。

中國市場

於二零一八年，各項改革政策陸續出台，中國人民銀行成立網聯以監控第三方支付線上交易，以及要求支付機構於二零一九年一月中旬實現100%備付金交存，促使中國支付行業朝著穩定健康的方向發展。自二零一八年，尤其是下半年，國際間貿易摩擦的持續升溫對中國經濟增添不確定性，國內企業面臨前所未有的挑戰。本集團將繼續密切監控和評估快速變化的市場環境，以及客戶的信貸風險狀況。二零一八年，百富成立了「中國事業部」，以獨立的研發、銷售、營銷團隊專注應對發展迅速的中國市場。



Management Discussion and Analysis

管理層之討論與分析

MANAGEMENT STRATEGY

The Group adheres to a corporate culture of continuous innovation and excellence, adopting a customer-centric approach to deliver remarkable payment experience for customers worldwide. Amid rapid payment industry development, the Group continues to prioritise R&D as the main focus of enterprise development, introducing more advanced secure E-payment Terminals to meet different market needs.

PAX has further increased investment in payment software and platforms to facilitate customers with sales and marketplace management, strengthening their loyalty to PAX's brand. PAXSTORE, the Group's payment service solution, has been launched in many countries worldwide.

Looking forward, PAX will continue to adopt an open and innovative approach to working with global customers and partners, exploring further strategic cooperation and synergies. PAX will also continue to invest in its product roadmap, with particular focus on the highly flexible all-in-one Android smart terminals, enabling customisation of payment solutions to meet the specific needs of different business scenarios. Meanwhile, the Group will work closely with merchant acquirers and distributors, to continue to develop more innovative software and solutions for merchants globally.

Mergers & Acquisitions

With the aim of enhancing corporate value, the Group continues to proactively pursue a variety of mergers and acquisitions investment opportunities. PAX will expand its diversified solutions, explore payment-related innovations, as well as further develop sales channels and new markets to strengthen its international business footprint. In January 2019, the Group established a joint venture with CCV Group B.V. ("CCV"), one of Europe's largest payment service and solution providers, focusing on the development of new payment technologies, specifically on the development of unattended self-service terminals for public transportation, petroleum forecourts, parking and vending machines. The cooperation will achieve synergies by collaborating with CCV's expertise in hardware specifications and development, and software integration with third party solutions while leveraging PAX's global sales network.

China is now at the forefront of the world's financial technology. The Group has further increased its investment in a Beijing based fund to Renminbi ("RMB") 85 million. Through this fund, PAX invests in high-quality emerging technology projects and start-ups to strengthen the Group's competitive advantages in financial technology to capture the huge business opportunities in China's payment industry.

管理層策略

本集團堅持不斷創新、精益求精的企業文化精神，以商戶及消費者為中心，為全球客戶提供卓越的支付體驗。支付市場發展日新月異，本集團將繼續以研發及創新為企業發展主調，開發更多先進的安全電子支付終端，以滿足市場不同的需求。

百富進一步加大對支付軟件和平台的投入，以助客戶進行銷售及後台管理，加強他們對百富的黏度。本集團推出的支付服務解決方案PAXSTORE，目前已於全球多個國家投入服務。

展望未來，百富將攜手與全球客戶及合作夥伴以開放創新的思維，探索更多戰略合作和協同效應。百富亦將繼續投放資源在產品開發，聚焦具備高度靈活性的一體化安卓智能終端，為不同應用場景制定更符合需求的支付解決方案。同時，本集團將與收單機構及分銷商緊密合作，繼續為全球的商戶開發更多創新的支付軟件及解決方案。

併購活動

本集團積極尋求不同形式的併購及投資機會，以提升企業價值。百富將擴展多元化的解決方案，探索支付相關的創新技術，並擴大銷售渠道及開拓新市場，大力拓展國際業務版圖。二零一九年一月，本集團與歐洲最大的支付服務及解決方案供應商之一CCV Group B.V. (「CCV」) 已成立合資公司，專注於開發新的支付技術，重點發展應用於公共交通、加油站、停車場和自動售貨機的自助服務解決方案。借助CCV在硬件規格、硬件開發和與第三方解決方案的軟件集成技術的專業知識，結合百富遍佈全球的銷售網絡，雙方的合作將實現協同效應。

中國在金融科技領域走在世界前列，本集團亦加大投資於一間位於北京的基金，目前投資總額為85百萬元人民幣。百富透過此基金投資優質新興技術項目及初創企業，強化本集團在金融科技的優勢，以把握中國支付行業龐大的商機。

Management Discussion and Analysis

管理層之討論與分析

Liquidity and Financial Resources

During the years of 2018 and 2017, the main source of funding to the Group was the proceeds generated from operating activities in the usual course of business of the Company. Certain financial data is summarised as follows:

Current ratio (times)	流動比率 (倍)
Quick ratio (times)	速動比率 (倍)

As at 31 December 2018, the Group had cash and cash equivalents and short-term bank deposits of HK\$2,162.7 million (2017: HK\$2,165.2 million) and borrowings of HK\$8.2 million (2017: HK\$14.4 million). As at 31 December 2018, the Group reported net current assets of HK\$3,802.8 million, as compared with HK\$3,521.8 million as at 31 December 2017. For the year ended 31 December 2018, net cash generated from operating activities was HK\$198.3 million, as compared with HK\$214.5 million for the year ended 31 December 2017. The gearing ratio (defined as total debt divided by total capital) was 0.2% as at 31 December 2018 (2017: 0.4%). The gearing ratio is considered healthy and suitable for the continuous growth of the Group's business.

Capital Structure and Details of Charges

As at 31 December 2018, the Group had borrowings of HK\$8.2 million (2017: HK\$14.4 million) and banking facilities of approximately HK\$11.9 million (2017: HK\$18.0 million). The borrowings were used in the operation in Korea and denominated in Korean Won ("WON"). The borrowings of HK\$8.2 million (2017: HK\$10.7 million) were secured by the land and buildings of a Korean subsidiary of the Company.

Approximately HK\$1,385.2 million, HK\$169.6 million, HK\$537.4 million, HK\$57.8 million and HK\$10.2 million (2017: HK\$1,202.7 million, HK\$516.0 million, HK\$396.7 million, HK\$42.3 million and HK\$7.6 million) of the Group's cash balances were denominated in RMB, Hong Kong dollar ("HK\$"), US dollar ("US\$"), European dollar ("EUR") and other currencies respectively as at 31 December 2018.

流動資金及財務資源

於二零一八及二零一七年度，本集團的主要資金來源為本公司一般商業活動中營運所產生的收入。若干財務數據概述如下：

As at 31 December	
於十二月三十一日	
2018	2017
二零一八年	二零一七年

	3.5	3.7
	2.7	3.0

於二零一八年十二月三十一日，本集團擁有現金及現金等價物及短期銀行存款2,162.7百萬港元（二零一七年：2,165.2百萬港元），並8.2百萬港元借貸（二零一七年：14.4百萬港元）。於二零一八年十二月三十一日，本集團錄得流動資產淨值3,802.8百萬港元，而二零一七年十二月三十一日則為3,521.8百萬港元。截至二零一八年十二月三十一日止年度，經營業務所得的現金淨額為198.3百萬港元，而截至二零一七年十二月三十一日止年度為214.5百萬港元。於二零一八年十二月三十一日，資本負債比率（定義為債項總額除以資本總額）為0.2%（二零一七年：0.4%）。資本負債比率被視為穩健，並適合本集團業務持續發展。

資本架構及抵押詳情

於二零一八年十二月三十一日，本集團擁有借貸8.2百萬港元（二零一七年：14.4百萬港元）及銀行信貸額度約11.9百萬港元（二零一七年：18.0百萬港元）。借貸用於韓國業務及以韓圓計值。其中8.2百萬港元（二零一七年：10.7百萬港元）的借貸由本公司一間韓國附屬公司以土地及樓宇作抵押。

於二零一八年十二月三十一日，本集團約1,385.2百萬港元、169.6百萬港元、537.4百萬港元、57.8百萬港元及10.2百萬港元（二零一七年：1,202.7百萬港元、516.0百萬港元、396.7百萬港元、42.3百萬港元及7.6百萬港元）之現金結餘分別以人民幣、港元、美元、歐元及其他貨幣計值。



Management Discussion and Analysis

管理層之討論與分析

Significant Investment

The Group had no significant investment as at 31 December 2018 (2017: Nil).

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2018 (2017: Nil).

Future Plans for Material Investments or Capital Assets

There was no specific plan for material investments or capital assets as at 31 December 2018 (2017: Nil).

Exchange Rates Exposure

The Group derives its turnover, makes purchases and incurs expenses denominated mainly in RMB, HK\$, US\$ and EUR. The majority of assets and liabilities are denominated in RMB, HK\$, US\$ and EUR and there are no significant assets and liabilities denominated in other currencies. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of HK\$ or RMB may have an impact on the operating results of the Group.

The management considers that the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$ and transactions denominated in US\$ are mainly carried out by entities with the same functional currency. The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2018 (2017: Nil).

重大投資

本集團於二零一八年十二月三十一日並無持有任何重大投資（二零一七年：無）。

附屬公司、關聯公司及合資企業的重大收購及出售

本集團於截至二零一八年十二月三十一日止年度並無任何重大的附屬公司、關聯公司及合資企業收購或出售（二零一七年：無）。

重大投資或資本資產的未來計劃

於二零一八年十二月三十一日，概無重大投資或資本資產的具體計劃（二零一七年：無）。

匯率風險

本集團的營業額、採購及開支主要以人民幣、港元、美元及歐元計值。大部分資產及負債以人民幣、港元、美元及歐元計值，並無重大資產及負債以其他貨幣計值。目前，本集團並無訂立協議或購買工具以對沖本集團的匯率風險。港元或人民幣匯率的重大波動或會影響本集團的經營業績。

由於港元與美元掛鈎，且以美元計值的交易主要由採用相同功能貨幣的實體進行，故管理層認為與美元有關的外匯風險並不重大。人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制規則及規例。本集團密切監察匯率變動，以管理外幣風險。

或然負債

本集團於二零一八年十二月三十一日並無任何重大或然負債（二零一七年：無）。

Management Discussion and Analysis

管理層之討論與分析

Human Resources and Remuneration Policies

The total number of employees of the Group as at 31 December 2018 was 1,723. The following table shows a breakdown of employees of the Group by functions as at 31 December 2018:

Management	管理層	13
Sales and after-sales services and marketing	銷售及售後服務以及市場推廣	482
Research and development	研發	827
Quality assurance	質檢	39
Administration and human resources	行政及人力資源	46
Accounting	會計	33
Production, procurement and inventory control	生產、採購及存貨控制	283
		1,723

人力資源及薪酬政策

於二零一八年十二月三十一日，本集團僱員總數為1,723人。下表載列於二零一八年十二月三十一日根據職能劃分的各類僱員數目：

The Group ensures that its remuneration packages are comprehensive and competitive from time to time. Employees are remunerated with fixed monthly income plus annual performance related bonuses. Share options are granted to certain employees of the Group to reward their contributions under share option schemes, details of which are set out in the Report of the Directors. The Group also sponsors selected employees to attend external training courses that suit the needs of the Group's business.

Disclaimer:

Non-GAAP measures

Certain non-GAAP (generally accepted accounting principles) measures are used for assessing the Group's performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group current financial performance. Additionally because the Group has historically reported certain non-GAAP results to investors, the Group considers the inclusion of non-GAAP measures provides consistency in our financial reporting.

本集團確保其薪酬安排全面及具吸引力。僱員的薪酬為每月固定薪金，另加與表現有關的年度花紅。購股權乃根據購股權計劃授予本集團若干僱員以酬謝彼等作出的貢獻，有關詳情載於董事會報告。本集團亦會資助僱員參加符合本集團業務需要的外部培訓課程。

免責聲明：

非公認會計原則指標

若干非公認會計原則指標乃用於評估本集團的表現，但該等非公認會計原則指標並非香港公認會計原則所明確認可的指標，故未必可與其他公司的同類指標作比較，因此，該等非公認會計原則指標不應視作經營收入（作為本集團業務表現指標）的替補或經營活動現金流量（作為衡量流動資金）的替補。提供非公認會計原則指標純粹為加強對本集團現時財務表現的整體理解，此外由於本集團以往曾向投資者報告若干採用非公認會計原則計算的業績，因此本集團認為包括非公認會計原則指標可為本集團的財務報表提供一致性。



Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2018.

The Company wishes to highlight the importance of the Board in ensuring effective leadership and control of the Company, transparency and accountability of all aspects of operations and that its business is conducted in accordance with applicable laws and regulations.

The Company also recognises the importance of good corporate governance to the Group's healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Group's needs.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles (the "Principles") and code provisions (the "Code Provisions") in 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").

In formulating its corporate governance practices, the Company has applied the Principles and complied with all applicable Code Provisions for the year.

The Board periodically reviews and monitors the Company's policies and practices on corporate governance or compliance with legal and regulatory requirements and employees' compliance manual to ensure that the Group's operations are conducted in accordance with the standards of the CG Code and applicable disclosure requirements. Directors and senior management are provided with appropriate ongoing training, continuing professional development for regular updates of the legal and regulatory requirements relevant to their duties.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code regulating the securities transaction of Directors and executive officers named in this annual report, on terms no less exacting than the required standard set out in the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry had been made to all Directors and they have confirmed that they have complied with the Model Code throughout the year and up to the date of this report.

董事會欣然提呈截至二零一八年十二月三十一日止年度的企業管治報告。

本公司謹此表明，董事會確保本公司有效領導及監控，在各方面營運的透明度及問責性的重要性，以及根據適用法律及法規進行其業務。

本公司亦明瞭良好企業管治對本集團穩健發展的重要性，已努力確立及制定符合本集團需要的企業管治常規。

企業管治常規

本公司的企業管治常規乃以聯交所證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）當中原則（「原則」）及守則條文（「守則條文」）為基礎。

於年內，本公司在制定其企業管治常規時已應用原則，並一直遵守所有適用的守則條文。

董事會定期檢討及監察本公司的企業管治政策及慣例或法律及監管規定及員工合規手冊的遵守情況，確保本集團營運符合企業管治守則的標準及適用之披露要求。董事及高級管理層已得到合適之持續培訓及持續專業發展，以定期更新與其職務相關之法律及法規要求。

董事的證券交易

本集團已採納規管董事及名列本年報的行政人員進行本公司之證券交易守則，其條款不會較上市規則附錄10所載標準守則訂明的標準寬鬆。

經向全體董事作出具體查詢後，彼等已確認彼等於年內及截至本報告日期一直遵守標準守則。



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企業管治報告

The Company has also established written guidelines regulating the transactions of securities of the Company by senior management and employees who are likely to be in possession of any inside information of the Company.

The key corporate governance principles and practices of the Company are summarised as follows:

THE BOARD

Responsibilities

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All Directors make decisions objectively in the best interests of the Company.

The Board reserves its powers over decision of all major matters which include, inter alia, the approval and monitoring of all policy matters, overall strategies and budgeting, internal control and risk management systems, material transactions (in particular those which may involve conflict of interests of substantial shareholder(s) or Director(s)), financial information, appointment of Directors and other significant financial and operational matters.

All Directors are provided with full and timely access to Board papers and relevant information, as well as the advice and services of the Company Secretary(ies), with a view to ensuring that Board procedures and all applicable laws, rules and regulations are followed.

Upon request to the Board, each Director may seek independent professional advice in appropriate circumstances to assist with the discharge of his/her duties as a director at the Company's expense.

The day-to-day management, administration and operation of the Company are delegated to the senior management. Clear directions as to the powers, scope of delegation and relevant arrangements were given to the senior management and subject to periodic review to ensure that they remain appropriate to the Company's needs.

Reporting to the Board and prior approval of the Board are necessary before the senior management entering into any material transactions and assuming significant commitments on behalf of the Company.

The Board has the full support of the senior management to discharge its responsibilities.

本公司亦已就可能取得本公司內幕資料的高級管理層及僱員進行本公司之證券交易制定書面指引。

本公司主要企業管治原則及常規概述如下：

董事會

職責

本公司業務整體管理賦予董事會負責，董事會承擔領導及監控本公司的責任，並透過指導及監管事務，集體負責促進本公司的成就。全體董事均客觀就本公司最佳利益作出決定。

董事會保留就所有重要事項作出決策的權力，包括（尤其是）批准及監控所有政策、整體策略及預算、內部監控及風險管理制度、重大交易（特別是可能涉及主要股東或董事的利益衝突者）、財務資料、委任董事及其他重大財務與營運事宜。

全體董事可全面及時獲得所有董事會文件及相關資料以及獲取公司秘書的意見及服務，以確保董事會程序及所有適用法律、規則及規例獲得遵守。

各董事一般可於合適情況下，經向董事會提出要求，徵求獨立專業意見協助其履行董事職責，而費用由本公司承擔。

本公司日常管理、行政及營運授權予高級管理層負責。高級管理層就其權力、授權範圍及相關安排獲得清晰指引及指示，並定期檢討，以確保其合適符合本公司需要。

高級管理層訂立任何重大交易及代本公司履行重大承諾前，須向董事會報告並獲得董事會批准。

董事會履行職責時可獲得高級管理層全面支援。



Corporate Governance Report

企業管治報告

Composition

The Board has a balance of skills, experience and diversity of perspective appropriate to the requirements of the business of the Group.

The Board currently comprises six members, consisting of three executive Directors and three independent non-executive Directors. The balanced composition of executive and independent non-executive members upholds the effective exercise of independent judgement of the Board.

The Board currently comprises the following Directors:

Executive Directors:

NIE Guoming (*Chairman*)
LU Jie (*Chief Executive Officer*)
LI Wenjin

Independent Non-Executive Directors:

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

An updated list of Directors (by category) identifying their role and function is maintained on the Company's and the Stock Exchange's websites.

The biographical information of the Directors and their relationship between the members of the Board, in particular, between the Chairman and the Chief Executive, if any, are provided in the "Directors and Senior Management" section of this annual report.

Appointment, Re-election and Removal of Directors

The Company has established formal and transparent procedures for the appointment and succession planning of Directors.

All Directors are appointed for specific tenures subject to retirement by rotation at least once every three years and subject to re-election at the annual general meeting.

Each of the executive Directors has entered into a service contract with the Company for a term of three years, commencing from 23 May 2016 for Mr. Lu Jie and 1 December 2016 for Mr. Nie Guoming and Mr. Li Wenjin, unless otherwise terminated in accordance with the terms of the respective service contracts.

組成

董事會根據本集團業務而具備適當所需技巧、經驗及多樣的觀點與角度。

董事會現由六名成員組成，包括三名執行董事及三名獨立非執行董事。執行董事與獨立非執行董事的組合保持均衡，有利於董事會有效地作出獨立判斷。

董事會現由以下董事組成：

執行董事：

聶國明 (*主席*)
蘆杰 (*行政總裁*)
李文晉

獨立非執行董事：

葉偉明
吳敏
文國權

董事名單（按類別計）亦於本公司根據上市規則不時發出的所有企業通訊披露。

最新的董事會成員名單（按類別計），並列明其角色或職能，已於本公司及聯交所之網站設存。

董事的履歷資料及彼等與董事會成員，（特別是）主席與行政總裁的關係（如有）在本年報「董事及高級管理層」一節已有披露。

委任、重選及罷免董事

本公司已制定正式且具透明度的董事委任及繼任規劃程序。

全體董事均通過特定任期委任產生，須至少每三年輪席告退一次，並可於股東週年大會膺選連任。

執行董事已各自與本公司訂立服務合約，蘆杰先生的任期自二零一六年五月二十三日起，聶國明先生和李文晉先生的任期自二零一六年十二月一日起，為期三年，除非其中一方根據其服務合約的條款予以終止。

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Training for Directors

Newly appointed Directors receive induction on the occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the business and operations of the Company and is fully aware of his/her responsibilities under applicable laws, rules and regulations and the Group's various governance and internal control policies. The Company also, at its expense, arranges and provides suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged and funded in-house trainings for Directors in the form of physical seminar and provision of training materials. A summary of training received by the Directors during the year ended 31 December 2018 according to the records as provided by the Directors is as follows:

董事培訓

新委任董事於獲委任時獲得就職介紹，確保彼等恰當了解本公司業務及運作，及全面了解其於適用法律、規定及法規以及本集團各類管治及內部監控政策下的職責。此外，本公司亦自費就上市公司董事的角色、功能及職責的重要性安排及舉辦合適的培訓。

本公司鼓勵全體董事參與持續專業發展，以發展及更新彼等的知識及技能。本公司已透過舉行實質研討會及提供培訓資料為董事安排及資助內部培訓。根據董事提供的記錄，董事於截至二零一八年十二月三十一日止年度接受的培訓概要如下：

Name of Directors		Training on regulatory updates, corporate governance, inside information or other relevant topics 法規更新、企業管治、 內幕消息或 其他相關主題的培訓
Executive Directors	執行董事	
Nie Guoming	聶國明	✓
Lu Jie	蘆杰	✓
Li Wenjin	李文晉	✓
Independent Non-Executive Directors	獨立非執行董事	
Yip Wai Ming	葉偉明	✓
Wu Min	吳敏	✓
Man Kwok Kuen, Charles	文國權	✓

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance coverage in respect of legal action against the Directors and officers against losses or liabilities sustained or incurred arising from or incidental to execution of their duties. The insurance coverage is reviewed on an annual basis or any intervals as deemed appropriate by the Board.

董事及高級職員的責任

本公司已就董事及高級職員履行職責須承擔或產生或附帶產生的損失或責任而面對的法律行動安排適當保險。投保範圍乃每年或董事會認為適當的任何時候進行檢討。



Corporate Governance Report

企業管治報告

Board Meetings and Directors' Attendance

During the year, four regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, the final results for the year ended 31 December 2017, quarterly results for the three months ended 31 March 2018, interim results for the six months ended 30 June 2018 and results for the nine months ended 30 September 2018, and considering, reviewing or approving the overall strategies and policies of the Company.

The individual attendance record of each Director at the four regular quarterly Board meetings (not including other ad hoc Board meetings held from time to time and any other meeting(s) of members of the Board in compliance with the CG Code), meetings of the Audit Committee, Nomination Committee and, Remuneration Committee and general meeting during the year ended 31 December 2018 is set out below:

董事會會議及董事出席情況

年內約每季度曾舉行共四次常規董事會會議，以審閱及批准財務及營運表現，及截至二零一七年十二月三十一日止年度的全年業績、截至二零一八年三月三十一日止三個月之季度業績、截至二零一八年六月三十日止六個月的中期業績及截至二零一八年九月三十日止九個月的業績，以及考慮、審閱及批准本公司整體策略及政策。

各董事於截至二零一八年十二月三十一日止年度出席四個常規季度董事會會議（不包括其他不時舉行的不定期董事會會議及根據企業管治守則的董事會成員的任何其他會議）、審核委員會會議、提名委員會會議、薪酬委員會會議及股東大會的個別記錄載列如下：

Name of Directors	董事姓名	Attendance/Number of Meetings 會議出席/舉行次數				
		Audit Committee Meetings 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Regular Board Meetings* 常規董事會會議*	General Meeting 股東大會
Nie Guoming	聶國明	N/A 不適用	N/A 不適用	N/A 不適用	4/4	1/1
Lu Jie	蘆杰	N/A 不適用	N/A 不適用	N/A 不適用	4/4	1/1
Li Wenjin	李文晉	N/A 不適用	1/1	1/1	4/4	1/1
Yip Wai Ming	葉偉明	2/2	1/1	1/1	4/4	1/1
Wu Min	吳敏	2/2	1/1	1/1	4/4	1/1
Man Kwok Kuen, Charles	文國權	2/2	N/A 不適用	N/A 不適用	4/4	1/1

* Not all Directors were required to attend the rest of the meetings which mainly dealt with the consideration and approval of ordinary business transactions.

* 並非全體董事均須出席主要處理考慮及批准日常業務交易的其餘會議。

During the year, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors.

年內，主席亦與獨立非執行董事舉行了一次沒有其他董事出席的會議。

Practices and Conduct of Board Meetings

Annual meeting schedules and agendas are made available to the Directors in advance.

Notices of regular Board meetings have been served to all Directors at least fourteen days in advance. Reasonable notice, as permitted by the Bye-laws of the Company under relevant circumstances or otherwise agreed, has been given for other Board and committee meetings.

董事會會議常規及程序

週年會議時間表及會議議程已預先發給董事。

常規董事會會議通告已最少於會議日期前十四天發給全體董事。根據公司細則按有關情況所允許或另行同意，其他董事會及委員會會議一般給予合理通知。



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The Company Secretary(ies), as delegated by the Chairman, are responsible for preparing the agendas of board meetings, taking into account any matters the Directors may propose to include, ensuring that all Directors are given opportunity to include matters in the agendas and approving the agendas. In order to enable the Directors to make informed decision, agendas and accompanying board papers, together with all appropriate, complete and reliable information are sent to all Directors or all committees members at least three days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and/or financial position of the Company. The Board and the individual Directors also have independent access to the senior management to make further enquires or when they require further information, in addition to those volunteered by the senior management.

The Company Secretary(ies) attended all regular Board meetings and, when necessary, other Board and committee meetings to advise on statutory compliance, corporate governance matters and to ensure that the Company's policies and procedures were properly followed.

The Company Secretary(ies) is responsible for preparing and keeping minutes of all Board meetings and committee meetings. The minutes recorded sufficient details of matters considered, decisions reached, concerns raised and dissenting views expressed, if any. Draft and final versions of minutes are circulated to the Directors for comment and records within a reasonable time after each meeting. The final version is kept by the Company Secretary(ies) and open for the Directors' inspection.

According to current Board practice, any material transaction or matter which involves conflicting interests of a substantial shareholder or a Director, are dealt with by a duly convened physical Board meeting, at which independent non-executive Directors having no material interest in the transaction should be present. Any Directors or any of their close associates having material interests in the transaction or matter shall abstain from voting and not to be counted in the quorum at meetings for approving such transactions.

公司秘書由主席委託負責擬備董事會會議議程，並包括董事提議載入的任何事項，確保全體董事皆有機會提出商討事項列入議程及批准議程。為使董事能作出知情有根據的決定，議程及相關的董事會文件連同所有合適、完整及可靠資料，至少在董事會會議及委員會會議的舉行三天前向全體董事或全體委員會成員，致令董事知悉本公司最新發展及／或財務狀況。董事會及個別董事亦可自行接觸高級管理層作進一步查詢，或當其要求進一步資料時，除高級管理層自願提供者之外。

公司秘書出席所有常規董事會會議及於有需要時出席其他董事會會議及委員會會議，就法定守章、企業管治事宜提供意見，並確保本公司的政策及程序得到妥當遵守。

公司秘書負責擬備所有董事會會議及委員會會議之會議記錄並加以存管。會議記錄充分詳細記錄所考慮事項、達成的決定、提出的疑慮及所表達的反對意見（如有）。會議記錄的初稿及最終定稿於各會議後合理時段內，予董事傳閱，作出意見，最終定稿將由公司秘書備存並可供董事查閱。

根據現行董事會常規，任何涉及主要股東或董事利益衝突的重大交易或事宜，須經由正式召開的實質董事會會議（於交易無重大利益關係的獨立非執行董事應出席會議）處理。任何於交易或事宜擁有重大權益的董事或彼等之緊密聯繫人須在批准該等交易的會議放棄表決及不獲計入法定人數內。



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Chairman and Chief Executive

The roles and responsibilities of Mr. Nie Guoming and Mr. Lu Jie respectively as Chairman of the Board and Chief Executive Officer of the Company (the “CEO”) have been clearly divided and defined. The clear division of the management of the Board and the day-to-day management of business ensures a balanced power and authority such that no concentration of power should vest in any one individual.

The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practices and establishes corporate governance procedures. With the support of the Company Secretary(ies) and the senior management, the Chairman is also responsible for ensuring that the Directors receive in a timely manner adequate information, which must be accurate, clear, complete and reliable, and appropriate briefing on issues arising at Board meetings, and that all key and appropriate issues are discussed by the Board in a timely manner.

The Chairman also encourages the Directors to fully and actively participate in the Board’s affairs, taking the lead to assure that the Board acts in the best interests of the Company. The Chairman also promotes a culture to facilitate effective contributions and encourages the Directors to express dissenting views and concerns and allow sufficient discussion of issues before decisions are made.

The CEO focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company’s day-to-day management and operations and is also responsible for developing strategic plans, formulating and reviewing the organisational structure, control systems and internal procedures and processes for the Board’s approval.

主席及行政總裁

聶國明先生及蘆杰先生分別為本公司董事會主席及行政總裁（「行政總裁」）的職責已明確劃分。董事會管理與業務日常管理明確劃分，確保決策權力及授權分佈均衡，權力不集中於任何個人。

主席提供領導及負責董事會按照良好企業管治常規有效運作及建立企業管治程序。在公司秘書及高級管理層的支持下，主席亦負責確保董事及時收到準確、清晰、完整及可靠的充份資訊，及負責確保就董事會會議上所有當前事項作出簡報，及所有主要及適當的議程由董事會及時地審議。

主席亦鼓勵董事全力投入董事會事務，並以身作則，確保董事會行事符合本公司最佳利益。主席亦提倡促進作出有效貢獻的文化，鼓勵董事表達不同的意見及關注的事宜，允許在作出決策前給予充足時間討論該事宜。

行政總裁主要負責執行經董事會批准及授權的目標、政策及策略。彼負責本公司的日常管理及運作及負責制定策略計劃、擬定及審閱組織架構、監控制度及內部程序，以供董事會批准。



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Independent Non-Executive Directors

The independent non-executive Directors possess a wide range of business and financial expertise, experiences and, through participation in board meetings, offer independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conducts. Through taking the lead where potential conflicts of interests arise, serving on the Board committees, examining the Company's performance in achieving corporate goals and objectives and monitoring performance reporting, the independent non-executive Directors has become an integral part of the healthy growth of the Company.

During the year, the independent non-executive Directors also attended the annual general meeting of the Company, details of which are set out on page 29, enabling them to develop a balanced understanding of the views of the shareholders.

Each of the independent non-executive Directors, namely Mr. Yip Wai Ming, Dr. Wu Min and Mr. Man Kwok Kuen, Charles, was appointed for a contractual term of one year subject to renewal on a yearly basis and re-election in accordance with the Company's Bye-laws. Such term shall be terminated: (i) by either party giving the other not less than two months' written notice; or (ii) forthwith without compensation, on ground of disqualification, gross or willful misconduct or negligence of such Director, or any failure of passing a resolution by the shareholders of the Company to be re-elected as a Director, whichever is earlier.

During the year ended 31 December 2018, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing half of the Board and with at least one of the independent non-executive Directors possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company confirms that it has received written annual confirmation from each independent non-executive Director concerning his/her independence pursuant to Rule 3.13 of the Listing Rules and considers that all independent non-executive Directors are independent in accordance with the factors set out in Rule 3.13 of the Listing Rules.

獨立非執行董事

獨立非執行董事擁有廣泛的商業及財務專業知識與經驗，並透過參與董事會會議，在涉及策略、政策、公司表現、問責性、資源、主要委任及操守準則等事宜上，提供獨立的意見。獨立非執行董事透過在出現潛在利益衝突時發揮牽頭引導作用、出任各董事會委員會成員、審查本公司的表現是否達到企業目標和目的並監察匯報公司表現的事宜，已成為本公司穩健增長的重要力量。

年內，獨立非執行董事亦已出席本公司的股東週年大會（詳情載於第29頁），有助於彼等對股東的意見有更公正的了解。

獨立非執行董事葉偉明先生、吳敏博士及文國權先生各自獲委任，合約年期為一年，可每年重續，並根據本公司的公司細則重選連任。倘（以較早者為準）(i)任何一方向另一方發出不少於兩個月的書面通知，則有關任期可予終止；或(ii)因該董事喪失資格、嚴重或蓄意不當行為或疏忽職守或未能獲本公司股東通過決議案重選為董事，則有關任期立即終止而毋須賠償。

截至二零一八年十二月三十一日止年度，董事會一直遵守上市規則第3.10(1)、3.10(2)及3.10A條有關委任最少三名獨立非執行董事，須佔董事會成員人數一半而其中最少一名獨立非執行董事須具備合適專業資歷或會計或相關財務管理專業知識的規定。

本公司確認已接獲各獨立非執行董事根據上市規則第3.13條規定所作出有關其獨立身分的年度確認書及認為所有獨立非執行董事根據上市規則第3.13條所載之因素為獨立。



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BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing specific aspects of the Company's affairs. Each Board committee was established with defined written terms of reference setting out its authorities and duties and requiring the Board Committees to report back to the Board on their decisions or recommendations (unless otherwise restricted by applicable legal or regulatory requirements). To provide transparency, the terms of reference of the Board committees are posted on the Company's and the Stock Exchange's websites and hard copies of the same are available to shareholders upon request.

Each Board committee consists of a majority of and is respectively chaired by an independent non-executive Director. Chairman and members of each Board committee as at the date of this report are set out below:

Audit Committee

[△]YIP Wai Ming (*Chairman*)
[△]WU Min
[△]MAN Kwok Kuen, Charles

Nomination Committee

[△]WU Min (*Chairman*)
[△]YIP Wai Ming
*LI Wenjin

Remuneration Committee

[△]YIP Wai Ming (*Chairman*)
[△]WU Min
*LI Wenjin

[△] Independent non-executive Director
* Executive Director

The Board committees have been provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense.

董事會委員會

董事會下設三個委員會：審核委員會、提名委員會及薪酬委員會，以掌管本公司特定事務。各董事會委員會均設有明確書面職權範圍，載列其要求董事委員會向董事會報告其決定或意見的權限及職責（適用法律或監管規定限制者除外）。為提供透明度董事會委員會的職權範圍於本公司及聯交所網站刊載，其複印件亦可供股東索閱。

各董事會委員會由獨立非執行董事佔多數並擔任主席。於本報告日期，各董事會委員會主席及成員如下：

審核委員會

[△]葉偉明 (*主席*)
[△]吳敏
[△]文國權

提名委員會

[△]吳敏 (*主席*)
[△]葉偉明
*李文晉

薪酬委員會

[△]葉偉明 (*主席*)
[△]吳敏
*李文晉

[△] 獨立非執行董事
* 執行董事

董事會委員會已獲提供充足資源履行職責及可於適當情況下，合理要求徵求獨立專業意見，費用由本公司承擔。



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企業管治報告

Audit Committee

The Audit Committee was established by the Board on 1 December 2010. The Audit Committee comprises three independent non-executive Directors (including at least one member possessing appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee include, among others, the followings:

- (a) to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or external auditor before submission to the Board;
- (b) to review the Company's relationship with the external auditor with reference to the work its performed, its fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and, if appropriate, removal of external auditor;
- (c) to review the adequacy and effectiveness of the Company's financial reporting system, the Group's financial control, internal control and risk management systems, including but not limited to adequacy of resources available to its respective functions, staff qualifications and experience and training programmes; and
- (d) to consider and identify risks of the Group and consider effectiveness of the Group's decision making processes in crisis and emergency situations and approve major decisions affecting the Group's risk profile or exposure.

The written terms of reference describing the authority and duties of the Audit Committee was prepared and adopted with reference to the CG Code and "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee held two meetings during the year ended 31 December 2018 to review half-yearly and annual financial results and reports, financial reporting and compliance procedures, internal control and risk management systems, effectiveness of internal audit function, the auditor's independence and objectivity. Full minutes of the meetings are duly kept and draft and final versions of the same have been sent to all committee members for comment and records, within reasonable time afterwards in accordance with the relevant Code Provisions. The Audit Committee also met with the Company's auditor twice during the year and recommended the re-appointment of PricewaterhouseCoopers as the Company's external auditor and the Board has taken no different view in respect of the Audit Committee's recommended re-appointment.

審核委員會

審核委員會由董事會於二零一零年十二月一日成立。審核委員會由三名獨立非執行董事組成，當中包括至少一名具備合適專業資歷或會計或相關財務管理專業知識的成員。審核委員會全體成員均非本公司現任外聘核數師的前合夥人。

根據職權範圍，審核委員會的主要職責其中包括：

- (a) 審閱財務報表及報告，並於提交董事會前，考慮本公司的會計及財務匯報職員、監察主任或外聘核數師提出的任何重大或不尋常項目；
- (b) 參考外聘核數師所進行工作、費用及聘用條款，檢討公司與外聘核數師的關係，並就委任、續聘及（如合適）罷免外聘核數師向董事會提出意見；
- (c) 審閱本公司財務報告制度、本集團的財務監控、內部監控及風險管理制度是否充份及具備效益，其中包括但不限於是否有足夠資源履行其各職能員工資歷及經驗及培訓計劃；及
- (d) 審議及識別本集團的風險，並檢視本集團處理危機及緊急情況時的決策程序之成效，以及批准影響本集團風險概況的重要決策。

已參照企業管治守則及由香港會計師公會發出的「成立審核委員會指引」編製及採納列明審核委員會的職權及責任的書面職權範圍。

審核委員會於截至二零一八年十二月三十一日止年度曾舉行兩次會議，審閱中期及年度財務業績及報告，財務申報及合規程序、內部監控及風險管理制度、內部審核職能的有效性、核數師的獨立性及客觀性。根據相關守則條文，完整的會議記錄會妥善保管，且會議記錄的草稿及最終稿已於隨後合理時間內發給所有委員會成員評論及記錄。審核委員會亦於年內與本公司核數師兩次會面，並建議續聘羅兵咸永道會計師事務所為本公司外部核數師，而董事會就建議續聘事宜與審核委員會並無意見分歧。



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At the end of 2018 and the date of this report, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's annual results for the year ended 31 December 2018 have been reviewed by the Audit Committee.

