世纪阳光

世紀陽光集團控股有限公司

Century Sunshine Group Holdings Limited

Stock Code 股份代號 : 509.HK

A BETTER FUTURE

成就未來

ANNUAL REPORT

2017 年報

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VISION

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MISSION

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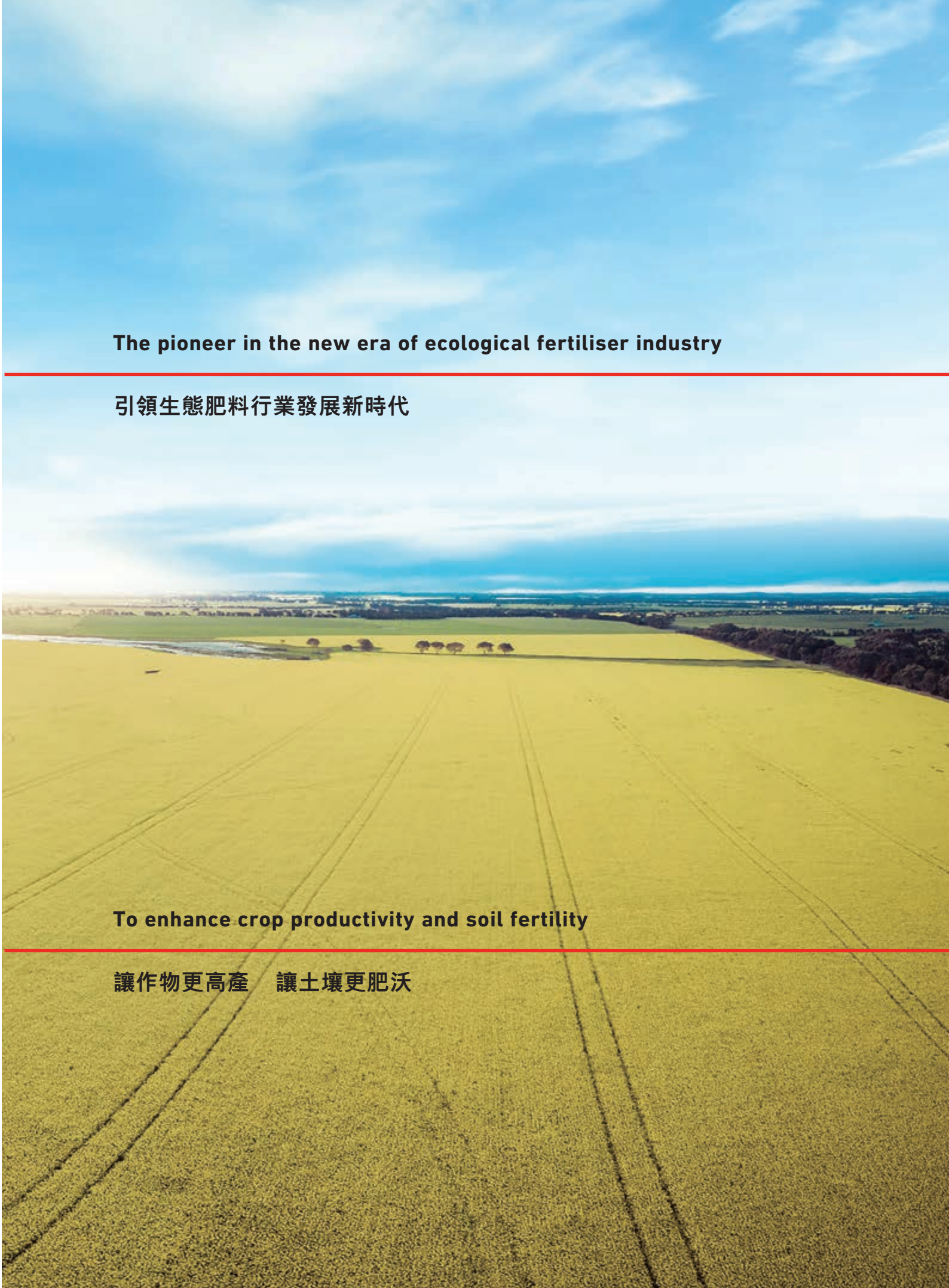
The pioneer in the new era of ecological fertiliser industry
引領生態肥料行業發展新時代
To enhance crop productivity and soil fertility
讓作物更高產　讓土壤更肥沃

公司資料
Corporate Information

董事會

執行董事
池文富(*主席*)
沈世捷
池碧芬

非執行董事
郭孟勇

獨立非執行董事
鄺炳文
盛洪
劉智傑

公司秘書
陸世煒

委員會

審核委員會
鄺炳文(*委員會主席*)
盛洪
劉智傑

提名委員會
池文富(*委員會主席*)
鄺炳文
盛洪

薪酬委員會
鄺炳文(*委員會主席*)
沈世捷
盛洪
劉智傑

總辦事處
香港
九龍
尖沙咀
廣東道9號
港威大廈第6座11樓1104室
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傳真：(852) 2802 2697
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網址：www.centurysunshine.com.hk

核數師
國衛會計師事務所有限公司
香港執業會計師

主要往來銀行
中國農業銀行股份有限公司
中國銀行股份有限公司
香港上海滙豐銀行有限公司
中國工商銀行(亞洲)有限公司

Board of Directors

Executive Directors
Chi Wen Fu *(Chairman)*
Shum Sai Chit
Chi Bi Fen

Non-executive Director
Guo Mengyong

Independent Non-executive Directors
Kwong Ping Man
Sheng Hong
Lau Chi Kit

Company Secretary
Luk Sai Wai, Simon

Committees

Audit Committee
Kwong Ping Man *(Committee Chairman)*
Sheng Hong
Lau Chi Kit

Nomination Committee
Chi Wen Fu *(Committee Chairman)*
Kwong Ping Man
Sheng Hong

Remuneration Committee
Kwong Ping Man *(Committee Chairman)*
Shum Sai Chit
Sheng Hong
Lau Chi Kit

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Suite 1104, 11th Floor, Tower 6, The Gateway
9 Canton Road,
Tsim Sha Tsui
Kowloon
Hong Kong
Telephone: (852) 2802 2165
Fax: (852) 2802 2697
E-mail: ir@centurysunshine.com.hk
Website: www.centurysunshine.com.hk

Auditors
HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Principal Bankers
Agricultural Bank of China Limited
Bank of China Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited

投資者資料
Information for Investors

上市資料

上市地點	香港聯合交易所有限公司（「聯交所」）主板
股份代號	509

Listing Information

Listing	Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange")
Stock code	509

重要日期

2018年3月27日	公佈2017年全年業績
2018年6月6日至2018年6月13日（包括首尾兩日）	暫停辦理股份過戶登記（適用於股東週年大會）
2018年6月13日	股東週年大會

Key Dates

27 March 2018	Announcement of 2017 annual results
6 June 2018 to 13 June 2018 (both days inclusive)	Closure of register of members (for annual general meeting)
13 June 2018	Annual general meeting

股份資料

本公司每股面值0.02港元之已發行股份（「股／股份」）（2017年12月31日）	4,581,116,843股
市值（2017年12月31日）	994,102,354港元
每手買賣單位	5,000股

Share Information

Company's shares of HK$0.02 each (the "Shares") in issue (31 December 2017)	4,581,116,843 Shares
Market capitalisation (31 December 2017)	HK$994,102,354
Board lot size	5,000 Shares

2017年每股盈利

基本	5.67港仙
攤薄	5.67港仙

Earnings Per Share for 2017

Basic	HK5.67 cents
Diluted	HK5.67 cents

2017年每股股息

中期	零港仙
末期（擬派）	零港仙

Dividend Per Share for 2017

Interim	Nil HK cents
Final (proposed)	Nil HK cents

股份過戶登記處

股份過戶登記總處：
SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處：
卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

Share Registrar and Transfer Offices

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

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

註冊辦事處

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

Registered Office

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

五年財務概要
Five Year Financial Summary

		2017 千港元 HK$'000	2016 千港元 HK$'000	2015 千港元 HK$'000	2014 千港元 HK$'000	2013 千港元 HK$'000
截至12月31日止年度	***For the year ended 31 December***					
收入	Revenue	**3,772,290**	2,589,221	2,515,602	2,072,519	1,640,291
銷售成本	Cost of sales	**(2,853,587)**	(1,829,360)	(1,729,567)	(1,412,575)	(1,132,526)
毛利	Gross profit	**918,703**	759,861	786,035	659,944	507,765
其他收入及收益淨額	Other income and gains, net	**115,747**	67,884	72,578	18,346	10,469
銷售及市場推廣費用	Selling and marketing costs	**(159,496)**	(93,911)	(113,406)	(103,116)	(69,437)
行政開支	Administrative expenses	**(317,542)**	(159,379)	(139,742)	(63,302)	(55,767)
財務費用	Finance costs	**(151,486)**	(117,564)	(87,390)	(44,186)	(21,441)
除所得稅前溢利	Profit before income tax	**405,926**	456,891	518,075	467,686	371,589
所得稅開支	Income tax expense	**(144,304)**	(143,839)	(155,006)	(128,045)	(94,456)
年內溢利	Profit for the year	**261,622**	313,052	363,069	339,641	277,133
下列人士應佔年內溢利：	Profit for the year attributable to:					
本公司擁有人	Owners of the Company	**260,316**	302,334	314,479	287,910	230,215
非控股權益	Non-controlling interests	**1,306**	10,718	48,590	51,731	46,918
每股盈利：	Earnings per share:					
－基本（每股港仙）	– basic (HK cents per share)	**5.67**	6.57	7.45	8.01	7.01
－攤薄（每股港仙）	– diluted (HK cents per share)	**5.67**	6.57	7.33	7.79	6.80
於12月31日	***As at 31 December***					
資產總值	Total assets	**7,502,278**	5,246,469	5,421,692	3,796,956	2,840,222
負債總額	Total liabilities	**(3,848,850)**	(2,192,003)	(2,057,170)	(1,430,315)	(687,260)
權益總額	Total equity	**3,653,428**	3,054,466	3,364,522	2,366,641	2,152,962

		附註 notes	2017 千港元	2016 千港元	2015 千港元	2014 千港元	2013 千港元
截至12月31日止年度	***For the year ended 31 December***						
股東權益回報率	Return on shareholders' equity	1	**7.9%**	11.1%	10.6%	13.0%	11.6%
總資產回報率	Return on total assets	2	**3.5%**	6.0%	6.7%	8.9%	9.8%
盈利對利息倍數	Interest coverage	3	**3x倍**	5x倍	6x倍	11x倍	18x倍
於12月31日	***As at 31 December***						
負債比率	Gearing ratio	4	**27.3%**	29.4%	25.7%	23.4%	10.6%
流動比率	Liquidity	5	**1x倍**	3x倍	3x倍	2x倍	2x倍

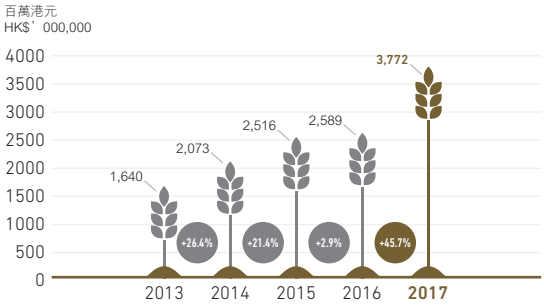
附註：

1. 本公司擁有人應佔年內溢利／股東權益
2. 年內溢利／資產總值
3. 除所得稅及利息開支前溢利／利息開支
4. 總借貸／資產總值
5. 流動資產／流動負債

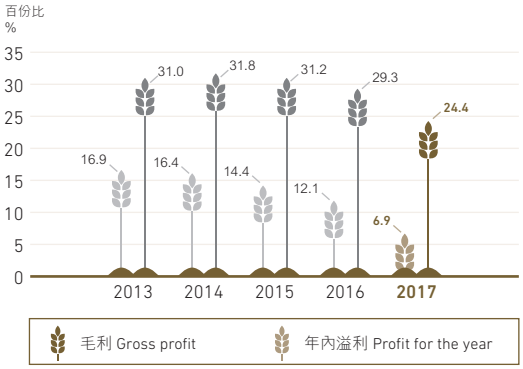
notes:

1. Profit for the year attributable to owners of the Company/ Shareholders' equity
2. Profit for the year/Total assets
3. Profit before income tax and interest expense/Interest expense
4. Total borrowings/Total assets
5. Current assets/Current liabilities

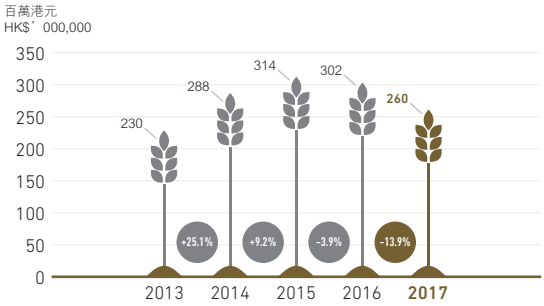
收入
Revenue



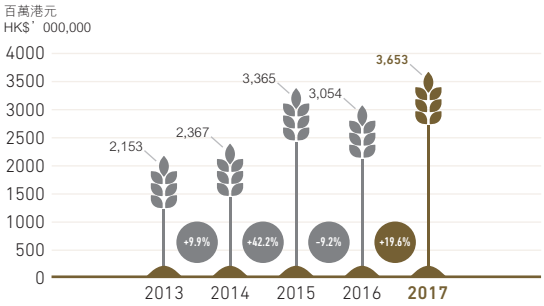
利潤率
Margins



本公司擁有人應佔年內溢利
Profit for the Year Attributable to Owners of the Company



權益總額
Total Equity



主席報告書

本人謹代表世紀陽光集團控股有限公司(「本公司」，連同其附屬公司，統稱「世紀陽光」或「本集團」)董事(「董事」)會(「董事會」)，欣然提呈本集團截至2017年12月31日止年度(「年內」)之全年業績以供股東審閱。

2017年，本集團加大研發、創新步伐，積極與業界深度合作，持續推動生態農業肥料的技術升級和產品創新，積極踐行肥料供給側改革，為企業未來的定位與發展奠定了良好的基礎。

農業肥料業務

年內，本集團肥料產能規模與銷售網絡迅速擴張，產品功能多元品種豐富，銷售體系創新，網路建設完善，農業肥料業務呈現跨越式的發展。2017年4月中國馳名複合肥製造商山東紅日化工股份有限公司(「山東紅日」)正式併入本集團，山東紅日作為中國硫基複合肥技術發明者，素有硫基複合肥之父殊榮，擁有多項專利技術，是山東省第一家國家級「全國化工農化服務中心」，及中國化工行業首家「全國名優產品售後服務行業十佳單位」。集團收購山東紅日，不但擴大了本集團肥料產能，優化了銷售網絡，極大提升了本集團在中國肥料行業知名度和市場份額；同時，憑藉其深厚的文化底蘊和聞名國內外的老牌產品「艷陽天」和「東方紅」等品牌效應，為本集團進一步拓展新市場提供了無形的寶貴資產。

本集團農業肥料產品大致上分三類，分別為：生態類肥料、功能性肥料和通用型肥料。生態類肥料主要指能改善土壤有機質，增強土地可持續種植能力，對環境友好的肥料，包括：有機肥、生物肥、腐植酸肥、有機無機複混肥等；功能性肥料主要指能改善農作物品質和滿足特別種植需要的肥料，包括硅鎂肥、生命元、海藻肥等添加其他微量元素的肥料；通用型肥料主要指為農作物提供基本養份的複合(混)肥料，包括：硫基肥、氯基肥、摻混肥、長效控釋肥料等。

本集團位於江西省瑞昌的生產基地建設進度順利，第一期年產能達550,000噸，已於2017年10月中旬開始試生產，產品包括高塔肥和專用複合肥；第二期目標年產能為850,000噸項目工程也將啟動在即。江西瑞昌生產基地整體項目1,400,000噸肥料生產線全部建成後，連同本集團江蘇及山東紅日三大生產基地的肥料年總產能將突破3,000,000噸，集團肥料業務實現了一個中心、兩翼齊飛、三地呼應的戰略佈局和發展模式。集團肥料秉持綠色、環保、可持續的發展理念，關注中國農業安全，堅持把「讓作物更高產，讓土地更肥沃」確立為集團肥料產業的發展使命，集團三大生產基地還將攜手並進，為「引領生態肥料行業發展新時代」砥礪前行。

金屬鎂業務

2017年年末，金屬鎂業務重組交割完成，重組後，世紀陽光與本集團附屬公司權智(國際)有限公司(「權智國際」，股份代號：601)之間的業務領域得以更清晰地劃分。世紀陽光將繼續營運肥料業務，而權智集團將主要營運金屬鎂業務。

國家政策持續支持鎂行業發展，2017年1月23日，工信部、發改委、科技部、財政部印發《新材料產業發展指南》，旨在突破一批新材料品種、關鍵工藝技術與裝備，不斷提升新材料產業國際競爭力，為鎂系材料產品指引新的發展方向，國家提出了鎂材料發展重點任務以及相關保護措施。同年1月25日，國家發改委發佈2017年第1號公告，正式發佈《戰略性新興產業重點產品和服務指導目錄》，高性能鎂合金及變形鎂合金等列入其中。隨著國家對鎂合金的大力支持，我們相信集團鎂合金產業將迎來高速增長。

展望

隨著中國農業供給側結構性改革深入推進和政府相關利好政策相繼實施，集團分業發展策略必將有力促進本集團主營業務更加快速發展。世紀陽光的生態類肥料和功能性肥料擁有良好的美譽度和市場前景；山東紅日作為「硫基肥之父」，是中國硫酸鉀複合肥技術的標誌性企業，加上江西生產基地新型生態肥料產品陸續推出市場後，將為客戶提供更多選擇以及滿足客戶多元化需求，這些優勢必將為本集團未來的可持續發展奠定堅實的基礎。世紀陽光將把握中國經濟穩定增長所帶來的發展機遇，充分利用技術、資源和品牌優勢，持續增加科研投入，全力以赴專注農業肥料業務的發展，竭力踐行「讓作物更高產，讓土壤更肥沃」之使命。

本人謹代表董事會，感謝管理團隊和全體同仁在過去一年為本集團所作出的貢獻。同時，亦借此機會向各位股東、業務夥伴以及所有客戶致意，感謝大家一直以來對本集團的鼎力支持。在未來的一年，我們定將竭盡全力，致力為股東帶來更豐厚的回報。

池文富
主席

香港，2018年3月27日

業務回顧

2017年，全球經濟持續復甦，其中，美國經濟回升趨勢強勁，新興市場經濟體總增長亦較快，整體通脹維持溫和。中國而言，國家統計局宣佈，中國國內生產總值(GDP)於2017年按年增長6.9%。伴隨著新一輪的經濟增長機遇，本集團繼續致力專注發展農業肥料業務，並成功實現金屬鎂業務重組。

截至2017年12月31日止年度(「年內」)，本集團整體收入上升45.7%至3,772,290,000港元(2016年：2,589,221,000港元)，整體毛利率錄得24.4%(2016年：29.3%)。農業肥料業務之收入為2,225,499,000港元(2016年：1,399,088,000港元)，同比上升59.1%，佔本集團總收入59.0%(2016年：54.0%)；金屬鎂產品業務之收入為1,158,248,000港元(2016年：910,984,000港元)，同比增長27.1%，佔本集團總收入30.7%(2016年：35.2%)。

農業肥料業務

1. 肥料產能規模擴大

本集團農業肥料業務三個生產基地，分別位於江蘇、江西及山東。在中國複合肥及有機肥市場擁有良好的品牌知名度和美譽度。

其中，山東紅日化工股份有限公司(「山東紅日」)於2017年4月併入本集團，為本集團貢獻肥料產能及銷售收入，令本集團肥料產能迅速擴大，且產品品種更豐富。江蘇基地、連同山東紅日以及新建的江西基地生產線全部建成後，本集團肥料年總產能在未來將突破3,000,000噸，有望晉級中國生態肥料大型企業行列。

本集團位於江西省瑞昌的生產基地建設進度順利，第一期年產能達550,000噸肥料生產線，已於2017年10月中旬開始試生產，產品包括高塔肥和專用複合肥；第二期年產能為850,000噸項目工程也將啟動在即。江西瑞昌生產基地整體設計產能1,400,000噸，並將建設磷石膏堆場及港口碼頭等配套設施。

2. 肥料產品結構優化

本集團的農業肥料產能大幅增長和產品系列多樣化。農業肥料產品大致上分三類：生態類肥料、功能性肥料和通用型肥料。

生態類肥料主要指能改善土壤有機質，增強土地可持續種植能力，對環境友好的肥料，包括：有機肥、生物肥、腐植酸肥、有機無機複混肥等。當下國家大力推動使用綠色肥料，提倡平衡施肥，生態類肥料市場份額日益提升。生態肥料是本集團的傳統產品，本集團採用最新生物活化技術，提升生態肥肥效及利用率，既能提高作物品質及產量，又能有效活化土壤生態，是綠色生態農業理想的肥料。功能性肥料主要指能改善農作物品質和滿足特別種植需要的肥料，包括硅鎂肥、生命元、海藻肥等添加其它微量元素的肥料。本集團獨立自主研發的以蛇紋石為原料的功能性肥料硅鎂肥效能卓越，具有抗倒伏、抗蟲害、抗病菌侵入等特性，同時又具有修復土壤吸附重金屬、抗旱保水等作用，以及改善農作物口感和品質等多項功能。本集團擁有全亞洲最大，儲量豐富，品位優質的蛇紋石礦，能夠保證本集團硅鎂肥的品質及主要原材料低成本持續穩定的供應。通用型肥料主要指為農作物提供基本養份的複合(混)肥料，包括：硫基肥、氯基肥、摻混肥、長效控釋肥料等。本集團「樂呵呵」、「豔陽天」品牌就是通用型肥料的拳頭產品，享譽國內農資市場。

江西生產基地已建成的高塔肥生產線，可生產高含量和差異性的新型肥料產品，該肥料產品市場需求大、產品科技含量高。同時，該新型肥料產品也填補了江蘇和山東兩個生產基地供應北部與中部市場新產品的空缺。此外，江西基地濱臨長江南岸，地理位置優越，可充分利用緊靠長江黃金水路運輸的便利條件將大幅降低物流運送成本，進一步擴展肥料產品供應鏈，也彌補了江蘇和山東兩個生產基地產品銷售南方市場運距較遠的劣勢。

年內，本集團推出自主研發的獨家新產品：「生命元」新型功能性肥料，該產品可提高肥料利用率，改善根部狀況、促生根，速效及長效，綠色環保、改良土壤。生命元無論在經濟作物還是在大田作物，都具有良好的應用潛力。本集團另一新產品「海藻肥」，採用先進的活性硫生產工藝技術，特別添加適量的天然海藻提取海藻素物質，海藻素中含有的多糖物質是生物刺激素，可啟動作物本身的免疫系統，提高作物自身抵抗力，有效降低土壤病菌指數。

隨著中國農業供給側結構性改革深入推進和政府大力宣導發展綠色環保產業等相關利好政策的相繼實施，友好環境和農作物的生態肥料必將被市場熱烈推崇，發展前景廣闊。這無疑將助推本集團肥料事業持續、穩步發展。作為香港第一家經營生態類肥料的上市公司，本集團的生態肥料在中國複合肥及有機肥市場有望拔得頭籌，為世紀陽光綠色產業贏得更高的聲譽。

3. 銷售網絡擴展

隨著江西生產基地新型生態肥料產品陸續投放市場，本集團銷售網絡的點面佈局進一步完善。銷售網絡從收購山東紅日前著重在中國東部，已大跨步擴展到當前的全國各省市區域(西藏除外)。山東紅日具50多年經營複合肥歷史，是中國硫基複合肥之父和硫基複合肥技術發明者，引領硫複肥行業技術發展。其產品品牌於複合肥市場上有先導優勢，包括「豔陽天」、「東方紅」等品牌自推出市場以來，深受消費者歡迎。本集團相信，收購山東紅日不僅擴充集團銷售網絡版圖，強化集團的生產技術、更加提升本集團在中國肥料行業知名度和市場地位，有利於吸納更多人才，為本集團未來肥料業務進一步拓展提供更大支撐。

金屬鎂產品業務

本集團於2017年9月宣佈出售持有之中國稀鎂科技股份有限公司(「中國稀鎂」)及其金屬鎂業務的權益予本集團附屬公司權智(國際)有限公司(「權智國際」，股份代號：601.HK)(「重組交割」)，於2017年年末，金屬鎂業務重組交割完成。重組後，世紀陽光與權智集團之間的業務領域得以更清晰地劃分。世紀陽光將專注營運肥料業務，而權智集團將主要營運金屬鎂業務。

業務表現

本集團金屬鎂產品業務主要包括基礎鎂產品及稀土鎂合金產品。金屬鎂產品業務為本集團貢獻收入1,158,248,000港元(2016年：910,984,000港元)，銷售量為50,463噸(2016年：36,201噸)，整體金屬鎂產品銷售量同比大幅增加39.4%。年內，鎂業務之整體毛利率為24.3%(2016年：29.0%)。於銷售價格基本平穩情況下，金屬鎂產品業務之銷售收入錄得27.1%增長。

權智國際位於新疆之金屬鎂生產基地，獲批准建設產能100,000噸，待新增生產線全部完工後，權智集團未來鎂合金總產能規模將達約170,000噸。本集團擁有多項高性能鎂合金生產工藝和製備方法技術專利，以及獨特的上游資源自主供應與下游生產能力相互配套的產業鏈，本集團的金屬鎂產品業務處於有利地位，繼續向前邁進。

其他業務

本集團的其他業務包括煉鋼熔劑及電子產品業務。本集團擁有的優質蛇紋石礦產資源既是硅鎂肥產品的重要生產原料，也是冶煉鋼鐵不可或缺的輔助材料。在確保硅鎂肥生產原料供應充足穩定的前提下，本集團適當銷售部份蛇紋石予國內大型鋼鐵企業以獲得持續穩定的收入。

展望

全球金融危機的衝擊逐漸消退，本集團預計2018年，中國經濟將繼續保持平穩增長，政策整體基調以穩為主，而中國供應側結構性改革的步伐有望加快推進，工業和製造業平穩運行，低端產品可能持續受壓，儘管如此，本集團一直以來始終秉持綠色、環保、可持續的發展理念，實行差異化產品競爭策略，集團將在中國政府加快推進環保綠色產業的良好政策背景下受益。

國家積極推動農業現代化和新材料應用的有利政策。工業和信息化部(工信部)發佈的《推進化肥行業轉型發展的指導意見》提出，中國爭取將新型肥料的施用量佔比從目前的不到10%提升到2020年的30%，將為本集團新型生態肥料產品贏得巨大市場空間。

本集團之肥料業務於年內已實現跨越式發展，隨著山東紅日生產基地逐步進入發展軌道和江西生產基地生產線陸續落成，本集團肥料業務產能大幅提升，肥料總規劃產能將突破3,000,000噸，進一步擴大集團肥料版圖，快速提升本集團在中國肥料行業知名度和市場地位。管理團隊堅定信念，不忘初心，不辱使命，矢志帶領三個肥料生產基地攜手奮進在「讓作物更高產，讓土地更肥沃」的生態複合肥發展的新時代。

主要營運數據

截至2017年12月31日止年度之未經審核主要營運數據與2016年同期數據比較如下。下表所列的主要業務佔本集團截至2017年12月31日止年度的總營業額超過89.7%。

(a) 主要產品之銷售量：

	2017年 噸	2016年 噸	增加 %
農業肥料業務	**1,066,541**	692,197	54.1
金屬鎂產品業務	**50,463**	36,201	39.4

(b) 主要產品之平均售價：

	2017年 港元／噸	2016年 港元／噸	增加／(減少) %
農業肥料業務	**2,087**	2,021	3.3
金屬鎂產品業務	**22,468**	24,388	(7.9)

(c) 毛利率：

	2017年 %	2016年 %	減少 百分點
農業肥料業務	**23.2**	28.4	(5.2)
金屬鎂產品業務	**24.3**	29.0	(4.7)
本集團之整體毛利率	**24.4**	29.3	(4.9)

營運收入及毛利

年內，本集團錄得收入約3,772,290,000港元，同比上升45.7%。集團兩項主營業務：農業肥料業務及金屬鎂產品業務，收入分別提升59.1%及27.1%。

農業肥料業務本年收入約為2,225,499,000港元，銷量為1,066,541噸，同比分別上升了約59.1%及54.1%。國內馳名複合肥製造商山東紅日自2017年4月1日起，正式併入本集團，大幅提升本集團的銷量及收入。年內，山東紅日為本集團帶來了約392,229噸銷量及約902,307,000港元收入。年內，集團江蘇其中一條生產線進行了新產品升級改造，因此影響了江蘇基地生產期內收入同比減少約6.6%。由於通用性肥料的毛利較生態類肥料及功能性肥料低，併入山東紅日而大幅提升通用性肥料銷量，產品結構的變化拉低了集團整肥料毛利率約5.2百份點，至23.2%。

金屬鎂產品業務年內收入約為1,158,248,000港元，銷量為50,463噸，同比各自上升了約27.1%及39.4%。銷量提升主要來自基礎鎂產品之銷售提升，包括新疆基地之鎂產品銷售同比上升約12,583噸。由於基礎鎂產品之銷售量提升，金屬鎂產品業務毛利率下跌約4.7個百分點。本集團之稀土鎂合金產品銷量和毛利都和去年相若。

鑑於兩項主營業務的低毛利率產品之份額相應提高，產品結構改變拉低了本集團整體毛利率約4.9百分點。

其他收益或虧損淨額

其他收益或虧損淨額約為80,946,000港元，同比增加約50.0%，主要包括金融衍生工具公允值變動收益及廢料銷售，分別約為收益32,600,000港元(2016年：虧損487,000港元)及約20,660,000港元(2016年：14,056,000港元)。

行政開支

本期之行政開支約為274,575,000港元，同比增加約71.8%。行政開支的增加主要來併入山東紅日，當中開支主要包括員工薪酬、折舊及攤銷、項目收購之審核及專業費用、研究及開發和租賃等費用。

此外，因應期內發債及業務架構重組產生的專業費用約為45,687,000港元。

財務費用

財務費用約為151,486,000港元，同比增加約28.9%。當中，於2017年6月，本集團重組了新加坡上市後償票據，發行了面值101,750,000新加坡元票息7.0厘之新後償票據，並贖回了面值125,000,000新加坡元票息7.2厘之將於2018年6月到期的舊後償票據(其中面值38,250,000新加坡元舊票據持有者選擇了以舊票據轉換新票據)，改善了本集團短期債務情況。由於有約一個月之新舊票據重疊期，及提早贖回舊票據加速了實際利息之攤銷約8,600,000港元。另外，自2017年4月山東紅日集團正式併入本集團，其業務營運所產生之利息約為24,470,000港元。

利潤

本集團的稅後利潤約為261,622,000港元，同比下降約16.4%。本集團致力維持高毛利產品的銷售，同時亦開拓低毛利產品市場的覆蓋率，以求增加營業收入及整體利潤，也能滿足客戶對產品多元化的需求，從而拓寬銷售渠道和擴展客戶群，有利於集團長遠持續發展。

本集團利潤下降原因主要由於年內因未變現兌換虧損，財務費用及行政費用之增加(其中：未變現兌換虧損約42,967,000港元，因發債及集團業務重組而產生的專業費用約45,687,000港元。)

末期股息

本集團十分重視江西擴產及收購山東紅日的投資，考慮到上述項目所需之資本開支及營運現金流，董事會不建議支付截至2017年12月31日止年度之末期股息。

流動資金、負債及財務資源

本集團於2017年的流動資金主要來自年內經營業務及融資活動所產生的現金。於2017年12月31日，本集團之現金及銀行結餘合共約為956,995,000港元(2016年：932,785,000港元)。

於2017年12月31日，本集團之總借貸較2016年增加約32.9%，流動資產淨值較2016年減少約57.9%。本集團於2017年之負債比率(總借貸除資產總值)約為27.3%(2016年：29.4%)。

本集團現有之現金資源連同經營及融資活動產生之穩定現金流量足以應付其業務需要。

資產抵押

於2017年12月31日，本集團有抵押其資產，詳情於財務報表附註35披露。

資本承擔

於2017年12月31日，本集團並無任何重大資本承擔，惟於財務報表附註44(a)所披露者除外。

或然負債

於2017年12月31日，本集團並無任何重大或然負債，惟於財務報表附註51所披露者除外。

資本結構

於2017年12月31日，本公司已發行股本為91,622,337港元，分為4,581,116,843股，每股面值0.02港元。

重大交易

(i) 於2016年8月3日(交易時段後)，本公司之直接全資附屬公司Long Xiang Enterprises Limited(作為買方)與興富控股有限公司(一所由本公司前執行董事楊玉川先生間接持有之公司)(作為賣方)及Acronagrotrans Ltd(作為目標公司，其直接持有山東紅日之50.5%權益)訂立收購協議，據此，買方有條件同意購買而賣方有條件同意出售於目標公司之全部權益，現金代價為1美元(相當於約7.76港元)，須根據收購協議之條款及條件於完成時支付。詳情請參閱本集團於2016年8月4日於港交所及本公司網站刊發之相關公告。

該交易已完成而山東紅日自2017年4月1日起於本集團中綜合入賬。

(ii) 於2017年6月5日，本公司發行了面值101,750,000新加坡元之7.0厘後償票據(根據多種幣值中期票據計劃)。該等票據於新加坡交易所上市，並將於2020年7月3日到期。

同日，本公司以轉換新7.0厘後償票據形式贖回了面值38,250,000新加坡元之2015年發行的7.2厘後償票據。剩餘之面值86,750,000新加坡元2015年發行的後償票據，已於2017年6月30日全數贖回。

(iii) 於2017年11月30日，本集團完成其集團重組交割，本集團於金屬鎂業務之全部權益將透過權智國際持有，以更佳地劃分本集團及權智國際之業務。詳情請參閱本集團及權智國際刊發日期為2017年9月1日及2017年11月30日之聯合公告及本集團及權智國際各自刊發日期為2017年10月27日之通函。

項目概覽

白雲石礦

本集團之白雲石礦，位於中國吉林省白山市。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基建工程，並沒有涉及任何地下鑽挖以及結構工程。已開採之白雲石為本集團生產金屬鎂產品之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

本集團之白雲石礦乃按中國資源／儲量分類。截至2017年12月31日的估計資源量和儲量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比並無重大變更。該資源量及儲量由本集團之內部地質專家審核。與2016年12月31日相比，白雲石礦於本年度的資源量及礦石儲量並無重大變動。

截至2017年12月31日及2016年12月31日止兩個年度，白雲石礦的產出如下：

產出(註)	**2017** **噸**	2016 噸
白雲石礦	**443,343**	448,449

註： 產出為白雲石礦之入庫量，包括年內採礦石量。

2017年度之開採活動開支主要用於直接工資、材料、能源、運輸及折舊攤銷費用等，並已計入銷售成本於2017年度之綜合損益及其他全面收益表內扣除。

截至2017年12月31日止年度，白雲石礦因開採活動產生之支出約為16,345,000港元，而勘探及開發活動之支出則為零港元。

蛇紋石礦

本集團之蛇紋石礦，位於中國江蘇省東海縣。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基建工程，並沒有涉及任何地下鑽挖以及結構工程。已開採之蛇紋石直接作為鋼鐵冶煉的輔助材料出售和作為本集團生產硅鎂肥之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

本集團之蛇紋石礦於2010年購入時，乃按JORC準則資源／儲量分類。截至2017年12月31日的估計資源量和儲量乃根據購入時的數量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比並無重大變更。該資源量及儲量由本集團之內部地質專家審核。與2016年12月31日相比，蛇紋石礦的資源量及礦石儲量並無重大變動。

截至2017年12月31日及2016年12月31日止兩個年度，蛇紋石礦的產出如下：

產出(註)	**2017** **噸**	2016 噸
蛇紋石礦	**660,523**	488,644

註： 產出為蛇紋石礦之入庫量，包括年內採礦石量。

2017年度之開發活動開支主要為綠化、環保及消防工程及設施之建設，並已予資本化並計入2017年度之綜合財務狀況表內。開採活動開支主要用於直接工資、材料、能源、運輸及折舊攤銷費用等，並已計入銷售成本於2017年度之綜合損益及其他全面收益表內扣除。

截至2017年12月31日止年度，蛇紋石礦開發及開採活動產生之支出分別約為9,740,000港元及31,083,000港元，而勘探活動之支出則為零港元。

主要風險及不明朗因素

本集團的財務狀況、營運業績及業務前景可能受到與本集團業務直接或間接相關的許多風險及不明朗因素的影響。以下為本集團知悉的主要風險及不明朗因素。除下文所列者外，或會存在本集團並未知悉或目前可能不重要但日後可能變得重要的其他風險及不明朗因素。

市場風險

市場風險乃因市場需求、產品價格、匯率及利率等的變動，而使盈利能力受損或影響達成業務目標的能力的風險。本集團管理層對該等風險持續密切監控，以確保能及時有效採取適當措施以應對。

匯率風險

本集團主要在中華人民共和國(「中國」)及香港經營業務，故此承受多種外匯風險，主要涉及人民幣、港元、新加坡元、美元及澳元。外匯風險源於未來商業交易、已確認資產及負債，以及外國經營的投資淨額。本集團現時並無對沖外匯風險。本集團定期檢討持有除港元以外之貨幣之流動資產及負債以評估外匯風險並於必要時考慮使用對沖工具。

利率風險

對於利息敏感型產品及投資，本集團以動態基準分析其利率風險，並考慮適當時透過各種手段以低成本方式管理該風險。

信貸風險

本集團一直以來十分重視我們客戶的信貸風險。本集團嚴格遵循於2004年建立的「客戶賬戶管理程式」。該程式要求並確保根據每一客戶先前的交易記錄和信貸往績，定期評估及追蹤所有客戶的賬戶。本集團就每名客戶的經營和資信狀況授予一系列信貸措施，例如：信貸比率、信貸期限、信貸評級、信貸條款及擔保。客戶賬戶管理程式可有效控制本集團之信貸風險。

流動資金風險

流動資金風險即是本集團由於未能取得充足資金或變現資產，在責任到期時未能履約的可能性。管理流動資金風險時，本集團監察現金流量，並維持充足之現金及現金等價物水平，以確保能為本集團營運提供資金及降低現金流量波動之影響。

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由集團及附屬公司的職能部門負責監控和落實。本集團之主要功能是對營運程序、權限及匯報框架作出指引。管理層將會定期評估主要之營運風險及業務發展所帶來的影響，制定相應措施，完善內控制度，以及時有效應對和規避風險。

投資風險

投資風險乃界定為因各項外在因素轉變導致任何某項投資相對其預期回報期延長或投資回報低於預期或投資項目發生虧損的可能性。本集團深明持續開拓業務類型和區域，對集團業務發展的重要性，並落實在年度重點工作任務中。項目投資的主要考慮因素為平衡各類投資之風險及回報，因而風險評估乃投資決策過程中的重要一環。本集團已設立適當的投資項目評估和盡職調查程序，並會於批准投資前進行詳細分析。本集團之投資項目進度會定期更新，並向董事局匯報。

人力供應及留聘人才之風險

人力資源管理風險主要指由於本集團業務發展迅速，對人才需求迫切，也面對行業對人才的激烈競爭以及人員的流動性，本集團可能面臨或存在着未能有效引進及挽留具備適當及所需技能、經驗及才能之主要人員及人才以配合業務發展的風險，這些主要人員及人才均是達致本集團業務目標所需之因素。本集團將會對薪酬體系和激勵機制進行全面分析，優化薪酬結構以確保員工薪酬處於市場合理水平，並具有競爭力。同時，開拓招聘渠道，不斷充實高級管理層後備人才，並加強對員工的系統化培訓，提供員工升職機會及拓寬事業前途，弘揚良好的企業文化。

環境政策及表現

環境政策及表現主要指中國政府對環保法規政策的重視程度和愈加嚴格的規管要求，本集團之附屬公司及新並購企業由於建成投運已久，可能或將會存在與國家陸續出台的環境與責任要求有某種不足或差距的情況。本集團密切關注環保政策及外在因素的變動對集團業務發展所帶來的影響，本集團以對環境負責和履行社會責任，致力於改善及保持其經營場所所在地環境及社區之長期可持續性，盡力遵守有關環保之法律及法規，並採取有效措施達致資源有效利用、能源節約及廢物減少。本集團日常營運已採納綠色倡議及措施。該等倡議包括資源回收、節約能源措施及節約用水等行動。

遵守法律及規則

本集團的業務主要由本公司於中國內地的附屬公司進行，而本公司於聯交所上市。因此，本集團營運須遵守中國內地及香港的有關法律及法規。截至2017年12月31日止年度及直至本報告日期，盡我們所知，本集團已遵守中國內地及香港的所有有關法律及法規，並沒有出現嚴重違反或未有遵守適用法律及法規而導致重大損失和影響的情況。

與員工及主要持份者之關係

於2017年12月31日，本集團所僱用之員工數目約為4,680名(2016年：2,610名)。本集團根據員工之表現、工作經驗和現時市場情況訂定彼等之薪酬。員工福利包括醫療保障、定期供款公積金計劃、酌情花紅和僱員購股權計劃。本集團並無發生任何導致正常業務運作受影響之勞資糾紛或僱員數目重大改變。董事認為本集團與僱員關係良好。

本集團明白與商業夥伴、股東、投資者及銀行保持良好關係，是我們達成長遠目標的要素。為了與我們的持份者維持密切的關系，本集團已制定相應的投資者關系計劃，並不定期為不同持份者舉辦合適的參與活動，包括週年／特別股東大會、現場考察、研討會和路演等等。故此，高級管理層會在適當情況下與彼等進行良好溝通、適時交流想法及共享集團發展最新動向。年內，本集團與商業夥伴或銀行之間並沒有重大的糾紛。

季度自願性披露

自2018年起，本集團將暫停季度自願披露，但會嚴格遵守上市規則之要求，就集團任何重大變化等內幕消息，適時發佈公告以通知市場及投資者。

執行董事

池文富，55歲，本集團主席，負責制訂整體策略方針和重要營運決策。1995年，池先生在福州市開設律師事務所，擔任合夥人。此前池先生已於1989年成為中國合資格律師，加入福州市司法局經濟律師事務所。1998年初，池先生著手研究有機農業種植，並資助複合微生物菌劑產品的研究和開發項目。池先生畢業於化學分析專業及法律專業。池先生於2000年成立本集團。

沈世捷，60歲，本集團行政總裁，負責整體業務營運。加入本集團之前，沈先生曾為可新有限公司董事總經理。可新有限公司主要從事紡織品製造和貿易業務。沈先生於1984年加入福建省紡織品進出口公司，出任經理，負責紡織品的進出口業務。沈先生畢業於消費品價格及統計專業。沈先生自2002年1月加入本集團。沈先生現時亦為權智(國際)有限公司(股份代號：601)之執行董事。

池碧芬，59歲，本集團副總裁。加入本集團之前，池女士於一家電子設備公司擔任副總經理逾17年，並在中國的會計、稅項及財務領域累積逾15年經驗。池女士畢業於會計及財務學專業。池女士自2000年3月加入本集團。池女士現時亦為權智(國際)有限公司(股份代號：601)之執行董事。

非執行董事

郭孟勇，59歲，現任福建長盛無線電技術開發有限公司副總經理，負責電子工程技術管理，該公司主要從事生產電子產品及通訊設備。郭先生於1976年加入福州電容器廠擔任技術員。郭先生自1993年起於福州儀表總廠任職工程師，並於1996年出任副廠長，負責技術質量控制。郭先生於2000年加入福建無線電總公司擔任副總經理，負責品質管理。郭先生畢業於工業企業管理專業。郭先生自2011年2月加入本集團。

獨立非執行董事

鄺炳文，53歲，為澳栢企業服務有限公司之董事，該公司從事企業諮詢服務。於加盟本集團前，鄺先生於多間公司擔任財務總監接近7年。鄺先生於會計、財務及行政方面有逾15年經驗。彼亦取得香港理工大學頒授之專業會計學碩士學位。鄺先生為澳洲會計師公會會員及香港會計師公會資深會員，亦為香港公司秘書公會會員。鄺先生現時亦為唐宮(中國)控股有限公司(股份代號：1181)、權智(國際)有限公司(股份代號：601)、御佳控股有限公司(股份代號：3789)及龍皇集團控股限公司(股份代號：8493)之獨立非執行董事。

盛洪，55歲，為Hadrian Manufacturing (Asia) Limited董事及海德瑞恩(上海)貿易有限公司營運總監兼總經理。Hadrian集團主要從事生產及銷售金屬隔板及儲物櫃。盛先生於企業管理及投資擁有超過20年經驗。他曾於1986年至1996年期間任職於華潤(集團)有限公司。盛先生持有上海同濟大學工學學士學位。

劉智傑，73歲，為普匯中金國際控股有限公司(股份代號：997)之執行董事。劉先生服務香港上海滙豐銀行有限公司(「滙豐銀行」)逾35年後，於2000年12月退任。劉先生曾於滙豐銀行任職副總經理兼香港個人銀行業務主管及亞太區副總經理兼策略執行業務主管。劉先生為香港銀行學會(「學會」)資深會士。劉先生曾於學會之理事會擔任主席(自1999年1月至2000年12月)，目前擔任學會理事會之榮譽顧問。劉先生先後獲香港特別行政區政府委任服務多個委員會，包括環境諮詢委員會(自1998年10月至2001年12月)、財經界人力資源諮詢委員會(自2000年6月至2001年5月)、廉政公署防止貪污諮詢委員會(自2000年1月至2003年12月)、環境及自然保育基金委員會(自2000年8月至2006年10月)、創新及科技基金環境項目評審委員會(自2000年1月至2004年12月)及香港法律改革委員會私隱問題小組委員會(自1990年2月至2006年3月)。劉先生亦曾出任商界環保協會有限公司主席(自1998年9月至2001年12月)。目前，劉先生同時亦為皇朝傢俬控股有限公司(股份代號：1198)、理士國際技術有限公司(股份代號：842)、駿高控股有限公司(股份代號：8035)及衍生集團(國際)控股有限公司(股份代號：6893)之獨立非執行董事。

公司秘書

陸世煒，54歲，本集團財務總監兼公司秘書，負責監督本集團財務、管理會計及公司秘書事宜。加入本集團前，陸先生曾任多間香港上市公司之財務總監，於財務及管理方面擁有逾20年經驗。陸先生持有香港浸會大學工商管理學士學位及英國斯特拉斯克萊德大學工商管理碩士學位，是英國英格蘭及威爾斯特許會計師協會資深會員、香港會計師公會會員和香港註冊財務策劃師協會會員。陸先生於2010年5月加入本集團。

高級管理層

顏秀峰，60歲，本集團董事總經理，負責本集團企業融資及投資者關係管理，同時參與本集團之風險管理及策劃。顏先生擁有逾30年金融行業經驗。彼曾於多間金融機構任職，包括香港上海滙豐銀行有限公司、新聯銀行有限公司及星展銀行(香港)有限公司，從事外匯和庫務、企業和零售銀行、支付和現金管理、信用和風險管理。加入本集團前，顏先生是星展銀行(香港)董事總經理，負責企業銀行業務。顏先生於2017年3月加入本集團。

王永翔，49歲，本集團高級工程師。專責本集團肥料及礦石業務經營管理和業務規劃，王先生畢業於礦山規劃與測繪專業，於肥料生產與礦山開採有逾20年豐富經驗。加入本集團前曾任江蘇省東海蛇紋石礦生產技術員、工程師、硫酸廠廠長等職務。王先生於2007年加入本集團。

毛華銀，45歲，負責本集團肥料經營事務和貿易管理工作，毛先生擁有碩士研究生學歷，畢業於經濟管理專業，高級經濟師，有逾20年的營銷與企業管理經驗。毛先生於2015年2月加入本集團。

胡傑，48歲，專責本集團肥料生產和運營管理。胡先生畢業於機電一體化專業，於肥料行業擁有逾20年豐富經驗，曾任肥料廠廠長、生產技術部總經理、化工總廠廠長等職務。胡先生於2007年加入本集團。

周建輝，45歲，負責本集團肥料基地安全環保事務管理。周先生畢業於種植與土壤專業，於農業肥料行業有逾20年豐富經驗。曾任肥料廠廠長、公司總經理等職務。周先生於2007年加入本集團。

池靜超，35歲，本集團企業事務總監，負責集團整體企業事務，在企業事務管理方面有10年工作經驗。池先生畢業於財務與行政管理專業。池先生於2004年8月加入本集團。

呂文清，38歲，本集團主席助理。呂女士在人力資源與行政事務管理方面有逾10年經驗。呂女士持有香港理工大學會計學士學位和公司管治碩士學位，是英國特許公認會計師公會資深會員和香港特許秘書公會會士。呂女士於2004年8月加入本集團。

On behalf of the board (the "Board") of directors (the "Directors") of Century Sunshine Group Holdings Limited (the "Company" and together with its subsidiaries, "Century Sunshine" or the "Group"), I am pleased to present the annual results for the year ended 31 December 2017 (the "Year") of the Group for the perusal of our shareholders.

In 2017, the Group stepped up our research, development, and innovation, through its active, in-depth participation and cooperation with the experts in the fertiliser industry. The Group also continues to advance on technology, to innovate our products, to practise supply-side structural reform; which lay a solid foundation for the Group's future positioning and development.

