



Hoifu Energy Group Limited
凱富能源集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 7)



Annual Report 2017 年報

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Corporate Information

公司資料

HONORARY CHAIRMAN AND SENIOR CONSULTANT

Dr. HATOYAMA Yukio

BOARD OF DIRECTORS

Executive Directors:

Dr. HUI Chi Ming G.B.S., J.P. (*Chairman*)
Mr. BUSH Neil (*Deputy Chairman*)
Dr. CHUI Say Hoe (*Managing Director*)
Mr. REN Qian (appointed on 5 July 2017)
Mr. XU Jun Jia
Mr. CAO Yu
Mr. LAM Kwok Hing M.H., J.P.
Mr. NAM Kwok Lun

Independent Non-Executive Directors:

Mr. CHEN Wei-Ming Eric
Mr. KWAN Wang Wai Alan
Mr. NG Chi Kin David
Mr. Yim Kai Pung (appointed on 1 July 2017)

AUDIT COMMITTEE

Mr. NG Chi Kin David (*Chairman*)
Mr. KWAN Wang Wai Alan
Mr. Yim Kai Pung (appointed on 1 July 2017)
Mr. CHEN Wei-Ming Eric (Re-designated on 1 July 2017)

NOMINATION COMMITTEE

Dr. HUI Chi Ming G.B.S., J.P. (*Chairman*)
Mr. NG Chi Kin David
Mr. Yim Kai Pung (appointed on 1 July 2017)
Mr. CHEN Wei-Ming Eric (Re-designated on 1 July 2017)

REMUNERATION COMMITTEE

Dr. CHUI Say Hoe (*Chairman*)
Mr. NG Chi Kin David
Mr. Yim Kai Pung (appointed on 1 July 2017)
Mr. CHEN Wei-Ming Eric (Re-designated on 1 July 2017)

榮譽主席兼高級顧問

鳩山由紀夫博士

董事會

執行董事：

許智銘博士 G.B.S., J.P. (*主席*)
尼爾•布什先生 (*副主席*)
徐世和博士 (*董事總經理*)
任前先生 (於二零一七年七月五日獲委任)
許峻嘉先生
曹宇先生
藍國慶先生 M.H., J.P.
藍國倫先生

獨立非執行董事：

陳偉明先生
關宏偉先生
伍志堅先生
嚴繼鵬先生 (於二零一七年七月一日獲委任)

審核委員會

伍志堅先生 (*主席*)
關宏偉先生
嚴繼鵬先生 (於二零一七年七月一日獲委任)
陳偉明先生 (於二零一七年七月一日調任)

提名委員會

許智銘博士 G.B.S., J.P. (*主席*)
伍志堅先生
嚴繼鵬先生 (於二零一七年七月一日獲委任)
陳偉明先生 (於二零一七年七月一日調任)

薪酬委員會

徐世和博士 (*主席*)
伍志堅先生
嚴繼鵬先生 (於二零一七年七月一日獲委任)
陳偉明先生 (於二零一七年七月一日調任)

Corporate Information 公司資料

COMPANY SECRETARY

Mr. FU Wing Kwok Ewing

公司秘書

傅榮國先生

AUTHORISED REPRESENTATIVES

Dr. CHUI Say Hoe
Mr. FU Wing Kwok Ewing

授權代表

徐世和博士
傅榮國先生

RESIDENT REPRESENTATIVE AND ASSISTANT SECRETARY

Estera Services (Bermuda) Limited

駐百慕達代表及助理秘書

Estera Services (Bermuda) Limited

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 1910-12, 19th Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

總辦事處及主要營業地點

香港上環
干諾道中168-200號
信德中心
招商局大廈
19樓1910-12室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

主要股份登記及過戶處

Estera Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Corporate Information

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Agricultural bank of China
Bank of Communications (Hong Kong) Limited
China Citic Bank International Limited
Chong Hing Bank Limited
Dah Sing Bank
Hang Seng Bank Limited
United Overseas Bank Limited
Wing Hang Bank Limited

SOLICITORS

Sidley Austin Brown & Wood International Law Firm

AUDITOR

Elite Partners CPA Limited
Certified Public Accountants

STOCK CODE

7

CONTACTS

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香港股份登記及過戶分處

卓佳標準有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

中國農業銀行
交通銀行(香港)有限公司
中信銀行國際有限公司
創興銀行有限公司
大新銀行
恒生銀行有限公司
大華銀行有限公司
永亨銀行有限公司

律師

盛德律師事務所

核數師

開元信德會計師事務所有限公司
執業會計師

股份代號

7

聯絡

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網址: www.hoifuenergy.com

Chairman's Statement

主席報告

I would like to present to the shareholders the audited consolidated results of Hoifu Energy Group Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2017.