Nomination Committee

The Nomination Committee was established by the Board on 1 December 2010 and comprises two independent non-executive Directors (one of whom being the chairman of the Nomination Committee) and one executive Director. Its terms of reference was prepared and adopted with reference to the CG Code and its principal duties include the review of the structure, size and composition of the Board, developing and formulating relevant procedures for nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors.

The Nomination Committee carries out the process of selecting and recommending candidates for directorships based on the balance of expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, business requirements of the Group and other relevant statutory requirements and regulations. External recruitment agency may also be engaged to carry out the recruitment and selection process when necessary. It has been an underpinning philosophy of the Company to maintain diversified selection criteria in its hiring process, taking into account a wide range of attributes including age, educational background, professional experience, industry skills and expertise and such policy was reduced to writing in 2014. Since its establishment, the Nomination Committee has assumed the roles of reviewing such diverse selection policy at the nomination level and maintaining a diversified spectrum of Directors with varying perspectives, educational background and expertise, ranging from in-depth knowhow in the payment industry, sales and marketing talents to professional qualifications in the legal and accounting fields. Each Director has accumulated experience in his respective field of expertise for at least 10 to 30 years. Regardless of their background or experience, the Directors commonly share and acquire the talent and competence to drive the development of the industry and these are the ultimate attributes that the Nomination Committee will uphold and carry through in the talent selection process.

截止二零一八年年底及於本報告日期，並無有關或會對本公司按持續基準經營的能力產生重大疑問的事件或情況。

本公司截至二零一八年十二月三十一日止年度的全年業績已經由審核委員會審閱。

提名委員會

提名委員會由董事會於二零一零年十二月一日成立，並由兩位獨立非執行董事（其中一位為提名委員會主席）及一位執行董事組成。其職權範圍根據企業管治守則草擬及採納，主要職責包括檢討董事會的架構、規模及組成、建立及制定有關董事提名及委任程序以及就董事委任及繼任規劃向董事會作出建議，並評估獨立非執行董事的獨立性。

提名委員會負責就適當的技能、技巧、經驗、專業知識、個人誠信及投入時間以及就本集團業務需要及其他相關法定規則及規例，甄選及推薦候任董事人選。有需要時或會委任外界招聘代理進行招聘及甄選程序。於委聘程序中維持採用多元化甄選準則，同時考慮年齡、教育背景、專業經驗、行業技能及專業知識等多項特質，乃本公司一直以來秉持的基本原則，而有關政策於二零一四年編制。自成立以來，提名委員會已肩負檢討在提名方面應用多元化甄選政策之責任，確保董事具備多元化視野及不同教育背景及專業知識，從對支付行業的深入了解、銷售及市場推廣才能以至於法律及會計範疇的專業資格。董事均於各自專業知識範疇積逾至少10至30年經驗。無論董事有任何背景或經驗，彼等均擁有天賦才能及驅策行業發展的共同特質，而此亦為甄選過程中提名委員會貫徹及守護的終極價值。



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To facilitate sustainable and balanced development of the Company, the Nomination Committee has adopted a board diversity policy (the "Diversity Policy"), which sets out the approach to achieve diversity of the Board. Under the Diversity Policy, the appointment and/or recommendation for appointment will be based on objective criteria, having due regard to the benefits of diversity on the Board, including, among others, the candidates' gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Decisions of the Nomination Committee are made based on the merits and contribution of the selected candidates.

The Nomination Committee has also adopted a nomination policy (the "Nomination Policy") which sets out the selection criteria and procedure of appointing and re-appointing a Director. The selection criteria used in assessing the suitability of a candidate include, inter alia, his/her academic background and professional qualifications, relevant experience in the industry, character and integrity and whether he/she can contribute to the diversity of the Board as detailed in the Diversity Policy. The procedure of appointing and re-appointing a Director is summarised as follows:—

- nomination and invitation of suitable candidates by any member of the Nomination Committee or the Board;
- evaluation of the candidate by the Board based on all selection criteria as set out in the Nomination Policy;
- performing due diligence in respect of each candidate and making recommendation for the Board's consideration and approval;
- in case of nomination of an independent non-executive Director, assessing the candidate's independence under the relevant Code Provisions and the Listing Rules;
- where nominating an independent non-executive Director for election at general meetings, having due consideration of matters under Code Provision A.5.5;
- in the context of re-appointment of retiring Directors, reviewing the candidate's overall contribution and performance and making recommendations to the Board and/or the shareholders for consideration in connection with his/her re-election at general meetings; and
- convening a meeting of the Board to consider the appointment or re-appointment of the candidate as a Director.

為促進本公司持續、均衡的發展，提名委員已採納董事會多元化政策（「多元化政策」），當中載列為達致董事會成員多元化而採取之方針。根據多元化政策，將依據客觀標準，充分考慮多元化對董事會的神益進行委任及／或推薦委任，其中包括候選人性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限。提名委員會基於候選人的價值與貢獻作出決策。

提名委員會亦已採納一項提名政策（「提名政策」），當中列載新委任及重新委任董事之甄選準則及提名程序。用以評估候選人的甄選準則包括（尤其是）其學歷背景及專業資格、與行業有關之經驗、品格及誠信及彼是否能如多元化政策所述為董事會多元化作出貢獻。新委任及重新委任董事的程序概述如下：—

- 由提名委員會或董事會任何成員提名及邀請適當候選人；
- 由董事會根據提名政策所載所有甄選準則評估候選人；
- 對各候選人進行盡職審查並作出推薦建議以供董事會考慮及批准；
- 如提名獨立非執行董事，則根據相關企業管治守則條文及上市規則評估候選人的獨立性；
- 倘於股東大會上提名獨立非執行董事膺選，則根據守則條文第A.5.5條作出審慎考慮；
- 如重新委任退任董事，則檢討候選人的整體貢獻及表現並就其於股東大會進行重選向董事會及／或股東作出推薦建議以供考慮；及
- 召開董事會議以考慮委任或重新委任候選人為董事。



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The Nomination Committee held one meeting during the year ended 31 December 2018 to, amongst others, (i) review the structure, size, diversity and composition of the Board; (ii) assess the independence of the independent non-executive Directors; (iii) consider and make recommendation to the Board on the re-appointment and re-election of the retiring Directors and (iv) review and recommend the continuing adoption of the Diversity Policy.

Pursuant to the Company's Bye-laws, Mr. Lu Jie, the Chief Executive Officer and an executive Director, and Mr. Yip Wai Ming, an independent non-executive Director, shall retire by rotation and, being eligible, offer themselves for re-election at the for the coming 2019 annual general meeting of the Company (the "AGM").

Upon the annual review of the Board's composition taking into account the Diversity Policy and the independence of the independent non-executive Directors, the Nomination Committee formed the view that the Board has maintained an appropriate mix and balance of skills, knowledge, experience, expertise and diversity of perspectives appropriate to the business requirements of the Company and the independent non-executive Directors remain independent in the context of the Listing Rules. Taking into account the aforesaid and each of the retiring Directors' confirmation to give sufficient time and attention to the Company's affairs subsequent to the re-appointment, the Nomination Committee made a recommendation to the Board for consideration the standing for re-election at the AGM of the aforesaid retiring Directors, namely Mr. Lu Jie and Mr. Yip Wai Ming. The Board, taking into account the recommendation and other factors as considered relevant, has decided to further recommend Mr. Lu Jie and Mr. Yip Wai Ming to stand for re-election at the AGM.

The Company's circular dated 28 March 2019 contains detailed information of the retiring Directors standing for re-election.

Remuneration Committee

The Remuneration Committee was established by the Board on 1 December 2010. Its terms of reference was prepared and adopted with reference to the CG Code and its primary objectives and duties include making recommendations to the Board on the remuneration policy, structure and remuneration packages of the Directors and the senior management and compensation arrangements relating to dismissal or removal. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which is determined with reference to the performance of the individual and the Company as well as market practice and conditions.

提名委員會於截至二零一八年十二月三十一日止年度曾舉行一次會議，以（其中包括）(i)檢討董事會架構、規模、多元化及組成；(ii)評估獨立非執行董事的獨立性；(iii)考慮及就續聘和重選退任董事提出建議及(iv)審閱及建議繼續採納多元化政策。

根據本公司的公司細則，行政總裁及執行董事盧杰先生及獨立非執行董事葉偉明先生將輪值告退，彼等符合資格並願意於本公司二零一九年股東週年大會（「股東週年大會」）膺選連任。

經計及多元化政策及獨立非執行董事的獨立性對董事會組成進行年度審閱後，提名委員會認為董事會已具備符合本公司業務所需的適當技能、知識、經驗、專業知識及多樣化的觀點與角度，以及在以上各方面取得平衡，且就上市規則而言獨立非執行董事保持獨立。考慮到上述各退任董事確認於重新委任後對本公司事務投入充分時間及關注，提名委員會推薦董事會考慮上述退任董事（即盧杰先生及葉偉明先生）於股東週年大會上膺選連任。經考慮推薦建議及視為相關的其他因素後，董事會已決定進一步推薦盧杰先生及葉偉明先生於股東週年大會膺選連任。

本公司日期為二零一九年三月二十八日的通函載有膺選連任的退任董事的詳細資料。

薪酬委員會

薪酬委員會於二零一零年十二月一日成立，其職權範圍根據企業管治守則草擬及採納，主要職責包括就董事及高級管理人員的薪酬政策、結構與薪酬待遇及有關遣散及解雇的補償安排向董事會提供推薦意見。薪酬委員會亦負責就制定該等薪酬政策及結構訂立具透明度程序，確保並無董事或彼任何聯繫人士參與釐定本身薪酬，有關薪酬乃經參考個人及本公司表現以及市場常規及情況後釐定。

Corporate Governance Report

企業管治報告

The Remuneration Committee normally meets to review the remuneration policy and structure and determine the annual remuneration packages of the Directors and the senior management and other related matters. The human resources department is responsible for collection and administration of the human resources data and proposing the remuneration structure and remuneration packages of the individual executive Director and senior management to the Remuneration Committee for consideration. The Remuneration Committee shall consider and consult the Chairman and/or the Board about these proposals. The Remuneration Committee held one meeting during the year ended 31 December 2018 to review and recommend the remuneration packages of the Directors and the senior management, to establish a formal and transparent procedure for developing policy for the remuneration of the Directors, assess the performance of the executive Directors and approve the terms of their respective service contracts.

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

薪酬委員會一般就審閱薪酬政策及結構以及釐定董事及高級管理人員年度薪酬待遇與其他相關事務舉行會議。人力資源部門負責收集及管理人力資源數據，並就薪酬結構與個別執行董事及高級管理人員之薪酬待遇向薪酬委員會作出建議，以供其考慮。薪酬委員會須就該等建議作出考慮及諮詢主席及／或董事會。薪酬委員會於截至二零一八年十二月三十一日止年度曾舉行一次會議，以審閱董事及高級管理層的薪酬待遇並提供建議，就制定董事薪酬政策訂立正規而具透明度的程序及評估執行董事表現及批准其各自服務合約條款。

於截至二零一八年十二月三十一日止年度按個別劃分之應付高級管理人員薪酬載列如下：

Remuneration bands	薪酬組別	Number of individuals 人數
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	2

Further particulars relating to Directors' emoluments and the five highest paid individuals as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in Note 10 and Note 37 to the consolidated financial statements.

根據上市規則附錄十六須予披露有關董事酬金及五名最高薪人士的進一步詳情，載於綜合財務報表附註10及附註37。

Corporate Governance Function

The Board is responsible for performing the corporate governance duties and determining the relevant policies of the Company, which includes formulating and reviewing the Group's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of the Directors and the senior management, reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements, formulating, reviewing and monitoring the code of conduct, guidelines and compliance manual applicable to employees and Directors, and reviewing the Group's compliance with the CG Code and disclosures in this Corporate Governance Report.

企業管治職能

董事會負責履行本公司的企業管治職責及決定相關政策包括制定及檢討本集團於企業管治方面的政策及常規、檢討及監察董事及高級管理層的培訓及持續專業發展，檢討及監察本集團的政策及常規是否符合法律及監管要求，制定、檢討及監察員工及董事的操守準則、指引和合規手冊，以及檢討本集團遵守企業管治守則的情況及在本企業管治報告內所作的披露。



Corporate Governance Report

企業管治報告

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board and the Directors

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and complying with other financial disclosures required under the Listing Rules and other regulatory requirements.

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

Auditor's Statement

The statement of the external auditor of the Company about its reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 61 to 69.

Senior Management

The senior management has provided the Board with sufficient explanation and necessary information enabling the Board to make an informed assessment of financial and other information put before the Board for approval.

Monthly updates have also been provided by the senior management to all members of the Board to enable proper discharge of duties by the Board as a whole or each member individually by giving them balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has developed the Group's internal control, risk assessment and management systems and has overall responsibility for reviewing and maintaining an adequate and effective risk management and internal control systems to safeguard the interests of the Shareholders and the assets of the Group. It evaluates the effectiveness of the systems at least annually to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting internal audit and financial reporting functions.

有關財務報表的責任

董事會及董事

根據上市規則及其他監管要求，董事會須對年報及中期報告、上市規則與其他監管規則所規定的內幕消息公佈負責提呈均衡、清晰及易於理解的評估及遵守其他財務資料的披露。

董事亦明瞭彼等編製本公司截至二零一八年十二月三十一日止年度財務報表的責任。

核數師聲明

本公司外聘核數師有關彼等申報財務報表責任的聲明載於第61至69頁「獨立核數師報告」。

高級管理層

高級管理層已向董事會提供充分的解釋及必要的資料，讓董事會可以就提交給其批准的財務及其他資料，作出有根據的評審。

高級管理層亦已每月向董事會全體成員提供更新資料，載列有關本公司的表現，財務狀況及前景的公正及易於理解的評估，內容足以讓董事會妥當履行職責。

風險管理及內部監控

董事會已制定本集團之內部監控及風險評估及管理制度，並對檢討及維持足夠及有效之風險管理及內部監控制度負有全面責任，以保障股東利益及本集團資產。其最少每年評估制度的有效性確保本集團在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是足夠的。



Corporate Governance Report

企業管治報告



Risk Management and Internal Control Systems

The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against all risk issues. We have employed a bottom-up approach for identification, assessment and mitigation of risk at all business unit levels and across all functional areas.

Process used to identify, evaluate and manage significant risks

During the process of risk assessment, the Audit Committee identifies the risk of the Group and deciding on the risk levels and the Board shall assess and determine the nature and extent of the risks that are acceptable to the Group when achieving its strategic objectives. Taking into consideration the risk response, i.e. the necessary risk mitigating measures, the relevant departments and business units shall be assigned to implement the risk management solutions in accordance with their respective roles and responsibilities. The identified risk together with the risk response will be recorded at the risk register and subject to the Board's oversight.

Main features of Risk Management and Internal Control Systems

The key elements of the risk management and internal control systems of the Company include the establishment of a risk register to keep track of and record identified risks, the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

An ongoing risk assessment approach is adopted by the Company for identifying and assessing the key inherent risks that affect the achievement of its objectives. The judgement of the risk is mainly determined in accordance with the likelihood of occurrence and consequence of occurrence of the risk, which can be categorised into 3 classes, classifying the degree of risk impact as: Minor (1), Moderate (2) and Significant (3), and the probability of occurrence of risk as: Unlikely (1), Possible (2) and Likely (3). The risk degrees reflect the level of management's attention and risk treatment effort required.

風險管理及內部監控系統

本公司的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就所有風險問題作出合理但非絕對的保證。我們已採取由下而上的方法以識別、評估及減低在所有業務層面及各功能範疇上的風險。

用以識別、評估及管理重大風險的程序

在風險評估過程中，審核委員會識別本集團的風險並決定有關的風險水平，而董事會則會評估及釐定本集團於實現其策略目標時可接受的風險性質和程度。考慮到有關的風險應對措施（即必須採取的風險紓緩措施）後，相關部門和業務單位將根據其職能及職責獲指派執行相應的風險管理解決方案。已識別之風險連同有關的風險應對措施將記錄於風險登記冊，並須受董事會監督。

風險管理及內部監控系統的主要特點

本公司風險管理及內部監控系統的主要元素包括設立風險登記冊以跟進及記錄已識別之風險、評估及檢討風險、制定及不時更新應對措施，以及持續測試內部監控程序以確保其成效。

本公司已採取持續進行的風險評估方法以識別和評估影響其達到目標的主要固有風險。風險判斷主要以發生風險的可能性及其引起的後果作為依據，並分為3個類別，風險的影響程度分為：輕微（1分）、中等（2分）及重大（3分），而發生風險的可能性分為：不可能（1分）、可能（2分）及很可能（3分）。風險程度反映管理層的關注程度及處理風險的所須努力。



Corporate Governance Report

企業管治報告

Process used to review the effectiveness of the Risk Management & Internal Control Systems and to resolve material internal control defects

In view of the Company's business and scale of operations, and in order to adopt the most cost-effective method of conducting periodic reviews of the Company's internal controls, designated internal audit personnels ("IA Personnels") worked with an independent consulting firm (the "Internal Control Auditor") to execute the internal audit function. During the year, the Internal Control Auditor has conducted a review of the effectiveness of the Group's risk management and internal control systems in accordance with the requirements under Code Provision C.2 of the CG Code, according to the scope of review agreed and approved by the IA Personnels.

The Internal Control Auditor reported to the IA Department and the IA Personnels was satisfied that there had been no major deficiency noted in the areas of the Group's risk management and internal controls systems being reviewed after implementation of recommendations of the internal control defects reported by the Internal Control Auditor. The Audit Committee reviews the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures and cooperates with the IA Personnels to ensure the IA Personnels has access to information necessary to fulfil their duties and responsibilities with respect to risk assessment and risk management. Accordingly, the Audit Committee and the Board considered during the year, the risk management and internal control systems to be effective and have been implemented with adequate resources during the year.

Procedures and internal controls for the handling and dissemination of inside information

The Board has established a policy for handling and dissemination of inside information (the "Inside Information Policy"). The Inside Information Policy stipulates the obligations of the Group, restriction on sharing non-public information, handling of rumours, unintentional selective disclosure, exemptions and statutory waiver to the disclosure of inside information, external communication guidelines and compliance and reporting procedures. Management of the Company takes all reasonable measures from time to time to ensure that proper safeguards exist to prevent breach of any disclosure obligations. Employees are required to promptly bring any possible leakage or divulgence of inside information to the attention of the Chief Financial Officer, or his delegates, who will notify the Board timely and accordingly, in which case and in the event that there is evidence of material violation of the Inside Information Policy, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding recurrence.

用以檢討風險管理及內部監控系統有效性的程序及解決嚴重內部監控缺失的程序

就本公司的業務及經營規模而言，及為就本公司內部監控進行定期檢討而採用最具成本效益的方法，本公司指定內部審核人員（「內部審核人員」）與一間獨立顧問公司（「內控核數師」）合作執行內部審核職能。年內，內控核數師已根據內部審核人員協定及批准的檢討範圍及按企業管治守則內守則條文第C.2條項下規定對本集團風險管理及內部監控制度的有效程度進行檢討。

內控核數師向內部審核人員匯報，而內部審核部門滿意在實施內控核數師匯報的內部監控缺失建議後，本公司經檢討的風險管理及內部監控制度範圍並無出現重大缺失。審核委員會審閱本公司財務報告制度、內部監控制度、風險管理制度及相關程序是否充分及具備效益；及與內部審核人員合作，確保內部審核人員獲取必要信息，以履行有關風險評估與風險管理之責任和義務。因此，審核委員會及董事會認為年內風險管理及內部監控制度屬有效且於年內已以足夠資源實施。

處理及發佈內幕消息的程序和內部監控措施

董事會已制定有關處理及發佈內幕消息的政策（「內幕消息政策」）。內幕消息政策訂明本集團之責任、共享非公開資料之限制、謠言之處理、非故意之選擇性披露、豁免及法定免除內幕消息之披露、對外通訊與溝通指引以及遵守及報告程序。本公司管理層不時採取一切合理措施，確保已有恰當程序預防違背披露責任。僱員必須即時知會財務總監任何可能涉及透露或洩漏內幕消息的事宜，而財務總監或其代表將於合理切實可行情況下盡快通知董事會，從而迅速採取適當行動。如有證據顯示嚴重違反有關內幕消息政策，董事會將決定或指派適當人士決定有關糾正問題之行動及避免重蹈覆轍。

AUDITOR'S REMUNERATION

The remuneration paid to the external auditor of the Company in respect of the Group's annual audit services, audit services for the subsidiaries of the Company and non-audit services for the year ended 31 December 2018 amounted to approximately HK\$1,720,000, HK\$333,000 and HK\$780,000 respectively.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(a) Procedures for Requisitioning a Special General Meeting

Shareholder(s) holding as at the date of deposit of the requisition for a special general meeting not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company may, by written requisition to the Board or the Company Secretary(ies) signed and deposited in accordance with the Bye-laws of the Company and the Bermuda Companies Act 1981, require the Directors to call a special general meeting for the transaction of business specified in the requisition.

(b) Procedures for Putting forward Proposals at General Meetings

Shareholder(s) holding not less than one-twentieth of the paid-up capital of the Company carrying the right to vote at general meetings of the Company or not less than 100 Shareholders may together, at their expense, provide a written request to the attention of the Company Secretary(ies) signed and deposited in accordance with the Bermuda Companies Act 1981 to put forward proposals at general meetings.

(c) Communication with Shareholders and Investors

General Meetings

General meetings of the Company provide a direct forum of communication between Shareholders and the Board. The Company held one general meeting, being the 2018 AGM, during the year. Notice of the 2018 AGM was duly sent in accordance with the requirements under the Listing Rules and applicable laws. All members of the Board attended the 2018 AGM and adequate measures were taken to provide effective communication with shareholders and that their views are effectively communicated to the Board as a whole. At the 2018 AGM, the Directors were made available to answer questions in accordance with the requirements under the CG Code. The Company's external auditor also attended the 2018 AGM to answer any questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies applied and its independence.

核數師酬金

本公司就截至二零一八年十二月三十一日止年度的本集團年度核數服務、本集團附屬公司核數服務及非核數服務而向外聘核數師支付的酬金分別約為1,720,000港元、333,000港元及780,000港元。

股東權利及投資者關係

(a) 要求召開股東特別大會之程序

於提出呈請日期持有可於本公司股東大會上行使表決權之本公司繳足股本不少於十分之一之股東，可根據本公司之公司細則及百慕達一九八一年公司法，向董事會或公司秘書提出經簽署之書面呈請，要求董事召開股東特別大會，以處理該呈請所列明之事項。

(b) 於股東大會上提呈建議之程序

持有可於本公司股東大會上行使表決權之本公司繳入股本不少於二十分之一之股東或不少於100名股東共同聯署，可根據百慕達一九八一年公司法，向公司秘書提出經簽署之書面要求，以於股東大會上提呈建議，費用由彼等承擔。

(c) 與股東及投資者的溝通

股東大會

本公司的股東大會為股東及董事會提供直接溝通的平台。本公司於本年度曾舉行一次股東大會，即二零一八年股東週年大會。二零一八年股東週年大會通告已根據上市規則及適用法律規定正式發出。全體董事會成員均出席二零一八年股東週年大會，且本公司已採取充分措施為股東提供有效溝通及彼等的意見在整體上與董事會有效溝通。董事已根據企業管治守則出席了二零一八年股東週年大會以回應問題。本公司外部核數師亦出席了二零一八年股東週年大會，以回答任何有關審核、核數師報告的編製及內容、應用的會計政策及其獨立性的問題。



Corporate Governance Report

企業管治報告

Other Communications

Shareholders may also contact the Company Secretary(ies) to direct their written enquires.

The Company is committed to enhancing communications and relationships with its investors. Designated senior management maintains an open dialogue with institutional investors and analysts to keep them abreast of the Company's developments.

The Board regularly reviews the Company's shareholders communication policy (which has been made available at the Company's website) to ensure that the Shareholders and potential investors at large are provided with ready, equal and timely access to balanced and understandable information about the Company, including its financial performance, strategic goals and plans, material developments, corporate governance and risk profile, in order to enable Shareholders to exercise their rights in an informed manner, and to allow active Shareholders' engagement with the Company.

The Company also maintains a website at www.paxglobal.com.hk, where updates on the Company's business developments and operations, financial information and news can always be found.

Constitutional Documents

There has been no change in the Company's constitutional documents during the year and up to the date of this report.

On behalf of the Board

NIE Guoming
Chairman

Hong Kong, 6 March 2019

其他溝通

股東亦可將彼等的書面查詢寄發予公司秘書。

本公司致力加強與其投資者的溝通及關係。指定高級管理人員與機構投資者及分析員經常公開交流，以簡報本公司發展。

董事會定期審閱本公司股東通訊政策（於本公司網站可供查閱），確保股東及潛在投資者均可適時取得全面、相同、公正及容易理解的本公司資料，包括其財務表現、策略目標及計劃、重大發展、企業管治及風險概況，以讓股東在知情情況下行使權利及讓股東與本公司加強溝通。

本公司亦設有網站www.paxglobal.com.hk，刊載本公司業務發展及營運、財務資料及消息的最新資料。

組織章程文件

年內及截至本報告日期本公司章程文件並無任何更改。

代表董事會

主席
聶國明

香港，二零一九年三月六日



Report of the Directors

董事會報告

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

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding and the Group is principally engaged in the development and sales of E-payment Terminals products and the provision of payment solutions services and maintenance and installation services.

An analysis of the Group's performance for the year by geographical segments is set out in Note 6 to the consolidated financial statements.

BUSINESS REVIEW

The Group is a leading Asian E-payment Terminals solutions provider and one of the most active global players. The Group was founded in 2000 and the Company went listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in December 2010. The strategy of PAX is to focus on two key particular customer groups (financial institutions and third-party merchant acquirers) by offering various integrated payment solutions services.

Further details of the business review of the Group for the year ended 31 December 2018, details of proposed dividends and discussion on the Group's future business development are provided in the Chairman's Statement section on pages 9 to 11 and Management Discussion and Analysis section on pages 12 to 24. Particulars of any important event affecting the Group can be found in the Management Discussion and Analysis section on pages 12 to 24 and the notes to the consolidated financial statements.

The aforementioned references under this sub-section to other parts of this annual report form part of the Report of the Directors.

POSSIBLE RISKS AND UNCERTAINTIES

Other than as disclosed in the section headed "Exchange Rates Exposure" in Management Discussion and Analysis, the Group faces possible risks and uncertainties in relation to the constantly advancing technology, the international trade dispute and the possible change in government policies in the payment industry in the PRC, which could lead to pricing pressure, reduced operating margins, loss of market share and increased capital expenditures. The Group will closely monitor any changes in connection with these possible risks and uncertainties and adjust its strategies accordingly. Meanwhile, the Group continues to invest resources in R&D to develop new products and offer advanced payment solutions to customers in order to remain competitive.

董事謹此提呈彼等的報告及本集團截至二零一八年十二月三十一日止年度的經審核財務報表。

主要業務及地區業務分析

本公司的主要業務為投資控股，本集團主要從事開發及銷售電子支付終端產品及提供支付解決方案服務及維護及安裝服務。

本集團於本年度的表現按地區劃分的分析載於綜合財務報表附註6。

業務回顧

本集團為亞洲具領導地位的電子支付終端解決方案供應商中，並為最活躍的全球同業公司之一。本集團成立於二零零零年，而本公司於二零一零年十二月在香港聯合交易所上市公司（「聯交所」）上市。百富的策略是主要針對兩個特定客戶群（金融機構與第三方收單機構）提供不同的綜合支付解決方案服務。

本集團截至二零一八年十二月三十一日止年度業務回顧的進一步詳情、擬派股息詳情及本集團未來業務發展的討論呈列於第9至11頁主席報告及第12至24頁管理層討論與分析一節。任何對集團有影響的重大事件的詳述，見第12至24頁管理層之討論與分析一節及綜合財務報表附註。

上述本分節內對本年報其他部分的提述構成董事會報告的一部分。

潛在風險及不確定性

除管理層之討論與分析中「匯率風險」一節所披露者外，本集團面臨有關持續推進的科技、國際間貿易摩擦及中國支付行業的政府政策之可能變動的潛在風險及不確定性，可能導致定價壓力、經營利潤率降低、市場份額流失及資本開支增加。本集團將密切關注這些潛在風險及不確定性，及相應調整其策略。同時，本集團繼續對研發投入資源以開發新產品及向客戶提供先進的支付解決方案，以保持競爭力。



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ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group values the importance of protecting the environment in the process of operation. As the Group's business does not involve production lines, major wastes comprise terminal machines and tools to be disposed of post customer consumption. To mitigate the adverse impact on the environment, waste machines and tools are transferred to government-recognised recycling companies for undergoing electronic waste recycling and decomposition. In recent years, we have also strengthened the green office concept by promoting paperless office, use of energy-saving electrical appliances such as LED light pipes and inductive faucets, wastes classification and recycling, and encouraging video conferencing in place of physical business trips to reduce energy consumption and carbon footprint.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group seeks to uphold high standard of integrity in all aspects of business and is committed to ensure that its affairs are conducted in accordance with applicable laws and regulatory requirements and has formulated and adopted various internal control measures, approval procedures and training within all business units at all levels of the Group. During the year, there has been no violation or breach of relevant laws and regulations that had a significant impact on the Company.

RELATIONSHIP WITH KEY STAKEHOLDERS

The Group emphasises on maintaining good relationship with its stakeholders and considers it a key element to sustainable business growth.

Employees

The Group has always been people-oriented and has attached great importance to human resource management. We attract excellent talents through fair recruitment policy and provide employees with training opportunities, good career development prospect and growth opportunities. From time to time, we offer our employees remuneration packages that are comprehensive and attractive. Some employees are granted options under the Company's share option scheme in recognition of their contribution. We also value our employee's physical and mental development. Diverse events and activities are organised for the employees for fostering work-life balance and personal growth.

環境政策及表現

本集團在營運過程中重視環境保護的重要性。由於本集團的業務不涉獵生產線，有關的廢棄物主要包括客戶使用後需要報廢的終端機具。回收的報廢機具會交由政府認可的回收公司進行電子垃圾回收和分解，以減低對環境的影響。我們近年亦加強環保辦公的理念包括提倡無紙化、使用節能電器如LED光管及感應水龍頭、廢物分類及回收和鼓勵使用通過視頻形式召開會議取代出差以減少能源使用及碳足印。

遵守相關法律及規例

本集團力求維持業務各方面的高度誠信，並致力確保其事務按照適用法律及監管要求進行，並已制定及採納本集團所有業務部門內的各種內部控制措施、審批程序及培訓。於年內，並無違規或觸犯對公司有重大影響的相關法律法規。

與主要利益相關者的關係

本集團重視與利益相關者保持良好關係，並認為其是業務可持續增長的關鍵因素。

僱員

本集團一直貫徹以人為本，高度重視人力資源管理。我們透過公平的招聘政策吸納優秀人才，並提供培訓機會，給予員工良好的事業發展前景和成長機會。我們不時確保其薪酬待遇全面及具吸引力，本集團部分員工根據公司購股權計劃獲授予購股權，以獎勵其貢獻。我們亦重視員工的身心發展。為僱員組織各種活動，以促進工作與生活的平衡及個人發展。



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Customers

The Group is committed to offering our customers products and services to the best of our ability. We highly value comments and suggestions of our customers and have always maintained effective communications with the customers. We will continue to reach out for current and prospective customers through, inter-alia, on-site visits and major customers satisfaction surveys. We believe that customers' feedback would help us to identify areas of improvement and advance us to achieve excellence.

Suppliers

Maintaining good relationship with suppliers is essential to the Group's business performance and growth because suppliers can have direct influence over the quality of the products and services and customer satisfaction. We adopt a "Management Measures for Suppliers" in respect of the supplier selection procedures, quality testing methods and comprehensive appraisal and evaluation system on potential and existing suppliers and their products and performance. We are committed to establishing a close and long-term cooperation relationship with business partners.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated income statement on page 70.

DIVIDEND

The Board considers sustainable returns to shareholders whilst retaining adequate reserves for the Group's future development to be an objective. Under the policy on payment of dividends adopted by the Company, dividends may be recommended, declared and paid to shareholders from time to time. In summary, The declaration of dividends and the dividend amount shall be determined at the sole and absolute discretion of the Board taking into account the following factors:-

- Group's financial results and general financial condition;
- the level of the Group's debts to equity ratio and return on equity;

客戶

本集團致力於以最大的能力提供我們的客戶產品及服務。我們高度重視客戶的意見及建議，一直與客戶保持有效的溝通。我們將尤其透過現場訪問及對主要客戶進行滿意度調查，繼續接觸現有和潛在客戶。我們相信客戶的反饋將有助我們確定須改進的地方，並推動我們實現卓越。

供應商

與供應商保持良好的關係對本集團的業務表現及增長至關重要，因為供應商可對產品及服務的質量以及客戶滿意度產生直接影響。我們採取《供應商管理辦法》的供應商選擇程序、質量檢測方法及潛在和現有供應商及其產品和性能的全面評估及評價制度。我們致力與業務夥伴建立密切和長久的合作關係。

業績及分配

本集團截至二零一八年十二月三十一日止年度的業績載於第70頁的綜合收益表。

股息

董事會的目標是為股東帶來持續回報同時為本集團的未來發展保留充足儲備。根據本公司所採納的股息支付政策，本公司或會不時向股東建議宣派及派付股息。總而言之，股息宣派及股息金額由董事會考慮下列因素全權酌情決定：—

- 本集團的財務業績及整體財務狀況；
- 本集團的債務對權益比率及股本回報率；



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- liquidity position and capital requirement of the Group;
 - the Group's current and future operations;
 - the Group's business development strategies and future expansion plans;
 - the general market conditions;
 - any relevant requirements of the Listing Rules and applicable laws, rules and regulations and the memorandum and articles of association of the Company; and
 - any other factors that the Board considers relevant.
- 本集團的流動資金狀況及資本需求；
 - 本集團的當前及未來營運；
 - 本集團的業務發展策略及未來擴充計劃；
 - 整體市況；
 - 上市規則及適用法例、規則及規例以及本公司組織章程大綱及細則的任何相關規定；及
 - 董事會認為相關的任何其他因素。

During the year, a final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2017 and an interim dividend of HK\$0.04 per ordinary share for the six months ended 30 June 2018, each amounting to approximately HK\$44.0 million, were paid to the shareholders of the Company.

The Board has recommended a payment of final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2018 (year ended 31 December 2017: HK\$0.04 per ordinary share) to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 14 May 2019, subject to the approval of shareholders of the Company at the forthcoming annual general meeting of the Company which will be held on Thursday, 2 May 2019, and if passed, the final dividend will be paid to the shareholders of the Company on Wednesday, 29 May 2019. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 10 May 2019 to Tuesday, 14 May 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 9 May 2019. Together with the interim dividend of HK\$0.04 per ordinary share (six months ended 30 June 2017: HK\$0.04 per ordinary share), the total dividend per ordinary share for the year was HK\$0.08 (2017: HK\$0.08).

年內，已向本公司股東支付截至二零一七年十二月三十一日止年度的末期股息每股普通股0.04港元及截至二零一八年六月三十日止六個月的中期股息每股普通股0.04港元，各為數約44.0百萬港元。

董事會建議向於二零一九年五月十四日（星期二）營業時間結束時名列於本公司股東名冊的股東派付截至二零一八年十二月三十一日止年度的末期股息每股普通股0.04港元（截至二零一七年十二月三十一日止年度：每股普通股0.04港元），惟須由本公司股東即將於二零一九年五月二日（星期四）舉行的本公司股東週年大會上批准方可作實，倘通過，將於二零一九年五月二十九日（星期三）向本公司股東支付末期股息。為釐定獲得建議末期股息的資格，本公司將於二零一九年五月十日（星期五）至二零一九年五月十四日（星期二）止（包括首尾兩日）暫停辦理股份登記手續，期間將不會辦理股份過戶手續。為符合取得末期股息的資格，所有股份過戶文件連同有關股票須於二零一九年五月九日（星期四）下午四時三十分前送交本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓），辦理股份登記手續。連同中期股息每股普通股0.04港元（截至二零一七年六月三十日止六個月：每股普通股0.04港元），本年度每股普通股股息總額為0.08港元（二零一七年：0.08港元）。



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RECORD DATE FOR DETERMINING ELIGIBILITY TO ATTEND AND VOTE AT THE AGM

Record date (being the last date for registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Thursday, 25 April 2019. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 25 April 2019.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and in Note 27 to the consolidated financial statements.

DONATIONS

Charitable donations of HK\$1,005,000 were made by the Group during the year (2017: HK\$868,000).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 14 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital are set out in Note 26 to the consolidated financial statements.

Share Option Scheme

The Company operates a share option scheme adopted by a resolution of the Board on 1 December 2010 (the "Scheme") for the issuance of in aggregate of no more than 100,000,000 shares (representing 10% in the nominal amount of the aggregate of shares in issue on 20 December 2010 (the Listing Date of the Company) (subject to the terms of the Scheme and the relevant provisions under the Listing Rules).

確定有權出席股東週年大會並於會上投票的記錄日期

為確定本公司股東出席股東週年大會並於會上投票的權利的記錄日期（鑒於將不會暫停辦理股份過戶登記，即指進行任何股份過戶登記的截止日期）為二零一九年四月二十五日（星期四）。本公司股東必須於二零一九年四月二十五日（星期四）下午四時三十分前，將所有股份過戶文件連同有關股票送交本公司香港股份過戶登記處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓）進行登記。

儲備

年內本集團及本公司的儲備變動詳情載於綜合權益變動表及綜合財務報表附註27。

捐款

本集團於年內作出慈善捐款共1,005,000港元（二零一七年：868,000港元）。

物業、廠房及設備

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註14。

股本及購股權

本公司股本的變動詳情載於綜合財務報表附註26。

購股權計劃

本公司運作一項通過董事會於二零一零年十二月一日的決議案採納的購股權計劃（「計劃」），以發行合共不超過100,000,000股股份（相當於本公司上市日期二零一零年十二月二十日已發行股份總數面值的10%），惟須遵守計劃的條款及上市規則項下的相關規定。



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As at the end of 2018, the entire number of share options have been granted to the eligible participants of the Scheme and no further shares is available for issue in respect of which options may be granted under the Scheme.