Fertiliser Business

During the Year, the Group increased production capacity rapidly and expanded sales network extensively. We also achieved leapfrog development in the fertiliser business by diversifying the products and optimising our sales channels. In April 2017, Shandong Hongri Chemical Joint Stock Company, Ltd. ("Shandong Hongri"), a well-known compound fertiliser enterprise in China, was formally integrated into the Group. Being the inventor of sulphur-based compound fertiliser, Shandong Hongri is well-known as the "father of sulphur-based compound fertiliser" in China. Possessing several patents, Shandong Hongri is the first Stated-level "National Agricultural-Chemical Services Center (全國化工農化服務中心)" in Shandong Province and the first chemical enterprise in China to be named as one of the "Top Ten Outstanding After-sale Service Provider of National Famous Brands (全國名優產品售後服務行業十佳單位)." The consolidation of Shandong Hongri into the Group not only expanded our production capacity and optimised our sales network, but also enhanced our reputation and market share. Meanwhile, Shandong Hongri's strong heritage and its national brand names "Yanyangtian (艷陽天)" and "Dongfanghong (東方紅)" are valuable intangible assets for the Group's exploration of new markets.

The Group's fertilisers are categorised as ecological fertiliser, functional fertiliser, and general fertiliser. Ecological fertiliser is environmentally friendly as they improve organic soil matter and promote sustainable productivity. It includes organic fertiliser, bio fertiliser, humid acids fertiliser and organic-inorganic mixed fertiliser. Functional fertiliser improves crops quality and focus on their special needs, this includes Si-Mg fertiliser, "生命元 Sheng Ming Yuan", "seaweed fertiliser (海藻肥)" and other trace element enhanced fertilisers. General fertiliser is compound or mixed fertiliser that provides basic nutrition for crops. It includes sulphur-based compound fertiliser, chlorine-based fertiliser, blended fertiliser and prolong effect, controlled release fertiliser.

Construction work at the Jiangxi production base was on schedule. Trial production of phase one of the project (550,000 tonnes production capacity) has commenced in mid-October 2017. Products include high tower fertiliser and functional fertiliser while the phase two construction (of production capacity 850,000 tonnes) is expected to commence soon. The designed annual capacity at Jiangxi Ruichang base is 1,400,000 tonnes. Upon the completion of the entire project in Jiangxi, combining production capacity with Group's Jiangsu and Shandong Hongri production bases, the Group will possess an annual fertiliser production capacity of over 3,000,000 tonnes. The Group will be able to leverage on the brand names of Century Sunshine and Shandong Hongri, as well as the capacity of three production bases to achieve further growth. The Group is and has always been upholding "green, environmentally friendly and sustainable development" as its theme and focuses on agriculture safety. The Group also adheres to its mission to "make crops more productive and make the land more fertile." Braving the wind and billows, the Group will make best use of the three production bases and spearhead the new era for ecological compound fertiliser.

Magnesium Product Business

The reorganisation of magnesium business has been completed at the end of 2017. As such, businesses are delineated between Century Sunshine and Group Sense (International) Limited ("GSIL," stock code: 601), the Group's subsidiary. Century Sunshine will engage in the fertiliser business, while GSIL will mainly engage in the magnesium business.

Magnesium sector continues to grow on the back of favourable supports from the Chinese government. On 23 January 2017, the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Science and Technology and the Ministry of Finance issued "The Guidelines for Developing the New Material Industry" ("新材料產業發展指南"), which aims at achieving breakthroughs in new material product types, key production techniques and equipment. To further provide a clear path to the development of the magnesium industry, the government listed the key development tasks and related protective measures. On 25 January 2017, the National Development and Reform Commission issued "Guiding Catalogue of Key Products and Services for Strategic Emerging Industries" ("戰略性新興產業重點產品和服務指導目錄"), in which high-performance magnesium alloy and deformed magnesium alloy were nominated. Following China's strong support for magnesium alloy, we believe that the Group's magnesium alloy industry will have robust growth in the future.

Looking Forward

Following the acceleration of the supply-side structural reform within the agricultural industry and implementation of the government's green-related policies, the Group's development will be inevitably rapid. Century Sunshine's ecological fertiliser and functional fertiliser have a strong reputation and great market potential. Shandong Hongri, known as the "father of sulphur-based compound fertiliser," is the renowned enterprise in China that masters the technology for potassium sulfate fertiliser. With the launch of the new ecological fertiliser from the Jiangxi production base, the Group will be able to offer more options to satisfy their customer's needs. Century Sunshine will seize the opportunity brought by the steady growth of the Chinese economy and leverage on its competitive edges in technology, resources and brand recognition. Meanwhile, the Group will continue to invest in research and development to thrive the agriculture fertiliser business and stick to its mission: "make crops more productive and make the land more fertile."

On behalf of the Board of Directors, I wish to express my sincere gratitude towards our management team and staff members for their contributions to the Group during the year. Meanwhile, I would like to take this opportunity to thank our shareholders, business partners and all our customers for their unwavering support. In the coming year, we will exert our best efforts to create greater returns for our shareholders.

Chi Wen Fu
Chairman

Hong Kong, 27 March 2018

Business Review

In 2017, global economy continued to recover. The US economy saw an upward momentum while the emerging markets were also going strong. The overall inflation was kept at a modest level. With respect to China, its GDP growth rate in 2017 stood at 6.9%, according to the National Bureau of Statistics. Riding on the new cycle of the economic growth, the Group continued to focus on its fertiliser business and successfully completed the reorganisation of its magnesium business.

During the year ended 31 December 2017 (the "Year"), the Group recorded an overall increase in revenue of 45.7% to HK$3,772,290,000 (2016: HK$2,589,221,000), with gross profit margin 24.4% (2016: 29.3%). Revenue from the fertiliser business was HK$2,225,499,000 (2016: HK$1,399,088,000), representing a year-on-year increase of 59.1%, and accounted for 59.0% of the total revenue of the Group (2016: 54.0%); revenue from the magnesium product was HK$1,158,248,000 (2016: HK$910,984,000), representing a year-on-year increase of 27.1%, and accounted for 30.7% of the total revenue of the Group (2016: 35.2%).

Fertiliser Business

1. Capacity Increase

The Group's three production bases are located at Jiangsu, Jiangxi, and Shandong respectively, with strong national brand recognition and reputation in compound and organic fertilisers markets.

In April 2017, Shandong Hongri Chemical Joint Stock Company, Ltd. ("Shandong Hongri") was formally integrated into the Group. The merger has enhanced the Group's capacity and enriched its product mix. Upon the completion of the newly constructed project in Jiangxi, combining its capacity with Jiangsu and Shandong Hongri production bases, the Group will possess an annual fertiliser production capacity of over 3,000,000 tonnes and become one of China's largest ecological fertiliser companies.

Construction work at the Jiangxi Ruichang production base was on schedule. Trial production of phase one of the project (550,000 tonnes production capacity) has commenced in mid-October 2017. Fertiliser products include high tower fertiliser and functional fertiliser while the phase two construction (of production capacity 850,000 tonnes) is expected to commence soon. The annual designed production capacity at Jiangxi Ruichang base is 1,400,000 tonnes, with ancillary facilities such as phosphogypsum storage/depot, jetties, etc.

2. *Optimizing Product Mix of the Fertiliser*

Besides significant increase in production capacity, product portfolio has been much enlarged. The Group's fertiliser products are categorised into three sections: ecological fertiliser, functional fertiliser, and general fertiliser.

Ecological fertiliser is environmentally friendly as they improve soil organic matter and promote sustainable productivity. It includes organic fertiliser, bio fertiliser, humid acids fertiliser and organic-inorganic mixed fertiliser. Against the backdrop of the promotion in using green fertiliser and the balance of fertiliser application by the Chinese government, the market share of ecological fertiliser is increasing. Ecological fertiliser is the Group's traditional product. Applying the latest biological activation technology, the Group can increase the effectiveness and utilization ratio of its ecological fertiliser, which make an ideal choice for green agriculture as they can boost crop quality and quantity, and effectively activate soil ecology. Functional fertiliser mainly refers to the type of products that improve crop quality and focus on their special needs. It includes Si-Mg fertiliser, "Sheng Ming Yuan (生命元)", "seaweed fertiliser (海藻肥)" and other fertilisers with various minor elements. Si-Mg fertiliser is lately developed by our Group. It is made from serpentine and highly effective; especially in enhancing fertility, combating insects and bacteria. Other features include drought resistance and water reservation, the ability to help repair soil fertility and absorb heavy metals as well as improving crop's taste and quality. The Group owns the largest and highest quality serpentine reserve in Asia; this assures the quality of our Si-Mg fertiliser, and the steady supply of the key raw material at a low price. General fertiliser is compound fertiliser that provides basic nutrition for crops. It includes sulphur-based compound fertiliser, chlorine-based fertiliser, mixed fertiliser and controlled release fertiliser with prolonged effect. "Le He He (樂呵呵)" and "Yanyangtian (艷陽天)" are the Group's branded fertilisers and flagship products in the general fertiliser category. They are well known in the market.

The production line of the high tower fertiliser at the Jiangxi Base produces high quality and differentiated fertilisers. These premium products are in high demand and will fill the Group's product gap in northern and central China. Moreover, the Jiangxi Base is conveniently located at the southern shore of the Yangtze River. This reduces significantly transportation cost, further expands the supply chain and compensates the accessibility of the southern market from our Jiangsu and Shandong production bases.

During the Year, the Group launched "Sheng Ming Yuan (生命元)," an independently-developed, exclusive new product. This functional fertiliser is environmentally-friendly, fast and long-lasting. It can elevate utilization ratios, improve root condition and enrich the soil. Also, "Sheng Ming Yuan (生命元)" can be applied to both economic crops and field crops. "Seaweed fertiliser (海藻肥)," the Group's another line of new products, is produced with advanced sulphur technology and a specially formulated seaweed extract. The seaweed extract contains polysaccharide material which serves as a bio-stimulant that triggers the crops immune system, which in turn, enhances their strength and lowers soil infection rate.

With Chinese government's heavy promotion of agricultural supply-side structural reform and environmentally friendly policies, the demand of ecological fertiliser is undoubtedly magnified now and in future, boosting the Group's fertiliser business. As the first Hong Kong listed company that specialises in ecological fertiliser, the Group's is poised to become the market leader and highly reputable for its green business.

3. Expanding the Sales Network of the Fertiliser Business

The Group's sales network has been expanded to cover all of China provinces (excluding Tibet). Upon the launching of products from the newly built production base in Jiangxi, and the acquisition of Shandong Hongri, the Group expands its market reach out of the eastern Chinese market. Shandong Hongri has been in operation for over 50 years and is an industry leader in technological development. It invented sulphur-based compound fertiliser and is known as the "father of sulphur-based compound fertiliser" in China. The branded products "Yanyangtian (艷陽天)" and "Dongfanghong (東方紅)" are inherently favoured in the compound fertiliser market and well recognised by their customers. The Group believes that acquiring Shandong Hongri not only complements the Group's sales network, but also provides firm support to the future development of its fertiliser business by upgrading production technology. Group's recognition and position will be further upended and will thus attract more talent.

Magnesium Product Business

In September 2017, the Group announced the sale of its interest in China Rare Earth Magnesium Technology Holdings Limited ("China Rare Earth") and its magnesium business to Group Sense (International) Limited ("GSIL", stock code: 601.HK) ("the Transaction"). It was accomplished at the end of 2017. Upon completion of the transaction, the businesses of the Group and GSIL were delineated. Century Sunshine focuses on the fertiliser business, while GSIL engages mainly in the magnesium business.

Business Performance

The Group's magnesium products are broadly classified as basic magnesium products and rare earth magnesium alloys. The magnesium product business contributed revenue of HK$1,158,248,000 (2016: HK$910,984,000). Sales volume reached 50,463 tonnes (2016: 36,201 tonnes), while the overall sales volume of magnesium products increased 39.4% year-on-year. During the Year, the overall gross profit margin of magnesium business was 24.3% (2016: 29.0%). Sales revenue in the magnesium products business grew by 27.1%, while the selling prices remain stable.

GSIL owns a magnesium production base in Xinjiang, the PRC, of which the government approved a production capacity of 100,000 tonnes of magnesium alloy. It is expected that the overall production capacity of the Group's magnesium product business will reach approximately 170,000 tonnes upon completion of the expansion of project in Xinjiang. With an array of patents in high-performance magnesium alloys, a seamless integration of the supply of raw material and increased production capacity, this has placed the Group in a very favorable position for the future development of its magnesium business.

Other Businesses

Other businesses of the Group include metallurgical flux and electronic products. The Group owns quality serpentine reserves which is not only a key raw material to produce Si-Mg fertiliser, but is also an indispensable source of auxiliary material for iron and steel smelting. After setting aside an adequate and steady portion for the production of Si-Mg fertiliser, we sell a certain amount of serpentine to major domestic steel enterprises for a continuous and stable income.

Prospect

In the aftermath of the financial crisis, the Group believes that the Chinese economy will maintain its steady growth in 2018, given a series of the Chinese government's prudential policies. It is expected that the structural reform will accelerate while the industrial and manufacturing sector will remain steady. However, low-end products may undergo continuous pressure. Despite any setbacks, the Group is and has always been upholding "green, environmentally friendly and sustainable development" as its motto, and undertaking a product differentiation strategy. The Group will take advantage of the policies that aim to prompt the development of the green industry.

China continues to promote the policies on modernization of agriculture and application of new materials. As set out in the "Guidance on Promoting the Restructuring and Development of Fertiliser Industry (推進化肥行業轉型發展的指導意見)" issued by the Ministry of Industry and Information Technology (MIIT), the utilisation of the new type of fertilisers in China will increase from less than 10% at present to 30% by 2020, creating a huge market potential for the Group's new ecological fertiliser.

The Group has achieved leapfrog development during the Year. Following Shandong Hongri's production base going on track and the Jiangxi production base has gradually commenced production, the Group's fertiliser business will witness a significant growth of its production capacity and is expected to possess an annual fertiliser production capacity of over 3,000,000 tonnes. This will further expand the Group's presence in the market, and rapidly propel its name in the industry and market position. The Group's management team will keep the original aspiration and the mission firmly in mind, and are determined to bring the three production bases into a new era for ecological compound fertiliser and are dedicated to "make crops more productive and the land more fertile."

Key Operational Data

Unaudited key operational data for the year ended 31 December 2017, together with the comparative figures for the corresponding period in 2016, is as follows. Main businesses listed below contributed over 89.7% of the Group's total revenue for the year ended 31 December 2017.

(a) Sales volume of major products:

	2017 Tonnes	2016 Tonnes	**Increase %**
Fertiliser business	**1,066,541**	692,197	54.1
Magnesium product business	**50,463**	36,201	39.4

(b) Average selling price of major products:

	2017 HK$/Tonnes	2016 HK$/Tonnes	**Increase/ (Decrease) %**
Fertiliser business	**2,087**	2,021	3.3
Magnesium product business	**22,468**	24,388	(7.9)

(c) Gross profit margin:

	2017 %	2016 %	Decrease Percentage point
Fertiliser business	**23.2**	28.4	(5.2)
Magnesium product business	**24.3**	29.0	(4.7)
The Group's gross profit margin	**24.4**	29.3	(4.9)

Operating Income and Gross Profit

The Group recorded a revenue of approximately HK$3,772,290,000 for the year, representing a year-on-year growth of 45.7%. The revenue from two of the major businesses of the Group, namely fertilizer business and magnesium business, increased by 59.1% and 27.1% respectively.

The revenue of the fertilizer business for the year was approximately HK$2,225,499,000 with a sales volume of 1,066,541 tonnes, representing a year-on-year growth of 59.1% and 54.1% respectively. Shandong Hongri, the well-known compound fertilizer enterprise in China, was formally integrated into the Group since 1 April 2017, bringing a significant increase in both sales volume and revenue to the Group. Shandong Hongri contributed a sales volume of approximately 392,229 tonnes and a revenue of approximately HK$902,307,000 for the Group during the Year. Revenue generated from Jiangsu production base decreased by approximately 6.6% year-on-year, due to the production volume from Jiangsu was affected by the technology upgrade of production of new products, occupying one of the production lines of the Group in Jiangsu during the Year. With the lower gross profit of general fertilizer compared to that of ecological fertilizer and functional fertilizer, the overall gross profit margin of fertilizers of the Group decreased by approximately 5.2 percentage points to 23.2%, due to the change in product mix by the soaring sales volume of general fertilizer resulted from the integration of Shandong Hongri into the Group.

The revenue and sales volume of the magnesium business were approximately HK$1,158,248,000 and 50,463 tonnes for the year, representing respective year-on-year growth of approximately 27.1% and 39.4%. The uplifted sales volume was mainly attributable to the increase of sales volume in basic magnesium products, including a year-on-year growth of the sales volume of approximately 12,583 tonnes of magnesium products from the production base in Xinjiang. As the sales volume of basic magnesium products increased, gross margin of magnesium product business dropped approximately 4.7 percentage points. The sales volume and gross profit of rare earth magnesium alloy products of the Group was similar to last year.

Due to the increase in portion of products with lower profit margin of the two main operating businesses, the change in product mix resulted in the decrease of the overall profit margin of the Group by approximately 4.9 percentage points.

Other Gain or Loss, net

Other gain or loss, net was approximately HK$80,946,000, representing a year-on-year growth of approximately 50.0%, mainly comprised of gain from change in fair value of financial derivatives of approximately HK$32,600,000 (2016: loss of HK$487,000) and sales of wastes of approximately HK$20,660,000 (2016: HK$14,056,000).

Administrative Expense

The administrative expense for the year was approximately HK$274,575,000, representing a year-on-year growth of approximately 71.8%. The increment of administrative expense was mainly due to the merge of Shandong Hongri. Of which were mainly comprised of remuneration of employees, depreciation and amortization, audit and professional fees for project acquisition, research and development and leases.

Besides, the professional fees of bond issuance and business reorganisation was approximately HK$45,687,000.

Finance Cost

Finance cost was approximately HK$151,486,000, representing a year-on-year growth of approximately 28.9%. Among which, in June 2017, the Group reformed the composition of our Singapore listed subordinated notes through the issue of new 7.0% subordinated notes with face value of SGD101.75 million and the redemption of old 7.2% subordinated notes with the face value of SGD125 million due in June 2018 (of which the holders of old subordinated notes with face value of SGD38.25 million opted for an exchange of new notes with old notes). As a result, the short-term debt of the Group has been improved. HK$8,600,000 was incurred due to an approximately 1-month overlapping period of the old and new notes, and the acceleration of amortization of actual interests by the early redemption of old notes. Besides, the integration of Shandong Hongri into the Group since April 2017 took up interest of approximately HK$24,470,000 from its business operation.

Margin

The profit after tax of the Group was approximately HK$261,622,000, representing a year-on-year decrease of approximately 16.4%. The Group strived to maintain the sales of products with high gross profit, and develop market shares for products with low gross profit, so as to increase sales revenue and overall profits, and also satisfy the needs of product diversification from our customers and expand our customer base. All these supports the Group's sustainable development.

Decrease in profit was mainly due to the increment of unrealised exchange loss, finance cost and administrative expense during the Year, in which unrealised exchange loss was approximately HK$42,967,000, and the professional fees for bond issuance and group reorganisation was approximately HK$45,687,000.

Final Dividend

The Group treasures the investment opportunities on the production capacity expansion on Jiangxi and the acquisition of Shandong Hongri with priority, for so, and taking into account the capital expenditure and operating cash flow required for the above project expansion, the Board does not recommend the payment of the final dividend for the year ended 31 December 2017.

Liquidity, Liabilities and Financial Resources

The Group's liquidity in 2017 was mainly derived from cash generated from business operations and financing activities during the year. As at 31 December 2017, total amount of bank and cash balances of the Group was approximately HK$956,995,000 (2016: HK$932,785,000).

As at 31 December 2017, the Group's total borrowings increased by approximately 32.9% as compared to 2016, while net current assets decreased by approximately 57.9% as compared to 2016. The Group's gearing ratio (calculated by total borrowings over total assets) was approximately 27.3% in 2017 (2016: 29.4%).

The Group's existing cash resources together with the steady cash flows generated from operating and financing activities are sufficient to meet its business needs.

Pledge of Assets

As at 31 December 2017, the Group had pledge of its assets, details of which are disclosed in Note 35 to the financial statements.

Capital Commitments

As at 31 December 2017, other than those disclosed in Note 44(a) to the financial statements, the Group did not have any material capital commitments.

Contingent Liabilities

As at 31 December 2017, other than those disclosed in Note 51 to the financial statements, the Group did not have any significant contingent liabilities.

Capital Structure

As at 31 December 2017, the issued share capital of the Company were HK$91,622,337, divided into 4,581,116,843 shares of HK$0.02 each.

Significant Transactions

(i) On 3 August 2016 (after trading hours), Long Xiang Enterprises Limited (a direct wholly-owned subsidiary of the Company, as the Purchaser), entered into an acquisition agreement with Prosperous Rich Holdings Limited (a company indirectly held by the Company's former executive director, Mr. Yang Yuchuan, as the Vendor) and Acronagrotrans Ltd (as the Target Company, which directly holds 50.5% interests in Shandong Hongri), pursuant to which, the Purchaser conditionally agreed to buy, and the Vendor conditionally agreed to sell the entire equity interest in the Target Company, at the cash consideration of US$1 (equivalent to approximately HK$7.76), which is payable in accordance with the terms and conditions thereto at Completion. Details of which, please refer to the relevant announcement on the HKEX and the company's website made on 4 August 2016.

The transaction was completed and Shandong Hongri was consolidated into the Group with effect from 1 April 2017.

(ii) On 5 June 2017, the Company issued 7.0% subordinated notes with the face value of SGD101.75 million (under the Multicurrency Medium Term Note Programme). The notes are listed on the Singapore Stock Exchange and will mature on 3 July 2020.

On the same date, the Company redeemed the face value of SGD38.25 million the 7.2% subordinated notes issued in 2015 by exchange for the new 7.0% subordinated notes. The remaining subordinated notes issued in 2015 of the face value of SGD86.75 million were fully redeemed on 30 June 2017.

(iii) On 30 November 2017, the Group has completed its group reorganisation plan, the Transaction, all of the Group's interests in its magnesium business will be held through GSIL to allow better delineation of the businesses of the Group and GSIL. Details of which, please refer to the joint announcements dated 1 September 2017 and 30 November 2017 made by the Group and GSIL and the circulars dated 27 October 2017 made by each of the Group and GSIL.

Project Overview

Dolomite Mine

The Group's dolomite mine is situated in Baishan City, Jilin Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground drilling or structural works are involved. The dolomite mined is raw material for producing magnesium products of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

The dolomite mine of the Group was reported under the Chinese resource/reserve categories. As at 31 December 2017, the anticipated resource and reserve volumes were determined based on the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. As compared with the state as at 31 December 2016, there was no material change in the resource estimate and ore reserve of the dolomite mine during the Year.

For the two years ended 31 December 2017 and 31 December 2016, the output of Dolomite Mine are as follow:

Output (note)	**2017 Tonnes**	2016 Tonnes
Dolomite Mine	**443,343**	448,449

note:

Output is the stock-in-quantity from Dolomite Mine, including mine extraction for the year.

During 2017, the expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the consolidated statement of profit or loss and other comprehensive income for 2017.

The expenditure incurred in mining activities of dolomite for the year ended 31 December 2017 were approximately HK$16,345,000 while the expenditure incurred in exploration and development activities was HK$ Nil.

Serpentine Mine

The Group's serpentine mine is situated in Donghai County, Jiangsu Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground drilling or structural works are involved. The serpentine mined is sold directly as metallurgical flux for iron and steel smelting and is raw material for producing silicon magnesium fertilisers of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

The resource/reserve of the Serpentine Mine was reported under the JORC system when it was acquired in 2010. As at 31 December 2017, the anticipated resource and reserve volumes were determined based on the volume at the time of acquisition with the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. As compared with the state as at 31 December 2016, there was no material change in the resource estimate and ore reserve of the serpentine mine.

For the two years ended 31 December 2017 and 31 December 2016, the output of Serpentine Mine are as follow:

Output (note)	**2017 Tonnes**	2016 Tonnes
Serpentine Mine	**660,523**	488,644

note:

Output is the stock-in-quantity from Serpentine Mine, including mine extraction for the year.

The expenditures incurred for 2017 in development activities were mainly for greening, environmental and fire engineering and facilities and construction. Such expenditures have been capitalised and included in the consolidated statement of financial position for 2017. The expenditures incurred in mining activities were mainly for direct wages, materials, energy, transportation, depreciation and amortisation, etc. Such expenditures have been included in cost of sales and charged to the consolidated statement of profit or loss and other comprehensive income for 2017.

The expenditures incurred in development and mining activities of serpentine for the year ended 31 December 2017 were approximately HK$9,740,000 and HK$31,083,000 respectively while the expenditures incurred in exploration were HK$ Nil.

Key Risks and Uncertainties

Our Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

Market risks

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market demand, product prices, foreign exchange rates, and interest rates. The management of our Group keeps continually monitoring these exposures closely to ensure appropriate measures are implemented on a timely and effective manner against such risks.

Exchange rate risk

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong and is exposed to foreign exchange risk arising from primarily with respect to Renminbi, HK$, Singapore dollars, US$ and Australian dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group does not presently hedge the foreign exchange risks. The Group periodically reviews liquid assets and liabilities held in currencies other than HK$ to evaluate its foreign exchange risk exposure and consider the usage of hedging instruments when necessary.

Interest rate risk

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

Credit risk

The Group has always been aware of the credit risk exposure of our customers. The Group strictly followed the "client account management procedures" established in 2004. The procedures required and ensured that all clients were regularly assessed and be kept track of their transaction records and credit history. The Group specified and assigned to each customer, as according to their operation and credit status, a series of credit measures such as credit ratio, credit period, credit rating, credit terms and guarantee. The client account management procedures were effective to control the credit risk of the Group.

Liquidity risk

Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, our Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with functional departments of the Group and its subsidiaries. Key functions of the Group is to guide their standard operating procedures, limits of authority and reporting framework. Our management will assess key operational exposures and effect raised in business development regularly, implement relevant measures and improve the internal control so that risk can be responsed and mitigated on a timely and effective manner.

Investment risk

Investment risk can be defined as the likelihood of extension of its return period relative to the expected return or occurrence of losses on any particular investment attributable to changes of external factors. The Group is well aware of importance of exploring various business opportunities and territories on a continual basis, and also implement as the top agenda of the year. Key concern of projects investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper investment assessment and due diligence procedures have been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

Manpower and retention risk

Manpower risk means huge demand for talents because of the Group's rapid business development while at the same time facing severe competition over specialists from the industry and turnover of manpower. Our Group may face the risk of not being able to recruit and retain key personnel and talents with appropriate and required skills, experience and competence to cope with the expansion of business which would meet the business objectives of our Group. Our Group will conduct a thorough analysis over its remuneration system, as well as incentive mechanism and optimise the compensation structure so as to ensure remuneration packages can align reasonably with market standard and maintain its competitiveness. Meanwhile, recruitment channels are broadened and the talent pool of senior management are strengthened, so as to further enhance the promotion opportunities and career path of employees. Systematic staff training are also being further enhanced to increase the overall effectiveness of training and the dissemination of good corporate cultures.

Environmental Policies and Performance

Environmental policies and performance mainly means increasing attention of PRC government paid to environmental rules and policies and more strict regulatory requirements. As subsidiaries and newly acquired enterprises commenced into operation for a long while and lag behind certain environmental and duty requirements promulgated by PRC government. The Group monitors impact on business development closely raised from movements of environmental policy and external factors. Acting in an environmentally responsible manner and performing social responsibilities, the Group is committed to improving and maintaining the long term sustainability of the communities in which it operates. The Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives and measures have been adopted in daily operation of the Group. Such initiatives include recycling of resources, energy saving measures and water saving practices.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in mainland China while the Company is listed on the Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in mainland China and Hong Kong. During the year ended 31 December 2017 and up to the date of this report, to the best of our knowledge, the Group has complied with all the relevant laws and regulations in mainland China and Hong Kong, and there was no material breach of or non-compliance with the applicable laws and regulations, which results significant loss and negative impacts by the Group.

Relationship with Employees and Key Stakeholders

The number of employees of the Group was approximately 4,680 (2015: 2,610) as at 31 December 2017. The remuneration of employees was determined by the Group with reference to their performance, work experience and current market conditions. Employee benefits include medical insurance, defined provident fund scheme, discretionary bonus and employee share option scheme. There has been no labour dispute or significant change in the number of employees that affect the normal operations of the Group. The Directors believe that the Group maintains admirable relations with its employees.

Our Group understands that it is important to maintain good relationship with business partners, shareholders, investors and banks to achieve its long-term goals. To keep up with our key stakeholders closely, the Group has formulated corresponding scheme about investor relationship, and also holds tailored activities from time to time, such as annual/extraordinary general meetings, on-site visits, seminars and road-shows. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business latest update about development of the Group with them when appropriate. During the Year, there was no material dispute between our Group and its business partners or banks.

Quarterly Voluntary Disclosure

From 2018 onwards, the Group will suspend the quarterly voluntary disclosure and will publish inside information announcements on any significant changes of the Group for strictly compliance with the requirements of the Listing Rules, so as to inform the market and investors timely.

Executive Directors

CHI Wen Fu, aged 55, Chairman of the Group who is responsible for overall strategic planning and key operating decisions. Mr. Chi started his law firm in Fuzhou in 1995, in which he was the Managing Partner. Prior to that, Mr. Chi joined Fuzhou Justice Bureau Commerce Law Office after qualifying as a lawyer in the PRC in 1989. In early 1998, Mr. Chi originated an initial research on organic agricultural production and funded a R&D project on microbial compound fertilisers. Mr. Chi is a graduate of Chemical Analysis and Law. Mr. Chi established the Group in 2000.

SHUM Sai Chit, aged 60, Chief Executive Officer of the Group who is responsible for business operations. Prior to joining the Group, Mr. Shum was the Managing Director of Go Modern Limited which was principally engaged in manufacturing of textile products and trading activities. In 1984, Mr. Shum joined Fujian Textiles Import and Export Corporation as a Manager to oversee importing and exporting of textile products. Mr. Shum is a graduate of Consumer Product Pricing and Statistics. Mr. Shum has joined the Group since January 2002. Mr. Shum is currently an executive director of Group Sense (International) Limited (stock code: 601).

CHI Bi Fen, aged 59, Vice-President of the Group. Prior to joining the Group, Ms. Chi was the Deputy General Manager of an electronics equipment company over 17 years. She has an extensive experience in accounting, taxation and finance in the PRC for more than 15 years. She is a graduate of Accounting and Finance. Ms. Chi has joined the Group since March 2000. Ms. Chi is currently an executive director of Group Sense (International) Limited (stock code: 601).

Non-Executive Director

GUO Mengyong, aged 59, is a Deputy General Manager of Fujian Changsheng Wireless Technology Development Company Limited. He is responsible for electronic engineering technical management. Fujian Changsheng Wireless Technology Development Company Limited is principally engaged in production of electronic products and communication devices. Mr. Guo joined Fuzhou Capacitors Factory as a Technician in 1976. From 1993 onwards, Mr. Guo worked at Fuzhou Meters Group Company as an Engineer and later promoted to the Deputy Factory Manager in 1996, in charging of technical quality control. In 2000, Mr. Guo joined Fujian Wireless Group Company as Deputy General Manager and was responsible for quality management. He is a graduate of Industrial Enterprise Management. Mr. Guo has joined the Group since February 2011.

Independent Non-Executive Directors

KWONG Ping Man, aged 53, Director of O'Park Corporate Services Limited which provides corporate advisory services. Prior to joining the Group, Mr. Kwong served as the Chief Financial Officer of various companies for almost 7 years. Mr. Kwong has over 15 years of experience in accounting, finance and administration. He obtained a Master's Degree in Professional Accounting from Hong Kong Polytechnic University. He is a member of CPA Australia, fellow member of Hong Kong Institute of Certified Public Accountants, and associate member of Hong Kong Institute of Company Secretaries. Mr. Kwong is currently an Independent Non-Executive Director of Tang Palace (China) Holdings Limited (stock code: 1181), Group Sense (International) Limited (stock code: 601), Royal Deluxe Holdings Limited (stock code: 3789) and Dragon King Group Holdings Limited (stock code: 8493).

SHENG Hong, aged 55, Director of Hadrian Manufacturing (Asia) Limited and Director of Operations and General Manager of Hadrian (Shanghai) Trading Limited. The Hadrian Group is principally engaged in production and sales of metal partitions and lockers. Mr. Sheng has over 20 years of experience in management of corporation and investment. He was employed by China Resources (Holdings) Company Limited from 1986 to 1996. Mr. Sheng holds a Bachelor's Degree in Engineering Mechanics from Tongji University, Shanghai.

Lau Chi Kit, aged 73, an executive director of Chinlink International Holdings Limited (stock code: 997). He retired from The Hongkong and Shanghai Banking Corporation Limited ("HSBC") in December 2000 after more than 35 years of service. Among the major positions in HSBC, he was the assistant general manager and head of Personal Banking Hong Kong and assistant general manager and head of Strategic Implementation, Asia- Pacific Region. He is a fellow of the Hong Kong Institute of Bankers ("Institute"). He was the chairman of the Institute's Executive Committee (from January 1999 to December 2000). He is currently the honorary advisor of the Institute's Executive Committee. He served as a member on a number of committees appointed by the Government of Hong Kong Special Administrative Region, including the Advisory Council on the Environment (from October 1998 to December 2001), the Advisory Committee on Human Resources Development in the Financial Services Sector (from June 2000 to May 2001), the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption (from January 2000 to December 2003), the Environment and Conservation Fund Committee (from August 2000 to October 2006), the Innovation and Technology Fund (Environment) Projects Vetting Committee (from January 2000 to December 2004) and the Law Reform Commission's Privacy Sub-committee (from February 1990 to March 2006). He also served as chairman of the Business Environment Council Limited (from September 1998 to December 2001). Currently, he is also an independent non-executive director of Royale Furniture Holdings Limited (stock code: 1198), Leoch International Technology Limited (stock code: 842), Janco Holdings Limited (stock code: 8035) and Hin Sang Group (International) Holdings Company Limited (stock code: 6893).

Company Secretary

LUK Sai Wai, Simon, aged 54, Chief Financial Officer and Company Secretary of the Group. Mr. Luk is responsible for financial, management accounting and secretarial affairs of the Group. Prior to joining the Group, Mr. Luk was appointed as financial controller for several listed companies in Hong Kong. He has over 20 years of experience in finance and management. Mr. Luk holds a Bachelor's Degree in Business Administration from Hong Kong Baptist University and a Master's Degree in Business Administration from University of Strathclyde. He is a fellow member of The Institute of Chartered Accountants in England and Wales, an associate member of Hong Kong Institute of Certified Public Accountants, and a member of Society of Registered Financial Planners, Hong Kong. Mr. Luk has joined the Group since May 2010.

Senior Management

NGAN Sau Fung Joseph aged 60, Managing Director of the Group. Mr. Ngan is responsible for corporate finance and investor relations management, and also participates in risk management and strategic planning of the Group. Mr. Ngan has over 30 years of experience in the financial industry, which includes working at The Hong Kong and Shanghai Banking Corporation Limited, the Allied Banking Corporation, and DBS Bank (Hong Kong) Limited, in the foreign exchange and treasury businesses, corporate and retail banking, payment and cash management, as well as credit and risk management. Prior to joining the Group, Mr. Ngan was the Managing Director of DBS Bank (Hong Kong), and was in charge of its enterprise banking business. Mr. Ngan has joined the Group since March 2017.

WANG Yongxiang, aged 49, Senior Engineer of the Group, is responsible for the management and business planning in fertilizer and ore business operations of the Group . Mr. Wang majored in planning and surveying of mining industry with over 20 years of experience in agricultural fertilisers production and mining. Prior to joining the Group, he was the Production Technician and Engineer at Donghai serpentine mine in Jiangsu Province, and the Head of Sulfuric Acid factory. Mr. Wang has joined the Group since 2007.

MAO Huayin, aged 45, is responsible for business affairs and trade management for the fertiliser of the Group. Mr. Mao holds a Master's Degree, majored in the Economics Management. As a senior economist, he has more than 20 years of experience in marketing and corporate management. Mr. Mao joined the Group in February 2015.

HU Jie, aged 48, is responsible for fertiliser production and operation management of the Group. Mr. Hu studied in mechatronics, and has over 20 years of experience in the fertilizer industries. He has served in various positions, such asthe Head of fertiliser factory, the General Manager of the production technology department, the Head of the main chemical factory and the General Manager of the purchasing and branding department. Mr. Hu has joined the Group since 2007.

ZHOU Jianhui, aged 45, is responsible for the safety environment management of the Fertilizer Base of the Group. Mr. Zhou majored in agriculture with over 20 years of experience in agricultural fertilisers industries, and has served in various positions, such as the Head of Fertiliser factory and company General Manager. Mr. Zhou has joined the Group since 2007.

CHI Jing Chao, aged 35, Chief Corporate Affairs Officer of the Group who is responsible for the overall corporate activities. Mr. Chi has 10 years of experience in corporate affairs. Mr. Chi is a graduate of Financial and Administrative Management. Mr. Chi has joined the Group since August 2004.

LEE Man Ching, aged 38, Assistant to Chairman of the Group. Ms. Lee has over 10 years of experience in human resources and administrative management. Ms. Lee holds a Bachelor' s Degree in Accountancy and a Master' s Degree in Corporate Governance from the Hong Kong Polytechnic University. She is a fellow member of Association of Chartered Certified Accountants, and an associate member of Hong Kong Institute of Company Secretaries. Ms. Lee has joined the Group since August 2004.

本公司致力於達致及保持高水平的企業管治與經營誠信。董事會相信，良好企業管治不但可增進管理問責性及投資者信心，亦可為本公司之長期發展奠定良好基礎。

The Company is committed to achieve and maintain high standards of corporate governance and business integrity. The Board believes that good corporate governance will not only improve management accountability and investors confidence, but will lay a good foundation for the long-term development of the Company.

企業管治常規守則

Code on Corporate Governance Practices

於2017年全年，本公司已遵守聯交所證券上市規則(「上市規則」)附錄14所載之企業管治守則(「企業管治守則」)及企業管治報告之守則條文，惟以下偏離情況及經審慎考慮的理由除外：

Throughout the year of 2017, the Company has complied with the code provision as set out in the Corporate Governance Code (the "CG Code") and Corporate Governance Report under Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except for the following deviations as explained below with considered reasons:

(a) 根據守則條文第E.1.2條，董事會主席須出席股東週年大會。由於董事會主席池文富先生於2017年5月26日因公出差，故彼無法出席於該日舉行之股東週年大會。本公司之行政總裁兼執行董事沈世捷先生已出席上述股東週年大會以回應股東提問。

(a) Under code provision E.1.2, the Chairman of the Board should attend the annual general meeting. Mr. Chi Wen Fu, the chairman of the Board was unable to attend the annual general meeting held on 26 May 2017 as he was obliged to be away for a business trip. Mr. Shum Sai Chit, chief executive officer and executive Director of the Company, attended the said annual general meeting to respond to queries from shareholders.

(b) 根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事須出席股東大會，並對股東之意見有公正的瞭解。非執行董事郭孟勇先生因公出差而無法出席2017年5月26日、2017年11月21日 及2017年12月4日舉行的股東大會；而獨立非執行董事鄺炳文先生因公出差而無法出席2017年5月26日及2017年12月4日舉行的股東大會；而獨立非執行董事盛洪先生亦因公出差而無法出席2017年5月26日舉行的股東大會。

(b) Under code provision A.6.7, independent non-executive Directors and other non-executive Directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Guo Mengyong (being a non-executive Director) was unable to attend the general meetings held on 26 May 2017, 21 November 2017 and 4 December 2017, Mr. Kwong Ping Man (being an independent non-executive Director) was unable to attend the general meetings held on 26 May 2017 and 4 December 2017 while Mr. Sheng Hong (being an independent non-executive Director) was unable to attend the general meeting held on 26 May 2017 as they were obliged to be away for business trips.

董事會

本集團由董事會管治，董事會之責任為策略性領導及全面監督本集團。董事會行使的職權包括：

- 規劃本集團整體策略
- 監察及控制經營及財務表現
- 規劃風險管理政策
- 檢討內部監控系統成效
- 批准財務業績及公佈
- 批准年度經營預算
- 批准主要收購或出售及資本項目
- 審批主要投資及重大借貸
- 制訂股息政策
- 批准委任董事
- 制訂本集團之薪酬政策

董事會亦負責履行守則條文第D.3.1條所載的職務。董事會將召開會議以制定、檢討及監察本公司的企業管治政策及常規，並檢討及監察董事及高級管理層的培訓及持續專業發展，且檢討及監察本公司有關遵守法律及監管規定的政策及常規，同時制定、檢討及監察適用於僱員及董事的標準守則及合規手冊，亦會檢討本公司遵守企業管治守則的情況及於企業管治報告中作出披露的情況。

於2017年度，董事會已就企業管治職能方面檢討本公司遵守企業管治守則及監管與法定規定以及於此企業管治報告中作出披露的情況。

於2017年，主席曾分別地及個別地會見非執行董事及獨立非執行董事，當中並沒有其他執行董事出席。

The Board

The Group is governed by the Board which is responsible for strategic leadership and overall supervision of the Group. The Board exercises a number of authorities which include:

- Formulating the Group's overall strategies
- Monitoring and controlling operational and financial performance
- Formulating strategies for risk management
- Reviewing effectiveness of internal control system
- Approving financial results and public announcements
- Approving annual operating budgets
- Approving major acquisitions or disposals and capital projects
- Reviewing and approving major investments and material borrowings
- Setting dividend policy
- Approving appointment of Directors
- Setting the Group's remuneration policies

The Board is also responsible for performing the functions set out in code provision D.3.1. The Board will meet to develop, review and monitor the Company's corporate governance policies and practices, to review and monitor training and continuous professional development of Directors and senior management, to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements, to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors and to review the compliance of the Company with the CG Code and the disclosure in the corporate governance report.

During the year of 2017, in relation to the corporate governance functions, the Board has reviewed the Company's compliance with the CG Code and the regulatory and statutory requirements, and the disclosure in the corporate governance report.

During 2017, the Chairman had met the non-executive Director and the independent non-executive Directors respectively and individually without the presence of other executive Directors.

董事會的成員

董事會由7名董事組成，其中3名為執行董事、1名為非執行董事及3名為獨立非執行董事。因此，獨立非執行董事數目佔董事會超過三分之一。於本報告日期，董事會之成員及簡歷分別載於本年報19頁。

董事會授予執行董事負責本集團日常管理及執行董事會採納之主要策略及方案的權力，而執行董事須適時向董事會提供有關説明及資料，以供董事會監察管理層之表現。

非執行董事為本公司帶來寶貴的專業知識與經驗，並擔當重要職能，提供策略性意見予管理層。

獨立非執行董事確保董事會為所有股東利益負責及以客觀態度處理事情。3名獨立非執行董事為董事會提供多元化之寶貴商業經驗、知識及專業精神，促進董事會履行本身職能之效率及效能。董事會已收到各獨立非執行董事依照上市規則第3.13條就其獨立性作出的年度確認。董事會認為，所有獨立非執行董事均具獨立性。

池文富先生與池碧芬女士有姐弟親屬關係。此外，郭孟勇先生是池文富先生妻子之兄長。除上述披露外，董事會成員之間概無其他關係。

經檢討(i)各董事所持的董事職務及主要任命；及(ii)各董事於董事會會議及各董事委員會會議的出席率後，董事會信納全體董事於2017年均已付出足夠時間履行彼等責任。

本公司已就董事可能面對的法律行動作出適當的投保安排。

Board Composition

The Board comprises 7 Directors in which 3 are executive Directors; 1 is non-executive Director and 3 are independent non-executive Directors. The number of independent non-executive Directors constitutes more than one-third of the Board. The composition of the Board as at the date of this report and their profiles are set out on page 35 and page 36 of the annual report respectively.

The Board delegates powers to executive Directors for the day-to-day management of the Group and the implementation of major strategies and initiatives adopted by the Board whereas executive Directors should provide such explanations and information to the Board in a timely manner to enable the Board to monitor the performance of management.

Non-executive Director brings in valuable expertise and experience to the Company and serves important functions as well as provides strategic advices to the management.

Independent non-executive Directors ensure that the Board is accountable for the interest of all shareholders and handles matters in an objective manner. The 3 independent non-executive Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for efficient and effective delivery of its functions. The Board has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board considers all of the independent non-executive Directors to be independent.

Mr. Chi Wen Fu and Ms. Chi Bi Fen have a family relationship of brother and sister. Mr. Guo Mengyong is a brother-in-law of Mr. Chi Wen Fu. Save as disclosed, there is no other relationship among members of the Board.

Upon reviewing (i) the directorships and major commitments of each Director; and (ii) the attendance rate of each Director at the meetings of the Board and its committees, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during 2017.

The Company has arranged appropriate insurance cover in respect of legal action against Directors.

主席及行政總裁

本公司的主席及行政總裁分別由池文富先生及沈世捷先生擔任。本公司之主席與行政總裁的角色分開，分別由兩名人士執行。

Chairman and Chief Executive

The chairman and the chief executive officer of the Company are Mr. Chi Wen Fu and Mr. Shum Sai Chit respectively. The roles of chairman and the chief executive of the Company are separate and exercised by two separate individuals.

委任及重選

任何具備合適資歷及預期可為董事會表現帶來正面貢獻的潛在新董事人選，將會由現任董事及提名委員會物色並提呈董事會批准。

Appointment and Re-election

Any potential new Directors, being individuals who are suitably qualified and expected to make a positive contribution to the performance of the Board, will be identified by the existing Directors and the Nomination Committee and submitted to the Board for approval.

根據本公司之組織章程細則，於每屆本公司股東週年大會上，三分一之董事須輪換卸任，而每位董事須最少每3年卸任一次。池文富先生、沈世捷先生及鄺炳文先生須於即將舉行之本公司股東週年大會上卸任，惟彼等符合資格並願意膺選連任。

In accordance with the articles of association of the Company, at each annual general meeting of the Company, one-third of the Directors shall retire from office by rotation and every Director shall be subject to retirement at least once every 3 years. Mr. Chi Wen Fu, Mr. Shum Sai Chit and Mr. Kwong Ping Man shall retire at the forthcoming annual general meeting of the Company, but being eligible, offer themselves for re-election.

各非執行董事及獨立非執行董事(即郭孟勇先生、鄺炳文先生、盛洪先生及劉智傑先生)已與本公司訂立委任書，年期分別由2017年3月1日、2017年3月1日、2017年3月1日及2018年4月1日起為期2年，惟董事須根據本公司之組織章程細則之規定輪換卸任，該董事或本公司均可透過發出至少3個月事前書面通知終止任命。獨立非執行董事及非執行董事之每年袍金將因應彼等預期於本公司業務上投入之時間及年資作出檢討。

Each of the non-executive Director and the independent non-executive Directors, namely Mr. Guo Mengyong, Mr. Kwong Ping Man, Mr. Sheng Hong and Mr. Lau Chi Kit, has entered into a letter of appointment with the Company for a fixed term of 2 years commencing from 1 March 2017, 1 March 2017, 1 March 2017 and 1 April 2018 respectively, subject to the provisions of retirement and rotation of Directors under the articles of association of the Company and save that either such Director or the Company may terminate the appointment by giving at least 3 months' prior written notice. Annual emoluments payable to independent non-executive Directors and non-executive Director will be reviewed according to their estimated time to be spent on the Company's matters and their working experience with the Company.

目前所有執行董事每年均可各自獲得固定酬金。此外，每位執行董事亦有權獲得按本公司擁有人應佔本集團經審核綜合純利(已扣除税項、非控股權益及酌情管理花紅支付款項，但未扣除非經常及特殊項目)的某一百分比計算的酌情管理花紅。該百分比將由董事會釐定，惟本公司每一財政年度應付所有執行董事的花紅總額不得超過該純利的5%。每位執行董事的薪酬每年須由董事會經參考其所貢獻的時間、精力及其專業知識進行檢討。

All existing executive Directors are entitled to a fixed remuneration per annum respectively. In addition, each executive Director is also entitled to a discretionary management bonus calculated as a percentage of the audited consolidated net profit of the Group attributable to the owners of the Company (after tax and non-controlling interests and the payment of such management bonuses but before extraordinary and exceptional items), which percentage shall be determined by the Board provided that the aggregate amount of the bonuses payable to all executive Directors in respect of each financial year of the Company shall not exceed 5% of such net profit. The remuneration of each executive Director is subject to the annual review of the Board with reference to his/her contribution in terms of time, effort and his/her expertise.

於年內，董事及高級管理層獲得之個別薪酬詳情，於財務報表附註13披露。

Details of remuneration paid to each of the Directors and senior management during the year are disclosed in Note 13 to the financial statements.

全體董事均有權因履行本公司職務期間產生合理的開支而獲得補償及符合資格根據本公司購股權計劃獲授購股權。

All Directors are entitled to be reimbursed for reasonable expenses incurred during the performance of their duties to the Company and are eligible for share options under the share option scheme of the Company.

董事會程序

董事會須向股東負責，以符合道德、負責任和有效的方式領導本集團。董事會定期召開會議，並會為可能出現的任何特別事項召開臨時會議。

董事會於2017年共召開4次會議。下表載有個別董事出席董事會會議、委員會會議及股東大會之記錄：

Board Processes

The Board is accountable to the shareholders and leads the Group in an ethical, responsible and effective manner. The Board meets on a regular basis and arranges ad-hoc meetings for any specific matters that may arise.