During the year under review, the Group recorded the profit attributable to the owners of the Company of approximately HK\$11.6 million as compared to the loss attributable to the shareholders of approximately HK\$4.6 million for the financial year 2016.

2017 was a year of opportunities and challenges. During the year under review, the Group entered into a sale and purchase agreement to acquire the entire issued share capital of New Guangdong Merchants Investment Holding Group Limited which owns the land use rights of lands located in Donghai Dao, Zhanjiang Economic and Technological Development Zone, Zhanjiang City, Guangdong Province, the PRC. It has been the Company's business strategy to make investments in development projects with economic growth potential so as to expand its revenue source, improve its profitability and maintain a sustainable growth. The Directors are of the view that the long-term prospect of the PRC property market is promising in view of the PRC's continuous economic growth, the rising early-stage urbanization, regional development boosted by city clusters and the continued increase in the citizens' financial capability. Accordingly, the Group intends to expand its business into property investment and development alongside its existing business. This transaction was completed on 28 February 2018. Based on the growth trend in housing price in Zhanjiang, the Company is of the view that the value of the land will increase significantly in next year.

However, this is also the first year in which the subsidiary, Hebei Panbao Zeolite Technology Ltd, reported a disappointed performance of a major loss since it became a subsidiary of the Group. Fortunately, the management had been acting swiftly by entering into a sale and purchase agreement disposing a group of subsidiaries, including Hebei Panbao, at premium. The transaction is still in process and hopefully will be completed in the coming months.

本人謹向股東公佈凱富能源集團有限公司（「本公司」）連同其附屬公司（「本集團」）截至二零一七年十二月三十一日止年度之經審核綜合業績。

於回顧年度，本集團錄得本公司擁有人應佔溢利約11,600,000港元，而二零一六年財政年度則為股東應佔虧損約4,600,000港元。

二零一七年是機遇與挑戰並存的一年。於回顧年度，本集團訂立買賣協議收購新粵商投資控股集團有限公司（擁有位於中國廣東省湛江市湛江經濟技術開發區東海島之土地之土地使用權）之全部已發行股本。本公司業務策略為投資具有經濟增長潛力發展項目，以擴大其收益來源，提高其盈利能力及維持可持續增長。董事認為，鑒於中國經濟持續增長、早期城市化的出現、城市群帶動區域發展及居民經濟能力持續增長，中國物業市場長期前景廣闊。因此，本集團擬於現有業務基礎上將業務拓展至物業投資及開發。該交易已於二零一八年二月二十八日完成。根據湛江地區的房價升幅趨勢，本公司認為在未來一年該土地的價值將會有大幅上調的空間。

然而，二零一七年亦是附屬公司河北攀寶沸石科技有限公司自其成為本集團附屬公司以來錄得巨額虧損之欠佳業績的首年。幸運的是，管理層迅速採取行動，訂立買賣協議，以溢價出售一組附屬公司（包括河北攀寶）。有關交易仍在進行中，有望於未來數月內完成。

Chairman's Statement

主席報告

Looking forward, the Group will seek to expand its business into property investment and development alongside its existing energy-related and financial services business. The Group's enlarging and strengthening financial operation and property investment business will benefit the Company's future business development beyond the energy-related sector and is in the best interests of the Company and the Shareholders as a whole.

I would like to express my gratitude to all shareholders, customers, suppliers and business partners for supporting the Group over the years and contributing to the Group's healthy development. In appreciation of your support, we will remain committed to moving our business forward to achieve even greater success in the future.