Eligible participants of the Scheme would be any person or an entity belonging to any of Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisers, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group who, the Board considers, in its sole discretion, have contributed or will contribute to the Group.

The purpose of the Scheme is to reward participants who have contributed or will contribute to the Group and to encourage participants to work towards enhancing the value of the Group for the benefit of the Group and the shareholders as a whole.

Unless approved by the independent shareholders, the total number of shares issued and to be issued upon the exercise of share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1.0% of the number of the shares of the Company in issue.

The Scheme was effective from 1 December 2010 and unless otherwise cancelled or amended, will remain valid and effective for a period of 10 years therefrom.

The exercise price for the share options shall be determined by the Board and must be not lower than the highest of:

- (1) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant (which must be a business day);
- (2) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (3) the nominal value of the Shares.

There is no minimum period for which a share option must be held or performance targets which need to be achieved by the grantee before the share option can be exercised. However, such restrictions may be imposed on a case by case basis as terms of the grant of each share option.

截至二零一八年底，全數購股權已授予該計劃的合資格參與者，並無進一步股份可根據該計劃可予以發行。

該計劃的合資格參與者為屬本集團的任何董事（包括執行董事、非執行董事及獨立非執行董事）及僱員及本集團任何成員公司的任何顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營企業業務夥伴、推廣員或服務供應商的任何人士或實體，為董事會以其絕對酌情權認為對本集團作出貢獻或將會作出貢獻。

計劃旨在獎勵曾經或將會對本集團作出貢獻的參與者，並鼓勵參與者為本集團及其股東的整體利益努力，提升本集團及其股份的價值。

除非獲獨立股東批准，否則已發行及行使授予各合資格參與者的購股權（包括已行使及尚未行使購股權）時將予發行的股份總數於任何12個月期間不得超過本公司已發行股份數目的1.0%。

該計劃自二零一零年十二月一日起生效，且除非另行註銷或修訂，否則自當時起計十年期內保持有效及具效力。

購股權的行使價將由董事會釐定，不得低於以下最高者：

- (1) 於授出日期（須為營業日）聯交所發表的每日報價表所載的股份收市價；
- (2) 緊接授出日期前五個營業日聯交所發表的每日報價表所載的股份平均收市價；及
- (3) 股份面值。

行使購股權前，並無必須持有該購股權之最短期限，承授人亦無需達成任何績效目標。然而，這種限制可能會按個別情況施加作為授予每份購股權的條款。

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During the year ended 31 December 2018, no share option was granted, exercised, cancelled or lapsed. The particulars of the outstanding share options under the Scheme as at 31 December 2018 are as follows:

截至二零一八年十二月三十一日止年度，概無任何購股權被授出、行使、註銷或失效。截至二零一八年十二月三十一日計劃項下尚未行使的購股權的詳情如下：

MOVEMENTS IN THE SHARE OPTIONS OF THE COMPANY

本公司的購股權變動

Name	Date of grant	Exercise price	Number of outstanding share options held as at 1 January 2018 於二零一八年一月一日所持之尚未行使購股權數目	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Number of outstanding share options held as at 31 December 2018 於二零一八年十二月三十一日所持之尚未行使購股權數目
姓名	授出日期	行使價 (HK\$) (港元)		年內授出	年內行使	年內失效	年內註銷	
Employees 僱員								
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	6,954,000	-	-	-	-	6,954,000
Total for Employees 僱員總計			6,954,000	-	-	-	-	6,954,000
Consultants 顧問								
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	1,580,000	-	-	-	-	1,580,000
Total for Consultants 顧問總計			1,580,000	-	-	-	-	1,580,000
Total 總數			8,534,000	-	-	-	-	8,534,000 [†]

* 30% of the share options were vested to the grantees on the date of grant, a further 30% were vested on the first anniversary of the date of grant and the remaining 40% were vested on the second anniversary of the date of grant. All share options are immediately exercisable after being vested to the grantees. The validity period of these share options shall be 5 years from the date of grant.

* 30%購股權已於授出日期歸屬承授人，另外30%購股權已於授出日期一週年歸屬承授人，其餘40%購股權已於授出日期兩週年歸屬承授人。所有購股權歸屬後可立刻行使。該等購股權的有效期為自授出日期起計五年。

† A total of 8,534,000 shares (representing approximately 0.78% of the Shares in issue as at the date of this Report) are available for issue under the Scheme.

† 根據計劃可予發行8,534,000股股份（相當於本報告日期已發行股本約0.78%）。



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DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company had reserves available for distribution as calculated under the Companies Act 1981 of Bermuda (as amended) amounting to HK\$40,148,000 (2017: HK\$37,685,000). However, the Company's share premium account, in the amount of HK\$1,274,530,000 (2017: HK\$1,274,530,000) may be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws and there was no restriction against such rights under the laws of Bermuda.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and financial position of the Group for the last five financial years is set out on page 186.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

DIRECTORS

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

Executive Directors:

NIE Guoming
LU Jie
LI Wenjin

Independent Non-Executive Directors:

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

Pursuant to the Company's Bye-laws, one-third of the Directors are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company.

Mr. LU Jie and Mr. YIP Wai Ming will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

可供分派儲備

根據百慕達一九八一年公司法（經修訂）計算，本公司於二零一八年十二月三十一日有為數40,148,000港元儲備可供分派（二零一七年：HK\$37,685,000）。然而，本公司可以繳足紅股方式分派股份溢價賬中為數1,274,530,000港元（二零一七年：1,274,530,000港元）的款項。

優先認股權

本公司的公司細則並無有關優先認股權的條文規定，而百慕達法例亦無有關該等權利的限制。

五年財務概要

本集團於過去五個財政年度的業績及財務狀況概要載於第186頁。

購買、出售或贖回證券

截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何股份。

董事

年內及直至本報告日期的董事為：

執行董事：

聶國明
蘆杰
李文晉

獨立非執行董事：

葉偉明
吳敏
文國權

根據本公司的公司細則，三分之一董事須至少每三年於本公司股東週年大會上輪值告退及膺選連任。

蘆杰先生及葉偉明先生將退任，而彼等符合資格並願意於應屆股東週年大會膺選連任。

Report of the Directors

董事會報告

DIRECTORS' SERVICE CONTRACTS

As at the date of this report, each of the executive Directors has entered into a service contract with the Company for a term of three years commencing, from 23 May 2016 for Mr. Lu Jie and 1 December 2016 for Mr. Nie Guoming and Mr. Li Wenjin, unless otherwise terminated in accordance with the terms of the service contract.

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and the senior management are set out on pages 6 to 8.

CHANGE IN INFORMATION OF DIRECTORS

Changes in the information of the Directors required to be disclosed pursuant to Rule 13.51B of the Listing Rules subsequent to the publication of the 2018 Interim Report of the Company are set out below:

Name of Director 董事姓名	Details of change 變更詳情
Nie Guoming 聶國明	Annual Director's fee revised to HK\$1,620,000 with effect from 1 January 2019. 年度董事袍金變更至1,620,000港元，自二零一九年一月一日起生效。
Lu Jie 蘆杰	Annual Director's fee revised to HK\$1,680,000 with effect from 1 January 2019. 年度董事袍金變更至1,680,000港元，自二零一九年一月一日起生效。
Li Wenjin 李文晉	Annual Director's fee revised to HK\$1,620,000 with effect from 1 January 2019. 年度董事袍金變更至1,620,000港元，自二零一九年一月一日起生效。
Yip Wai Ming 葉偉明	Annual Director's fee revised to HK\$220,000 with effect from 1 January 2019 and appointed as a non-executive director of Pantronics Holdings Limited (Stock code: 1611) on 11 October 2018. 年度董事袍金變更至220,000港元，自二零一九年一月一日起生效；及於二零一八年十月十一日獲委任為桐成控股有限公司之獨立非執行董事（股份代號：1611）。
Wu Min 吳敏	Annual Director's fee revised to HK\$220,000 with effect from 1 January 2019. 年度董事袍金變更至220,000港元，自二零一九年一月一日起生效。
Man Kwok Kuen, Charles 文國權	Annual Director's fee revised to HK\$220,000 with effect from 1 January 2019. 年度董事袍金變更至220,000港元，自二零一九年一月一日起生效。

董事的服務合約

於本報告日期，執行董事已各自與本公司訂立服務合約，蘆杰先生的任期自二零一六年五月二十三日起，而聶國明先生和李文晉先生的任期自二零一六年十二月一日起，為期三年，除非其中一方根據服務合約的條款予以終止。

概無擬於即將舉行之股東周年大會上重選的董事與本集團訂立任何本集團不可於一年內無償（法定賠償除外）終止的服務合約。

董事及高級管理層履歷詳情

董事及高級管理層的履歷詳情載於第6至8頁。

董事資料之變更

自本公司二零一八年中報日期刊發後，根據上市規則第13.51B條須予披露之董事資料變動載列如下：



Report of the Directors

董事會報告

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors and officers of the Group is currently in force and remained in force throughout the financial year.

Throughout the year, the Company has maintained appropriate directors and officers liability insurance cover providing indemnity against liability, including but not limited to liability in respect of legal action against the Directors and officers thereby sustained or incurred arising from or incidental to execution of duties of his/her offices.

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

As at 31 December 2018, the interests and short positions of each Director and the chief executive of the Company (the "Chief Executive") in the Company's shares (the "Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") in Appendix 10 to the Listing Rules are as follows:

Ordinary shares of HK\$0.10 each in the Company

Name of Director	Capacity	Interest in Shares	Total interests ⁽ⁱ⁾	Approximate percentage of shareholding* 股權之概約百分比*
董事姓名	持股身份	股份權益	權益總額 ⁽ⁱ⁾	
Nie Guoming (Chairman) 聶國明 (主席)	Beneficial owner 實益擁有人	4,200,000	4,200,000 (L)	0.38%
Lu Jie (Chief Executive Officer) 蘆杰 (行政總裁)	Beneficial owner 實益擁有人	8,870,000	8,870,000 (L)	0.81%
Li Wenjin 李文晉	Beneficial owner 實益擁有人	2,890,000	2,890,000 (L)	0.26%

Notes:

(i) The letter "L" denotes a long position in Shares.

* The percentage is calculated based on the total number of issued shares of the Company as at 31 December 2018 which was 1,100,194,000 ordinary shares.

獲准許的彌償條文

本集團董事及高級管理人員之獲准許的彌償條文現時及於整個年度一直生效。

於本年度，本公司已投購適當的董事及高級管理人員責任保險以彌償責任，其中包括但不限於董事及高級管理人員因履行其職責而產生或附帶產生的法律訴訟責任。

董事及行政總裁於股份、相關股份及債券的權益及淡倉

於二零一八年十二月三十一日，各董事及本公司行政總裁（「行政總裁」）於本公司及其相關法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的本公司股份（「股份」）、本公司相關股份及債券中，擁有已記入本公司根據證券及期貨條例第352條存置的登記冊或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）已知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉如下：

本公司每股面值0.10港元的普通股

附註：

(i) 「L」表示股份的好倉。

* 百分比乃根據本公司於二零一八年十二月三十一日已發行股份總數（即1,100,194,000股普通股）計算。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2018, the interests and short positions of substantial shareholders (not being a Director or the Chief Executive) in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register maintained by the Company under Section 336 of the SFO are as follows:

主要股東於股份及相關股份的權益及淡倉

按本公司根據證券及期貨條例第336條存置的登記冊所顯示，於二零一八年十二月三十一日，主要股東（而非董事或行政總裁）於本公司及其相聯法團的股份、相關股份及債券中所擁有的權益及淡倉如下：

Name of shareholder	Capacity	Class of securities	Total number of Shares (Note 1)	Approximate percentage of shareholding (Note 2)
股東名稱	身份	證券類別	股份總數 (附註1)	概約控股百分比 (附註2)
Hi Sun Technology (China) Limited ("Hi Sun") 高陽科技(中國)有限公司(「高陽」)	Beneficial owner 實益擁有人	Ordinary 普通股	364,000,000(L)	33.09%
Kopernik Global Investors LLC	Investment manager 投資經理	Ordinary 普通股	76,936,000(L)	6.99%

Notes:

1. The letter "L" denotes a long position in Shares.
2. The percentage is calculated based on the total number of issued shares of the Company as at 31 December 2018 which was 1,100,194,000 ordinary shares.

附註：

1. 字母「L」表示於股份的好倉。
2. 百分比乃根據本公司於二零一八年十二月三十一日已發行股份總數（即1,100,194,000股普通股）計算。



Report of the Directors

董事會報告

CONNECTED TRANSACTIONS

During the year ended 31 December 2018, the Group entered into certain continuing connected transactions and details of these continuing connected transactions are set out below:

Framework agreements with Hi Sun

Hi Sun is a substantial shareholder interested in 33.09% of the Company's issued share capital and therefore a connected person of the Company under the Listing Rules. Accordingly, transactions between the Company and Hi Sun constitute connected transactions of the Company under the Listing Rules.

i. Supply of E-payment Terminals Products

On 31 December 2015, the Company entered into a framework agreement (the "2016 Framework Agreement") with Hi Sun, pursuant to which the Group agreed to sell and Hi Sun (together with its subsidiaries the "Hi Sun Group") agreed to purchase the E-payment Terminals Products for the mobile and other payment solutions, services and/or platforms of the Hi Sun Group. The term of the 2016 Framework Agreement commenced on 22 January 2016, the date on which relevant approval of the independent shareholders was obtained at the Company's special general meeting, and expired on 31 December 2018. The annual caps of the total contract value for the sale and purchase of E-payment Terminals products under the 2016 Framework Agreement for the three years ending 31 December 2016, 31 December 2017 and 31 December 2018 were set at HK\$300,000,000, HK\$350,000,000 and HK\$400,000,000 respectively and the actual aggregate contract value for the sale and purchase of E-payment Terminals Products for the three years ended 31 December 2016, 31 December 2017 and 31 December 2018 were HK\$134,889,000, HK\$135,774,000 and HK\$194,221,000 respectively.

As the sale and purchase of the E-payment Terminals Products could potentially secure market share and maintain the Group's market position in the PRC, the Company entered into another framework agreement (the "2019 Framework Agreement") with Hi Sun on 5 December 2018, pursuant to which the Group agreed to sell and Hi Sun agreed to purchase the E-payment Terminals Products. The term of the 2019 Framework Agreement commenced on 1 January 2019 and will expire on 31 December 2021. The annual caps of the total contract value for the sale and purchase of E-payment Terminals Products under the 2019 Framework Agreement for each of the three years ending 31 December 2019, 31 December 2020 and 31 December 2021 were set at HK\$170,000,000

關連交易

於截至二零一八年十二月三十一日止年度，本集團訂立若干持續關連交易，該等持續關連交易詳情載列如下：

與高陽訂立框架協議

高陽為持有本公司已發行股本33.09%權益的主要股東，故根據上市規則，其為本公司的關連人士。因此，本公司與高陽的交易根據上市規則項下構成本公司的關連交易。

i. 供應電子支付終端產品

於二零一五年十二月三十一日，本公司與高陽訂立一份框架協議（「二零一六年框架協議」），據此，本集團同意出售而高陽（連同其附屬公司，統稱「高陽集團」）同意購買用於高陽集團的移動及其他支付解決方案、服務及／或平台的電子轉賬銷售點產品（「電子支付終端產品」）。二零一六年框架協議期限於二零一六年一月二十二日（即獲得本公司獨立股東於股東特別大會上作出相關批准的日期開始，並已於二零一八年十二月三十一日屆滿。根據二零一六年框架協議，截至二零一六年十二月三十一日、二零一七年十二月三十一日及二零一八年十二月三十一日止三個年度，買賣電子支付終端產品的合約總額年度上限分別為300,000,000港元、350,000,000港元及400,000,000港元，而截至二零一六年十二月三十一日、二零一七年十二月三十一日及二零一八年十二月三十一日止三個年度買賣電子支付終端產品的實際合約價值分別約為134,889,000港元、135,774,000港元及194,221,000港元。

由於訂立電子支付終端產品的買賣可保持市場份額及維持本集團在中國的市場地位，本公司與高陽於二零一八年十二月五日訂立另一份框架協議（「二零一九年框架協議」），據此，本集團同意出售而高陽同意購買電子支付終端產品。二零一九年框架協議期限於二零一九年一月一日開始，並將於二零二一年十二月三十一日屆滿。根據二零一九年框架協議，截至二零一九年十二月三十一日、二零二零年十二月三十一日及二零二一年十二月三十一日止三個年度各年的買賣電子支付終端產品的合約總額年度上限皆為170,000,000港元。



Report of the Directors 董事會報告

During the year, the Group has followed the internal control measures and policies in determining the prices and terms of the sale of E-payment Terminals Products to Hi Sun Group and all sales to Hi Sun Group under the 2016 Framework Agreement were on terms no less favourable to the Group than those offered to independent third parties for products of comparable quality, quantity and specifications. The Company has complied with applicable reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

ii. *Purchase of Chips*

On 30 December 2016, the Group entered into a framework agreement (the "2017 Chips Framework Agreement") with Hi Sun, pursuant to which the Group agreed to purchase and the Hi Sun Group agreed to sell the mag-stripe card security decoder chips (the "Security Decoder Chips"), the security micro controller unit chips (the "Security Micro Controller Unit Chips") and the contactless reader chips (the "Contactless Reader Chips", collectively with the Security Decoder Chips and Security Micro Controller Unit Chips, the "Chips"). The 2017 Chips Framework Agreement commenced on 1 January 2017 and will expire on 31 December 2019.

The Board considered that the entering into of the 2017 Chips Framework Agreement would ensure continuous and stable supply of the Chips for production of the Group's E-Payment Terminals related products and reduce the production cost by saving the operational cost in sourcing suitable market suppliers, as the Chips supplied by the Hi Sun Group were fit for the production needs of the Group and with specifications not commonly supplied by other market suppliers.

The annual caps of the total contract value for the sale and purchase of Chips contemplated under the 2017 Chips Framework Agreement for the three years ending 31 December 2017, 31 December 2018 and 31 December 2019 were set at HK\$65,000,000, HK\$70,000,000 and HK\$75,000,000 respectively, and the actual aggregate contract value for the sale and purchase of Chips for the two years ended 31 December 2017 and 31 December 2018 were HK\$59,966,000 and HK\$67,587,000 respectively.

年內，本集團於釐定向高陽集團銷售電子支付終端產品的價格及條款時一直遵循內部監控措施及政策，且根據二零一六年框架協議向高陽集團的所有銷售條款對本集團而言均不遜於向獨立第三方提供可比較質素、數量和規格之產品的條款。本公司已遵守上市規則第14A章適用之申報、公告及年度審核的規定，及獲豁免遵守獨立股東批准的規定。

ii. *購買芯片*

於二零一六年十二月三十日，本集團與高陽訂立一項新框架協議（「二零一七年芯片框架協議」），據此，本集團同意購買及高陽集團同意出售磁條卡加密解碼芯片（「加密解碼芯片」）、加密安全處理器芯片（「處理器芯片」）及非接觸卡讀卡芯片（「非接觸卡讀卡芯片」，連同加密解碼芯片及處理器芯片，統稱「芯片」）。二零一七年芯片框架協議自二零一七年一月一日起，並於二零一九年十二月三十一日屆滿。

董事會認為，訂立二零一七年芯片框架協議可確保本集團生產電子支付終端相關產品所用芯片獲得持續及穩定之供應，並可透過減省物色合適市場供應商之經營成本從而降低生產成本，因高陽集團供應之芯片切合本集團之生產需要，而其規格於其他市場供應商並不常見。

根據二零一七年芯片框架協議，截至二零一七年十二月三十一日、二零一八年十二月三十一日及二零一九年十二月三十一日止三個年度，買賣芯片之總合約值年度上限分別為65,000,000港元、70,000,000港元及75,000,000港元，而截至二零一七年十二月三十一日及二零一八年十二月三十一日止兩個年度買賣芯片的實際合約價值分別合共為59,966,000港元及67,587,000港元。



Report of the Directors 董事會報告

During the year, the prices payable for the purchase of the Chips under the 2017 Chips Framework Agreement were determined by making reference to the prices of other products sold by Hi Sun Group and the prices of similar products sold by third party suppliers in the industry. The Company has also complied with applicable reporting, announcement and annual review requirements and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Please also refer to Note 34 to the consolidated financial statements.

The Board including the independent non-executive Directors has reviewed the above continuing connected transactions and confirmed that these transactions entered into by the Company:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions for the year ended 31 December 2018 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board confirms that the auditor has issued an unqualified letter confirming the matters in accordance with Rule 14A.56 of the Listing Rules in respect of the Group's continuing connected transactions for the year ended 31 December 2018 as being in order. Copy of this letter has been provided to the Stock Exchange.

A summary of significant related party transactions made during the year was disclosed in Note 34 to the financial statements.

年內，根據二零一七年芯片框架協議購買芯片的應付價格乃參考高陽集團出售其他產品的價格及第三方供應商於業內出售同類產品的價格而釐定。本公司亦已遵守上市規則第14A章適用之申報、公告及年度審閱的規定，及獲豁免遵守獨立股東批准的規定。

亦請參閱綜合財務報表附註34。

董事會（包括獨立非執行董事）已審閱上述持續關連交易，並確認本公司訂立的該等交易為：

- (i) 於本集團一般日常業務中訂立；
- (ii) 按一般商業條款或更佳條款訂立；及
- (iii) 根據有關交易的協議進行，條款公平合理，並且符合本公司股東整體利益。

本公司核數師已獲委聘就本集團截至二零一八年十二月三十一日止年度的持續關連交易作出報告，有關報告乃按照《香港核證委聘準則》第3000號（經修訂）「審核或審閱過往財務資料以外之核證委聘」及根據香港會計師公會發出的《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」進行。董事會確認核數師已根據上市規則第14A.56條發出無保留意見函件，確認有關本集團截至二零一八年十二月三十一日止年度持續關連交易的事項乃屬恰當。本公司已向聯交所提供有關函件。

年內進行的重大關聯交易概要於財務報表附註34披露。



Report of the Directors

董事會報告

The Group has complied with the requirements, including the disclosure requirements, in accordance with Chapter 14A of the Listing Rules in respect of the aforesaid transactions.

MANAGEMENT CONTRACTS

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

DEED OF NON-COMPETITION AND CONFLICTS OF INTERESTS

A deed of non-competition was entered into between the Company and Hi Sun on 1 December 2010 (“Deed of Non-Competition”), pursuant to which Hi Sun shall not compete either directly or indirectly with the Group’s principal business activities in such geographic territories in which the Group operates.

Hi Sun has signed an annual declaration (“Declaration”) of compliance with the Deed of Non-competition confirming its compliance with the non-competition undertakings in the Deed of Non-Competition during the year. The independent non-executive Directors have reviewed the abovementioned undertakings and consider that Hi Sun has complied with the Deed of Non-Competition during the financial year ended 31 December 2018.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

Mr. Li Wenjin (“Mr. Li”), an executive Director of the Company, is interested in Hi Sun Group as its executive director and a director of certain of its subsidiaries and hence required to abstain from voting on any resolution of the Board in respect of any particular transaction or business involving any actual or potential conflict of interest between the Group and the Hi Sun Group.

Notwithstanding Mr. Li’s aforesaid interests in the Hi Sun Group, the Board considers that Mr. Li is not interested in a business competing or is likely to compete either directly or indirectly with the Group’s business, taking into account the Deed of Non-Competition, the Declaration, any implications thereunder and the independent non-executive Directors’ subsequent review thereof.

Apart from the above, none of the Directors or any of their respective associates is interested in any business competing or likely to compete with the Group’s business that is discloseable under Rule 8.10(2) of the Listing Rules.

本集團已就上述交易遵守上市規則第十四A章的規定（包括披露規定）。

管理合約

於截至二零一八年十二月三十一日止年度，概無訂立或存在任何與本公司全部或任何重大業務部分相關的管理及行政合約。

不競爭契據及利益衝突

本公司與高陽於二零一零年十二月一日訂立一份不競爭契據（「不競爭契據」）據此，高陽不得在本集團經營所在地區直接或間接與本集團的主要業務活動進行競爭。

於年內，高陽已簽署不競爭契據的年度遵守聲明（「聲明」），確認其已遵守不競爭契據內的不競爭承諾。獨立非執行董事已審閱上述承諾，並認為高陽於截至二零一八年十二月三十一日止財政年度一直遵守不競爭契據。

董事於競爭業務的權益

由於本公司執行董事李文晉先生（「李先生」）亦為高陽之執行董事及其若干附屬公司之董事，擁有高陽集團的權益，所以必須就任何涉及本集團與高陽集團間存在任何實際或潛在利益衝突的特定交易及業務，放棄相關董事會決議案投票表決。

儘管李先生於高陽集團擁有上述權益，考慮到不競爭契約、聲明及其含意，以及獨立非執行董事的後續審閱，董事會認為李先生並無於與本集團業務直接或間接競爭或可能構成競爭之業務中擁有權益。

除上文所述者，概無董事或其聯繫人於根據上市規則第8.10(2)條須予披露之與本集團業務競爭或可能構成競爭之任何業務中擁有權益。



Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed above, there was no other transaction, arrangement or contract of significance in which any Director or any entity connected with a Director is or was materially interested directly or indirectly subsisting at any time during or at the end of the year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 31 December 2018 attributable to the Group's major suppliers and customers are respectively as follows:

Purchases

– the largest supplier	21.6%
– five largest suppliers combined	43.4%

Sales

– the largest customer	45.9%
– five largest customers combined	60.7%

A subsidiary of Hi Sun was one of the Group's five largest customers for the year. As at 31 December 2018, Mr. Li Wenjin, concurrently serving as an executive Director of both the Company and Hi Sun, held approximately 0.23% of the issued share capital of Hi Sun, which is a controlling shareholder holding approximately 33.09% of the issued share capital of the Company.

Save as disclosed, none of the Directors, their close associates or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's equity interest) had an interest in the major customers or suppliers noted above.

董事於合約的權益

除上文所披露者外，概無就本集團業務訂立以本公司、其同系附屬公司或其他控股公司為其中訂約方以及董事及董事關連實體直接或間接擁有重大權益而於年終或年內任何時間仍然存續的其他重大交易、安排或合約。

主要客戶及供應商

截至二零一八年十二月三十一日止年度，本集團主要供應商和客戶的應佔採購和銷售百分比分別如下：

採購

– 最大供應商	21.6%
– 五大供應商合計	43.4%

銷售

– 最大客戶	45.9%
– 五大客戶合計	60.7%

高陽一家附屬公司為本集團本年度五大客戶之一。於二零一八年十二月三十一日，李文晉先生（同時擔任本公司及高陽執行董事）持有高陽已發行股本約0.23%，高陽則為持有本公司已發行股本約33.09%的控股股東。

除上文所披露者外，概無據董事所知擁有本公司股權超過5%之董事、彼等之緊密聯繫人或任何股東於上述主要客戶或供應商中擁有權益。



Report of the Directors

董事會報告

PENSION SCHEME

The subsidiaries operating in Hong Kong are required to participate in a defined contribution retirement scheme (“MPF Scheme”) set up in accordance with the Hong Kong Mandatory Provident Fund Schemes Ordinance, under which employers and employees are each required to make regular mandatory contributions calculated at 5% of the employee’s relevant income (“Mandatory Contributions”) to the MPF Scheme, subject to the minimum and maximum relevant income levels as prescribed by law. Employees may also make voluntary contributions additional to Mandatory Contributions.

Any Mandatory Contributions paid for and in respect of an employee are fully and immediately vested in the employee once paid to the trustee of the MPF Scheme and any investment return derived from the investment of the Mandatory Contributions is also fully and immediately vested in the employee. The employees are entitled to all of the accrued benefits derived from the employer’s Mandatory Contributions upon retirement at the age of 65 years old, death or total incapacity, subject to other applicable provisions of law.

In addition, pursuant to the government regulations in the PRC, the Group is required to contribute in favour of the employees in the PRC an amount of approximately 7% to 20% of their basic wages to certain retirement benefit schemes. The local municipal government undertakes to assume the retirement benefits obligations of those workers of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Directors confirm that the Company has maintained at all times during the year sufficient public float as prescribed by the Listing Rules.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who has remained as the Company’s auditor for each of the preceding three years and will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Nie Guoming
Chairman

Hong Kong, 6 March 2019

退休金計劃

於香港營運的附屬公司須參加根據香港強制性公積金條例設立的定額供款退休計劃（「強積金計劃」），據此，僱員和僱主均須定期向強積金計劃作出供款（「強制性供款」），雙方的供款額均為僱員有關入息的5%，並受限於法定最低及最高有關入息水平。僱員也可選擇在強制性供款以外，作出額外的自願性供款。

為僱員作出的強制性供款一經支付予強積金受託人，即全數及立刻歸屬於該僱員。以強制性供款進行投資所產生的投資回報，亦會全數及即時歸屬於該僱員。僱員年屆65歲退休、身故或喪失工作能力時，將享有全部僱主強制供款所產生的累算權益（受限於其他適用法律條款）。

此外，根據中國政府法規規定，本集團須為中國僱員按其基本薪金之約7%至20%向若干退休福利計劃作出供款。當地市政府對本集團的該類僱員作出退休福利責任保證。

足夠公眾持股量

截至本報告日期，根據本公司現有公開資料及就董事所知，董事確認，本公司於年內任何時候維持上市規則規定的足夠公眾持股量。

核數師

羅兵咸永道會計師事務所已審核財務報表，彼等在過去三年一直為本公司的核數師，並將於本公司應屆股東週年大會退任，惟符合資格獲重新委任。

代表董事會

主席
聶國明

香港，二零一九年三月六日



Independent Auditor's Report

獨立核數師報告



**AN INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF PAX GLOBAL TECHNOLOGY LIMITED**
(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of PAX Global Technology Limited (the "Company") and its subsidiaries (the "Group") set out on pages 70 to 185, which comprise:

- the consolidated balance sheet as at 31 December 2018;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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.

羅兵咸永道

獨立核數師報告
致百富環球科技有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

百富環球科技有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第70至185頁的綜合財務報表,包括:

- 於二零一八年十二月三十一日的綜合資產負債表;
- 截至該日止年度的綜合收益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯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,並已遵照香港《公司條例》的披露規定妥為擬備。

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Independent Auditor's Report

獨立核數師報告



BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matters identified in our audit are summarised as follows:

- Impairment of receivables
- Provision for inventories

意見基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 應收款項減值
- 存貨撥備



Independent Auditor's Report

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment of receivables

應收款項的減值

Refer to Note 3.1(b)(ii) (financial risk factors), Note 4(c) (critical accounting estimates and judgements) and Note 21 (trade and bills receivables and other financial assets at amortised cost) to the consolidated financial statements for related disclosures

有關相關事項的披露，請參閱綜合財務報表附註3.1(b)(ii) (財務風險因素)、附註4(c) (關鍵會計估計及判斷)及附註21 (應收賬款及應收票據及按攤銷成本列賬的其他金融資產)

As at 31 December 2018, the Group had gross trade receivables of HK\$1,982.7 million and provision for impairment of trade receivables of HK\$84.2 million. Provision is made for lifetime expected credit losses on trade receivables.

於二零一八年十二月三十一日，貴集團的應收賬款總額為1,982.7百萬港元，應收賬款減值撥備約為84.2百萬港元。貴集團就應收賬款的全期預期信貸虧損計提撥備。

Management applied judgement in assessing the expected credit losses. Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables. The expected credit loss rates are determined based on historical credit losses experienced from the past 3 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

管理層運用判斷評估預期信貸虧損。對於已知存在財務困難的客戶或回收性存在重大疑問的應收款項會就計提減值撥備時作出個別評估。在估計預期信貸虧損時，其餘的應收款項亦會根據客戶性質、地理位置以及賬齡組別按照其分佔信貸風險特徵進行分類，以共同評估其可回收性，並應用預期信貸虧損率於相關應收款項的賬面總額。預期信貸虧損率乃根據過往三年出現的歷史信貸虧損釐定，並經調整以反映現時及前瞻性資料，例如有關影響客戶償付應收款項能力的宏觀經濟因素。

We focused on this area due to the magnitude of the trade receivables and the estimation and judgement involved in determining the expected credit losses allowance of the trade receivables.

我們關注此範疇是鑑於應收賬款的重大數額，以及在釐定應收賬款預期信貸虧損準備時涉及估計和判斷。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our audit procedures in relation to management's assessment on provision for impairment losses of trade receivables included:

我們對有關管理層評估應收賬款減值虧損撥備之審計程序包括：

- Understood and validated the credit control procedures performed by management, including its procedures on periodic review of aged receivables and assessment on expected credit losses allowance of receivables;
- 理解和驗證管理層執行的信用監控程序，包括其對定期審閱逾期應收款項及評估應收款項預期信貸虧損準備的程序；
- Tested on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices;
- 透過檢查相關銷售發票，以抽樣方式測試應收賬款賬齡之準確性；
- Tested on a sample basis, the subsequent settlement of trade receivables against bank receipts; and
- 以抽樣方式對照銀行收據測試應收賬款於結算日後的償付情況；及
- Obtained management's assessment on the expected credit losses allowance of receivables. We corroborated and validated management's assessment based on the historical settlement pattern from the past 3 years, correspondence with the customers, evidence from external sources including the relevant public search results relating to the financial circumstances of the relevant customers and market research regarding the relevant forward-looking information such as macroeconomic factors used in management's assessment.
- 取得管理層對應收款項預期信貸虧損準備的評估。我們基於過往三年償付模式、與客戶的通訊及來自外部來源的證據（包括有關客戶的財務狀況的相關公開搜索結果）以及有關前瞻性資料的市場研究，證實並驗證管理層的評估，例如管理層評估中的宏觀經濟因素等信息。

Based upon the above, we found that the estimation and judgement made by management in respect of the expected credit losses allowance and the collectability of receivables were supportable by the available evidence.

基於上述各項，我們發現管理層就應收款項預期信貸虧損準備及可收回性所作的估計及判斷有可得的證據支持。

Independent Auditor's Report

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Key Audit Matter

關鍵審計事項

Provision for inventories

存貨撥備

Refer to Note 4(b) (critical accounting estimates and judgements) and Note 20 (inventories) to the consolidated financial statements for the related disclosures

有關相關事項的披露，請參閱綜合財務報表附註4(b) (關鍵會計估計及判斷)及附註20(存貨)。

The Group held inventories of HK\$1,182.0 million as at 31 December 2018. Inventories are carried at the lower of cost and net realisable value ("NRV"). The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become obsolete, or if their selling prices have declined. For the year ended 31 December 2018, the Group has made provision for inventories of HK\$43.1 million.

貴集團於二零一八年十二月三十一日持有存貨約1,182.0百萬港元。存貨乃按成本與可變現淨值(「可變現淨值」)之較低者列賬。倘存貨已經陳舊、損壞、過時或售價下跌，則可能無法收回存貨成本。截至二零一八年十二月三十一日止年度，貴集團計提存貨撥備約43.1百萬港元。

Management determines the lower of cost and NRV of inventories by considering the ageing profile, inventory obsolescence and estimated selling price of individual inventory items.

管理層釐定存貨成本及可變現淨值之較低者時，會考慮個別存貨的庫齡、存貨是否過時和個別存貨的預測售價。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our audit procedures in relation to management's assessment on NRV and obsolescence of inventories included:

我們對有關管理層評估存貨之可變現淨值及其是否過時執行的審計程序包括：

- Understood and validated the control procedures performed by management, including its procedures in estimating the NRV of the inventories and conducting periodic review of inventory obsolescence;
- 理解和驗證管理層執行的監控程序，包括其估計存貨可變現淨值及定期覆核存貨過時的程序；
- Observed client's inventory counts to identify whether there is any damaged or obsolete inventory;
- 對存貨進行監盤，以識別出有否有任何損壞或過時存貨；
- Tested on a sample basis, the accuracy of the ageing profile of individual inventory items by checking to the underlying procurement correspondence and invoices;
- 透過檢查相關採購資料及發票，以抽樣方式測試個別存貨項目庫齡之準確性；



Independent Auditor's Report

獨立核數師報告

Key Audit Matter

關鍵審計事項

Management calculates the NRV at each period end based on the estimated selling price less selling expenses, which requires significant judgements and assumptions to be made to determine the estimated selling price of individual product, including historical experience of selling products of similar nature and expectation of future sales based on current market conditions.

管理層以其預測售價減去出售開支來計算各期末的可變現淨值，在釐定個別產品之預測售價時須作出重大判斷及假設，包括考慮以往出售類似性質產品的經驗以及按現有市況對未來銷售作出之預測。

Management consistently applies a provisioning methodology for slow moving inventories based on inventory ageing and makes specific provision for long aged inventories. Management also conducted periodic review on inventory obsolescence, including performance of periodic inventory counts and review of holding period for individual inventory items.

管理層按存貨年期對滯銷存貨貫徹地應用撥備方法，並就長期陳舊存貨作出特定撥備。管理層亦會就存貨是否過時進行定期審查，包括定期進行存貨盤點及審閱個別存貨項目的持有期。

We focused on this area due to the estimation of provision for inventories involves significant judgement and various uncertainties as a result of changing technology, customer demand and competitors actions.