The Board met 4 times in 2017. The attendance of individual Directors at Board meetings, committee meetings and general meetings is set out in the following table:

		所出席／舉行之會議 Attended/held				
		董事會會議 Board Meetings	審核委員會會議 Audit Committee Meetings	提名委員會會議 Nomination Committee Meetings	薪酬委員會會議 Remuneration Committee Meetings	股東大會 General Meetings
執行董事	**Executive Directors**					
池文富*(主席)*	Chi Wen Fu *(Chairman)*	4/4	–	1/1	–	0/3
沈世捷	Shum Sai Chit	4/4	–	–	1/1	3/3
池碧芬	Chi Bi Fen	4/4	–	–	–	0/3
非執行董事	**Non-Executive Director**					
郭孟勇	Guo Mengyong	4/4	–	–	–	0/3
獨立非執行董事	**Independent Non-Executive Directors**					
鄺炳文	Kwong Ping Man	4/4	5/5	1/1	1/1	1/3
盛洪	Sheng Hong	4/4	5/5	1/1	1/1	2/3
劉智傑	Lau Chi Kit	4/4	5/5	–	1/1	3/3

議程及隨附董事會文件將於董事會或委員會會議召開前交予全體董事，並給予最少3天供彼等傳閱。董事會須於董事會會議上以投票表決方式或以書面決議案作出決定。倘主要股東或董事於董事會省覽且其認為屬重大之事宜中有利益衝突，有關事宜將以實質舉行董事會會議之方式而非以書面決議案之方式處理。

Agendas and the accompanying board papers are circulated in full to all Directors at least 3 days before the Board or committee meeting. Board decisions will then be resolved either by vote at Board meetings or by written resolutions. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution.

董事會及董事委員會會議記錄由本公司之公司秘書編製，連同任何補充文件，可供所有董事查閱。會議記錄載有董事會或其委員會所討論事項、所作決定及由董事提出的任何關注或異議。

Minutes of the Board meetings and meetings of the Board committees taken by the company secretary of the Company and, together with any supporting papers, are available for inspection to all Directors. The minutes record the matters discussed by the Board or its committees, the decisions made and any concerns or dissenting views raised by the Directors.

如董事於董事會將考慮的任何交易或建議中有任何利益衝突，該董事須就其利益作出聲明，並放棄投票。該事項由在該交易或建議中概無重大利益的董事於董事會會議上考慮。

If a Director has a conflict of interests in relation to a transaction or proposal to be considered by the Board, such Director is required to declare his/her interest and abstain from voting. Such matter shall be considered at a Board meeting by Directors who have no material interest in the transaction or proposal.

董事之入職及持續專業發展

Directors' Induction and Continuous Professional Development

每位董事獲委任加入董事會時均會收到一份入職資料，內容涵蓋本集團之業務及作為上市公司董事之法定及監管責任。本集團亦會定期知會董事有關上市規則及與彼等履行職務時所需事項相關的其他適用法律及監管規定的最新發展。此外，本公司一直鼓勵董事出席有關適用法律、規則及規例最新發展的講座並提供有關經費，使彼等可持續進修及進一步提高其相關知識及技能。

On appointment to the Board, each Director would receive an induction package covering the Group's business and the statutory and regulatory obligations of a director of a listed company. The Group also regularly updates Directors on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements regarding subjects necessary for performing their duties. In addition, the Company has been encouraging and offering to pay for Directors to attend seminars on the latest development of applicable laws, rules and regulations so that they can continuously update and further improve their relevant knowledge and skills.

根據由董事提供的記錄，各董事於2017年1月1日至2017年12月31日期間接受的培訓概述如下：

According to the records provided by the Directors, the training received by each of the Directors during the period from 1 January 2017 up to 31 December 2017 is summarised as follows:

		持續專業發展培訓種類附註 Type of continuous professional development training notes
執行董事	**Executive Directors**	
池文富	Chi Wen Fu	B
沈世捷	Shum Sai Chit	B
池碧芬	Chi Bi Fen	B
非執行董事	**Non-Executive Director**	
郭孟勇	Guo Mengyong	B
獨立非執行董事	**Independent Non-Executive Directors**	
鄺炳文	Kwong Ping Man	A, B
盛洪	Sheng Hong	B
劉智傑	Lau Chi Kit	B

附註：

A： 出席講座或培訓課程

B： 閱讀報章、刊物及有關本公司業務或董事職責及責任、上市規則及其他適用監管規定最新發展等方面的最新資料

notes:

A: Attending seminar(s) or training session(s)

B: Reading newspapers, journals and updates relating to the Company's business or directors' duties and responsibilities, the latest development of the Listing Rules and other applicable regulatory requirements etc.

董事會的權限

董事會已授予高級管理層負責執行業務策略和管理本集團的日常業務運作的權力和責任，其須向董事會匯報。保留予董事會及管理層的職能會定期進行檢討。董事會及各董事有權隨時要求高級管理層及公司秘書提供任何本公司資料。董事亦會適時獲知會有可能影響本集團業務之重大變動，包括有關規則及規例之修訂等事宜。於年內，本公司會每月向董事提供有關本公司表現、狀況及前景的最新資料，以讓整個董事會及各董事履行彼等之職責。董事亦可在履行其職責時尋求獨立專業意見，費用由本公司支付，但於2017年並無董事提出需尋求有關獨立專業意見的要求。

董事會根據若干關鍵表現指標如財務數據、投資者關係、企業管治及內部監控，以監察及檢討管理層的表現。主要措施包括審閱管理賬目、審閱內部或外聘核數師報告及利益持份者之反饋。

Delegation by the Board

The Board has delegated the authority and responsibility for implementing business strategies and management of the daily operations of the Group to the senior management who is required to report back to the Board. Functions reserved to the Board and the management are reviewed periodically. The Board and each individual Director is empowered to access any Company's information from senior management and the company secretary at all times. The Directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including amendments on relevant rules and regulations. During the year, Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. Directors are allowed to seek independent professional advice in performing their duties at the Company's expense, but no request was made by any Director for such independent professional advice in 2017.

The Board monitors and reviews performance of the management based on several key performance indicators such as financial figures, investor relations, corporate governance and internal control. The principal measures include review of management accounts, review of internal or external auditor reports and feedbacks from stakeholders.

董事會成員多元化政策

於本年度，董事會已實施董事會成員多元化政策，其自2013年9月1日起生效。本公司透過考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能知識及服務年期，務求達致董事會成員多元化。所有董事會成員委任乃基於用人唯才，而為有效達致董事會成員多元化，將根據客觀準則考慮候選人。

Board Diversity Policy

During the year, the Board has implemented a board diversity policy which has been effective since 1 September 2013. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

甄選候選人將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按候選人的長處及其可為董事會提供的貢獻而作決定。

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

於本報告日期，董事會包括7名董事。董事會成員其中一名為女性，其中一名為非執行董事及其中三名為獨立非執行董事。董事具有不同的教育背景及擁有多元化的專業資格及商業經驗。就性別、專業及教育背景及技能方面而言，董事會均屬相當多元化。

As at the date of this report, the Board comprises 7 Directors. Among which, one of them is a woman, one of them is a non-executive Director and three of them are independent non-executive Directors. The Directors are of diverse educational background and possess a wide spectrum of professional qualifications and business experience. The Board is of significant diversity, whether considered in terms of gender, professional and educational background and skills.

董事進行證券交易標準守則

Code of Conduct Regarding Securities Transactions by Directors

本公司已採納上市規則附錄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」)作為本公司董事進行證券交易之行為守則。本公司已向所有董事作出特別查詢，而彼等亦已書面確認於本年內，彼等已遵守標準守則所載之規定標準。

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules ("Model Code") as the code of conduct of the Company regarding Directors' securities transactions. The Company made specific enquiries to all Directors and all Directors have confirmed in writing that they have complied with the required standards set out in the Model Code during the year.

董事會委員會

Board's Committees

為協助董事會執行職務，董事會已設立審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)。該等委員會在明確界定的職權範圍內履行職責。獨立非執行董事在該等委員會中發揮重要作用，以確保獨立客觀的意見可獲採納。

To assist in the execution of its responsibilities, the Board has established audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee"), and nomination committee (the "Nomination Committee"). These committees function within clearly defined terms of reference. Independent non-executive Directors play a significant role in these committees to ensure that independent and objective views are taken.

該等委員會的職權範圍可於本公司及聯交所網站瀏覽。

The terms of reference of these committees are available on the websites of the Company and the Stock Exchange.

審核委員會

審核委員會現由鄺炳文先生(審核委員會主席)、盛洪先生及劉智傑先生組成，彼等均為獨立非執行董事。所有委員會成員均具備合適資格如會計及財務管理。

審核委員會於2017年召開5次會議，以與高級管理層及外聘核數師檢討本集團之重大內部控制及財務事宜(如審核委員會之職權範圍所載)。審核委員會之職能包括下列各項：

- 審閱本集團之財務報表並向董事會提供推薦意見以供審批
- 審查本集團遵守法例及法定規定的情況
- 審查本集團之內部監控及風險管理
- 審閱重大會計及審計事項
- 審查本集團之關連交易
- 監察及管理與外聘核數師的關係

審核委員會有權在其職責範圍內對任何事宜進行調查，並獲授權履行其職責時如認為必要可尋求獨立專業意見。於展開審核本公司截至2017年12月31日止年度之財務報表前，審核委員會已接獲核數師根據香港會計師公會發佈之專業會計師操守規範第290條(修訂本)之規定，就彼等之獨立性及客觀性而發出之書面確認。

Audit Committee

The Audit Committee currently consists of Mr. Kwong Ping Man (chairman of the Audit Committee), Mr. Sheng Hong and Mr. Lau Chi Kit, who are all independent non-executive Directors. All committee members possess appropriate qualifications such as accounting and financial management.

The Audit Committee met 5 times in 2017 to review with the senior management and external auditors the Group's significant internal controls and financial matters as set out in the Audit Committee's terms of reference. The functions of the Audit Committee include the following matters:

- Reviewing the Group's financial statements with recommendation to the Board for approval
- Reviewing the Group's compliance of the regulatory and statutory requirements
- Reviewing the Group's internal control and risk management
- Reviewing significant accounting and audit issues
- Reviewing the Group's connected transactions
- Overseeing and managing the relationship with external auditors

The Audit Committee has power to conduct investigations into any matter within the scope of responsibility of the Audit Committee. The Audit Committee is authorised to obtain independent professional advice if it deems necessary for discharging its responsibilities. The Audit Committee has obtained a written confirmation from the auditors on their independence and objectivity as required under the Section 290 (revised) of the Code of Ethics for Professional Accountants issued by Hong Kong Institute of Certified Public Accountants prior to the commencement of the audit of the Company's financial statements for the year ended 31 December 2017.

於年內，審核委員會已於個別之審核委員會會議內履行上述職能及已對核數師審閱之審核範圍、過程、有效性以及獨立性表示信納。審核委員會已完成審閱2017年中期及年度財務報表，並向董事會建議通過有關財務報表。董事會與審核委員會對重聘核數師沒有意見分歧。

During the year, the Audit Committee has carried out the above functions in the respective Audit Committee meetings and also has been satisfied with the review of the audit scope, process, effectiveness and independence of the auditors. The Audit Committee has reviewed and recommended to the Board for approval of the interim and annual financial statements for 2017. There was no disagreement between the Board and the Audit Committee on the re-appointment of the auditors.

薪酬委員會

Remuneration Committee

薪酬委員會現時由4名成員組成，包括鄺炳文先生(薪酬委員會主席兼獨立非執行董事)、沈世捷先生(執行董事)、盛洪先生(獨立非執行董事)及劉智傑先生(獨立非執行董事)。

The Remuneration Committee currently comprises 4 members, namely Mr. Kwong Ping Man (chairman of the Remuneration Committee and independent non-executive Director), Mr. Shum Sai Chit (executive Director), Mr. Sheng Hong (independent non-executive Director) and Mr. Lau Chi Kit (independent non-executive Director).

薪酬委員會之職能為制訂一套具透明度的程序，以制定本集團董事及高級管理層的薪酬政策和方案。薪酬委員會的職能包括：

The functions of the Remuneration Committee are to formulate transparent procedures for setting remuneration policies and packages for Directors and the senior management of the Group. Its duties include:

- 檢討本集團個別執行及非執行董事及高級管理層的薪酬方案並就此向董事會提供建議
- 檢討本公司購股權計劃的管理
- 檢討本集團董事和高級管理層的酬勞的合適程度

- Reviewing and recommending to the Board the remuneration packages of individual executive and non- executive Directors and the senior management of the Group
- Reviewing the administration of the share option scheme of the Company
- Reviewing the appropriateness of compensation for Directors and the senior management of the Group

概無董事參與釐定其本身的薪酬。薪酬委員會於2017年共召開一次會議，以檢討董事及高級管理層的現有薪酬政策。

No Director is involved in determining his/her own remuneration. The Remuneration Committee met once in 2017 to review the existing remuneration policies of the Directors and senior management.

提名委員會

提名委員會現由3位成員組成，包括池文富先生(提名委員會主席兼執行董事)、鄺炳文先生(獨立非執行董事)及盛洪先生(獨立非執行董事)。

提名委員會的職能包括：

- 檢討董事會之架構、人數及組成
- 建議對董事會作出任何變動以配合本公司的企業策略
- 物色有能力及合資格人選出任董事會成員
- 評核獨立非執行董事之獨立性
- 就委任或重新委任董事及董事繼任安排作出建議

提名委員會於2017年共召開一次會議，以檢討董事會之架構、人數及組成，並建議董事會變動董事會成員角色及於即將舉行之股東週年大會重新委任卸任董事、同時評核獨立非執行董事之獨立性。

於履行物色合適資格人選為董事會成員之職責時，提名委員會將充分考慮董事會成員多元化政策。

Nomination Committee

The Nomination Committee currently comprises 3 members, namely, Mr. Chi Wen Fu (chairman of the Nomination Committee and executive Director), Mr. Kwong Ping Man (independent non-executive Director) and Mr. Sheng Hong (independent non-executive Director).

Its duties include:

- Reviewing the structure, size and composition of the Board
- Recommending any change to the Board to complement the Company's corporate strategies
- Identifying capable and qualified individuals to become Board members
- Assessing independence of independent non-executive Directors
- Making recommendation on appointment or re-appointment of Directors and succession planning for Directors

The Nomination Committee met once in 2017 for reviewing the structure, size and composition of the Board, making recommendation to the Board regarding change of roles of board members and re-appointment of retiring Directors at the forthcoming annual general meeting, assessing the independence of independent non-executive Directors.

In carrying out the responsibility for identifying suitably qualified candidates to become members of the Board, the Nomination Committee will give adequate consideration to the board diversity policy.

核數師薪酬

本公司委任國衛會計師事務所有限公司擔任本集團的獨立核數師。除提供審計服務外，國衛會計師事務所有限公司本年度亦提供非審計服務。於2017年度，非審計服務主要包括專業審閱服務。

以下為釐定委任核數師提供非審核服務所考慮的原則：

- 核數師概無作出管理決定
- 不會削弱核數師的獨立性
- 服務質素
- 服務收費

董事會於股東週年大會上獲授權釐定獨立核數師的薪酬。

就2017年所提供的服務，本集團支付／應付予獨立核數師之服務酬金如下：

Auditors' Remuneration

The Company had appointed HLB Hodgson Impey Cheng Limited as the independent auditors of the Group. Apart from audit services, HLB Hodgson Impey Cheng Limited also provided non-audit services during the year. For the year of 2017, the provisions of non-audit services mainly include professional services for professional review.

The following principles are considered when determining the appointment of the auditors in non-audit services:

- No management decision made by the auditors
- Independence of the auditors not to be impaired
- Quality of service
- Cost of service

The Board was authorised in the annual general meeting to determine the remuneration of the independent auditors.

The remuneration paid/payable by the Group to the independent auditors for the year of 2017 are as follows:

		千港元 **HK$'000**
國衛會計師事務所有限公司 審核及審核相關服務	**HLB Hodgson Impey Cheng Limited** Audit and audit related services	**4,387**
非審核服務	Non-audit services	**184**
總數	Total	**4,571**

本年度之賬目由國衛會計師事務所有限公司審核，其任期將於即將舉行之股東週年大會上屆滿。審核委員會已向董事會建議，於即將舉行之股東週年大會上再次委任國衛會計師事務所有限公司為本公司之核數師。

The accounts for the year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be re-appointed as the auditors of the Company at the forthcoming annual general meeting.

董事與核數師各自的職責

董事確認彼等負責編製各財政期間之財務報表，該等財務報表須真實公平地反映本公司及其附屬公司的事務狀況，以及符合公司條例(香港法例第622章)的規定及上市規則的適用披露條文。

核數師確認其誠如本年報第71至81頁核數師報告所載之責任。

Respective Responsibilities of Directors and Auditors

The Directors acknowledge their responsibilities for preparation of the financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and its subsidiaries and in compliance with the requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the applicable disclosure provisions of the Listing Rules.

The auditors acknowledge their responsibilities in the auditors' report as set out on pages 71 to 81 of the annual report.

內部監控

董事會確認其負責設立、維護及檢討本集團內部監控及風險管理系統之有效程度，以確保股東之投資及本集團之資產得到保障。該系統專責管理而非消除未能達成業務目標的風險，僅可就排除重大錯誤陳述或虧損提供合理而非絕對保證。此責任主要由審核委員會履行。於回顧年度，審核委員會獲董事會授權，並已檢討本集團內部監控制度的效用，當中涵蓋所有重大監控方面(包括財務、運作及合規監控以及風險管理功能)。

健全的內部監控制度乃建基於穩健之控制環境。這取決於以下要素：

- 組織之商業道德及文化
- 其職員之質素及能力
- 董事會引領之方向；及
- 管理層之效能

Internal Controls

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's system of internal controls and risk management with a view to ensuring that shareholders' investments and the Group's assets are safeguarded. Such system is designated to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. This responsibility is primarily fulfilled on its behalf by the Audit Committee. In the year under review, the Audit Committee, as delegated by the Board, has reviewed the effectiveness of the internal control systems of the Group, covering all material controls, including financial, operational and compliance controls and risk management functions.

The foundation of a strong system of internal control is a solid control environment. This is dependent on the following components:

- Business ethics and culture of the organisation
- Quality and competence of its personnel
- Direction provided by the Board, and
- Effectiveness of the management

風險管理

本集團透過定期檢討以確定重大業務風險領域，以及採取適當措施控制和減低該等風險，從而改進其業務與營運活動。本集團管理層審閱所有重要監控政策及程序，並向董事會及審核委員會特別提出所有重大事件。

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

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

Risk Management

The Group improves its business and operational activities by identifying the areas of significant business risks via a regular review and taking appropriate measures to control and mitigate these risks. The management of the Group reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee.

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

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

處理及傳播內幕消息的程序及內部監控

本集團遵循證券及期貨條例(「證券及期貨條例」)及上市規則規定。本集團會盡快在合理可行的情況下向公眾披露內幕消息，惟資料屬證券及期貨條例所規定的任何安全保障者除外。在資料全面向公眾披露前，本集團確保資料維持高度機密。倘本集團相信不能維持必要之機密程度或可能已洩露機密，則本集團會即時向公眾披露資料。由於須以清晰及均衡的方式呈列資料並同時披露正面及負面事實，故本集團致力確保公告或通函所載資料在重大事實方面並無虛假或無具誤導成分或因遺漏重大事實而出現虛假或誤導成分。

Procedures and Internal Controls for Handling and Dissemination of Inside Information

The Group complies with requirements of Securities and Futures Ordinance ("SFO") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

股東溝通及投資者關係

本公司明白開放的溝通及公平的披露的重要性。本公司的政策是要確保所有股東公平地獲得所有重大企業發展的資訊。

全體股東就本公司舉行的任何股東大會均會獲得適當通知，董事及委員會成員均列席會上及對股東提出的任何問題作出解答。本公司重要資料可於本公司網站或寄發予股東之財務報表及通函中取得。股東亦可致函給本公司之投資者關係經理就需要董事會注意的問題作出任何查詢，其聯絡資料載於下文「股東權利－(c)向董事會作出查詢之權利」一段。

Communication with Shareholders and Investor Relations

The Company recognises the importance of open communication and fair disclosure. It is the Company's policy to ensure that all shareholders are equally informed of all major corporate developments.

All shareholders have proper notice of any general meeting of the Company at which the Directors and the committees' members are available to give explanation on any query raised by the shareholders. Major information of the Company could be obtained from the Company's website or financial reports and circulars sent to the shareholders. Any enquiries by the shareholders requiring the Board's attention can also be sent in writing to the Investor Relations Manager of the Company whose contact details are set out in the paragraph headed "Shareholders' Rights – (c) Right to Put Enquiries to the Board" below.

於本公司股東大會上提呈的決議案將以投票方式進行表決，惟大會主席可以誠實信用的原則做出決定，容許純粹有關程序或行政事宜的決議案以舉手方式表決。本公司將於每次股東大會上向股東解釋投票表決程序，並回答股東有關投票程序的問題。投票表決結果將按上市規則訂明的方式刊登於聯交所及本公司網站上。

Resolutions put to vote at the general meetings of the Company shall be decided on a poll, save that the chairman of the meeting may in good faith allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. Procedures for conducting a poll will be explained to the shareholders at each general meeting and questions from shareholders regarding the voting procedures will be answered. The poll results will be posted on the websites of the Stock Exchange and the Company respectively in the manner prescribed under the Listing Rules.

作為投資者關係定期計劃的一部份，高級行政人員可於業績公布後安排簡介會或路演，並與機構投資者及分析師出席研討會，就本公司的表現、目標及發展進行雙向溝通。本公司會應特定要求安排公司約訪。

As part of a regular program of investor relations, senior executives may hold briefings or road shows after the results announcement and attend conferences with institutional investors and analysts to engage in two-way communications on the Company's performance, objectives and developments. Company visits can be arranged by the Company upon specific request.

股東權利

Shareholders' Rights

(a) 召開股東特別大會之權利

根據本公司之組織章程細則，任何一位或以上於存放要求日期持有不少於本公司繳足股本(附帶權利於本公司股東大會上投票)十分之一的股東隨時有權向本公司董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於提出該要求後2個月內舉行。

該書面要求必須列明該大會的目的、由請求人士簽署及送交本公司董事會或公司秘書，地址為本公司於香港之總辦事處和主要營業地點香港九龍尖沙咀廣東道9號港威大廈第6座11樓1104室，而該要求可由一式多份，每份由一名或以上請求人士簽署的文件組成。

(a) Right to Convene Extraordinary General Meeting

Pursuant to the articles of association of the Company, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company at the Company's head office and principal place of business in Hong Kong at Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, and such request may consist of several documents in like form, each signed by one or more of the requisitionist(s).

該要求將由本公司於香港之股份過戶登記分處核實，經股份過戶登記分處確認該要求符合程序後，本公司的公司秘書將於要求董事會根據所有相關法例及監管規定向全體註冊股東發出充分通知後召開股東特別大會。相反，倘要求經核實為不符合程序，請求人士將獲告知此結果，股東特別大會將不會按要求召開。

The request will be verified with the Company's branch share registrar in Hong Kong and upon the confirmation of the branch share registrar that the request is in order, the company secretary of the Company will ask the Board to convene an extraordinary general meeting by serving sufficient notice in accordance with all relevant statutory and regulatory requirements to all registered members. On the contrary, if the request is verified as not in order, the requisitionist(s) will be advised of this outcome and accordingly, an extraordinary general meeting will not be convened as requested.

倘提出要求後21日內，董事會未有召開該大會，則請求人士可自行以同樣方式召開該大會，而請求人士因董事會未有召開大會而產生的所有合理開支應由本公司向請求人士作出償付。

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

(b) 於股東大會提呈議案之權利

開曼群島公司法或本公司組織章程細則並無條文批准股東於股東大會上提呈新決議案。有意提呈決議案之股東可按前述段落所載之程序要求本公司召開股東特別大會。

(b) Right to Put Forward Proposals at General Meetings

There are no provisions allowing shareholders to propose new resolutions at general meetings under the Cayman Islands Companies Law or the articles of association of the Company. Shareholders who wish to propose a resolution may request the Company to convene an extraordinary general meeting following the procedures set out in the preceding paragraph.

有關提名人士參選董事之程序，可於本公司網站www.centurysunshine.com.hk查閱。

As regard the procedures for proposing a person for election as a Director, please refer to the procedures made available on the website of the Company at www.centurysunshine.com.hk.

(c) 向董事會作出查詢之權利

股東可隨時以書面方式致函本公司之投資者關係經理，向董事會作出查詢及提出關注事項，其聯絡資料載列如下：

香港
九龍
尖沙咀
廣東道9號
港威大廈第6座
11樓1104室
傳真：(852) 2802 2697
電郵：ir@centurysunshine.com.hk

本公司之投資者關係經理會於適當時候把股東之查詢及關注事項轉交董事會及／或相關董事會委員會，以回答股東之提問。

(c) Right to Put Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing for the attention of Investor Relations Manager of the Company whose contact details are as follows:

Suite 1104, 11th Floor,
Tower 6, The Gateway,
9 Canton Road,
Tsim Sha Tsui,
Kowloon,
Hong Kong
Fax: (852) 2802 2697
Email: ir@centurysunshine.com.hk

The Investor Relations Manager of the Company shall forward the shareholders' enquiries and concerns to the Board and/or relevant committees of the Board to answer the shareholders' questions where appropriate.

公司秘書

陸世煒先生為本公司之僱員，並自2010年5月1日獲委任為本公司之公司秘書。陸先生之履歷資料載於「董事及高級管理層簡歷」一節。

根據上市規則第3.29條，陸先生於截至2017年12月31日止財政年度內已參與不少於15小時的相關專業培訓。

Company Secretary

Mr. Luk Sai Wai, Simon is an employee of the Company and has been appointed as the company secretary of the Company with effect from 1 May 2010. The biographical details of Mr. Luk are set out in the section headed "Directors and Senior Management Profile".

According to Rule 3.29 of the Listing Rules, Mr. Luk has taken no less than 15 hours of relevant professional training during the financial year ended 31 December 2017.

章程文件

本公司章程文件於年內並無變動。

Constitutional documents

There are no changes in the Company's constitutional documents during the year.

董事會報告
Directors' Report

董事謹此欣然提呈本報告，連同本集團截至2017年12月31日止年度之經審核財務報表，有關報表刊載於第82至220頁。

The Directors have pleasure in submitting their report together with the audited financial statements of the Group for the year ended 31 December 2017, which are set out on pages 82 to 220.

主要業務及業務地域分析

Principal Activities and Geographical Analysis of Operations

本公司之主要業務乃投資控股。其主要附屬公司之業務及其他詳情載於財務報表附註23。

The principal activity of the Company is investment holding. The activities and other particulars of its principal subsidiaries are shown under Note 23 to the financial statements.

本集團按經營分部的表現分析載於財務報表附註8。截至2017年及2016年12月31日止年度，本集團主要於中國營運及本集團之收入主要來自中國，而於2017年12月31日及2016年12月31日，本集團非流動資產主要位於中國。概無披露本集團按地區劃分的業績及資產分析。

An analysis of the Group's performance by operating segments is set out in Note 8 to the financial statements. During the years ended 31 December 2017 and 2016, the Group mainly operated in the PRC and the Group's revenue are mainly derived from the PRC and non-current assets of the Group are mainly located in the PRC as at 31 December 2017 and 31 December 2016. No analysis of the Group's result and assets by geographical area is disclosed.

業績及分派

Results and Appropriations

本集團截至2017年12月31日止年度之業績載於第82至83頁之綜合損益及其他全面收益表內。

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 82 to 83.

本公司董事不建議就截至2017年12月31日止年度派付任何股息。

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2017.

業務回顧

Business Review

本集團之業務回顧載於本年報第10至11頁。

A business review of the Group is set out on pages 23 to 25 of the annual report.

五年財務概要

Five Year Financial Summary

本集團於過去5個財政年度之業績、資產及負債概要載於本年報第6至7頁。

A summary of the results, assets and liabilities of the Group for the last 5 financial years is set out on pages 6 to 7 of the annual report.

物業、廠房及設備

本集團之物業、廠房及設備變動詳情載於財務報表附註17。

Property, Plant and Equipment

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

投資物業

本集團之投資物業變動詳情載於財務報表附註18。

Investment Properties

Details of the movements in investment properties of the Group are set out in Note 18 to the financial statements.

股本

本公司之股本變動詳情載於財務報表附註41。

Share Capital

Details of the movements in share capital of the Company are set out in Note 41 to the financial statements.

與股份掛鈎協議

(a) 授予董事及被選員工之購股權

截至2017年12月31日止年度被頒授、被行使及已失效之購股權，詳情載於財務報表附註43及本董事會報告之「購股權計劃」章節內。

Equity Linked Agreements

(a) Share options granted to directors and selected employees

For share options granted, exercised and lapsed during the year ended 31 December 2017, details are set out in Note 43 of the financial statements and the section named "Share Option Scheme" contained in this Directors' Report.

(b) 可轉換債券

截至2016年12月31日，本公司已發行本金金額為232,000,000港元之可贖回固定票息可轉換債券，其可轉換作本公司一間間接持有之非全資附屬公司之普通股。但該可轉換之權利已於截至2017年12月31日之年度內失效。詳情載於財務報表附註38。

(b) Exchangeable Bonds

During the year ended 31 December 2016, redeemable fixed coupon exchangeable bonds in the principal amount of HK$232,000,000 were issued by the Company, which can be exchanged for ordinary shares of an indirect non-wholly owned subsidiary of the Company. However, the option to exchange was lapsed during the year ended 31 December 2017. Details are set out in Note 38 of the financial statements.

上市後償票據

於2015年6月4日及2015年8月3日，本公司根據多種幣值中期票據計劃分別發行了面額75,000,000新加坡元及50,000,000新加坡元之上市後償票據總額為125,000,000新加坡元。該票據固定票息率為7.2厘，並於新加坡交易所上市，將於2018年6月4日到期。

該批7.2厘後償票據已於到期前之2017年6月被全數贖回。

於2017年6月5日，本公司發行了面值101,750,000新加坡元之上市後償票據(根據多種幣值中期票據計劃)。該等票據票息率為7.0厘，並於新加坡交易所上市，將於2020年7月3日到期。

截至2017年12月31日止尚未償還之上市後償票據詳情載於財務報表附註35。

Listed Subordinated Notes

On 4 June 2015 and 3 August 2015, the Company issued listed subordinated notes (under the Multicurrency Medium Term Note Programme) with the face value of SGD75 million and SGD50 million respectively, totalling SGD125 million. The notes carry a fixed coupon rate of 7.2% and are listed on the Singapore Stock Exchange maturing on 4 June 2018.

The 7.2% subordinated notes were fully redeemed in June 2017 before maturity.

On 5 June 2017, the Company issued listed subordinated notes (under the Multicurrency Medium Term Note Programme) with the face value of SGD101.75 million. The note carries a coupon rate of 7.0% and are listed on the Singapore Stock Exchange and will mature on 3 July 2020.

Details of the listed subordinated notes outstanding as at 31 December 2017 are set out in Note 35 of the financial statement.

儲備

本集團及本公司年內之儲備變動詳情分別載於第86頁之綜合權益變動表及財務報表附註42(b)。

Reserves

Details of the movements in reserves of the Group and of the Company during the year are set out in consolidated statement of changes in equity on page 86 and Note 42(b) to the financial statements respectively.

可供分派儲備

本公司於2017年12月31日之可供分派儲備為1,406,414港元(2016年：1,436,801,000港元)。

Distributable Reserves

Distributable reserves of the Company as at 31 December 2017 amounted to HK$1,406,414 (2016: HK$1,436,801,000).

優先購買權

本公司之組織章程細則或開曼群島法例並無優先購買權條款，規定本公司須按比例向現有股東提呈發售新股。

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

購買、出售或贖回本公司上市證券

於2016年內，本公司以總代價4,210,950港元(未計費用)按每股介乎0.345港元至0.395港元之價格於聯交所購回本公司每股面值0.02港元之11,510,000股普通股。購回之股份已於2016年2月26日註銷。

於2017年內，本公司以總代價4,081,655港元(未計費用)按每股介乎0.223港元至0.265港元之價格於聯交所購回本公司每股面值0.02港元之16,860,000股普通股。購回之股份已於2017年7月31日註銷。

因此，本公司之已發行股本已相應按該等股份之面值予以削減。購回股份應付之溢價已於本公司股份溢價帳支銷。上述購回為董事會根據股東授權而進行，藉以提高本公司之每股資產淨值及每股盈利，使股東整體受惠。

除上文所披露者外，本公司或其任何附屬公司於年內及截至本年報日期並無購買、出售或贖回本公司任何上市證券。

Purchase, Sale or Redemption of the Company's Listed Securities

During the year 2016, the Company repurchased 11,510,000 ordinary shares of HK$0.02 each of the Company at an aggregate consideration of HK$4,210,950 before expenses at prices ranging from HK$0.345 to HK$0.395 per share on the Stock Exchange. The repurchased shares were cancelled on 26 February 2016.

During the year 2017, the Company repurchased 16,860,000 ordinary shares of HK$0.02 each of the Company at an aggregate consideration of HK$4,081,655 before expenses at prices ranging from HK$0.223 to HK$0.265 per share on the Stock Exchange. The repurchased shares were cancelled on 31 July 2017.

Accordingly, the issued share capital of the Company was reduced by the nominal value thereof. The premium payable on repurchase was charged against the share premium account of the Company. The repurchases were effected by the Board pursuant to the mandate from shareholders, with a view to benefit shareholders as a whole in enhancing the net assets and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year and up to the date of the annual report.

董事

於年內及截至本年報日期之董事如下：

執行董事
池文富(*主席*)
沈世捷(*行政總裁*)
池碧芬

非執行董事
郭孟勇

獨立非執行董事
鄺炳文
盛洪
劉智傑

根據本公司組織章程細則第87條，池文富先生、沈世捷先生及鄺炳文先生將於本公司應屆股東週年大會上輪值告退，並符合資格及願意膺選連任。

董事服務合約

擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立不可由本公司於一年內終止而毋須賠償(法定賠償除外)之服務合約。

董事於合約之權益

於年末或年內任何時間，本公司或其任何附屬公司或其母公司概無訂立任何涉及本集團業務而董事於其中直接或間接擁有重大權益之重要合約。

Directors

The Directors during the year and up to the date of the annual report are:

Executive Directors
Chi Wen Fu *(Chairman)*
Shum Sai Chit *(CEO)*
Chi Bi Fen

Non-Executive Director
Guo Mengyong

Independent Non-Executive Directors
Kwong Ping Man
Sheng Hong
Lau Chi Kit

In accordance with Article 87 of the Company's Articles of Association, Mr. Chi Wen Fu, Mr. Shum Sai Chit and Mr. Kwong Ping Man will retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

Directors' Service Contracts

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts

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

董事於競爭業務之權益

年內，本公司董事或管理層股東或彼等各自之聯繫人士(定義見上市規則)概無於任何與本集團業務構成或可能構成競爭之業務中擁有任何權益。

Directors' Interests in Competing Business

During the year, none of the Directors or the management shareholders of the Company or their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group.

獲准許彌償

根據本公司的組織章程細第167條，本公司之每名董事就其執行職務或與此有關所蒙受或招致之一切損失或負債，均有權從本公司資產中獲得彌償保證，而各董事概無須就其執行職務出現或招致之任何損失，損害賠償或不幸情況負責。

Permitted Indemnity

Pursuant to Article 167 of the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

現時及於年內已備有適當的董事責任保險以保障本公司之董事在面對索償時可能產生的成本和責任。

A Directors liability insurance is currently in place, and was in place during the year, to protect the Directors of the Company against potential costs and liabilities arising from claims brought against them.

董事及高級管理層履歷

董事及高級管理層的簡歷載於本年報第19至20頁。

Biographical Details of Directors and Senior Management

Brief biographical details of Directors and senior management are set out on pages 35 to 37 of the annual report.

購股權計劃

為吸引及挽留最優秀之員工以發展本集團業務，以及提供額外鼓勵或獎勵予獲選之合資格人士，本公司於2008年12月3日採納一項購股權計劃(「計劃」)。合資格人士主要為本集團僱員、董事及對本集團有所貢獻之本集團承包商、供應商或服務供應商。除非計劃被取消或修訂，否則將自成立日期起10年內有效。計劃之餘下年期約為1年(於2018年12月3日屆滿)。

Share Option Scheme

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 3 December 2008 (the "Scheme"). The qualifying participants mainly include employees of the Group, Directors and contractors, suppliers or service providers of the Group who have contribution to the Group. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the Scheme is approximately 1 years (expiry on 3 December 2018).

認購價不會少於以下最高者：(i)股份在購股權授出日期於香港聯合交易所有限公司(「聯交所」)每日報價表所列之收市價；(ii)股份於緊接購股權授出日期前5個交易日於聯交所每日報價表所列之平均收市價；及(iii)股份之面值0.02港元。根據計劃可能授出購股權涉及之最高股份數目，合共不可多於本公司不時之已發行股本30%。於接納授出購股權之要約後，獲授予者須向本公司支付款項1.00港元。

The subscription price is not less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer of the option; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of offer of the option; and (iii) the nominal value of a Share of HK$0.02. The maximum number of Shares in respect of which options may be granted under the Scheme shall not, in aggregate, exceed 30% of the issued share capital of the Company from time to time. Upon acceptance of the offer for the grant of option, an amount of HK$1.00 is payable by the grantee to the Company.

本公司可發行購股權，限額為行使根據計劃將授出的全部購股權後可能發行的股份總數，合共不超過於批准計劃日期已發行股份的10%。本公司可在任何時候更新該10%限額，惟須根據上市規則獲得股東批准及刊發通函，方可進行，並且於行使根據計劃及其他任何購股權計劃下所有已授出但仍未獲行使的購股權後將予發行的股份數目，不得超過不時已發行股份的30%。

The Company can issue options so that the total number of shares that may be issued upon exercise of all options to be granted under the Scheme does not in aggregate exceed 10% of the shares in issue on the date of approval of the Scheme. The Company may refresh this 10% limit at any time, subject to shareholders' approval and the issue of a circular and in accordance with the Listing Rules provided that the number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes does not exceed 30% of the Shares in issue from time to time.

於2017年12月31日，計劃項下尚未行使之購股權合共可認購33,334,769股股份(「購股權」)(2016年：132,679,714股)。購股權變動詳情載於財務年報表附註43。

As at 31 December 2017, options to subscribe for a total of 33,334,769 Shares were outstanding under the Scheme (the "Options") (2016: 132,679,714 Shares). Details of the movements in the options are set out in note 43 to the financial statements.

董事及主要行政人員於本公司及任何相聯法團股份、相關股份及債券之權益

Directors' and Chief Executives' Interest in the Shares, Underlying Shares and Debentures of the Company and Any Associated Corporation

於2017年12月31日，本公司各董事或主要行政人員於本公司或任何其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中有記錄於本公司根據證券及期貨條例第XV部第352條存置之登記冊內之相關權益及短倉如下：

As at 31 December 2017, the relevant interests and short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register to be kept by the Company under Section 352 of Part XV of the SFO were as follows:

(i) 董事於本公司之權益
股份及購股權長倉

(i) Directors' Interests in the Company
Long Positions in Shares and Share Options

董事姓名 Name of Director	持有股份數目 Number of Shares held 個人權益 Personal interests	配偶權益 Spouse interests	公司權益 Corporate interests	合計 Total	持有購股權數目（附註2） Number of Options held (note 2)	佔本公司於2017年12月31日已發行股本之百分比 Percentage of issued share capital of the Company as at 31 December 2017
池文富（「池先生」） Chi Wen Fu ("Mr. Chi")	237,235,548	–	1,341,871,364 （附註1）(note 1)	1,579,106,912	–	34.47% –
沈世捷 Shum Sai Chit	14,666,305	–	–	14,666,305	–	0.32% –
池碧芬 Chi Bi Fen	12,352,499	–	–	12,352,499	–	0.27% –
郭孟勇 Guo Mengyong	2,625,000	–	–	2,625,000	–	0.06% –
鄺炳文 Kwong Ping Man	–	–	–	–	–	– –
盛洪 Sheng Hong	1,775,000	–	–	1,775,000	–	0.04% –
劉智傑 Lau Chi Kit	–	–	–	–	6,389,145	– 0.14%

(ii) 債券長倉

(ii) Long position in debentures

董事姓名 **Name of director**	身份／權益性質 **Capacity/Nature of interest**	所持債券金額 **Amount of debentures held** 新加坡元 **SGD**
池先生 Mr. Chi	個人權益 Personal interest	2,500,000

附註：

1. 該等股份由冠華國際有限公司(「冠華」)持有。鑒於池先生持有冠華已發行股本83.74%，據此賦予彼於冠華股東大會上行使或控制行使三分之一或以上之投票權，因此被視為公司權益。

   按照日期為2014年7月10日之股份抵押合同，作為本公司主要股東的冠華，將本公司549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司(「國際金融公司」)，作為由國際金融公司和白山市天安金屬鎂礦業有限公司於2014年5月30日簽署(於2015年12月7日經修定及重列)的貸款協議之抵押品。

2. 持有之購股權之詳情載列於上文「購股權計劃」一節。

除上文所披露者外，於2017年12月31日，本公司各董事或主要行政人員或彼等各自之聯繫人士，概無於本公司或任何其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有記錄於本公司根據證券及期貨條例第352條存置之登記冊內之相關權益及短倉。

notes:

1. These Shares are held by Alpha Sino International Limited ("Alpha Sino") and are deemed corporate interests by virtue of Mr. Chi's holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino.

   As pursuant to a share mortgage agreement dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to International Finance Corporation ("IFC") as security for a loan agreement dated 30 May 2014 (as amended and restated on 7 December 2015) entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

2. Details of Options held are set out in the above section headed "Share Options Scheme".

Save as disclosed above, as at 31 December 2017, none of the Directors or chief executive of the Company or their respective associates had interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register to be kept by the Company under Section 352 of SFO.

主要股東於本公司股份及相關股份中之權益及短倉

就董事或本公司主要行政人員所知悉，於2017年12月31日，於本公司股份或股票衍生工具的相關股份擁有根據證券及期貨條例第336條規定須保存的登記冊的權益或短倉的人士如下：

Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares of the Company

So far as is known to any Director or chief executive of the Company, as at 31 December 2017, persons who had interests or short positions in the Shares or underlying shares of equity derivatives of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

股東姓名／名稱 **Name of shareholder**	持倉性質 **Nature**	持有股份數目 **Number of Shares held**	持有購股權數目 **Number of Options held**	佔本公司於**2017**年**12**月**31**日已發行股本之百分比 **Percentage of issued share capital of the Company as at 31 December 2017**
池文富 Chi Wen Fu	長倉 Long position	1,579,106,912 （附註1）(note 1)		34.47%
冠華 Alpha Sino	長倉 Long position	1,341,871,364 （附註4）(note 4)		29.29%
楊玉川 Yang Yuchuan	長倉 Long position	351,844,434 （附註3）(note 3)		7.68%
鄒勵 Zou Li	長倉 Long position	309,914,999 （附註2）(note 2)		6.77%
Best Equity	長倉 Long position	309,914,999		6.77%
國際金融公司 International Finance Corporation	長倉 Long position	793,526,275 （附註4）(note 4)		17.32%

附註：

1. 池文富先生於本公司合共1,579,106,912股股份中擁有權益，當中(a) 237,235,548股股份乃由其實益擁有，並以其名義登記；及(b) 1,341,871,364股股份乃基於其持有冠華已發行股本83.74%，據此賦予其權力可於冠華股東大會上行使或控制行使三分之一或以上之投票權而被視為公司權益。

   按照日期為2014年7月10日之股份抵押合同，作為本公司主要股東的冠華，將本公司549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司(「國際金融公司」)，作為由國際金融公司和白山市天安金屬鎂礦業有限公司於2014年5月30日簽署(於2015年12月7日經修定及重列)的貸款協議之抵押品。

2. 該等股份乃基於其持有Best Equity已發行股本52.83%，據此賦予其權力可於Best Equity股東大會上行使或控制行使三分之一或以上之投票權而被視為公司權益。

3. 楊先生曾於2013年7月1日至2016年8月4日出任本公司之執行董事。楊玉川先生於本公司合共351,844,434股股份中擁有權益，當中(a) 41,929,435股股份乃由其配偶勞敏女士實益擁有，並以其名義登記；及(b) 309,914,999股股份乃基於其持有Best Equity已發行股本47.17%，據此賦予其權力可於Best Equity股東大會上行使或控制行使三分之一或以上之投票權而被視為公司權益。

4. 國際金融公司於合共793,526,275股股份中擁有權益，當中(a) 244,246,275股股份乃由其實益擁有，並以其名義登記；及(b)按照日期為2014年7月10日之股份抵押合同，作為本公司主要股東的冠華，將本公司549,280,000股股份(相當於2015年6月30日本公司已發行股本約12%)抵押給國際金融公司，作為由國際金融公司和白山市天安金屬鎂礦業有限公司於2014年5月30日簽署(於2015年12月7日經修定及重列)的貸款協議之抵押品。

notes:

1. Mr. Chi Wen Fu has interest in an aggregate of 1,579,106,912 Shares of which (a) 237,235,548 Shares are beneficially owned by him and registered in his name; and (b) 1,341,871,364 Shares are deemed corporate interests by virtue of his holding of 83.74% of the issued share capital of Alpha Sino which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Alpha Sino.

   As pursuant to a share mortgage agreement dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to International Finance Corporation ("IFC") as security for a loan agreement dated 30 May 2014 (as amended and restated on 7 December 2015) entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

2. These Shares are deemed corporate interests by virtue of her holding of 52.83% of the issued share capital of Best Equity which entitled her to exercise or control the exercise of one-third or more of the voting power at general meeting of Best Equity.

3. Mr. Yang had been an executive director of the Company during the period from 1 July 2013 to 4 August 2016. Mr. Yang Yuchuan has interest in an aggregate of 351,844,434 Shares of which (a) 41,929,435 Shares are beneficially owned by his spouse, Ms. Lao Min, and registered in her name; and (b) 309,914,999 Shares are deemed corporate interests by virtue of his holding of 47.17% of the issued share capital of Best Equity which entitled him to exercise or control the exercise of one-third or more of the voting power at general meeting of Best Equity.

4. IFC has interest in an aggregate of 793,526,275 Shares of which (a) 244,246,275 Shares are beneficially owned by it and registered in its name; and (b) pursuant to a share mortgage agreement dated 10 July 2014, Alpha Sino, being the substantial shareholder of the Company, had mortgaged 549,280,000 Shares (representing approximately 12% of the issued share capital of the Company as at 30 June 2015) to IFC as security for a loan agreement dated 30 May 2014 (as amended and restated on 7 December 2015) entered into between IFC and Baishan City Tianan Magnesium Resources Co. Ltd.

董事於競爭業務之權益

於回顧期內，董事或本公司管理層股東或彼等各自之聯繫人士(定義見香港聯合交易所有限公司證券上市規則(「上市規則」)概無於任何與本集團業務構成或可能構成競爭之業務中擁有任何權益。

Directors' Interests in Competing Business

During the period under review, none of the Directors nor the management shareholders of the Company or their respective associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) had any interest in a business that competed or might compete with the business of the Group.

管理層合約

於年內，本公司概無訂立亦無存在任何有關本公司全部或任何重大部份業務之管理及行政合約。

Management Contracts

No contract 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.

主要供應商及客戶

本年度本集團主要供應商及客戶應佔之採購及銷售額之比重如下：

採購	
— 最大供應商	15.3%
— 5大供應商合佔	29.5%
銷售	
— 最大客戶	3.0%
— 5大客戶合佔	9.3%

董事、彼等之聯繫人士或任何股東(據董事所知擁有本公司股本5%以上)概無於上述主要供應商或客戶中擁有權益。

Major Suppliers and Customers

The percentage of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	15.3%
– 5 largest suppliers in aggregate	29.5%
Sales	
– the largest customer	3.0%
– 5 largest customers in aggregate	9.3%

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

關連交易

本年度及去年度並沒有任何關連交易，惟於財務報表附註45所披露者除外。

Connected Transaction

Other than those disclosed in Note 45 to the financial statements, there was no connected transaction during the year and in last year.

公眾持股量之充足性

根據本公司可從公開途徑取得之資料及就董事所知，本公司於截至2017年12月31日止年度內一直維持足夠公眾持股量。

Sufficiency of Public Float

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2017.

核數師

截至2017年12月31日止年度的賬目經由國衛會計師事務所有限公司審核，其任期於即將舉行之股東週年大會上屆滿。本公司將於即將舉行之股東週年大會上提呈一項決議案再次委任國衛會計師事務所有限公司為本公司之核數師。

Auditors

The accounts for the year ended 31 December 2017 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company will be proposed at the forthcoming annual general meeting.

代表董事會

On behalf of the Board

沈世捷
執行董事

香港，2018年3月27日

Shum Sai Chit
Executive Director

Hong Kong, 27 March 2018

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

31/F., Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

致世紀陽光集團控股有限公司股東

(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第82至220頁的世紀陽光集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2017年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表之附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了 貴集團於2017年12月31日的綜合財務狀況以及截至該日止年度的綜合財務表現及其綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

我們根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告內核數師就審核綜合財務報表承擔的責任部份中作進一步闡述。根據香港會計師公會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。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。

TO THE SHAREHOLDERS OF CENTURY SUNSHINE GROUP HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Century Sunshine Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 82 to 220, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, 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 Accountant ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期的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。

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.

關鍵審計事項
Key audit matters

我們在審計中處理關鍵審計事項的方法
How our audit addressed the key audit matters

應收貿易賬款減值
Impairment of trade receivables

請參閱綜合財務報表附註4及附註28
Refer to notes 4 and 28 to the consolidated financial statements

於2017年12月31日， 貴集團有應收貿易賬款總額約491,501,000港元及減值撥備約9,974,000港元。釐定貿易應收賬款是否屬可收回涉及高水平的管理層判斷。管理層考慮的具體因素包括結餘賬齡、客戶所在地、是否存在紛爭、近期歷史付款模式及與對手方信譽有關的任何其他可獲得資料。管理層運用此類資料釐定是否需要就個別交易或一位客戶的整體結餘作出減值撥備。

As of 31 December 2017, the Group had trade receivables with gross amount of approximately HK$491,501,000 and provision for impairment of approximately HK$9,974,000. The determination as to whether a trade receivable is collectable involved high level of management's judgement. Specific factors management considered include the age of the balances, location of customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management used these information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall.