For and on behalf of the Board

Dr. Hui Chi Ming, *G.B.S., J.P.*

Chairman

29 March 2018

展望未來，本集團將尋求於現有能源相關及金融服務業務基礎上拓展其業務至物業投資及開發。本集團不斷擴大及加強的金融業務及物業投資業務，將有利於本公司日後將業務發展至能源相關行業以外的行業，並符合本公司及股東的整體最佳利益。

本人謹此向多年來支持本集團並為本集團健康發展作出貢獻之全體股東、客戶、供應商及業務夥伴致謝。為感謝閣下支持，我們將繼續推動業務發展，於日後取得更大成功。

代表董事會

許智銘博士 *G.B.S., J.P.*

主席

二零一八年三月二十九日

Management Discussion and Analysis

管理層討論與分析

RESULTS

For the year ended 31 December 2017, the Group's revenue of continuing operation amounted to approximately HK\$97,065,000, compared to approximately HK\$31,329,000 for 2016, representing an increase of approximately HK\$65,736,000.

The Group's consolidated profit attributable to the owners of the Company for 2017 amounted to approximately HK\$11,664,000, compared to the loss of approximately HK\$4,621,000 for 2016.

In view of the uncertain prospect of Hebei Panbao Zeolite Technology Co., Ltd * (河北攀寶沸石科技有限公司) ("Hebei Panbao"), the Company decided to dispose 55% equity interest in Hebei Panbao. The asset and liabilities attributable to such business have been classified as a disposal group held for sales.

BUSINESS REVIEW & PROSPECT

Mining and production of zeolite business

Hebei Panbao reported a disappointed performance as it did not make any contribution for the year ended 31 December 2017 (2016: approximately HK\$105,240,000).

During the year, the transfer of 45% equity interests in Hebei Panbao to Kaifu Chuangtong United Holdings Group Limited* (凱富創通聯合控股集團有限公司), which was designated by Hoifu United Group Limited (凱富聯合集團有限公司), has been completed in accordance with the amended agreement in March 2017. Following which, the new management team had taken over the operation of the Hebei Panbao. Unfortunately, the new management disappointed everyone and under their inefficient supervision, the Hebei Panbao started to incurred significant loss for the first time since it became a subsidiary of the Group.

業績

截至二零一七年十二月三十一日止年度，本集團持續經營業務之收益為約97,065,000港元，而二零一六年為約31,329,000港元，增加約65,736,000港元。

本集團於二零一七年錄得本公司擁有人應佔綜合溢利為約11,664,000港元，而二零一六年則錄得虧損約4,621,000港元。

鑑於河北攀寶沸石科技有限公司（「河北攀寶」）之前景不明朗，本公司決定出售於河北攀寶之55%股權。有關業務應佔之資產及負債被分類為持作出售之出售組別。

業務回顧及前景

採礦及生產沸石業務

截至二零一七年十二月三十一日止年度，河北攀寶錄得的業績欠佳，原因是其並無作出任何貢獻（二零一六年：約105,240,000港元）。

年內，於二零一七年三月已按經修訂協議約定將河北攀寶45%股權辦理過戶予凱富聯合集團有限公司所指定的凱富創通聯合控股集團有限公司。其後，新管理團隊已接管河北攀寶之營運。不幸的是，新管理層令人頗為失望，在其不稱職管理下，河北攀寶自其成為本集團附屬公司以來首次產生巨額虧損。

* For identification purpose only

Management Discussion and Analysis

管理層討論與分析

Except for partial payment of introduction fee which is amounting to HKD30 million, Hoifu United Group Limited failed to fulfil its payment obligations under the agreement and legal actions have been taken by the Group on 8 November 2017 claiming for, among others, (i) the payment of the relevant guaranteed profit; (ii) interests on the said sum; and (iii) costs.

As disclosed in the announcement of the Company dated 23 January 2018, as advised by Zhang Ling, the transfer of 45% equity interests in Hebei Panbao to Kaifu Chuangtong United Holdings Group Limited* (凱富創通聯合控股集團有限公司), which was designated by Hoifu United Group Limited (凱富聯合集團有限公司), has been completed in accordance with the Amended Agreement in March 2017. Following which, Zhang Ling only received RMB69 million of the agreed payment of the equity interest transaction, and has not received the remaining agreed payment of the equity interest transfer of RMB131 million. After several failed attempts to collect the remaining payment, Zhang Ling has initiated litigation procedures to claim against (1) Hoifu United Group Limited (凱富聯合集團有限公司) and its guarantors, namely Weng Tao (翁濤) and Ji Hailin (嵇海林) and (2) Kaifu Chuangtong United Holdings Group Limited* (凱富創通聯合控股集團有限公司) and its shareholders and directors, namely Weng Tao (翁濤) and Ji Hailin (嵇海林), at the Zhangjiakou Intermediate People's Court of Hebei Province. According to the litigation procedures and the court order, the arbitration and negotiation in relation to the agreed payment of equity interest transaction and the termination of the equity transfer agreement, as well as the demand for responsibility of both parties such as the restoration of the equity interests, are in progress by the representatives of both parties. In the event that the representatives of both parties fail to reach a consensus within the timeframe for arbitration as designated by the court, trial will proceed before the court and a judgement will be made according to the laws. As such, it is anticipated that the overall performance of Hebei Panbao will be adversely affected.