我們關注此範疇是鑑於對存貨的撥備估計涉及重大判斷，以及技術日新月異、客戶需求及競爭者之行為導致多種不明朗因素。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- Tested on a sample basis, the subsequent usage of significant inventory items, obtained through the usage report subsequent to the year end as a basis to identify inventory obsolescence. Where there are no subsequent usage of the respective items after the year end, we discussed with management its assessment on estimated future utilisation, corroborating explanations with the inventory ageing, sales orders and marketability of the relevant finished goods by using our industry knowledge and external market analysis, as appropriate; and
- 以抽樣方式測試重要存貨於年末後之使用情況，透過取得年末後的使用報告，識別出過時存貨。倘相關存貨於年末後並無用量，我們會與管理層討論其對估計存貨未來使用率作出之評估，透過我們對行業的認識和外部市場分析（如適用），佐證有關存貨庫齡、銷售訂單及相關製成品營銷能力的解釋；及
- Tested on a sample basis, the NRV of selected inventory items, by comparing the selling price subsequent to the year end, against the carrying values of these individual finished goods. Where there are no subsequent sales of the respective finished goods after the year end, we discussed with management as to the realisable value of the products, corroborating explanations with the inventory ageing, sales orders, historical margins, and current market conditions by using our industry knowledge and external market analysis, as appropriate.
- 以抽樣方式測試選定存貨項目之可變現淨值，在測試中將個別製成品於年末後的售價與其賬面值作一比較。對於年末後並無出售的相關製成品，我們已與管理層討論該產品的可變現值，並透過我們對行業的認識和外部市場分析（如適用），佐證有關存貨年期、銷售訂單、過往毛利率及現行市況的解釋。

Based on the procedures described, we found the estimations of management in relation to the provision for inventories were supportable by available evidence.

根據所述程序，我們發現管理層有關存貨撥備之估計有可得的證據支持。



Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of 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 DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The audit committee are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督貴集團的財務報告過程。



Independent Auditor's Report 獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）按照百慕達一九八一年《公司法》第90條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。



Independent Auditor's Report

獨立核數師報告



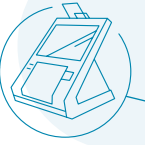
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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.

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

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



Independent Auditor's Report

獨立核數師報告

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 Chan Tak Wai, Daniel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 6 March 2019

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

出具本獨立核數師報告的審計項目合夥人是陳德威。

羅兵咸永道會計師事務所
執業會計師

香港，二零一九年三月六日

Consolidated Income Statement

綜合收益表

		Year ended 31 December		
		截至十二月三十一日止年度		
		2018	2017	
		二零一八年	二零一七年	
		HK\$'000	HK\$'000	
		千港元	千港元	
	Notes 附註			
Revenue	收入	5	4,415,409	3,591,080
Cost of sales	銷售成本	7	(2,788,728)	(2,133,487)
Gross profit	毛利		1,626,681	1,457,593
Other income	其他收入	5	76,929	72,838
Other gains	其他收益	5	7,577	2,216
Selling expenses	銷售開支	7	(437,809)	(426,432)
Administrative expenses	行政費用	7, 8	(590,819)	(498,780)
Net impairment losses on financial assets	金融資產之減值淨虧損	7	(43,290)	(43,220)
Impairment of assets	資產減值	7	-	(136,192)
Operating profit	經營溢利		639,269	428,023
Finance costs	財務費用	9	(4,768)	(3,801)
Share of result of an investment accounted for using the equity method	按權益法入賬之投資業績	19	(1,759)	318
Profit before income tax	除所得稅前溢利		632,742	424,540
Income tax expense	所得稅開支	11	(117,344)	(87,974)
Profit for the year	年度溢利		515,398	336,566
Profit/(loss) attributable to:	應佔溢利／(虧損)：			
Owners of the Company	本公司持有人		522,470	407,507
Non-controlling interests	非控股權益		(7,072)	(70,941)
			515,398	336,566
			HK\$	HK\$
			per share	per share
			每股港元	每股港元
Earnings per share for the profit attributable to the owners of the Company:	本公司持有人應佔溢利之每股盈利：			
- Basic	- 基本	12(a)	0.475	0.367
- Diluted	- 攤薄	12(b)	0.475	0.367

The notes on pages 77 to 185 are an integral part of these consolidated financial statements.

第77至185頁的附註乃綜合財務報表的其中部分。



Consolidated Statement of Comprehensive Income

綜合全面收益表

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
	Notes		
	附註		
Profit for the year	年內溢利	515,398	336,566
Other comprehensive (loss)/income, net of tax	其他全面(虧損)/收益, 扣除稅項		
<i>Items that may be subsequently reclassified to profit or loss</i>	<i>其後可能重新分類至損益之項目</i>		
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生的匯兌差額	(104,674)	168,423
Change in values of available-for-sale financial assets	可供出售金融資產之價值改變	17(c) -	(6,145)
<i>Items that will not be reclassified to profit or loss</i>	<i>不會重新分類至損益之項目</i>		
Change in value of a financial asset at fair value through other comprehensive income	一項按公平值計入其他全面收益之金融資產之改變	17(b) (7,269)	-
Remeasurement of post-employment benefit obligation	離職後福利債務重計	103	(141)
Total comprehensive income for the year, net of tax	年度全面收益總額, 扣除稅項	403,558	498,703
Total comprehensive income/(loss) attributable to:	應佔全面收益/(虧損)總額:		
Owners of the Company	本公司持有人	405,952	572,058
Non-controlling interests	非控股權益	(2,394)	(73,355)
		403,558	498,703

The notes on pages 77 to 185 are an integral part of these consolidated financial statements.

第77至185頁的附註乃綜合財務報表的其中部分。

Consolidated Balance Sheet

綜合資產負債表

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	14 72,368	51,558
Land use rights	土地使用權	15 76,023	84,473
Intangible assets	無形資產	16 81,647	90,259
Financial asset at fair value through profit or loss	按公平值計入損益之金融資產	17 94,058	–
Financial asset at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	17 11,870	–
Available-for-sale financial assets	可供出售金融資產	17 –	74,517
Investment accounted for using the equity method	按權益法入賬之投資	19 17,974	20,720
Other non-current assets	其他非流動資產	22 46,174	52,785
Deferred income tax assets	遞延所得稅資產	30 31,704	18,731
Total non-current assets	非流動資產總值	431,818	393,043
Current assets	流動資產		
Inventories	存貨	20 1,182,015	918,452
Other current assets	其他流動資產	22 24,938	22,991
Other financial assets at amortised cost	按攤銷成本列賬之其他金融資產	21 5,847	16,602
Trade and bills receivables	應收賬款及應收票據	21 1,919,408	1,703,414
Restricted cash	受限制現金	23 48,816	12,490
Short-term bank deposits	短期銀行存款	24 2,520	–
Cash and cash equivalents	現金及現金等價物	25 2,160,192	2,165,224
Total current assets	流動資產總值	5,343,736	4,839,173
Total assets	資產總值	5,775,554	5,232,216
EQUITY	權益		
Equity attributable to the owners of the Company	本公司持有人應佔權益		
Share capital	股本	26 110,019	110,019
Reserves	儲備	27 4,132,034	3,812,757
		4,242,053	3,922,776
Non-controlling interests	非控股權益	(29,445)	(25,710)
Total equity	權益總額	4,212,608	3,897,066

The notes on pages 77 to 185 are an integral part of these consolidated financial statements.

第77至185頁的附註乃綜合財務報表的其中部分。



Consolidated Balance Sheet

綜合資產負債表

		As at 31 December		
		於十二月三十一日		
		2018	2017	
		二零一八年	二零一七年	
		HK\$'000	HK\$'000	
		千港元	千港元	
	Notes			
	附註			
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	30	8,641	10,123	
Other non-current liabilities		13,323	7,700	
Total non-current liabilities		21,964	17,823	
Current liabilities				
Trade and bills payables	28	1,190,447	953,084	
Other payables and accruals	28	259,120	281,585	
Current tax liabilities		83,171	68,291	
Borrowings	29	8,244	14,367	
Total current liabilities		1,540,982	1,317,327	
Total liabilities		1,562,946	1,335,150	
Total equity and liabilities		5,775,554	5,232,216	

The financial statements were approved by the Board of Directors on 6 March 2019 and were signed on its behalf.

本財務報表於二零一九年三月六日獲董事會批准，並由下列董事代表簽署。

NIE GUOMING
聶國明
Director
董事

LI WENJIN
李文晉
Director
董事

The notes on pages 77 to 185 are an integral part of these consolidated financial statements.

第77至185頁的附註乃綜合財務報表的其中部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

Attributable to the owners of the Company
本公司持有人應佔

		Share capital	Share premium	Capital reserve	Share option reserve	Employment benefit reserve	Available-for-sale revaluation reserve	Financial asset at fair value through other comprehensive income reserve	Other reserves	Exchange reserve	Retained earnings	Total reserves	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	購股權儲備	在職福利儲備	可供出售估值儲備	按公平值計入其他全面收益之金融資產儲備	其他儲備	外匯儲備	保留盈利	儲備總額	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元	千港元
For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度													
Balance at 31 December 2017, as originally presented	於二零一七年十二月三十一日													
Change in accounting policy (Note 2.1.1)	按原先呈列的結餘會計政策改變(附註2.1.1)	110,019	1,274,530	(414,978)	81,173	(72)	(6,145)	-	-	8,298	2,869,951	3,812,757	(25,710)	3,897,066
		-	-	-	-	-	6,145	(553)	-	-	(5,592)	-	-	-
Total equity at 1 January 2018 as restated	於二零一八年一月一日重列之權益總額	110,019	1,274,530	(414,978)	81,173	(72)	-	(553)	-	8,298	2,864,359	3,812,757	(25,710)	3,897,066
Comprehensive income/(loss) for the year	全面收益/(虧損)年內溢利/(虧損)	-	-	-	-	-	-	-	-	-	522,470	522,470	(7,072)	515,398
Other comprehensive income/(loss)	其他全面收益/(虧損)													
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	-	-	-	-	-	-	(109,302)	-	(109,302)	4,628	(104,674)
Change in value of a financial asset at fair value through other comprehensive income	一項按公平值計入其他全面收益之金融資產之改變	-	-	-	-	-	-	(7,269)	-	-	-	(7,269)	-	(7,269)
Remeasurement of post-employment benefit obligation	離職後福利債務重計	-	-	-	-	53	-	-	-	-	-	53	50	103
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	-	53	-	(7,269)	-	(109,302)	522,470	405,952	(2,394)	403,558
Transactions with owners	與擁有人之交易													
Dividends paid	已付股息	-	-	-	-	-	-	-	-	-	(88,016)	(88,016)	-	(88,016)
Increase in shareholding in a subsidiary (Note 18)	增加一間附屬公司之股權(附註18)	-	-	-	-	-	-	-	1,341	-	-	1,341	(1,341)	-
Total transactions with owners	與擁有人之交易總額	-	-	-	-	-	-	-	1,341	-	(88,016)	(86,675)	(1,341)	(88,016)
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	110,019	1,274,530	(414,978)	81,173	(19)	-	(7,822)	1,341	(101,004)	3,298,813	4,132,034	(29,445)	4,212,608

The notes on pages 77 to 185 are an integral part of these consolidated financial statements.

第77至185頁的附註乃綜合財務報表的其中部分。



Consolidated Statement of Changes in Equity

綜合權益變動表

		Attributable to the owners of the Company 本公司持有人應佔										
		Share capital	Share premium	Capital reserve	Share option reserve	Employment benefit reserve	Available-for-sale revaluation reserve	Exchange reserve	Retained earnings	Total reserves	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	購股權儲備	福利儲備	估值儲備	外匯儲備	保留盈利	儲備總額	非控股權益	權益總額
		HK\$'000	HK\$'000	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	千港元	千港元
For the year ended 31 December 2017	截至二零一七年十二月三十一日止年度											
Balance at 1 January 2017	於二零一七年一月一日的結餘	110,787	1,299,524	(414,978)	81,173	-	-	(162,470)	2,551,499	3,354,748	35,748	3,501,283
Comprehensive income/(loss)	全面收益/(虧損)											
Profit/(loss) for the year	年內溢利/(虧損)	-	-	-	-	-	-	-	407,507	407,507	(70,941)	336,566
Other comprehensive (loss)/income	其他全面(虧損)/收益											
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	-	-	-	-	170,768	-	170,768	(2,345)	168,423
Changes in value of available-for-sale financial assets	可供出售金融資產之價值改變	-	-	-	-	-	(6,145)	-	-	(6,145)	-	(6,145)
Remeasurements of post-employment benefit obligations	離職後福利債務重計	-	-	-	-	(72)	-	-	-	(72)	(69)	(141)
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額	-	-	-	-	(72)	(6,145)	170,768	407,507	572,058	(73,355)	498,703
Transactions with owners	與擁有人的交易											
Repurchase of the Company's shares	回購本公司的股份	(1,300)	(50,317)	-	-	-	-	-	-	(50,317)	-	(51,617)
Share option scheme	購股權計劃											
- share options exercised	- 已行使購股權	532	25,323	-	-	-	-	-	-	25,323	-	25,855
Dividends paid	已付股息	-	-	-	-	-	-	-	(89,055)	(89,055)	-	(89,055)
Non-controlling interests arising on business combinations	業務合併產生的非控股權益	-	-	-	-	-	-	-	-	-	11,897	11,897
Total transactions with owners	與擁有人的交易總額	(768)	(24,994)	-	-	-	-	-	(89,055)	(114,049)	11,897	(102,920)
Balance at 31 December 2017	於二零一七年十二月三十一日的結餘	110,019	1,274,530	(414,978)	81,173	(72)	(6,145)	8,298	2,869,951	3,812,757	(25,710)	3,897,066

The notes on pages 77 to 185 are an integral part of these consolidated financial statements.

第77至185頁的附註乃綜合財務報表的其中部分。

Consolidated Cash Flow Statement

綜合現金流量表

Year ended 31 December
截至十二月三十一日止年度

2018 2017

二零一八年 二零一七年

Notes
附註

HK\$'000

HK\$'000

千港元

千港元

			2018	2017
			二零一八年	二零一七年
			HK\$'000	HK\$'000
			千港元	千港元
Cash flows from operating activities	經營業務的現金流量			
Cash generated from operations	經營所得現金	31(a)	322,460	277,529
Hong Kong profits tax paid	已付香港利得稅		(109,761)	(48,821)
China corporate income tax paid	已付中國企業所得稅		(9,651)	(10,437)
Interest paid	已付利息		(4,768)	(3,801)
Net cash generated from operating activities	經營業務所得現金淨額		198,280	214,470
Cash flows from investing activities	投資活動的現金流量			
Acquisitions of subsidiaries, net of cash acquired	收購附屬公司，扣除購入的現金		-	(41,417)
Acquisition of an investment accounted for using the equity method	收購按權益法入賬的投資		-	(19,406)
Prepayment for an investment accounted for using the equity method	一項按權益法入賬的投資預付款		(114)	-
Investment in a financial asset at fair value through profit or loss	投資一項按公平值計入損益之金融資產	17(a)	(40,782)	-
Increase in short-term bank deposit	增加短期銀行存款		(2,581)	-
Investment in available-for-sale financial assets	投資可供出售金融資產		-	(75,345)
Prepayment for purchase of land use rights	購買土地使用權的預付款		-	(83,333)
Purchase of property, plant and equipment	購買物業、廠房及設備		(37,214)	(17,520)
Interest received	已收利息		22,321	20,847
Net cash used in investing activities	投資活動所用現金淨額		(58,370)	(216,174)
Cash flows from financing activities	融資活動的現金流量			
Proceeds from issuance of shares in connection with exercise of share options	就行使購股權發行股份所得款額		-	25,855
Repayment of borrowings	償還借貸	31(c)	(5,612)	(16,096)
Payment for repurchase of the Company's shares	回購本公司的股份的付款		-	(51,617)
Dividends paid	股息支付		(88,016)	(89,055)
Net cash used in financing activities	融資活動所用現金淨額		(93,628)	(130,913)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物的增加／(減少)淨額		46,282	(132,617)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		2,165,224	2,207,205
Exchange (losses)/gains on cash and cash equivalents	現金及現金等價物的匯兌(虧損)／收益		(51,314)	90,636
Cash and cash equivalents at end of the year	年末現金及現金等價物	25	2,160,192	2,165,224

The notes on pages 77 to 185 are an integral part of these consolidated financial statements.

第77至185頁的附註乃綜合財務報表的其中部分。



Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

PAX Global Technology Limited (the “Company”) is an investment holding company and together with its subsidiaries (collectively referred to as the “Group”) are principally engaged in the development and sales of electronic funds transfer point-of-sale (“E-payment Terminals”) products, provision of payment solutions services and maintenance and installation services (collectively, the “E-payment Terminals solutions business”).

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 December 2010.

These financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for the available-for-sale financial assets (“AFS”), financial asset at fair value through other comprehensive income (“FVOCI”), financial asset at fair value through profit of loss (“FVPL”), contingent consideration payable and post-employment benefit obligation which are measured at fair values.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

1 一般資料

百富環球科技有限公司(「本公司」)為一間投資控股公司，連同其附屬公司(統稱「本集團」)主要從事開發及銷售電子支付銷售點(「電子支付終端」)產品、提供支付解決方案服務及維護及安裝服務(統稱「電子支付終端解決方案業務」)。

本公司為一間在百慕達註冊成立的有限責任公司。本公司註冊辦事處的地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司股份於二零一零年十二月二十日在香港聯合交易所有限公司(「聯交所」)主板上市。

除另有所指外，此等財務報表以千港元(「千港元」)為單位呈列。

2 主要會計政策概要

編製該等綜合財務報表所採用的主要會計政策載列如下。除另有說明外，該等政策於所有呈列年度一直貫徹應用。

2.1 編製基準

本公司的綜合財務報表已根據所有適用之香港財務報告準則(「香港財務報告準則」)及香港《公司條例》(第622章)的規定編製。除可供出售金融資產、按公平值計入其他全面收益之金融資產、按公平值計入損益之金融資產、應付或然代價及離職後福利債務以公平值計量外，綜合財務報表已按歷史成本法編製。

編製符合香港財務報告準則的財務報表須使用若干重要會計估計，並要求管理層在應用本集團會計政策時作出判斷。涉及更高程度判斷或複雜性的領域或假設及估計對綜合財務報表而言屬重要的領域於下文附註4披露。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. Of these, the following are relevant to the Group's consolidated financial statements.

- HKFRS 9 Financial Instruments, and
- HKFRS 15 Revenue from Contracts with Customers

The other standards did not have material impact on the Group's accounting policies and did not require any adjustments.

The below explains the impact of adoption of HKFRS 9 Financial Instruments ("HKFRS 9") and HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") on the Group's consolidated financial statements.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動

(a) 本集團採納的新訂及經修訂準則

若干新訂或經修訂準則適用於本報告期間。當中，下列準則與本集團的綜合財務報表相關。

- 香港財務報告準則第9號，金融工具，及
- 香港財務報告準則第15號，客戶合約收益

其他準則對本集團的會計政策並無重大影響且並無需要任何調整。

下文闡述採納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」)及香港財務報告準則第15號客戶合約收益(「香港財務報告準則第15號」)對本集團綜合財務報表之影響。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(a) New and amended standards adopted by the Group (continued)

The adoption of HKFRS 15 did not have any material impact on the Group's consolidated financial statements.

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

The adoption of HKFRS 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements as described below. In accordance with the transitional provisions in HKFRS 9, HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated consolidated balance sheet as at 31 December 2017, but are recognised in the opening consolidated balance sheet on 1 January 2018.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(a) 本集團採納的新訂及經修訂準則 (續)

採納香港財務報告準則第15號對本集團的綜合財務報表並無任何重大影響。

香港財務報告準則第9號取代香港會計準則第39號有關金融資產及金融負債之確認、分類及計量、終止確認金融工具及金融資產減值以及對沖會計處理之條文。

自二零一八年一月一日起採納香港財務報告準則第9號導致會計政策出現變動及對下文所述之於綜合財務報表確認之金額進行調整。根據香港財務報告準則第9號之過渡性條款，採納香港財務報告準則第9號無須重列比較資料。因新減值規則引致的重新分類及調整未反映於二零一七年十二月三十一日之經重列綜合資產負債表，惟須於二零一八年一月一日之期初綜合資產負債表內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(a) New and amended standards adopted by the Group (continued)

Impact of adoption

Classification and measurement of financial instruments

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(a) 本集團採納的新訂及經修訂準則 (續)

採納之影響

金融工具之分類及計量

於二零一八年一月一日(香港財務報告準則第9號之初始應用日期), 本集團管理層已評估本集團所持金融資產所應用之業務模式並已將其金融工具分類為合適的香港財務報告準則第9號類別。

		Reclassify from available-for- sale financial asset to financial asset at fair value through other comprehensive income (note (a)) 從可供出售 金融資產 重新分類為 按公平值計入 其他全面收益之 金融資產 (附註(a))	Reclassify from available-for- sale financial asset to financial asset at fair value through profit or loss (note (b)) 從可供出售 金融資產 重新分類為 按公平值 計入損益之 金融資產 (附註(b))	
	31 December 2017, as originally presented 於二零一七年 十二月三十一日 按原先呈列 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	1 January 2018, as restated 於二零一八年 一月一日 重新呈列 HK\$'000 千港元
Available-for-sale financial assets	可供出售金融資產			
- Unlisted investment fund	- 未上市投資基金	55,378	-	(55,378)
- Unlisted equity investment	- 未上市權益投資	19,139	(19,139)	-
		74,517	(19,139)	(55,378)
Financial asset at fair value through profit or loss	按公平值計入損益之金融資產			
- Unlisted investment fund	- 未上市投資基金	-	-	55,378
Financial asset at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產			
- Unlisted equity investment	- 未上市權益投資	-	19,139	-



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(a) New and amended standards adopted by the Group (continued)

Impact of adoption (continued)

Classification and measurement of financial instruments (continued)

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(a) 本集團採納的新訂及經修訂準則 (續)

採納之影響 (續)

金融工具之分類及計量 (續)

		Available-for-sale revaluation reserve	Financial asset at fair value through other comprehensive income reserve	Retained earnings
		可供出售重估儲備	按公平值計入其他全面收益之金融資產儲備	保留盈利
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Balance at 31 December 2017, as originally presented	於二零一七年十二月三十一日 按原先呈列之結餘	(6,145)	-	2,869,951
Unlisted equity investment	未上市權益投資			
- Reclassify from AFS to financial asset at FVOCI (note (a))	- 從可供出售金融資產重新分類至按公平值計入其他全面收益之金融資產 (附註(a))	553	(553)	-
Unlisted investment fund	未上市投資基金			
- Reclassify from AFS to financial asset at FVPL (note (b))	- 從可供出售金融資產重新分類至按公平值計入損益之金融資產 (附註(b))	5,592	-	(5,592)
Balance at 1 January 2018, as restated	於二零一八年一月一日 經重列之結餘	-	(553)	2,864,359

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(a) New and amended standards adopted by the Group (continued)

Impact of adoption (continued)

Classification and measurement of financial instruments (continued)

Notes:

(a) Reclassification of available-for-sale financial asset to financial asset at fair value through other comprehensive income – unlisted equity investment

The Group elected to present change in the fair value of its equity investment (previously classified as AFS) in other comprehensive income as it is a long-term and strategic investment that is not expected to be sold in the short to medium term. As a result, the AFS with fair value of HK\$19,139,000 as at 1 January 2018 was reclassified to financial asset at FVOCI and the related cumulative fair value loss of HK\$553,000 was reclassified from available-for-sale revaluation reserve to financial asset at FVOCI reserve on 1 January 2018.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(a) 本集團採納的新訂及經修訂準則 (續)

採納之影響 (續)

金融工具之分類及計量

(續)

附註:

(a) 將可供出售金融資產重新分類至按公平值計入其他全面收益之金融資產 – 未上市權益投資

本集團選擇於其他全面收益呈列其權益投資 (過往分類為可供出售金融資產) 公平值之變動, 因為其乃長期及策略性投資, 預期於中短期內不會出售。因此, 於二零一八年一月一日公平值為19,139,000港元之可供出售金融資產重新分類至按公平值計入其他全面收益之金融資產, 而相關累計公平值虧損553,000港元於二零一八年一月一日從可供出售重估儲備重新分類至按公平值計入其他全面收益之金融資產儲備。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(a) New and amended standards adopted by the Group (continued)

Impact of adoption (continued)

Classification and measurement of financial instruments (continued)

Notes: (continued)

(b) Reclassification of available-for-sale financial asset to financial asset at fair value through profit or loss – unlisted investment fund

The unlisted investment fund of the Group with fair value of HK\$55,378,000 as at 1 January 2018 was reclassified from AFS to financial asset at FVPL. It does not meet the HKFRS 9 criteria for classification at amortised cost and FVOCI, as its cash flows do not represent solely payments of principal and interest and the unlisted investment fund has a definite life.

Related cumulative fair value loss of HK\$5,592,000 were transferred from the available-for-sale revaluation reserve to retained earnings on 1 January 2018. During the year ended 31 December 2018, fair value gain of HK\$2,888,000 relating to the investment was recognised in the consolidated income statement.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at FVPL and the Group does not have any such liabilities.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(a) 本集團採納的新訂及經修訂準則 (續)

採納之影響 (續)

金融工具之分類及計量

(續)

附註: (續)

(b) 將可供出售金融資產重新分類至按公平值計入損益之金融資產 – 未上市投資基金

本集團於二零一八年一月一日之公平值為55,378,000港元之未上市投資基金從可供出售金融資產重新分類至按公平值計入損益之金融資產。其並不符合香港財務報告準則第9號標準之按攤銷成本及按公平值計入其他全面收益之分類，因為其現金流並不唯一表示支付本金及利息及該未上市投資基金擁有可使用年限。

相關累計公平值虧損5,592,000港元於二零一八年一月一日已從可供出售重估儲備轉撥至保留盈利。於截至二零一八年十二月三十一日止年度，與投資有關的公平值收益2,888,000港元已於綜合收益表確認。

本集團金融負債的會計處理並未受到影響，因為新規定僅影響指定按公平值計入損益之金融負債之會計處理，而本集團並無任何該等負債。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(a) New and amended standards adopted by the Group (continued)

Impact of adoption (continued)

Impairment of financial assets

The Group has two types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade and bills receivables
- other financial assets carried at amortised cost

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

While restricted cash, short-term bank deposits and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(a) 本集團採納的新訂及經修訂準則 (續)

採納之影響 (續)

金融資產減值

本集團有兩類金融資產須遵守香港財務報告準則第9號之新預期信貸虧損模式：

- 應收賬款及應收票據
- 按攤銷成本列賬之其他金融資產

本集團必須根據香港財務報告準則第9號就該等各資產類別修改其減值方法。

雖然受限制現金、短期銀行存款及現金及現金等價物亦須遵守香港財務報告準則第9號之減值規定，但已識別之減值虧損甚微。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(a) **New and amended standards adopted by the Group** (continued)

Impact of adoption (continued)

Impairment of financial assets (continued)

Trade and bills receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade and bills receivables. To measure the expected credit losses, receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance.

Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables.

The expected credit loss rates are determined based on historical credit losses experienced from the past 3 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

Management has closely monitored the credit qualities and the collectability of the trade and bills receivables. The adoption of the simplified expected credit loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade and bills receivables as at 1 January 2018.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(a) **本集團採納的新訂及經修訂準則** (續)

採納之影響 (續)

金融資產減值 (續)

應收賬款及應收票據

本集團應用香港財務報告準則第9號所訂明的簡化方法就預期信貸虧損作出撥備，該規定允許對所有應收賬款及應收票據採用全期之預期虧損。為計量預期信貸虧損，對於已知存在財務困難的客戶或回收性存在重大疑問的應收款會就計提減值撥備時作出個別評估。

預期信貸虧損亦會把其餘應收款根據客戶性質、地理位置以及賬齡組別考慮其分估信貸風險特徵進行分組，共同評估其回收可能性，並將預期信貸虧損率應用於相關應收款項的賬面淨值。

預期信貸虧損率乃根據過往三年內出現的歷史信貸虧損釐定，並經調整以反映現時及前瞻性資料，例如有關影響客戶償付應收款項能力的宏觀經濟因素。

管理層已密切監督應收賬款及應收票據的信貸素質及可收回性。採納香港財務報告準則下之簡化預期信貸虧損方法並無導致應收賬款及應收票據於二零一八年一月一日出現任何額外減值虧損。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(a) New and amended standards adopted by the Group (continued)

Impact of adoption (continued)

Impairment of financial assets (continued)

Other financial assets carried at amortised cost

For other financial assets carried at amortised cost, the expected credit loss is based on the 12-month expected credit loss. It is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. Management has closely monitored the credit qualities and the collectability of the other financial assets at amortised cost and considers that the expected credit loss is immaterial.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(a) 本集團採納的新訂及經修訂準則 (續)

採納之影響 (續)

金融資產減值 (續)

按攤銷成本列賬之其他金融資產

就按攤銷成本列賬之其他金融資產而言，預期信貸虧損乃基於12個月之預期信貸虧損。其乃於報告日期後12個月內可能出現的金融工具違約事件所導致的全期預期信貸虧損之一部分。然而，倘信貸風險從最初開始大幅增加，則準備將基於全期預期信貸虧損。管理層已密切監督按攤銷成本列賬的其他金融資產之信貸素質及可收回性，並認為預期信貸虧損甚微。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(b) Impact of standards issued but not yet applied by the Group

HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the consolidated balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$35,986,000, see Note 33. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(b) 已頒佈但本集團尚未應用準則的影響

香港財務報告準則第16號租賃

香港財務報告準則第16號於二零一六年一月公佈。此準則將導致在經營租賃及融資租賃之間的差異遭取消的情況下，近乎所有租賃均在承租人綜合資產負債表中確認。根據新準則，資產（租賃項目的使用權）及繳納租金之金融負債均須確認，惟期限較短及價值較低租賃不在此列。

出租人的會計處理將不會有重大變化。

該準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團的不可撤銷經營租賃承擔為35,986,000港元（見附註33）。然而，本集團尚無法確定此等承擔中將導致確認資產及未來付款負債的金額，以及其將如何影響本集團的溢利及現金流量分類。

部分承擔可能因期限較短及價值較低租賃而豁免確認相關資產或負債，而部分承擔可能不符合香港財務報告準則第16號下有租賃的要求。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(b) Impact of standards issued but not yet applied by the Group (continued)

HKFRS 16 Leases (continued)

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards and interpretations that are not yet effective that would be expected to have a material impact on the entity's consolidated financial statements.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(續)

(b) 已頒佈但本集團尚未應用準則的影響 (續)

香港財務報告準則第16號租賃 (續)

本集團將於二零一九年一月一日的強制採納日期起應用該準則。本集團有意採用簡化過渡方法，且將不會在首次採納前重列比較金額。物業租賃的使用權資產將於過渡時釐定，猶如該新規則一直獲應用。所有其他使用權資產將按採納時的租賃負債金額計量（就任何預付或應計租賃開支作出調整）。

並無尚未生效的其他準則或詮釋預期會對本集團綜合財務報表產生重大影響。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting

(i) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) *Associated companies*

Associated companies are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

2 主要會計政策概要(續)

2.2 綜合原則及權益會計法

(i) *附屬公司*

附屬公司指本集團對其有控制權的所有實體。本集團對實體有控制權，是指本集團因參與該實體的營運而獲得或有權享有其可變回報，並能夠運用其指導實體活動的權力影響上述回報。附屬公司在控制權轉移至本集團當日悉數綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

本集團的業務合併使用收購會計法入賬。

集團內公司間交易、結餘及集團公司間交易的未變現收益均予以抵銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司的會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

於附屬公司業績及權益的非控股權益分別於綜合收益表、綜合全面收益表、綜合權益變動表及綜合資產負債表內列示。

(ii) *聯營公司*

聯營公司指本集團對其有重大影響力而無控制權或共同控制權的實體，通常情況乃本集團持有20%至50%表決權。於聯營公司的投資乃初步按成本確認後，使用權益會計法（見下文(iii)）入賬。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting (continued)

(iii) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the consolidated income statement, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associated companies are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associated company are eliminated to the extent of the Group's interest in this entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in Note 2.10.

2 主要會計政策概要(續)

2.2 綜合原則及權益會計法(續)

(iii) 權益會計法

根據權益會計法，投資初步按成本確認，隨後予以調整以確認本集團在被投資方綜合收益表中所佔收購後溢利或虧損及於被投資方其他全面收益中所佔其他全面收益變動。已收或應收聯營公司股息乃確認為投資賬面值的減少。

當本集團分佔以權益法入賬投資的虧損等於或超過其佔實體的權益(包括任何其他無抵押長期應收款項)時，本集團不再確認進一步虧損，除非本集團代表其他實體承擔義務或支付款項。

本集團及其聯營公司間交易所產生未變現收益的對銷，只限於本集團於該等實體的應佔權益。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。以權益法入賬的被投資方的會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

以權益法入賬的投資的賬面值根據附註2.10所述政策進行減值測試。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting (continued)

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the consolidated income statement. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 主要會計政策概要(續)

2.2 綜合原則及權益會計法(續)

(iv) 擁有權權益變動

本集團將其與非控股權益進行而不構成喪失控制權的交易視為與本集團權益持有者間進行的交易。擁有權權益變動會導致控股及非控股權益賬面值調整，以反映各自於附屬公司的權益。非控股權益調整金額與已付或已收代價的差額，乃於本公司擁有人應佔權益內確認為獨立儲備。

倘本集團因喪失控制權或重大影響力而停止對一筆投資綜合入賬或使用權益會計法，於實體的任何保留權益按公平值重新計量，有關賬面值變動在綜合收益表確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額，按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前在其他全面收益確認的金額重新分類至損益或根據適用香港財務報告準則所訂明／准許者，轉撥至另一權益類別。

倘減少聯營公司的擁有權權益但仍保留重大影響，則僅會將先前於其他全面收益確認的金額中按比例計算的份額重新分類至損益（倘適用）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated income statement as a bargain purchase.

2 主要會計政策概要 (續)

2.3 業務合併

所有業務合併均以收購會計法入賬，無論所收購者為權益工具或其他資產。收購一間附屬公司所轉讓的代價包括：

- 所轉讓資產的公平值
- 所收購對象先前擁有人產生的負債
- 本集團發行的股權
- 或然代價安排產生的任何資產或負債的公平值；及
- 任何先前存在的附屬公司股權的公平值

除有限例外情況外，於業務合併收購的可識別資產以及承擔的負債及或然負債，初步按收購日期的公平值計量。本集團根據個別收購交易按公平值或非控股權益應佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

收購相關成本於產生時支銷。

- 所轉讓代價，
- 於被收購實體的任何非控股權益金額，及
- 任何先前於被收購實體的權益於收購日期的公平值

與已收購可識別資產淨值的公平值的差額按商譽列賬。倘上述金額低於所收購業務可識別資產淨值的公平值，有關差額會作為一項廉價購買直接於綜合收益表確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Business combinations (continued)

Contingent consideration payable is classified either as equity or financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated income statement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated income statement.

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of an investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors that make strategic decisions.

2 主要會計政策概要 (續)

2.3 業務合併 (續)

應付或然代價歸類為權益或金融負債。歸類為金融負債的金額其後重新計量至公平值，公平值變動於綜合收益表確認。

倘業務合併分階段完成，收購方過往於收購對象所持股權於收購日期的賬面值重新計量至收購日期的公平值；該項重新計量所產生的任何收益或虧損，於綜合收益表確認。

2.4 獨立財務報表

於附屬公司的投資按成本值扣除減值列賬。成本包括直接應佔投資成本。附屬公司的業績乃由本公司按已收股息及應收款項基準入賬。

倘股息超出附屬公司宣派股息期間全面收益總額，或倘獨立財務報表中投資賬面值超出綜合財務報表所示投資對象資產淨值（包括商譽）的賬面值，則須於自該投資收取股息時，對該等附屬公司的投資進行減值測試。

2.5 分部報告

經營分部乃以與向主要經營決策者提交內部報告一致的方式呈報。主要經營決策者負責分配資源及評估經營分部的表現，已被確認為作出策略決策的執行董事。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates or the currency in which funds from financing activities are generated (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and the Group's presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within "finance costs". All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within "administrative expenses".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair values are reported as part of the fair value gain or loss. For example, translation differences on non-monetary financial assets and liabilities such as equities held at FVPL are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as financial assets at FVOCI are recognised in other comprehensive income.

2 主要會計政策概要 (續)

2.6 外幣換算

(a) *功能及呈報貨幣*

本集團各實體於財務報表內入賬的項目採用有關實體經營所在主要經濟環境的貨幣或融資活動產生資金的貨幣（「功能貨幣」）計量。綜合財務報表以港元呈報，而港元為本公司的功能及本集團的呈報貨幣。

(b) *交易及結餘*

外幣交易按交易當日適用之匯率或重新計量項目之估值換算為功能貨幣。因結算交易及按年末匯率換算以外幣列值的貨幣資產及負債產生的外匯收益及虧損均於綜合收益表確認。

與借貸有關之外匯收益及虧損於綜合收益表之「融資成本」內呈列。所有其他外匯收益及虧損於綜合收益表之「行政費用」內按淨基準呈列。

按公平值計量並以外幣計值之非貨幣項目使用釐定公平值當日之匯率換算。按公允值列賬之匯兌差額呈報為公平值損益之一部分。例如，非金融資產及負債，如經損益表以公平值計量且其變化計入損益的持有之股權於損益表中確認為公平值收益或虧損之一部份，而非金融資產，例如歸類為按公平值計入其他全面收益之金融資產之股權，乃於其他全面收益中確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation (continued)

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the consolidated income statement, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 主要會計政策概要 (續)

2.6 外幣換算 (續)

(c) 集團公司

功能貨幣與呈報貨幣不相同的海外業務(全部均非高通脹經濟的貨幣)的業績及財務狀況,按以下方式換算為呈報貨幣:

- (i) 各資產負債表所呈列資產及負債,按結算日的收市匯率換算;
- (ii) 各收益表的收入及支出均按平均匯率換算,(惟此平均值並非該等交易日期通行匯率具累積效果的合理約數除外。在此情況下,收入及支出將按交易日期匯率換算);及
- (iii) 所有由此產生的匯兌差額在其他全面收益中確認。

於編製綜合賬目時,換算海外實體任何投資淨額及借貸產生的匯兌差額均於其他全面收益確認。當出售海外業務或償還構成該投資淨額部分的任何貸款,相關的匯兌差額於綜合收益表重新歸類為出售的部分收益或虧損。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債,並按收市匯率換算。產生的匯兌差額在其他全面收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment

Except for the freehold land with indefinite useful life, all other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Freehold land with indefinite life is stated at historical cost less impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Buildings	5% – 10%
Leasehold improvements	20% or over lease terms, whichever is shorter
Office furniture and equipment	18% – 25%
Plant and equipment	9% – 33%
Motor vehicles	18% – 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "administrative expenses" in the consolidated income statement.