我們有關管理層對貿易應收款項的減值評估程序包括：

Our procedures in relation to management's impairment assessment on trade receivables included:

- 評估管理層的減值評估，包括以抽樣方式對管理層用以評估貿易應收賬款可收回性的基礎數據（如賬齡較長的貿易應收款項分析、客戶付款等）進行測試；

  Evaluating management's impairment assessment included testing, on a sample basis, the underlying data used by management to assess the collectability of trade receivables, such as an aged trade receivable analysis, payments from customers;

關鍵審計事項 **Key audit matters**	我們在審計中處理關鍵審計事項的方法 **How our audit addressed the key audit matters**
應收貿易賬款減值(續) **Impairment of trade receivables (continued)**	
	• 對並無確認任何撥備而賬齡較長的關鍵結餘進行測試，以檢查是否存在任何客觀減值跡象。這包括於年度結算日之後所收取付款的樣本檢查及審查歷史付款模式； Testing the key aged balances where no provision was recognised to check if there were any objective evidences of impairment. This included sample checking of payments received subsequent to the year end date and reviewing historical payment patterns;
	• 選擇確認減值撥備的重大貿易應收款項樣本，並理解管理層判斷背後的理由。為評估該等判斷，我們檢查該等結餘的賬齡，客戶的歷史付款模式及任何年終後付款；及 Selecting a sample of the significant trade receivable balances where a provision for impairment was recognised and understood the rationale behind management's judgement. In order to evaluate these judgements, we checked the age of these balances, the customers' historical payment patterns and any post year-end payments; and
	• 於評估總體減值撥備過程中，我們亦考慮到管理層就確認撥備應用的政策與過往年度應用者一致。 Assessing the overall provision for impairment, we also considered the consistency of management's application of policy for recognising provisions with the prior years.
	我們認為，管理層的結論與可取得資料一致。 We consider the management conclusion to be consistent with the available information.

關鍵審計事項 **Key audit matters**	我們在審計中處理關鍵審計事項的方法 **How our audit addressed the key audit matters**
物業、廠房及設備減值 **Impairment of property, plant and equipment** 請參閱綜合財務報表附註4及附註17 Refer to notes 4 and 17 to the consolidated financial statements 於2017年12月31日，貴集團有物業、廠房及設備約3,558,617,000港元，主要包括在建工程約1,268,148,000港元，租賃土地及樓宇約912,243,000港元及廠房及機器約1,344,162,000港元。貴集團近期之歷史虧損記錄是物業、廠房及設備減值的指標，因此，減值評估是需要的。我們集中於此範圍，原因是物業、廠房及設備之結餘龐大，而評估過程是複雜及高度主觀，過程是基於選取恰當的比較數據及假設，例如貼現率、未來收入等。貴集團已聘請外聘估值師進行租賃土地及樓宇、廠房及機器的可收回金額之估值工作。 As of 31 December 2017, the Group had property, plant and equipment of approximately HK$3,558,617,000, which mainly comprised construction in progress of approximately HK$1,268,148,000, leasehold land and building of approximately HK$912,243,000 and plant and machinery of approximately HK$1,344,162,000. A recent history of losses of the subsidiaries of the Group is an indicator of impairment for property, plant and equipment and hence an impairment assessment is required. We focused on this area because the balance of property, plant and equipment was significant and these assessment process is complex and highly subjective which based on the selection of appropriate comparables and assumptions such as discount rate, future revenue. The Group engaged an external valuer to perform the valuation for the recoverable amount of the leasehold land and building and plant and machinery.	我們有關管理層對減值評估程序包括： Our procedures in relation to management's impairment assessment included: • 評估獨立估值師的資格、能力及客觀性； Evaluating the independent valuer's competence, capabilities and objectivity; • 根據我們對相關行業的瞭解及運用估值知識，評估所運用的方法及關鍵假設的適當程度； Assessing the methodologies used and the appropriateness of the key assumption based on our knowledge of the relevant industry and using our valuation experts; • 根據我們對業務及行業的瞭解，質詢關鍵假設是否合理；及 Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and • 以抽樣方式檢查會計方法及所使用的輸入數據的相關程度。 Checking, on a sampling basis, the accounting and relevance of the input data used. 我們發現假設得到現有憑證支持。 We found that the assumptions were supported by the available evidence.

關鍵審計事項 **Key audit matters**	我們在審計中處理關鍵審計事項的方法 **How our audit addressed the key audit matters**
存貨賬面值 **Carrying value of inventories** 請參閱綜合財務報表附註4及附註27 Refer to notes 4 and 27 to the consolidated financial statements 於2017年12月31日， 貴集團有存貨(扣除撥備)約481,065,000港元，包括農業化肥產品及金屬鎂產品，煉鋼熔劑產品及電子業務產品。電子產品一般週期短，而其他產品一般週期較長。存貨消耗受制於客戶需求變化及市場趨勢，此等因素亦提高了涉及估計存貨撥備之判斷水平。判斷是需要作出的，以評估為可能因客戶需求下降而最終變成陳舊或以低於成本出售之項目計提撥備之恰當水平。有關判斷包括管理層對未來銷量之期望及清理存貨計劃。 As of 31 December 2017, the Group had inventories net of provision of approximately HK$481,065,000. which comprised of fertiliser products, magnesium products, metallurgical flux products and electronics products. The electronic products are usually with short life cycles, while other products are usually with longer life span. The consumption of inventories are subject to changing consumers' demands and market trends which increased the level of judgement involved in estimating inventory provisions. Judgement was required to assess the appropriate level of provisioning for items which may be ultimately obsoleted or sold below cost as a result of a reduction in customers' demand. Such judgements included management's expectations for future sales and inventory liquidation plans.	我們有關管理層確定存貨賬面值的程序包括： Our procedures in relation to management's determination of the carrying value of inventories included: • 評估用於確定滯銷、過剩或過時項目撥備的程序、方法及假設。這包括將管理層的計算與過往年度運用者進行比較，檢測兩者是否一致，並通過參考過往運用者或銷售歷史以評估管理層採用的撥備政策； Assessing the process, methods and assumptions used to determine the provision for slow-moving, excess or obsolete items. This included comparing management's calculations for consistency against those used in the prior years and assessing the provision policy adopted by management by reference to past usage or sales history; • 以抽樣方式檢查庫存賬齡分析及隨後的銷售訂單及使用情況，測試管理層所運用基礎數據的可靠程度，以計算庫存過時撥備； Testing the reliability of the underlying data used by management to calculate the inventory obsolescence provisions by sample checking of an inventory ageing analysis and the subsequent sales orders and usage;

關鍵審計事項 **Key audit matters**	我們在審計中處理關鍵審計事項的方法 **How our audit addressed the key audit matters**
存貨賬面值(續) **Carrying value of inventories (continued)**	
	• 透過評估計算標準並根據該等標準重新計算庫存撥備，測試計算結果的準確程度；及 Testing the accuracy of the resultant calculation by assessing the calculation criteria and recalculating the provision for the inventories based on those criteria; and • 就獲確定為滯銷、過剩或過時的項目而言，我們透過檢查最新或隨後的售價評估管理層的可變現淨值計算。 For those items which were identified as slow-moving, excess or obsolete, we assessing management's calculation of net realisable value by checking to the latest or subsequent selling prices. 我們發現存貨賬面值得到現有憑證支持。 We found the carrying values of the inventories was supported by the available evidence.

關鍵審計事項 **Key audit matters**	我們在審計中處理關鍵審計事項的方法 **How our audit addressed the key audit matters**
業務合併 **Business Combinations** 請參閱綜合財務報表附註3及附註47 Refer to Notes 3 and 47 to the consolidated financial statements 於2017年4月1日， 貴集團收購Acronagrotrans Ltd之全部權益(其直接持有山東紅日化工股份有限公司(「山東紅日」)之50.5%權益)，代價為1美元(相當於7.76港元)，而業務合併所收購之淨資產公允值約為31,733,000港元。該交易已完成而山東紅日自2017年4月1日起於 貴集團綜合入賬。 貴集團於完成交易後獲得山東紅日之50.5%控股權益。因此， 貴集團已於綜合損益及其他全面收益表確認議價收購收益約31,733,000港元。收購規定識別已收購資產及承擔負債需要管理層重大判斷。 貴集團已獲得獨立的外部估值，以支持管理層的估計。 On 1 April 2017, the Group acquired the entire interests in Acronagrotrans Ltd, which directly holds 50.5% interests in Shandong Hongri Chemical Joint stock Company, Ltd. ("Shandong Hongri"), at the consideration of US$1 (equivalent to HK$7.76) and the fair value of net assets acquired from the business combination was approximately HK$31,733,000. The transaction was completed and Shandong Hongri was consolidated into the Group with effect from 1 April 2017. The Group gained 50.5% controlling interest in Shandong Hongri after the completion of the transaction. As a result, the Group has recognised gain on bargain purchase of approximately HK$31,733,000 in its consolidated statement of profit or loss and other comprehensive income. The acquisition requires the identification of assets acquired and the liabilities assumed which require significant management judgement. Independent external valuations were obtained in order to support management estimates.	我們有關管理層確定收購資產淨額的公允值程序包括： Our procedures in relation to the management determination the fair values of net assets acquired included: • 評估獨立外部估值師的資格、能力及客觀性； Evaluating of the independent external valuers' competence, capabilities and objectivity; • 根據我們對相關行業的瞭解及運用估值知識，評估所運用的方法及關鍵假設的適當程度；及 Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the relevant industry and using our valuation experts; and • 以抽樣方式檢查所使用的輸入數據的準確性及相關程度。 Checking, on sampling basis, the accuracy and relevance of the input data used. 我們發現已收購可識別資產及承擔負債於收購日期的公允值得到現有憑證所支持。 We found the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed are supported by the available evidence.

其他信息

董事須對其他信息負責。其他信息包括年報內所有信息，但不包括綜合財務報表及我們的核數師報告(「其他信息」)。

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。

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon (the "Other Information").

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.

董事及審核委員會就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，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。

Responsibilities of the Directors and the Audit Committee for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 is responsible for overseeing the Group's financial reporting process.

核數師就審核綜合財務報表須承擔的責任

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)報告，除此之外報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。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，如果合理預期他們單獨或匯總起來可能影響綜合財務報表使用者，依賴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，以及獲取充足及適當的審計憑證，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。

- 評估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。

Auditors' 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 auditors' report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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.

- 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。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，則我們應當修改意見。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。

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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及事項。

- 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.

- 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、監督及執行。我們為審計意見承擔全部責任。

- 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.

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何重大缺陷。

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.

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。

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.

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。

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 auditors' 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.

出具本獨立核數師報告的審計項目董事為黃思瑋。

The engagement director on the audit resulting in this independent auditors' report is Wong Sze Wai, Basilia.

國衛會計師事務所有限公司
香港執業會計師

黃思瑋
執業證書編號：P05806

香港，2018年3月27日

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Wong Sze Wai, Basilia
Practising Certificate Number: P05806

Hong Kong, 27 March 2018

綜合損益及其他全面收益表
Consolidated Statement of Profit or Loss and Other Comprehensive Income

截至2017年12月31日止年度
For the year ended 31 December 2017

		附註 Notes	2017 千港元 HK$'000	2016 千港元 HK$'000
收入	Revenue	7	**3,772,290**	2,589,221
銷售成本	Cost of sales		**(2,853,587)**	(1,829,360)
毛利	Gross profit		**918,703**	759,861
議價收購收益	Gain on bargain purchase	47(a)	**31,733**	–
出售一間附屬公司收益	Gain on disposal of a subsidiary	48	**1,895**	–
其他收益或虧損淨額	Other gains or losses, net	9	**80,946**	53,950
銷售及市場推廣費用	Selling and marketing costs		**(159,496)**	(93,911)
行政開支	Administrative expenses		**(274,575)**	(159,867)
匯兑差額淨值	Exchange differences, net		**(42,967)**	3,937
持作買賣投資的已變現及未變現收益淨額	Net realised and unrealised gain on investments held for trading		**85**	8,791
應佔合資公司溢利及虧損	Share of profits and losses of joint ventures		**1,087**	1,695
應佔一間聯營公司溢利／(虧損)	Share of profit/(loss) of an associate		**1**	(1)
財務費用	Finance costs	10	**(151,486)**	(117,564)
除所得稅前溢利	Profit before income tax		**405,926**	456,891
所得稅開支	Income tax expense	11	**(144,304)**	(143,839)
年內溢利	**Profit for the year**	12	**261,622**	313,052
其他全面收入／(開支)，扣除所得稅：	**Other comprehensive income/(expenses), net of income tax:**			
其後可能重新分類至損益之項目：	Items that may be reclassified subsequently to profit or loss:			
年內重估可供出售投資產生之收益／(虧損)淨額	Net gain/(loss) arising on revaluation of available-for-sale investments during the year		**9,285**	(3,138)
年內出售可供出售投資之重新分類調整	Reclassification adjustments relating to disposal of available-for-sale investments during the year		**(487)**	(2,419)
換算海外業務所產生之匯兑差額	Exchange differences arising from translation of foreign operations		**300,860**	(279,303)
年內其他全面收入／(開支)，扣除所得稅	**Other comprehensive income/(expenses) for the year, net of income tax**		**309,658**	(284,860)
年內全面收入總額	**Total comprehensive income for the year**		**571,280**	28,192

截至2017年12月31日止年度
For the year ended 31 December 2017

		附註 Notes	2017 千港元 HK$'000	2016 千港元 HK$'000
下列人士應佔年內溢利：	**Profit for the year attributable to:**			
本公司擁有人	Owners of the Company		**260,316**	302,334
非控股權益	Non-controlling interests		**1,306**	10,718
			261,622	313,052
下列人士應佔年內全面收入／(開支)總額：	**Total comprehensive income/(expenses) for the year attributable to:**			
本公司擁有人	Owners of the Company		**548,468**	44,908
非控股權益	Non-controlling interests		**22,812**	(16,716)
			571,280	28,192
每股盈利：	**Earnings per share:**			
－基本及攤薄(港仙)	– basic and diluted (HK cents)	15	**5.67仙 cents**	6.57仙 cents

隨附附註屬本綜合財務報表的一部份。

The accompanying notes form an integral part of these consolidated financial statements.

綜合財務狀況表
Consolidated Statement of Financial Position

於2017年12月31日
As at 31 December 2017

		附註 Notes	2017 千港元 HK$'000	2016 千港元 HK$'000
非流動資產	**Non-current assets**			
土地使用權	Land use rights	16	**311,177**	206,746
物業、廠房及設備	Property, plant and equipment	17	**3,558,617**	2,093,569
投資物業	Investment properties	18	**–**	114,001
商譽	Goodwill	20	**197,368**	197,368
無形資產	Intangible assets	21	**389,524**	717
採礦權	Mining rights	22	**487,464**	466,741
支付購買專利款項	Payment for acquisition of patents		**–**	50,049
長期存款	Long term deposits		**60**	372
於合資公司之投資	Investments in joint ventures	24	**6,490**	5,362
於一間聯營公司之投資	Investment in an associate	25	**18**	17
可供出售投資	Available-for-sale investments	26	**3,000**	6,840
已抵押銀行存款	Pledged bank deposits	32	**26,084**	31,587
			4,979,802	3,173,369
流動資產	**Current assets**			
可供出售投資	Available-for-sale investments	26	**11,620**	70,632
存貨	Inventories	27	**481,065**	227,387
土地使用權	Land use rights	16	**8,647**	4,723
貿易應收款項及應收票據	Trade and bills receivables	28	**497,385**	456,381
預付款項、按金及其他應收款項	Prepayments, deposits and other receivables	29	**470,648**	400,525
可退回所得稅	Income tax recoverable		**1,835**	1,706
持作買賣投資	Investments held for trading	30	**–**	10,415
應收一間合資公司款項	Amount due from a joint venture	24	**844**	133
銀行及現金結餘	Bank and cash balances	32	**930,911**	901,198
			2,402,955	2,073,100
分類為持作出售的資產	Asset classified as held for sale	19	**119,521**	–
			2,522,476	2,073,100
減：流動負債	**Less: Current liabilities**			
貿易應付款項及應付票據	Trade and bills payables	33	**633,838**	83,230
應計費用及其他應付款項	Accruals and other payables	34	**639,085**	211,217
應付所得稅	Income tax payable		**35,556**	31,075
借貸	Borrowings	35	**626,425**	320,665
衍生金融負債	Derivative financial liabilities	37	**–**	32,600
			1,934,904	678,787
流動資產淨值	**Net current assets**		**587,572**	1,394,313
資產總值減流動負債	**Total assets less current liabilities**		**5,567,374**	4,567,682

於2017年12月31日
As at 31 December 2017

		附註 Notes	2017 千港元 HK$'000	2016 千港元 HK$'000
減：非流動負債	**Less: Non-current liabilities**			
遞延收入	Deferred revenue	39	**73,585**	66,176
其他應付款項	Other payables	34	**239,650**	121,000
可轉換債券	Exchangeable bonds	38	**227,985**	208,504
借貸	Borrowings	35	**1,192,760**	1,011,457
遞延稅項負債	Deferred tax liabilities	40	**179,966**	106,079
			1,913,946	1,513,216
資產淨值	**Net assets**		**3,653,428**	3,054,466
本公司擁有人應佔股本及儲備	**Capital and reserves attributable to owners of the Company**			
股本	Share capital	41	**101,419**	101,756
儲備	Reserves		**3,194,963**	2,610,945
			3,296,382	2,712,701
非控股權益	**Non-controlling interests**		**357,046**	341,765
權益總額	**Total equity**		**3,653,428**	3,054,466

董事會於2018年3月27日批准及授權刊發載於第82至220頁之綜合財務報表，並由下列董事代表簽署：

The consolidated financial statements on pages 82 to 220 were approved and authorised for issue by the board of directors on 27 March 2018 and are signed on its behalf by:

池文富
Chi Wen Fu
董事
Director

沈世捷
Shum Sai Chit
董事
Director

隨附附註屬本綜合財務報表的一部份。

The accompanying notes form an integral part of these consolidated financial statements.

綜合權益變動表
Consolidated Statement of Changes in Equity

截至2017年12月31日止年度
For the year ended 31 December 2017

		本公司擁有人應佔 Attributable to Owners of the Company													
		股本 Share capital 千港元 HK$'000	股份溢價 Share premium 千港元 HK$'000	資本購回儲備（附註(i)） Capital redemption reserve (note (i)) 千港元 HK$'000	重估儲備 Revaluation reserve 千港元 HK$'000	資本儲備（附註(ii)） Capital reserve (note (ii)) 千港元 HK$'000	法定儲備（附註(iii)） Statutory reserve (note (iii)) 千港元 HK$'000	購股權儲備 Share option reserve 千港元 HK$'000	外幣換算儲備 Translation reserve 千港元 HK$'000	可換股債券權益儲備 Convertible bonds equity reserve 千港元 HK$'000	其他儲備 Other reserve 千港元 HK$'000	保留盈利 Retained earnings 千港元 HK$'000	小計 Sub-total 千港元 HK$'000	非控股權益 Non-controlling interests 千港元 HK$'000	總計 Total 千港元 HK$'000
												（經重列）(Restated)	（經重列）(Restated)	（經重列）(Restated)	（經重列）(Restated)
於2016年1月1日	As at 1 January 2016	101,986	1,420,855	3,959	5,647	13,666	153,141	4,853	(25,748)	12,443	(44,161)	1,311,655	2,958,296	406,226	3,364,522
年內溢利	Profit for the year	-	-	-	-	-	-	-	-	-	-	302,334	302,334	10,718	313,052
年內其他全面開支（扣除所得稅）：	Other comprehensive expenses for the year, net of income tax:														
年內重估可供出售投資產生之虧損淨額	Net loss arising on revaluation of available-for-sale investments during the year	-	-	-	(1,821)	-	-	-	-	-	-	-	(1,821)	(1,317)	(3,138)
年內出售可供出售投資之重新分類調整	Reclassification adjustments relating to disposal of available-for-sale invstments during the year	-	-	-	(2,419)	-	-	-	-	-	-	-	(2,419)	-	(2,419)
換算海外業務所產生之匯兑差額	Exchange differences arising from translation of foreign operations	-	-	-	-	-	-	-	(253,186)	-	-	-	(253,186)	(26,117)	(279,303)
年內全面(開支)／收入總額	Total comprehensive (expenses)/income for the year	-	-	-	(4,240)	-	-	-	(253,186)	-	-	302,334	44,908	(16,716)	28,192
已付末期股息	Final dividend paid	-	(59,774)	-	-	-	-	-	-	-	-	-	(59,774)	-	(59,774)
購回可換股債券	Redemption of convertible bonds	-	-	-	-	-	-	-	-	(12,443)	-	12,443	-	-	-
已失效購股權	Share option lapsed	-	-	-	-	-	-	(1,714)	-	-	-	1,714	-	-	-
轉撥至儲備	Transfer to reserve	-	-	-	-	-	35,645	-	-	-	-	(35,645)	-	-	-
股權結算股份付款之交易	Equity settled share-based transactions	-	-	-	-	-	-	1,075	-	-	-	-	1,075	-	1,075
附屬公司擁有權權益之變動	Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	(227,593)	-	(227,593)	(47,745)	(275,338)
註銷股份	Share cancellation	(230)	(3,981)	230	-	-	-	-	-	-	-	(230)	(4,211)	-	(4,211)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	101,756	1,357,100	4,189	1,407	13,666	188,786	4,214	(278,934)	-	(271,754)	1,592,271	2,712,701	341,765	3,054,466
年內溢利	Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**260,316**	**260,316**	**1,306**	**261,622**
年內其他全面開支（扣除所得稅）：	Other comprehensive expense for the year, net of income tax:														
年內重估可供出售投資產生之收益淨額	Net gain arising on revaluation of available-for-sale investments during the year	**-**	**-**	**-**	**7,773**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,773**	**1,512**	**9,285**
年內出售可供出售投資之重新分類調整	Reclassfication adjustment relating to disposal of available-for-sale investments during the year	**-**	**-**	**-**	**(487)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(487)**	**-**	**(487)**
換算海外業務所產生之匯兑差額	Exchange differences arising from translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**280,866**	**-**	**-**	**-**	**280,866**	**19,994**	**300,860**
年內全面收入總額	Total comprehensive income for the year	**-**	**-**	**-**	**7,286**	**-**	**-**	**-**	**280,866**	**-**	**-**	**260,316**	**548,468**	**22,812**	**571,280**
已失效購股權	Share options lapsed	**-**	**-**	**-**	**-**	**-**	**-**	**(1,307)**	**-**	**-**	**-**	**1,307**	**-**	**-**	**-**
轉撥至儲備	Transfer to reserve	**-**	**-**	**-**	**-**	**-**	**21,267**	**-**	**-**	**-**	**-**	**(21,267)**	**-**	**-**	**-**
股權結算股份付款之交易	Equity settled share-based transactions	**-**	**-**	**-**	**-**	**-**	**-**	**309**	**-**	**-**	**-**	**-**	**309**	**-**	**309**
收購附屬公司	Acquistion of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**31,105**	**31,105**
註冊成立一間附屬公司	Incorporation of a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,970**	**2,970**
附屬公司擁有權權益之變動	Change in ownership interest in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**38,985**	**-**	**38,985**	**(41,606)**	**(2,621)**
註銷股份	Share cancellation	**(337)**	**(3,744)**	**337**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(337)**	**(4,081)**	**-**	**(4,081)**
於2017年12月31日	As at 31 December 2017	**101,419**	**1,353,356**	**4,526**	**8,693**	**13,666**	**210,053**	**3,216**	**1,932**	**-**	**(232,769)**	**1,832,290**	**3,296,382**	**357,046**	**3,653,428**

附註：

(i) 資本贖回儲備指本公司於購回及註銷股份時由本公司保留盈利轉撥之本公司股份之面值。

(ii) 資本儲備指根據集團重組已收購及資本化之附屬公司股份面值，與用作交換有關股份而發行之本公司股份的面值，兩者間之差額。

(iii) 法定儲備主要為附屬公司按其中華人民共和國(「中國」)法定財務報表所列純利的10%及為若干安全生產活動提撥的資金。

根據中國成立之附屬公司之組織章程細則及相關之中國法則及法規，該等附屬公司須撥出10%之扣除所得稅後溢利(按中國國內法定財務報表記錄為準)作為法定儲備，除非該公積金結餘已達附屬公司註冊資本50%。該公積金僅可用於對銷附屬公司過往年度之虧損、擴充附屬公司之生產業務或增加附屬公司之股本。

根據中國國家安全生產監督管理總局及其他相關監管機構發佈的若干規例，本集團需按規定比例為白雲石及蛇紋石採掘活動提撥資金。該等資金可供用於維護及／或改善上述安全生產，不得向股東分派。

notes:

(i) Capital redemption reserve represents the nominal value of the Shares of the Company which was transferred from the Company's retained earnings upon repurchase and cancellation of Shares by the Company.

(ii) Capital reserve represents the difference between the nominal value of the shares of the subsidiaries that have been acquired and capitalised pursuant to a group reorganisation over the nominal value of the Company's Shares issued in exchange therefore.

(iii) Statutory reserve mainly represents the fund set aside by the subsidiaries based on 10% of their net profit of the People's Republic of China (the "PRC") statutory financial statements and that for the purpose of certain safety production activities.

In accordance with the articles of association of the subsidiaries established in the PRC and the relevant PRC rules and regulations, these subsidiaries are required to set aside 10% of their profit after income tax as recorded in the PRC statutory financial statements as statutory reserve, except where the reserve fund balance has reached 50% of the subsidiaries' registered capital. The reserve fund can only be used to make good the subsidiaries' previous years' losses, to expand the subsidiaries' production operations or to increase the capital of the subsidiaries.

Pursuant to certain regulations issued by the State Administration of Work Safety of the PRC and other relevant regulatory bodies, the Group is required to set aside funds mainly for mining of dolomite and serpentine at prescribed rates. These funds can be used for maintenance and/or improvements of safety of these activities, and is not available for distribution to shareholders.

隨附附註屬本綜合財務報表的一部份。

The accompanying notes form an integral part of these consolidated financial statements.

綜合現金流量表
Consolidated Statement of Cash Flows

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For the year ended 31 December 2017

		附註 Note	2017 千港元 HK$'000	2016 千港元 HK$'000
經營活動	**Operating activities**			
除所得稅前溢利	Profit before income tax		**405,926**	456,891
就下列項目作出調整：	Adjustments for:			
折舊及攤銷	Depreciation and amortisation		**162,277**	129,378
財務費用	Finance costs		**151,486**	117,564
出售物業、廠房及設備及土地使用權的收益淨額	Net gain on disposal of property, plant and equipment and land use right		**(2,898)**	(257)
持作買賣投資的已變現及未變現收益	Realised and unrealised gain on investments held for trading		**(85)**	(8,790)
股息收入	Dividend income		**(26)**	(769)
利息收入	Interest income		**(11,329)**	(23,970)
股權結算股份付款之交易	Equity settled share-based payments		**309**	1,075
金融衍生工具公允值變動	Fair value change on financial derivatives		**(32,600)**	487
應佔聯營公司(溢利)／虧損	Share of (profit)/loss of an associate		**(1)**	1
撥回應收貿易款項減值及撇賬	Reversal of impairment and written off of trade receivables		**(102)**	(279)
存貨撥備	Provision of inventories		**3,400**	7,058
應收貿易款項減值	Impairment of trade receivables		**9,374**	784
其他應收款項減值	Impairment of other receivables		**1,003**	–
可供出售投資減值	Impairment of an available-for-sale investment		**3,840**	460
無形資產減值	Impairment of intangible assets		**–**	359
出售一間附屬公司的收益	Gain on disposal of a subsidiary		**(1,895)**	–
出售可供出售投資收益	Gain on disposal of available-for-sale investment		**(593)**	(2,848)
長齡應計款項撥回	Write back of long-aged accounts		**–**	(3,059)
撥回其他應收款項撇賬	Reversal of written off of other receivables		**–**	(5,495)
議價收購收益	Gain on bargain purchase	47(a)	**(31,733)**	–
應佔合資公司溢利	Share of profits of joint ventures		**(1,087)**	(1,695)
營運資金變動前的經營現金流量	Operating cash flows before movements in working capital		**655,266**	666,895
出售持作買賣投資的所得款項	Proceeds from disposal of investments held for trading		**10,915**	39,750
應收一間合資公司款項(增加)／減少	(Increase)/decrease in amount due from a joint venture		**(752)**	1,375
購買持作買賣投資	Purchase of investments held for trading		**(27)**	(3,429)
存貨減少	Decrease in inventories		**16,989**	2,620
貿易應收款項及應收票據減少／(增加)	Decrease/(increase) in trade and bills receivables		**216,109**	(20,719)
預付款項、按金及其他應收款項減少／(增加)	Decrease/(increase) in prepayment, deposits and other receivables		**123,339**	(44,585)
貿易應付款項及應付票據增加／(減少)	Increase/(decrease) in trade and bills payables		**98,368**	(21,300)
應計費用及其他應付款項(減少)／增加	(Decrease)/increase in accruals and other payables		**(359,926)**	47,596
經營業務所產生的現金	Cash generated from operations		**760,281**	668,203
所得稅退款	Income tax refund		**–**	1,102
已付所得稅	Income tax paid		**(144,328)**	(146,664)
經營活動所產生的現金淨額	**Net cash generated from operating activities**		**615,953**	522,641

綜合現金流量表
Consolidated Statement of Cash Flows

截至2017年12月31日止年度
For the year ended 31 December 2017

		附註 Note	2017 千港元 HK$'000	2016 千港元 HK$'000
投資活動	**Investing activities**			
銀行存款減少	Decrease in deposits with banks		**142,177**	56,867
已抵押銀行存款增加	Increase in pledged bank deposits		**(239,174)**	(33,197)
購買物業、廠房及設備	Purchase of property, plant and equipment		**(914,639)**	(479,013)
長期存款減少	Decrease in long term deposits		**312**	10,316
有關出售一間附屬公司的現金流出淨額	Net cash outflow in respect of the disposal of a subsidiary	48	**(486)**	–
已收利息	Interest received		**10,128**	26,464
已收股息	Dividend received		**26**	769
出售物業、廠房及設備的所得款項	Proceeds from disposal of property, plant and equipment		**10,847**	1,278
出售土地使用權所得款項	Proceeds from disposal of land use right		**491**	—
收購附屬公司之現金流入／(流出)淨額	Net cash inflow/(outflow) on acquisition of subsidiaries	47	**202,166**	(63,212)
購買土地使用權添置	Purchases of addition land use right		**(6,644)**	(53,059)
出售可供出售投資所得款項	Proceeds from disposal of available-for-sale investments		**68,692**	68,864
支付購買可供出售投資款項	Payments to acquire available-for-sale investments		**–**	(22,245)
向一間其後購入成為附屬公司之公司墊付貸款	Advance of loans to a company subsequently acquired as subsidiary		**–**	(233,780)
投資活動所用的現金淨額	**Net cash used in investing activities**		**(726,104)**	(719,948)
融資活動	**Financing activities**			
新造借款的所得款項	Proceeds from new borrowings		**1,626,129**	379,016
償還借貸	Repayment of borrowings		**(1,599,348)**	(201,318)
發行可轉換債券所得款項淨額	Net proceeds from issue of exchangeable bonds		**–**	229,504
已付利息	Interest paid		**(131,061)**	(93,993)
已付末期股息	Final dividend paid		**–**	(59,774)
於附屬公司之權益擁有權變動之現金流出淨額	Net cash outflow in respect of changes in ownership interest of subsidiaries		**(2,621)**	(275,338)
遞延收入增加	Increase in deferred revenue		**2,307**	1,426
來自附屬公司之一名非控股股東的貸款的所得款項	Proceeds from loan from a non-controlling shareholder of a subsidiary		**114,360**	11,000
應付一間附屬公司一名非控股股東款項(減少)／增加	(Decrease)/increase in an amount due to a non-controlling shareholder of a subsidiary		**(64)**	216
支付贖回可換股債券款項	Payment for redemption of convertible bonds		**–**	(207,748)
一間附屬公司發行可換股債券應佔交易成本	Transaction cost attributable to issue of convertible bond by a subsidiary		**(3,357)**	–
就購回股份支付款項	Payment for share repurchases		**(4,081)**	(4,211)
融資活動所產生／(所用)的現金淨額	**Net cash generate from/(used in) financing activities**		**2,264**	(221,220)

綜合現金流量表
Consolidated Statement of Cash Flows

截至2017年12月31日止年度
For the year ended 31 December 2017

		附註 Note	2017 千港元 HK$'000	2016 千港元 HK$'000
現金及等同現金項目減少淨額	**Net decrease in cash and cash equivalents**		**(107,887)**	(418,527)
年初的現金及等同現金項目	**Cash and cash equivalents at the beginning of the year**		**709,310**	1,189,255
外幣匯率變動的影響	**Effect of foreign exchange rate changes**		**54,326**	(61,418)
年末的現金及等同現金項目	**Cash and cash equivalents at the end of the year**		**655,749**	709,310
現金及等同現金項目分析	**Analysis of balances of cash and cash equivalents**			
綜合財務狀況表所列之已抵押銀行存款及銀行及現金結餘	Pledged bank deposits and bank and cash balances as stated in the consolidated statement of financial position		**956,995**	932,785
抵押為貸款及應付票據擔保之已抵押銀行存款	Pledged deposits with banks pledged as security for borrowings and bills payable		**(283,299)**	(56,703)
獲收購時原到期日超過三個月之無抵押銀行存款	Non-pledged deposits with bank with original maturity of more than three months when acquired		**(17,947)**	(166,772)
綜合現金流量表所列之現金及等同現金項目	Cash and cash equivalents as stated in the consolidated statement of cash flows		**655,749**	709,310

隨附附註屬本綜合財務報表的一部份。

The accompanying notes form an integral part of these consolidated financial statements.

1. 一般資料

世紀陽光集團控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事農業肥料業務、金屬鎂產品業務、煉鋼熔劑業務和電子產品業務。

本公司乃於2003年1月21日根據開曼群島公司法第22章(1961年法律3，經綜合及修訂)在開曼群島註冊成立的獲豁免有限公司。本公司的股份於2004年2月17日於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市，並於2008年7月31日撤銷其於創業板的上市地位。自2008年8月1日起，本公司的股份已於聯交所主板上市。董事認為，本公司之最終控股公司為冠華國際有限公司，該公司為於英屬處女群島註冊成立之公司。

綜合財務報表均以港元(「港元」)為單位，與本公司的功能貨幣相同。除非另有説明，否則所有金額均以近千位(千港元)計值。

1. General Information

Century Sunshine Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in fertiliser business, magnesium product business, metallurgical flux business and electronic product business.

The Company was incorporated in the Cayman Islands on 21 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. On 17 February 2004, the Company's shares were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and were withdrawn from the GEM Board on 31 July 2008. Since 1 August 2008, the Company's shares have been listing on the Main Board of the Stock Exchange. In the opinion of the directors, the ultimate holding company of the Company is Alpha Sino International Limited, a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本公司首次應用以下由香港會計師公會頒佈並於2017年1月1日開始的本公司財政年度生效的新訂準則、修訂及詮釋(「新訂香港財務報告準則」)。新訂香港財務報告準則的概述如下：

香港會計準則第7號(修訂本)	披露計劃
香港會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號(修訂本)	香港財務報告準則2014年至2016年週期之年度改進之一部分

董事認為，除下文所述者外，於本期間應用新訂及經修訂香港財務報告準則對本集團本期及過往期間之財務表現及狀況及／或該等綜合財務報表所載之披露概無重大影響。

香港會計準則第1號(修訂本)*披露措施*

本集團於本年度首次應用該等修訂。修訂規定實體提供披露資料，令財務報表使用者評估融資活動所產生負債的變動(包括現金及非現金變動)。此外，修訂亦規定，倘金融資產的現金流量曾就此或日後現金流量將就此計入融資活動所得現金流量，則實體須提供有關金融資產變動的披露資料。

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Company has applied, for the first time, the following new standard, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Company's financial year beginning 1 January 2017. A summary of the new HKFRSs are set out as below:

HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendments)	As part of the Annual Improvements to IFRSs 2014 - 2016 Cycle

In the opinion of directors, the application of the new and revised HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosure set out in these consolidated financial statements.

Amendments to HKAS 7 *Disclosure Initiative*

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第2號(修訂本)	股份支付交易的分類及計量[1]
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約[1]
香港財務報告準則第9號	金融工具[1]
香港財務報告準則第9號(修訂本)	提早還款特性及負補償[2]
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合資公司之間的資產或注資[3]
香港財務報告準則第15號	來自客戶合約之收入[1]
香港財務報告準則第15號(修訂本)	澄清香港財務報告準則第15號來自客戶合約之收入[1]
香港財務報告準則第16號	租賃[2]
香港財務報告準則第17號	保險合約[4]
香港財務報告準則第19號(修訂本)	僱員福利
香港會計準則第28號(修訂本)	於聯營公司及合資公司之長期權益[2]
香港財務報告準則第1號(修訂本)	首次採納香港財務報告準則[1]
香港會計準則第40號(修訂本)	轉讓投資物業[1]
香港會計準則第28號(修訂本)	香港財務報告準則2014年 至2016年週期之年度改進之一部分[1]
香港財務報告準則修訂	香港財務報告準則2015年 至2017年週期之年度改進[2]
香港(國際財務報告詮釋委員會)－詮釋第22號	外匯交易及預付代價[1]
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理之不確定性[2]

1 於2018年1月1日或之後開始之年度期間生效，允許提前應用。
2 於2019年1月1日或之後開始之年度期間生效，允許提前應用。
3 於待定日期或之後開始的年度期間生效。
4 於2021年1月1日或之後開始之年度期間生效，允許提前應用。

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 2 (Amendments)	Classification and Measurement of share-based payment Transaction[1]
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contract[1]
HKFRS 9	Financial Instruments[1]
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensations[2]
HKFRS 10 and HKAS 28 (Amendments)	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customer[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contract[4]
HKFRS 19 (Amendments)	Employee Benefits
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures[2]
HKFRS 1 (Amendments)	First time adoption of Hong Kong Financial Reporting Standard[1]
HKAS 40 (Amendments)	Transfers of Investment Property[1]
HKFRS 28 (Amendments)	As part of the Annual Improvement to 2014-2016 Cycle[1]
Amendments to HKFRSs	Annual Improvement to HKFRS 2015-2017 Cycle[2]
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK (IFRIC) – Int 23	Uncertainty Over Income Tax Treatment[2]

1 Effective for annual periods beginning on or after 1 January 2018, with early application permitted.
2 Effective for annual periods beginning on or after 1 January 2019, with early application permitted.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2021, with early application permitted.

香港財務報告準則第9號*金融工具*

於2009年頒佈之香港財務報告準則第9號引入金融資產分類及計量之新規定。其後於2010年修訂之香港財務報告準則第9號包括對金融負債之分類及計量以及終止確認之規定，並於2013年修訂，以載入一般對沖會計的新規定。於2014頒佈之香港財務報告準則第9號另一個經修訂版本主要加入a)有關金融資產之減值規定；及b)藉為若干簡單債務工具引入「透過其他全面收入按公允值列賬」計量類別，對分類及計量規定作出有限修訂。

與本集團相關的香港財務報告準則第9號之主要規定概述如下：

- 納入香港會計準則第39號範圍內之所有已確認金融資產，其後均須按攤銷成本或公允值計量。特別是，旨在以收取合約現金流量之業務模式內所持有，且合約現金流量僅為支付本金及未償本金之利息為業務模式而持有之債項投資，一般於其後報告期間結束時按攤銷成本計量。所有其他債項投資及股權投資均於其後會計期間結束時按公允值計量。此外，根據香港財務報告準則第9號，實體可以不可撤回地選擇於其他全面收益呈列股權投資(並非持作買賣用途)之其後公允值變動，而一般僅於損益賬確認股息收入。

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a fair value through other comprehensive income measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 that are relevant to the Group are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- 香港財務報告準則第9號規定，就按公允值計入損益之金融負債之計量而言，因金融負債信貸風險有變而導致其公允值變動之金額乃於其他全面收益內呈列，除非於其他全面收益確認該負債信貸風險變動之影響會產生或增加損益之會計錯配則作別論。因金融負債信貸風險有變而導致金融負債公允值變動其後不會重新分類至損益賬。根據香港會計準則第39號，指定為按公允值計入損益之金融負債之全部公允值變動金額均於損益賬中呈列。

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- 新訂一般對沖會計規定保留三種對沖會計處理類別。然而，已為合資格作對沖會計處理的各類交易提供更大的靈活性，特別是增加合資格作為對沖工具的工具類別以及合資格作對沖會計處理的非金融風險成分類別。此外，成效測試已廢除，並由「經濟關係」原則取代。同時亦毋須追溯評估對沖成效。新規定同時引入增加披露有關實體風險管理活動的規定。

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

香港財務報告準則第9號要求以攤銷成本或按公平值計入其他全面收入之債務工具、租賃應收款項、貸款承諾及並非根據香港財務報告準則第9號按公平值計入損益之財務擔保合約，根據預期信貸虧損模式按十二個月基準或可使用基準入賬。

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for a fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis.

一般而言，董事預計應用香港財務報告準則第9號的預期信用損失模式將導致提前就本集團應用香港財務報告準則第9號後以攤銷成本計量之金融資產尚未產生之信貸損失作出撥備。

In general, the directors anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost upon application of HKFRS 9 by the Group.

根據董事評估，倘若本集團將應用預期信用損失模式，則本集團於2018年1月1日將予確認之累計減值虧損金額將將較根據香港會計準則第39號確認的累計金額有所增加，主要是由於就貿易應收款項作出之預期信貸虧損撥備。根據預期信貸虧損模式確認之進一步減值將減少於2018年1月1日之年初保留盈利及增加於2018年1月1日之遞延稅項資產。

Based on the assessment by the directors, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by the Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on trade receivables. Such further impairment recognised under expected credit loss model would reduce the opening retained profits and increase the deferred tax assets at 1 January 2018.

香港財務報告準則第10號及香港會計準則第28號(修訂本)*投資者與其聯營公司或合資公司之間的資產出售或注資*

香港財務報告準則第10號(修訂本)：

- 香港財務報告準則第10號已引入一般要求全數確認收益或虧損的例外情況，以處理與聯營公司或合資公司(以權益法列賬者)進行交易而失去附屬公司控制權(不包含業務)的情況。

- 所引入的新指引規定，交易產生的收益或虧損於母公司損益確認，以無關聯投資者於該聯營公司或合資公司的權益為限。同樣，按公允值重新計量於已成為聯營公司或合資公司(以權益法列賬者)的任何前附屬公司的保留投資所產生的收益及虧損，於前母公司損益確認，以無關聯投資者於新聯營公司或合資公司的權益為限。

Amendments to HKFRS 10 and HKAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

香港會計準則第28號(修訂本):

- 有關實體與其聯營公司或合資公司進行交易所產生的收益及虧損的規定已修訂為僅涉及不構成一項業務的資產。
- 引入一項新規定,即倘實體與其聯營公司或合資公司進行的順流交易所涉及的資產構成一項業務,則所產生的收益或虧損須於投資者的財務報表全面確認。
- 新增一項規定,即實體需考慮於獨立交易中出售或注入的資產是否構成一項業務,以及應否入賬列為一項單一交易。

本公司董事預期應用此等香港財務報告準則第10號及香港會計準則第28號(修訂本)不會對本集團之綜合財務報表構成重大影響。

香港財務報告準則第15號*來自客戶合約之收入*

於2014年7月,香港財務報告準則第15號已獲頒佈,其制定一項單一全面模式供實體用作將來自客戶合約所產生的收入入賬。於香港財務報告準則第15號生效後,將取代現時載於香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋的收益確認指引。

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額,應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言,該準則引入確認收益的5個步驟:

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

The directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

HKFRS 15 *Revenue from Contracts with Customers*

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- 第1步：識別與客戶訂立的合約
- 第2步：識別合約中的履約責任
- 第3步：釐定交易價
- 第4步：將交易價分配至合約中的履約責任
- 第5步：於實體完成履約責任時(或就此)確認收益

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求更詳盡的披露。

根據現時的業務模式，本公司董事預期採納香港財務報告準則第15號不會對本集團日後綜合財務報表的報告金額造成重大影響。然而，採納香港財務報告準則第15號時將需作出額外定性及定量披露。

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

Based on the current business model, the directors of the Company do not expect the adoption of HKFRS 15 would result in significant impact on the amounts reported on the Group's consolidated financial statements in the future. However, there will be additional qualitative and quantitative disclosures upon the adoption of HKFRS 15.

香港財務報告準則第16號*租賃*

香港財務報告準則第16號就租賃的會計處理訂明新條文，且日後不再容許承租人於財務狀況報表外將若干租賃入賬。取而代之，所有長期租賃必須以資產(就使用權而言)及租賃負債(就付款責任而言)形式於財務狀況表確認。租期為十二個月或以下的短期租賃及低價值資產租賃獲豁免有關報告責任。因此，新準則將致使須於財務狀況表確認使用權資產及租賃負債增加。於收益表，租金開支將以折舊及利息開支代替。預期本集團不會於截至2019年12月31日止財政年度前應用新準則。香港財務報告準則第16號將主要影響本集團經營租賃的會計處理。在採納香港財務報告準則第16號後，大部分經營租賃承擔將於綜合財務狀況表內確認為租賃負債及使用權資產。租賃負債其後將按攤銷成本計量，而使用權資產將以直線法於租期內折舊。

HKFRS 16 *Leases*

HKFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to account for certain leases outside the statement of financial position. Instead, all long-term leases must be recognised in the statement of financial position in the form of assets (for the rights of use) and lease liabilities (for the payment obligations). Short-term leases with a lease term of twelve months or less and leases of low-value assets are exempt from such reporting obligations. The new standard will therefore result in recognition of a right-to-use asset and an increase in lease liabilities in the statement of financial position. In the income statement, rental expenses will be replaced with depreciation and interest expense. The new standard is not expected to be applied by the Group until the financial year ending 31 December 2019. HKFRS 16 will primarily affect the accounting for the Group's operating leases. Upon adoption of HKFRS 16 the majority of operating lease commitments will be recognised in the consolidated statement of financial position as lease liabilities and right-of-use assets. The lease liabilities would subsequently be measured at amortised cost and the right-of-use assets will be depreciated on a straight-line basis during the lease term.

誠如附註44所載，本集團於2017年12月31日的經營租賃承擔總額約為43,351,000港元，而約為31,102,000港元的租期超過12個月。董事預期採納香港財務報告準則第16號不會對本集團的財務表現造成重大影響，惟預期若干部分的租賃承擔將於綜合財務狀況表內確認為使用權資產及租賃負債。

As set out in Note 44, total operating lease commitments of the Group as at 31 December 2017 amounted to approximately HK$43,351,000 and approximately HK$31,102,000 had lease term over 12 months. The Directors do not expect the adoption of HKFRS 16 would result in significant impact on the Group's financial performance, but it is expected that certain portion of the lease commitments will be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

3. 主要會計政策概要

於編製此等綜合財務報表時應用之主要會計政策載列如下。除非另有説明，此等政策已一致應用於所有呈列年度。

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例(「公司條例」)所規定之適用披露資料。

編製基準

除若干按公允值計量的金融工具外，誠如下文會計政策所釋，綜合財務報表已按歷史成本基準編製。歷史成本通常根據為換取資產支付的代價的公允值釐定。

公允值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。估計資產或負債之公允值時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量和／或披露的公允值均在此基礎上予以確定，惟香港財務報告準則第2號範圍內之以股份支付的交易、香港會計準則第17號範圍內之租賃交易及以及與公允值類似但並非公允值的計量(例如，香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值)除外。

3. 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.

The consolidated financial statements have been prepared in accordance with HKFRSs, issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

此外，就財務報告而言，公允值計量根據公允值計量之輸入數據可觀察程度及輸入數據對公允值計量之整體重要性分類為第1類、第2類及第3類，載述如下：

- 第1類輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第2類輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第1類內包括的報價除外)；及
- 第3類輸入數據是資產或負債的不可觀察輸入數據。

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

綜合基準

綜合財務報表包括本公司及本公司所控制的實體(包括特殊目的實體)及其附屬公司的財務報表。倘出現以下情況，則本公司已取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本公司會重新評估其是否控制投資對象。

倘本公司於投資對象之投票權未能佔大多數，但只要投票權足以賦予本公司實際能力可單方面掌控投資對象之相關業務時，本集團即對投資對象擁有權力。在評估本集團於投資對象之投票權是否足以賦予其權力時，本公司考慮所有相關事實及情況，其中包括：

- 本公司持有投票權之規模相對於其他選票持有人持有投票權之規模及分散性；
- 本公司、其他選票持有人或其他人仕持有的潛在投票權；
- 其他合約安排產生之權利；及
- 於需要作出決定(包括先前股東大會上之投票模式)時表明本公司當前擁有或並無擁有指導相關活動之能力之任何額外事實及情況。

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

本公司於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止綜合入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本公司獲得控制權當日起至本公司失去附屬公司控制權當日止，計入綜合損益及其他全面收入報表內。

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

本公司擁有人及非控股股東權益應佔損益及其他全面收入各組成部分。即使會使非控股權益出現虧絀，一間附屬公司的全面收益及開支總額仍歸本公司擁有人及非控股權益所有。

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

如有需要，會對附屬公司的財務報表作出調整，以使其會計政策與本集團其他成員公司採用的會計政策一致。

When necessary, adjustments are made to the financial statements of subsidiaries to being their accounting policies into line with the Group's accounting policies.