除部分支付介紹費30,000,000港元外，凱富聯合集團有限公司未能履行其於該協議項下之支付責任，而本集團已於二零一七年十一月八日採取法律行動，就（其中包括）(i)支付相關保證溢利；(ii)所述款項之利息；及(iii)訟費提出索償。

誠如本公司日期為二零一八年一月二十三日之公佈所披露，根據張玲反映，於二零一七年三月已按經修訂協議約定將其所持有的河北攀寶45%股權辦理過戶予凱富聯合集團有限公司所指定的凱富創通聯合控股集團有限公司，之後，張玲僅收到約定股權交易款的其中人民幣69,000,000元，還有人民幣1.31億元約定股權轉讓款尚未收到。張玲在幾經追討不果的情況下，現經已向河北省張家口中級人民法院提出對(1)凱富聯合集團有限公司及其擔保人翁濤和嵇海林及(2)凱富創通聯合控股集團有限公司及其股東和董事翁濤及嵇海林進行法律訴訟索償。根據訴訟程序和法庭要求，雙方代表現正就約定股權款處理和股權轉讓協議終止，以及股權還原等雙方責任訴求進行調解磋商，雙方代表在法庭指定調解期內，如未能達成解決共識時，法庭將依法審理並作出判決。因此，預計河北攀寶之整體表現將受到不利影響。

* For identification purpose only

Management Discussion and Analysis

管理層討論與分析

Investment property

The rental income of leasing the Property covers an area of approximately 16,360.03 sq.m. at the Rong Ning Yuan Community of No. 60 Guang An Men Nan Jie, Xicheng District, Beijing, PRC, which includes (i) the 1st and 2nd floor of the commercial podium of Block 2 with an area of approximately 1,323.61 sq.m.; and (ii) the car park and storage rooms at the basement of Block 1 to Block 6 with an area of approximately 15,036.42 sq.m.. The car park comprises of two storey with a total of 384 parking spaces. Primely located between the Second Ring and Third Ring in Beijing.

These rental incomes have consolidated into the Group's revenue since the end of 2016. The tenant has agreed to lease the entire area of the Property for a period of two years commencing from 15 June 2016 and ending on 15 June 2018 which amount to RMB28,000,000. Beside this, pursuant to another lease agreement on advertising signage board on the external walls of office building, the lease of the advertising signage board will provide the additional monthly rental income of RMB400,000 for a two-year period expiring on 15 July 2018.

Apart from the rental income, the Group recorded the unrealized fair value gains on this investment properties of approximately HK\$130,420,000.

Oil and gas and mineral mining business

The Group owns 100% of the exploration, exploitation and operation rights as well as the profit sharing right of Madagascar Oilfield Block 2101 which is an onshore site with total area of 10,400 square kilometers in the northern part of Madagascar. Pursuant to the exploration, exploitation and oil and gas production sharing contract and depending on the rate of liquid petroleum production of Madagascar Oilfield Block 2101, the Group will share the remaining petroleum profit after government royalty and recovery of petroleum costs according to the sharing ratios in the range of 40% to 72.5% as set out in the profit sharing right.