2 主要會計政策概要 (續)

2.7 物業、廠房及設備

除了具有不確定可使用年期的永久業權土地，所有物業、廠房及設備按歷史成本減折舊及減值虧損入賬。具有不確定年期的永久業權土地按歷史成本減值虧損入賬。歷史成本包括收購此等項目直接應佔開支。

當與項目有關的未來經濟利益可能流入本集團，以及項目成本能可靠計算時，其後成本才會計入資產的賬面值或確認為獨立資產（如適用）。已替換部份的賬面值被終止確認。所有其他維修及保養費於產生的財政期間在綜合收益表中扣除。

物業、廠房及設備的折舊以直線法於其估計可用年期內分配其成本至剩餘價值。所採用品率如下：

樓宇	5% – 10%
租賃物業裝修	20%或按租賃年期（以較短者為準）
辦公室傢俱及設備	18% – 25%
廠房及設備	9% – 33%
汽車	18% – 25%

資產的剩餘價值及可用年期會於各報告期末審閱及調整（如適用）。倘資產的賬面值超過其估計可收回金額，則其賬面值將即時撇減至其可收回金額。

出售資產的收益及虧損指出售所得款項與有關資產賬面值之間差額，並於綜合收益表的「行政開支」內確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment (continued)

Construction in progress represents property, plant and equipment under construction or pending installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

2.8 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes and not larger than an operating segment.

(b) Brand names, contractual customer relationships and others

Brand names, contractual customer relationships and others acquired in a business combination are recognised at fair values at the acquisition date. These intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their expected lives from 5 to 10 years to allocate the cost of them.

2 主要會計政策概要 (續)

2.7 物業、廠房及設備 (續)

在建工程指在建或待安裝的物業、廠房及設備，並按成本值扣除減值虧損列賬。成本為施工期間直接建造成本（包括施工應佔的借貸成本）。在相關資產完工並且可以使用前，不計入在建工程的折舊。

2.8 無形資產

(a) 商譽

收購附屬公司產生的商譽納入無形資產。商譽不會攤銷，但每年作減值測試，倘有事件或情況變化顯示商譽可能減值，則會更頻密地進行測試，並按成本減累計減值虧損列賬。出售實體的所得及虧損包括與被出售實體相關的商譽的賬面值。

商譽被分配至現金產生單位以作減值測試，且為分配至預期可從產生商譽之業務合併中得益之現金產生單位或現金產生單位組別。各單位或單位組別為就內部管理目的而監察商譽的最低層次，並且不得大於一個經營分部。

(b) 商標、合約客戶關係及其他

於業務合併時收購的商標、合約客戶關係及其他按照於收購日期的公平值確認。該等無形資產具有有限可使用年期及按照成本減累計攤銷列賬。攤銷乃使用直線法計算，分配至該等5至10年的預計年期內的成本。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Land use rights

Land use rights are stated at cost less accumulated amortisation and impairment losses. Cost represents upfront prepayments made for the rights to use the land for periods varying from 10 to 50 years. Amortisation of land use rights is charged to the consolidated income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is charged to the consolidated income statement.

2.10 Impairment of non-financial assets

Goodwill not subject to amortisation is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 主要會計政策概要 (續)

2.9 土地使用權

土地使用權按成本減累計攤銷及減值虧損列賬。成本指就使用土地權利而支付之預付款項，為期10至50年。土地使用權攤銷於租期內按直線法在綜合收益表中扣除，或當出現減值，有關減值在綜合收益表中扣除。

2.10 非金融資產的減值

商譽每年進行減值測試，或倘有事件或情況變動表明其可能出現減值，則會更頻繁地進行減值測試。須攤銷的資產須於未必可收回賬面值的事件或變動發生時檢討是否出現減值。減值虧損為資產賬面值超越其可收回價值的數額。可收回金額為資產公平值減處置成本後的價值，與其使用價值之間的較高者。就評估資產減值而言，本集團按個別可識別現金流入，其很大程度獨立的現金流入來自其他資產或資產組合（現金產生單位）的最低水平劃分資產類別。除商譽外，已蒙受減值的非金融資產在各報告期間均就減值是否可以撥回進行檢討。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets

2.11.1 Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

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

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

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產

2.11.1 分類

自二零一八年一月一日起，本集團將其金融資產分類為下列計量類別：

- 隨後按公平值計量的金融資產（透過其他全面收益，或透過損益呈列），及
- 按攤銷成本計量的金融資產。

分類取決於實體管理金融資產之業務模式及現金流之合約條款。

就按公平值計量之資產而言，其收益及虧損將於損益或其他全面收益列賬。就未持作買賣的權益工具投資而言，此將取決於本集團是否不可撤銷地選擇於初始確認時列作按公平值計入其他全面收益呈列的權益投資。

本集團當且僅當管理該等資產之業務模式變動時重新分類債務投資。

2.11.2 確認及終止確認

以日常方式買賣的金融資產於交易日確認，交易日為本集團承諾購買或出售資產之日。當金融資產收取現金流量的權利屆滿或已轉讓且本集團已轉讓幾乎所有風險及所有權回報時，終止確認金融資產。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at FVPL are expensed in the consolidated income statement.

- **Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories to classify the debt instruments:

(1) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated income statement. Impairment losses are presented as separate line item in the consolidated income statement.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.3 計量

於初始計量時，如非按公平值計入損益之金融資產，本集團按該金融資產之公平值加直接歸屬於該金融資產收購之交易成本計量。按公平值計入損益之金融資產之交易成本則於綜合收益表列作開支。

- **債務工具**

債務工具之後續計量取決於本集團管理資產之業務模式及該等資產之現金流量特徵。債務工具可分為三種計量類別：

(1) 攤銷成本

持作收回合約現金流量之資產，倘該等資產現金流量僅指支付之本金及利息，則按攤銷成本計量。從該等金融資產所得利息收入使用實際利率法計入融資收入。因終止確認產生之任何收益或虧損直接於綜合收益表內確認。減值虧損於綜合收益表呈列為單獨項目。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

2.11.3 Measurement (continued)

- **Debt instruments (continued)**

- (2) Fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented as separate line item in the consolidated income statement.

- (3) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated income statement in the period in which it arises.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.3 計量 (續)

- **債務工具 (續)**

- (2) 按公平值計入其他全面收益

持作收回合約現金流量及出售金融資產之資產，倘該等資產現金流量僅指支付本金及利息，則按公平值計入其他全面收益計量。賬面值之變動乃計入其他全面收益，惟於綜合收益表確認之減值收益或虧損、利息收入及外匯收益及虧損之確認除外。金融資產終止確認時，先前於其他全面收益確認之累計收益或虧損由權益重新分類至損益。該等金融資產之利息收入乃按實際利率法計入融資收入。減值開支於綜合收益表呈列為單獨項目。

- (3) 按公平值計入損益

未達按攤銷成本計量或按公平值計入其他全面收益的標準資產乃按公平值計入損益。後續按公平值計入損益計量之債務投資之收益或虧損於其產生期間於綜合收益表內確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

2.11.3 Measurement (continued)

- **Equity instruments**

The Group subsequently measures all equity investments at fair values. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated income statement as "other gains" when the Group's right to receive payments is established.

Changes in the fair value of financial asset at FVPL are recognised in "other gains" in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.11.4 Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.3 計量 (續)

- **權益工具**

本集團後續按公平值計量所有權益投資。倘本集團管理層選擇於其他全面收益表列報權益投資之公平值收益及虧損，於終止確認投資後，概無後續重新分類公平值收益及虧損至損益表。當本集團有權收取股息付款時，該等投資之股息繼續於綜合收益表內確認為「其他收益」。

按公平值計入損益之金融資產公平值變動於綜合收益表確認為「其他收益」。按公平值計入其他全面收益之權益投資之減值虧損（及減值虧損撥回）不會與其公平值變動分開列報。

2.11.4 減值

自二零一八年一月一日起，本集團按前瞻性基準評估與按攤銷成本之債務工具有關之預期信貸虧損。應用之減值方法取決於信貸風險是否大幅增加。

就應收賬款及應收票據而言，本集團應用香港財務報告準則第9號批准之簡化方法，其規定初始確認應收款項時予以確認之預計使用年期虧損。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

2.11.5 Accounting policies applied until 31

December 2017

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 December 2017, the Group classifies its financial assets in loans and receivables, and AFS. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

- **Reclassification**
Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made.
- **Subsequent measurement**
The measurement at initial recognition did not change on adoption of HKFRS 9, see description above. AFS is subsequently carried at fair values. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Changes in the fair values of monetary and non-monetary securities classified as AFS are recognised in other comprehensive income.

When securities classified as AFS are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.5 應用二零一七年十二月三十一

日前的會計政策

本集團應用香港財務報告準則第9號進行追溯，但選擇未重列比較資料。因此，比較資料依舊按照與本集團以往的會計政策入賬。

二零一七年十二月三十一日前，本集團將其金融資產分類為貸款及應收款項，以及可供出售。分類取決於購入金融資產的目的。管理層於初步確認時釐定其金融資產的分類。

- **重新分類**
重新分類以重新分類當日的公平值計量。如適用，公平值作為新的成本或攤銷成本，且重新分類當日之前計入的公平值損益在以後期間不可予以回撥。
- **後續計量**
初步確認的計量並不會因採納香港財務報告準則第9號而改變，見上文描述。可供出售隨後按公平值入賬。貸款及應收款項隨後運用實際利息法按攤銷成本入賬。分類為可供出售的貨幣及非貨幣證券的公平值變動於其他全面收益確認。

當分類為可供出售的證券出售或減值時，於權益內確認的累計公平值調整會計入全面收益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

2.11.5 Accounting policies applied until 31

December 2017 (continued)

- **Impairment**

The Group assesses at each of the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables category, the amount of the loss 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 been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.5 應用二零一七年十二月三十一

日前的會計政策 (續)

- **減值**

本集團於各結算日評估是否有客觀證據顯示某一項金融資產或某一組金融資產已減值。當有客觀證據顯示於初次確認資產後曾發生一項或多項導致減值的事件(「虧損事件」)，而該項或該等虧損事件對該項或該組金融資產的估計未來現金流量構成能可靠地估計的影響，則該項或該組金融資產已減值及產生減值虧損。倘屬分類為可供出售的權益投資，則證券公平值大幅或長期跌至低於其成本會被視為資產減值的證據。

按攤銷成本列賬的資產

就貸款及應收款項類別而言，虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)按金融資產原實際利率貼現的現值之間的差額計量。資產賬面值減少及虧損金額於綜合收益表確認。

倘於其後期間減值虧損金額減少且有關減少可與確認減值後發生的一項事件(如債務人的信貸評級改善)客觀相關，則於綜合收益表確認撥回之前確認的減值虧損。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

2.11.5 Accounting policies applied until 31

December 2017 (continued)

- **Impairment** (continued)

Assets classified as available-for-sale

If there is objective evidence of impairment for AFS, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement – is removed from equity and recognised in the consolidated income statement. Impairment losses on equity instruments that were recognised in consolidated income statement are not reversed through the consolidated income statement in a subsequent period.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.5 應用二零一七年十二月三十一

日前的會計政策 (續)

- **減值** (續)

分類為可供出售的資產

倘可供出售資產存在減值的客觀證據，則累計虧損—按收購成本及目前公平值，減該金融資產之前於綜合收益表確認的任何減值虧損的差額計量—將從權益移除並於綜合收益表確認。於綜合收益表確認的權益工具的減值虧損於其後期間不會通過綜合收益表撥回。

2.12 金融工具抵銷

倘若存在合法可強制執行的權利以抵銷所確認金額及擬按淨額基準結算或變現資產及同時結算負債，則金融資產與負債相互抵銷，而淨額於綜合資產負債表內呈報。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘本公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour cost and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Trade and bills receivables

Trade and bills receivables including retention money receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and bills receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less provision for impairment.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "net impairment losses on financial assets" in the consolidated income statement.

2.15 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash on hand and deposits held at call with banks, with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 主要會計政策概要 (續)

2.13 存貨

存貨乃以成本值及可變現淨值兩者中較低者列賬。成本以加權平均法釐定。製成品及在製品的成本包括原材料、直接人工成本及有關生產經常開支（按正常營運能力計算）。可變現淨值為正常業務過程中的估計售價扣除適用的可變銷售開支。

2.14 應收賬款及應收票據

應收賬款及應收票據（包括應收預扣金額）為於正常業務過程中就出售商品或履行服務而應收客戶的款項。倘應收賬款及應收票據預期於一年內（或如屬較長時間，則於一般營運業務週期）收回，則分類為流動資產。否則，呈列為非流動資產。

應收賬款初步按無條件代價金額確認，除非其包含重大融資部分，則按公平值確認。本集團持有應收賬款之目的為收取合約現金流量，因此其後採用實際利息法按攤銷成本減去減值撥備計量。

當應收賬款不可收回時，該金額在應收賬款撥備賬中撇銷。其後收回早前撇銷的金額則撥回扣除綜合收益表中的「金融資產之減值淨虧損」。

2.15 現金及現金等價物

於綜合現金流量表，現金及現金等價物包括手上現金及期限為三個月以下之銀行活期存款。

2.16 股本

普通股分類為權益。直接歸屬於發行新股份或購股權的新增成本於權益中呈列為所得款項的減少（扣除稅項）。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Trade, bills and other payables

Trade and bills payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade, bills and other payables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are initially recognised at fair values, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated income statement as "other income" or "finance costs".

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

2 主要會計政策概要 (續)

2.17 應付賬款、應付票據及其他應付賬款

應付賬款及應付票據是企業日常業務從供應商提供商品或勞務中須支付的義務。如果付款期限少於一年（或若更長在企業正常營業週期），應付賬款及應付票據則被歸類為流動負債。否則，將被歸為非流動負債。

應付賬款、應付票據及其他應付賬款初步按公平值確認，其後使用實際利率法按攤銷成本計算。

2.18 借貸

借貸初步以公平值（經扣除所產生的交易成本）確認。借貸隨後按攤銷成本計量。所得款項（經扣除交易成本）與贖回金額之間的任何差額，乃於借貸期間在綜合收益表內以實際利率法確認。在貸款融資將可能部分或全部被提取的情況下，就設立貸款融資而支付的費用乃確認為貸款交易成本。在此情況下，該費用將被遞延，直至提取貸款時為止。在並無證據表明其將可能部分或全部被提取的情況下，該費用會作為流動資金服務的預付款項被撥充資本，並於其相關融資期間內予以攤銷。

當合約中規定的責任獲解除、取消或屆滿時，會將借貸從綜合資產負債表中移除。已消除或轉移至另一方的金融負債的賬面值與已付代價（包括所轉讓的非現金資產或所承擔的負債）之間的差額，乃於綜合收益表內確認為「其他收入」或「財務費用」。

除非本集團有無條件權利，將償付負債遞延至報告期後至少12個月，否則借貸會被分類為流動負債。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2 主要會計政策概要 (續)

2.19 當期及遞延所得稅

本期間稅項開支包括當期及遞延稅項。稅項於綜合收益表確認，稅項是有關於其他全面收益項下確認或直接計入權益的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

(a) 當期所得稅

當期所得稅支出根據本公司附屬公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(b) 遞延所得稅

遞延所得稅乃就資產與負債的稅基及有關資產與負債於綜合財務報表中的賬面值兩者的暫時差額，以負債法悉數撥備。然而，倘遞延稅項負債產生自初步確認商譽，則不會列賬。倘遞延所得稅乃產生自於交易（業務合併除外）內初步確認資產或負債，而於交易當時並無影響會計或應課稅溢利或虧損，亦不會列賬。遞延所得稅乃以於結算日制定或實質制定的稅率（及法例）釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

遞延稅項資產於未來可能有應課稅金額可用作抵銷暫時性差額及虧損時方予以確認。

當海外業務投資的賬面值及稅基出現暫時性差額，而本集團能夠控制暫時性差額撥回時間，且可能不會在可見將來撥回時，不會確認遞延稅項負債及資產。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax (continued)

(c) Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.20 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision, where appropriate, is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

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

(b) Post employment pension obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

2 主要會計政策概要 (續)

2.19 當期及遞延所得稅 (續)

(c) 抵銷

倘有法定可執行權利將當期稅項資產與負債相互抵銷而遞延稅項結餘涉及同一稅務機構，則遞延稅項資產與負債可予相互抵銷。倘有關實體有法定可執行權利可抵銷及有意按淨值基準結算，或有意同時變現資產及結算負債，則當期稅項資產及負債可相互抵銷。

2.20 僱員福利

(a) 僱員應有假期

僱員獲享的年假在僱員可享有時確認。本集團會對僱員服務至結算日所累積的年假估算負債作出撥備（倘適用）。

僱員獲享的病假及產假直至僱員休假之時方會確認。

(b) 離職退休金責任

本集團設有多項離職計劃，包括界定福利及界定供款退休金計劃。

於綜合資產負債表就界定福利退休計劃確認的負債或資產為於結算日的界定福利責任現值減計劃資產的公平值。界定福利責任每年由獨立精算師採用預計單位記存法進行計算。

界定福利責任的現值乃以支付福利的貨幣計值及與相關責任的年期相若的優質公司債券的利率，貼現估計未來現金流出而釐定。在並無有關債券的交投暢旺市場的國家，採用政府債券的市場比例。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits (continued)

(b) Post employment pension obligations

(continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated income statement.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in “employment benefit reserve” in the consolidated statement of changes in equity and “reserves” in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated income statement as past service costs.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “Pension Scheme”) set up pursuant to the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the Pension Scheme. The assets of the Pension Scheme are held separately from those of the Group in an independently administrated fund. The Group’s employer contributions vest fully with the employees when contributed to the Pension Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to vesting fully in the contributions, in accordance with the rules of the Pension Scheme.

2 主要會計政策概要 (續)

2.20 僱員福利 (續)

(b) 離職退休金責任 (續)

利息成本淨額按界定福利責任的結餘淨額及計劃資產公平值，採用貼現率計算。此項成本計入綜合收益表的僱員福利開支內。

根據經驗而調整所產生重新計量收益及虧損以及精算假設的變動，於產生期間直接在其他全面收益確認，並計入綜合權益變動表的「在職福利儲備」及綜合資產負債表的「儲備」內。

因修訂或縮減計劃而令界定福利責任的現值變動，其變動將即時在綜合收益表中確認為過往服務成本。

本集團亦為其所有香港僱員運作一個根據強制性公積金計劃條例設立的定額供款強制性公積金退休計劃（「退休計劃」）。退休計劃的供款按僱員基本薪金的某個百分比計算，並於根據退休計劃規定應支付供款時在綜合收益表扣除。退休計劃的資產與本集團的資產分開持有，並由獨立管理基金保管。本集團的僱主供款在向退休計劃作出供款時悉數歸屬僱員，惟本集團作出的僱主自願供款，會按照退休計劃的規則在僱員於有關供款全數歸屬前離職時退回予本集團。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits (continued)

(b) Post employment pension obligations

(continued)

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

In addition, pursuant to the government regulations in the People's Republic of China (the "PRC"), the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 7% to 20% of the wages for the year of those employees in the PRC. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group. Contributions to these retirement benefits schemes are charged to the consolidated income statement as incurred.

(c) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 主要會計政策概要 (續)

2.20 僱員福利 (續)

(b) 離職退休金責任 (續)

本集團於支付供款後即無其他付款責任。供款於到期應付時確認為僱員福利開支，並於僱員於供款全數歸屬前離職所放棄供款時扣減。預付供款於退回現金或可對銷未來供款時確認為資產。

此外，根據中華人民共和國（「中國」）政府的規例，本集團須按中國員工該年度的工資約7%至20%就若干退休福利計劃作出供款，由地方市政府承擔該等本集團僱員的退休福利責任。就該等退休福利計劃作出的供款於產生時在綜合收益表中扣除。

(c) 溢利分享及花紅計劃

本集團按照特定計算方法就花紅及溢利分享確認負債及開支，該計算方法已計入本公司股東應佔溢利並作出若干調整。當出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Share-based payments

(a) *Equity-settled share based payment transactions*

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2 主要會計政策概要 (續)

2.21 以股份為基礎支付

(a) *按股本結算以股份為基礎支付交易*

本集團推行一項按股本結算、以股份為基礎支付酬金的計劃，據此，實體從其僱員獲得服務作為換取本集團權益工具（購股權）的代價。為換取授出購股權而獲得僱員服務的公平值乃確認為開支。列作開支的總金額，乃參照已授出的購股權的公平值釐定：

- 包括任何市場表現情況；
- 不包括任何服務及非市場表現歸屬條件（例如有關人士於一段特定期間內是否仍為該實體的僱員）；及
- 包括任何非歸屬條件的影響。

總開支於歸屬期內確認，其為將全部特定歸屬條件將滿足的期間。

於各報告期間結算日，本集團會修訂其對根據非市場表現及服務條件預期將歸屬的購股權數目的估計。其於綜合收益表確認對原來估計作出修訂的影響（如有），並在權益作出相應調整。

於購股權獲行使時，本公司發行新股份。已收所得款項於減去所有直接應佔交易成本後撥入股本（面值）及股份溢價。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Share-based payments(continued)

(b) *Share-based payment transactions among group entities*

The grant by the Company of options over its equity instruments to the employees of subsidiaries undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 主要會計政策概要(續)

2.21 以股份為基礎支付(續)

(b) *集團實體間以股份為基礎支付交易*

本公司向為本集團工作的附屬公司僱員所授出其股本工具的購股權被視為資本出資。所獲得僱員服務的公平值乃參考授出日期的公平值計量，於歸屬期內確認為增加對附屬公司的投資，並相應計入母公司實體賬目的權益。

2.22 撥備

當本集團因過往事件承擔現有法律或推定責任，而解除責任很有可能導致資源流出，且金額能夠可靠計算的情況下，便會確認撥備。

倘承擔若干類似責任，於釐定解除責任是否導致資源流出時，將以整類責任類別為考慮。即使同類責任當中任何一項導致資源流出可能性甚低，亦會確認撥備。

撥備採用稅前利率按照預期需結算有關責任的支出現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息開支。



Notes to the Consolidated Financial Statements

綜合財務報表附註



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue recognition

(i) Sales of goods

The Group develops and sells E-payment Terminals products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has accepted the products and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. The Group recognised its contract liabilities under other payables and accruals as receipt in advance from customers in the consolidated balance sheet.

(ii) Provision of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue from maintenance and installation services is recognised based on the actual service provided.

2.24 Interest income

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

2 主要會計政策概要 (續)

2.23 收入確認

(i) 貨品銷售

本集團開發及銷售電子支付終端產品。當產品的控制權轉移時確認銷售，即當產品交付予客戶，客戶已接納產品且無影響客戶接納產品的未履行責任。

當產品交付時，並從即刻開始，可以無條件收到代價（到期付款前的時間流逝除外），便可確認為應收款。

合約負債於本集團確認相關收入前，於客戶支付代價或合約需要支付代價且金額已到期時確認。本集團於綜合資產負債表中確認其合約負債為其他應付賬款及應計款項下的預收款項。

(ii) 提供服務

提供服務所得收益於提供服務的會計期間內確認。維修及安裝服務之收益根據實際提供之服務確認。

2.24 利息收入

利息收入以實際利率法按時間比例確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Leases (as the lessee for operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.26 Value-added tax refund

Value-added tax refund are recognised in “other income” in the consolidated income statement when there is a reasonable assurance that the refund will be received which generally occurs upon the receipt of the approval of tax refund from the local tax bureau.

2.27 Government grants

Grants from the government are recognised in “other income” in the consolidated income statement at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

2.28 Research and development

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.29 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s and the Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders or directors, where appropriate.

2 主要會計政策概要 (續)

2.25 租約 (經營租約的承租人)

凡擁有權所涉及大部分風險及回報由出租人保留的租約，均列作經營租約。根據經營租約所付租金在扣除來自出租人的任何優惠後，在租約年內以直線法在綜合收益表支銷。

2.26 增值稅退稅

倘有合理保證可收到退稅，即通常於收到當地稅務局的退稅批准後，本集團乃於綜合收益表的「其他收入」內確認增值稅退稅。

2.27 政府資助

倘有合理保證可收到政府資助而本集團亦將會遵行所有附帶條件時，該政府資助將會按公平值於綜合收益表「其他收入」確認。

2.28 研發

研究開支於產生時支銷。考慮其商業及技術可行性而認為該項目將成功且成本能可靠地計量時，於發展項目產生的成本（有關設計及測試新產品或改良產品）確認為無形資產。其他發展開支於產生時支銷。過往確認為開支的發展成本不會於往後期間確認為資產。

2.29 股息分派

向本公司股東分派的股息於本公司股東或董事（視乎適用情況）批准股息期內，在本集團及本公司的財務報表內確認為負債。



Notes to the Consolidated Financial Statements

綜合財務報表附註



3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's foreign currency transactions are mainly denominated in Renminbi ("RMB"), HK\$, United States dollar ("US\$") and European dollar ("EUR"). The majority of assets and liabilities are denominated in RMB, HK\$, US\$ and EUR and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities denominating in a currency other than HK\$, RMB, US\$ or EUR, which are the functional currencies of the major operating companies within the Group. The Group currently does not hedge its foreign currency exposure.

The management considers the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$ and transactions denominated in US\$ are mainly carried out by entities with the same functional currency. The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

3 財務風險管理

3.1 財務風險因素

本集團的活動使本集團承受多種財務風險：市場風險（包括貨幣風險、公平值利率風險、現金流利率風險及價格風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃針對金融市場的不可預測性，力求將對本集團財務表現所造成的潛在不利影響降至最低。

(a) 市場風險

(i) 外匯風險

本集團的外幣交易主要以人民幣、港元、美元及歐元計值。大部分資產及負債亦以人民幣、港元、美元及歐元計值，並無重大資產及負債以其他貨幣計值。本集團面對並非以港元、人民幣、美元或歐元（本集團旗下主要營運公司的功能貨幣）計值的未來商業交易及已確認資產及負債所產生的外匯風險。現時，本集團並無對沖其外幣風險。

管理層認為，與美元有關的外匯風險並不重大，乃因港元與美元掛鈎，加上美元計值的交易主要由採用同種功能貨幣的實體進行。人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制規則及規例。本集團透過密切監控外幣匯率的變動來管控其外幣風險。



Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) **Market risk** (continued)

(i) **Foreign exchange risk** (continued)

For the companies with HK\$ as their functional currency

As at 31 December 2018, if RMB had weakened/strengthened by 5% against HK\$ with all other variables held constant, post-tax profit for the year and equity of the Group would have been approximately HK\$6,453,000 (2017: HK\$6,798,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of RMB denominated cash and cash equivalents and the current account with related parties.

As at 31 December 2018, if EUR had weakened/strengthened by 5% against HK\$ with all other variables held constant, post-tax profit for the year and equity of the Group would have been approximately HK\$2,402,000 (2017: HK\$1,308,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of EUR denominated cash and cash equivalents, trade receivables and the current account with related parties.

For the companies with RMB as their functional currency

As at 31 December 2018, if HK\$ had weakened/strengthened by 5% against RMB with all other variables held constant, post-tax profit for the year and equity of the Group would have been approximately HK\$1,320,000 (2017: HK\$2,168,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of HK\$ denominated cash and cash equivalents and the current account with a related party.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) **市場風險** (續)

(i) **外匯風險** (續)

以港元為其功能貨幣的公司

於二零一八年十二月三十一日，倘人民幣兌港元貶值／升值5%，而所有其他可變因素維持不變，本集團年內除稅後溢利及權益將減少／增加約6,453,000港元（二零一七年：6,798,000港元），主要由於換算以人民幣為單位的現金及現金等價物及關聯方往來賬目產生外匯差異所致。

於二零一八年十二月三十一日，倘歐元兌港元貶值／升值5%，而所有其他可變因素維持不變，本集團年度除稅後溢利及權益將減少／增加約2,402,000港元（二零一七年：1,308,000港元），主要由於換算以歐元為單位的現金及現金等價物、應收賬款及關聯方往來賬目產生外匯差異所致。

以人民幣為其功能貨幣的公司

於二零一八年十二月三十一日，倘港元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，本集團年度除稅後溢利及權益將減少／增加約1,320,000港元（二零一七年：2,168,000港元），主要由於換算以港元為單位的現金及現金等價物及關聯方往來賬目產生外匯差異所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

For the companies with EUR as their functional currency

As at 31 December 2018, if US\$ had weakened/strengthened by 5% against EUR with all other variables held constant, post-tax profit for the year and equity of the Group would have been approximately HK\$1,165,000 (2017: HK\$381,000) higher/lower, respectively, mainly as a result of the foreign exchange difference on translation of US\$ denominated current account with a related party.

(ii) Price risk

The Group is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The income and operating cash flows of the Group and the Company are both substantially independent of changes in market interest rates. Both the Group and the Company have no significant interest-bearing assets, except for deposits placed with banks.

As at 31 December 2018, if interest rates on all interest-bearing bank and cash deposits had been 50 basis points higher/lower with all other variables held constant, profit for the year and equity of the Group would have been HK\$8,643,000 (2017: HK\$7,864,000) higher/lower respectively, due to higher/lower interest income earned on the deposits.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

以歐元為其功能貨幣的公司

於二零一八年十二月三十一日，倘美元兌歐元貶值／升值5%，而所有其他可變因素維持不變，本集團年度除稅後溢利及權益將增加／減少約1,165,000港元（二零一七年：381,000港元），主要由於換算以美元為單位的關聯方往來賬目產生外匯差異所致。

(ii) 價格風險

本集團未面臨商品價格風險。

(iii) 現金流及公平值利率風險

本集團及本公司的收入及經營現金流量大部分不受市場利率變動影響，本集團及本公司亦無重大計息資產（存於銀行的存款除外）。

於二零一八年十二月三十一日，倘所有計息的銀行及現金存款的利率高出／低於50個基點而所有其他變數維持不變，該年度的溢利及本集團的權益應會因存款所賺取的利息收入增加／減少而分別增加／減少8,643,000港元（二零一七年：7,864,000港元）。



Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) **Market risk** (continued)

(iii) **Cash flow and fair value interest rate risk**
(continued)

As at 31 December 2018 and 2017, the Group's borrowings are all issued at fixed rates which expose the Group to fair value interest rate risk. Management considers the fair value exposure of the fixed rate borrowings is insignificant to the Group.

(b) **Credit risk**

Credit risk arises from trade and bills receivables, other financial assets at amortised cost, financial asset at FVPL, restricted cash, short-term bank deposits and cash and cash equivalents.

The carrying amounts of trade and bills receivables (Note 21), other financial assets at amortised cost (Note 21), financial asset at FVPL (Note 17), restricted cash (Note 23), short-term bank deposits (Note 24) and cash and cash equivalents (Note 25) represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) **Risk management**

To manage this risk, deposits of the Group are mainly placed with state-owned financial institutions and reputable banks. The Group has policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength, credit history and an appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) **市場風險** (續)

(iii) **現金流及公平值利率風險**
(續)

於二零一八年及二零一七年十二月三十一日，本集團的借貸為按固定利率計息的所有階段，其令本集團面臨公平值利率風險。管理層認為固定利率借貸的公平值風險對本集團而言無關緊要。

(b) **信貸風險**

信貸風險由應收賬款及應收票據、按攤銷成本列賬之其他金融資產、按公平值計入損益之金融資產、受限制現金、短期銀行存款及現金及現金等價物產生。

應收賬款及應收票據（附註21）、按攤銷成本列賬之其他金融資產（附註21）、按公平值計入損益之金融資產（附註17）、受限制現金（附註23）、短期銀行存款（附註24）及現金及現金等價物（附註25）的賬面值乃本集團所面對有關金融資產的最大信貸風險。

(i) **風險管理**

為管控該風險，本集團的存款主要存入國有金融機構及有良好信譽的銀行。本集團已制定政策以確保銷售予擁有相當財政實力、信用歷史及支付適當百分比首期付款的信譽良好客戶，亦制定其他監控程序以確保採取跟進措施收回逾期債務。



Notes to the Consolidated Financial Statements

綜合財務報表附註



3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Risk management (continued)

In addition, the Group reviews regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group has concentration of credit risk. Sales of goods and services to the top five customers constituted 60.7% (2017: 53.5%) of the Group's revenue for the year ended 31 December 2018. They accounted for approximately 52.7% (2017: 43.6%) of the gross trade receivable balances as at 31 December 2018. Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

(ii) Impairment of financial assets

Trade and bills receivables for sales of goods of the Group and from the provision of services are subject to the expected credit loss model. While cash and cash equivalents, restricted cash, short-term bank deposits and other financial assets at amortised cost are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade and bills receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables. The Group measures the expected credit losses on a combination of both individual and collective basis.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(i) 風險管理 (續)

此外，本集團定期審核個人客戶的信用限額授權及每項個別應收賬款的可收回金額，以確保已就不可收回款項計提充分的減值虧損。

本集團有信貸集中風險。截至二零一八年十二月三十一日止年度，向五大客戶銷售的貨物及服務佔本集團營業額60.7%（二零一七年：53.5%）。彼等於二零一八年十二月三十一日佔總應收賬款結餘約52.7%（二零一七年：43.6%）。本集團持續密切監控尚未償還應收結餘的收回情況，務求將信貸風險降至最低。

(ii) 金融資產減值

本集團貨品銷售及提供服務的應收賬款及應收票據須應用預期信貸虧損模式。現金及現金等價物、受限制現金、短期銀行存款及按攤銷成本列賬之其他金融資產亦須遵守香港財務報告準則第9號之減值規定，但已識別之減值虧損甚微。

應收賬款及應收票據

本集團應用香港財務報告準則第9號的簡化方法計量預期信貸虧損，該方法對所有應收賬款及應收票據採用全期之預期虧損準備。本集團以個別基準及共同基準計量預期信貸虧損。



Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade and bills receivables (continued)

Measurement of expected credit loss on individual basis

Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2018, the balance of loss allowance in respect of these individually assessed receivables was HK\$82,330,000 (2017: HK\$49,163,000).

The following table presents the balances of gross carrying amount and the loss allowance in respect of the individually assessed receivables as at 31 December 2018 and 2017:

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Gross carrying amount	賬面總值	82,330	49,163
Loss allowance	損失準備	(82,330)	(49,163)
Net carrying amount	賬面淨值	-	-

Measurement of expected credit loss on collective basis

Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the receivables.

以共同基準計量預期信貸虧損

預期信貸虧損亦會把其餘應收款根據客戶性質、地理位置及帳齡組別考慮其分估信貸風險特徵進行分組，共同評估其回收可能性，並將預期信貸虧損率應用於相關應收款的賬面淨值以釐定其預期信貸虧損撥備。

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產減值 (續)

應收賬款及應收票據 (續)

以個別基準計量預期信貸虧損

對於已知存在財務困難的客戶或回收性存在重大疑問的應收款會就計提減值撥備時作出個別評估。於二零一八年十二月三十一日，個別評估之應收款的損失準備餘額為82,330,000港元（二零一七年：49,163,000港元）。

下表呈列於二零一八年及二零一七年十二月三十一日個別評估應收款項的賬面總值及損失準備餘額：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade and bills receivables (continued)

Measurement of expected credit loss on collective basis (continued)

The expected credit loss rates are determined based on historical credit losses experienced from the past 3 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

As at 31 December 2018, the balance of loss allowance in respect of these collectively assessed trade receivable balances was HK\$1,839,000 based on expected loss rates up to 0.35% applied on different groupings (2017: up to 0.13%, which does not have a material impact to the Group's consolidated financial statements).

Impairment losses on receivables are presented as "net impairment losses on financial assets" in the consolidated income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against the same line item.

Cash and cash equivalents, restricted cash, short-term bank deposits and other financial assets at amortised cost

There is no loss allowance for cash and cash equivalents, restricted cash, short-term bank deposits and other financial assets at amortised cost as at 31 December 2018 (2017: same).

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產減值 (續)

應收賬款及應收票據 (續) 以共同基準計量預期信貸虧損 (續)

預期信貸虧損率乃根據過往三年出現的歷史信貸虧損釐定，並經調整以反映現時及前瞻性資料，例如有關影響客戶償付應收款項能力的宏觀經濟因素。

於二零一八年十二月三十一日，基於適用於不同分組的預期信貸虧損率（最高為0.35%）共同評估之應收款的損失準備餘額為1,839,000港元（二零一七年十二月三十一日：最高為0.13%，對本集團的綜合財務報表並無重大影響）。

應收款的減值虧損於綜合收益表呈列為「金融資產之減值淨虧損」。當應收款不可收回時，該金額在應收款撥備賬中撇銷。其後收回早前撇銷的金額則計入同一項目。

現金及現金等價物、受限制現金、短期銀行存款及按攤銷成本列賬的其他金融資產

於二零一八年十二月三十一日，現金及現金等價物、受限制現金、短期銀行存款及按攤銷成本列賬的其他金融資產並無虧損準備（二零一七年：同上）。



Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Previous accounting policy for impairment of trade and bills receivables

In the prior year, the impairment of trade and bills receivables was assessed based on the incurred loss model. An allowance for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indication that the receivable is impaired.