所有本集團成員間集團內部交易有關資產及負債、權益、收益、開支及現金流已於編製綜合賬目時悉數抵銷。

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

附屬公司

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

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

(a) 與投資對象其他投票持有人之合約安排；

(b) 其他合約安排所產生之權利；及

(c) 本集團之投票權及潛在投票權。

附屬公司業績按已收取及應收取之股息列入本公司損益賬。本公司於附屬公司之投資按成本扣除任何減值列賬。

Subsidiaries

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

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

(a) The contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivables. The Company's investments in subsidiaries are stated at cost less any impairment.

於聯營公司及合資公司的投資

聯營公司指本集團長期擁有合共不少於20%股本投票權且可對其行使重大影響力之企業。重大影響力指的是參與投資對象之財務及經營決策之權力，但不是控制或共同控制該等決策之權力。

合資公司指一種合資安排，對安排擁有共同控制權之訂約方據此對合資公司之資產淨值擁有權利。共同控制指按照合約協定對一項安排所共有控制，共同控制僅在有關活動要求享有控制權之訂約方作出一致同意之決定時存在。

本集團於聯營公司及合資公司之投資以權益會計法按本集團應佔資產淨值扣除任何減值虧損在綜合財務狀況表列賬。

本集團應佔聯營公司及合資公司之收購後業績及其他全面收益分別計入綜合損益及其他全面收益表。此外，倘於聯營公司或合資公司之權益直接確認出現變動，則本集團會於綜合權益變動表確認其應佔任何變動(倘適用)。本集團與其聯營公司或合資公司交易所產生未變現收益及虧損按本集團於聯營公司或合資公司之投資對銷，惟倘未變現虧損有證據顯示所轉讓資產出現減值則除外。收購聯營公司或合資公司產生之商譽計入為本集團於聯營公司或合資公司投資之一部分。

Investment in Associates and Joint Ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

倘於聯營公司之投資成為與合資公司之投資(反之亦然)，則保留權益不會重新計量，而該項投資會繼續以權益法入賬。在所有其他情況下，於失去對聯營公司之重大影響力或對合資公司之共同控制權時，本集團按其公允值計量並確認任何保留投資。於失去重大影響力或共同控制權後之聯營公司或合資公司賬面值與保留投資公允值及出售事項所得款項之任何差異，於損益賬中確認。

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

當於聯營公司或合資公司之投資被分類為持作出售，則按香港財務報告準則第5號列賬。

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5.

本集團於現有附屬公司之擁有權變動

本集團於附屬公司擁有權之變動並無導致本集團對附屬公司失去控制權，而作為股本交易入賬。本集團之權益及非控股權益之賬面值經調整以反映彼等於附屬公司之有關權益變動。非控股權益之面額與已付或已收代價之公允值間任何差額直接於權益中確認並歸屬於本公司擁有人所有。

當本集團失去附屬公司控制權時，出售損益按(i)已收代價的公允值及任何保留權益公允值的總額與(ii)附屬公司先前的資產(包括商譽)及負債和任何非控制權益賬面值的差額計算。倘附屬公司的若干資產按重估金額或公允值計量，且相關累計損益已於其他全面收益表確認並於權益累計，則之前於其他全面收益表確認並於權益累計的金額猶如本公司已直接出售有關資產(即重新分類至損益或直接轉撥至保留盈利)入賬。根據香港會計準則第39號金融工具：確認及計量，於失去控制權之日在前附屬公司保留的任何投資公允值視為首次確認公允值或(如適用)聯營公司或共同控制實體投資的首次確認成本，以供日後入賬處理。

Changes in the Group's Ownership Interests in Existing Subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

業務合併

業務收購乃採用收購法入賬。於業務合併轉撥的代價按公允值計量，而計算方式為本集團轉撥的資產、本集團對被收購方的前擁有人產生的負債及本集團於交換被收購方的控制權所發行的股權於收購日期的公允值總和。與收購事項有關的成本於產生時在損益賬中確認。

於收購日期，已收購可識別資產及承擔負債按其公允值確認，惟下列項目除外：

(i) 遞延稅項資產或負債及與僱員福利安排有關的負債或資產分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；

(ii) 與被收購方或本集團以股份支付的交易重置被收購方以股份支付的交易有關的負債或股本工具於收購日根據香港財務報告準則第2號以股份支付計量；及

(iii) 根據香港財務報告準則第5號持作出售的非流動資產及已終止經營業務劃分為持作出售的資產(或出售組合)並根據該準則計量。

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

(i) deferred tax assets or liabilities, and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

(ii) liabilities or equity instruments related to sharebased payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

(iii) assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

所轉撥的代價、與被收購方的任何非控股權益及收購方之前持有被收購方的股權的(如有)公允值的總和超出所收購的可識別資產及承擔的負債於收購日期的淨額的部份確認為商譽。倘(評估過後)本集團於被收購方的可識別資產淨值及承擔負債的公允值權益超出所轉撥的代價、於被收購方任何非控股權益的金額及收購方先前持有被收購方權益(如有)的公允值的總和，超出部份即時於損益賬中確認廉價購買收益。

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

代表擁有權權益並賦予其持有人於清盤時按比例分佔一間實體資產淨值之非控股權益初步按公允值或非控股權益按比例分佔被收購方可資識別資產淨值之已確認金額計量。計量基準根據每項交易而作出。其他類型之非控股權益按其公允值或其他準則規定之其他計量基準計算。

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another standard.

本集團於一項業務合併轉讓的代價包括或然代價安排所產生的資產或負債，或然代價乃按收購日期之公允值計算，視為於業務合併中轉讓代價之一部份。合資格作為計量期間的調整的或然代價公允值變動乃予追溯調整，並對商譽或廉價購買收益作相應調整。計量期間的調整乃於計量期間內取得與收購日期已存在的事實及情況有關的額外資料而產生的調整。計量期間由收購日期起計不超過一年。

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

就不合資格作為計量期間的調整之或然代價公允值變動，其後的會計處理方法視乎該或然代價的分類方式而定。屬於權益類別的或然代價不會於其後的報告日期重新計量，其後的結算則於權益列賬。屬於資產或負債類別的或然代價乃按照香港會計準則第39號或香港會計準則第37號撥備、或然負債及或然資產(如適用)於其後的報告日期重新計量，相應的收益或虧損於損益確認。

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

倘業務合併分階段完成，本集團以往持有的被收購方股權乃重新計量為收購日期(即本集團取得控制權當日)的公允值，所產生的收益或虧損(如有)乃於損益確認。先前已於其他全面收益確認之收購日期前於被收購方之權益產生之數額重新分類至損益(此處理方式適用於該權益獲出售時)。

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

任何於收購日期前在其他全面收益確認並於權益累計的過往所持股權價值變動，於本集團取得被收購方控制權時重新分類至損益。

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

倘於合併產生之報告期末仍未完成業務合併之初步會計處理，本集團則就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期間(見上文)內作出調整，或確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況之新資料，而倘知悉該等資料，將會影響於當日確認之金額。

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

收購附屬公司額外權益

當本集團增加其於本集團已控制企業之權益時，該收購所產生之商譽乃指收購額外權益之成本與本集團應佔可確定資產、負債及或然負債賬面淨值之增加的差額。收購額外權益之成本與所收購額外權益應佔可識別資產、負債及或然負債之賬面值的差額被確認為儲備變動(其他儲備)。此差額乃指自原收購日本集團於該附屬公司所增加權益應佔之差額。於出售附屬公司後，儲備會轉撥至保留盈利。

Acquisition of Additional Interest in a Subsidiary

When the Group increases its interest in an entity that is already controlled by the Group, goodwill arising on such acquisition represents the difference between the cost of additional interest acquired and the increase in the Group's share of the net carrying amount of the identifiable assets, liabilities and contingent liabilities acquired. The difference between the cost of additional interest acquired and the book value of the identifiable assets, liabilities and contingent liabilities attributable to the additional interest acquired is recognised as a reserve movement (other reserve). The difference represents the difference that arose since the original acquisition date that is attributable to the Group's increased interest in the subsidiary. On the subsequent disposal of the subsidiary, the reserve is transferred to retained earnings.

商譽

自收購業務產生之商譽指收購成本超過於收購日期本集團於相關業務之可資識別資產、負債及或然負債之公允值之權益之金額。該商譽以成本減任何累計減值虧損列賬。

Goodwill

Goodwill arising on an acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

就減值測試而言，收購所產生之商譽分配至預期將受惠於收購協同效益之各有關現金產生單位(「現金產生單位」)或現金產生單位組別。獲分配商譽之現金產生單位於每年及如有跡象顯示該單位可能已經減值時進行減值測試。就於財政年度因收購而產生之商譽而言，獲分配商譽之現金產生單位於該財政年度結束之前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值時，減值虧損首先分配作減低該單位獲分配之任何商譽之賬面值，其後根據該單位中各項資產賬面值之比例分配予該單位之其他資產。商譽之任何減值虧損直接於損益確認。商譽之減值虧損不會於隨後期間撥回。

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash generating units ("CGUs"), or groups of CGU, that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

於出售相關現金產生單位時，釐定出售損益金額時計入應佔資本化商譽之金額。

On disposal of the relevant CGU, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

收入確認

收入乃按已收或應收代價之公允值計算，指於一般業務過程中已售貨品之應收款項扣除折扣及銷售相關稅項。

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

貨品銷售收入於交付貨品及轉移所有權後確認，其時擁有權之重大風險及回報已轉讓予買家，而本集團並無維持擁有權一般所附帶參與管理工作，亦無對已售出貨品有實際控制權。

Revenue from sale of goods is recognised when the goods are delivered and title has passed, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintain neither managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

來自金融資產(不包括透過損益以公允值計量的金融資產)之利息收入按未償還本金額及適用實際利率以時段比例累積計算，該利率為確實地將金融資產之預計可使用年期內之估計未來現金收入貼現至該資產初始確認時之賬面淨值之貼現率。

Interest income from a financial asset excluding financial assets at fair value through profit or loss is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

來自投資(包括透過損益以公允值計量之金融資產)之股息收入於股東收取款項之權利獲確立後確認。

Dividend income from investment including financial assets at fair value through profit or loss is recognised when the shareholders' right to receive payment have been established.

租賃收入於租賃期內按直線法確認。

Rental income is recognised on a straight-line basis over the lease terms.

服務費收入於提供服務時確認。

Service fee income is recognised when the services have been rendered.

上述未有提及之任何其他收入，於收取或應收時確認。

Any other income not mentioned above is recognised whenever it is received or receivable.

政府撥款

政府撥款不予確認，直至有合理保證，本集團將符合政府撥款隨附的條件，以及將收獲撥款後，方會確認。

倘政府撥款成為應收款項，作為已產生的開支或虧損的彌償，或提供予本集團而沒有相關未來成本即時財務支持，則於成為應收款項之期間於損益確認。

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

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

物業、廠房及設備

物業、廠房及設備(包括用作生產或供應貨物或服務，或行政用途的永久業權土地及樓宇，在建工程除外)按成本減其後累計折舊及累計減值虧損列賬。

在建工程包括建造以供生產或本身運用的物業、廠房及設備。在建工程乃按成本減任何已確認減值虧損列賬。當在建工程完成及可供擬定用途，則撥入物業、廠房及設備的適當分類。此等資產以其他物業資產的相同基準，當資產可供擬定用途時開始計算折舊。

物業、廠房及設備於出售時或預期持續使用該資產不再帶來未來經濟利益時取消確認。因資產取消確認產生的任何收益或虧損(按出售所得款項淨額與項目賬面值的差額計算)乃於項目取消確認的期間內計入期內損益。

Property, Plant and Equipment

Property, plant and equipment, including leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress), are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

投資物業

投資物業指持作賺取租金及／或資本增值的物業。於初始確認時，投資物業以成本計算。成本包括任何關連的直接開支。於初始確認後，投資物業以成本扣除往後累積折舊及任何累積減值虧損列出。投資物業的折舊經計及其估計剩餘價值後採用直線法於租賃期中將成本撇銷。

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over the lease term and after taking into account of their estimated residual value, using the straight-line method.

投資物業於出售或當投資物業永久不再使用時或預期不會藉其出售而產生未來經濟效益時，則終止確認。終止確認該資產所產生的任何損益(按出售所得款項淨額與資產賬面值的差額計算)會在該項目終止確認的期間計入期內損益。

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

分類為持作出售資產

倘資產的賬面值將主要透過一項銷售交易而非持續使用而收回，且有關銷售被認為是極有可能發生的，則獲分類為持作出售。其乃按賬面值與公允價減銷售成本兩者中的較低者計量，惟本規定明確豁免的遞延稅項資產、僱員福利所產生之資產、金融資產及按公允值列賬的投資物業及保險合約下的合約性權利等資產則除外。減值虧損乃按資產任何初始或其後撇銷至公允值扣除銷售成本確認。收益乃按公允值扣除銷售資產的成本的任何其後增加確認，惟不超過先前確認的任何累計減值虧損。於銷售資產日期先前尚未確認的收益或虧損會於終止確認日期時獲確認。香港財務報告準則第5號(25)在獲分類為持作出售時不予折舊或攤銷。香港財務報告準則第5號(38)分類為持作出售資產與綜合財務狀況表內的其他資產分開呈列。

Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of derecognition. HKFRS5(25) Assets are not depreciated or amortised while they are classified as held for sale. HKFRS5(38) assets classified as held for sale are presented separately from the other assets in the consolidated statement of financial position.

土地使用權

為獲得土地使用權支付的款項被視為預付經營租賃款項。土地使用權按成本減累積攤銷及任何累計減值虧損後列賬，而攤銷以直線法按權利的期限或各實體獲授予土地使用權的期限(以較短者為準)於損益中扣除。

就租賃分類而言，租賃土地及樓宇中土地及樓宇部份乃分開計算，除非租金支出無法可靠地在土地及樓宇部份之間作出分配，則在此情況下，整份租賃一般作為財務租賃處理及作為物業、廠房及設備入賬。倘能可靠地分配租金，則土地的租賃權益作為經營租賃入賬，並按直線法於租賃期內攤銷。

Land Use Rights

Payment for obtaining land use rights is considered as prepaid operating lease payment. Land use rights are stated at cost less accumulated amortisation and any accumulated impairment losses, amortisation is charged to profit or loss over the period of the rights or the term of the respective enterprise to which the land use rights are granted, whichever is the shorter, using the straight-line method.

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis.

租賃

如租賃條款將主權絕大部份風險及收益轉嫁給承租人，則該等租賃被視為財務租賃。所有其他租賃則被視為經營租賃。

本集團作為出租人

經營租賃的租金收入乃按有關租賃年期以直線法在損益確認。

本集團作為承租人

經營租賃款項按直線法於相關租賃期確認為開支。作為訂立經營租賃獎勵的已收及應收利益則會按租賃年期以直線法確認為扣減租金支出。

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownerships to the lessee. All other leases are classified as operating leases.

The Group as Lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

無形資產

於業務合併中收購的無形資產

在業務合併中收購的無形資產，若符合無形資產的定義，而公允值能可靠地計量，則須與商譽分開識別及確認。有關無形資產的成本確認為其於收購日期的公允值。

於首次確認後，具有有限使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有有限使用年期的無形資產以直線法按其估計可使用年期計提攤銷。或者，擁有無限使用年期的資產可按成本減任何其後累計減值虧損列賬。

技術知識

購入技術知識的開支撥作資本，並按自技術知識可使用日期起計分五年估計可使用年期以直線法攤銷。

商標

商標以歷史成本列示。於業務合併收購的商標按收購日期之公允值確認，並以直線法於其預計可使用年期5至10年內攤銷。

Intangible Assets

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is recognised at their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Technical Know-how

Expenditure on acquired technical know-how is capitalised and amortised using the straight-line method over its estimated useful life of 5 years, from the date when the technical know-how is available for use.

Trademark

Trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date and amortised using the straight-line method over its estimated useful life of 5 to 10 years.

研究及開發開支

研究活動開支於產生期間確認為費用。

由發展項目(或由一項在發展階段期間的內部項目)內部所產生的無形資產，只會在以下全部已被證明的情況下方會予以確 認：

- 具可行性技術以完成無形資產並使其將可供使用或出售；
- 有意向完成及使用或出售之無形資產；
- 具能力可使用或出售之無形資產；
- 無形資產如何產生可能的將來經濟利益；
- 有足夠之技術、財政及其他資源可完成發展項目並使用或出售之無形資產；及
- 有能力確實地計量無形資產在其發展階段時所應佔的費用。

就內部產生的無形資產初始確認的金額為由無形資產首次符合上述確認要求的日期起所涉的開支總額。倘並無內部產生的無形資產可予確認，開發開支則會於產生期間的損益賬內扣除。

於初始確認後，內部產生的無形資產乃按與獨立購買的無形資產相同的基準，以成本扣除累計攤銷及累計減值虧損(如有)計算。

Research and Development Expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during the development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

終止確認無形資產

無形資產於出售時或當預期使用或出售無形資產生會產生未來經濟利益時終止確認。終止確認無形資產所產生的損益按出售所得款項淨額及該資產賬面值的差額計量，並於終止確認該資產期間於損益中確認。

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

採礦權

採礦權包括所轉撥之勘探及評估資產，以成本扣除累計攤銷及任何減值虧損後列示。採購權按生產量除以礦產資源總儲量作攤銷。倘礦山被廢置時，則採礦權在損益表中攤銷。

Mining Rights

Mining rights, including transferred exploration and evaluation assets, are stated at cost less accumulated amortisation and any impairment losses. The mining rights are amortised on the production quantities over the total estimated mineral reserve. Mining rights are written off to the profit or loss if the mining property is abandoned.

外幣

編製本集團旗下各個別實體的財務報表時，以該實體的功能貨幣以外貨幣(外幣)進行的交易按交易日期的匯率以其功能貨幣(即該實體經營業務所在主要經濟環境的貨幣)列賬。

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions.

於各報告期末，以外幣結算的貨幣項目按該日的匯率重新換算。以外幣計值並以公允值列賬之非現金項目於公允值獲釐定當日按當前比率重新換算。按過往成本以外幣結算的非貨幣項目不會重新換算。

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

結算貨幣項目及換算貨幣項目時產生的匯兑差額於產生期間在損益確認。重新換算非貨幣項目產生的匯兑差額按公允值納入有關期間的損益內。

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of nonmonetary items carried at fair value, are included in profit or loss for the period.

就綜合財務報表呈報方式而言，本集團海外業務的資產及負債按報告期末的匯率換算為本集團的呈報貨幣(即港元)，而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在此情況下，則採用交易日期的匯率換算。所產生匯兑差額(如有)於其他全面收益確認並於(如適用，按非控股權益應佔之)股本(匯兑儲備)累計。

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) at the rates of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (i.e. the translation reserve) (attributed to non-controlling interests as appropriate).

於出售海外業務(即出售本集團於海外業務的全部權益或涉及失去對一家從事海外業務的附屬公司的控制權的出售、涉及失去對一家從事海外業務的共同控制實體的共同控制權的出售、或失去對一家從事海外業務的聯營企業的重大影響力的出售)時，就本公司擁有人應佔該業務之權益而累計之所有匯兑差額重新分類至損益。

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

因2005年1月1日或之後收購海外業務而產生之所購入可識別資產之商譽及公允值調整已按作為該海外業務的資產及負債處理，並按報告期末匯率重新換算，所產生的匯兑差額於其他全面收益中確認並在權益中累計。

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

借貸成本

直接歸屬於收購、建築或生產合資格資產的借貸成本，而該等資產需要較長時間才能準備好供擬定用途使用或銷售，則該借貸成本則加入該等資產的成本，直至該等資產大致可供擬定用途使用或銷售。

所有其他借貸成本於產生之期內在損益確認。

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

退休福利費用

退休金計劃

本集團根據強制性公積金計劃條例設立一項界定供款之強制性公積金退休福利計劃(「強積金計劃」)，為所有僱員參與強積金計劃。供款按僱員基本薪金的若干百分比釐定並根據強積金計劃守則於需支付供款時在損益內扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。

本集團為僱員(包括若干董事)設立一項界定供款僱員退休金計劃，該計劃依職業退休計劃條例註冊(「職業退休計劃」)。職業退休計劃的資產與本集團資產分開，由一個獨立管理的基金持有。供款按合資格僱員基本薪金的若干百分比釐定並於根據職業退休計劃守則於需支付供款時在損益內扣除。如僱員於其於僱主供款的權益尚未全數歸於僱員前退出職業退休計劃，有關被沒收的供款可能減少本集團的持續應付供款。

Retirement Benefit Costs

Pension Schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also operates a defined contribution staff retirement scheme registered under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") for its employees (including certain directors), the assets of which are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the eligible employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.

本集團於中國內地營運附屬公司之僱員須參與一項由當地市政府管理之中央退休金計劃。此等附屬公司須按彼等薪金成本之若干百分比，向該中央退休金計劃作出供款。此供款根據中央退休金計劃之規則，於應付時在損益內扣除。

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

向界定供款退休金計劃的供款於僱員提供服務後而符合領取有關供款的資格時列作支出扣除。

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括手頭現金及活期存款，以及可隨時轉換為已知數額現金並一般於購入後三個月內到期，且價值變動風險微不足道之短期及高度流通投資，另扣除須按要求償還及構成本集團現金管理一部份之銀行透支。

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprises of cash in hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

股份付款交易

授予僱員的購股權

就須待達成指定歸屬條件的購股權的授出而言，參照授出當日已授出購股權的公允值而釐定已收取服務的公允值，於歸屬期間按直線法支銷，而股本(僱員報酬儲備)則相應增加。

Share-based Payment Transactions

Share Options Granted to Employees

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (employee compensation reserve).

於報告期末，本集團修訂預期最終歸屬的購股權估計數目。倘原先估計數目有所修訂(如有)，則於歸屬期間修訂估計的影響在損益確認，並於僱員報酬儲備中作相應的調整。

At the end of the reporting period, the Group revises its estimates of number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss with a corresponding adjustment to employee compensation reserve.

就授出日期已即時歸屬的購股權而言，已授出購股權的公允值隨即於損益支銷。

For share options that are vested immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

購股權獲行使時，先前於僱員報酬儲備中確認之數額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於到期日仍未獲行使，先前於僱員報酬儲備中確認之數額將轉撥至保留盈利。

When the share options are exercised, the amount previously recognised in employee compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in employee compensation reserve will be transferred to retained earnings.

税項

所得税開支指目前應付税項及遞延税項的總額。

當期應付的税項乃按本年度的應課税溢利計算。由於應課税溢利不包括於其他年度應課税或可扣税的收入或開支，亦不包括毋須課税或不可扣税的項目，故此應課税溢利與綜合損益及其他全面收益表所載溢利並不相同。本集團的當期税務負債乃按於報告期末已生效或實質上已生效的税率計算。

遞延税項為就財務報表內資產及負債賬面值與計算應課税溢利所用相應税基的暫時差額。遞延税項負債一般就所有應課税暫時差額確認。遞延税項資產一般乃於可能出現應課税溢利對銷可用的所有可扣税暫時差額時確認。倘若暫時差額由商譽或不影響應課税溢利及會計溢利的交易中初始確認(業務合併除外)的其他資產及負債所產生，則不會確認該等資產及負債。

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

由附屬公司的投資所產生的應課稅暫時差額確認為遞延稅項負債，惟若本集團可控制暫時差額的撥回而暫時差額於可見將來應不會撥回的情況除外。遞延稅項資產只會就因該等有關投資及利息所產生之可扣減的暫時差額，在有足夠的應課稅溢利可能出現以致暫時差額的利益被利用，且預期在可見未來將可被撥回時確認。

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

於各報告期末均審閱遞延稅項資產之賬面值，並在沒可能有足夠應課稅盈利收回全部或部份資產時作調減。

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

遞延稅項負債及資產乃按預期於負債獲償還或資產獲變現期間適用的稅率(以報告期末已生效或實質上已生效的稅率(及稅法)為基準)計算。遞延稅項負債及資產的計量反映本集團於報告期末，預期將要收回或償還其資產及負債的賬面值的稅務後果。即期及遞延稅項於損益中被確認，惟倘有關之事項在其他全面收益或直接在權益中被確認之情況下，遞延稅項亦會於其他全面收益或直接於權益中各自地被確認。

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follo from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

存貨

存貨按成本與可變現淨值兩者的較低者列賬。電子產品的成本以先進先出法計算；如為在製品及製成品，成本包括直接物業、直接勞工及適當部份的間接開支，至於其他存貨，成本以加權平均法計算。可變現淨值指存貨之估計售價減完成之所有估計成本以及出售所需之成本。

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out basis for electronic product and in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Cost is calculated using the weighted average method for the other inventories. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make sale.

金融工具

當集團個體成為工具合約條款的一方時，會確認金融資產及金融負債。

金融資產和金融負債在初始確認時會以公允值進行計量。直接歸屬於購置或發行金融資產和金融負債(按公允值計入損益的金融資產及金融負債除外)的交易費用在初始確認時計入或扣自各金融資產或金融負債(視何者適用而定)的公允值。直接歸屬於購置按公允值計入損益的金融資產或金融負債的交易費用立即在損益賬中確認。

金融資產

金融資產分為以下類別，包括按公允值計入損益的金融資產、貸款及應收款項、持至到期投資及可供出售金融資產。分類視乎金融資產的性質及目的，並於初次確認時釐訂。所有一般性購買或銷售金融資產按交易日期基準確認及取消確認。一般性購買或銷售為按於市場規定或慣例確立的時間期限內交付資產的金融資產的購買或銷售。

Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

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

Financial Assets

Financial assets are classified into the following categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sales financial assets. The classification depends on the nature and purpose of financial assets and is determined at time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

實際利息法

實際利息法乃計算債務工具的攤銷成本以及分配相關期間的利息收入的方法。實際利率乃於初始確認時按債務工具的預計年期或適用的較短期間內準確貼現估計未來收取的現金(包括構成實際利率一部份的所有已付或已收的費用、交易成本及其他溢價或折讓)至賬面淨值的利率。

就債務工具而言，利息收入按實際利息基準確認。

按公允值計入損益(「按公允值計入損益」)的金融資產

按公允值計入損益的金融資產指持作買賣投資。

金融資產會被歸類為持作買賣，倘：

- 購入主要為於不久將來銷售；或
- 構成本集團合併管理的金融工具的確定組合的一部份及具有最近實際短期獲利模式；或
- 金融資產為未被指定的衍生工具及可有效作為對沖工具。

按公允值計入損益的金融資產將按公允值計量，而重新計量產生之公允值之變動將在其產生期間直接在損益確認。於損益確認之收益或虧損淨額包括金融資產賺取之任何股息或利息。

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")

Financial assets at FVTPL represent investments held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生金融資產，且並無在活躍市場計算報價。於初始確認後，貸款及應收款項(包括貿易應收款項及應收票據、其他應收款項、已抵押銀行存款、銀行及現金結餘及應收一間合資公司款項)採用實際利息法計算其攤銷成本，減任何已識別減值虧損列賬(見下文金融資產減值的會計政策)。

利息收入按實際利率確認，惟終止確認之影響微不足道的短期應收款項則除外。

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and bills receivables, other receivables, pledged bank deposits, bank and cash balances and amount due from a joint venture) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discontinuing is immaterial.

持作到期投資

持作到期投資包括有固定或可確定付款金額及有固定期限而本集團有明確意向和能力持至到期日的非衍生金融資產。於初始確認後，持作到期投資按實際利率法減任何可識別減值虧損後以攤銷成本計值(見下文金融資產減值之會計政策)。

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any identified impairment losses (see accounting policy on impairment of financial assets below).

可供出售金融資產

可供出售金融資產為非衍生工具，其為指定可供出售或不獲分類為按公允值計入損益的金融資產、貸款及應收款項或持作到期之投資。

於各報告期末，可供出售金融資產乃按公允值計量。公允值變動於其他全面收益確認，並於重估儲備項下累計，直至金融資產投資獲出售或釐定已減值為止，屆時先前於重估儲備累計盈虧會重新分類至損益。

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of each reporting period. Changes in fair value are recognised in other comprehensive income and accumulated under the heading of revaluation reserve until the financial asset is disposed of or determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit or loss.

就並無活躍市場報價及公允值不能可靠計量之可供出售股本投資以及與投資無報價股本掛。且必須以交付該無報價股本投資結付之衍生工具而言，於報告期末乃以成本減已識別減值虧損計量。

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments, they are measured at cost less any identified impairment losses at the end of the reporting period.

金融資產的減值

金融資產(不包括按公允值計入損益的金融資產)於各報告期末以減值指標予以評估。當有客觀證據顯示，於金融資產首次確認後發生一項或以上事件，影響其估計未來現金流量，則金融資產出現減值。

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

至於本集團所有金融資產，減值的客觀證據可能包括：

- 發行人或對手方出現重大財務困難；或
- 違反合約，如利息或本金付款失責或拖欠；或
- 借款人可能面臨破產或進行財務重組；或
- 因財政困難而導致金融資產失去活躍市場。

For all of the Group's financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

對於若干類別的金融資產，例如貿易應收款項，個別獲評估為並無減值的資產其後共同就減值進行評估。一組應收款項減值的客觀證據可能包括本集團過往收回款項及延遲還款數目增加的經驗及與拖欠貿易應收款項相關的國家或當地經濟狀況出現可觀察變動。

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments as well as observable changes in national or local economic conditions that correlate with default on receivables.

按攤銷成本列賬的金融資產，其減值虧損金額為資產賬面值與按金融資產的原實際利率折現估計未來現金流量後的現值兩者的差額。

For financial assets carried at amortised cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

就按成本計值的金融資產而言，減值虧損的金額以資產的賬面值與估計未來現金流量的現值(以類似金融資產的當前市場回報率折現)之間的差額計量。該等減值虧損不會於其後期間撥回。

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

金融資產的賬面值按所有金融資產直接蒙受的減值虧損減少，惟貿易應收款項則透過使用撥備賬削減賬面值。撥備賬賬面值的變動於損益確認。當貿易應收款項視為不可收回時，則與撥備賬撇銷。其後收回以往撇銷的款項記入損益。撥備賬的賬面值變動於損益確認。

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivable, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

對於按攤銷成本計量的金融資產，倘減值虧損的款項於其後期間減少，而減幅能客觀證明與確認減值虧損後所發生的事件有關，則以往確認的減值虧損透過損益撥回，惟減值撥回當日的資產賬面值不得超過如無確認減值時的原攤銷成本。

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

在分類為可供出售的股權投資的情況下，客觀證據包括投資公允值大幅或長期跌至低於成本。「大幅」會因應投資原成本評估，而「長期」會考慮公允值低於其原成本的時間。如果存在減值證據，累積虧損(按收購成本與當時公允值兩者之間的差額，減投資先前在損益內確認的減值虧損計量)會從其他全面收益轉出，並在損益內確認。分類為可供出售股權工具之減值虧損，不會在損益中撥回。其公允值如果在減值後增加，會直接在其他全面收益中確認。

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

金融負債及股本

集團實體發行的金融負債及股本工具根據所訂立合約安排的性質以及金融負債及股本工具的定義進行分類。

Financial Liabilities and Equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

其他金融負債

本集團之金融負債一般分類為其他金融負債(包括貿易及其他應付款項以及借貸)，並其後採用實際利息法按攤銷成本計量。

Other Financial Liabilities

The Group's financial liabilities are generally classified into other financial liabilities, including trade and other payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

實際利息法

實際利息法乃計算金融負債的攤銷成本以及分配相關期間的利息開支的方法。實際利率乃按金融負債的預計年期或適用的較短期間內準確貼現估計未來的現金付款(包括構成實際利率一部份之已付或已收所有費用、交易成本以及其他溢價或折扣)至初始確認時之賬面淨值的利率。

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that from an integral part of effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

利息開支按實際利息基準確認。

Interest expense is recognised on an effective interest basis.

股本工具

股本工具為證明於本集團資產的剩餘權益(經扣除其所有負債)的任何合約。本公司發行之股本工具按已收所得款項列賬，扣除直接發行成本。

Equity Instruments

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

本公司購回本身的股本工具於權益中直接確認及扣除。購買、出售、發行或註銷本公司本身之股本工具概不會於損益確認收益或虧損。

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

可換股債券

本公司發行之複合工具(可轉換票據)之組成部份乃根據合約安排之實際性質以及金融負債、股本工具及衍生金融工具之定義而獨立歸類為金融負債、股本及衍生工具。以定額現金或另一金融資產交換本公司本身定額數目之股本工具之方式結算之轉換選擇權為股本工具。

於發行日期，負債部份之公允值乃採用有關同類非可轉換工具通行之市場利率作出估算。該金額乃按實際利息法以攤銷成本確認為負債，直至於轉換時或工具到期日被註銷為止。

分類為股本的轉換選擇權乃透過從整體複合工具之公允值中扣減負債部份金額而釐定。其將於扣除所得稅影響後在股本中確認及入賬，且隨後不可重新計量。此外，分類為股本之轉換選擇權將一直保留於股本內，直至轉換選擇權獲行使為止，在該情況下，在股本中確認之結餘將轉撥至股份溢價。倘轉換選擇權於可轉換債券到期日仍未獲行使，在股本中確認之結餘將轉撥至保留盈利。在轉換選擇權獲轉換或到期時，不會在損益確認任何收益或虧損。

與發行可轉換債券相關之交易成本乃按分配所得款項總額之比例分配至負債及股本部份。與股本部份相關之交易成本乃直接於損益扣除。與負債部份相關之交易成本乃計入負債部份之賬面值，並按可轉換債券之期限採用實際利率法攤銷。

Convertible Bonds

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities, equity and derivatives in accordance with the substance of the contractual arrangements and the definitions of a financial liability, an equity instrument and derivative financial instruments. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible bonds using the effective interest method.

財務擔保合約

財務擔保合約指因指定債務人未能按債務工具的條款如期付款時，發行人須向持有人支付指定金額以補償其所遭受虧損的合約。

本集團所發行的財務擔保合約初步按公允值計量，倘並無指定為按公允值計入損益處理，則隨後按以下較高者計量：

- 根據香港會計準則第37號撥備、或然負債及或然資產所釐定之合約責任金額；及
- 初始確認的金額扣除(倘適用)按收入確認政策確認的累計攤銷。

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

終止確認

當自資產收取資產現金流量的合約權利屆滿，或金融資產已轉讓且本集團已將其於金融資產擁有權的絕大部份風險及回報轉移至另一實體，則會終止確認金融資產。倘本集團並無轉讓或保留其於擁有權的絕大部份風險及回報，並繼續控制已轉讓資產，則本集團會確認其於資產的保留權益以及其或須支付款項的相關負債。倘本集團保留其於已轉讓金融資產擁有權的絕大部份風險及回報，則本集團會繼續確認金融資產及以已收取之所得款項確認為有抵押貸款。

於全面取消確認金融資產時，資產賬面值與已收及應收代價以及已於其他全面收入確認並於權益累計之累計損益之總和之差額，將於損益中確認。

Derecognition

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income accumulated in equity is recognised in profit or loss.

除全面取消確認外，於取消確認金融資產時，(即本集團保留購回部份已轉讓資產之選擇權或保留不會導致保留擁有權絕大部份風險及回報之餘下權益，及本集團保留控制權)，本集團會將金融資產之過往賬面值，按於轉讓日期之相對公允值於其確認為繼續參與之部份及不再確認之部份兩者間作出分配，而分配至不再確認部份之賬面值與就不再確認部份所收代價及已於其他全面收入確認之所獲分配任何累計收益或虧損之總和間差額，乃於損益內確認。已於其他全面收入確認之累計收益或虧損，將按繼續確認之部份及不再確認之部份之相對公允值在兩者間作出分配。

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

當有關合約所訂明的責任獲解除、註銷或屆滿時，金融負債會被終止確認。被終止確認的金融負債的賬面值與已付或應付代價間差額會於損益確認。

Financial liabilities are derecognised when the obligation specific in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

商譽以外之有形及無形資產減值虧損

於各報告期末，本集團均會審閱其有形資產及無形資產之賬面值，以釐定是否有任何跡象顯示資產已出現減值虧損。如出現任何該等跡象，則會估計資產之可收回金額，以釐定減值虧損(如有)之程度。如不可能估計個別資產之可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。在可得出合理一貫分配基準之情況下，公司資產亦分配至個別現金產生單位，否則將分配至可得出合理一貫分配基準之最小現金產生單位組別。

具有無限可使用年期之無形資產及尚不可供使用之無形資產至少每年及於出現可能減值之跡象時進行減值測試。

可收回金額為公允值減去出售成本後與使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃使用稅前折現率折現至其現值，折現率反映目前資金時間值之市場估量及並未調整其估計未來現金流量之資產相關特定風險。

倘資產(或現金產生單位)之可收回金額估計將低於其賬面值，則資產(或現金產生單位)之賬面值減至其可收回金額。減值虧損即時於損益確認。

倘某項減值虧損其後撥回，則該項資產的賬面值須增至其可收回金額的經修訂估計數額，惟增加後的賬面值不得超過以往年度資產並無確認減值虧損而釐定的賬面值。撥回減值虧損將即時在損益中確認。

Impairment Losses on Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as immediately in profit or loss.

撥備

當本集團因過往事件而須承擔現時之法定或推定責任，並且履行該責任可能要求資源流出及有關責任之金額能可靠估計時，即會確認撥備。

倘貨幣時間價值之影響重大，則撥備金額為預計履行責任所需支出於報告期末之現值。隨時間流逝而產生的貼現現值增加將計損益的融資成本內。

本集團就部份產品提供保用而計提的撥備乃按銷量及過往的維修及退回情況貼現至其現值(倘適用)確認入賬。

Provision

A provision is recognised when the Group has a present legal or constructive obligation, as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value money is material, the amount of a provision is the present value at the end of the reporting period of the expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Provision for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present value as appropriate.

關連人士交易

在下列情況下，有關人士將被視為與本集團有關連：

(1) 倘屬以下人士，即該人士或該人士之直系親屬與本集團有關連：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響；或

(iii) 為本集團或本集團母公司的主要管理層成員。

(2) 倘符合下列任何條件，即實體與本集團有關連：

(i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。

(ii) 一間實體為另一實體的聯營公司或合資公司(或另一實體為成員公司之集團旗下成員公司之聯營公司或合資公司)。

Related Parties Transactions

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

(1) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(2) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) 兩間實體均為同一第三方的合資公司。

(iv) 一間實體為第三方實體的合資公司，而另一實體為該第三方實體的聯營公司。

(v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連。

(vi) 實體受(1)所識別人士控制或受共同控制。

(vii) 於(1)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

(viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理人員服務。

一名人士的家族的密切成員指可能影響該名人士或被該名人士影響的家族成員，從而影響該名人士或其家族的密切成員與實體的交易，包括：

(a) 該名人士的子女、配偶或同居者；

(b) 該名人士或其配偶或其同居者的子女；及

(c) 該名人士或其配偶或其同居者的家屬。

關連人士之間轉讓資源或責任的交易，乃視為關連人士交易。

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (1).

(vii) A person identified in (1) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

分部報告

經營分部及綜合財務資料所呈列各分部的金額，乃從為向本集團各項業務及地理位置分配資源及評估其業績而定期向本集團多數最高行政管理層提供的財務報表當中識別出來。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部份條件，則可以合計為一個報告分部。

Segment Reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用於附註3所述之本集團之會計政策時，本公司之董事須對未能透過其他來源確定之資產及負債之賬面值作出判斷、估計及假設。所作出之估計及相關假設乃以過往經驗及其他被視為相關之因素為基準。實際業績可能與該等估計有異。

估計及相關假設乃以持續基準被審閱。倘對會計估計之修訂僅影響進行修訂之期間，則於該期間確認，或倘修訂會影響目前及未來期間，則會於目前及未來期間確認。

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

估計不明朗因素的主要來源

以下為於報告期末極可能導致本集團資產與負債賬面值於下一財政年度需要作出重大調整之未來相關重要假設及導致估計不明朗因素的其他主要來源。

(a) 投資物業、採礦權、物業、廠房及設備和無形資產按成本列賬的可供出售金融資產的減值的估計

根據附註3所述的會計政策，倘任何事件或情況改變顯示資產的賬面值不能收回，則本集團會評估投資物業、採礦權、物業、廠房及設備、無形資產及按成本列賬的可供出售投資有否出現減值。現金產生單位的可收回金額指資產之公允值減銷售成本或其可使用價值(以較高者為準)。公允值減銷售成本或其可使用價值之計算方法需要作出估計。於本年度，本集團並無就投資物業、採礦權以及物業、廠房及設備計提減值撥備，但就無形資產約零港元(2016年：359,000港元)及可供出售投資約3,840,000港元(2016年：460,000港元)計提撥備。

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Estimated Impairment of Investment Properties, Mining Rights, Property, Plant and Equipment, Intangible Assets and Available-for-sale Financial Assets Carried at Cost

The Group evaluates whether investment properties, mining rights, property, plant and equipment, intangible assets and available-for-sale investment carried at cost have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, in accordance with the accounting policy stated in Note 3. The recoverable amounts of CGUs represent the higher of the asset's fair value less costs to sell or its value-in-use. The calculations of fair value less costs to sell or value-in-use require the use of estimates. During the year, the Group did not provide any impairment for investment properties, mining rights and property, plant and equipment but provided approximately of HK$Nil for intangible assets (2016: HK$359,000) and HK$3,840,000 for available-for-sale investments (2016: HK$460,000).

(b) 投資物業、物業、廠房及設備、無形資產和採礦權的可使用年期的估計

本集團的管理層為其投資物業、採礦權、廠房及設備及無形資產釐定估計可使用年期及相關折舊／攤銷費用。此估計以相似性質及功能的投資物業、物業、廠房及設備及無形資產過往經驗的實際可使用年期及獨立技術顧問所釐定的礦產資源為基準，其可因科技創新及競爭者對市況作出反應而有很大差距。倘可使用年期較之前估計年期短，管理層將提高折舊／攤銷費用，或註銷或撇銷已棄置或出售的技術上過時或非策略性的資產。

本集團於截至2017年及2016年12月31日止年度內並無更改投資物業、物業、廠房及設備、無形資產以及採礦權之估計可使用年期。

(b) Estimated Useful Lives of Investment Properties, Property, Plant and Equipment, Intangible Assets and Mining Rights

The Group's management determines the estimated useful lives and related depreciation/amortisation charges for its investment properties, property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of investment properties, property, plant and equipment and intangible assets of similar nature and functions and the mineral reserve determined by independent technical adviser. It could change significantly as a result of technical innovations and competitor actions in response to market conditions. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

During the years ended 31 December 2017 and 2016, the Group did not change the estimated useful lives of investment properties, property, plant and equipment, intangible assets and mining rights.

(c) 估計存貨撥備及撇減存貨至可變現價值

本集團管理層於各報告期末按逐項貨品基準審閱存貨清單。管理層主要根據最近的發票價格及目前市況估計有關項目的可變現淨值。於本年度，本集團就存貨計提減值撥備約3,400,000港元(2016年：7,058,000港元)。

(c) Estimated Provision for Inventories and Write-down of Inventories to Net Realisable Value

The management of the Group reviews the inventories listing on a product-by-product basis at the end of the reporting period. The management estimates the net realisable value for such items based primarily on the latest invoice prices and current market conditions. During the year, the Group has provided approximately of HK$3,400,000 for impairment of inventories (2016: HK$7,058,000).

(d) 所得稅

本集團於多個司法權區均須繳納所得稅。若干交易及計算方法存在不明朗之最終稅項決定。本集團以額外稅項會否到期之估計就預期稅項事宜確認負債。倘該等事宜之最終稅務結果有別於首次記錄之金額，有關差額將於作出決定之期間影響當期及遞延稅項撥備。

(d) Income Tax

The Group is subject to income taxes in several jurisdictions. There are certain transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(e) 貿易及其他應收款項之減值

貿易及其他應收款項之減值乃根據持續評估未收回應收款項之估計可收回程度及賬齡分析，以及按管理層判斷釐定。本集團之收款不時會出現延誤。當貿易及其他應收款項之可收回性存疑而導致對其償付能力有所減損時，則需要進行撥備。若干應收款項可能會於最初時被確認為可收回，但其後可能無法收回及導致其後於綜合損益及其他全面收益表中將有關應收款項撇銷。倘未能為可收回性出現變化之貿易及其他應收款項作出撥備，則可能會對本集團之營運業績構成影響。於本年度，本集團就貿易及其他應收款項計提減值撥備約10,377,000港元(2016年：784,000港元)。

(e) Impairment of Trade and Other Receivables

The impairment of trade and other receivables are based on the ongoing evaluation of collectability and ageing analysis of the outstanding receivables and on management's judgment. From time to time, the Group may experience delays in collection. Where recoverability of trade and other receivables are called into doubts, resulting in an impairment of their ability to make payments, provision may be required. Certain receivables may be initially identified as collectable, yet subsequently become uncollectable and result in a subsequent write-off of the related receivables to the consolidated statement of profit or loss and other comprehensive income. Changes in the collectability of trade and other receivables for which provisions are not made could affect our results of operations. During the year, the Group has provided approximately of HK$10,377,000 for impairment on trade and other receivables (2016: HK$784,000).

(f) 商譽減值

本集團最少每年一次釐定商譽是否出現減值，須估計商譽獲分配之現金產生單位之使用價值。估計使用價值要求本集團對現金產生單位之預期未來現金流量作出估計，亦須選擇合適之貼現率以計算該等現金流量之現值。所採用之估計未來現金流量及／或貼現率變動將引致對以往作出之估計減值撥備進行調整。

於2017年12月31日的商譽賬面值為197,368,000港元，而截至2017年及2016年12月31日止年度並無確認商譽減值虧損。

(f) Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGUs to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

The carrying amount of goodwill as at 31 December 2017 was HK$197,368,000 and no impairment loss for goodwill was recognised during the year 31 December 2017 and 2016.

(g) 保證撥備

本集團就若干產品提供一至兩年保證，並對性能未如理想者予以維修及替換。釐定保證開支時需要大量判斷。本集團按過去24個月內所出售產品而產生之實際維修及替換成本估計保證開支。倘所產生保證開支與實際撥備不同，差額可能會對產生額外保證開支期間之損益造成影響。於本年度，本集團已就產品保證計提撥備約303,000港元(2016年：349,000港元)。

(g) Warranty Provision

The Group gives warranties of one to two years on certain products and undertakes to repair or replace items that fail to perform satisfactorily. Significant judgement is required when determining the warranty expenses. The Group estimates the warranty expenses based on the actual repair and item replacement costs incurred for the products sold in the last 24 months. Where the warranty expenses incurred are different from the original provision, the difference would impact on profit or loss in the period in which the additional warranty expenses are incurred. During the year, the Group had provided approximately HK$303,000 for product warranty provision (2016: HK$349,000).

(h) 開發成本

開發成本乃根據財務報表附註3研究及開發開支之會計政策撥充資本。於釐定將撥充資本之金額時，管理層需要作出與資產預期未來產生之現金、將應用之貼現率及預期利益期間相關之假設。

(h) Development Costs

Development costs are capitalised in accordance with the accounting policy for research and development expenditure in Note 3 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

5. 金融工具 / 5. Financial instruments

(a) 金融工具類別 / (a) Categories of Financial Instruments

		2017 千港元 HK$'000	2016 千港元 HK$'000
金融資產	**Financial assets**		
貸款及應收款項（包括銀行及現金結餘）	Loans and receivables (including bank and cash balances)	**1,556,228**	1,609,041
可供出售投資	Available-for-sale investments	**14,620**	77,472
按公允值計入損益的金融資產	Financial assets at fair value through profit or loss	**–**	10,415
		1,570,848	1,696,928
金融負債	**Financial liabilities**		
攤銷成本	Amortised cost	**3,248,141**	1,898,311
衍生金融負債	Derivative financial liabilities	**–**	32,600
		3,248,141	1,930,911

(b) 財務風險管理目標及政策

本集團的主要金融工具包括持作買賣投資、可供出售投資、貿易應收款項及應收票據、其他應收款項、應收合資公司款項、已抵押銀行存款、銀行及現金結餘、貿易應付款項及應付票據、應計費用及其他應付款項、借款及可換股債券。金融工具詳情於個別附註披露。與該等金融工具有關的風險包括外匯風險、利率風險、其他價格風險、信貸風險及流動資金風險。以下載列如何緩和該等風險的政策。本集團的整體風險管理計劃著重於不可預測的金融市場和尋求最大程度地降低本集團財務表現所遭受的潛在不利風險。

(b) Financial Risk Management Objectives and Policies

The Group's major financial instruments include investments held for trading, available-for-sale investments, trade and bills receivables, other receivables, amount due from a joint ventures, pledged bank deposits, bank and cash balances, trade and bills payables, accruals and other payables, borrowings and exchangeable bonds. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include foreign exchange risk, interest rate risk, other price risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Group's overall risk management programme focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) 外匯風險

鑑於本集團大部份業務交易、資產及負債主要以各附屬公司的功能貨幣計值，故此並沒有承受巨大的外匯風險。本集團目前並無就外幣交易、資產及負債訂立外匯對沖政策。本集團將密切監測其外匯風險，並在需要時考慮對沖重大外幣風險。

(i) Foreign Exchange Risk

The Group does not have significant exposures to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective subsidiaries. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency hedging significant foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) 利率風險

本集團須面對有關已抵押銀行存款、銀行及現金結餘及借款之公允值利率風險(詳情分別參閱附註32及35)。

敏感度分析

倘若於2017年12月31日之已抵押銀行存款、銀行及現金結餘及借貸利率較實際利率上升／下降10個基點(年利率0.1%)(2016年：10個基點)，本集團的年度溢利將因已抵押銀行存款、銀行及現金結餘及借款的公允值上升／下降而增加／減少 約862,000港 元(2016年：399,000港元)。

由於管理層認為本集團面臨的上述公允值利率風險並非重大，因此於年內管理層並無採取息率掉期或其他對沖措施。

本集團亦須面對有關按當前市場比率計值之銀行結餘之現金流利率風險。然而，由於銀行結餘全部均為短期性質，因此本集團面對之風險屬輕微。

(ii) Interest Rate Risk

The Group is exposed to fair value interest rate risk in relation to pledged bank deposits, bank and cash balances and borrowings (see Notes 32 and 35 respectively for details).