投資物業

租賃物業的租金收入包括面積約為16,360.03平方米，地點為中國北京市西城區廣安門南街60號榮寧園小區內，包括(i) 2號樓的1至2層商業樓，面積約為1,323.61平方米；及(ii) 1至6號樓地下的車位及庫房，面積約為15,036.42平方米，車位分為兩層共有384個停泊車位。該物業位於北京市二環與三環之間的核心地段。

該等租金收入已自二零一六年底起於本集團收益內綜合入賬。租戶已同意租用物業整個區域，租賃期自二零一六年六月十五日起至二零一八年六月十五日止為期兩年，租金為人民幣28,000,000元。此外，根據有關辦公樓外牆廣告告示牌的另一份租賃協議，廣告告示牌的租賃將額外提供人民幣400,000元的每月租金收入，租賃期於二零一八年七月十五日屆滿，為期兩年。

除租金收入外，本集團就其投資物業錄得未變現公平值收益約130,420,000港元。

油氣及採礦業務

本集團全資擁有馬國2101油田勘探採經營權及約定分成權益。馬國2101油田位於馬達加斯加境內北部陸上，總面積為10,400平方公里。根據勘探開採和油氣產品生產分成合約及視乎馬國2101油田之液化石油產量，本集團將按約定分成權益所載分成比例（介乎40%至72.5%）分享扣除政府徵稅及鑽取石油成本後之餘下石油溢利。

Management Discussion and Analysis

管理層討論與分析

The Group owns 65% interest in the rights granted under the Licence 253 in respect of Kenya Mine 253, an area of approximately 1,056 square kilometers situated in Kitui District Eastern Province, Kenya, and the Licence 341 in respect of Kenya Mine 341, an area of approximately 417 square kilometers situated in Nandi County, Kenya. Pursuant to the Licence 253 and relevant provisions of the Mining Act of Kenya, the Group is authorized to prospect, explore and mine industrial minerals (including but not limited to copper) in Kenya Mine 253. The Group was also granted the Licence 341 for prospecting and exploration of gold, iron ore and non-precious minerals in Kenya Mine 341. Both Licence 253 and 341 have renewed during the year and the expiry dates are 14 May 2020 and 2 January 2020 respectively.

Financial Business

The performance during the year ended with positive figure mainly attributing to the increase of turnover near the year end. The revenue of this segment remained stable which amounted to approximately HK\$25,501,000 for 2017, compared to approximately HK\$26,204,000 for 2016.

Retail participation increased only near the end of the year when the global sentiment was boosted up by the implementation of substantial tax cut of USA. Though the HS Index advanced upward on the back of strong USA market, turnover concentrated on a few big high technology stocks.

Nevertheless, the investors remained cautious on the issue of economic development of China, the regional tensions in Asia region, the uncertain interest rate policy of USA for the most time of the year. Market still looks to be active across to 2018 as the Stock Exchange of Hong Kong will carry out more reforms to release the listing restrictions to attract more big technology companies, bio-chemical stocks and possible big companies already listed in mature overseas markets.

本集團於肯尼亞第253號礦場相關第253號許可證及肯尼亞第341號礦場相關第341號許可證項下所授出權利中擁有65%權益。肯尼亞第253號礦場佔地約1,056平方公里，位於肯尼亞東部省庫裡亞地區(Kitui District Eastern Province)，而肯尼亞第341號礦場佔地約417平方公里，位於肯尼亞Nandi County。根據第253號許可證及肯尼亞採礦法令相關條文，本集團獲授權於肯尼亞第253號礦場勘探及開採工業礦物，包括但不限於銅。本集團亦獲授第341號許可證，可於肯尼亞第341號礦場勘探黃金、鐵礦及非貴重礦物。第253號許可證及第341號許可證已於年內重續，屆滿日期分別為二零二零年五月十四日及二零二零年一月二日。

金融業務

表現於年內最終錄得正數乃由於營業額於臨近年末時增加所致。相較二零一六年之約26,204,000港元而言，該分部於二零一七年之收益維持穩定，為約25,501,000港元。

散戶入市量僅於臨近年末時有所增加，原因為美國進行大幅減稅令全球市場情緒高漲。儘管恒生指數因美國市場強勁出現上揚，惟營業額集中於少數大型高科技股。

儘管如此，投資者於年內大多數時間仍對中國經濟發展、亞洲地區之地區緊張局勢及美國利率政策之不確定性持審慎態度。二零一八年，預期市場仍舊活躍，原因為香港聯交所將進行更多解除上市限制的改革，以吸引更多大型科技公司、生化股及已於成熟海外市場上市之潛在大型公司。