When a trade and bills receivable is uncollectible, it is written off against the allowance account for trade and bills receivables. Subsequent recoveries of amounts previously written off are credited against "administrative expenses" in the consolidated income statement

The impact on transition to HKFRS 9 on 1 January 2018 (date of adoption of HKFRS 9) as a result of applying the expected credit risk model was immaterial.

(c) Liquidity risk

With prudent liquidity risk management, the Group aims to maintain sufficient cash and cash equivalents and ensure the availability of funding through an adequate amount of available financing, including short-term bank borrowings. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and flexibility in funding through having available sources of financing.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產減值 (續)

應收賬款及應收票據減值的先前會計處理政策

去年，應收賬款及應收票據的減值乃根據已產生虧損模式來評定。當有客觀證據顯示本集團未能根據應收款項的原訂條款收回所有到期款項，即就應收賬款作出減值撥備。債務人的重大財務困難、債務人可能破產或進行債務重組，以及拖欠或逾期付款，均被視為應收款項已減值的跡象。

當應收賬款及應收票據不可收回時，該金額在應收賬款及應收票據撥備賬中撇銷。其後收回早前撇銷的金額則撥回扣除綜合收益表中的「行政開支」。

因應用預期信貸風險模式而對過渡至香港財務報告準則第9號於二零一八年一月一日（香港財務報告準則第9號採納日）的影響並不重大。

(c) 流動資金風險

透過審慎的流動資金風險管理，本集團致力維持充足的現金及現金等價物，或透過充足融資金額（包括短期銀行借貸）取得資金。由於相關業務的多變性質，本集團的融資部門透過維持充足的現金及現金等價物；及透過可動用融資來源維持資金的靈活性。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to interest-bearing bank deposits with appropriate maturities to manage its overall liquidity position. As at 31 December 2018, the Group maintained cash and cash equivalents of approximately HK\$2,160,192,000 (2017: HK\$2,165,224,000), that are expected to be readily available and sufficient to meet the cash outflows of its financial liabilities, hence, management considers that Group's exposure to liquidity risk is not significant.

As at 31 December 2018, the Group's total available banking facilities, amounted to approximately HK\$11,900,000 (2017: HK\$18,031,000), of which approximately HK\$8,244,000 (2017: HK\$14,367,000) has been utilised.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

		Less than 1 year 少於一年 HK\$'000 千港元	Between 1 and 5 years 一至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日			
Trade and bills payables	應付賬款及應付票據	1,190,447	-	1,190,447
Other payables and accruals	其他應付賬款及應計款項	141,082	9,250	150,332
Borrowings	借貸	8,484	-	8,484
Total	總計	1,340,013	9,250	1,349,263
At 31 December 2017	於二零一七年十二月三十一日			
Trade and bills payables	應付賬款及應付票據	953,084	-	953,084
Other payables and accruals	其他應付賬款及應計款項	115,075	2,991	118,066
Borrowings	借貸	15,838	-	15,838
Total	總計	1,083,997	2,991	1,086,988

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

經營實體所持有的現金超過營運資金管理所需的餘額時，會被撥入具有適當期限的計息銀行存款以控制整體流動資金狀況。於二零一八年十二月三十一日，本集團持有現金及現金等價物約2,160,192,000港元（二零一七年：2,165,224,000港元），預期隨時可動用並足夠滿足金融負債的現金流出。因此，管理層認為，本集團所承受的流動資金風險並不重大。

於二零一八年十二月三十一日，本集團之可用銀行融資總額約為11,900,000港元（二零一七年：18,031,000港元），其中已動用約8,244,000港元（二零一七年：14,367,000港元）。

下表根據結算日餘下期間至合約到期日的分析，將本集團的非衍生金融負債分為有關到期日組別。下表所披露的金額為合約未貼現現金流量。由於折現的影響不大，故於十二個月內到期的結餘相等於其賬面價值。



Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management

The Group regards its shareholders' equity as capital. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt includes borrowings of the Group. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus total debt.

As at 31 December 2018 and 2017, the gearing ratio was as follows:

3 財務風險管理 (續)

3.2 資本管理

本集團將其股東權益視為資本。本集團管理資本的目的為保障本集團繼續以持續經營方式為股東提供回報以及為其他利益相關者帶來利益，並且維持最佳資本結構以減少資金成本。

為維持或調整資本結構，本集團可調整向股東支付股息的金額、將資本退還予股東、發行新股份或出售資產以減少債項。

本集團基於資本負債比率監控資本。該比率按債項總額除以資本總額計算。債項總額包括本集團借貸。資本總額為列於綜合資產負債表的「權益」加上債項總額計算。

於二零一八年及二零一七年十二月三十一日，資本負債比率為如下：

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Borrowings (Note 29)	借貸 (附註29)	8,244	14,367
Total debt	債項總額	8,244	14,367
Total equity	權益總額	4,212,608	3,897,066
Total capital	資本總額	4,220,852	3,911,433
Gearing ratio	資本負債比率	0.2%	0.4%

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

(i) Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair values as at 31 December 2018 and 2017 by level of valuation techniques used to measure fair values. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and financial liability that are measured at fair values as at 31 December 2018.

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Financial assets	金融資產				
Financial asset at fair value through profit or loss	按公平值計入損益之金融資產				
– Unlisted investment fund	– 非上市投資基金	–	–	94,058	94,058
Financial asset at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產				
– Unlisted equity investment	– 非上市股本投資	–	–	11,870	11,870
Financial liability	金融負債				
Financial liability at fair value through profit or loss	按公平值計入損益之金融負債				
– Contingent consideration payable	– 應付或然代價	–	–	–	–

3 財務風險管理 (續)

3.3 公平值估計

(i) 公平值層級

下表分析本集團於二零一八年及二零一七年十二月三十一日以計量公平值所用的估值技術層級劃分的按公平值入賬金融工具。有關輸入數據分類為公平值層級內的三個層級如下：

- 相同資產或負債的活躍市場報價（未經調整）（第一級）。
- 除包含於第一級的報價外，資產或負債的可觀察直接（即價格）或間接（即源自價格者）輸入資料（第二級）。
- 並非根據可觀察市場資料而釐定的資產或負債的輸入資料（即不可觀察的輸入資料）（第三級）。

下表載列本集團於二零一八年十二月三十一日按公平值計量之金融資產及金融負債。



Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(i) Fair value hierarchy (continued)

The following table presents the Group's financial assets and financial liability that were measured at fair values at 31 December 2017.

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Financial assets	金融資產				
Available-for-sale financial assets	可供出售金融資產				
– Unlisted investment fund	– 非上市投資基金	–	–	55,378	55,378
– Unlisted equity investment	– 非上市股本投資	–	–	19,139	19,139
		–	–	74,517	74,517
Financial liability	金融負債				
Financial liability at fair value through profit or loss	按公平值計入損益之金融負債				
– Contingent consideration payable	– 應付或然代價	–	–	4,689	4,689

There were no transfers of financial assets and liabilities between the fair value hierarchy classifications during the year (2017: same).

金融資產及負債在公平值等級分類之間於年內並無轉移(二零一七年: 同上)。

3 財務風險管理(續)

3.3 公平值估計(續)

(i) 公平值層級(續)

下表載列本集團於二零一七年十二月三十一日按公平值計量之金融資產及金融負債。

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Financial assets	金融資產				
Available-for-sale financial assets	可供出售金融資產				
– Unlisted investment fund	– 非上市投資基金	–	–	55,378	55,378
– Unlisted equity investment	– 非上市股本投資	–	–	19,139	19,139
		–	–	74,517	74,517
Financial liability	金融負債				
Financial liability at fair value through profit or loss	按公平值計入損益之金融負債				
– Contingent consideration payable	– 應付或然代價	–	–	4,689	4,689

There were no transfers of financial assets and liabilities between the fair value hierarchy classifications during the year (2017: same).

金融資產及負債在公平值等級分類之間於年內並無轉移(二零一七年: 同上)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(i) Fair value hierarchy (continued)

(a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price. These instruments are included in level 1.

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the unlisted equity investment and unlisted investment fund.

(ii) Valuation techniques used to determine fair values

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. As part of the valuation process, this team reports directly to the chief financial officer (CFO) and external valuers will be engaged, if necessary.

In applying the discounted cash flow technique, management has taken into account the estimated amount that the Group would receive to sell the instrument at the balance sheet date, taking into account current interest rates and the current credit worthiness of the counterparties. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date.

3 財務風險管理 (續)

3.3 公平值估計 (續)

(i) 公平值層級 (續)

(a) 第一層金融工具

在活躍市場買賣的金融工具(如公開交易的衍生品、交易及股權證券)的公平值,根據結算日的市場報價計算。金融資產所用市場報價為當時買入價。有關工具計入第一級。

(b) 第二層金融工具

並非在活躍市場買賣的金融工具(如場外衍生工具)以估值技術釐定公平值,盡量採用可觀察市場數據,並盡量減少依賴實體的特定估計。若工具的公平值所需所有重大數據均為可觀察數據,則有關工具計入第二級。

(c) 第三層金融工具

若一項或多項重大輸入數據並非以可觀察的市場數據為準,則有關工具計入第三級。這是非上市股本投資及非上市投資基金的情況。

(ii) 釐定公平值所用的估值技術

本集團財務部包括就財務報告所需而進行金融資產估值(包括第3層公平值)的團隊。於估值過程中,該團隊直接向財務總監匯報,並於有需要時委聘外部估值師。

應用貼現現金流量技術時,管理層已計及本集團會收取以於結算日出售工具的估計金額、現時利率以及對手方現時信用狀況。倘運用貼現現金流量技術,估計未來現金流量按管理層於結算日的最佳估計及與類似工具的相關市場貼現率作出。



Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3)

Specific valuation techniques used to value level 3 financial instruments include techniques such as discounted cash flow analysis and net asset value model. There are no changes in valuation techniques during the year (2017: same).

The following table presents the changes in level 3 financial instruments for the year ended 31 December 2018:

		Financial asset at fair value through profit or loss	Financial asset at fair value through other comprehensive income	Financial liability at fair value through profit or loss
		按公平值計入 損益之 金融資產 Unlisted investment fund 未上市 投資基金 HK\$'000 千港元	按公平值計入 其他全面 收益之 金融資產 Unlisted equity investment 未上市 股本投資 HK\$'000 千港元	按公平值計入 損益之 金融負債 Contingent consideration payable 應付或然代價 HK\$'000 千港元
Balance at 31 December 2017, as originally presented	於二零一七年 十二月三十一日 按原先呈列之結餘	-	-	(4,689)
Change in accounting policy (Note 2.1.1)	會計政策改變 (附註2.1.1)			
- Reclassify from AFS	- 從可供出售金融資產 重新分類	55,378	19,139	-
Balance at 1 January 2018, as restated	於二零一八年一月一日 經重列之結餘	55,378	19,139	(4,689)
Addition	添置	40,782	-	-
Fair value loss on revaluation recognised in other comprehensive income (Note 17(b))	於其他全面收益確認的 重估公平值虧損 (附註17(b))	-	(7,269)	-
Fair value gains on revaluation recognised in profit or loss (Note 17(a))	於損益內確認的 重估公平值收益 (附註17(a))	2,888	-	4,689
Exchange realignment	匯兌調整	(4,990)	-	-
Balance at 31 December 2018	於二零一八年 十二月三十一日之結餘	94,058	11,870	-
Unrealised gains recognised in the consolidated income statement attributable to balances at the balance sheet date	就結算日關於該結餘 於綜合收益表內 確認之未變現收益	2,888	-	4,689

3 財務風險管理 (續)

3.3 公平值估計 (續)

(iii) 使用重大不可觀察輸入數據的公平值計量 (第3層)

用以就第3層金融工具估值的特定估值技術包括貼現現金流量分析及資產淨值模式等技術。於本年度，估值技術並無變動（二零一七年：同上）。

下表呈列截至二零一八年十二月三十一日止年內第3層金融工具的變動：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) (continued)

The following table presents the changes in level 3 financial instruments for the year ended 31 December 2017:

		Available-for-sale financial assets	Financial liability at fair value through profit or loss
		可供出售金融資產	按公平值 計入損益之 金融負債
		Unlisted investment fund	Unlisted equity investment
		未上市投資基金	未上市股本投資
		HK\$'000	HK\$'000
		千港元	千港元
			Contingent consideration payable
			應付或然代價
			HK\$'000
			千港元
Balance at 1 January 2017	於二零一七年一月一日之結餘	-	-
Addition	添置	58,219	-
Acquisition of a subsidiary	收購一間附屬公司	-	(6,116)
Fair value loss on revaluation recognised in other comprehensive income	於其他全面收益確認的 重估公平值虧損	(5,592)	-
Fair value gains on revaluation recognised in consolidated income statement	於綜合收益表內確認的 重估公平值收益	-	2,216
Exchange realignment	匯兌調整	2,751	(789)
Balance at 31 December 2017	於二零一七年十二月三十一日 之結餘	55,378	(4,689)
Unrealised gain recognised in the consolidated income statement attributable to balances at the balance sheet date	就結算日關於該結餘於 綜合收益表內確認之 未變現收益	-	2,216

3 財務風險管理 (續)

3.3 公平值估計 (續)

(iii) 使用重大不可觀察輸入數據的公平值計量 (第3層) (續)

下表呈列截至二零一七年十二月三十一日止年度第3層金融工具的變動：



Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) (continued)

Quantitative information about fair value measurements using significant unobservable inputs (Level 3):

(a) Financial asset at fair value through other comprehensive income/available-for-sale financial asset – unlisted equity investment

The key unobservable assumptions used in the valuation of the unlisted equity investment as at 31 December 2018 and 2017 are:

Valuation technique	Unobservable inputs	At 31 December 2018 於二零一八年 十二月三十一日	At 31 December 2017 於二零一七年 十二月三十一日
估值技術	不可觀察輸入數據		
Discounted cash flow analysis 折現現金流量分析	Pre-tax discount rate 稅前貼現率	18.8%	19.6%
	Terminal growth rate 終端增長率	2.0%	2.0%
	Compound annual growth rate 複合年增長率	37.8%	27.4%

As at 31 December 2018, the pre-tax discount rate used to compute the fair value is 18.8% (2017: 19.6%). If the discount rate shifted upward by 1%, the impact on other comprehensive income would be HK\$1,129,000 (2017: HK\$1,972,000) lower. The higher the pre-tax discount rate, the lower the fair value.

於二零一八年十二月三十一日，用於計算公平值的稅前貼現率為18.8%（二零一七年：19.6%）。倘該貼現率上升1%，對其他全面收益的影響將為下降1,129,000港元（二零一七年：1,972,000港元）。稅前貼現率越高，公平值越低。

3 財務風險管理（續）

3.3 公平值估計（續）

(iii) 使用重大不可觀察輸入數據的公平值計量（第3層）（續）

有關使用重大不可觀察輸入數據的公平值計量（第3層）的定量資料：

(a) 按公平值計入其他全面收益之金融資產／可供出售金融資產－非上市股本投資

於二零一八年及二零一七年十二月三十一日，非上市股本投資估值採用的主要不可觀察假設為：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) (continued)

(b) Financial asset at fair value through profit or loss/available-for-sale financial asset – unlisted investment fund

The key unobservable assumption used in the valuation of the unlisted investment fund as at 31 December 2018 and 2017 are:

Valuation technique	Unobservable inputs	At 31 December 2018 於二零一八年十二月三十一日	At 31 December 2017 於二零一七年十二月三十一日
估值技術	可觀察輸入數據		
Net asset value (note) 資產淨值 (附註)	N/A 不適用	N/A 不適用	N/A 不適用

Note:

As at 31 December 2018, the Group has determined that the audited net asset value approximates fair value of the unlisted investment fund after applying a portfolio discount of 10% (2017: 10%).

3.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying values:

- Other financial assets at amortised cost
- Trade and bills receivables
- Restricted cash
- Short-term bank deposits
- Cash and cash equivalents
- Trade and bills payables
- Other payables and accrual
- Borrowings

3.5 Offsetting financial assets and financial liabilities

No financial assets and financial liabilities were subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2018 and 2017.

3 財務風險管理 (續)

3.3 公平值估計 (續)

(iii) 使用重大不可觀察輸入數據的公平值計量 (第3層) (續)

(b) 按公平值計入損益之金融資產／可供出售金融資產－非上市投資基金

於二零一八年及二零一七年十二月三十一日，非上市投資基金估值採用的主要不可觀察假設為：

At 31 December 2018 於二零一八年十二月三十一日	At 31 December 2017 於二零一七年十二月三十一日
N/A 不適用	N/A 不適用

附註：

於二零一八年十二月三十日本集團確定在應用投資組合折讓10%後，經審核資產淨值相當於非上市投資基金的公平值（二零一七年：10%）。

3.4 按攤銷成本列賬之金融資產及金融負債之公平值

下列金融資產及金融負債之公平值與其賬面值相若：

- 按攤銷成本列賬之其他金融資產
- 應收賬款及應收票據
- 受限制現金
- 短期銀行存款
- 現金及現金等價物
- 應付賬款及應付票據
- 其他應付賬款及應計款項
- 借貸

3.5 抵銷金融資產和金融負債

於二零一八年及二零一七年十二月三十一日，概無金融資產及金融負債須作抵銷、可執行總互抵安排和類似安排。



Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes and deferred taxation

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the current tax and deferred tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(b) Provision for inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is written down to net realisable value when there is an objective evidence that the cost of inventories may not be recoverable. The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs to be incurred to make the sales have increased.

The amount written off in the consolidated income statement is the difference between the carrying value and net realisable value of the inventories. In determining whether the inventories can be recoverable, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent by all means to which the amount will be recovered.

(c) Impairment of receivables

The Group makes provision for impairment of receivables based on assumptions about risk of default and expected loss rates (Note 3.1(b)(ii)). The Group uses 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 balance sheet date.

4 重要會計估計及判斷

用於編製綜合財務報表的估計及判斷，乃基於過往經驗及其他因素，包括預期日後在有關情況下相信會合理出現的事件而作出。

本集團作出有關未來的估計及假設。按此規範，所作的會計估計甚少與有關的實際結果相同。下文載列有極大風險會導致須對下一個財政年度資產與負債的賬面值作出重大調整的估計及假設。

(a) 所得稅及遞延稅款

對所得稅釐定撥備時，需要作出重要的判斷。許多交易及計算的最終釐定無法確定。當最終的稅款結果與最初記賬金額不同時，有關差額將影響釐定期間的當期稅項和遞延稅款資產及負債。

當管理層認為將來很有可能應課稅溢利以抵銷暫時性差額或可使用稅務虧損時，有關若干暫時性差額及稅務虧損的遞延稅項資產予以確認。實際使用的結果可能不同。

(b) 存貨撥備

存貨乃按成本及可變現淨值兩者之間較低者入賬。倘有客觀證據顯示存貨成本或不能收回，則將存貨成本撇減至可變現淨值。倘存貨損壞、全部或部份陳舊或售價下跌，則可能不能收回存貨成本。倘進行銷售將予產生的估計成本增加，亦可能導致不能收回存貨成本。

於綜合收益表撇銷的金額為存貨的賬面值與可變現淨值之間的差額。於釐定可收回的存貨成本時須作出重大判斷。於作出有關判斷時，本集團會評估（其中包括）以任何方式收回金額的時間及情況。

(c) 應收款項減值

本集團基於對違約風險及預期虧損率之假設對應收款項減值計提撥備（附註3.1(b)(ii)）。於結算日，本集團根據集團過往記錄及當前市況以及前瞻性估計，判斷該等假設及選擇計算減值之輸入數據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE, OTHER INCOME AND OTHER GAINS

The Group is principally engaged in the sales of E-payment Terminals products, the provision of payment solutions services and maintenance and installation services. Revenue, other income and other gains recognised during the year are as follows:

5 收入、其他收入及其他收益

本集團主要從事銷售電子支付終端產品、提供支付解決方案服務及維護及安裝服務。於有關年度已確認的收入、其他收入及其他收益如下：

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入		
Sales of E-payment Terminals products	銷售電子支付終端產品	4,331,207	3,429,679
Provision of payment solutions services and maintenance and installation services	提供支付解決方案服務及維護及安裝服務	84,202	161,401
		4,415,409	3,591,080
Other income	其他收入		
Interest income	利息收入	22,321	20,847
Value-added tax refund (note (i))	增值稅退稅(附註(i))	34,770	35,182
Subsidy income	補貼收入	8,891	12,286
Others	其他	10,947	4,523
		76,929	72,838
Other gains	其他收益		
Fair value gain on a financial liability at fair value through profit or loss	一項按公平值計入損益之金融負債之公平值收益	4,689	2,216
Fair value gain on a financial asset at fair value through profit or loss	一項按公平值計入損益之金融資產之公平值收益	2,888	-
		7,577	2,216

Note (i) The amount represents the Group's entitlement to value-added tax refund in relation to the sales of self-developed software products in the PRC.

附註(i) 該金額指本集團於中國銷售自主開發軟件產品而享有的增值稅退稅。



Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION

The management reviews the Group's internal reporting in order to assess performance and allocate resources. The management has determined the operating segments based on the internal reports reviewed by the Executive Directors to make strategic decisions. The Group is principally engaged in the E-payment Terminals solutions business, and the management considers that the Group operates in one single business segment.

The Group primarily operates in Hong Kong, the PRC (excluding Hong Kong, Macau and Taiwan), the United States of America (the "US") and Italy. The management assesses the performance of the Group from a geographic perspective based on the locations of the subsidiaries in which revenues are generated.

The management assesses the performance of the operating segments based on a measurement of segmental operating profit/(loss).

An analysis of the Group's turnover and results for the year by segment is as follows:

6 分類資料

管理層審閱本集團內部報告以評估表現並分配資源。管理層根據由執行董事所審閱以作出策略決定的內部報告而釐定業務分類。本集團主要從事電子支付終端解決方案業務，及管理層認為本集團經營單一業務分類。

本集團主要於香港、中國（香港、澳門及台灣除外）、美國及意大利經營。管理層從地域角度按產生收入之附屬公司的位置評估本集團的表現。

管理層根據分類經營溢利／（虧損）的計量評估經營分類的表現。

於有關年度及按分類劃分的本集團營業額及業績分析如下：

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度					
		PRC, excluding Hong Kong, Macau and Taiwan 中國（香港、 澳門及 台灣除外） HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Turnover from external customers	來自外部客戶的營業額	1,093,308	2,909,271	261,804	151,026	-	4,415,409
Inter-segment turnover	分類間營業額	2,156,272	281,875	-	-	(2,438,147)	-
Total turnover	總營業額	3,249,580	3,191,146	261,804	151,026	(2,438,147)	4,415,409
Segmental (losses)/earnings before interest expense, taxes, depreciation and amortisation ("LBITDA")/"EBITDA")	分類除利息支出、稅項、折舊及 攤銷前（虧損）／盈利 （「LBITDA」）／「EBITDA」	(78,994)	813,512	(23,360)	592	(52,142)	659,608
Depreciation (Note 7)	折舊（附註7）	(7,384)	(1,807)	(509)	(1,478)	-	(11,178)
Amortisation (Note 7)	攤銷（附註7）	(4,321)	(3,037)	-	(1,803)	-	(9,161)
Segmental operating (loss)/profit	分類經營（虧損）／溢利	(90,699)	808,668	(23,869)	(2,689)	(52,142)	639,269
Finance costs	財務費用						(4,768)
Share of result of an investment accounted for using the equity method	按權益法入賬的投資業績						(1,759)
Profit before income tax	所得稅前溢利						632,742
Income tax expense	所得稅開支						(117,344)
Profit for the year	年度溢利						515,398

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

6 分類資料 (續)

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

		PRC, excluding Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Turnover from external customers	來自外部客戶的營業額	1,417,336	1,811,570	254,723	107,451	-	3,591,080
Inter-segment turnover	分類間營業額	1,368,869	130,505	-	123	(1,499,497)	-
Total turnover	總營業額	2,786,205	1,942,075	254,723	107,574	(1,499,497)	3,591,080
Segmental EBITDA, excluding impairment of assets	分類EBITDA (除資產減值)	87,600	494,079	3,659	2,110	7,774	595,222
Depreciation (Note 7)	折舊 (附註7)	(21,023)	(567)	(170)	(1,066)	-	(22,826)
Amortisation (Note 7)	攤銷 (附註7)	(6,227)	(500)	-	(1,454)	-	(8,181)
Impairment of assets (Note 7)	資產減值 (附註7)	(136,192)	-	-	-	-	(136,192)
Segmental operating (loss)/profit	分類經營(虧損)/溢利	(75,842)	493,012	3,489	(410)	7,774	428,023
Finance costs	財務費用						(3,801)
Share of result of an investment accounted for using the equity method	按權益法入賬的投資業績						318
Profit before income tax	所得稅前溢利						424,540
Income tax expense	所得稅開支						(87,974)
Profit for the year	年度溢利						336,566

The segment assets and liabilities as at 31 December 2018 and additions to non-current assets for the year ended 31 December 2018 are as follows:

於二零一八年十二月三十一日的分類資產及負債以及截至二零一八年十二月三十一日止年度非流動資產的添置如下:

As at 31 December 2018
於二零一八年十二月三十一日

		PRC, excluding Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Segment assets	分類資產	3,935,394	2,263,502	264,424	99,399	(787,165)	5,775,554
Segment liabilities	分類負債	1,713,857	291,512	331,233	47,791	(821,447)	1,562,946



Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

6 分類資料 (續)

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

		PRC, excluding Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Additions to non-current assets	非流動資產的添置	37,360	82	463	3,575	-	41,480

The segment assets and liabilities as at 31 December 2017 and additions to non-current assets for the year ended 31 December 2017 are as follows:

於二零一七年十二月三十一日的分類資產及負債以及截至二零一七年十二月三十一日止年度非流動資產的添置如下:

As at 31 December 2017
於二零一七年十二月三十一日

		PRC, excluding Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Segment assets	分類資產	3,728,617	1,877,835	193,693	99,475	(667,404)	5,232,216
Segment liabilities	分類負債	1,484,612	319,254	230,166	50,835	(749,717)	1,335,150

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

		PRC, excluding Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Additions to non-current assets	非流動資產的添置	112,194	66,981	608	33,888	-	213,671

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

Additions to non-current assets mainly comprise additions to property, plant and equipment and other non-current assets (2017: additions to property, plant and equipment, prepayments for land use rights, intangible assets and other non-current assets including additions resulting from acquisitions through business combinations).

In 2018, revenue of approximately HK\$2,026,649,000 (2017: HK\$1,163,702,000) is derived from the largest customer, representing 45.9% (2017: 32.4%) of the total revenue, which is attributable to the HK operating segment; HK\$195,099,000 (2017: HK\$259,617,000) is derived from the second largest customer, representing 4.4% (2017: 7.2%) of the total revenue, which is attributable to the PRC operating segment (2017: same).

Information provided to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

The Group is mainly domiciled in Hong Kong, the PRC, the US and Italy.

The Group's non-current assets by geographical location, which is determined by the geographical location in which the asset is located, is as follows:

6 分類資料(續)

非流動資產添置主要包括物業、廠房及設備的添置及其他非流動資產(二零一七年:對物業、廠房及設備、土地使用權的預付款項、無形資產及其他非流動資產(包括透過業務合併收購所得的添置))。

於二零一八年,為數約2,026,649,000港元(二零一七年:1,163,702,000港元)的收入乃來自最大客戶,該等收入佔總收入的45.9%(二零一七年:32.4%)並歸屬於香港業務分部。為數約195,099,000港元(二零一七年:259,617,000港元)的收入乃來自第二大客戶,該等收入佔總收入的4.4%(二零一七年:7.2%)歸屬於中國業務分部(二零一七年:同上)。

向執行董事報告的計量方法與綜合財務報表內方法一致。

本集團主要以香港、中國、美國及意大利為註冊地。

按該資產所在地劃分的本集團非流動資產載列如下:

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產		
PRC, excluding Hong Kong, Macau and Taiwan	中國(香港、澳門及台灣除外)	301,909	244,700
Hong Kong and others	香港及其他	81,877	96,718
US	美國	516	562
Italy	意大利	47,516	51,063
		431,818	393,043



Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EXPENSES BY NATURE

Expenses included in cost of sales, selling expenses, administrative expenses, net impairment losses on financial assets and impairment of assets are analysed as follows:

7 按性質劃分的開支

計入銷售成本、銷售開支、行政開支、金融資產之減值淨虧損及資產減值的開支分析如下：

	Year ended 31 December	
	截至十二月三十一日止年度	
	2018	2017
	二零一八年	二零一七年
	HK\$'000	HK\$'000
	千港元	千港元
Remuneration to the Company's auditor		
– Group's annual audit services	1,720	1,770
– audit services for subsidiaries of the Group	333	290
– non-audit services	780	1,209
Remuneration to other auditor	225	435
Depreciation of property, plant and equipment (Note 14)	11,178	22,826
Amortisation of land use rights (Note 15)	4,321	3,173
Amortisation of intangible assets (Note 16)	4,840	5,008
Employee benefit expenses (including Directors' emoluments) (Note 10)	527,433	482,845
Costs of inventories sold (Note 20)	2,709,172	2,098,181
Operating lease rentals in respect of office premises	30,655	32,429
Research and development costs	332,016	287,230
Sales commission	28,196	25,509
Losses on disposals of property, plant and equipment (Note 31(b))	1,786	30
Provision/(reversal of provision) for obsolete inventories (Note 20)	43,071	(1,824)
Net impairment losses on financial assets (note a, Note 21(c))	43,290	43,220
Impairment of assets (note a)	–	136,192

Note a:

In 2017, due to the unexpected market competition and increasing uncertainties in the China market, the Group decided not to further the business of Shanghai New Kashuo Information Technology Company Limited ("Shanghai Kashuo") and its subsidiaries (collectively the "Kashuo Group") and to scale down the expansion plan of Suzhou leasy Information Technology Co. Ltd ("Suzhou leasy"). As a result, the Group recognised an impairment of assets relating to the operation of Kashuo Group amounting to HK\$118,679,000 and Suzhou leasy amounting to HK\$17,513,000 for the year ended 31 December 2017. The total amount of HK\$136,192,000 excludes the impairment of trade receivables of Kashuo Group of HK\$40,279,000 which had been included as part of the net impairment losses on financial assets for the year ended 31 December 2017.

附註a：

於二零一七年，由於中國市場中難以預料之市場競爭及不明朗因素增加，本集團決定不再進一步進行上海新卡說信息技術有限公司（「上海卡說」）及其附屬公司（統稱「卡說集團」）之業務及縮減蘇州知行易信息科技有限公司（「蘇州知行易」）之擴充計劃。因此，截至二零一七年十二月三十一日止年度，本集團確認為卡說集團營運相關的資產減值118,679,000港元及蘇州知行易的資產減值17,513,000港元。136,192,000港元之總額並不包括已作為截至二零一七年十二月三十一日止年度的金融資產之減值淨虧損的一部分之卡說集團應收款項減值40,279,000港元。

8 NET FOREIGN EXCHANGE LOSS/GAIN

The net foreign exchange loss recognised in administrative expenses for the year ended 31 December 2018 amounted to HK\$1,618,000 (2017: net gain of HK\$5,141,000).

8 外匯淨虧損／收益

截至二零一八年十二月三十一日止年度於行政開支中確認的外匯淨虧損，為1,618,000港元（二零一七年：淨收益5,141,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 FINANCE COSTS

9 財務費用

		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
Factoring costs	保理業務費用	4,143	3,801
Interest expense	利息費用	625	–
		4,768	3,801

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

10 僱員福利開支(包括董事酬金)

		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
Wages and salaries	工資及薪金	475,397	430,844
Social security and pension costs	社會保障及退休金成本	50,946	51,792
Employee benefit obligation – defined benefit plans	僱員福利債務 – 界定福利計劃	1,090	209
		527,433	482,845

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2018 included three Directors (2017: three) whose emoluments are reflected in the analysis shown in Note 37. The emoluments payable to the remaining two (2017: two) individuals during the year are as follows:

五名最高薪人士

本集團截至二零一八年十二月三十一日止年度五名最高薪人士包括三名董事(二零一七年: 三名), 其酬金已於附註37分析內反映。本年度應付餘下兩名(二零一七年: 兩名)人士的酬金載列如下:

		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
Salaries, allowances, share options and benefits in kind	薪金、津貼、購股權及實物福利	5,390	4,256
Pension cost	退休金成本	981	28
		6,371	4,284



Notes to the Consolidated Financial Statements

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

Five highest paid individuals (continued)

The emoluments fell within the following bands:

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
Emolument bands	酬金組別		
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	–	2
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元	1	–
HK\$3,000,001 – HK\$3,500,000	3,000,001港元 – 3,500,000港元	1	–
		2	2

10 僱員福利開支(包括董事酬金) (續)

五名最高薪人士(續)

酬金介乎下列組別：

11 INCOME TAX EXPENSE

11 所得稅開支

		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
Current income tax on profit for the year	年度溢利之即期所得稅		
– China corporate income tax	– 中國企業所得稅	6,466	15,277
– Hong Kong profits tax	– 香港利得稅	136,764	82,228
– Overseas profits tax	– 海外利得稅	1,172	13
Tax incentives for research and development expenses available for the subsidiaries incorporated in the PRC	於中國註冊成立的附屬公司就研發費用的稅項優惠	(13,100)	(8,364)
Under/(over) provision in prior year, net	過往年度撥備不足/(超額撥備)淨額	1,565	(1,147)
Total current income tax	即期所得稅開支總額	132,867	88,007
Deferred income tax	遞延所得稅	(15,523)	(33)
Income tax expense	所得稅開支	117,344	87,974

Hong Kong profits tax has been provided for at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year ended 31 December 2018.

Taxes on overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

截至二零一八年十二月三十一日止年度，香港利得稅根據估計應課稅溢利按稅率16.5%（二零一七年：16.5%）作出撥備。

海外溢利的稅項已根據本集團經營業務所在的司法權區的現行法例、詮釋及慣例，按現行稅率計算。



Notes to the Consolidated Financial Statements

綜合財務報表附註



11 INCOME TAX EXPENSE (continued)

Pursuant to the Corporate Income Tax Law of the PRC effective from 1 January 2008 (the “CIT Law”), companies in the PRC are subject to income tax of 25% unless preferential rate is applicable.

- Pax Computer Technology (Shenzhen) Co., Ltd. (“Pax Computer Shenzhen”), a wholly owned subsidiary of the Company, is located in the Shenzhen Special Economic Zone. Pursuant to Caishui [2016] Circular 49 jointly released by the Ministry of Finance, the State Administration of Taxation, the National Development and Reform Commission and the Ministry of Industry and Information Technology of the PRC, management performed self-assessment on the eligibility for the tax incentives. Management estimated that Pax Computer Shenzhen was qualified as a National Key Software Enterprise and entitled to the preferential corporate income tax rate of 10% for the year ended 31 December 2018 (2017: same). The application of the preferential tax rate is a critical accounting estimate as set out in Note 4(a) to these consolidated financial statements.
- Wonder Pax Technology (Shenzhen) Co. Ltd. (“Wonder Pax”), a wholly owned subsidiary of the Company, obtained approval from the relevant tax authorities in April 2015 for a preferential tax treatment and is fully exempted from the PRC corporate tax for two years, starting from 2014, followed by a 50% tax exemption for the ensuing three years. As such, the applicable corporate income tax rate of Wonder Pax is 12.5% for the year ended 31 December 2018 (2017: same).

11 所得稅開支(續)

根據於二零零八年一月一日生效的中國企業所得稅法(「企業所得稅法」)，中國公司須繳納25%的所得稅，除非優惠利率適用。

- 本公司附屬公司百富計算機技術(深圳)有限公司(「百富計算機深圳」)位於深圳經濟特區。根據財政部、國家稅務總局、國家發展和改革委員會以及中國工業和信息化部聯合發佈的財稅[2016]49號通知，管理層對稅務優惠的資格進行自我評估。管理層估計百富計算機深圳屬國家重要軟件企業，截至二零一八年十二月三十一日止年度有權享有10%優惠企業所得稅率(二零一七年：同上)。如綜合財務報表中附註4(a)所載，應用優惠稅率為重要會計估計。
- 本公司全資附屬公司萬達百滙科技(深圳)有限公司(「萬達百滙」)於二零一五年四月獲相關稅務機關批准享有優惠稅待遇，並於二零一四年開始獲全面免繳企業所得稅兩年，其後三年獲稅項豁免50%。因此，萬達百滙於截至二零一八年十二月三十一日止年度的適用企業所得稅稅率為12.5%(二零一七年：同上)。



Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INCOME TAX EXPENSE (continued)

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities in the respective jurisdictions as follows:

11 所得稅開支 (續)

本集團除所得稅前溢利的稅項與採用適用於各個司法權區的合併實體溢利的加權平均稅率計算的理論金額的差額如下：

		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
Profit before income tax	除所得稅前溢利	632,742	424,540
Tax calculated at domestic tax rates applicable to profits in the respective countries	按於各個國家產生溢利的適用當地稅率計算的稅項	109,376	46,540
Income not subject to taxation	毋須納稅的收入	(1,023)	(5,233)
Tax incentives for research and development expenses available for the subsidiaries incorporated in the PRC (note (i))	於中國註冊成立的附屬公司就研發費用的稅項優惠 (附註(i))	(13,100)	(8,364)
Expenses not deductible for taxation purposes	就稅務而言不可扣減的開支	9,469	34,859
Tax losses for which no deferred income tax was recognised	未確認遞延所得稅的稅項虧損	11,155	21,891
Utilisation of previously unrecognised tax losses Under/(over) provision in prior year, net	動用過往未確認之稅項虧損 上一年度撥備不足 / (超額撥備) · 淨額	(98)	(572)
		1,565	(1,147)
		117,344	87,974

Note (i): The Group obtained an incentive from the PRC tax authority relating to the research and development expenses of the subsidiaries in the PRC. Under such tax incentive rule, the Group may claim an additional tax deduction up to 75% (2017: 50%) of the relevant research and development expenses incurred in a year approved by the PRC tax authority.