Sensitivity Analysis

If interest rates on pledged bank deposits, bank and cash balances and borrowings as at 31 December 2017 had been 10 basis points (0.1% per annum) (2016: 10 basis points) higher/lower than the actual effective interest rate, the Group's profit for the year would have been approximately HK$862,000 (2016: HK$399,000) higher/lower as a result of a increase/decrease in fair value of pledged bank deposits, bank and cash balances and borrowings.

As management considers the Group's exposure to the above fair value interest rate risk is not significant, no interest-rate swaps or other hedging activities are undertaken by management during the year.

The Group is also exposed to cash flow interest rate risk in relation to bank balances carried at prevailing market rate. However, such exposure is minimal to the Group as the bank balances are all short-term in nature.

(iii) 其他價格風險

本集團透過其於上市股本證券及上市債券投資承受價格風險。管理層透過維持不同風險投資組合以管理此風險。本集團其他價格風險主要集中於在中國及澳洲上市之股本工具及上市債券投資。

敏感度分析

以下敏感度分析根據報告日須面對之股本價格風險釐定。

倘各工具之價格上升／下降10%(2016年：10%)，本集團之年度溢利將增加／減少約零港元(2016年：1,042,000港元)，反映持作買賣投資之公允值之變動。

倘各自股本工具之價格上升／下降10%(2016年：10%)，本集團之其他全面收入總額將增加／減少約1,162,000港元(2016年：4,839,000港元)，反映可供出售投資之公允值變動。

(iii) Other Price Risk

The Group is exposed to equity price risk through its investments in listed equity securities and listed debt investments. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's other price risk is mainly concentrated on equity instruments listed in the PRC and Australia and on listed debt investments.

Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective equity instruments has been 10% (2016: 10%) higher/lower, the Group's profit for the year would increase/decrease by approximately HK$Nil (2016: HK$1,042,000) as a result of the changes in fair value of investments held for trading.

If the prices of respective instruments has been 10% (2016: 10%) higher/lower, the Group's other comprehensive income would increase/decrease by approximately HK$1,162,000 (2016: HK$4,839,000) as a result of the changes in fair value of available-for-sale investment.

(iv) 信貸風險

茲因交易對方未能履行於報告期末就各類已確認金融資產的責任，本集團須承受的最高信貸風險為於綜合財務狀況表列賬之該等資產的賬面值。

本集團僅與認可及信貸記錄良好的第三方進行交易。本集團的政策是所有欲以信貸期作交易的客戶須參與信貸驗證程序。此外，本集團會持續監察應收結餘。

就本集團其他金融資產(包括現金及等同現金項目)所產生之信貸風險而言，本集團因對方拖欠還款而須面對的信貸風險有限，此乃由於對方擁有良好信貸評級，而本集團預期不會因該等實體的未分配墊款／按金而引起重大損失。

本集團並無高度集中的信貸風險。本集團訂有既定政策確保向具有良好信貸記錄的客戶銷售產品。本集團的銀行存款及存放於金融機構之存款均存放於無重大信貸風險的優質金融機構。

由於有關金融機構並無拖欠付款記錄，故董事認為本集團存放於銀行及金融機構的存款不會存在重大信貸風險。

(iv) Credit Risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

With respect to credit risk arising from the other financial assets of the Group which comprise cash and cash equivalents, the Group's exposure to credit risk arising from default of the counterparties is limited as the counterparties have good credit standing and the Group does not expect to incur significant loss for unallocated advances/deposits from these entities.

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of goods are made to customers with an appropriate credit history. The Group's deposits with bank and deposits placed with financial institutions are placed in high quality financial institutions without significant exposure to credit risk.

The directors consider that there is no significant credit risk in respect of the Group's deposits with banks and deposits placed with financial institutions as the financial institutions have no record of default payment.

(v) 流動資金風險

本集團奉行審慎的流動資金風險管理，即意味著維持足夠現金及有價證券、透過款額充裕的信貸融資以維持可供動用資金，以及結算市場頭寸的能力。本集團致力保持可供動用的足夠信貸額度，藉以維持資金供應的靈活性。

下表顯示本集團將以淨額基準結算的金融負債，此乃按照相關的到期組別，根據由報告期末至合約到期日的剩餘時間進行分析。表內所披露的金額為合約性未折現的現金流量。由於折現的影響並不重大，因此在12個月內到期的結餘確認相等於其賬面值。

(v) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping adequate facilities available.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months upon recognition equal their carrying balances, as the impact of discounting is not significant.

2017年 **2017**

		加權平均實際利率 Weighted average effective interest rate %	未貼現現金流 Undiscounted cashflow 一年以下 Less than 1 year 千港元 HK$'000	一年以上 Over 1 year 千港元 HK$'000	總額 Total undiscounted cash flows 千港元 HK$'000	賬面值 Carrying amount 千港元 HK$'000
貿易應付款項及應付票據	Trade and bill payables	-	633,838	-	633,838	633,838
應計費用及其他應付款項	Accruals and other payables	-	327,483	239,650	567,133	567,133
借貸	Borrowings	5.75	726,954	1,230,377	1,957,331	1,819,185
可轉換債券	Exchangeable bonds	18.04	99,657	188,023	287,680	227,985
			1,787,932	1,658,050	3,445,982	3,248,141

2016年 2016

		加權平均實際利率 Weighted average effective interest rate %	未貼現現金流 Undiscounted cashflow 一年以下 Less than 1 year 千港元 HK$'000	一年以上 Over 1 year 千港元 HK$'000	總額 Total undiscounted cash flows 千港元 HK$'000	賬面值 Carrying amount 千港元 HK$'000
貿易應付款項	Trade payables	-	83,230	-	83,230	83,230
應計費用及其他應付款項	Accruals and other payables	-	153,455	121,000	274,455	274,455
借貸	Borrowings	5.97	360,927	1,067,111	1,428,038	1,332,122
可轉換債券	Exchangeable bonds	18.04	18,560	287,680	306,240	208,504
			616,172	1,475,791	2,091,963	1,898,311

(c) 公允值計量

本附註提供資料説明本集團為各項金融資產及金融負債釐定公允值的方法。

(i) *根據經常性基準按公允值計量的本集團金融資產及金融負債的公允值*

本集團部份金融資產及金融負債於各報告期末按公允值計量。下表所載資料説明如何釐定該等金融資產及金融負債的公允值(尤其是所用估值技術及輸入數據)。

(c) Fair Value Measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) *Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis*

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

金融資產 Financial assets	於以下日期的公允值 Fair value as at 2017年12月31日 31 December 2017	2016年12月31日 31 December 2016	公允值級別 Fair value hierarchy	估值方法及主要輸入數據 Valuation techniques and key inputs
1) 持作買賣的非衍生金融資產(附註30) Held for trading non-derivative financial assets (Note 30)	於中國的上市股本證券：零港元 Listed equity securities in the PRC: HK$Nil	於中國的上市股本證券：10,415,000港元 Listed equity securities in the PRC: HK$10,415,000	第1類 Level 1	活躍市場所報買入價 Quoted bid prices in an active market
2) 可供出售投資(附註26) Available-for-sale investments (Note 26)	(i) 於香港境外的上市股本證券：11,620,000港元 Listed equity securities outside Hong Kong: HK$11,620,000	於香港境外的上市股本證券：5,571,000港元 Listed equity securities outside Hong Kong: HK$5,571,000	第1類 Level 1	活躍市場所報買入價 Quoted bid prices in an active market
	(ii) 於香港上市的債務工具：零港元 Listed debt instruments in Hong Kong: HK$Nil	於香港上市的債務工具：42,816,000港元 Listed debt instruments in Hong Kong: HK$42,816,000	第1類 Level 1	活躍市場所報買入價 Quoted bid prices in an active market
	(iii) 國內非上市債務工具：零港元 Unlisted debt instruments in PRC: HK$Nil	國內非上市債務工具：22,245,000港元 Unlisted debt instruments in PRC: HK$22,245,000	第1類 Level 1	活躍市場所報買入價 Quoted bid prices in an active market
3) 衍生金融負債(附註37) Derivative financial liabilities (Note 37)	負債：零港元 Liabilities: HK$Nil	負債：32,600,000港元 Liabilities: HK$32,600,000	第2類 Level 2	二項式期權定價模式 Binomial Option Pricing Model

兩個年度內並無在第1類、第2類及第3類之間的轉移。

There were no transfers between Levels 1, 2 and 3 in both years.

(ii) 並非根據經常性基準按公允值計量的本集團金融資產及金融負債的公允值

董事認為，於綜合財務報表確認的金融資產及金融負債的賬面值與其公允值相若，惟本集團賬面值約為227,985,000港元的可轉換債券與其公允值相若除外。

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

Except the Group's exchangeable bonds with carrying amount of approximately HK$227,985,000 which is approximate to its fair value, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximately their fair values.

		於2017年12月31日的公允值級別 Fair value hierarchy as at 31 December 2017			
		第1類 Level 1 千港元 HK$'000	第2類 Level 2 千港元 HK$'000	第3類 Level 3 千港元 HK$'000	總計 Total 千港元 HK$'000
金融資產	**Financial asset**				
可供出售投資	**Available-for-sale investment**				
上市股本證券	Listed equity securities	**11,620**	**–**	**–**	**11,620**

		於2016年12月31日的公允值級別 Fair value hierarchy as at 31 December 2016			
		第1類 Level 1 千港元 HK$'000	第2類 Level 2 千港元 HK$'000	第3類 Level 3 千港元 HK$'000	總計 Total 千港元 HK$'000
金融資產	**Financial asset**				
持作買賣投資	Investments held for trading	10,415	–	–	10,415
可供出售投資	**Available-for-sale investments**				
上市股本證券	Listed equity securities	5,571	–	–	5,571
上市債務工具	Listed debt instruments	42,816	–	–	42,816
非上市債務工具	Unlisted debt instruments	22,245	–	–	22,245
總計	Total	81,047	–	–	81,047
金融負債	**Financial liability**				
衍生金融負債	Derivative financial liabilities	–	32,600	–	32,600

包含在上述第2類的金融資產的公允值按公認定價模式之二項式期權定價模式釐定。其最重要的輸入數據為股價、波幅、屆滿時間、轉換價及股息率。

The fair values of the financial assets included in the level 2 above have been determined in accordance with generally accepted pricing models based on a Binominal Option Pricing Model, with the most significant inputs being the share price, volatility, time to maturity, conversion price and dividend yield.

6. 資金風險管理

本集團的資金管理目標是保障本集團能繼續營運的能力，藉以為股東和其他股東提供回報，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股息數額、向股東分派的資本退還、發行新股或出售資產以減低債務。

本集團利用負債比率監察其資本。此比率按照借貸總值除以資產總值計算。資產總值已列於綜合財務狀況表內。

截至2017年12月31日止年度，本集團的策略為將負債比率維持在50%內。於2017年及2016年12月31日的負債比率如下：

6. Capital Risk Management

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 shareholders 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 dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total assets as shown in the consolidated statement of financial position.

During the year ended 31 December 2017, the Group's strategy is to maintain a gearing ratio within 50%. The gearing ratios at 31 December 2017 and 2016 were as follows:

		2017 **千港元** **HK$'000**	2016 千港元 HK$'000
借貸總額	Total borrowings	**2,047,170**	1,540,626
資產總值	Total assets	**7,502,278**	5,246,469
負債比率	Gearing ratio	**27.3%**	29.4%

7. 收入

本集團主要從事農業肥料業務、金屬鎂產品業務、煉鋼熔劑業務及電子產品業務。本集團於年內之收入分析如下：

7. Revenue

The Group is principally engaged in fertiliser business, magnesium product business, metallurgical flux business and electronic product business. An analysis of the Group's revenue for the year is as follows:

		2017 千港元 **HK$'000**	2016 千港元 HK$'000
銷售農業肥料產品	Sales of fertiliser products	**2,225,499**	1,399,088
銷售金屬鎂產品	Sales of magnesium products	**1,158,248**	910,984
銷售煉鋼熔劑產品	Sales of metallurgical flux products	**59,472**	47,494
銷售電子產品	Sales of electronic products	**329,071**	231,655
		3,772,290	2,589,221

8. 分部資料

就資源調配及分部表現評估向本公司行政總裁(主要營運決策者)報告之資料側重於經營類別。本集團根據香港財務報告準則第8號經營及申報的分部如下：

- 農業肥料業務
- 金屬鎂產品業務
- 煉鋼熔劑業務
- 電子產品業務

有關本集團之可報告分部資料於下文呈報。

8. Segment Information

Information reported to the Company's Chief Executive Officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the operating divisions. The Group's operating and reportable segments under HKFRS 8 are therefore as follows:

- Fertiliser business
- Magnesium product business
- Metallurgical flux business
- Electronic product business

Information regarding the Group's reportable segments is presented below.

分部收入及業績

本集團按可報告分部之收入及業績分析如下。

截至2017年12月31日止年度：

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 December 2017:

		農業肥料業務 Fertiliser business 千港元 HK$'000	金屬鎂產品業務 Magnesium product business 千港元 HK$'000	煉鋼熔劑業務 Metallurgical flux business 千港元 HK$'000	電子產品業務 Electronic product business 千港元 HK$'000	合計 Total 千港元 HK$'000
分部收入	Segment revenue	2,225,499	1,173,649	74,130	329,071	3,802,349
分部間收入	Inter-segment revenue	-	(15,401)	(14,658)	-	(30,059)
來自外部客戶的收入	Revenue from external customers	2,225,499	1,158,248	59,472	329,071	3,772,290
分部業績	Segment results	409,672	271,508	31,149	9,755	722,084
其他淨收入	Other income, net					93,092
中央行政費用	Central administrative costs					(258,852)
應佔合資公司溢利及虧損	Share of profit and losses of joint ventures					1,087
應佔一間聯營公司溢利	Share of profit of an associate					1
財務費用	Finance costs					(151,486)
除所得稅前溢利	Profit before income tax					405,926

截至2016年12月31日止年度： For the year ended 31 December 2016:

		農業肥料業務 Fertiliser business 千港元 HK$'000	金屬鎂產品業務 Magnesium product business 千港元 HK$'000	煉鋼熔劑業務 Metallurgical flux business 千港元 HK$'000	電子產品業務 Electronic product business 千港元 HK$'000	合計 Total 千港元 HK$'000
分部收入	Segment revenue	1,399,088	910,984	62,882	231,655	2,604,609
分部間收入	Inter-segment revenue	–	–	(15,388)	–	(15,388)
來自外部客戶的收入	Revenue from external customers	1,399,088	910,984	47,494	231,655	2,589,221
分部業績	Segment results	351,118	263,112	22,773	(12,632)	624,371
其他淨收入	Other income, net					51,010
中央行政費用	Central administrative costs					(102,620)
應佔合資公司溢利及虧損	Share of profit and losses of joint ventures					1,695
應佔一間聯營公司虧損	Share of loss of an associate					(1)
財務費用	Finance costs					(117,564)
除所得稅前溢利	Profit before income tax					456,891

上文呈列之分部收入，乃代表外部客戶所產生之收入。分部間交易均按公平基準訂立。

可報告分部之會計政策與本集團會計政策相同。分部業績指於並無分配中央行政費用(包括董事薪酬、若干其他淨收入，包括議價收購收益、出售一間附屬公司之收益、於一間合資公司之投資減值、應佔一間聯營公司及合資公司之溢利及虧損、財務費用及所得稅開支)情況下各分部之業績。此為向主要營運決策者報告以供其調配資源及評估分部表現之方式。

Segment revenue reported above represents revenue generated from external customers. Inter-segment transactions are entered into at arm's length.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of central administrative costs including directors' emoluments, certain other net income, including gain on bargain purchase, gain on disposal of a subsidiary, impairment of investment in a joint venture, share of profit and loss of an associate and joint ventures, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

分部資產及負債

於2017年12月31日之分部資產及負債和截至該日止年度按可報告分部之資本開支如下：

Segment Assets and Liabilities

The segment assets and liabilities as at 31 December 2017 and capital expenditure for the year then ended by reportable segments are as follows:

		農業肥料業務 Fertiliser business 千港元 HK$'000	金屬鎂產品業務 Magnesium product business 千港元 HK$'000	煉鋼熔劑業務 Metallurgical flux business 千港元 HK$'000	電子產品業務 Electronic product business 千港元 HK$'000	分部合計 Total segment 千港元 HK$'000	未分配 Unallocated 千港元 HK$'000	合計 Total 千港元 HK$'000
分部資產	Segment assets	**3,122,241**	**2,302,379**	**671,107**	**236,373**	**6,332,100**	**1,170,178**	**7,502,278**
分部負債	Segment liabilities	**1,625,914**	**507,777**	**164,833**	**229,676**	**2,528,200**	**1,320,650**	**3,848,850**
資本開支	Capital expenditure	**630,830**	**268,245**	**9,799**	**2,514**	**911,388**	**61,807**	**973,195**

於2016年12月31日之分部資產及負債和截至該日止年度按可報告分部之資本開支如下：

The segment assets and liabilities as at 31 December 2016 and capital expenditure for the year then ended by reportable segments are as follows:

		農業肥料業務 Fertiliser business 千港元 HK$'000	金屬鎂產品業務 Magnesium product business 千港元 HK$'000	煉鋼熔劑業務 Metallurgical flux business 千港元 HK$'000	電子產品業務 Electronic product business 千港元 HK$'000	分部合計 Total segment 千港元 HK$'000	未分配 Unallocated 千港元 HK$'000	合計 Total 千港元 HK$'000
分部資產	Segment assets	1,331,615	1,899,550	645,179	198,233	4,074,577	1,171,892	5,246,469
分部負債	Segment liabilities	384,707	466,808	154,745	212,809	1,219,069	972,934	2,192,003
資本開支	Capital expenditure	402,934	86,573	11,019	908	501,434	30,656	532,090

為達成監察分部表現及於分部間調配資源之目標：

— 除分類為持作出售的資產、持作買賣投資、銀行及現金結餘和其他企業使用資產，包括物業、廠房及設備和其他應收款項外，所有資產均分配至可報告分部；

— 除衍生金融負債、可轉換債券、企業用途之借貸及若干其他應付款項外，所有負債均分配至可報告分部。

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to reportable segments other than asset classified as held for sale, investments held for trading, bank and cash balances and other assets for corporate use which including property, plant and equipment and other receivables;

– all liabilities are allocated to reportable segments other than derivative financial liabilities, exchangeable bonds, borrowings for corporate use and certain other payables.

其他分部資料
截至2017年12月31日止年度：

Other Segment Information
For the year ended 31 December 2017:

		農業肥料業務 Fertiliser business 千港元 HK$'000	金屬鎂產品業務 Magnesium product business 千港元 HK$'000	煉鋼熔劑業務 Metallurgical flux business 千港元 HK$'000	電子產品業務 Electronic product business 千港元 HK$'000	未分配 Unallocated 千港元 HK$'000	合計 Total 千港元 HK$'000
物業、廠房及設備和投資物業折舊	Depreciation of property, plant and equipment and investment properties	77,171	37,096	9,800	4,318	5,416	133,801
土地使用權、採礦權及無形資產攤銷	Amortisation of land use rights, mining rights and intangible assets	7,017	6,265	1,980	475	12,739	28,476
存貨撥備	Provision for inventories	-	-	-	3,400	-	3,400
產品保證撥備	Product warranty provision	-	-	-	303	-	303
可供出售投資減值	Impairment of an available-for-sale investment	-	-	-	3,840	-	3,840
撥回貿易應收款項減值及撇賬	Reversal of impairment and written off of trade receivables	-	-	-	(102)	-	(102)
貿易應收款項減值	Impairment of trade receivables	8,842	-	-	532	-	9,374
其他應收款項減值（附註29）	Impairment of other receivables (notes 29)	1,003	-	-	-	-	1,003
出售物業、廠房及設備及土地使用權的虧損／(收益)	Loss/(gain) on disposal of property, plant and equipment and land use right	122	-	(83)	(2,693)	(244)	(2,898)
持作買賣投資的已變現及未變現收益淨額	Net realised and unrealised gain on nvestments held for trading	-	-	-	-	(85)	(85)
所得稅開支	Income tax expenses	84,813	55,253	4,164	12	62	144,304

截至2016年12月31日止年度： For the year ended 31 December 2016:

		農業肥料業務 Fertiliser business 千港元 HK$'000	金屬鎂產品業務 Magnesium product business 千港元 HK$'000	煉鋼熔劑業務 Metallurgical flux business 千港元 HK$'000	電子產品業務 Electronic product business 千港元 HK$'000	未分配 Unallocated 千港元 HK$'000	合計 Total 千港元 HK$'000
物業、廠房及設備和投資物業折舊	Depreciation of property, plant and equipment and investment properties	58,697	30,154	11,495	7,146	5,568	113,060
土地使用權、採礦權及無形資產攤銷	Amortisation of land use rights, mining rights and intangible assets	824	2,988	2,062	879	9,565	16,318
遞延開發成本減值	Impairment of development costs	–	–	–	359	–	359
存貨撥備	Provision for inventories	–	–	–	7,058	–	7,058
產品保證撥備	Product warranty provision	–	–	–	349	–	349
撥回未動用產品保證撥備	Reversal of unutilised product warranty provision	–	–	–	(72)	–	(72)
可供出售投資減值	Impairment of an available-for-sale investment	–	–	–	–	460	460
撥回其他應收款項撇賬	Reversal of written off of other receivables	–	–	–	(5,495)	–	(5,495)
撥回貿易應收款項減值及撇賬	Reversal of impairment and written off of trade receivables	–	(279)	–	–	–	(279)
貿易應收款項減值	Impairment of trade receivables	–	192	–	592	–	784
出售物業、廠房及設備的(收益)／虧損	(Gain)/loss on disposal of property, plant and equipment	(225)	–	62	(89)	(5)	(257)
持作買賣投資的已變現及未變現收益淨額	Net realised and unrealised gain on investments held for trading	–	–	–	–	(8,791)	(8,791)
長齡應計款項撥回	Write-back of long-aged accruals	–	(3,059)	–	–	–	(3,059)
所得稅開支	Income tax expenses	81,837	56,790	4,812	(27)	427	143,839

地區資料

截至2017年及2016年12月31日止年度，本集團主要於中國營運及本集團主要收入均來自中國，而於2017年12月31日及2016年12月31日，本集團大部份非流動資產均位於中國。概無披露本集團按地區劃分的業績及資產分析。

Geographical Information

During the years ended 31 December 2017 and 2016, the Group mainly operated in the PRC and most of the Group's revenue are derived from the PRC and most of non–current assets of the Group are located in the PRC as at 31 December 2017 and 31 December 2016. No analysis of the Group's result and assets by geographical area is disclosed.

主要客戶資料

由於截至2017年及2016年12月31日止年度並無對任何單一客戶之銷售超過本集團總收入之10%，因此並無有關主要客戶的資料呈列。

Information about Major Customers

No information about major customers is presented as no single customer contributed over 10% of the total revenue of the Group during the years ended 31 December 2017 and 2016.

9. 其他收益或虧損淨額 / 9. Other Gains or Losses, Net

		2017 千港元 HK$'000	2016 千港元 HK$'000
利息收入	Interest income	**11,329**	23,970
股息收入	Dividend income	**26**	769
出售可供出售投資收益	Gain on disposal of available–for–sale investments	**593**	2,848
出售物業、廠房及設備及土地使用權的收益	Gain on disposal of property, plant and equipment and land use right	**2,898**	257
政府補助	Government subsidy	**468**	2,198
金融衍生工具公允值變動（附註37）	Change in fair value of financial derivatives (Note 37)	**32,600**	(487)
可供出售投資減值	Impairment of an available-for-sale investment	**(3,840)**	(460)
銷售廢料	Sale of scrap materials	**20,660**	14,056
服務費收入	Service fee income	**1,982**	3,729
雜項收入	Sundry income	**14,230**	7,070
		80,946	53,950

10. 財務費用 10. Finance Costs

		2017 千港元 HK$'000	2016 千港元 HK$'000
可換股債券之利息開支	Interest expenses on convertible bonds	–	13,408
上市後償票據之利息開支	Interest expenses on listed subordinated notes	54,745	55,986
可轉換債券利息開支	Interest expenses on exchangeable bonds	38,041	23,375
須於五年內全數償還之借貸的利息	Interest on borrowings wholly repayable within five years	58,700	24,795
須於五年後全數償還之借貸的利息	Interest on borrowings wholly repayable after five years	7,745	9,083
借貸成本總額	Total borrowing costs	159,231	126,647
減：已於合資格資產成本資本化之金額	Less: amount capitalised in the cost of qualifying assets	(7,745)	(9,083)
		151,486	117,564

借入資金之加權平均資本化比率為每年5.57%（2016年：每年5.55%）。

The weighted average capitalisation rate of fund borrowed generally is 5.57% per annum (2016: 5.55% per annum).

11. 所得稅開支

於綜合損益及其他全面收益表內扣除／(計入)的所得稅開支數額指：

11. Income Tax Expense

The amount of income tax expense charged/(credited) to the consolidated statement of profit or loss and other comprehensive income represents:

		2017 千港元 HK$'000	2016 千港元 HK$'000
即期稅項：	Current tax:		
－香港利得稅	– Hong Kong Profits Tax	–	–
－中國企業所得稅	– PRC Enterprises Income Tax	145,740	146,287
－其他	– Others	12	22
		145,752	146,309
遞延稅項(附註40)	Deferred taxation (Note 40)	(1,448)	(2,470)
		144,304	143,839

(a) 香港利得稅

香港利得稅乃按截至2017年及2016年12月31日止年度之估計應課稅溢利之16.5%計算。由於在香港並無產生應課稅溢利，故截至2017年12月31日止年度毋須支付任何稅項(2016年：零港元)。

(b) 中國企業所得稅

中國企業所得稅乃按截至2017年及2016年12月31日止年度之估計應課稅溢利之25%計算。

(c) 海外所得稅

本公司乃根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，並據此獲豁免繳納開曼群島所得稅。本公司於英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法註冊成立，並獲豁免繳納英屬處女群島所得稅。

(a) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the years ended 31 December 2017 and 2016. No tax is payable for the year ended 31 December 2017 (2016: HK$Nil) since there was no assessable profit generated in Hong Kong.

(b) The PRC Enterprise Income Tax

The PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits arising in the PRC for the years ended 31 December 2017 and 2016.

(c) Overseas Income Tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and, are exempted from British Virgin Islands income tax.

本集團的除所得稅前溢利與以中國企業的標準稅率25%計算的理論數額的差別如下：

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using a tax rate of 25%, the standard income tax rate of the PRC enterprises, as follows:

		2017 千港元 HK$'000	%	2016 千港元 HK$'000	%
除所得稅前溢利	Profit before income tax	**405,926**		456,891	
按適用所得稅稅率25%（2016年：25%）計算的稅項支出	Tax charge at applicable income tax rate of 25% (2016: 25%)	**101,481**	**25.0**	114,223	25.0
於其他司法權區經營的附屬公司的不同稅率之影響	Effect of different tax rates of subsidiaries operating in other jurisdictions	**7,577**	**1.9**	6,613	1.4
毋須課稅的收入之稅務影響	Tax effect of income not taxable for tax purpose	**(18,173)**	**(4.5)**	(4,781)	(1.0)
應佔合資公司溢利	Share of profits of joint ventures	**(179)**	**(0.1)**	(280)	(0.1)
不可扣稅之稅項開支之稅務影響	Tax effect of expenses not deductible for tax purpose	**28,873**	**7.1**	19,955	4.4
使用先前未確認之稅務虧損	Utilisation of previous unrecognised tax losses	**(5,440)**	**(1.3)**	(3,845)	(0.8)
未確認之估計稅項虧損的稅務影響	Tax effect of estimated tax losses not recognised	**30,165**	**7.4**	11,954	2.6
所得稅開支	Income tax expense	**144,304**	**35.5**	143,839	31.4

於2017年12月31日，本集團未確認稅項虧損約765,548,000港元(2016年：737,214,000港元)可結轉以抵銷未來應課稅溢利。約270,955,000港元(2016年：266,561,000港元)之稅項虧損將於與其有關之評估年度起計五年後到期，而約494,593,000港元(2016年：470,653,000港元)之稅項虧損則可無限期結轉。由於認為未必有日後之應課稅溢利可與未動用的稅項虧損對銷，故該等稅項虧損之遞延稅項收益並未確認。

As at 31 December 2017, the Group has unrecognised tax losses of approximately HK$765,548,000 (2016: HK$737,214,000), which can be carried forward to offset future taxable profit. Tax losses of approximately HK$270,955,000 (2016: HK$266,561,000) will expire after five years from the year of assessment they relate to while tax losses of approximately HK$494,593,000 (2016: HK$470,653,000) can be carried forward indefinitely. The deferred tax benefit of such tax losses has not been recognised as it is not considered probable that future taxable profit will be available to utilise the unused tax losses.

12. 年內溢利

年內溢利已扣除／(抵免)下列費用：

12. Profit for the Year

Profit for the year has been arrived at after charging/(crediting):

		2017 千港元 HK$'000	2016 千港元 HK$'000
工資及薪金	Wages and salaries	**287,856**	188,443
授予董事及僱員之購股權	Share options granted to directors and employees	**309**	1,075
支付定額供款退休計劃款項	Payment to defined contribution retirement plans	**14,445**	8,816
總員工成本(包括董事薪酬)	Total staff costs (including directors' emoluments)	**302,610**	198,334
核數師薪酬	Auditors' remuneration		
審核及審核相關工作	Audit and audit related work		
－國衛會計師事務所有限公司	– HLB Hodgson Impey Cheng Limited	**4,387**	3,573
－其他核數師	– other auditor	**–**	1,700
非審核工作	Non-audit work		
－國衛會計師事務所有限公司	– HLB Hodgson Impey Cheng Limited	**184**	184
折舊及攤銷	Depreciation and amortisation	**162,277**	129,378
出售物業、廠房及設備及土地使用權之收益淨額	Net gain on disposal of property, plant and equipment and land use right	**(2,898)**	(257)
持作買賣投資的已變現收益	Realised and unrealised gain on investments held for trading	**(85)**	(9,568)
持作買賣投資的未變現虧損	Unrealised loss on investments held for trading	**–**	777
確認為開支之存貨成本	Cost of inventories recognised as an expense	**2,605,228**	1,616,840
土地及樓宇之經營租約租金	Operating lease rentals in respect of land and buildings	**7,539**	7,495
開發成本減值	Impairment of development costs	**–**	359
存貨撥備	Provision for inventories	**3,400**	7,058
產品保證撥備	Product warranty provision	**303**	349
長齡應計款項撥回	Write-back of long-aged accruals	**–**	(3,059)
撥回未動用保證撥備	Reversal of unutilised warranty provision	**–**	(72)
撥回貿易應收款項減值及撇賬	Reversal of impairment of and written off of trade receivables	**(102)**	(279)
貿易應收款項減值	Impairment of trade receivables	**9,374**	784
其他應收款項減值	Impairment of other receivables	**1,003**	–
撥回其他應收款項撇賬	Reversal of written off of other receivables	**–**	(5,495)
可供出售投資減值	Impairment of an available-for-sale investment	**3,840**	460
研發開支：	Research and development expenses:		
已攤銷開發成本	Development costs amortised	**–**	397
開發成本減值	Impairment of development costs	**–**	359
本年度支出	Current year expenditure	**16,690**	19,342

附註：

(a) 中國規則及法例訂明，本集團為其中國僱員向一項由政府營辦的退休計劃供款，該計劃屬於定額供款計劃。根據當地政府的規定，本集團按僱員薪金約14%向該計劃供款，並且除年度供款之外，本集團概無日後實際支付養老金或退休後福利之責任。該項由政府營辦的退休計劃負責退休僱員的全部養老金責任。

本集團已為其香港僱員安排強積金計劃。強積金計劃屬於定額供款計劃，由獨立信託人管理。根據強積金計劃，本集團及其香港僱員須各自根據強制性公積金條例按僱員收入之5%按月向該計劃供款。自2014年6月1日起，本集團及僱員供款之上限為每月1,500港元。

截至2017年12月31日止年度，本集團向上述養老金計劃作出的供款總額約14,445,000港元(2016年：8,816,000港元)。於2017年12月31日，本集團並無權利獲得任何沒收供款可用於減少本集團未來的供款(2016年：零港元)。

note:

(a) As stipulated by rules and regulations in the PRC, the Group contributes to a state-sponsored retirement plan for its employees in the PRC, which is a defined contribution plan. The Group contributes approximately 14% of the employees' salary as specified by the local government, and the Group has no future obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plan is responsible for the entire pension obligations to retired employees.

The Group has arranged for its Hong Kong employees to join the MPF Scheme, a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Since 1 June 2014, both the Group's and the employees' contributions are subject to a cap of HK$1,500 per month.

During the year ended 31 December 2017, the aggregate amount of the Group's contributions to the aforementioned pension schemes was approximately HK$14,445,000 (2016: HK$8,816,000). As at 31 December 2017, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions (2016: HK$Nil).

13. 董事、主要行政人員及僱員薪酬及最高薪酬人士

13. Directors', Chief Executives' and Employees' Emoluments and Individuals with Highest Emoluments

(a) 董事薪酬

截至2017年12月31日止年度各董事之薪酬載列如下：

(a) Directors' Emoluments

The emoluments of each director for the year ended 31 December 2017 is set below:

		袍金 Fees 千港元 HK$'000	薪金 Salaries 千港元 HK$'000	購股權 Share options 千港元 HK$'000	僱主的退休金計劃供款 Employer's contribution to pension scheme 千港元 HK$'000	合計 Total 千港元 HK$'000
執行董事	**Executive directors**					
池文富*(主席)*	Chi Wen Fu *(Chairman)*	–	1,380	–	18	1,398
沈世捷*(行政總裁)*	Shum Sai Chit *(CEO)*	–	996	–	18	1,014
池碧芬	Chi Bi Fen	–	996	–	18	1,014
非執行董事	**Non-executive director**					
郭孟勇	Guo Mengyong	35	–	–	–	35
獨立非執行董事	**Independent non-executive directors**					
鄺炳文	Kwong Ping Man	75	–	–	–	75
盛洪	Sheng Hong	35	–	–	–	35
劉智傑	Lau Chi Kit	240	–	45	–	285
		385	3,372	45	54	3,856

截至2016年12月31日止年度各董事之薪酬載列如下：

The emoluments of each director for the year ended 31 December 2016 is set below:

		袍金 Fees 千港元 HK$'000	薪金 Salaries 千港元 HK$'000	購股權 Share options 千港元 HK$'000	僱主的退休金計劃供款 Employer's contribution to pension scheme 千港元 HK$'000	合計 Total 千港元 HK$'000
執行董事	**Executive directors**					
池文富*(主席)*	Chi Wen Fu *(Chairman)*	–	1,300	15	18	1,333
沈世捷*(行政總裁)*	Shum Sai Chit *(CEO)*	–	650	12	18	680
池碧芬	Chi Bi Fen	–	650	12	18	680
楊玉川[1]	Yang Yuchuan[1]	–	380	275	10	665
非執行董事	**Non-executive director**					
郭孟勇	Guo Mengyong	35	–	4	–	39
獨立非執行董事	**Independent non-executive directors**					
鄺炳文	Kwong Ping Man	75	–	4	–	79
盛洪	Sheng Hong	35	–	4	–	39
劉智傑	Lau Chi Kit	240	–	144	–	384
		385	2,980	470	64	3,899

1. 已於2016年8月4日辭任。

1. Resigned on 4 August 2016.

(b) 五位最高薪酬人士

於年內，本集團五位最高薪酬人士包括1位(2016年：1位)本公司董事，有關董事酬金的分析已於上文披露。年內應付予餘下之4位(2016年：4位)人士之酬金如下：

(b) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year included 1 (2016: 1) director of the Company whose director's emoluments are disclosed in the above analysis. The emoluments payable to the rest 4 (2016: 4) individuals during the year are as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
基本薪金、購股權其他津貼及實物利益	Basic salaries, share options, other allowances and benefits in kind	**5,422**	5,001
獎勵金	Inducement fee	**68**	–
退休金費用一定額供款計劃	Pension costs-defined contribution plan	**149**	153
		5,639	5,154

該4位(2016年：4位)最高薪酬人士的酬金屬於以下範疇：

The emoluments of the 4 (2016: 4) individuals with the highest remuneration are within the following bands:

		人數 Number of individuals	
		2017	**2016**
零至1,000,000港元	Nil – HK$1,000,000	**0**	1
1,000,001港元至2,000,000港元	HK$1,000,001 – HK$2,000,000	**4**	3
		4	4

(c) 截至2017年及2016年12月31日止年度，本集團並無向任何本公司董事及五位最高薪酬人士支付酬金作為離職補償。於截至2017年及2016年12月31日止年度，概無本公司董事及五位最高薪酬人士同意放棄或已放棄領取任何酬金。

(c) During the years ended 31 December 2017 and 2016, no emoluments were paid by the Group to any of the directors of the Company and the five highest paid individuals as compensation for loss of office. There was no director of the Company and the five highest paid individuals agreed to waive or waived any emoluments during the years ended 31 December 2017 and 2016.

14. 股息

a) 本公司董事不建議就截至2017年及2016年12月31日止年度派付任何股息。

b) 年內已批准及支付本公司權益股東的上年度應付股息：

14. Dividend

a) The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2017 and 2016.

b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

		2017 千港元 HK$'000	2016 千港元 HK$'000
年內確認為分派的股息：（2016年：派付2015年末期股息每股普通股1.3港仙）	Dividend recognised as distribution during the year: (2016: 2015 final dividend of 1.3 HK cents per ordinary share)	**–**	59,774

15. 每股盈利

(a) 基本

每股基本盈利是根據本公司擁有人應佔年內溢利，除以年內已發行普通股加權平均數計算。

15. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2017	2016
本公司擁有人應佔年內溢利（千港元）	Profit for the year attributable to owners of the Company (HK$'000)	**260,316**	302,334
已發行普通股加權平均數（千股）	Weighted average number of ordinary shares in issue (thousand shares)	**4,590,863**	4,599,751
每股基本盈利（每股港仙）	Basic earnings per share (HK cents per share)	**5.67**	6.57

(b) 攤薄

每股攤薄盈利是假設轉換所有攤薄性潛在普通股，以調整已發行普通股加權平均數計算。本公司有三類攤薄性潛在普通股：購股權、可轉換債券及可換股債券。

就購股權而言，本公司根據尚未行使購股權所附之認購權貨幣值進行計算，以釐定可按公允值(以本公司期內之股份平均市價釐定)購入的股份數目。按上文所述計算的股份數目，與假設行使購股權所發行的股份數目作比較。由於購股權行使價高於截至2017年及2016年12月31日止年度的股份平均市價，故計算每股攤薄盈利時並無假設行使本公司的購股權。

就可轉換債券而言，其具反攤薄效應。可轉換債券所附帶可轉換為中國稀鎂科技控股有限公司股份的權利已於年內終止。其並無計入每股攤薄盈利計算(2016年：可轉換債券具反攤薄效應)。

就可換股債券而言，其具反攤薄效應。可換股債券已於截至2016年12月31日止年度內悉數贖回。其並無計入每股攤薄盈利計算。

由於尚未行使購股權具反攤薄效應，截至2017年及2016年12月31日止年度每股基本及攤薄盈利相同。

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has three categories of dilutive potential ordinary shares: share options, exchangeable bonds and convertible bonds.

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 price of the Company's shares during 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. The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of shares for the years ended 31 December 2017 and 2016.

For the exchangeable bonds, the effect of which was anti-dilutive. The right to convert the shares of China Rare Earth Magnesium Technology Holdings Limited attaching to the exchangeable bonds has terminated during the year. They were not included in the calculation of diluted earnings per share (2016: the effect of exchangeable bonds were anti-dilutive).

For the convertible bonds, the effect of which was anti-dilutive. The convertible bonds were fully redeemed during the year ended 31 December 2016. They were not included in the calculation of diluted earnings per share.

The basic and diluted earnings per share are the same for the years ended 31 December 2017 and 2016 as the effect of share options outstanding were anti-dilutive.

16. 土地使用權

本集團於土地使用權中之權益指預付經營租賃付款，其賬面淨值分析如下：

16. Land Use Rights

The Group's interests in land use rights represent prepaid operating lease payments and their net carrying values are analysed as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
在中國，根據各項持有：	In the PRC, held on:		
中期租約	Medium term leases	**319,824**	211,469
流動資產	Current assets	**8,647**	4,723
非流動資產	Non-current assets	**311,177**	206,746
		319,824	211,469

於2017年12月31日，賬面值為約210,379,000港元(2016年：103,855,000港元)之土地使用權已作為銀行借貸之抵押(附註35)。

As at 31 December 2017, land use rights with a carrying amount of approximately HK$210,379,000 (2016: HK$103,855,000) have been pledged to secure bank borrowings (Note 35).

17. 物業、廠房及設備 17. Property, Plant and Equipment

		租賃土地及樓宇（附註(ii)） Leasehold land and buildings (note (ii)) 千港元 HK$'000	阻力物業裝修 Leasehold improvements 千港元 HK$'000	廠房及機器 Plant and machinery 千港元 HK$'000	傢俬及辦公室設備 Furniture and office equipment 千港元 HK$'000	工具及模具 Tooling and moulds 千港元 HK$'000	汽車 Motor vehicles 千港元 HK$'000	船舶 Ship 千港元 HK$'000	在建工程－（附註ii） Construction-in-progress (note (ii)) 千港元 HK$'000	總計 Total 千港元 HK$'000
成本	**Cost**									
於2016年1月1日	As at 1 January 2016	510,164	24,414	844,169	12,955	3,061	12,303	380	845,345	2,252,791
收購附屬公司（附註47 (b)）	Acquisition of subsidiaries (Note 47 (b))	6,198	-	467	-	-	-	-	-	6,665
添置	Additions	5,031	63	27,287	937	556	2,756	-	442,383	479,013
轉撥	Transfers	672	-	139,450	800	-	-	-	(140,922)	-
出售	Disposals	-	-	(2,282)	(277)	(320)	(4,015)	-	-	(6,894)
匯兌調整	Exchanges alignment	(36,177)	(2,476)	(70,130)	(2,390)	(1,895)	(961)	(26)	(72,142)	(186,197)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	485,888	22,001	938,961	12,025	1,402	10,083	354	1,074,664	2,545,378
收購附屬公司（附註47 (a)）	Acquisition of subsidiaries (Note 47 (a))	199,077	-	262,870	10,212	-	14,939	-	12,637	499,735
出售一間附屬公司	Disposal of a subsidiary	-	-	-	(26)	-	(133)	-	-	(159)
添置	Additions	526	1,342	12,693	6,903	1,418	1,184	-	890,572	914,638
轉撥	Transfers	276,790	-	517,797	76	-	141	-	(794,804)	-
出售	Disposals	(2,984)	(1,201)	(5,357)	(3,647)	(1,168)	(5,092)	-	-	(19,449)
匯兌調整	Exchanges alignment	49,978	2,603	97,626	2,796	1,975	742	27	85,079	240,826
於2017年12月31日	**As at 31 December 2017**	**1,009,275**	**24,745**	**1,824,590**	**28,339**	**3,627**	**21,864**	**381**	**1,268,148**	**4,180,969**
累計折舊	**Accumulated deprecation**									
於2016年1月1日	As at 1 January 2016	52,763	23,229	298,746	7,954	1,522	5,188	380	-	389,782
年內變動	Change for the year	15,348	720	89,334	1,417	1,260	1,934	-	-	110,013
出售時撇銷	Eliminated on disposal	-	-	(2,282)	(277)	(320)	(2,994)	-	-	(5,873)
匯兌調整	Exchange alignment	(5,831)	(2,444)	(29,369)	(2,058)	(1,841)	(544)	(26)	-	(42,113)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	62,280	21,505	356,429	7,036	621	3,584	354	-	451,809
年內折舊	Charge for the year	27,783	292	93,001	5,362	1,086	3,269	-	-	130,793
出售一間附屬公司時撇銷	Eliminated on disposal of a subsidiary	-	-	-	(10)	-	(29)	-	-	(39)
出售時撇銷	Eliminated on disposal	(654)	(1,201)	(5,145)	(2,780)	(1,168)	(303)	-	-	(11,251)
匯兌調整	Exchanges alignment	7,623	2,594	36,143	2,239	1,958	456	27	-	51,040
於2017年12月31日	**As at 31 December 2017**	**97,032**	**23,190**	**480,428**	**11,847**	**2,497**	**6,977**	**381**	**-**	**622,352**
賬面淨值	**Net carrying values**									
於2017年12月31日	**As at 31 December 2017**	**912,243**	**1,555**	**1,344,162**	**16,492**	**1,130**	**14,887**	**-**	**1,268,148**	**3,558,617**
於2016年12月31日	As at 31 December 2016	423,608	496	582,532	4,989	781	6,499	-	1,074,664	2,093,569

附註：

(i) 本集團的租賃土地及樓宇於報告期末的賬面值分析如下：

notes:

(i) The carrying amount of the Group's leasehold land and buildings at the end of the reporting period are analysed as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
香港中期租約	Medium term leases in Hong Kong	**6,747**	6,965
中國中期租約	Medium term leases in the PRC	**905,496**	416,643
		912,243	423,608

(ii) 於2017年12月31日，利息費用約7,745,000港元(2016年：9,083,000港元)被資本化及計入在建工程。有關在建工程之分析如下：

(ii) As at 31 December 2017, interest expenses of approximately HK$7,745,000 (2016: HK$9,083,000) was capitalised and included in construction-in-progress. An analysis of construction-in-progress is as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
租賃土地及樓宇	Leasehold land and buildings	**541,094**	328,450
廠房及機器	Plant and machinery	**727,054**	746,214
		1,268,148	1,074,664

(iii) 於2017年12月31日，賬面值為約424,713,000港元(2016年：203,284,000港元)之租賃土地及樓宇、廠房及設備已作為銀行借貸之抵押(附註35)。

(iii) As at 31 December 2017, leasehold land and buildings and plant and machinery with a carrying amount of approximately HK$424,713,000 (2016: HK$203,284,000) have been pledged to secure bank borrowings (Note 35).

(iv) 於截至2017年及2016年12月31日止年度，本集團董事認為概無減值虧損須於綜合損益及其他全面收益表確認。

(iv) During the year ended 31 December 2017 and 2016, the directors of the Group considered that no impairment loss should be recognised in the consolidated statement of profit or loss and other comprehensive income.

於本年度之物業、廠房及設備之使用年期如下：

The useful lives of property, plant and equipment adopted for the current year are as follows:

一租賃土地及樓宇	租賃期內或34年，以最少者為準	– Leasehold land and buildings	Over the shorter of lease terms or 34 years
一 物業裝修	2至5年	– Leasehold improvements	2 to 5 years
一 廠房及機器	4至25年	– Plant and machinery	4 to 25 years
一 傢俬及辦公室設備	4至34年	– Furniture and office equipment	4 to 34 years
一 汽車	4至7年	– Motor vehicles	4 to 7 years
一 船舶	5年	– Ship	5 years
一 工具及模具	2年	– Tooling and moulds	2 years

18. 投資物業 / 18. Investment Properties

		千港元 HK$'000
成本	**Cost**	
於2016年1月1日	As at 1 January 2016	156,668
匯兌調整	Exchange alignment	(10,660)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	146,008
轉撥至分類為持作出售的資產	Transfer to assets classified as held for sale	(157,075)
匯兌調整	Exchange alignment	11,067
於2017年12月31日	**As at 31 December 2017**	**–**
累計折舊	**Accumulated depreciation**	
於2016年1月1日	As at 1 January 2016	31,232
年內折舊	Charge for the year	3,048
匯兌調整	Exchange alignment	(2,273)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	32,007
年內折舊	Charge for the year	3,008
轉撥至分類為持作出售的資產	Transfer to assets classified as held for sale	(37,554)
匯兌調整	Exchange alignment	2,539
於2017年12月31日	**As at 31 December 2017**	**–**
賬面淨值	**Net carrying values**	
於2017年12月31日	**As at 31 December 2017**	**–**
於2016年12月31日	As at 31 December 2016	114,001

投資物業指與雲霄物業第一期、第二期及第三期有關的樓宇。

The investment properties represent the buildings related to phase one, phase two and phase three of the Yunxiao properties.

上述投資物業於租賃期內以直線法折舊。投資物業的估計可使用年期介乎43至48年。

The above investment properties are depreciated on a straight line basis over the lease term. The estimated useful life of the investment properties range from 43 to 48 years.

於2016年12月31日，本集團投資物業之公允值約為144,381,000港元。估值由與本集團概無關連之獨立合資格估值師作出。根據管理層參考獨立合資格估值師發出之估值報告後作出之評估結果，本集團之投資物業於2016年之賬面值沒有減值。投資物業已於截至2017年12月31日止年度轉撥至持作買賣資產。有閱詳情請參閱附註19。

The fair value of the Group's investment properties at 31 December 2016 was approximately HK$144,381,000. The valuation was performed by independent qualified valuers not connected with the Group. Based on the result of management's assessment by making reference to the valuation report issued by the independent qualified valuers, there is no impairment on the carrying value of the Group's investment properties as at 2016. The investment properties were transferred to assets classified as held for sale during the year ended 31 December 2017. For detail, please refer to Note 19.

於截至2017年及2016年12月31日止年度，投資物業並無產生任何租金收入。

During the year ended 31 December 2017 and 2016, no rental income was generated from investment properties.