Management Discussion and Analysis

管理層討論與分析

In 2016, the Group entered into a promoters' agreement to set up a joint venture securities company (the "JV Securities Company") in Guangzhou Pilot Free Trade Zone, Nanshan area under the framework of CEPA. The Group conditionally agreed to invest RMB350 million in the JV Securities Company by way of subscription of 350,000,000 shares of the JV Securities Company, representing 10% equity interest thereof for an aggregate subscription price of RMB350 million (the "JV Investment"). The JV Investment would offer a first-starter advantage to the Company to access to the huge and fast-growing financial markets in the PRC. The setup of the JV securities Company is subject to the approval of China Securities Regulatory Commission (the "CSRC"). The formal application was made to the CSRC on 16 June 2016. The application is still being processed.

Prospect

Building on the investment strategic adjustments of 2017, the Group will seek to expand its business into property investment and development alongside its existing energy-related and financial services business. The Group's enlarging and strengthening financial operation and property investment business will benefit the Company's future business development beyond the energy-related sector and is in the best interests of the Company and the Shareholders as a whole.

於二零一六年，本集團訂立發起人協議，以在CEPA框架下於廣州自由貿易試驗區南沙新區片區設立合營證券公司（「合營證券公司」）。本集團有條件同意於合營證券公司投資人民幣350,000,000元，方法為以總認購價人民幣350,000,000元認購350,000,000股合營證券公司股份（相當於其10%股權）（「合營投資」）。合營投資將為本公司帶來進軍中國龐大且發展迅速的金融市場的先佔優勢。成立合營證券公司須待中國證券監督管理委員會（「中國證監會」）批准後方可作實。本公司已於二零一六年六月十六日向中國證監會提出正式申請。申請正在處理當中。

前景

憑藉二零一七年的投資戰略調整，本集團將尋求於現有能源相關及金融服務業務基礎上拓展其業務至物業投資及開發。本集團不斷擴大及加強的金融業務及物業投資業務，將有利於本公司日後將業務發展至能源相關行業以外的行業，並符合本公司及股東的整體最佳利益。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Revenue

During the financial year, the total revenue for the Group of continuing operation was approximately HK\$97,065,000, representing an increase of approximately HK\$65,736,000 as compared with approximately HK\$31,329,000 in 2016. This was mainly due to the increase of sale natural resources and petrochemicals during the year.

Administration expenses

Administrative expenses increased to approximately HK\$71,750,000 in 2017 from approximately HK\$58,302,000 in 2016, representing a year-on-year increase of 23%. It was due to the increase of staff cost, office expenses as well as legal and professional fees on acquisitions during the year.

Other gains and losses

During the year, the Group recorded unrealized fair value gain on investment property in Beijing of approximately HK\$130,420,000 (2016: Nil).

EVENTS AFTER REPORTING DATE

Material acquisition

On 28 July 2017, Hoifu Energy Holdings Limited, a wholly-owned subsidiary of the Group, entered into the Agreement to acquire i) the entire equity interest of the New Guangdong Merchants Investment Holding Group Limited (the "Target") and its subsidiaries (the "Target Group") and ii) the Sale Loan for a total consideration of RMB1,100,000,000 (equivalent to approximately HK\$1,272,040,000), which will be satisfied as to (a) RMB100,000,000 (equivalent to approximately HK\$115,640,000) in cash as a refundable deposit; and (b) RMB1,000,000,000 (equivalent to approximately HK\$1,156,400,000) by issue of the Convertible Note.

財務回顧

收益

於財政年度內，本集團持續經營業務之總收益為約97,065,000港元，較二零一六年約31,329,000港元增加約65,736,000港元。此乃主要由於年內銷售天然資源及石化產品增加所致。

行政費用

行政費用由二零一六年之約58,302,000港元增至二零一七年之約71,750,000港元，按年增長23%，此乃由於年內員工成員、辦公費用及收購產生的法律及專業費用增加所致。

其他收益及虧損

年內，本集團就位於北京之投資物業錄得未變現公平值收益約130,420,000港元（二零一六年：零）。

報告日期後事項

重大收購

於二零一七年七月二十八日，本集團全資附屬公司凱富能源控股有限公司訂立該協議，以收購i)新粵商投資控股集團有限公司（「目標公司」）及其附屬公司（「目標集團」）之全部股權及ii)出售貸款，總代價為人民幣1,100,000,000元（相當於約1,272,040,000港元），將(a)以現金支付人民幣100,000,000元（相當於約115,640,000港元）作為可退還按金；及(b)以發行可換股票據方式支付人民幣1,000,000,000元（相當於約1,156,400,000港元）。

Management Discussion and Analysis

管理層討論與分析

The major assets of the Target Group are the land use rights in four land parcels located in Donghai Avenue, Donghai Dao, Zhanjiang Economic and Technological Development Zone, Zhanjiang City, Guangdong Province, the PRC with a total site area and total planned gross floor area of 244,829 sq.m. and approximately 1,300,000 sq.m. respectively.