附註(i)：本集團位於中國的附屬公司就其研發費用獲得中國稅務機關頒佈的一項稅項優惠。根據有關稅務優惠規則，本集團可申請額外降低稅項金額達年內相關研發費用的75%（二零一七年：50%），由中國稅務機關批准。

The weighted average applicable tax rate was 17.3% for the year ended 31 December 2018 (2017: 11.0%). The change is carried by a change in the profitability mix of the Group's subsidiaries in the respective countries.

截至二零一八年十二月三十一日止年度，加權平均適用稅率為17.3%（二零一七年：11.0%）。變動乃由於本集團於各國的附屬公司盈利能力組合出現變化所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
Profit attributable to the owners of the Company (HK\$'000)	本公司持有人應佔溢利(千港元)	522,470	407,507
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數(千股)	1,100,194	1,109,277
Basic earnings per share attributable to the owners of the Company (HK\$ per share)	本公司持有人應佔每股基本盈利(每股港元)	0.475	0.367

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has one category of potentially dilutive ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

12 每股盈利

(a) 基本

每股基本盈利乃按本公司持有人應佔本年度溢利除年內已發行普通股加權平均數計算。

(b) 攤薄

每股攤薄盈利的計算方式為假設轉換所有具潛在攤薄效應的普通股以調整已發行普通股的加權平均數。本公司現有一類具潛在攤薄效應的普通股購股權。就購股權而言，按尚未行使購股權所附認購權的貨幣價值計算，以釐定可按公平值（定為本公司股份期內的平均市價）購買的股份數目。按上述方式計算的股份數目與假設購股權獲行使時應已發行的股份數目作比較。



Notes to the Consolidated Financial Statements

綜合財務報表附註

12 EARNINGS PER SHARE (continued)

(b) Diluted (continued)

For the year ended 31 December 2018, the share options issued were not assumed to be exercised as they would have an antidilutive impact to the basic earnings per share. For the year ended 31 December 2018 and 2017, the calculation of diluted earnings per share was based on the profit attributable to owners of the Company and the adjusted weighted average number of ordinary shares outstanding assuming the conversion of all potential dilutive ordinary shares, which was calculated as follows:

12 每股盈利(續)

(b) 攤薄(續)

截至二零一八年十二月三十一日止年度，由於購股權會對每股基本盈利產生反攤薄影響，所以假設所發行的購股權並不會行使。截至二零一八年及二零一七年十二月三十一日止年度，每股攤薄盈利乃根據本公司持有人應佔溢利及假設轉換所有潛在攤薄普通股而已調整加權平均普通股數計算，計算方法如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年	2017 二零一七年
Profit attributable to the owners of the Company (HK\$'000)	本公司持有人應佔溢利 (千港元)	522,470	407,507
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數 (千股)	1,100,194	1,109,277
Adjustments for share options (thousand shares)	就購股權作出的調整 (千股)	N/A 不適用	2,236
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	每股攤薄盈利的普通股加 權平均數(千股)	1,100,194	1,111,513
Diluted earnings per share attributable to owners of the Company (HK\$ per share)	本公司持有人應佔每股攤 薄盈利(每股港元)	0.475	0.367

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 DIVIDENDS

In 2018, an interim dividend of HK\$0.04 per ordinary share (2017: HK\$0.04 per ordinary share) was paid, amounting to approximately HK\$44,008,000 (2017: HK\$44,528,000). A final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2018 (2017: HK\$0.04 per ordinary share), amounting to HK\$44,008,000 (2017: HK\$44,008,000), is to be proposed at the annual general meeting on 2 May 2019. These financial statements do not reflect this dividend payable.

13 股息

於二零一八年，本公司已支付中期股息每股普通股0.04港元（二零一七年：每股普通股0.04港元），為數約44,008,000港元（二零一七年：44,528,000港元）。將於二零一九年五月二日之股東週年大會建議有關截至二零一八年十二月三十一日止年度之末期股息每股普通股0.04港元（二零一七年：每股普通股0.04港元），為數44,008,000港元（二零一七年：44,008,000港元）。本財務報表並不反映該應付股息。

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年	2017 二零一七年
		HK\$'000 千港元	HK\$'000 千港元
Interim dividend paid of HK\$0.04 (2017: HK\$0.04) per ordinary share	已支付每股普通股0.04港元中期 股息（二零一七年：0.04港元）	44,008	44,528
Proposed final dividend of HK\$0.04 (2017: HK\$0.04) per ordinary share	每股普通股0.04港元的建議末期 股息（二零一七年：0.04港元）	44,008	44,008
		88,016	88,536

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、廠房及設備

		Land and buildings 土地及 樓宇 HK\$'000 千港元	Construction in process 在建工程 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Office furniture and equipment 辦公室 傢俱及設備 HK\$'000 千港元	Plant and equipment 廠房及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2018		截至二零一八年 十二月三十一日止年度						
Opening net book amount	期初賬面淨值	16,314	2,671	2,187	12,853	13,716	3,817	51,558
Additions	添置	-	10,915	8,389	7,196	10,714	-	37,214
Disposals	出售	-	-	(1,391)	(395)	-	-	(1,786)
Depreciation (Note 7)	折舊（附註7）	(226)	-	(973)	(4,652)	(4,076)	(1,251)	(11,178)
Exchange realignment	匯兌差額	(668)	(539)	(473)	(692)	(929)	(139)	(3,440)
Closing net book amount	期末賬面淨值	15,420	13,047	7,739	14,310	19,425	2,427	72,368
At 31 December 2018		於二零一八年 十二月三十一日						
Cost	成本	22,551	13,047	9,813	32,819	29,741	9,434	117,405
Accumulated depreciation and impairment	累計折舊及減值	(7,131)	-	(2,074)	(18,509)	(10,316)	(7,007)	(45,037)
Net book amount	賬面淨值	15,420	13,047	7,739	14,310	19,425	2,427	72,368



Notes to the Consolidated Financial Statements

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT (continued)

14 物業、廠房及設備 (續)

		Land and buildings 土地及 樓宇 HK\$'000 千港元	Construction in process 在建工程 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Office furniture and equipment 辦公室 傢俱及設備 HK\$'000 千港元	Plant and equipment 廠房及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2017	截至二零一七年 十二月三十一日止年度							
Opening net book amount	期初賬面淨值	-	-	1,442	8,595	55,796	2,086	67,919
Acquisitions of subsidiaries	收購附屬公司	16,352	-	228	2,116	3,216	817	22,729
Additions	添置	-	2,577	2,105	7,071	3,493	2,274	17,520
Disposals	出售	-	-	-	(30)	-	-	(30)
Impairment	減值	-	-	(1,204)	(2,110)	(33,643)	(766)	(37,723)
Depreciation (Note 7)	折舊 (附註7)	(37)	-	(587)	(3,635)	(17,808)	(759)	(22,826)
Exchange realignment	匯兌差額	(1)	94	203	846	2,662	165	3,969
Closing net book amount	期末賬面淨值	16,314	2,671	2,187	12,853	13,716	3,817	51,558
At 31 December 2017	於二零一七年 十二月三十一日							
Cost	成本	23,590	2,671	3,952	28,168	20,429	9,866	88,676
Accumulated depreciation and impairment	累計折舊及減值	(7,276)	-	(1,765)	(15,315)	(6,713)	(6,049)	(37,118)
Net book amount	賬面淨值	16,314	2,671	2,187	12,853	13,716	3,817	51,558

Depreciation expense of HK\$2,591,000 (2017: HK\$15,517,000) has been charged to cost of goods sold and HK\$8,587,000 (2017: HK\$7,309,000) has been charged to administrative expenses.

折舊開支2,591,000港元(二零一七年: 15,517,000港元)已計入銷售成本及8,587,000港元(二零一七年: 7,309,000港元)已計入行政開支。

As at 31 December 2018, borrowings of HK\$8,244,000 (2017: HK\$10,716,000) were secured by land and buildings in Korea with net book values of HK\$15,420,000 (2017: HK\$16,314,000) (Note 29).

於二零一八年十二月三十一日, 8,244,000港元(二零一七年: 10,716,000港元)的借貸以賬面淨值15,420,000港元(二零一七年: 16,314,000港元)的韓國土地及樓宇作抵押(附註29)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 LAND USE RIGHTS

The Group's interests in land use rights represent upfront payments for land and their net carrying values are analysed as follows:

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Opening net carrying value	期初賬面淨值	84,473	186
Addition	添置	-	83,333
Amortisation (Note 7)	攤銷(附註7)	(4,321)	(3,173)
Exchange realignment	匯兌調整	(4,129)	4,127
Closing net carrying value	期末賬面淨值	76,023	84,473

The Group's land use rights are located in the PRC and is held on leases of between 10 to 50 years. Amortisation of the Group's land use rights has been charged to administrative expenses.

15 土地使用權

本集團於土地使用權的權益指土地前其付款，其賬面淨值分析如下：

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Opening net carrying value	期初賬面淨值	84,473	186
Addition	添置	-	83,333
Amortisation (Note 7)	攤銷(附註7)	(4,321)	(3,173)
Exchange realignment	匯兌調整	(4,129)	4,127
Closing net carrying value	期末賬面淨值	76,023	84,473

本集團的土地使用權位於中國，租期為10至50年。本集團土地使用權的所有攤銷已計入行政開支。



Notes to the Consolidated Financial Statements

綜合財務報表附註

16 INTANGIBLE ASSETS

16 無形資產

		Goodwill	Brand names	Contractual customer relationships and others	Total
		商譽	商標	合約客戶關係及其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度				
Opening net book amount	期初賬面淨值	51,008	12,303	26,948	90,259
Amortisation (Note 7)	攤銷(附註7)	-	(1,231)	(3,609)	(4,840)
Exchange realignment	匯兌差額	(2,207)	(491)	(1,074)	(3,772)
Closing net book amount	期末賬面淨值	48,801	10,581	22,265	81,647
At 31 December 2018	於二零一八年十二月三十一日				
Cost	成本	110,032	12,095	50,020	172,147
Accumulated amortisation and impairment	累計攤銷及減值	(61,231)	(1,514)	(27,755)	(90,500)
Net book amount	賬面淨值	48,801	10,581	22,265	81,647
		Goodwill	Brand names	Contractual customer relationships and others	Total
		商譽	商標	合約客戶關係及其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度				
Opening net book amount	期初賬面淨值	64,583	-	24,809	89,392
Acquisitions of subsidiaries	收購附屬公司	40,424	12,467	20,910	73,801
Impairment	減值	(59,077)	-	(16,137)	(75,214)
Amortisation (Note 7)	攤銷(附註7)	-	(301)	(4,707)	(5,008)
Exchange realignment	匯兌差額	5,078	137	2,073	7,288
Closing net book amount	期末賬面淨值	51,008	12,303	26,948	90,259
At 31 December 2017	於二零一七年十二月三十一日				
Cost	成本	112,239	12,621	52,446	177,306
Accumulated amortisation and impairment	累計攤銷及減值	(61,231)	(318)	(25,498)	(87,047)
Net book amount	賬面淨值	51,008	12,303	26,948	90,259

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 INTANGIBLE ASSETS (continued)

Amortisation of HK\$4,840,000 (2017: HK\$5,008,000) has been charged to administrative expenses.

The relevant goodwill is allocated to the respective groups of CGUs, which represent the lowest level within the Group at which the relevant goodwill is monitored for internal management purposes, and not larger than an operating segment.

As at 31 December 2018, the Group's goodwill of HK\$19,215,000 (2017: HK\$20,039,000) and HK\$29,586,000 (2017: HK\$30,969,000) is attributable to the acquisition of Kwang Woo Information & Communication Co., Ltd and its subsidiary ("Kwang Woo") and the operation in Italy respectively.

The recoverable amounts of CGUs are determined based on a value in use calculation. The calculation uses pre-tax cash flow projection based on financial budgets approved by management covering a five-year period. Thereafter, the cash flows are extrapolated using the terminal growth rates not exceeding the long-term average growth rate of the countries in which the CGU operates.

Impairment test for goodwill arising from the acquisition of Kwang Woo and the operation in Italy

The key assumptions are as follows:

		Kwang Woo		The operation in Italy 意大利的業務	
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年
Pre-tax discount rate	稅前貼現率	9.3%	9.3%	19.9%	20.3%
Compound annual growth rate	複合年增長率	17.1%	7.6%	16.2%	23.2%
Terminal growth rate	終端增長率	2.0%	2.0%	2.0%	2.0%

The recoverable amount calculated based on value in use exceeded carrying value as at 31 December 2018 and 2017. An increase in pre-tax discount rate by 1.0% (2017: 1.4%) and 0.8% (2017: 0.3%) would remove the remaining headroom for Kwang Woo and the operation in Italy, respectively.

16 無形資產 (續)

攤銷4,840,000港元(二零一七年: 5,008,000港元)已自行政費用扣除。

相關商譽分配至有關現金產生單位組別。現金產生單位指就內部管理目的而對相關商譽進行監督的本集團最低層級，並且不得大於一個經營分部。

於二零一八年十二月三十一日，本集團的商譽19,215,000港元(二零一七年: 20,039,000港元)及29,586,000港元(二零一七年: 30,969,000港元)乃分別來自收購Kwang Woo Information & Communication Co., Ltd and its subsidiary(「Kwang Woo」)以及意大利的業務。

現金產生單位的可收回款額基於使用價值計算釐定。該計算根據管理層所批准的五年期財政預算採用稅前現金流量預測進行計算。此後，推斷現金流量所採用的終端增長率不會超過現金產生單位經營所在國家的長期平均增長率。

對收購Kwang Woo及意大利的業務所產生的商譽進行減值測試

主要假設載列如下：

於二零一八年及二零一七年十二月三十一日，根據使用價值計算的可收回款額超過賬面值。稅前貼現率增加1.0%(二零一七年: 1.4%)及0.8%(二零一七年: 0.3%)將分別抵銷Kwang Woo及意大利的業務的剩餘差額。



Notes to the Consolidated Financial Statements

綜合財務報表附註

17 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE FINANCIAL ASSET

(a) Financial asset at fair value through profit or loss

As at 31 December 2018, the Group's financial asset at FVPL represents investment in unlisted investment fund outside Hong Kong with following details:

17 按公平值計入損益之金融資產及按公平值計入其他全面收益之金融資產／可供出售金融資產

(a) 按公平值計入損益之金融資產

於二零一八年十二月三十一日，本集團的按公平值計入損益之金融資產指香港境外非上市投資基金之投資如下：

		HK\$'000 千港元
Balance at 31 December 2017, as originally presented	於二零一七年十二月三十一日 按原先呈列之結餘	-
Change in accounting policy (Note 2.1.1) – Reclassify from AFS to financial asset at FVPL	會計政策改變(附註2.1.1) – 從可供出售金融資產重新分類為 按公平值計入損益之金融資產	55,378
Balance at 1 January 2018, as restated	於二零一八年一月一日經重列之結餘	55,378
Addition	添置	40,782
Fair value gain on revaluation recognised in profit or loss	於損益內確認的重估公平值收益	2,888
Exchange realignment	匯兌調整	(4,990)
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	94,058

The carrying amount of the financial asset at FVPL is denominated in RMB.

按公平值計入損益之金融資產的賬面值以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE FINANCIAL ASSET

(continued)

(b) Financial asset at fair value through other comprehensive income

As at 31 December 2018, the Group's financial asset at FVOCI represents investment in unlisted equity investment outside Hong Kong which is not held for trading, and the Group was irrevocably elected at initial recognition in this category. This is a strategic investment and the Group considers this classification more relevant.

17 按公平值計入損益之金融資產及按公平值計入其他全面收益之金融資產／可供出售金融資產（續）

(b) 按公平值計入其他全面收益之金融資產

於二零一八年十二月三十一日，本集團按公平值計入其他全面收益之金融資產指香港境外並非持作買賣且本集團不可撤回地選擇於該類別初步確認的非上市權益投資之投資。其為一項策略性投資且本集團認為是項分類更為貼切。

		HK\$'000 千港元
Balance at 31 December 2017, as originally presented	於二零一七年十二月三十一日 按原先呈列之結餘	-
Change in accounting policy (Note 2.1.1)	會計政策改變（附註2.1.1）	
- Reclassify from AFS to financial asset at FVOCI	- 從可供出售金融資產重新分類為 按公平值計入其他全面收益之 金融資產	19,139
Balance at 1 January 2018, as restated	於二零一八年一月一日經重列之結餘	19,139
Fair value loss on revaluation recognised in other comprehensive income	於其他全面收益中確認的重估公平值虧損	(7,269)
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	11,870

The carrying amount of the financial asset at FVOCI is denominated in EUR.

按公平值計入其他全面收益之金融資產的賬面值以歐元計值。



Notes to the Consolidated Financial Statements

綜合財務報表附註

17 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE FINANCIAL ASSET

(continued)

(c) Available-for-sale financial assets

As at 31 December 2017, the Group's AFS represents investments in unlisted equity investment and unlisted investment fund with the following details:

		Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度 HK\$'000 千港元
At 1 January	於一月一日	–
Addition	添置	75,345
Fair value losses on revaluation recognised in other comprehensive income	於其他全面收益中確認的 重估公平值虧損	(6,145)
Exchange realignment	匯兌調整	5,317
At 31 December	於十二月三十一日	74,517
Unlisted investment fund outside Hong Kong	香港境外非上市投資基金	55,378
Unlisted equity investment outside Hong Kong	香港境外非上市股權投資	19,139
		74,517

Available-for-sale financial assets are dominated in the following currencies:

		Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度 HK\$'000 千港元
RMB	人民幣	55,378
EUR	歐元	19,139
		74,517

17 按公平值計入損益之金融資產及按公平值計入其他全面收益之金融資產／可供出售金融資產（續）

(c) 可供出售金融資產

於二零一七年十二月三十一日，本集團的可供出售金融資產指非上市股權投資及非上市投資基金之投資，有關詳情如下：

可供出售金融資產乃以下列貨幣計值：

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 SUBSIDIARIES

The following is a list of principal subsidiaries as at 31 December 2018 and 2017:

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及營業地點	Particulars of issued and paid up/registered capital 已發行及繳足股本/ 註冊資本詳情	Interest held 所持權益	
				2018 二零一八年	2017 二零一七年
Pax Technology Limited 百富科技有限公司	Hong Kong, limited liability company 香港, 有限公司	Sales of E-payment Terminals products and provision of related services in Hong Kong 在香港銷售電子支付終端產品及提供相關服務	HK\$113,125,000 113,125,000港元	100%	100%
Pax Computer Technology (Shenzhen) Co., Ltd. (*) 百富計算機技術(深圳)有限公司	The PRC, limited liability company 中國, 有限公司	Development and sales of E-payment Terminals products and provision of related services in the PRC 在中國研發及銷售電子支付終端產品及提供相關服務	HK\$380,000,000 380,000,000港元	100%	100%
Wonder Pax Technology (Shenzhen) Co., Ltd. (*) 萬達百匯科技(深圳)有限公司	The PRC, limited liability company 中國, 有限公司	Development of software and hardware of E-payment Terminals products and provision of related services in PRC 在中國研發電子支付終端產品的軟件及硬件及提供相關服務	HK\$20,000,000 20,000,000港元	100%	100%
Pax Technology, Inc.	The US, limited liability company 美國, 有限公司	Sales of E-payment Terminals products in the US 在美國銷售電子支付終端產品	US\$1,000 1,000美元	100%	100%
Pax Italia S.r.l.	Italy, limited liability company 意大利, 有限公司	Development and customising software systems and sales of E-payment Terminals products in Italy 在意大利開發及個人化軟件系統及銷售電子支付終端產品	EUR100,000 100,000歐元	70%	70%
CSC Italia S.r.l.	Italy, limited liability company 意大利, 有限公司	Provision of software systems and E-payment Terminals maintenance and installation services in Italy 在意大利提供軟件系統及電子支付終端的維護及安裝服務	EUR100,000 100,000歐元	60%	60%
Kwang Woo Information & Communication Co., Ltd. (note a)	Korea, limited liability company 韓國, 有限公司	Development, manufacturing and sales of E-payment Terminals products in Korea 在韓國研發、生產及銷售電子支付終端產品	Korean Won ("WON") 4,238,000,000 4,238,000,000韓圓	87%	51%
Pax Pos Solutions India Private Ltd.	India 印度	Sales of E-payment Terminals products in India 在印度銷售電子支付終端產品	Indian Rupee ("INR") 32,500,000 32,500,000印度盧比	100%	-
Pax Japan Kabushiki Kaisha Pax Japan株式会社	Japan 日本	Sales of E-payment Terminals products in Japan 在日本銷售電子支付終端產品	Japanese Yen ("JPY") 100,000 100,000日元	100%	-
Shanghai New Kashuo Information Technology Company Limited (*) (note b) 上海新卡說信息技術有限公司	The PRC, limited liability company 中國, 有限公司	Inactive 暫無營業	RMB30,000,000 30,000,000人民幣	51%	51%
Suzhou leasy Information Technology Co., Ltd (*) 蘇州知行易信息科技有限公司	The PRC, limited liability company 中國, 有限公司	Inactive 暫無營業	RMB7,500,000 7,500,000人民幣	60%	60%

* The English names of Pax Computer Shenzhen, Wonder Pax, Shanghai Kashuo and Suzhou leasy represent the best effort by the management of the Group in translating their Chinese names as they do not have official English names.

18 附屬公司

於二零一八年及二零一七年十二月三十一日, 主要附屬公司名單如下:

* 由於百富計算機深圳, 萬達百匯, 上海卡說及蘇州知行易並無正式的英文名稱, 故其英文名稱是由本集團管理層致力從中文名稱翻譯過來。



Notes to the Consolidated Financial Statements

綜合財務報表附註

18 SUBSIDIARIES (continued)

The non-controlling interests in respect of Pax Italia S.r.l., Shanghai Kashuo, Suzhou leasy, CSC Italia S.r.l. and Kwang Woo are not material.

Notes:

- a: During the year ended 31 December 2018, the Group increased its shareholding in Kwang Woo from 51% to 87%. The Group recognised the decrease in non-controlling interests of HK\$1,341,000 and an increase in other reserves of the same amount. There were no transactions with non-controlling interests in 2017.
- b: In July 2018, a court of competent jurisdiction in Shanghai rendered a civil ruling in acceptance of Shanghai Kashuo's application for bankruptcy liquidation in accordance with the Enterprise Bankruptcy Law of the People's Republic of China. A qualified PRC law firm has been appointed to follow up with the voluntary winding-up of Shanghai Kashuo in accordance with the laws of the PRC. As at 31 December 2018, the liquidation process was still underway.

18 附屬公司(續)

有關Pax Italia S.r.l.、上海卡說、蘇州知行、CSC Italia S.r.l.及Kwang Woo的非控股權益並不重大。

附註：

- a：於截至二零一八年十二月三十一日止年度，本集團增加所持有Kwang Woo的股權由51%至87%。本集團確認非控股權益減少1,341,000港元並以相同金額記入其他儲備。於二零一七年並無與非控股權益進行任何交易。
- b：於二零一八年七月，上海一所擁有適當管轄權的法院根據《中華人民共和國企業破產法》作出了民事裁定，接受上海卡說的破產清算申請。一間合資格中國律師事務所已獲委任根據中國的法律跟進上海卡說的自願清盤。於二零一八年十二月三十一日，清算程序正在進行中。

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綜合財務報表附註

19 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Set out below is an associated company of the Group as at 31 December 2018 and 2017, Shanghai Coshine Software Company Ltd. ("Shanghai Coshine"). Shanghai Coshine has share capital consisting solely of registered capital, which is held directly by the Group; its principal place of business is in the PRC.

Shanghai Coshine is an advanced system and services provider in payment infrastructure, electronic business software solution and outsourcing operation.

19 按權益法入賬的投資

以下載列於二零一八年及二零一七年十二月三十一日本集團的聯營公司上海開先軟件有限公司(「上海開先」)。上海開先的股本僅包括註冊資本，由本集團直接持有；其主要營業地點位於中國。

上海開先為國內支付系統、電子商務軟件產品和外包運營系統的提供商和服務商。

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Particular of registered capital 註冊資本詳情	Nature of relationship 關係性質	Effective Interest held 實際所持權益	Measurement method 計量方法
31 December 2018 and 2017 二零一八年及二零一七年 十二月三十一日					
Shanghai Coshine	The PRC, limited liability company	RMB13,326,190	Associated company	20%	Equity method
上海開先	中國·有限公司	13,326,190人民幣	聯營公司	20%	權益法
				As at 31 December 於十二月三十一日	
				2018	2017
				二零一八年	二零一七年
				HK\$'000	HK\$'000
				千港元	千港元
Carrying amount of individually immaterial associated company		個別不重大聯營公司的賬面值		17,974	20,720



Notes to the Consolidated Financial Statements

綜合財務報表附註

19 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

19 按權益法入賬的投資 (續)

		Year ended 31 December 截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
The Group's share of result recognised in the consolidated income statement	本集團於綜合收益表確認分佔持續經營業務之業績	(1,759)	318

There is no contingent liability relating to the Group's interest in Shanghai Coshine. The Group's interest in Shanghai Coshine is not material.

概無有關本集團於上海開先之權益之或然負債。本集團於上海開先的權益並不重大。

Shanghai Coshine is a private company and there is no quoted market price available for its shares.

上海開先為一間私人公司，其股份並無公開市場報價。

20 INVENTORIES

20 存貨

		As at 31 December 於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	306,800	257,297
Work in progress	在製品	170,167	169,080
Finished goods	製成品	705,048	492,075
		1,182,015	918,452

The cost of inventories included in cost of sales during the year amounted to HK\$2,709,172,000 (2017: HK\$2,098,181,000), which included provision for inventories of HK\$43,071,000 (2017: reversal of provision of HK\$1,824,000).

年內，於銷售成本入賬的存貨成本約為2,709,172,000港元（二零一七年：2,098,181,000港元），其中包括存貨撥備43,071,000港元（二零一七年：撥備撥回1,824,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 TRADE AND BILLS RECEIVABLES AND OTHER FINANCIAL ASSETS AT AMORTISED COST

21 應收賬款及應收票據及按攤銷成本列賬的其他金融資產

		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
Trade receivables (note (a))	應收賬款(附註(a))	1,892,275	1,695,406
Amount due from a related party (note (a), Note 34(b))	應收一間關聯方款項(附註(a)、附註34(b))	90,389	32,453
Less: provision for impairment of receivables (note (c))	減: 應收款項減值撥備(附註(c))	(84,169)	(49,163)
Trade receivables, net	應收賬款—淨額	1,898,495	1,678,696
Bills receivables (note (b))	應收票據(附註(b))	20,913	24,718
Trade and bills receivables	應收賬款及應收票據	1,919,408	1,703,414
Other financial assets at amortised cost	按攤銷成本列賬之其他金融資產	5,847	16,602
		1,925,255	1,720,016

The carrying amounts of the Group's trade and bills receivables and other financial assets at amortised cost are denominated in the following currencies:

本集團的應收賬款及應收票據及按攤銷成本列賬的其他金融資產的賬面值以下列貨幣計值：

		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
US\$	美元	1,123,875	752,661
RMB	人民幣	680,184	879,615
EUR	歐元	60,612	58,655
HK\$	港元	23,015	20,267
Others	其他	37,569	8,818
		1,925,255	1,720,016

The fair values of trade and bills receivables and other financial assets at amortised cost approximate their carrying values as at 31 December 2018 and 2017.

於二零一八年及二零一七年十二月三十一日，應收賬款及應收票據及按攤銷成本列賬之其他金融資產的公平值與其賬面值相若。



Notes to the Consolidated Financial Statements

綜合財務報表附註

21 TRADE AND BILLS RECEIVABLES AND OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

(a) Trade receivables

The Group's credit terms to trade debtors range generally from 0 to 180 days. However, credit terms of more than 180 days may be granted to customers on a case-by-case basis upon negotiation. As at 31 December 2018 and 2017, the ageing analysis of the trade receivables and amount due from a related party based on invoice date is as follows:

		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
Up to 90 days	90日以內	1,040,516	1,213,758
91 to 180 days	91至180日	614,992	242,795
181 to 365 days	181至365日	84,754	128,667
Over 365 days	365日以上	242,402	142,639
		1,982,664	1,727,859

As at 31 December 2018, trade receivables included retention money receivables of HK\$69,739,000 (2017: HK\$91,100,000), which represents 2% to 5% (2017: same) of the relevant contract sum granted to certain number of the customers in the PRC that has a retention period of three to five years (2017: same). As at 31 December 2018, retention money receivables aged over 365 days amounted to HK\$63,018,000 (2017: HK\$72,005,000).

The Group's sales are made to several major customers and there is concentration of credit risks. Sales of goods and services to the top five customers constituted approximately 60.7% (2017: 53.5%) of the Group's revenue for the year ended 31 December 2018. They accounted for approximately 52.7% (2017: 43.6%) of the gross trade receivable balances as at 31 December 2018.

21 應收賬款及應收票據及按攤銷成本列賬的其他金融資產(續)

(a) 應收賬款

本集團給予貿易債務人的信貸期由0至180日不等。然而，經磋商後可按個別情況向客戶授出超過180日的信貸期。於二零一八年及二零一七年十二月三十一日，應收賬款及應收一間關聯方款項按發票日期的賬齡分析如下：

於二零一八年十二月三十一日，應收賬款包括應收預扣金額69,739,000港元(二零一七年：91,100,000港元)，佔授予中國若干客戶的相關合同總額為2%至5%(二零一七年：同上)，而預扣期則為三至五年(二零一七年：同上)。於二零一八年十二月三十一日，應收預扣金額賬齡超過365日的總額為63,018,000港元(二零一七年：72,005,000港元)。

本集團的銷售乃向數名主要客戶作出且有信貸集中風險。截至二零一八年十二月三十一日止年度，對五大客戶銷售的貨品及提供的服務佔本集團收入約60.7%(二零一七年：53.5%)，而佔於二零一八年十二月三十一日的應收賬款結餘總額約52.7%(二零一七年：43.6%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 TRADE AND BILLS RECEIVABLES AND OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

(a) Trade receivables (continued)

Receivables that were neither past due nor impaired amounted to approximately HK\$1,768,799,000 as at 31 December 2018 (2017: HK\$1,576,716,000).

As of 31 December 2018, trade receivables of HK\$129,696,000 (2017: HK\$101,980,000) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

		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
Up to 90 days	90日以內	28,710	9,174
91 to 180 days	91至180日	17,895	14,685
181 to 365 days	181至365日	11,990	51,562
Over 365 days	365日以上	71,101	26,559
		129,696	101,980

(b) Bills receivables

The balance represents bank acceptance notes with maturity periods of within six months.

The maturity profile of the bills receivables of the Group is as follows:

		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
Up to 90 days	90日以內	20,625	11,703
91 to 180 days	91至180日	288	13,015
		20,913	24,718

21 應收賬款及應收票據及按攤銷成本列賬的其他金融資產 (續)

(a) 應收賬款 (續)

於二零一八年十二月三十一日，既無逾期亦無減值的應收款項約1,768,799,000 港元（二零一七年：1,576,716,000港元）。

於二零一八年十二月三十一日，應收賬款129,696,000港元（二零一七年：101,980,000港元）已逾期但未減值，且與眾多並無重大財務困難的獨立客戶有關，基於過往經驗，逾期款項可予收回。此等應收賬款的賬齡分析如下：

(b) 應收票據

該結餘指到期期間為六個月以內的銀行承兌票據。

本集團應收票據的到期情況如下：



Notes to the Consolidated Financial Statements

綜合財務報表附註

21 TRADE AND BILLS RECEIVABLES AND OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

(c) Provision for impairment of receivables

The movement on the provision for impairment of receivables is as follows:

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the year	於年初	49,163	4,067
Provision for impairment losses for the year (Note 7)	年內減值虧損撥備(附註7)	44,713	43,220
Reversal of provision (Note 7)	撥備撥回(附註7)	(1,423)	–
Written off	撇銷	(4,479)	–
Exchange realignment	匯兌調整	(3,805)	1,876
At end of the year	於年末	84,169	49,163

The rising tension in international trade dispute and tighter lending conditions in China market in the second half of 2018 increased the challenges for the operation of certain domestic companies. Based on the assessment of the expected credit losses (refer to Note 3.1(b)(ii)), the Group has made a provision for impairment of the trade receivables of HK\$44,713,000 during the year ended 31 December 2018.

The maximum exposure to credit risk at the reporting date is the carrying values of each class of receivables mentioned above. The Group did not hold any collateral as security for these receivables as at 31 December 2018 (2017: same).

21 應收賬款及應收票據及按攤銷成本列賬的其他金融資產(續)

(c) 應收款項減值撥備

應收款項減值撥備變動如下：

國際貿易摩擦升溫及於二零一八年下半年更嚴格的貸款條件為一些國內企業的營運增加挑戰。本集團評估預期信貸虧損後(參考附註3.1(b)(ii))，就截至二零一八年十二月三十一日止年度作出應收賬款減值撥備44,713,000港元。

於報告日期面臨的最大信貸風險為上述各類應收款項的賬面值。於二零一八年十二月三十一日，本集團並無就該等應收款項持有任何抵押品(二零一七年：同上)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 OTHER ASSETS

22 其他資產

		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
Current portion	即期部分		
Prepayments	預付款項	3,403	7,967
Others	其他	21,535	15,024
		24,938	22,991
Non-current portion	非即期部分		
Prepayments	預付款項	45,266	43,077
Others	其他	908	9,708
		46,174	52,785

23 RESTRICTED CASH

23 受限制現金

		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
Restricted bank deposits	受限制銀行存款	48,816	12,490

Restricted cash represents bank deposits of the Group which were placed as guarantee deposits for tenders and as securities for sales of goods to customers.

As at 31 December 2018, the effective interest rate on restricted bank deposits was 0.30% (2017: 0.02%) per annum.

受限制現金指本集團作為投標的擔保按金以及銷貨予客戶的擔保而存放的銀行存款。

於二零一八年十二月三十一日，受限制銀行存款的實際利率為每年0.30%（二零一七年：0.02%）。



Notes to the Consolidated Financial Statements

綜合財務報表附註

23 RESTRICTED CASH (continued)

The carrying amounts of restricted cash were denominated in the following currencies:

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
RMB	人民幣	42,331	–
EUR	歐元	6,485	12,490
		48,816	12,490

24 SHORT-TERM BANK DEPOSITS

As at 31 December 2018, the short-term bank deposits of HK\$2,520,000 represented bank deposits of the Group with original maturities over three months which are denominated in INR. The effective interest rate on short-term bank deposits was 7.35% per annum. As at 31 December 2017, there was no short-term bank deposits held by the Group.

25 CASH AND CASH EQUIVALENTS

As at 31 December 2018, funds of the Group amounting to HK\$1,385,382,000 (2017: HK\$1,203,074,000) were deposited in bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange control.

23 受限制現金 (續)

受限制現金的賬面金額以下列貨幣計值：

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
RMB	人民幣	42,331	–
EUR	歐元	6,485	12,490
		48,816	12,490

24 短期銀行存款

於二零一八年十二月三十一日，短期銀行存款2,520,000港元指本集團原定到期日超過三個月並以印度盧比計值的銀行存款。短期銀行存款的實際利率為每年7.35%。於二零一七年十二月三十一日，本集團並不持有短期銀行存款。

25 現金及現金等價物

於二零一八年十二月三十一日，本集團為數1,385,382,000港元（二零一七年：1,203,074,000港元）存放在中國境內銀行開立的銀行賬戶，而有關資金的付匯受到外匯管制。

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Cash and cash equivalents	現金及現金等價物	2,040,916	2,165,224
Short-term bank deposits	短期銀行存款	119,276	–
		2,160,192	2,165,224

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 CASH AND CASH EQUIVALENTS (continued)

The carrying amounts of cash and cash equivalents were denominated in the following currencies:

25 現金及現金等價物 (續)

現金及現金等價物的賬面值分別以下列貨幣計值：

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
RMB	人民幣	1,385,160	1,202,699
US\$	美元	537,412	396,717
HK\$	港元	169,620	515,977
EUR	歐元	57,788	42,256
Others	其他	10,212	7,575
		2,160,192	2,165,224

The maximum exposure to credit risk of the Group as at 31 December 2018 were HK\$2,159,900,000 (2017: HK\$2,165,083,000).

於二零一八年十二月三十一日，本集團最大信貸風險為2,159,900,000港元（二零一七年：2,165,083,000港元）。



Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE CAPITAL AND SHARE OPTION

26 股本及購股權

(a) Issued and fully paid share capital of the Company

(a) 本公司已發行及繳足股本

		Number of ordinary shares	Ordinary shares of HK\$0.1 each 每股面值 0.1港元的 普通股
		普通股數目 Thousand shares 千股	HK\$'000 千港元
Ordinary shares, issued and fully paid	已發行及繳足普通股		
1 January 2017	二零一七年一月一日	1,107,874	110,787
Shares repurchased during the year	年內股份回購	(13,000)	(1,300)
Employee share option scheme:	僱員購股權計劃：		
– Proceeds from shares issued (Note 26)	– 發行股份所得款項（附註26）	5,320	532
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日， 二零一八年一月一日及 二零一八年十二月三十一日	1,100,194	110,019

No ordinary share was repurchased on the Stock Exchange by the Company during the year ended 31 December 2018 (2017: repurchased 13,000,000 ordinary company shares at an aggregate purchase consideration (including expenses) of HK\$51,617,000).