上述投資物業的賬面值包括：

The carrying value of investment properties shown above comprise:

		2017 **千港元** **HK$'000**	2016 千港元 HK$'000
在中國，根據各項持有：	In the PRC, held on:		
中期租約	Medium term lease	**–**	114,001

19. 分類為持作出售的資產

19. Asset Classified As Held For Sale

		2017 千港元 HK$'000	2016 千港元 HK$'000
分類為持作出售的資產	Asset classified as held for sale	**119,521**	–

於2017年12月8日，董事會決定出售於截至2016年12月31日止年度被劃分為投資物業的雲霄物業。根據時間表，所有該等物業將於6個月內出售。

On 8 December 2017, the Board of the Directors decided to sale all the properties located at Yunxiao which was classified as investment property at the year ended 31 December 2016. According to the timetable, all those properties will be sold within 6 months.

於2017年12月28日，全資附屬公司與獨立第三方簽署諒解備忘錄(「諒解備忘錄」)，同意按不少於人民幣110,000,000元(約131,615,000港元)買賣有關物業的條款及細則，而保證金人民幣300,000元(約358,950港元)須於諒解備忘錄日期後3個月內向全資附屬公司支付。

On 28 December 2017, the wholly owned subsidiary signed a memorandum of understanding ("MOU") with an independent third party and agreed to the terms and the details of sell and purchase of the related properties with the amount not less than RMB110,000,000 (approximately HK$ 131,615,000) and an earnest money of amount RMB300,000 (approximately HK$ 358,950) have to pay to the wholly owned subsidiary within 3 month after the date of MOU.

於2017年12月31日，劃分為持作出售的資產賬面值為119,521,000港元，公允值為142,877,000港元。估值由與本集團無關連的獨立合資格估值師執行。根據管理層經參考獨立合資格估值師發出的估值報告後所作出的評估結果，於2017年12月31日，本集團持作出售之非流動資產賬面值並無出現減值。

The carrying amount of the asset classified as held for sale as at 31 December 2017 was HK$119,521,000 and the fair value is HK$142,877,000. The valuation was performed by independent qualified valuers not connected with the Group. Based on the result of management's assessment by making reference to the valuation report issued by the independent qualified valuers, there is no impairment on the carrying value of the Group's non-current asset held for sale as at 31 December 2017.

20. 商譽

20. Goodwill

		2017 千港元 HK$'000	2016 千港元 HK$'000
於年初	At the beginning of year	**197,368**	197,144
收購附屬公司(附註47)	Acquisition of subsidiary (Note 47)	**–**	224
於年末	At the end of year	**197,368**	197,368

分配至本集團現金產生單位(「現金產生單位」)之商譽按以下業務分部識別：

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segment as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
金屬鎂產品業務(i)	Magnesium product business (i)	**197,144**	197,144
其他業務(ii)	Other business (ii)	**224**	224
		197,368	197,368

(i) 商譽來自收購權智(國際)有限公司(「權智國際」)(股份代號：601)。權智國際的公允值乃參考活躍市場所報買入價計算。

(ii) 於截至2016年12月31日止年度內，商譽乃由收購新沂市二灣港務有限公司全部股本權益 所產生(更多資料請參閱附註47(b))。新沂市二灣港務有限公司從事港務營運。有關收購事項乃作為本集團多元化發展本集團業務及提高本集團長遠增長潛力之政策其中一環而進行。該現金產生單位之可收回金額乃根據經本公司董事批准之財務預算為基準之五年期現金流量預測計算之可使用價值，以及每年除稅前貼現率9.86%(2016年：9.86%)而釐定。預算期間的現金流量預測乃根據整個預算期間內相同的預期毛利率及原材料價格通脹釐定。有關計算使用價值的其他主要假設涉及現金流入／流出的估計(包括預算銷售額及毛利率)，而有關估計乃根據該單位過往的表現及本公司董事就市場發展的預期作出。本公司董事相信，任何該等假設的合理變動均不會導致賬面值總額超出可收回金額總額。

(i) The goodwill was resulted from the acquisition of Group Sense International Limited ("GSIL") (stock code: 601). The fair value of GSIL is calculated by reference to bid price quoted in active market.

(ii) During the year ended 31 December 2016, goodwill was resulted from the acquisition of the entire equity interest of 新沂市二灣港務有限公司 (Please refer to Note 47(b) for detailed information). 新沂市二灣港務有限公司 is engaged in the port operation. The acquisition was made as part of the Group's strategy to diversify the Group's business and enhance long-term growth potential of the Group. The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budgets approved by the directors of the Company covering a five-year period, and a pre-tax discount rate of 9.86% (2016: 9.86%) per annum. Cash flow projections during the budget period are based on the same expected gross margins and raw material price inflation the budget period. Other key assumptions for the value in use calculation relate to the estimation of cash inflow/outflow which include budgeted sales and gross profit margin, such estimation is based on the unit's past performance and the expectation of the directors of the Company for the market development. The directors of the Company believes that any reasonable change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

21. 無形資產 / 21. Intangible Assets

		技術知識 Technical Know-how 千港元 HK$'000	會所會籍 Club membership 千港元 HK$'000	開發成本 Development cost 千港元 HK$'000	商標 Trademark 千港元 HK$'000	專利 Patent 千港元 HK$'000	合計 Total 千港元 HK$'000
成本	**Cost**						
於2016年1月1日	As at 1 January 2016	3,687	80	10,958	1,006	–	15,731
匯兑調整	Exchange alignment	–	–	12	–	–	12
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	3,687	80	10,970	1,006	–	15,743
收購附屬公司（附註47(a)）	Acquisition of subsidiaries (Note 47(a))	–	–	–	338,424	–	338,424
添置	Addition	–	–	–	–	51,912	51,912
匯兑調整	Exchange alignment	–	–	–	1,632	1,930	3,562
於2017年12月31日	**As at 31 December 2017**	**3,687**	**80**	**10,970**	**341,062**	**53,842**	**409,641**
累計攤銷及減值	**Accumulated amortisation and impairment**						
於2016年1月1日	As at 1 January 2016	3,687	–	10,202	168	–	14,057
年內攤銷	Amortisation for the year	–	–	397	201	–	598
年內減值	Impairment for the year	–	–	359	–	–	359
匯兑調整	Exchange alignment	–	–	12	–	–	12
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	3,687	–	10,970	369	–	15,026
年內攤銷	Amortisation for the year	–	–	–	1,416	3,258	4,674
匯兑調整	Exchange alignment	–	–	–	296	121	417
於2017年12月31日	**As at 31 December 2017**	**3,687**	**-**	**10,970**	**2,081**	**3,379**	**20,117**
賬面淨值	**Net carrying values**						
於2017年12月31日	**As at 31 December 2017**	**-**	**80**	**-**	**338,981**	**50,463**	**389,524**
於2016年12月31日	As at 31 December 2016	–	80	–	637	–	717

計算攤銷所使用年期如下：

開發成本	:	3至5年
商標	:	5至10年
專利	:	9至16年

The following useful lives are used in the calculation of amortisation:

Development costs	:	3 to 5 years
Trademark	:	5 to 10 years
Patent	:	9 to 16 years

22. 採礦權 22. Mining Rights

		千港元 HK$'000
成本	**Cost**	
於2016年1月1日	As at 1 January 2016	569,864
匯兑調整	Exchange alignment	(38,774)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	531,090
匯兑調整	Exchange alignment	40,254
於2017年12月31日	**As at 31 December 2017**	**571,344**
累計攤銷	**Accumulated amortisation**	
於2016年1月1日	As at 1 January 2016	57,789
年內折舊	Charge for the year	11,027
匯兑調整	Exchange alignment	(4,467)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	64,349
年內折舊	Charge for the year	14,129
匯兑調整	Exchange alignment	5,402
於2017年12月31日	**As at 31 December 2017**	**83,880**
賬面淨值	**Net carrying values**	
於2017年12月31日	**As at 31 December 2017**	**487,464**
於2016年12月31日	As at 31 December 2016	466,741

餘額代表中國江蘇省東海縣的蛇紋石礦及中國吉林省白山市之白雲石礦的兩項採礦權，而兩項採礦權均已按產量及礦石儲量攤銷。

The balance represents two mining rights, the Serpentine mine located in Donghai County of Jiangsu Province, the PRC and the dolomite mine located in Baishan City of Jilin Province, the PRC, which are amortised by the production quantity over the ore reserve.

23. 主要附屬公司

(a) 於2017年12月31日，本集團的主要附屬公司之詳情如下：

23. Principal Subsidiaries

(a) Particulars of the Group's principal subsidiaries as at 31 December 2017 are as follow:

公司名稱 Name	註冊成立地點及法人實體類別 Place of incorporation and kind of legal entity	主要業務和營業地點 Principal activities and place of operation	已發行股份／繳足註冊股本之詳情 Particulars of issued share/ paid up registered capital	本公司持有的擁有權比例權益 Proportion of ownership interest held by the Company 直接 Directly 2017	直接 Directly 2016	間接 Indirectly 2017	間接 Indirectly 2016	持有的投票權比例 Proportion of voting power held 2017	持有的投票權比例 Proportion of voting power held 2016
白山市天安金屬鎂礦有限公司(附註iii) Baishan City Tianan Magnesium Resources Company Limited (note iii)	中國，有限責任公司 The PRC, limited liability company	於中國製造及銷售金屬鎂相關產品 Manufacturing and sale of magnesium-related products in the PRC	註冊及繳足股本人民幣280,332,000元 Registered and paid up capital of RMB280,332,000	-	-	72.42%	87.95%	72.4%	87.95%
世紀陽光生態科技有限公司 Century Sunshine Ecological Technology Limited	香港，有限責任公司 Hong Kong, limited liability company	於香港投資控股 Investment holdings in Hong Kong	1,000股普通股每股面值1.00港元 1,000 ordinary shares of HK$1.00 each	-	-	100%	100%	100%	100%
世紀陽光(漳州)生態科技(附註iii) Century Sunshine (Zhangzhou) Ecological Technology Limited (note iii)	中國，有限責任公司 The PRC, limited liability company	於中國投資控股 Investment holdings in the PRC	註冊及繳足股本30,000,000港元 Registered and paid up capital of HK$30,000,000	-	-	100%	100%	100%	100%
中國稀鎂科技控股有限公司 China Rare Earth Magnesium Technology Holdings Limited	香港，有限責任公司 Hong Kong, limited liability company	於香港投資控股 Investment holdings in Hong Kong	10,310股普通股每股面值1港元 10,310 ordinary shares of HK$1 each	-	-	72.42%	87.95%	72.42%	87.95%
江蘇湛藍科技開發有限公司(附註iii) Jiangsu Azureblue Technology development Company Limited (note iii)	中國，有限責任公司 The PRC, limited liability company	於中國製造及銷售肥料 Manufacturing and sale of fertilisers in the PRC	註冊及繳足股本人民幣243,000,000元 Registered and paid up capital of RMB243,000,000	-	-	100%	100%	100%	100%
江蘇龍騰化工有限公司(附註iii) Jiangsu Longteng Petrochemical limited (note iii)	中國，有限責任公司 The PRC, limited liability company	於中國進行蛇紋石加工、開採及銷售 Processing, exploration and sales of serpentine in the PRC	註冊及繳足股本人民幣50,000,000元 Registered and paid up capital of RMB50,000,000	-	-	100%	100%	100%	100%
龍翔企業有限公司(附註iii) Long Xiang Enterprises Limited (note iii)	英屬處女群島，有限責任公司 British Virgin Islands, limited liability company	於香港投資控股 Investment holdings in Hong Kong	100股普通股每股面值1美元 100 ordinary shares of US $1 each	100%	100%	-	-	100%	100%
Ming Xin Developments Limited (附註iii) Ming Xin Developments Limited (note iii)	英屬處女群島，有限責任公司 British Virgin Islands, limited liability company	於香港投資控股 Investment holdings in Hong Kong	100股普通股每股面值1美元 100 ordinary shares of US $1 each	-	-	100%	100%	100%	100%
連雲港綠滴肥料有限公司(附註iii) 連雲港綠滴肥料有限公司(note iii)	中國，有限責任公司 The PRC limited liability company	於中國製造及銷售肥料 Manufacturing and sale of fertilisers in the PRC	註冊及繳足股本人民幣30,000,000元 Registered and paid up capital of RMB30,000,000	-	-	100%	100%	100%	100%
江西天瑞豐收化工有限公司(附註iii) 江西天瑞豐收化工有限公司(note iii)	中國，有限責任公司 The PRC limited liability company	於中國製造及銷售肥料 Manufacturing and sale of fertilisers in the PRC	已發行及繳足股本人民幣468,493,702元 Issued and fully paid RMB468,493,702	-	-	100%	100%	100%	100%
權智(國際)有限公司(附註ii) Group Sense (International) Limited (note ii)	百慕達，有限責任公司 Bermuda, limited liability company	於百慕達從事投資控股 Investment holdings in Bermuda	每股0.10港元之已發行及繳足股本6,574,390,058股 Issued and fully paid up capital of 6,574,390,058 of HK$0.10 each	-	-	72.42%	51.88%	72.42%	51.88%

公司名稱 Name	註冊成立地點及法人實體類別 Place of incorporation and kind of legal entity	主要業務和營業地點 Principal activities and place of operation	已發行股份/繳足註冊股本之詳情 Particulars of issued share/ paid up registered capital	本公司持有的擁有權比例權益 Proportion of ownership interest held by the Company 直接 Directly 2017	2016	間接 Indirectly 2017	2016	持有的投票權比例 Proportion of voting power held 2017	2016
新疆騰翔鎂製品有限公司(附註iii) Xinjiang Tengxiang Mangesium Products Company Limited (note iii)	中國，有限責任公司 The PRC, limited liability company	於中國製造及銷售金屬鎂相關產品 Manufacturing and sales of magnesium related product in the PRC	註冊及繳足股本人民幣171,800,000元 Registered and paid up capital of RMB171,800,000	-	-	72.42%	51.88%	72.42%	51.88%
Acronagrotrans Limited (附註i and iii) Acronagrotrans Limited (note i and iii)	塞浦路斯，有限責任公司 Cyprus, limited liability company	於塞浦路斯投資控股 Investment holdings in Cyprus	已發行及繳足股本23,000,001美元 Issued and fully paid up capital of USD23,000,001	-	-	100%	-	100%	-
山東紅日阿康化工股份有限公司(附註i及iii) Shandong Hongri Acron Chemical Joint Stock Company Limited (note i and iii)	中國，有限責任公司 The PRC, limited liability company	於中國製造及銷售肥料 Manufacturing and sales of fertilisers in the PRC	已發行及繳足股本人民幣260,000,000元 Registered and paid up capital of RMB260,000,000	-	-	70.02%	-	70.02%	-

附註：

(i) 於截至2017年12月31日止年度收購。

(ii) 權智(國際)有限公司(「權智國際」)為於百慕達註冊成立之有限公司，其股份於聯交所主板上市(股份代號：601)。權智國際及其附屬公司(「權智國際集團」)主要從事設計、製造及銷售原件設計生產產品、電子辭典產品及個人通訊產品，提供電子生產服務及金屬鎂相關產品之生產及貿易。

(iii) 未經國衛會計師事務所有限公司審核。

上表載列董事認為對年度業績有重大影響或構成本集團淨資產重大部份的本公司主要附屬公司。董事認為詳列其他附屬公司的資料會使篇幅過於冗長。

notes:

(i) Acquired during the year ended 31 December 2017.

(ii) Group Sense (International) Limited ("GSIL") is incorporated in Bermuda with limited liability and its shares are listed in the Main board of the Stock Exchange (stock code: 601). The principal activity of GSIL and its subsidiaries ("GSIL Group") was involved in the design, manufacture and sale of original design manufacturing products, electronic dictionary products and personal communication products, the provision of electronic manufacturing services and manufacture and trading of magnesium related products.

(iii) Not audited by HLB Hodgson Impey Cheng Limited.

The above table lists the principal subsidiaries of the Company which, in the opinion of the directors, affected the results for the year materially or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries, in the opinion of the directors, would result in particulars of excessive length.

(b) 擁有重大非控股權益的非全資附屬公司詳情

(b) Detail of non-wholly owned subsidiaries that have material non-controlling interests

公司名稱 Name of company	註冊成立及營業地點 Place of incorporation registration and operation	非控股權益持有之所有權益及投票權比例 Proportion of ownership interests and voting rights held by non-controlling interests	分配予非控股權益之溢利／(虧損) Profit/(loss) allocated to non-controlling interests		累計非控股權益 Accumulated non-controlling interests	
			2017 千港元 HK$'000	2016 千港元 HK$'000	2017 千港元 HK$'000	2016 千港元 HK$'000
				(經重列) (Restated)		(經重列) (Restated)
權智(國際)有限公司 Group Sense (International) Limited	百慕達 Bermuda	27.58%	15,747	21,291	309,791	337,589

以下為擁有重大非控股權益之本集團附屬公司的財務資料概要。以下財務資料概要乃指集團內公司間對銷前金額。

Summarised financial information in respect of each of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

權智(國際)有限公司 **Group Sense (International) Limited**

		2017 千港元 HK$'000	2016 千港元 HK$'000
			(經重列) (Restated)
流動資產	Current assets	**763,067**	656,214
非流動資產	Non-current assets	**1,795,734**	1,469,961
流動負債	Current liabilities	**(300,843)**	(216,380)
非流動負債	Non-current liabilities	**(1,134,714)**	(750,860)
本公司擁有人應佔權益	Equity attributable to owners of the Company	**813,453**	821,346
非控股權益	Non-controlling interests	**309,791**	337,589

		2017 千港元 HK$'000	2016 千港元 HK$'000
			(經重列) (Restated)
收入	Revenue	**1,487,331**	1,122,905
開支	Expenses	**(1,303,264)**	(964,553)
年內溢利	Profit for the year	**184,067**	158,352
本公司擁有人應佔溢利	Profit attribute to owners of the Company	**168,320**	137,061
非控股權益應佔溢利	Profit attribute to non-controlling interests	**15,747**	21,291
年內溢利	Profit for the year	**184,067**	158,352
本公司擁有人應佔全面收益總額	Total comprehensive income attributable to owners of the Company	**280,588**	28,828
非控股權益應佔全面收益總額	Total comprehensive income attributable to non-controlling interests	**20,530**	10,714
年內全面收益總額	Total comprehensive income for the year	**301,118**	39,542
已付非控股權益股息	Dividend paid to non-controlling interests	**–**	–
經營活動所得現金流淨額	Net cash flows generated from operating activities	**194,759**	30,030
投資活動(所用)／所得現金流淨額	Net cash flows (used in)/generated from investing activities	**(220,300)**	33,621
融資活動所得／(所用)現金流淨額	Net cash flows generated from/(used in) financing activities	**5,017**	(119,205)
現金流出淨額	Net cash outflow	**(20,524)**	(55,554)

附註： 權智國際就備製財務報表應用香港會計師公會頒佈的會計指引第5號「共同控制合併之合併會計法」的會計法。比較數字乃經重列，猶如權智國際經常進行本公司業務。

Note: GSIL has applied the merger accounting method in accordance with the Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA in the preparation of financial statements. The comparative amounts have been restated accordingly as if the business of the Company had always been carried out by GSIL.

24. 於合資公司之投資

24. Investments in Joint Ventures

		2017 千港元 HK$'000	2016 千港元 HK$'000
攤佔資產淨值	Share of net assets	**5,910**	4,823
應收合資公司款項 –非流動性(附註(i))	Amounts due from joint ventures – non-current (note (i))	**580**	539
		6,490	5,362
應收合資公司款項 –流動性(附註(ii))	Amount due from a joint venture – current (note (ii))	**844**	133

附註：

(i) 計入於合資公司投資之應收合資公司款項為無抵押、免息且毋須於報告期末起計十二個月內償還，故於綜合財務狀況表內顯示為非流動。

(ii) 應收一間合資公司款項844,000港元(2016年：133,000港元)計入本集團流動資產，為無抵押、免息及無固定還款期。

notes:

(i) The amounts due from joint ventures included in investments in joint ventures are unsecured, interest-free and are not repayable within twelve months from the end of the reporting period and are therefore shown in the consolidated statement of financial position as non-current.

(ii) The amount due from a joint venture of HK$844,000 (2016: HK$133,000) included in the Group's current assets, are unsecured, interest-free and have no fixed term of repayment.

本集團重大合資公司詳情如下：

Particulars of the Group's material joint ventures are as follows:

名稱 Name	所持有註冊資本詳情 Particulars of registered capital held	註冊成立地點及業務 Place of registration and business	以下各項之百分比 Percentage of 所有權權益 Ownership interest	投票權 Voting power	應佔溢利 Profit sharing	主要業務 Principal activities
重慶新標醫療設備有限公司（附註 i 及 ii） Chongqing New Standard Medical Equipment Co., Ltd (note i & ii)	人民幣 5,401,550元 RMB5,401,550	中國 PRC	19.78	20	19.78	製造及銷售電子醫療器械 Manufacture and trading of electronic medical appliances
深圳創新易購有限公司（附註i 及 ii） Shenzhen Innovation Trading Co., Ltd. (note i & ii)	人民幣 15,000元 RMB15,000	中國 PRC	50	50	50	網上銷售電子產品 Online trading of electronic products

附註：

(i) 未經國衛會計師事務所有限公司審核。

(ii) 上述於合資公司之投資由本公司間接持有。

notes:

(i) Not audited by HLB Hodgson Impey Cheng Limited.

(ii) The above investments in joint ventures are indirectly held by the Company.

下表列示本集團個別不重大之合資公司之彙總財務資料：

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

		2017 千港元 HK$'000	2016 千港元 HK$'000
年內應佔合資公司溢利	Share of the joint ventures' profit for the year	**1,087**	1,695
年內應佔合資公司全面收益總額	Share of the joint ventures' total comprehensive income for the year	**1,087**	1,695
已收股息	Dividend received	**–**	585
本集團於合資公司投資之賬面值總額	Aggregate carrying amount of the Group's investments in the joint ventures	**5,910**	4,823

25. 於一間聯營企業之投資 / 25. Investment in an Associate

		2017 千港元 HK$'000	2016 千港元 HK$'000
應佔資產淨值	Share of net assets	**18**	17

一間聯營企業詳情如下：

Particulars of an associate are as follows:

名稱 Name	所持有註冊資本詳情 Particulars of registered capital held	註冊成立地點及業務 Place of registration and business	本集團所有權權益百分比 Percentage of ownership interest attributable to the Group	主要業務 Principal activities
廣州中智電子設備有限公司 (附註) (note)	人民幣3,000,000元 RMB3,000,000	中國 PRC	30	暫停業務 Dormant

附註：

note:

未經國衛會計師事務所有限公司審核。

Not audited by HLB Hodgson Impey Cheng Limited.

於一間聯營公司投資之變動如下：

The movement of investment in an associate is as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
於年初	At the beginning of year	**17**	18
應佔聯營公司溢利及虧損	Share of profits and losses of associate	**1**	(1)
		18	17

本集團於該聯營企業之持股為通過本公司的一間附屬公司所持有之股份。

The Group's shareholdings in the associate comprises equity shares held through a subsidiary of the Company.

下表列示本集團不屬重大性質的聯營公司之財務資料：

The following table illustrates the financial information of the Group's associate that is not material:

		2017 千港元 HK$'000	2016 千港元 HK$'000
年內應佔聯營公司溢利／(虧損)	Share of the associate's profit/(loss) for the year	1	(1)
年內應佔聯營公司全面收入／(虧損)總額	Share of the associate's total comprehensive income/(loss) for the year	1	(1)
本集團於一間聯營公司投資之賬面總值	Aggregate carrying amount of the Group's investment in an associate	18	17

26. 可供出售投資 26. Available-for-sale Investments

		2017 千港元 HK$'000	2016 千港元 HK$'000
上市投資	Listed investments		
–澳洲之上市股本證券，按公允值 (附註i)	– Listed equity securities in Australia, at fair value (note i)	11,620	5,571
–於香港上市債務工具 (附註ii及iv)	– Listed debt instruments in Hong Kong (note ii & iv)	–	42,816
非上市投資	Unlisted investments		
–於中國之債務工具	– Debt instruments in PRC	–	22,245
–於香港之股本證券 (附註iii)	– Equity securities in Hong Kong (note iii)	3,000	6,840
		14,620	77,472
就申報目的分析為:	Analysed for reporting purposes as:		
流動資產	Current assets	11,620	70,632
非流動資產	Non-current assets	3,000	6,840
		14,620	77,472

附註：

(i) 可供出售投資指本集團於澳洲之上市證券投資。本集團持有TTG Fintech Limited（「TUP」）14,744,000股股份。本公司董事楊玉川先生由2011年12月至2015年3月為TTG之非執行董事。楊玉川先生因其他業務及個人承擔而辭任本公司執行董事，自2016年8月4日起生效。

上市股本證券投資之公允值乃參考活躍市場之買入價而釐定。

(ii) 於2016年12月31日，本集團所持有之上市可續回債務工具固定年利率介於6.5%至7.5%，按半年支付。本集團對該餘額並無持有抵押品。

債務工具之公允值乃參照活躍市場之報價釐定。

(iii) 該金額指於香港註冊成立之私人實體所發行非上市股本證券之投資。

於2017年12月31日，非上市股權投資因以合理公允值估算範圍之差異有重大波幅且出現眾多估計的機率無法合理評估，故董事認為公允值不能可靠地衡量，而以成本減去減值虧損列值。

由於此等投資表現欠佳，減值3,840,000港元（2016年：460,000港元）已確認為非上市股本工具，其賬面值為7,300,000港元（扣除減值虧損前）（2016年：7,300,000港元）。

(iv) 截至2017年12月31日止年度，於其他全面開支總額中確認之重估可供出售投資產生之收益淨額約9,285,000港元（2016年：虧損淨額約3,138,000港元）。

notes:

(i) The amount represents the Group's investment in listed securities in Australia. The Group held 14,744,000 shares of TTG Fintech Limited ("TUP"). Mr. Yang Yuchuan, a director of the Company, is a non-executive director of TTG for the period from December 2011 to March 2015. Mr. Yang Yuchuan resigned as an executive director of the Company due to his other business and personal commitments with effective from 4 August 2016.

Fair values of the investments in listed equity securities are determined by reference to bid prices quoted in active markets.

(ii) As at 31 December 2016, the amount represents the Group's investment in listed redeemable debt instruments with fixed interest ranging from 6.5% to 7.5% per annum, payable semi-annually. The Group holds no collateral over this balance.

Fair values of the investments in debt intruments are determined by reference to bid price quoted in active markets.

(iii) The amount represents Group's investments in unlisted equity securities issued by private entities incorporate in Hong Kong.

As at 31 December 2017, the unlisted equity investments were stated at cost less impairment because the range of reasonable fair value estimates was so significant and the probabilities of the various estimates cannot be reassembly assessed that the directors are of the opinion that their fair value cannot be measured reliably.

Impairment of HK$3,840,000 (2016: 460,000) was recognised for unlisted equity investments with a carrying amount of HK$7,300,000 (before deducting the impairment loss) (2016: HK$7,300,000) due to the non-performance of these investments.

(iv) For the year ended 31 December 2017, the net gain arising on revaluation of available-for-sale investments recognised in other comprehensive expenses amounted to approximately HK$9,285,000 (2016: net loss of approximately HK$3,138,000).

27. 存貨 27. Inventories

		2017 千港元 HK$'000	2016 千港元 HK$'000
原料	Raw materials	**220,765**	98,278
在製品	Work in progress	**32,694**	15,365
製成品	Finished goods	**227,606**	113,744
		481,065	227,387

28. 貿易應收款項及應收票據 28. Trade and Bills Receivables

		2017 千港元 HK$'000	2016 千港元 HK$'000
應收貿易款項	Trade receivables	**491,501**	448,255
減值	Impairment	**(9,974)**	(547)
		481,527	447,708
應收票據(附註(i))	Bills receivables (note(i))	**15,858**	8,673
		497,385	456,381

附註：

(i) 於2017年12月31日，應收票據約15,858,000港元(2016年：8,673,000港元)將於報告期末十個月(2016年：六個月)內到期。所有應收票據均以人民幣計值。

notes:

(i) As at 31 December 2017, bills receivables of approximately HK$15,858,000 (2016: HK$8,673,000) will be matured within ten months (2016: six months) after the end of the reporting period. All the bills receivables are denominated in RMB.

貿易應收款項及應收票據以下列貨幣計值：

Trade and bills receivables were denominated in the following currencies:

		2017 千港元 HK$'000	2016 千港元 HK$'000
人民幣	RMB	**446,290**	411,543
港元	HK$	**1,474**	31,113
其他貨幣	Other currencies	**49,621**	13,725
		497,385	456,381

於2017年12月31日，本集團應收貿易款項的賬齡分析(按發票日期呈列)如下：

As at 31 December 2017, the ageing analysis of the trade receivables of the Group presented based on the invoice date was as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
30日以內	Within 30 days	**207,147**	168,567
31至60日	31 to 60 days	**152,271**	174,199
61至90日	61 to 90 days	**54,232**	84,808
超過90日	Over 90 days	**67,877**	20,134
		481,527	447,708

本集團給予貿易客戶之信貸期一般不超過180日(2016年：不超過180日)。

The Group allows a credit period normally not more than 180 days (2016: not more than 180 days) to its trade customers.

並無逾期及減值的貿易應收款項涉及無近期拖欠記錄的不同類別客戶。已逾期但未減值的貿易應收款項乃與一批與本集團有良好交易記錄的多名客戶有關。由於信貸質素並無重大變動及結餘仍然視為可以完全收回，根據過往經驗，管理層認為並無必要就該等結餘作出減值撥備。本集團概無就該等結餘持有任何抵押品。

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. Trade receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balance are still considered fully recoverable. The Group does not hold any collateral over these balances.

就貿易應收款項的減值撥備變動如下：

The movements in the provision for impairment of trade receivables are as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
於年初	At the beginning of year	**547**	206
已確認減值虧損	Impairment losses recognised	**9,374**	784
已撥回減值虧損	Impairment losses reversed	**(102)**	(206)
撇賬為不可收回之金額	Amounts written off as uncollectible	**–**	(237)
匯兑調整	Exchange alignment	**155**	–
於年終	At the end of year	**9,974**	547

上述應收貿易賬款減值撥備包括個別經減值應收貿易賬款之撥備9,974,000港元（2016年：547,000港元）。個別經減值應收貿易賬款與客戶拖欠或遲繳款項有關，預期僅可收回此等應收賬款之一部份。

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$9,974,000 (2016: HK$547,000). The individually impaired trade receivables relate to customers that were in default or delinguency in payments and only a portion of the receivables is expected to be recovered.

逾期但未減值之貿易應收款項賬齡分析如下：

Ageing analysis of trade receivables which are past due but not impaired:

	合計 **Total** 千港元 HK$'000	未逾期且未減值 **Neither past due nor impaired** 千港元 HK$'000	逾期但未減值 **Past due but not impaired** 90日以內 **<90 days** 千港元 HK$'000	91至180日 **91-180 days** 千港元 HK$'000	181至365日 **181-365 days** 千港元 HK$'000
2017	**481,527**	**413,650**	**14,030**	**–**	**53,847**
2016	447,708	427,579	11,263	–	8,866

於釐定貿易應收款項的可收回程度時，本集團考慮由首次授出信貸日期起直至報告期結束止期間，貿易應收款項的信貸質素是否出現變動。由於客戶基礎龐大且概無關連，故信貸風險的集中程度有限。

In determining the recoverability of trade receivables, the Group considers any change in credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

29. 預付款項、按金及其他應收款項

29. Prepayments, Deposits and Other Receivables

		2017 千港元 HK$'000	2016 千港元 HK$'000
其他應收款項(附註(i))	Other receivables (note (i))	**89,782**	272,074
減值	Impairment	**(23,075)**	(22,072)
		66,707	250,002
預付款項及按金(附註(ii))	Prepayments and deposits (note (ii))	**403,941**	149,196
存放於金融機構之存款	Deposits placed with financial institutions	**–**	1,327
		470,648	400,525

附註：

(i) 於2017年12月31日，其他應收款項主要包括來自關聯方山東紅日化工股份有限公司(「山東紅日」)之應收款項約為零港元(2016年：222,735,000港元)、中國的可抵扣增值稅約42,978,000港元(2016年：4,467,000港元)及來自獨立第三方之應收利息約1,819,000港元(2016年：2,762,000港元)。

(ii) 於2017年12月31日，預付款項及按金主要包括存貨之預付款項約326,964,000港元(2016年：143,962,000港元)及預付開支約為3,410,000港元(2016年：2,280,000港元)。

note:

(i) As at 31 December 2017, other receivables mainly comprise of amount due from a related party, Shandong Hongri Acron Chemical Joint Stock Company Limited ("Shandong Hongri") of approximately HK$Nil (2016: HK$222,735,000), value-added tax recoverable in the PRC of approximately HK$42,978,000 (2016: HK$4,467,000), and interest receivables from independent third parties of approximately HK$1,819,000 (2016: HK$2,762,000).

(ii) As at 31 December 2017, prepayment and deposits mainly comprise of prepayment of inventory of approximately HK$326,964,000 (2016: HK$143,962,000) and prepaid expenses of approximately HK$3,410,000 (2016: HK$2,280,000).

就其他應收款項的減值撥備變動如下：

The movements in the provision for impairment of other receivables are as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
於年初	At the beginning of year	**22,072**	22,072
已確認減值虧損	Impairment losses recognised	**1,003**	–
於年終	At the end of year	**23,075**	22,072

個別經減值其他應收款項與其他應收款項拖欠或遲繳款項有關，預期僅可收回此等應收款項之一部份或不可收回此等應收款項。本集團並無就此等結餘持有任何抵押品或其他信貸提升保障。其餘其他應收款項概未過期亦無減值及屬於大批在近期並無拖欠記錄之獨立人士。

The individually impaired other receivables relate to other receivables that were in default or delinquency in payments and only a portion or none of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over this balance. The remaining balance of other receivables is neither past due nor impaired and relates to a large number of independent parties for whom there was no recent history of default.

30. 持作買賣投資 / 30. Investments Held for Trading

		2017 千港元 HK$'000	2016 千港元 HK$'000
上市證券 – 於中國上市之股本證券，按公允值	Listed securities – Equity securities listed in the PRC at fair value	–	10,415
		–	10,415

公允值乃參考市場所報買入價釐定。

Fair values are determined with reference to quoted market bid price.

截至2017年12月31日止年度，所有於中國上市之股本證券已出售。

During the year ended 31 December 2017, all equity securities listed in the PRC were disposed.

31. 衍生金融資產 / 31. Derivative Financial Assets

		千港元 HK$'000
於2016年1月1日	As at 1 January 2016	7
於贖回可換股債券時失效	Lapsed upon redemption of the convertible bonds	(7)
於2016年12月31日、2017年1月1日及2017年12月31日	As at 31 December 2016, 1 January 2017 and 31 December 2017	–

衍生金融資產乃指可換股債券所含允許本集團行使提前贖回權之提早贖回選擇權衍生工具。有關可換股債券已於截至2016年12月31日止年度悉數贖回。

Derivative financial assets represent the early redemption option derivatives embedded in convertible bonds which allows the Group exercise the early redemption rights. The relevant convertible bonds were fully redeemed during the year ended 31 December 2016.

可換股債券詳情於綜合財務報表附註36披露。

Details of the convertible bonds were disclosed in Note 36 to the consolidated financial statements.

32. 已抵押銀行存款及銀行及現金結餘

於2017年12月31日，到期日超過三個月但少於一年之銀行存款175,407,000港元(2016年：191,888,000港元)之固定年利率為1.50厘至2.52厘(2016年：0.50厘至4.00厘)。銀行存款以港元、美元及人民幣計值。

於2017年12月31日，銀行存款約283,299,000港元(2016年：56,703,000港元)已作為應付票據(附註33)及借貸之抵押(附註35)。

於報告期末，現金及等同現金項目包括以下項目：

32. Pledged Bank Deposits and Bank and Cash Balances

As at 31 December 2017, the fixed interest rate on deposits with banks of HK$175,407,000, (2016: HK$191,888,000), with maturity over three months but less than one year, was ranging from 1.50% to 2.52% (2016: 0.50% to 4.00%) per annum. The deposits with banks were denominated in HK$, USD and RMB.

As at 31 December 2017, deposits with banks of approximately HK$283,299,000 (2016: HK$56,703,000) have been pledged to bills payables (Note 33) and secure borrowings (Note 35).

At the end of the reporting period, bank and cash balances comprise of the followings:

		2017 **千港元** **HK$'000**	2016 千港元 HK$'000
長期銀行存款	Long-term bank deposits	**26,084**	31,587
短期銀行存款	Short-term bank deposits	**287,197**	238,770
銀行現金及手頭現金	Cash at bank and on hand	**643,714**	662,428
		956,995	932,785
減：抵押為貸款及應付票據擔保之已抵押銀行存款	Less: Pledged deposits with bank pledged as security for borrowings and bills payables	**(283,299)**	(56,703)
獲收購時原到期日超過三個月之無抵押銀行存款	Non-pledged deposits with bank with original maturity of more than three months when acquired	**(17,947)**	(166,772)
現金及等同現金項目	Cash and cash equivalents	**655,749**	709,310

於報告期末，短期銀行存款之實際加權利率為1.33厘(2016年：0.95厘)；該等存款之平均到期日期均少於三個月(2016年：三個月)。

At the end of the reporting period, the weighted effective interest rate on short-term bank deposits was 1.33% (2016: 0.95%); these deposits have an average maturity of less than three months (2016: three months).

已抵押銀行存款及銀行及現金結餘按以下貨幣計值：

Pledged bank deposits and bank and cash balances were denominated in the following currencies:

		2017 千港元 HK$'000	2016 千港元 HK$'000
人民幣	RMB	**862,703**	606,871
港元	HK$	**44,939**	228,178
其他	Others	**49,353**	97,736
		956,995	932,785

將以人民幣計值之銀行及現金結餘匯出中國須受中國政府實施的外匯管制所規限。

The remittance of bank and cash balances denominated in RMB out of the PRC is subject to the foreign exchange control restrictions imposed by the government of the PRC.

33. 貿易應付款項及應付票據

33. Trade and Bills Payables

		2017 千港元 HK$'000	2016 千港元 HK$'000
應付貿易款項	Trade payables	**246,025**	83,230
應付票據	Bills payables	**387,813**	–
		633,838	83,230

於2017年12月31日，本集團應付貿易款項之賬齡分析(按發票日期呈列)如下：

As at 31 December 2017, the ageing analysis of trade payables of the Group presented based on the invoice date was as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
30日以內	Within 30 days	**118,090**	44,527
31至60日	31 to 60 days	**11,748**	17,716
61至90日	61 to 90 days	**18,532**	5,084
超過90日	Over 90 days	**97,655**	15,903
		246,025	83,230

採購貨品之平均信貸期為60日至90日(2016年：60日至90日)。本集團設有財務風險管理政策，以確保所有應付款項於信貸期內償付。

The average credit period on purchases of goods is 60 to 90 days (2016: 60 to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

34. 應計費用及其他應付款項

34. Accruals and Other Payables

		2017 千港元 HK$'000	2016 千港元 HK$'000
預收款項	Receipts in advance	**240,591**	56,829
撥備(附註(i))	Provision (note (i))	**1,042**	933
財務擔保負債(附註(iv))	Financial guarantee liabilities (note (iv))	**69,969**	–
應計費用及其他應付款項(附註(ii)及(iii))	Accruals and other payables (note (ii) and (iii))	**567,133**	274,455
		878,735	332,217
即期	Current	**639,085**	211,217
非即期(附註iii)	Non-current (note iii)	**239,650**	121,000
		878,735	332,217

附註：

(i) 本集團就若干電子產品向其客戶提供2至3年保修服務，根據保修條款，有缺陷的產品將獲得修理或更換。保修撥備數額將根據銷量及修理及退貨之過往經驗進行估計。估算基準乃持續進行檢討及視情況進行修訂。

notes:

(i) The Group provides 2 to 3 year warranties to its customers on certain of its electronic products, under which faulty products are repaired or replaced. The amount of provision is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

產品保修撥備之變動如下：

The movements in the provision for product warranty are as follow:

		2017 千港元 HK$'000	2016 千港元 HK$'000
於年初	At the beginning of the year	**933**	945
額外撥備	Additional provision	**303**	349
期內動用之金額	Amounts utilised during the period	**(197)**	(286)
撥回未動用金額	Reversal of unutilised amount	**–**	(72)
匯兑調整	Exchange alignment	**3**	(3)
於年終	**At the end of the year**	**1,042**	933

(ii) 於2017年12月31日，應計款項及其他應付款項主要包括收購物業、廠房及設備之應付款項約28,371,000港元(2016年：25,631,000港元)、應付一間附屬公司非控股股東款項約152,000港元(2016年：216,000港元)及其他應付稅項約38,256,000港元(2016年：10,125,000港元)。

(iii) 非流動負債項下之其他應付款項為應付一間附屬公司之一名非控股股東之款額約239,650,000港元(2016年：121,000,000港元)，有關款額為無擔保、免息且毋須於12個月內償還。

(iv) 於2017年12月31日，紅日阿康就多名獨立第三方所獲授信貸融資向若干銀行簽立財務擔保，當中約人民幣270,446,000元須於被要求全面履行擔保之情況下支付。

於2017年12月31日，該等公司擔保之公允值約為69,969,000港元。

有關公司擔保之更多詳情請參閱日期為2016年9月27日之公告。

(ii) As at 31 December 2017, accruals and other payables mainly comprised of payable for acquisition of property, plant and equipment of approximately HK$28,371,000 (2016: HK$25,631,000), amount due to a non-controlling shareholder of a subsidiary of approximately HK$152,000 (2016: HK$216,000) and other tax payable of approximately of HK$38,256,000 (2016: HK$10,125,000).

(iii) For other payable under non-current liabilities was the amount due to a non-controlling shareholder of a subsidiary of approximately HK$239,650,000 (2016: HK$121,000,000) which is unsecured, interest-free and is not repayable within 12 months.

(iv) As at 31 December 2017, the Hongri Acron has executed financial guarantees to certain banks for credit facilities granted to several independent third parties, which amounted to approximately RMB270,446,000 was required to be paid if the guarantees were called upon in entirely.

As at 31 December 2017, the fair value of these corporate guarantee was approximately HK$69,969,000.

For more detail of the corporate guarantees please refer to announcement date 27 September 2016.

35. 借貸 35. Borrowings

		2017 千港元 HK$'000	2016 千港元 HK$'000
銀行借貸	Bank borrowings	**922,787**	484,416
其他借貸(附註ii)	Other borrowings (note ii)	**304,294**	189,027
上市後償票據(附註iii)	Listed subordinated notes (note iii)	**–**	658,679
上市後償票據(附註iv)	Listed subordinated notes (note iv)	**592,104**	–
		1,819,185	1,332,122
借貸：	Borrowings:		
一年以內	Within one year	**626,425**	320,665
一年以上但不超過五年	More than one year but not exceeding five years	**1,185,880**	983,874
超過五年	More than five years	**6,880**	27,583
		1,819,185	1,332,122
減：列作流動負債之款項	Less: Amounts shown under current liabilities	**(626,425)**	(320,665)
		1,192,760	1,011,457
借貸：	Borrowings:		
有抵押	Secured	**856,910**	658,443
無抵押(附註ii、iii、iv及v)	Unsecured (notes ii, iii, iv & v)	**962,275**	673,679
		1,819,185	1,332,122

借貸按以下貨幣計值： Borrowings were denominated in the following currencies:

		2017 千港元 HK$'000	2016 千港元 HK$'000
人民幣	RMB	**587,930**	408,734
港元	HK$	**295,314**	75,682
美元	US$	**343,837**	189,027
新加坡元	SGD	**592,104**	658,679
		1,819,185	1,332,122

附註：

(i) 於2017年12月31日，借款以本集團之物業、廠房及設備、土地使用權、銀行存款作抵押，金額分別約424,713,000港元、210,379,000港元及103,824,000港元(2016年：203,284,000港元、103,855,000港元及20,000,000港元)。於2017年12月31日，有抵押借款約144,776,000港元(2016年：175,728,000港元)乃以本公司及一間同系附屬公司提供之公司擔保作擔保。

於2017年12月31日，本集團獲授之銀行信貸乃以本集團一間附屬公司提供之公司擔保約24,000,000港元(2016年：24,000,000港元)作擔保。

於2017年12月31日，銀行借貸之加權平均實際利率為5.75厘(2016年：5.97厘)。

(ii) 於2017年12月31日，計入其他借貸為國際金融公司貸款約148,980,000港元及債券約155,314,000港元。根據一項由本公司屬下非全資附屬公司與國際金融公司(「國際金融公司」)於2014年5月30日訂立的貸款協議，國際金融公司已向該附屬公司授出25,000,000美元之貸款。該協議於2015年12月7日修訂和重列，授出的貸款由25,000,000美元增至27,000,000美元。

該貸款按倫敦銀行同業拆息加3.5厘之年利率計息，並按貸款協議所載的預期還款日期償還。

國際金融公司授出之貸款以下列各項作抵押：(i)本公司作出之企業擔保；(ii)質押由冠華國際有限公司(「冠華」，為主要股東)擁有之本公司股份；及(iii)銀行存款約33,981,000港元(2016年：36,703,000港元)。

於2017年12月31日，549,280,000股股份(約佔本公司於2015年6月30日已發行股本12%)已由冠華進行質押給國際金融公司作為所授出貸款的擔保。

此外，本公司董事兼控股股東池文富先生(透過其於冠華之權益)向國際金融公司承諾維持其於本公司之最低持股量。本集團及該附屬公司遵守若干契約，其中包括貸款協議訂明之若干財務契約。

notes:

(i) As at 31 December 2017, the borrowings were secured by property, plant and equipment, land use rights and deposits with banks of the Group amounting to approximately HK$424,713,000, HK$210,379,000 and HK$103,824,000 (2016: HK$203,284,000, HK$103,855,000 and HK$20,000,000) respectively. As at 31 December 2017, the secured borrowings of approximately HK$144,776,000 (2016: HK$175,728,000) were guaranteed by the corporate guarantee of the Company and a fellow subsidiary.

As at 31 December 2017, banking facilities of approximately HK$24,000,000 granted to the Group were guaranteed by the corporate guarantee of a subsidiary of the Group (2016: HK$24,000,000).

The weighted average effective interest rate of bank borrowing and other borrowings as at 31 December 2017 was 5.75% (2016: 5.97%).

(ii) As at 31 December 2017, included in other borrowings was IFC loan of approximately HK$148,980,000 and bond of approximately HK$155,314,000. Pursuant to a loan agreement entered into by a non-wholly owned subsidiary of the Company and International Finance Corporation ("IFC") on 30 May 2014, IFC had granted a loan of US$25,000,000 to the subsidiary. The agreement was amended and restated on 7 December 2015 with increase in the loan granted from US$25,000,000 to US$27,000,000.

The loan bears interest at LIBOR plus 3.5% per annum and the amounts due are based on the scheduled repayment dates set out in the loan agreements.

The loan granted by IFC was secured by (i) corporate guarantee given by the Company; and (ii) pledges of shares in the Company as owned by Alpha Sino International Limited ("Alpha Sino"), the substantial shareholder; (iii) deposits with banks of approximately HK$33,981,000 (2016: HK$36,703,000).

As at 31 December 2017, 549,280,000 shares, representing approximately 12% of the issued share capital of the Company as at 30 June 2015, has been pledged by Alpha Sino to IFC as security for the loan granted.

In addition, Mr. Chi Wen Fu, a director and controlling shareholder of the Company (through his interest in Alpha Sino), has given an undertaking to IFC to maintain a minimum level of shareholding in the Company. The Group and the subsidiary had to comply with certain covenants, including, among other things, certain financial covenants, under the loan arrangement.

於2017年12月31日，本集團已發行本公總額20,000,000美元(相當於155,600,000港元)之無抵押現金債券。債券按7厘之年利率計息，須每半年支付一次。除非提早贖回，債券之到期日為2020年8月11日。債券的實際年利率為7.05厘。

As at 31 December 2017, the Group has issued unsecured bond with the principal amount of USD20,000,000 (equivalent to HK$155,600,000) for cash. The bond bear an interest of 7% per annum payable in arrear semi-annually. The maturity date of the bond is 11 August 2020 unless early redeemed. The effective interest rate of the bond is 7.05% per annum.

(iii) 計入無抵押借貸的約658,679,000港元指本公司於2015年6月4日及2015年8月3日發行面值為75,000,000新加坡元及50,000,000新加坡元之第一批及第二批7.2厘後償票據(屬多種幣種中期票據計劃項下)之賬面值。該票據於新加坡交易所上市，並將於2018年6月4日到期。上市後償票據之加權平均實際利率為7.22厘。上市後償票據由本公司多間附屬公司擔保。

(iii) Included in unsecured borrowings, approximately HK$658,679,000 represents the carrying amount of the first tranche and second tranche of 7.2% subordinated notes with the face value of SGD75 million and SGD50 million (under the Multicurrency Medium Term Note Programme) which was issued on 4 June 2015 and 3 August 2015 by the Company. The notes are listed on the Singapore Stock Exchange and will mature on 4 June 2018. The weighted average effective interest rate of listed subordinated notes is 7.22%. The listed subordinated notes are guaranteed by various subsidiaries of the Company.

該批7.2厘後償票據已於到期前之2017年6月被全數贖回。

The 7.2% subordinated notes were fully redeemed in June 2017 before maturity.

(iv) 此指本公司於2017年6月5日發行之面值為101,750,000新加坡元之7.0厘後償票據(屬多種幣種中期票據計劃項下)之賬面值。該等票據於新加坡交易所上市，並將於2020年7月3日到期。

(iv) This represents the carrying amount of the 7.0% subordinated notes with the face value of SGD101.75 million (under the Multicurrency Medium Term Note Programme) issued by the Company on 5 June 2017. The notes are listed on the Singapore Stock Exchange and will mature on 3 July 2020.

(v) 計入無抵押借貸的約70,000,000港元(2016年：15,000,000港元)指於2017年12月31日以本公司所提供公司擔保作擔保的銀行貸款。

(v) Included in unsecured borrowings, approximately HK$70,000,000 (2016: HK$15,000,000) represents bank loans guaranteed by the corporate guarantee of the Company as at 31 December 2017.

本集團借貸之賬面值及公允值如下：

The carrying amount and fair value of the Group's borrowings are as follows:

		賬面值 Carrying amount		公允值 Fair value	
		2017 千港元 **HK$'000**	2016 千港元 HK$'000	**2017** 千港元 **HK$'000**	2016 千港元 HK$'000
借貸	Borrowings	**1,819,185**	1,332,122	**1,819,185**	1,332,122

36. 可換股債券

可換股債券負債部份之賬面值如下：

36. Convertible Bonds

The carrying values of the liability component of the convertible bonds are as follows:

		可換股債券 Convertible bond 千港元 HK$'000
於2016年1月1日	As at 1 January 2016	198,335
已扣除估算利息開支	Imputed interest expense charged	13,408
已付及應付利息開支	Interest expense paid and payable	(3,995)
贖回	Redemption	(207,748)
於2016年12月31日、2017年1月1日及2017年12月31日	**As at 31 December 2016, 1 January 2017 and 31 December 2017**	**–**

附註：

於2014年6月27日，本公司發行本金額為180,000,000港元之可換股債券以換取現金。可換股債券按4.5厘之年利率計息，每半年支付一次。可換股債券持有人有權按轉換價1.20港元將可換股債券轉換為股份。可換股債券之到期日為自可換股債券發行日期起計兩年屆滿之日。可換股債券持有人提前三十日向本公司發出事先書面通知後，可將到期日自期限最後一日起延長一年。

可換股債券可於到期日前任何時間進行轉換。倘可換股債券並無於到期日獲轉換，本公司將贖回有關債券，或於本公司根據債券工具之條款及條件行使贖回權時予以贖回。

可換股債券包含四個部份：衍生金融資產部份、衍生金融負債部份、負債部份及權益部份。負債部份分類為非流動負債，採用實際利息法按攤銷成本列賬。提前贖回選擇權分類為衍生金融資產。延長選擇權分類為衍生金融負債，且其於初始確認時及期後報告期末使用二項式期權定價模式計量之公允值均等於零。剩餘價值分類為權益部份，並於權益「可換股債券權益儲備」中呈列。

notes:

On 27 June 2014, the Company issued convertible bonds with the principal amount of HK$180,000,000 for cash. The convertible bonds bear an interest of 4.5% per annum payable in arrear semi- annually. The convertible bonds entitle the holder to convert to shares at a conversion price of HK$1.20. The maturity date of the convertible bonds is two years commencing from the date of issue of the convertible bonds. The maturity date shall, upon prior notice in writing by the holder(s) of the convertible bonds to the Company thirty days in advance, be extended for another one year from the last day of the term.

Conversion may occur at any time before maturity date of the convertible bonds. The Company will redeem the convertible bonds if the bonds have not been converted on maturity date or redeem when the Company exercises the redemption rights as pursuant to the terms and conditions of the bond instrument.

The convertible bonds contains four components: derivative financial assets component, derivative financial liability component, liability component and equity component. The liability component is classified as current liabilities and carried at amortised costs using effective interest method. The early redemption option is classified as derivative financial assets. The extension option is classified as derivative financial liabilities and its fair value measured using Binomial Option Pricing Model at initial recognition and at the end of the subsequent reporting period were both equal to Nil. The residual value is classified as equity component and presented in equity heading "convertible bonds equity reserve".

負債部份於初始確認時之實際年利率為15.72厘。

The effective interest rate of the liability component on initial recognition is 15.72% per annum.

Greenhouse Century Limited為可換股債券之持有人。根據經調整轉換價0.96998港元，估計於可換股債券獲悉數轉換時，本公司將配發及發行185,570,836股股份。詳情請參閱本公司日期為2014年6月20日、2015年5月29日及2015年6月29日之公佈。

Greenhouse Century Limited is the holder of the convertible bonds. Based on the adjusted conversion price of HK$0.96998, it is estimated that 185,570,836 Shares will be allotted and issued upon full conversion of the convertible bonds. For details, please refer to the announcements of the Company dated on 20 June 2014, 29 May 2015 and 29 June 2015.

截至2016年12月31日止年度，本集團已於到期日贖回可換股債券。

During the year ended 31 December 2016, the Group has redeemed all the convertible bond upon its maturity date.

37. 衍生金融負債 / 37. Derivative Financial Liabilities

		千港元 HK$'000
於2016年1月1日	As at 1 January 2016	—
發行可轉換債券	Issue of exchangeable bonds	32,120
公允值變動	Fair value change	480
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	32,600
轉換購股權失效	Lapse of the conversion option	(32,600)
於2017年12月31日	**As at 31 December 2017**	**–**

附註：

note:

衍生金融負債指內置於可轉換債券(「可轉換債券」)(容許可轉換債券持有人行使轉換權)之轉換選擇權衍生工具。公允值在首次確認及報告期末時利用二項式期權定價模式計量。

Derivative financial liabilities represent the conversion option derivatives embedded in exchangeable bonds ("EBs") which allows the holders of EBs exercise the conversion rights. The fair value is measured using the Binominal Option Pricing model at initial recognition and at the end of the reporting period.

截至2017年12月31日止年度，所有轉換購股權已失效。可轉換債券詳情已於財務報表附註38披露。

During the year ended 31 December 2017, all the conversion option was lapsed. Details of EBs were disclosed in Note 38 to the financial statements.

38. 可轉換債券

可轉換債券負債部分的賬面值如下：

38. Exchangeable Bonds

The carrying values of the liability component of the EBs are as follows:

		千港元 HK$'000
於2016年1月1日	As at 1 January 2016	—
發行可轉換債券	Issue of exchangeable bonds	197,383
已扣除估算利息開支	Imputed Interest expense charged	23,375
已付及應付利息開支	Interest expense paid and payable	(12,254)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	208,504
已扣除估算利息開支	Imputed interest expense charged	38,041
已付及應付利息開支	Interest expense paid and payable	(18,560)
於2017年12月31日	**As at 31 December 2017**	**227,985**

附註：

於2016年5月5日，本公司發行本金金額為232,000,000港元之可轉換債券以換取現金。可轉換債券自發行日期起計按8厘之年利率計息，須每六個曆月支付一次。可轉換債券持有人有權將可轉換債券轉換為中國稀鎂科技控股有限公司(「中國稀鎂」)股份。可轉讓予可轉換債券持有人的股份數目由可轉換債券工具所述的公式釐定。

可轉換債券持有人有權根據可轉換債券工具的條款及條件於轉換期內隨時轉換全部或任何部分可轉換債券本金額。可轉換債券到期日為自可轉換債券發行日期起計三年(「期限」)，而其可於發出事先通知後延長1個歷年(「延長期限」)。附於可轉換債券的轉換權利可因應可轉換債券持有人的選擇，在發行日期截至以下日期(包括當日)隨時及不時行使：(A)到期日(如可轉換債券持有人在緊接到期日前最少30個曆日發出可轉換通知)或(B)在緊隨本公司向可轉換債券持有人發出提交通知或協議通知之日期後的第30個曆日(以較早者為準)。

於2017年9月4日，由於中國稀鎂重組，本公司向可轉換債券持有人發出協議通知，而轉換權利於2017年10月6日失效。

note:

On 5 May 2016, the Company issued EBs with the principal amount of HK$232,000,000 for cash. The EBs bear an interest of 8% per annum payable in arrear every six calendar months from the issue date. The EBs entitle the holder to convert to the shares of China Rare Earth Magnesium Technology Holdings Limited ("China Rare Earth"). The number of share transferrable to the holders of EBs shall be determined by the formula described in EBs instrument.

The holders of EBs have the right to exchange all or any part of the principal amount of the EBs at any time during the exchange period as pursuant to the terms and conditions of the EBs instrument. The maturity date of the EBs is three years commencing from the date of issue of the EBs (the "Term") and upon prior notice, it can be extended for another 1 calendar year (the "Extended Term"). The right to exchange attaching to the EBs may be exercised, at the option of the holder thereof, at any time and from time to time during the period from the issue date up to and including the earlier of (A) the maturity date, if the holders of EBs delivers an exchangeable notice at least 30 calendar days immediately before the maturity date, or (B) the 30th calendar day immediately following the date of delivery of a submission notice or an agreement notice by the Company to the holders of EBs.

On 4 September 2017, an Agreement Notice was given to the holders of EBs due to the re-organisation in relation to China Rare Earth, the exchange right was lapsed on 6 October 2017.

可轉換債券包含兩個部分：衍生金融負債部分及負債部分。負債部分列作非流動負債，並用實際利息法按攤銷成本列賬。提早轉換選擇權列作衍生金融負債(附註37)。由於轉換權利於2017年10月6日失效，於2017年12月31日，衍生金融負債為零港元(2016年：32,600,000港元)。

The EBs contain two components: derivative financial liability component and liability component. The liability component is classified as non-current liabilities and carried at amortised costs using effective interest method. The conversion option is classified as derivative financial liabilities (Note 37). Due to the lapse of the exchange right on 6 October 2017, the derivative financial liabilities as at 31 December 2017 became HK$Nil (2016: HK$32,600,000).

負債部分在首次確認時的實際年利率為18.04厘。

The effective interest rate of the liability component on initial recognition is 18.04% per annum.

詳情請參考本公司日期為2016年4月26日之公佈。

For details, please refer to the announcement of the Company dated on 26 April 2016.

39. 遞延收入

39. Deferred Revenue

		2017 千港元 HK$'000	2016 千港元 HK$'000
與資產相關之政府撥款	Government grants received related to assets	**73,585**	66,176

為促進金屬鎂業之發展，白山市天安金屬鎂礦業有限公司於2012年與當地政府訂立一份協議。根據該協議，當地政府同意向白山市天安金屬鎂礦業有限公司提供財務資助(「資助」)以改善其生產科技及提高物業、廠房及設備的產能。

In order to encourage the development of magnesium industry, Baishan City Tianan Magnesium Resources Co., Limited entered into an agreement with the local government in 2012. Pursuant to the agreement, the local government agree to provide financial assistance (the "Assistance") to Baishan City Tianan Magnesium Resources Company Limited to improve their production technology and enhance the capacity of the property, plant and equipment.

截至2017年12月31日止年度，本集團收取部份資助2,307,000港元(相當於人民幣2,000,000元)(2016年：3,507,000港元(相當於人民幣3,000,000元))，並於其他收入中確認零港元(2016年：2,081,000港元(相當於人民幣1,780,000元)。

During the year ended 31 December 2017, the Group has received part of the Assistance of HK$2,307,000 (equivalent to RMB2,000,000) (2016: HK$3,507,000 (equivalent to RMB3,000,000)) and recognised to the other income of HK$ Nil (2016: HK$2,081,000 (equivalent to RMB1,780,000).

所收或成為應收款項之資助，初始確認為遞延收入及其後以扣減折舊法開支，按該須予折舊資產可用年期於損益賬確認。

The Assistance received or which becomes receivables is initially recognised as deferred revenue and subsequently recognised in profit or loss over the life of a depreciable asset by way of as a reduced depreciation charge expense.

40. 遞延稅項負債

年內於綜合財務狀況表確認之遞延稅項結餘的組成部份及其變動如下：

40. Deferred Tax Liabilities

The components of deferred tax balances recognised in the consolidated statement of financial position and the movements during the year are as follows:

遞延稅項負債 / Deferred Tax Liabilities

		採礦權 Mining rights 千港元 HK$'000	土地使用權 Land use rights 千港元 HK$'000	物業、廠房及設備 Property, plant and equipment 千港元 HK$'000	無形資產 Intangible asset 千港元 HK$'000	其他 Others 千港元 HK$'000	總計 Total 千港元 HK$'000
於2015年12月31日及2016年1月1日	As at 31 December 2015 and 1 January 2016	100,391	15,668	141	133	–	116,333
計入綜合損益及其他全面收益表（附註11）	Credited to the consolidated statement of profit or loss and other comprehensive income (Note 11)	(2,046)	(368)	(23)	(33)	–	(2,470)
匯兌調整	Exchange alignment	(6,731)	(1,048)	(5)	–	–	(7,784)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	91,614	14,252	113	100	–	106,079
一間附屬公司發行可換股債券	Issue of convertible bond by a subsidiary	–	–	–	–	17,102	17,102
收購一間附屬公司（附註47）	Acquisition of a subsidiary (Note 47)	–	5,534	(39,477)	84,010	–	50,067
計入綜合損益及其他全面收益表（附註11）	Credited to the consolidated statement of profit or loss and other comprehensive income (Note 11)	(2,729)	(468)	2,167	(33)	(385)	(1,448)
匯兌調整	Exchange alignment	6,842	1,095	(194)	423	–	8,166
於2017年12月31日	**As at 31 December 2017**	**95,727**	**20,413**	**(37,391)**	**84,500**	**16,717**	**179,966**

41. 本公司股本 41. Share Capital of the Company

		附註 notes	股份數目 Number of shares 千股 '000	股本 Share capital 千港元 HK$'000
法定：	**Authorised:**			
於2016年1月1日、2016年12月31日、2017年1月1月及2017年12月31日每股面值0.02港元之普通股	Ordinary shares of HK$0.02 each As at 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017		10,000,000	200,000
已發行及繳足：	**Issued and fully paid:**			
於2016年1月1日	As at 1 January 2016		4,609,487	101,986
註銷已發行股份	Cancellation of issued shares	(i)	(11,510)	(230)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017		4,597,977	101,756
註銷已發行股份	Cancellation of issued shares	(ii)	(16,860)	(337)
於2017年12月31日	**As at 31 December 2017**		**4,581,117**	**101,419**

附註：

(i) 於截至2016年12月31日止年度，本公司以總代價約4,210,000港元(未計費用)按每股介乎0.345港元至0.395港元之價格於聯交所購回11,510,000股本公司每股面值0.02港元之普通股。購回之股份已於年內註銷。因此，本公司之已發行股本已相應按該等股份之面值予以削減。購回股份應付之溢價已於本公司股份溢價帳支銷。上述購回為董事會根據股東授權而進行，藉以提高本公司之每股資產淨值及每股盈利，使股東整體受惠。

(ii) 於截至2017年12月31日止年度，本公司以總代價約4,081,000港元(未計費用)按每股介乎0.223港元至0.265港元之價格於聯交所購回16,860,000股本公司每股面值0.02港元之普通股。購回之股份已於年內註銷。因此，本公司之已發行股本已相應按該等股份之面值予以削減。購回股份應付之溢價已於本公司股份溢價帳支銷。上述購回為董事會根據股東授權而進行，藉以提高本公司之每股資產淨值及每股盈利，使股東整體受惠。

notes:

(i) During the year ended 31 December 2016, the Company repurchased 11,510,000 ordinary shares of HK$0.02 each of the Company at an aggregated consideration of approximately HK$4,210,000 before expenses at prices ranging from HK$0.345 to HK$0.395 per share on the Stock Exchange. The repurchased shares were cancelled during the year. Accordingly, the issued share capital of the Company was reduced by the nominal value thereof. The premium payable on the repurchase was charged against the share premium account of the Company. The repurchases were effected by the Board pursuant to the mandate from shareholders, with a view to benefit shareholders as a whole in enhancing the net assets and earnings per share of the Company.

(ii) During the year ended 31 December 2017, the Company repurchased 16,860,000 ordinary shares of HK$0.02 each of the Company at an aggregated consideration of approximately HK$4,081,000 before expenses at prices ranging from HK$0.223 to HK$0.265 per share on the Stock Exchange. The repurchased shares were cancelled during the year. Accordingly, the issued share capital of the Company was reduced by the nominal value thereof. The premium payable on the repurchase was charged against the share premium account of the Company. The repurchases were effected by the Board pursuant to the mandate from shareholders, with a view to benefit shareholders as a whole in enhancing the net assets and earnings per share of the Company.

42. 本公司財務狀況表及儲備

42. Statement of Financial Position and Reserves of the Company

(a) 財務狀況表
於2017年12月31日

(a) Statement of Financial Position
As at 31 December 2017

		2017 千港元 HK$'000	2016 千港元 HK$'000
非流動資產	**Non-current assets**		
物業、廠房及設備	Property, plant and equipment	**1,642**	415
於附屬公司之投資	Investments in subsidiaries	**2,108**	2,108
		3,750	2,523
流動資產	**Current assets**		
可供出售投資	Available-for-sale investments	**–**	42,816
其他應收款項、預付款項及按金	Other receivables, prepayments and deposits	**1,167**	2,847
應收附屬公司款項	Amounts due from subsidiaries	**2,513,692**	2,316,975
銀行及現金結餘	Bank and cash balances	**36,915**	90,285
		2,651,774	2,452,923
減:流動負債	**Less: Current liabilities**		
其他應付款	Other payables	**6,555**	10,762
應付一間附屬公司款項	Amount due to a subsidiary	**–**	1,774
應付所得稅	Income tax payable	**2,974**	2,974
財務擔保合約	Financial guarantee contracts	**–**	131
借貸	Borrowings	**20,000**	–
衍生金融負債	Derivative financial liabilities	**–**	32,600
		29,529	48,241
流動資產淨值	**Net current assets**	**2,522,245**	2,404,682
資產總值減流動負債	**Total assets less current liabilities**	**2,525,995**	2,407,205
減:非流動負債	**Less: Non-current liability**		
借貸	Borrowings	**1,014,946**	867,183
		1,014,946	867,183
資產淨值	**Net assets**	**1,511,049**	1,540,022
本公司擁有人應佔股及儲備	**Capital and reserves attributable to owners of the Company**		
股本	Share capital	**101,419**	101,756
儲備	Reserves	**1,409,630**	1,438,266
權益總額	**Total equity**	**1,511,049**	1,540,022

(b) 儲備 (b) Reserves

		股份溢價 Share premium 千港元 HK$'000	資本贖回儲備 Capital redemption reserve 千港元 HK$'000	可換股債券儲備 Convertible bonds reverse 千港元 HK$'000	購股權儲備 Share option reverse 千港元 HK$'000	重估儲備 Revaluation reserve 千港元 HK$'000	保留盈利 Retained earnings 千港元 HK$'000	總計 Total 千港元 HK$'000
於2016年1月1日	As at 1 January 2016	1,420,855	3,959	12,443	4,853	(2,463)	57,041	1,496,688
年內溢利	Profit for the year	–	–	–	–	–	4,544	4,544
年內其他全面開支	Other comprehensive expenses for the year	–	–	–	–	(286)	–	(286)
年內全面(開支)/收入總額	Total comprehensive (expenses)/ income for the year	–	–	–	–	(286)	4,544	4,258
已付末期股息	Final dividend paid	(59,774)	–	–	–	–	–	(59,774)
贖回可換股債券	Redemption of convertible bonds	–	–	(12,443)	–	–	12,443	–
已失效購股權	Share option lapsed	–	–	–	(1,714)	–	1,714	–
股權結算股份付款之交易	Equity settled share-based transactions	–	–	–	1,075	–	–	1,075
註銷股份	Share cancellation	(3,981)	230	–	–	–	(230)	(3,981)
於2016年12月31日及2017年1月1日	As at 31 December 2016 and 1 January 2017	1,357,100	4,189	–	4,214	(2,749)	75,512	1,438,266
年內虧損	Loss for the year	–	–	–	–	–	(27,950)	(27,950)
年內其他全面開支，扣除所得稅：	Other comprehensive expense for the year, net of income tax:							
年內重估可供出售投資產生之收益淨額	Net gain arising on revaluation of available-for-sale investments during the year	–	–	–	–	3,236	–	3,236
年內出售可供出售投資之重新分類調整	Reclassification adjustment relating to disposal of available-for-sale investments during the year	–	–	–	–	(487)	–	(487)
年內全面收入/(開支)總額	Total comprehensive income/ (expenses) for the year	–	–	–	–	2,749	(27,950)	(25,201)
已失效購股權	Share option lapsed	–	–	–	(1,307)	–	1,307	–
股權結算股份付款之交易	Equity settled share-based transactions	–	–	–	309	–	–	309
註銷股份	Share cancellation	(3,744)	337	–	–	–	(337)	(3,744)
於2017年12月31日	**As at 31 December 2017**	**1,353,356**	**4,526**	**-**	**3,216**	**-**	**48,532**	**1,409,630**

43. 購股權

於2008年12月3日，本公司股東批准購股權計劃(「該計劃」)。根據該計劃，本公司可授出購股權予本集團董事或僱員、本集團的顧問或諮詢人、分銷商、分包商、供應商、服務供應商、代理、客戶及業務夥伴(「合資格參與者」)，以認購本公司股份。

購股權可按董事全權酌情釐定的歸屬、行使或其他方面的條款及條件而授出，惟有關條款及條件須與該計劃的任何其他條款及條件相符一致。

認購價不會低於以下最高者：(i)股份於購股權提呈日期於聯交所每日報價表所列在主板之收市價；(ii)股份於緊接購股權提呈日期前五個交易日於聯交所每日報價表所列在主板之平均價；及(iii)股份之面值。本集團並無法定或推定責任以現金購回或償付購股權。

購股權僅於合資格參與者自購股權授出日期至指定之行使期內仍於本集團服務方可行使。

43. Share Options

On 3 December 2008, a share option scheme (the "Scheme") was approved by the shareholders of the Company. Under the Scheme, the Company may grant options to the directors or employees of the Group, consultant or adviser, distributor, contractor, supplier, service provider, agent, customer and business partner of the Group (the "Eligible Participant") to subscribe for shares in the Company.

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the directors may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms conditions of the Scheme.

The subscription price is not less than the highest of (i) the closing price of the shares on Main Boards stated in the Stock Exchange's daily quotation sheet on the date of offer of the option; (ii) the average prices of the shares on Main Board as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and (iii) the nominal value of the shares. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The share options are exercisable only if the Eligible Participants remain in the service of the Group from the grant date of the share options up to the designated exercise date.

2017年 **2017**

	於2017年1月1日持有 Held at 1 January 2017	年內授出之購股權 Options granted during the year	年內行使之購股權 Options exercised during the year	年內失效之購股權 Options lapsed during the year	於2017年12月31日持有 Held at 31 December 2017	行使價（附註）港元 Exercise price (note) HK$
(A) 僱員 Employees						
	29,286,521	–	–	(29,286,521)	–	0.39129
	14,545,079	–	–	–	14,545,079	0.62606
	12,400,545	–	–	–	12,400,545	0.78258
(B) 董事 Directors						
池文富 Chi Wen Fu	25,556,580	–	–	(25,556,580)	–	0.39129
沈世捷 Shum Sai Chit	11,500,461	–	–	(11,500,461)	–	0.39129
池碧芬 Chi Bi Fen	19,167,435	–	–	(19,167,435)	–	0.39129
郭孟勇 Guo Mengyong	3,833,487	–	–	(3,833,487)	–	0.39129
鄺炳文 Kwong Ping Man	6,389,145	–	–	(6,389,145)	–	0.39129
盛洪 Sheng Hong	3,611,316	–	–	(3,611,316)	–	0.39129
劉智傑 Lau Chi Kit	6,389,145	–	–	–	6,389,145	0.78258
	99,344,945	–	–	(99,344,945)	–	0.39129
	14,545,079	–	–	–	14,545,079	0.62606
	18,789,690	–	–	–	18,789,690	0.78258
	132,679,714	–	–	(99,344,945)	33,334,769	

於2017年12月31日，計劃項下尚未行使之購股權合共可認購33,334,769股股份。

As at 31 December 2017, Options to subscribe for a total of 33,334,769 Shares were outstanding under the Scheme.

2016年 **2016**

		於2016年1月1日持有 Held at 1 January 2016	年內授出之購股權 Options granted during the year	年內行使之購股權 Options exercised during the year	年內失效之購股權 Options lapsed during the year	於2016年12月31日持有 Held at 31 December 2016	行使價（附註）港元 Exercise price (note) HK$
(A)	**僱員 Employees**						
		29,286,521	–	–	–	29,286,521	0.39129
		14,545,079	–	–	–	14,545,079	0.62606
		14,189,506	–	–	(1,788,961)	12,400,545	0.78258
(B)	**董事 Directors**						
	池文富 Chi Wen Fu	25,556,580	–	–	–	25,556,580	0.39129
	沈世捷 Shum Sai Chit	11,500,461	–	–	–	11,500,461	0.39129
	池碧芬 Chi Bi Fen	19,167,435	–	–	–	19,167,435	0.39129
	楊玉川[1] Yang Yuchuan[1]	19,167,435	–	–	(19,167,435)	–	0.78258
	郭孟勇 Guo Mengyong	3,833,487	–	–	–	3,833,487	0.39129
	鄺炳文 Kwong Ping Man	6,389,145	–	–	–	6,389,145	0.39129
	盛洪 Sheng Hong	3,611,316	–	–	–	3,611,316	0.39129
	劉智傑 Lau Chi Kit	6,389,145	–	–	–	6,389,145	0.78258
		99,344,945	–	–	–	99,344,945	0.39129
		14,545,079	–	–	–	14,545,079	0.62606
		39,746,086	–	–	(20,956,396)	18,789,690	0.78258
		153,636,110	–	–	(20,956,396)	132,679,714	

1. 已於2016年8月4日辭任

於2016年12月31日，計劃項下尚未行使之購股權合共可認購132,679,714股股份。

1. Resigned on 4 August 2016

As at 31 December 2016, Options to subscribe for a total of 132,679,714 Shares were outstanding under the Scheme.

於2017年12月31日，尚未行使購股權有以下屆滿日期、行使期及行使價。

Options outstanding at 31 December 2017 have the following expiry date, exercise period and exercise prices.

頒授日期 Grant date	屆滿日期 Expiry date	行使期 Exercise period	每股行使價 Exercise prices per Share 港元 HK$	購股權數目 Number of Options
2011年12月30日 30 December 2011	2017年12月30日 30 December 2017	自2012年11月1日起至2017年12月30日 From 1 November 2012 to 30 December 2017	0.39129	—
2011年12月30日 30 December 2011	2017年12月30日 30 December 2017	自2016年11月1日起至2017年12月30日 From 1 November 2016 to 30 December 2017	0.39129	—
2013年3月19日 19 March 2013	2018年12月31日 31 December 2018	自2013年11月1日起至2018年12月31日 From 1 November 2013 to 31 December 2018	0.62606	**14,545,079**
2015年1月6日 6 January 2015	2018年10月31日 31 October 2018	自2015年11月1日起至2018年10月31日 From 1 November 2015 to 31 October 2018	0.78258	**3,833,486**
2015年1月6日 6 January 2015	2020年10月31日 31 October 2020	自2015年11月1日起至2020年10月31日 From 1 November 2015 to 31 October 2020	0.78258	**14,956,204**
				33,334,769

於本年報日期，該計劃項下可供發行之本公司股份總數(包括上述尚未行使購股權)為254,979,102股，相當於本公司當日已發行股本約5.57%。該計劃之餘下年期約為3年，並將於2018年12月3日屆滿。

As at the date of the annual report, the total number of Shares of the Company available for issue under the Scheme (including the above Options outstanding not yet exercised) was 254,979,102, representing approximately 5.57% of the issued share capital of the Company as of the date thereof. The remaining life of the Scheme is approximately 3 years and to be expired on 3 December 2018.

截至2011年12月31日止年度，授出的購股權使用柏力克－舒爾斯期權定價模式釐定。輸入該估值模式的重要計算因素為於授出日期的股價0.217港元(已就股份分拆的影響作出調整)、上述行使價、預期股價回報標準偏差39.20%至66.37%、年度無風險利率0.33%至1.08%、約1至6年預計購股權年期及1.43%派息率。按預期股價回報的標準偏差而計量的波幅，乃根據由2006年7月31日至2011年12月31日的每日股價的統計分析計算得出。截至2017年12月31日止年度，約零港元(2016年：159,000港元)已計入綜合損益及其他全面收益表內。

The Options granted during the year ended 31 December 2011 determined using the Black-Scholes valuation model. The significant inputs into the model were share price of HK$0.217, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, standard deviation of expected share price return of 39.20% to 66.37%, annual risk free interest rate of 0.33% to 1.08%, expected life of Options of approximately 1 to 6 years and dividend payout ratio of 1.43%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 31 July 2006 to 31 December 2011. During the year ended 31 December 2017, approximately HK$Nil (2016: HK$159,000) were charged to the consolidated statement of profit or loss and other comprehensive income.

截至2013年12月31日止年度，授出的購股權公允值使用柏力克－舒爾斯期權定價模式釐定，約為5,830,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.80港元(已就股份分拆的影響作出調整)、上述行使價、預期波幅介乎42.05%至52.22%、年度無風險利率0.11%至0.58%、約1.6至5.2年預計購股權年期及2.47%派息率。按預期股價回報的標準偏差而計量的波幅，乃根據由2007年9月25日至2013年3月19日的每日股價的統計分析計算得出。截至2017年12月31日止年度，約73,000港元(2016年：134,000港元)已計入綜合損益及其他全面收益表內。

The fair value of Options granted during the year ended 31 December 2013 determined using the Black-Scholes valuation model was approximately HK$5,830,000. The significant inputs into the model were share price of HK$0.80, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 42.05% to 52.22%, annual risk-free interest rate of 0.11% to 0.58%, expected life of Options of approximately 1.6 to 5.2 years and dividend payout ratio of 2.47%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 25 September 2007 to 19 March 2013. During the year ended 31 December 2017, approximately HK$73,000 (2016: HK$134,000) were charged to the consolidated statement of profit or loss and other comprehensive income.

截至2015年12月31日止年度所授出之購股權，使用柏力克－舒爾斯期權定價模式釐定公允值為約3,660,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.69港元(已就股份分拆的影響作出調整)、上述行使價、預期股價波動介於43.47%至49.69%、年度無風險利率0.71%至1.39%。約2.32至5.32年預計購股權年期及1.29%派息率。按預期股價回報的標準偏差而計量的波幅，乃根據由2009年8月19日至2012年8月28日的每日股價的統計分析計算得出。截至2017年12月31日止年度，約236,000港元(2016年：782,000港元)已計入綜合損益及其他全面收益表內。

The fair value of Options granted during the year ended 31 December 2015 determined using the Black-Scholes valuation model was approximately HK$3,660,000. The significant inputs into the model were share price of HK$0.69, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 43.47% to 49.69%, annual risk-free interest rate of 0.71% to 1.39%. Expected life of Options of approximately 2.32 to 5.32 years and dividend payout ratio of 1.29%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 19 August 2009 to 28 August 2012. During the year ended 31 December 2017, approximately HK$236,000 (2016: HK$782,000) were charged to the consolidated statement of profit or loss and other comprehensive income.

截至2017年12月31日止年度期間，須計入綜合損益及其他全面收益表內之以股份為基礎之付款約為309,000港元(2016年：1,075,000港元)。

During the year ended 31 December 2017, the total share based payments charged to the consolidated statement of profit or loss and other comprehensive income were approximately HK$309,000 (2016: HK$1,075,000).

44. 承擔 / 44. Commitments

(a) 資本承擔 / (a) Capital Commitments

		2017 千港元 HK$'000	2016 千港元 HK$'000
已訂約但尚未於綜合財務報表撥備之有關收購物業、廠房及設備之資本支出	Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**224,739**	281,399

(b) 經營租約承擔

本集團作為承租人

本集團根據不可撤銷租賃協議租賃各類寫字樓、員工宿舍及貨倉。該等租賃之租期、調整租金之條款及續約權利各有不同。

於報告期末，本集團就日後根據不可撤銷經營租約於下列期間到期應付的最低租金還款承擔如下：

(b) Operating Lease Commitments

The Group as Lessee

The Group leases various office premises, staff quarters and warehouses under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal rights.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2017 千港元 HK$'000	2016 千港元 HK$'000
一年內	Within one year	**12,249**	6,377
第二年至第五年（包括首尾兩年）	In the second to fifth years inclusive	**24,155**	8,080
超過五年	Over five years	**6,947**	2,099
		43,351	16,556

45. 重大關連人士交易及關連交易

除綜合財務報表另有披露外，年內本集團已進行以下主要關連人士交易：

45. Material Related Party Transactions and Connected Transactions

Except as disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant related party transactions during the year.

(a) 主要管理人員酬金

(a) Key Management Compensation

		2017 千港元 HK$'000	2016 千港元 HK$'000
董事（附註13）	Directors (Note 13)	**3,856**	3,899
其他主要管理人員：	Other key management personnel:		
薪金及其他短期僱員福利	Salaries and other short-term employee benefits	**5,639**	5,154
		9,495	9,053

(b) 池文富先生已向國際金融公司作出承諾，將本公司之股權維持在最低水平作為借貸抵押品詳情參見附註35。

(b) Mr. Chi Wen Fu has given an undertaking to IFC to maintain a minimum level of shareholding in the Company as collateral of the borrowings as detailed in Note 35.

(c) 銷售產品

(c) **Sales of goods**

		2017 千港元 **HK$'000**	2016 千港元 HK$'000
向一間合資公司銷售（附註(i)）	Sales to a joint venture (note(i))	**2,948**	2,921
向山東紅日銷售（附註(ii)）	Sales to Shandong Hongri (note(ii))	**–**	1,533

附註：

(i) 向一間合資公司銷售乃按向本集團主要客戶提供之公佈價格及條件進行。

(ii) 向山東紅日銷售乃以本集團之一般上市價作出。

note:

(i) The sales to a joint venture were made according to the published prices and conditions offered to the major customers of the Group.

(ii) The sales to Shandong Hongri were made at the Group's usual list prices.

(d) 於2016年8月3日，本集團全資附屬公司Long Xiang Enterprises Limited與賣方(一間於英屬處女群島註冊成立之公司，由一名直至2016年8月4日之董事楊先生間接持有，因此，根據上市規則，楊先生為本公司之關連人士)訂立了一份買賣協議，以收購Acronagrotrans Ltd之全部權益(其直接持有山東紅日化工股份有限公司(「山東紅日」)之50.5%權益)，代價為1美元(相當於7.76港元)。該交易已完成而山東紅日自2017年4月1日起於本集團綜合入賬。本集團於完成交易後獲得山東紅日之50.5%實質有效控股權益。有關收購之更多詳情，請參閱日期為2016年9月23日之公告。

(d) On 3 August 2016, Long Xiang Enterprises Limited, a wholly owned subsidiary of the Group, entered into a sale and purchase agreement with the Vendor, a company incorporated in the BVI with limited liability, which is indirectly owned by Mr. Yang, a Director until 4 August 2016, as to 47.17% and is thus a connected person of the Company under the Listing Rules, for the acquisition of the entire interests in Acronagrotrans Ltd, which directly holds 50.5% interests in Shandong Hongri Chemical Joint Stock Company, Ltd. ("Shandong Hongri"), at the consideration of US$1 (equivalent to HK$7.76). The transaction was completed and Shandong Hongri was consolidated into the Group with effect from 1 April 2017. The Group gained 50.5% effective controlling interest in Shandong Hongri after the completion of the transaction. For more details of the acquisition, please refer the announcement date 23 September 2016.

46. 非現金交易

截至2017年12月31日止年度，本集團已轉撥約51,912,000港元支付無形資產專利對價款項。

截至2017年12月31日止年度，本集團已透過間接非全資附屬公司自一家於英屬處女群島註冊成立並獨立於本集團之有限公司聯勝有限公司收購中國稀鎂科技控股有限公司12.06%之股本權益及永洋集團有限公司0.5%之股本權益。總代價約為154,829,000港元，以本公司之間接持有附屬公司權智(國際)有限公司(股份代號：601)發行價每股0.36港元之430,080,020股新股份償付。有關更多詳情，請參閱日期為2017年11月30日之公告。

於2016年12月31日，本集團收購一間附屬公司，部分代價約890,000港元於報告期末尚未以現金結清。詳情請參考附註47(b)。

於截至2016年12月31日止年度，本集團已將約10,401,000港元由收購物業、廠房及設備之訂金轉撥至物業、廠房及設備。

46. Non-Cash Transactions

During the year ended 31 December 2017, the Group has transferred approximately HK$51,912,000 payment for acquisition of patents to intangible assets.

During the year ended 31 December 2017, the Group acquired 12.06% equity interest of China Rare Earth Magnesium Technology Holdings Limited and 0.5% equity interest in Fullocean Group Limited from Win Union Limited, a company incorporated in the British Virgin Islands with limited liability which is independent to the Group through an indirect non-wholly owned subsidiary. The total consideration of approximately HK$154,829,000 was settled by 430,080,020 new shares of the Group Sense (International) Limited (Stock code: 601), an indirectly-held subsidiary of the Company at issue price of HK$ 0.36 per share. For more details, please refer to the announcement dated 30 November 2017.

During the year ended 31 December 2016, the Group acquired a subsidiary and the partial consideration of approximately HK$890,000 has not been settled by cash at the end of the reporting period. For details, please refer to Note 47(b).

During the year ended 31 December 2016, the Group has transferred approximately HK$10,401,000 from deposits for acquisition of property, plant and equipment to property, plant and equipment.

47. 收購附屬公司

(a) 於2016年8月3日，本集團全資附屬公司Long Xiang Enterprises Limited訂立了一份買賣協議，以收購Acronagrotrans Ltd之全部權益(其直接持有山東紅日化工股份有限公司(「山東紅日」)之50.5%權益)，代價為1美元(相當於7.76港元)。該交易已完成而山東紅日自2017年4月1日起於本集團綜合入賬。本集團於完成交易後獲得山東紅日之50.5%實質有效控股權益。

47. Acquisition of subsidiaries

(a) On 3 August 2016, Long Xiang Enterprises Limited, a wholly owned subsidiary of the Group, entered into a sale and purchase agreement for the acquisition of the entire interests in Acronagrotrans Ltd, which directly holds 50.5% interests in Shandong Hongri Chemical Joint Stock Company, Ltd. (“Shandong Hongri”), at the consideration of US$1 (equivalent to HK$7.76). The transaction was completed and Shandong Hongri was consolidated into the Group with effect from 1 April 2017. The Group gained 50.5% effective controlling interest in Shandong Hongri after the completion of the transaction.

		可識別淨資產及負債之公允值 Fair value of net identifiable assets and liabilities 千港元 HK$'000
物業、廠房及設備	Property, plant and equipment	499,735
土地使用權	Land use rights	96,352
無形資產	Intangible assets	338,424
存貨	Inventories	246,424
貿易應收款項及應收票據	Trade and bills receivables	223,711
其他應收款項、預付款項及按金	Other receivables, prepayment and deposits	109,693
銀行及現金結餘	Bank and cash balances	202,166
貿易應付款項及應付票據	Trade and bills payables	(808,045)
應計費用及其他應付款項	Accruals and other payables	(426,500)
遞延稅項負債	Deferred tax liabilities	(50,067)
借貸	Borrowings	(369,055)
非控股權益	Non-controlling interests	(31,105)
可識別資產淨值之公允值總額	Total identifiable net assets at fair value	31,733
於截至2017年12月31日止年度綜合損益及其他全面收益表內確認之議價收購收益	Gain on bargain purchase recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017	31,733
總代價	Total consideration	–
以下列方式償付代價：	Consideration satisfied by:	
現金	Cash	–
收購事項所產生之現金流入：	Cash inflow arising on acquisition:	
所付現金代價	Cash consideration paid	–
所收購之銀行及現金結餘	Bank and cash balances acquired	202,166
		202,166

(i) 山東紅日業績之收購影響

期內溢利中包括山東紅日所產生額外業務之應佔虧損約47,463,000港元。期內收入包括來自山東紅日之902,307,000港元。倘業務合併於2017年1月1日已生效，本集團來自持續經營業務之收入應為1,308,471,000港元，而來自持續經營業務之年內虧損則為67,625,000港元。本集團董事認為該等「備考」數字代表合併後集團按年化基準計量之概約業績，並可作為與未來期間比較之參考業績。

收購資產及負債已分配至農業肥料業務分部。

有關收購的更多詳情，請參閱日期為2016年9月27日的公告。

(i) Impact of acquisition on the result of Shandong Hongri

Included in the profit for the period of approximately HK$47,463,000 losses attributable to the additional business generated by Shandong Hongri. Revenue for the period includes HK$902,307,000 in respect of Shandong Hongri. Had these business combinations been effected at 1 January 2017, the revenue of the Group from continuing operation would have been HK$1,308,471,000 and the loss for the year from continuing operations would have been HK$67,625,000. The directors of the Group considered these "pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

The acquisition assets and liabilities were allocated to fertiliser business segment.

For more details of the acquisition, please refer to announcement date 27 September 2016.

(b) 收購新沂市二灣港務有限公司(「二灣港務」)

截至2016年12月31日止年內，本集團向獨立第三方收購二灣港務的全部股本權益。二灣港務從事物流業務。有關收購事項乃作為本集團多元化發展本集團業務及提高本集團長遠增長潛力之政策其中一環而進行。收購事項之購買代價為現金形式，未支付金額於2016年12月31日作為應付賣方之代價列賬。

二灣港務於2016年7月15日(收購日期)之可識別資產及負債於收購日期之公允值如下：

(b) Acquisition of 新沂市二灣港務有限公司 ("二灣港務")

During the year ended 31 December 2016, the Group acquired entire equity interest in 二灣港務 from independent third parties. 二灣港務 is engaged in logistic operation. The acquisition was made as part of the Group's strategy to diversify the Group's business and enhance long-term growth potential of the Group. The purchase consideration for the acquisition was in the form of cash and the unpaid amount was recorded as consideration payable to the sellers as at 31 December 2016.

The fair values on the date of acquisition for the identifiable assets and liabilities of 二灣港務 as at 15 July 2016 (the date of acquisition) were as follows:

		附註 Notes	可識別淨資產及負債之公允值 Fair value of net identifiable assets and liabilities 千港元 HK$'000
物業、廠房及設備	Property, plant and equipment	17	6,665
其他應付款項	Other payables		(216)
			6,449
商譽	Goodwill	20	224
總代價	Total consideration		6,673

		千港元 HK$'000
以下列方式償付代價：	Consideration satisfied by:	
現金	Cash	5,783
代價－就收購事項應付賣方之款項	Consideration – payable to the sellers in connection with the acquisition	890
總代價	Total consideration	6,673
收購事項所產生之現金流出：	Cash outflow arising on acquisition:	
所付現金代價	Cash consideration paid	5,783
所收購之銀行結餘及現金	Bank balances and cash acquired	–
		5,783

(i) 收購事項之商譽

收購二灣港務所產生商譽乃來自合併成本（包括控制溢價）。此外，就合併所支付代價包括有關項目的業務策略之相關金額，有關金額未能可靠計量。預期收購事項所產生商譽概不可扣稅。

(ii) 二灣港務業績之收購影響

年內溢利中包括二灣港務所產生額外業務之應佔虧損約654,000港元。年內收入包括來自二灣港務之532,000港元。倘業務合併於2016年1月1日已生效，本集團來自持續經營業務之收入應為1,277,000港元，而來自持續經營業務之年內虧損則為1,570,000港元。本集團董事認為該等「備考」數字代表合併後集團按年化基準計量之概約業績，並可作為與未來期間比較之參考業績。

(i) Goodwill on the acquisition

Goodwill arose in the acquisition of 二灣港務 because the cost of combination included a control premium. In addition, the consideration paid for the combination included amounts in relation to the business strategy arising from them which cannot be measured reliably. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

(ii) Impact of acquisition on the result of 二灣港務

Included in the profit for the year of approximately HK$ 654,000 losses attributable to the additional business generated by 二灣港務. Revenue for the year includes HK$532,000 in respect of 二灣港務. Had these business combinations been effected at 1 January 2016, the revenue of the Group from continuing operation would have been HK$1,277,000 and the loss for the year from continuing operations would have been HK$1,570,000. The directors of the Group considered these "pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

48. 出售一間附屬公司

於截至2017年12月31日止年度，本集團將其於一間附屬公司的全部股權出售予獨立第三方。已出售附屬公司於中國進行鎂合金產品的研發和銷售。出售事項已於2017年3月30日完成。

48. Disposal of a subsidiary

During the year ended 31 December, 2017, the Group disposed of its entire equity interests in a subsidiary, 上海鎂研金屬材料有限公司 to an independent third party. The disposed subsidiary is incorporated in PRC which is engaged in research and sales of magnesium alloys. The disposal was completed on 30 March 2017.

於出售日期出售附屬公司的資產淨值如下：

The net assets of the disposed subsidiary at the date of disposal was as follows:

		千港元 HK$'000
出售資產淨值：	Net assets disposed of:	
物業、廠房及設備	Property, plant and equipment	120
存貨	Inventories	1,104
貿易應收款項	Trade receivables	2,215
其他應收款項、預付款項及按金	Other receivables, prepayments and deposits	6,233
現金及等同現金項目	Cash and cash equivalents	486
貿易應付款項	Trade payables	(88)
其他應付款項	Other payables	(6,012)
		4,058
出售一間附屬公司收益	Gain on disposal of a subsidiary	1,895
		5,953
以下列方式償付：	Satisfied by:	
現金代價應收款項	Cash consideration receivables	5,953
出售一間附屬公司的現金流出淨額：	Net cash outflow from disposal of a subsidiary:	
已出售銀行結餘及現金	Bank balances and cash disposed	(486)
		(486)

49. 由融資活動引起的負債對賬

49. Reconciliation of Liabilities Arising from Financing Activities

		應付非控股股東款項 Amount due to a non-controlling shareholder 千港元 HK$'000	借貸 Borrowings 千港元 HK$'000	可轉換債券 Exchangeable bonds 千港元 HK$'000	總計 Total 千港元 HK$'000
於2017年1月1日	As at 1 January 2017	121,216	1,332,122	208,504	1,661,842
融資現金流量	Financing cash flow	114,296	26,781	(18,560)	122,517
外匯調整	Foreign exchange adjustments	4,290	83,434	-	87,724
其他非現金變動	Other non-cash movement	–	376,848	38,041	414,889
於2017年12月31日淨債項	**Net debt as at 31 December 2017**	**239,802**	**1,819,185**	**227,985**	**2,286,972**

50. 附屬公司擁有權權益之變動

截至2017年12月31日止年度，本集團進一步收購山東紅日化工股份有限公司之19.52%、中國稀鎂科技控股有限公司之12.06%、永洋集團有限公司之0.5%及權智(國際)有限公司之20.54%。此外，本集團已轉讓永洋集團有限公司至一間共同控制之附屬公司。由於該等交易，本集團確認非控股權益減少約41,606,000港元及其他儲備增加約38,985,000港元。

於截至2016年12月31日止年度內，本集團獲得江蘇湛藍科技開發有限公司的額外4.95%股本權益、江蘇龍騰化工有限公司的額外8.70%股本權益及永洋集團有限公司的額外15.00%股本權益。本集團因此等交易而確認約47,745,000港元非控股權益減少及約227,593,000港元其他儲備減少。

50. Changes in Ownership Interest in Subsidiaries

During the year ended 31 December 2017, the Group has further acquired 19.52% of Shandong Hongri Chemical Joint Stock Company Limited, 12.06% of China Rare Earth Magnesium Technology Holdings Limited, 0.5% of Fullocean Group Limited and 20.54% of Group Sense (International) Limited. In addition, the Group has transferred Fullocean Group Limited to a subsidiary under common control. As a result of these transactions, the Group recognised a decrease in non-controlling interests of approximately HK$41,606,000 and an increase in other reserve of approximately HK$38,985,000.

During the year ended 31 December 2016, the Group gained 4.95% additional equity interest of Jiangsu Azureblue Technology Development Company Limited, 8.70% additional equity interest in Jiangsu Longteng Petrochemical Limited and 15.00% additional equity interest in Fullocean Group Limited. As a result of these transactions, the Group recognised a decrease in non-controlling interests of approximately HK$47,745,000 and a decrease in other reserve of approximately HK$227,593,000.

51. 訴訟與或然負債

參考本公司2014年10月9日之公告，內容提及對首智投資有限公司(「首智」)之民事訴訟，於本財務報表日期，據本公司所知悉，有關訴訟的傳訊令狀尚未送達首智。首智倘收到該法律文件後，將就有關追討尋求法律意見及就此應予採取的必要行動。董事認為，該訴訟不會對本集團於業務、營運及財務情況構成重大不利影響。

除上文所披露者外，董事認為直至報告日期概無對本集團業務、營運及財務狀況造成重大不利影響的重大訴訟。

51. Litigations and Contingent Liabilities

Reference was made to the announcement of the Company dated 9 October 2014 regarding a civil claim against Capital Idea Investments Limited ("Capital Idea"). As of the date of the consolidated financial statement, to the best knowledge of the Company, the writ of summons of the litigation has not yet been served on Capital Idea. Upon receiving this legal document, Capital Idea will seek legal advice in relation to the claim and the necessary actions to be taken in this respect and will vigorously defend against the claim. The directors are is of the view that this claim will not have a material adverse impact on the business, operation and financial position of the Group.

Save as disclosed above, the Directors consider that up to report date there were no significant litigations would have material adverse impact on the business, operation and financial position of the Group.

52. 報告期後事項

除已於本年報之其他部份內披露外，於報告期末後並無任何重大事項。

52. Events after the Reporting Period

Saved as disclose elsewhere in this Annual Report, there were no significant events that have occurred subsequent to the end of the reporting period.

53. 比較數字

若干比較數字已重新分類，以符合本年度之呈列方式。

53. Comparatives

Certain comparative amounts have been reclassified to conform with current year's presentation.

54. 授權刊發綜合財務報表

董事會於2018年3月27日批准及授權刊發綜合財務報表。

54. Authorisation for Issue of Consolidated Financial Statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 27 March 2018.

世紀陽光集團控股有限公司

Century Sunshine Group Holdings Limited

Incorporated in the Cayman Islands with limited liability

於開曼群島註冊成立之有限公司

Stock Code 股份代號 : 509.HK

Website 網址 : www.centurysunshine.com.hk

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