截至二零一八年十二月三十一日止年度，本公司並沒有在聯交所購回任何普通股（二零一七年：以總代價（包括開支）51,617,000港元購回13,000,000股普通股）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE CAPITAL AND SHARE OPTION (continued)

(b) Share option of the Company

(i) Share option scheme

On 1 December 2010, the Board of Directors of the Company approved a share option scheme (the "Scheme") for the issuance of in aggregate no more than 10% in nominal amount of the aggregate of shares in issue on the listing date of the Company, representing 100,000,000 shares (subject to the terms of the scheme and the relevant provisions under the Listing Rules).

The purpose of the Scheme is to reward participants who have contributed or will contribute to the Group and to encourage participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole.

The Scheme became effective on 1 December 2010 and unless otherwise cancelled or amended, will remain valid and effective for the period of 10 years from that date.

(ii) Share option movements

Name	Date of grant	Exercise price	Number of Share Options held at 1 January 2018 於二零一八年一月一日所持購股權數目	Exercised during the year	Lapsed during the year	Number of Share Options held at 31 December 2018 於二零一八年十二月三十一日所持購股權數目
姓名	授出日期	行使價 (HK\$) (港元)		年內行使	年內失效	
Employees 僱員 (In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	6,954,000	-	-	6,954,000
			6,954,000	-	-	6,954,000
Consultants 顧問 (In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	1,580,000	-	-	1,580,000
Total 總數			8,534,000	-	-	8,534,000

26 股本及購股權 (續)

(b) 本公司購股權

(i) 購股權計劃

於二零一零年十二月一日，本公司董事會批准一項購股權計劃（「該計劃」）以發行合共不超過本公司於上市日期已發行股份總面值的10%，即100,000,000股股份（但須按照該計劃的條款及遵守上市規則的有關規定）。

該計劃旨在獎勵曾經或將會對本集團作出貢獻的參與者，並鼓勵參與者為本公司及其股東的整體利益，努力提升本公司及其股份的價值。

該計劃於二零一零年十二月一日生效，除非另行撤銷或修訂，否則該計劃將自該日起10年期間一直有效。

(ii) 購股權的變動



Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE CAPITAL AND SHARE OPTION (continued)

(b) Share option of the Company (continued)

(ii) Share option movements (continued)

Name 姓名	Date of grant 授出日期	Exercise price (HK\$) (港元)	Number of Share Options held as at 1 January 2017 於二零一七年一月一日所持的購股權數目	Exercised during the year 年內行使	Lapsed during the year 年內失效	Number of Share Options held as at 31 December 2017 於二零一七年十二月三十一日所持的購股權數目
Employees						
僱員						
(In aggregate) (總計)	22 June 2012* 二零一二年六月二十二日*	1.230	6,000,000	-	(6,000,000)	-
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	12,274,000	(5,320,000)	-	6,954,000
Total for Employees 僱員總計			18,274,000	(5,320,000)	(6,000,000)	6,954,000
Consultants						
顧問						
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	1,580,000	-	-	1,580,000
Total for Consultants 顧問總計			1,580,000	-	-	1,580,000
Total 總數			19,854,000	(5,320,000)	(6,000,000)	8,534,000

* The share options will be vested to the grantees, among which 30% of the share options would be vested on the date of grant, a further 30% of the share options be vested on the first anniversary of the date of grant and the remaining 40% of the share options will be vested on the second anniversary of the date of grant. The validity period of these share options shall be 5 years from the date of grant.

* 購股權歸屬承授人，當中30%購股權於授出日期歸屬，另外30%購股權將於授出日期一週年歸屬，其餘40%購股權將於授出日期兩週年歸屬。該等購股權的有效期限為自授出日期起計五年。

26 股本及購股權 (續)

(b) 本公司購股權 (續)

(ii) 購股權的變動 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE CAPITAL AND SHARE OPTION (continued)

(b) Share option of the Company (continued)

(ii) Share option movements (continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		Year ended 31 December 截至十二月三十一日止年度			
		2018 二零一八年		2017 二零一七年	
		Average exercise price in HK\$ per share option 每購股權的 港元平均 行使價	Options (thousands) 購股權 (千份)	Average exercise price in HK\$ per share option 每購股權的 港元平均 行使價	Options (thousands) 購股權 (千份)
At 1 January	於一月一日	4.860	8,534	3.763	19,854
Exercised	已行使	-	-	4.860	(5,320)
Lapsed	已失效	-	-	1.230	(6,000)
At 31 December	於十二月三十一日	4.860	8,534	4.860	8,534

On 22 June 2012, 80,400,000 share options were granted to certain directors and employees at an exercise price of HK\$1.23 per share. These options were expired on 21 June 2017.

On 28 May 2014, 22,254,000 share options were granted to certain employees and consultants at an exercise price of HK\$4.86 per share. These options will expire on 27 May 2019.

During the year ended 31 December 2018, no share-based payment expense (2017: same) was recognised in the consolidated income statement and was credited in equity. The weighted average share price immediately before the share options exercised dates was HK\$4.60 per share for the year ended 31 December 2017. As at 31 December 2018, out of the 8,534,000 (2017: 8,534,000) outstanding options, 8,534,000 (2017: 8,534,000) options were exercisable.

26 股本及購股權 (續)

(b) 本公司購股權 (續)

(ii) 購股權的變動 (續)

尚未行使的購股權數目及其相關加權平均行權價格變動如下：

於二零一二年六月二十二日，80,400,000份購股權按行使價每股1.23港元授予若干董事及僱員。該等購股權已於二零一七年六月二十一日屆滿。

於二零一四年五月二十八日，22,254,000份購股權以行使價每股4.86港元授予若干僱員及顧問。該等購股權將於二零一九年五月二十七日期到。

於截至二零一八年十二月三十一日止年度，並無股份支付開支於綜合收益表確認（二零一七年：同上）及已計入股權。截至二零一七年十二月三十一日止年度，緊接購股權行使日期前的加權平均股價為每股4.60港元。於二零一八年十二月三十一日，8,534,000份（二零一七年：8,534,000份）尚未行使購股權中，8,534,000份（二零一七年：8,534,000份）購股權為可行使。



Notes to the Consolidated Financial Statements

綜合財務報表附註

27 RESERVES

27 儲備

		Share premium	Capital reserve	Share option reserve	Employment benefit reserve	Available-for-sale revaluation reserve	Financial asset at fair value through other comprehensive income reserve	Other reserves	Exchange reserve	Retained earnings	Total
							按公平值計入其他全面收益之金融資產儲備				
		股份溢價	資本儲備	購股權儲備	在職福利儲備	可供出售估值儲備		其他儲備	外匯儲備	保留盈利	總計
		HK\$'000	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	千港元
			(note (i))								
			(附註(i))								
For the year ended	截至二零一八年										
31 December 2018	十二月三十一日止年度										
Balance at 31 December 2017	於二零一七年十二月三十一日										
as originally presented	按原先呈列之結餘	1,274,530	(414,978)	81,173	(72)	(6,145)	-	-	8,298	2,869,951	3,812,757
Change in accounting policy (Note 2.1.1)	會計政策改變(附註2.1.1)	-	-	-	-	6,145	(553)	-	-	(5,592)	-
At 1 January 2018, as restated	於二零一八年一月一日重列	1,274,530	(414,978)	81,173	(72)	-	(553)	-	8,298	2,864,359	3,812,757
Comprehensive income	全面收益										
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	522,470	522,470
Other comprehensive income/(loss)	其他全面收益/(虧損)										
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生的匯兌差額	-	-	-	-	-	-	-	(109,302)	-	(109,302)
Change in value of financial asset at FVOCI	按公平值計入其他全面收益之金融資產之價值改變	-	-	-	-	-	(7,269)	-	-	-	(7,269)
Remeasurement of post-employment benefit obligation	離職後福利債務重計	-	-	-	53	-	-	-	-	-	53
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	-	-	-	53	-	(7,269)	-	(109,302)	522,470	405,952
Transactions with owners	與擁有人的交易										
Dividends paid	已付股息	-	-	-	-	-	-	-	-	(88,016)	(88,016)
Increase in shareholding in a subsidiary	增加一間附屬公司之股權	-	-	-	-	-	-	1,341	-	-	1,341
Total transactions with owners	與擁有人的交易總額	-	-	-	-	-	-	1,341	-	(88,016)	(86,675)
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	1,274,530	(414,978)	81,173	(19)	-	(7,822)	1,341	(101,004)	3,298,813	4,132,034

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 RESERVES (continued)

27 儲備 (續)

		Share premium	Capital reserve	Share option reserve	Employment benefit reserve	Available-for-sale revaluation reserve	Exchange reserve	Retained earnings	Total
		股份溢價	資本儲備	購股權儲備	福利儲備	可供出售估值儲備	外匯儲備	保留盈利	總計
		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
For the year ended 31 December 2017	截至二零一七年十二月三十一日止年度								
Balance at 1 January 2017	於二零一七年一月一日的結餘	1,299,524	(414,978)	81,173	-	-	(162,470)	2,551,499	3,354,748
Comprehensive income	全面收益								
Profit for the year	年內溢利	-	-	-	-	-	-	407,507	407,507
Other comprehensive income/(loss)	其他全面收益/(虧損)								
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生的匯兌差額	-	-	-	-	-	170,768	-	170,768
Changes in value of available-for-sale financial assets	可供出售金融資產之價值改變	-	-	-	-	(6,145)	-	-	(6,145)
Remeasurements of post-employment benefit obligations	離職後福利債務重計	-	-	-	(72)	-	-	-	(72)
Total comprehensive (loss)/income for the year	年度全面(虧損)/收益總額	-	-	-	(72)	(6,145)	170,768	407,507	572,058
Transactions with owners	與擁有人的交易								
Repurchase of the Company's shares	回購本公司的股份	(50,317)	-	-	-	-	-	-	(50,317)
Share option scheme	購股權計劃								
- share options exercised	- 已行使購股權	25,323	-	-	-	-	-	-	25,323
Dividends paid	已付股息	-	-	-	-	-	-	(89,055)	(89,055)
Total transactions with owners	與擁有人的交易總額	(24,994)	-	-	-	-	-	(89,055)	(114,049)
Balance at 31 December 2017	於二零一七年十二月三十一日的結餘	1,274,530	(414,978)	81,173	(72)	(6,145)	8,298	2,869,951	3,812,757

Notes:

(i) Capital reserve

Capital reserve represents the difference between (i) the aggregate of the consideration for the acquisitions upon the reorganisation completed on 15 February 2010; and (ii) the aggregate of the share capital and share premium of the directly owned subsidiaries of the Company.

(ii) Statutory reserves

The subsidiary of the Company in the PRC is required to allocate 10% of the company's net profit to the statutory reserves fund until such fund reaches 50% of its registered capital. The statutory reserves fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase its registered capital, provided that such fund is maintained at a minimum of 25% of its registered capital. As at 31 December 2018, retained earnings comprised statutory reserves fund amounting to HK\$173,268,000 (2017: HK\$173,268,000).

附註：

(i) 資本儲備

資本儲備指下列兩者的差額：(i)於二零一零年二月十五日完成重組時的收購代價總額；及(ii)本公司直接擁有的附屬公司的股本及股份溢價總額。

(ii) 法定儲備

本公司於中國的附屬公司須將公司純利的10%分配至法定儲備金，直至該儲備金達至其註冊資本的50%。經有關當局批准後，法定儲備金可用於抵銷累計虧損或增加其註冊資本，惟該儲備金最低須維持於其註冊資本25%的水平。於二零一八年十二月三十一日，保留盈利包括法定儲備金173,268,000港元（二零一七年：173,268,000港元）。



Notes to the Consolidated Financial Statements

綜合財務報表附註

28 TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS

28 應付賬款、應付票據、其他應付賬款及應計款項

		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
Trade and bills payables	應付賬款及應付票據		
Trade payables	應付賬款	1,114,598	937,093
Amount due to a related party (Note 34(b))	應付一間關聯方款項(附註34(b))	11,684	15,991
Trade payables (note (a))	應付賬款(附註(a))	1,126,282	953,084
Bills payables (note (b))	應付票據(附註(b))	64,165	–
		1,190,447	953,084
Other payables and accruals	其他應付賬款及應計款項		
Receipt in advance from customers (note (c))	預先收取客戶款項(附註(c))	61,246	70,519
Other tax payables	其他應付稅款	56,792	95,991
Other accrued expenses and payables	其他應計開支及賬款	141,082	115,075
		259,120	281,585

(a) Trade payables

The ageing analysis of trade payables (including amount due to a related party of trading in nature) based on invoice date is as follows:

(a) 應付賬款

應付賬款按發票日期的賬齡分析(包括應付一名關聯方交易性的款項)如下:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Up to 90 days	90日以內	802,365	808,948
91 to 180 days	91日至180日	317,992	137,140
181 to 365 days	181日至365日	1,109	4,175
Over 365 days	365日以上	4,816	2,821
		1,126,282	953,084

The average credit period granted by the Group's suppliers ranges from 0 to 180 days.

本集團獲供應商授予的平均信貸期介乎0至180日。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS (continued)

(b) Bills payables

The balance represents bank acceptance notes:

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Due within 90 days	90天內到期	20,494	–
Due within 91 to 180 days	91至180天到期	43,671	–
		64,165	–

(c) Receipt in advance from customers

Revenue recognised during the year ended 31 December 2018 that was included in the contract liability balance at the beginning of the year amounted to HK\$36,842,000 (2017: HK\$84,998,000). The Group expects to deliver the goods to satisfy the remaining performance obligations of these contract liabilities within one year or less.

28 應付賬款、應付票據、其他應付賬款及應計款項(續)

(b) 應付票據

該結餘指銀行承兌票據：

(c) 預收客戶款項

截至二零一八年十二月三十一日止年度，於年初計入合約負債結餘之已確認收益為36,842,000港元(二零一七年：84,998,000港元)。本集團預期一年或以內提供貨品以履行其餘合約負債之履約責任。



Notes to the Consolidated Financial Statements

綜合財務報表附註

29 BORROWINGS

29 借貸

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Current	即期		
Bank borrowings held by a subsidiary in Korea	韓國附屬公司持有的銀行借貸	8,244	14,367

As at 31 December 2018, the bank borrowings were repayable within 1 year (2017: same) and bore average fixed interests of 5.69% annually (2017: 4.23%). The interest-bearing borrowings are carried at amortised cost.

The carrying amounts of the Group's borrowings as at 31 December 2018 were denominated in WON and approximate their fair values (2017: same).

As at 31 December 2018, the borrowings of HK\$8,244,000 (2017: HK\$10,716,000) were secured by land and buildings in Korea with a net book value of HK\$15,420,000 (2017: HK\$16,314,000) (Note 14).

As at 31 December 2018, total undrawn facilities were approximately HK\$3,656,000 (2017: HK\$3,664,000).

於二零一八年十二月三十一日，銀行借貸需於一年內償還（二零一七年：同上），並按年平均固定利率5.69%（二零一七年：4.23%）計息。計息借貸按攤銷成本列賬。

於二零一八年十二月三十一日，本集團借貸的賬面值以韓圓計值及與公平值相若（二零一七年：同上）。

於二零一八年十二月三十一日，8,244,000港元（二零一七年：10,716,000港元）的借貸以賬面淨值為15,420,000港元（二零一七年：16,314,000港元）的韓國土地及樓宇作抵押（附註14）。

於二零一八年十二月三十一日，未提取融資總額約為3,656,000港元（二零一七年：3,664,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 DEFERRED INCOME TAX

The movement in deferred income tax assets and liabilities during the year is as follows:

Deferred income tax assets

		2018 二零一八年			2017 二零一七年		
		Provisions 撥備 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Provisions 撥備 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January	於一月一日	14,470	4,261	18,731	10,459	6,335	16,794
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	639	-	639
Credited/(debited) to the consolidated income statement	計入/(扣除自)綜合收益表	8,548	5,901	14,449	2,468	(2,353)	115
Exchange realignment	匯兌調整	(1,040)	(436)	(1,476)	904	279	1,183
At 31 December	於十二月三十一日	21,978	9,726	31,704	14,470	4,261	18,731

Deferred income tax liabilities

		Revaluation of intangible assets 無形資產重估	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	(10,123)	(6,363)
Acquisition of subsidiaries	收購附屬公司	-	(8,443)
Credited to the consolidated income statement	計入綜合收益表	1,074	5,273
Exchange realignment	匯兌調整	408	(590)
At 31 December	於十二月三十一日	(8,641)	(10,123)

30 遞延所得稅

遞延所得稅資產與負債於年內之變動如下：

遞延所得稅資產

遞延所得稅負債



Notes to the Consolidated Financial Statements

綜合財務報表附註

30 DEFERRED INCOME TAX (continued)

Deferred income tax assets are recognised for tax losses carry forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. At 31 December 2018, the Group has unrecognised tax losses to be carried forward against future taxable income amounted to HK\$217,366,000 (2017: HK\$177,436,000). Tax losses amounting to HK\$217,366,000 (2017: HK\$177,248,000) will expire from 2023 to 2038 (2017: 2022 to 2037). The remaining tax losses have no expiry date. The potential deferred income tax assets in respect of these tax losses which have not been recognised will be calculated based on the effective income tax rates according to prevailing tax laws and regulations in which the Group operates.

Cai Shui 2008 Circular 1, which was jointly issued by the Ministry of Finance and the State Administration of Taxation, took effect on 22 February 2008. Under the circular, dividends declared by foreign investment enterprises ("FIEs") to foreign investors out of their cumulative retained earnings as at 31 December 2007 shall be exempt from withholding income tax. For dividends declared out of profit earned after 1 January 2008, withholding income tax will be levied on the foreign investor at a tax rate of 10% unless the foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding tax arrangement.

As at 31 December 2018, deferred income tax liabilities have not been provided for in the consolidated financial statements in respect of the withholding tax that would be payable on unremitted earnings of the PRC subsidiary of the Company amounting to approximately HK\$90,888,000 (2017: HK\$102,179,000), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

30 遞延所得稅 (續)

遞延所得稅資產乃因應相關稅項利益有可能透過日後應課稅溢利變現而就所結轉的稅項虧損作確認。於二零一八年十二月三十一日，本集團的未確認稅項虧損為217,366,000港元（二零一七年：177,436,000港元），可結轉以抵銷日後應課稅收入。此稅項虧損為數217,366,000港元（二零一七年：177,248,000港元）將於二零二三年至二零三八年（二零一七年：二零二二年至二零三七年）屆滿。剩餘的稅項虧損沒有到期日。尚未確認的該等稅項虧損的潛在遞延所得稅資產將根據本集團經營國家的實際所得稅率及當時適用的稅法及規例計算。

財政部及國家稅務總局聯合發出的財稅2008第1號通知於二零零八年二月二十二日生效。根據該通知，外商投資企業（「外資企業」）自其二零零七年十二月三十一日的累計保留盈利向海外投資者宣派的股息將豁免繳納預扣所得稅。自二零零八年一月一日後所賺取的溢利中宣派的股息，將按10%的稅率對海外投資者徵收預扣所得稅，除非海外投資者註冊成立的司法權區與中國訂有稅務條約，規定不同的預扣稅安排。

於二零一八年十二月三十一日，由於本集團可控制撥回暫時差額的時間且暫時差額可能不會於可見未來撥回，故尚未就本集團位於中國的附屬公司未匯盈利的應付預扣稅於綜合財務報表作出遞延所得稅負債撥備約90,888,000港元（二零一七年：102,179,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

31 綜合現金流量表附註

(a) Reconciliation of profit before income tax to cash generated from operations

(a) 除所得稅前溢利與經營所得現金的對賬

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before income tax	除所得稅前溢利	632,742	424,540
Adjustments for:	調整：		
Interest income	利息收入	(22,321)	(20,847)
Finance costs	財務費用	4,768	3,801
Depreciation of property, plant and equipment	物業、廠房及設備折舊	11,178	22,826
Amortisation of land use rights	土地使用權攤銷	4,321	3,173
Amortisation of intangible assets	無形資產攤銷	4,840	5,008
Impairment of assets	資產減值	-	136,192
Losses on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	1,786	30
Share of result of an investment accounted for using the equity method	按權益法入賬的投資業績	1,759	(318)
Employee benefit obligations	僱員福利債務	1,090	209
Net impairment losses on financial assets	金融資產之減值淨虧損	43,290	43,220
Fair value gain on a financial liability at FVPL	按公平值計入損益之金融負債之公平值收益	(4,689)	-
Fair value gain on a financial asset at FVPL	按公平值計入損益之金融資產之公平值收益	(2,888)	-
Provision/(reversal of provision) for obsolete inventories	陳舊存貨撥備／(撥備撥回)	43,071	(1,824)
		718,947	616,010
Operating profit before working capital changes:	營運資金變動前的經營溢利：		
Increase in trade and bills receivables, other financial assets at amortised cost and other assets	應收賬款及應收票據、按攤銷成本列賬之其他金融資產及其它資產增加	(292,099)	(278,902)
Increase in inventories	存貨增加	(360,786)	(255,183)
Increase in restricted cash	受限制現金增加	(38,334)	(11,728)
Increase in trade and bills payables, other payables and accruals	應付賬款及應付票據、其他應付賬款及應計款項增加	294,732	207,332
Cash generated from operations	經營所得現金	322,460	277,529



Notes to the Consolidated Financial Statements

綜合財務報表附註

31 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

(b) Proceeds from sales of property, plant and equipment

In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

		Year ended 31 December	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Net book amount	賬面淨值	1,786	30
Losses on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	(1,786)	(30)
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備的所得款項	-	-

(c) Reconciliation of liabilities arising from financing activities

This section sets out the movement in liabilities arising from financing activities for each of the years presented.

		Borrowing due within 1 year
		一年內到期的借貸
		HK\$'000
		千港元
As at 1 January 2018	於二零一八年一月一日	14,367
Cash flows	現金流量	(5,612)
Foreign exchange adjustments	匯兌調整	(511)
As at 31 December 2018	於二零一八年十二月三十一日	8,244
As at 1 January 2017	於二零一七年一月一日	
Acquisition of a subsidiary	收購一間附屬公司	30,463
Cash flows	現金流量	(16,906)
Foreign exchange adjustments	匯兌調整	810
As at 31 December 2017	於二零一七年十二月三十一日	14,367

31 綜合現金流量表附註 (續)

(b) 出售物業、廠房及設備所得款項

於綜合現金流量表中，出售物業、廠房及設備的所得款項包括：

		Year ended 31 December	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Net book amount	賬面淨值	1,786	30
Losses on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	(1,786)	(30)
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備的所得款項	-	-

(c) 融資活動所產生負債的對賬

本節載列所呈列各年度融資活動所產生負債的變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 CONTINGENT LIABILITIES

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

33 COMMITMENTS

(a) Capital commitment

Significant capital expenditure contracted for at the balance sheet date but not recognised as liabilities is as follows:

Property, plant and equipment in the PRC	位於中國的物業、廠房及設備
---	---------------

As at 31 December

於十二月三十一日

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

15,791

–

(b) Operating lease commitments

As at 31 December 2018 and 2017, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of certain office premises as follows:

Not later than one year	不超過一年
Later than one year and not later than five years	超過一年但不超過五年

As at 31 December

於十二月三十一日

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

19,115

22,489

16,871

14,862

35,986

37,351

32 或然負債

於二零一八年及二零一七年十二月三十一日，本集團並無重大或然負債。

33 承諾

(a) 資本承諾

於結算日訂約但未確認為負債的重大資本開支如下：

(b) 營運租賃承諾

於二零一八年及二零一七年十二月三十一日，本集團根據若干辦公室物業的不可撤銷經營租賃須支付的未來最低租金付款總額如下：



Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has, directly or indirectly, the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(a) Transactions with related parties

Except for those disclosed below and elsewhere on the consolidated financial statements, the Group has no significant transactions with related parties during the year ended 31 December 2018 (2017: same).

34 關聯方交易

倘一名人士有能力直接或間接控制其他人士或在其他人士作出財務及經營決策時對其施加重大影響，則該人士被認為是該名其他人士的關聯方。

(a) 與關聯方的交易

除下文所披露者及綜合財務報表的其他地方外，本集團於截至二零一八年十二月三十一日年度與關聯方並無任何重大交易（二零一七年：同上）。

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Sales of electronic payment products to subsidiaries of Hi Sun Technology (China) Limited ("Hi Sun")* (note (i))	向高陽科技(中國)有限公司(「高陽」)*的附屬公司銷售電子支付產品(附註(i))	194,221	135,774
Rental fees paid to a subsidiary of Hi Sun (note (ii))	向高陽的一間附屬公司支付租金(附註(ii))	1,491	1,460
Purchase of raw materials from a subsidiary of Hi Sun (note (iii))	自高陽的一間附屬公司購買原材料(附註(iii))	67,587	59,966
Commission income from a subsidiary of Hi Sun (note (iv))	向高陽之附屬公司收取佣金收入(附註(iv))	-	139

* The Company is an associated company of Hi Sun whose shares are listed on the Main Board of the Stock Exchange.

* 本公司為高陽的聯營公司，其股份於聯交所主板上市。

Notes:

附註：

(i): Sales of electronic payment products to subsidiaries of Hi Sun were transacted pursuant to the terms and conditions set out in the framework agreement entered into by the Company and Hi Sun on 31 December 2015. The Company and Hi Sun had on 5 December 2018 entered into new framework agreements with revised terms and conditions governing the sales of electronic payment products effective from 1 January 2019. These transactions were continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules as detailed in the section headed "Connected Transactions" in the Report of the Directors in respect of these transactions.

(i): 向高陽的附屬公司銷售電子支付產品按本公司與高陽於二零一五年十二月三十一日訂立的框架協議所載條款及條件進行交易。本公司與高陽於二零一八年十二月五日訂立新框架協議，當中列載有關電子支付產品銷售並經修訂之條款及條件，自二零一九年一月一日起生效。該等交易為上市規則第14A章所界定的持續關連交易。本集團已如董事會報告中「關連交易」一節所述就該等交易遵守上市規則第14A章的規定。

(ii): Rental fees paid to a subsidiary of Hi Sun was charged at a fixed monthly fee mutually agreed between the two parties. These transactions were de minimis continuing connected transactions exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

(ii): 向高陽的一間附屬公司支付的租金每月按固定費用收取，由訂約雙方共同協定。該等交易為上市規則第14A章項下最低限額持續關連交易，豁免遵守股東批准、年度審閱及所有披露的規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

Notes: (continued)

- (iii): Purchase of raw materials from a subsidiary of Hi Sun was conducted pursuant to terms and conditions set out in the framework agreement entered into by the Company and Hi Sun on 30 December 2016. These transactions were continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules as detailed in the section headed "Connected Transactions" in the Report of the Directors in respect of these transactions.
- (iv): Commission received from a subsidiary of Hi Sun was charged at a rate mutually agreed between two parties. These transactions were de minimis continuing connected transactions exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

(b) Balances with related parties

The balances with the subsidiaries of Hi Sun are unsecured, interest free and with a credit period of 60 days.

Amount due from a subsidiary of Hi Sun (Note 21)	應收高陽一間附屬公司的款項 (附註21)	90,389	32,453
Amount due to a subsidiary of Hi Sun (Note 28)	應付高陽一間附屬公司的款項 (附註28)	11,684	15,991

(c) Key management compensation

During the year ended 31 December 2018 and 2017, key management compensation is equivalent to the Directors' emoluments as disclosed in Note 37.

35 EVENT AFTER THE BALANCE SHEET DATE

On 7 September 2018, the Group and CCV Group B.V., entered into an agreement (the "Agreement") to set up a jointly controlled entity ("JV entity") in Germany. Pursuant to the Agreement, the Group agreed to invest with an investment cost of EUR762,500 (equivalent to approximately HK\$6,833,000) in and grant a shareholder loan of EUR462,500 (equivalent to approximately HK\$4,143,000) to the JV entity. During the year ended 31 December 2018, a prepayment for a portion of the investment cost amounted to EUR12,500 (equivalent to approximately HK\$114,000) was paid by the Group and the JV entity was subsequently incorporated in January 2019.

34 關聯方交易 (續)

(a) 與關聯方的交易 (續)

附註：(續)

- (iii)：向高陽的一間附屬公司購買原材料按本公司與高陽於二零一六年十二月三十日訂立的框架協議所載條款及條件進行。該等交易為上市規則第14A章所界定的持續關連交易。本集團已如董事會報告中「關連交易」一節所述就該等交易遵守上市規則第14A章的規定。
- (iv)：向高陽的一間附屬公司收取由雙方共同商定價格的佣金。該等交易為上市規則第14A章項下最低限額持續關連交易，豁免遵守股東批准、年度審閱及所有披露的規定。

(b) 與關聯方的結餘

該等與高陽附屬公司的結餘為無抵押、免息且附帶60日信貸期。

As at 31 December	
於十二月三十一日	
2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元

(c) 主要管理層酬金

於二零一八年及二零一七年十二月三十一日，主要管理層酬金相對於附註37披露之董事酬金。

35 資產負債表日後事項

於二零一八年九月七日，本集團與CCV Group B.V.簽訂協議（「協議」），在德國成立合營公司。根據該協議，本集團同意投資合營公司投資款762,500歐元（相當於約6,833,000港元）及授予股東貸款462,500歐元（相當於約4,143,000港元）。截至二零一八年十二月三十一日止年度本集團已預付部份投資款為數12,500歐元（相當於約114,000港元）。合營公司其後於二零一九年一月成立。

Notes to the Consolidated Financial Statements

綜合財務報表附註



36 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY

36 本公司資產負債表及儲備變動

Balance sheet of the Company

本公司資產負債表

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		Notes	
		附註	
		HK\$'000	HK\$'000
		千港元	千港元
ASSETS	資產		
Non-current asset	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	592,344	592,344
Total non-current assets	非流動資產總值	592,344	592,344
Current assets	流動資產		
Other current assets	其他流動資產	349	396
Amount due from a subsidiary	應收一間附屬公司款項	868,278	583,694
Cash and cash equivalents	現金及現金等價物	57,608	336,263
Total current assets	流動資產總值	926,235	920,353
Total assets	資產總值	1,518,579	1,512,697
EQUITY	權益		
Equity attributable to the owners of the Company	本公司持有人應佔權益		
Share capital	股本	110,019	110,019
Reserves	儲備	(a) 1,395,851	1,393,388
Total equity	權益總額	1,505,870	1,503,407
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables and accruals	其他應付賬款及應計款項	12,709	9,290
Total current liabilities and total liabilities	流動負債總額及負債總額	12,709	9,290
Total equity and liabilities	權益及負債總額	1,518,579	1,512,697

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY (continued)

36 本公司資產負債表及儲備變動(續)

(a) Reserves movement of the Company

(a) 本公司儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年 一月一日的結餘	1,274,530	81,173	37,685	1,393,388
Profit for the year	年度溢利	-	-	90,479	90,479
Transaction with owner	與擁有人之交易				
Dividends paid	已付股息	-	-	(88,016)	(88,016)
Balance at 31 December 2018	於二零一八年 十二月三十一日的結餘	1,274,530	81,173	40,148	1,395,851
Balance at 1 January 2017	於二零一七年 一月一日的結餘	1,299,524	81,173	43,073	1,423,770
Profit for the year	年度溢利	-	-	83,667	83,667
Transactions with owner	與擁有人之交易				
Repurchase of the Company's shares	回購本公司的股份	(50,317)	-	-	(50,317)
Share option scheme	購股權計劃				
- share options exercised	- 已行使購股權	25,323	-	-	25,323
Dividends paid	已付股息	-	-	(89,055)	(89,055)
Total transactions with owners	與擁有人的交易總額	(24,994)	-	(89,055)	(114,049)
Balance at 31 December 2017	於二零一七年 十二月三十一日的結餘	1,274,530	81,173	37,685	1,393,388



Notes to the Consolidated Financial Statements

綜合財務報表附註

37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

37 董事利益及權益（香港公司條例（第622章）第383節、公司（披露董事利益資料）規定（第622G章）及香港上市規則規定的披露）

(a) Directors' and chief executive's emoluments

The remuneration of every Director and the chief executive of the Company during the year ended 31 December 2018 and 2017 is set out below:

(a) 董事及行政總裁酬金

於截至二零一八及二零一七年十二月三十一日止年度，本公司各董事及行政總裁的薪酬載列如下：

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度							Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就個人擔任董事（不論為本公司或其附屬公司業務）職務已付或應收的酬金	
		Remunerations paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking 就董事管理本公司或其附屬公司業務事宜的其他服務已付或應收酬金							Total	
		Fees	Salary	Discretionary bonuses	Housing allowance	Estimated money value of other benefits (note (a))	Employer's contribution to a retirement benefit scheme	in respect of accepting office as director		
Name	姓名	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	房屋津貼 HK\$'000 千港元	其他利益的估計貨幣價值 (附註(a)) HK\$'000 千港元	僱主的退休福利計劃供款 HK\$'000 千港元	就接受董事職務已付或應收薪酬 HK\$'000 千港元	總計 HK\$'000 千港元	
Executive Directors		執行董事								
Nie Guoming (Chairman)	聶國明 (主席)	1,300	922	3,000	-	-	50	-	5,272	
Lu Jie (Chief Executive Officer)	盧杰 (行政總裁)	1,200	2,937	3,900	-	-	78	-	8,115	
Li Wenjin	李文晉	1,200	-	3,500	-	-	18	-	4,718	
		3,700	3,859	10,400	-	-	146	-	18,105	
Independent Non-Executive Directors		獨立非執行董事								
Yip Wai Ming	葉偉明	180	-	200	-	-	-	-	380	
Wu Min	吳敏	180	-	200	-	-	-	-	380	
Man Kwok Kuen, Charles	文國權	180	-	200	-	-	-	-	380	
		540	-	600	-	-	-	-	1,140	
Total	總計	4,240	3,859	11,000	-	-	146	-	19,245	

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

37 董事利益及權益（香港公司條例（第622章）第383節、公司（披露董事利益資料）規定（第622G章）及香港上市規則規定的披露）（續）

(a) Directors' and chief executive's emoluments (continued)

(a) 董事及行政總裁酬金（續）

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking
就個人擔任董事（不論為本公司或其附屬公司業務）職務已付或應收的酬金

Name	姓名	Fees HK\$'000 千港元	Salary HK\$'000 千港元	Discretionary bonuses HK\$'000 千港元	Housing allowance HK\$'000 千港元	Estimated money value of other benefits (note (a)) HK\$'000 千港元	Employer's contribution to a retirement benefit scheme HK\$'000 千港元	Remunerations paid or receivable in respect of office as director HK\$'000 千港元	Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or its subsidiary undertaking HK\$'000 千港元	Total HK\$'000 千港元
Executive Directors		執行董事								
Nie Guoming (Chairman)	聶國明 (主席)	1,300	903	2,300	-	-	47	-	-	4,550
Lu Jie (Chief Executive Officer)	盧杰 (行政總裁)	1,200	2,840	2,300	-	-	46	-	-	6,386
Li Wenjin	李文晉	1,200	-	2,300	-	-	18	-	-	3,518
		3,700	3,743	6,900	-	-	111	-	-	14,454
Independent Non-Executive Directors		獨立非執行董事								
Yip Wai Ming	葉偉明	180	-	150	-	-	-	-	-	330
Wu Min	吳敏	180	-	150	-	-	-	-	-	330
Man Kwok Kuen, Charles	文國權	180	-	150	-	-	-	-	-	330
		540	-	450	-	-	-	-	-	990
Total	總計	4,240	3,743	7,350	-	-	111	-	-	15,444

Note (a): Other benefits include leave pay, share options and insurance premium.

附註(a)：其他利益包括支薪假、購股權及保險費用。



Notes to the Consolidated Financial Statements

綜合財務報表附註

37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2017: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2017: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2018, the Company did not pay consideration to any third parties for making available directors' services (2017: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2018, there are no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled bodies corporate by and connected entities with such directors (2017: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

37 董事利益及權益（香港公司條例（第622章）第383節、公司（披露董事利益資料）規定（第622G章）及香港上市規則規定的披露）（續）

(b) 董事退休福利

年內，概無董事已收取或將收取任何退休福利（二零一七年：無）。

(c) 董事終止僱傭福利

年內，概無董事已收取或將收取任何終止僱傭福利（二零一七年：無）。

(d) 就作出董事服務向第三方提供的代價

截至二零一八年十二月三十一日止年度，本公司概無就作出董事服務向任何第三方支付代價（二零一七年：無）。

(e) 有關以董事、受控制法人團體及該等董事的關聯實體為受益人的貸款、準貸款及其他交易的資料

截至二零一八年十二月三十一日止年度，概無有關以董事、受控制法人團體及該等董事的關聯實體為受益人的貸款、準貸款及其他交易安排（二零一七年：無）。

(f) 董事於交易、安排或合約中的重大權益

本公司概無就其業務訂立本公司為其中訂約方及本公司董事直接或間接擁有重大權益而於年終或年內任何時間仍然存續的重大交易、安排或合約（二零一七年：無）。

Five Years Financial Summary

五年財務概要

A summary of the published consolidated results and of the consolidated assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set as below:

摘錄自經審核財務報表及按適用情況重新分類的本集團過去五個財政年度已公佈綜合業績及綜合資產與負債概要如下：

		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	2014 二零一四年 HK\$'000 千港元
Results	業績					
Revenue	收入	4,415,409	3,591,080	2,914,842	2,870,794	2,373,272
Gross profit	毛利	1,626,681	1,457,593	1,261,994	1,092,490	864,866
Operating profit	經營溢利	639,269	428,023	689,093	657,973	463,194
Profit for the year attributable to the owners of the Company	本公司持有人應佔年度溢利	522,470	407,507	600,908	620,736	391,806
Financial position	財務狀況					
Assets and liabilities	資產及負債					
Total assets	資產總值	5,775,554	5,232,216	4,433,063	4,080,199	3,334,313
Total liabilities	負債總額	1,562,946	1,335,150	931,780	989,600	786,133
Capital and reserves	股本及儲備					
Total equity	權益總額	4,212,608	3,897,066	3,501,283	3,090,599	2,548,180



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