The Target Group is wholly owned by Dr. Hui Chi Ming who is the director and controlling shareholder of the Company. The Special General Meeting was held on 13 February 2018 for the Independent Shareholders to consider and approve the agreement and the transactions.

As at 28 February 2018, all conditions precedent under the Agreement have been fulfilled and the Target has become an indirect wholly-owned subsidiary of the Company and the assets, liabilities and financial results of the Target Group will be consolidated into the year of 2018 financial statements of the Group.

Based on the growth trend in housing price in Zhanjiang, the Company is of the view that the value of the land will increase significantly in next year.

Change of the Company Name

On 13 February 2018, the Company announced to propose to change of the Company Name from “Hoifu Energy Holdings Limited” to “Hong Kong Finance Investment Holding Group Limited” and the adoption of the Chinese name of “香港金融投資控股集團有限公司” as the dual foreign name of the Company in place of its existing Chinese name “凱富能源集團有限公司”. The special resolution to approve the change of the Company name was duly passed on 29 March 2018 by way of poll. Further announcement will be made by the Company upon the Change of Company Name becoming effective.

目標集團之主要資產為位於中國廣東省湛江市湛江經濟技術開發區東海島東海大道之四幅土地之土地使用權，而該土地之總佔地面積及規劃總建築面積分別為244,829平方米及約1,300,000平方米。

目標集團由本公司董事兼控股股東許智銘博士全資擁有。股東特別大會已於二零一八年二月十三日舉行以供獨立股東考慮及批准該協議及交易。

於二零一八年二月二十八日，該協議項下之所有先決條件均已獲達成及目標公司已成為本公司之間接全資附屬公司，而目標集團之資產、負債及財務業績將綜合入賬至本集團二零一八年之財務報表。

根據湛江地區的房價升幅趨勢，本公司認為在未來一年該土地的價值將會有大幅上調的空間。

更改公司名稱

於二零一八年二月十三日，本公司宣佈建議將本公司名稱由「Hoifu Energy Holdings Limited」更改為「Hong Kong Finance Investment Holding Group Limited」及採納中文名稱「香港金融投資控股集團有限公司」作為本公司之雙重外文名稱以取代其現有中文名稱「凱富能源集團有限公司」。批准更改本公司名稱之特別決議案已於二零一八年三月二十九日以投票表決方式正式通過。本公司將於更改公司名稱生效後另行刊發公佈。

Management Discussion and Analysis

管理層討論與分析

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

As at 31 December 2017, the Group's cash and cash equivalents (excluding the restricted cash) were approximately HK\$164,679,000 (2016: approximately HK\$132,903,000).

The net current assets of the Group (without the disposal group held for sale) were approximately HK\$170,272,000 (31 December 2016: HK\$235,257,000), which consisted of current assets of approximately HK\$471,138,000 (31 December 2016: HK\$669,209,000) and current liabilities of approximately HK\$300,866,000 (31 December 2016: HK\$433,952,000), representing a current ratio of approximately 1.57 (31 December 2016: 1.54).

The Group manages its capital structure to finance its overall operation and growth by using different sources of funds. As at 31 December 2017, the Group's other borrowings and corporate bonds amounted to approximately HK\$330,317,000 (31 December 2016: Nil).

The gearing ratio of the Group as at 31 December 2017 (defined as total interest-bearing liabilities divided by the Group's total equity) was approximately 0.38 (31 December 2016: Nil).

CORPORATE BONDS

During the year, the Group has issued the Corporate Bonds in an aggregate principal amount of HK\$21 million bearing interest rate of 7% per annum with maximum maturity to 7.5 years from the date of issue. Such bonds are subsequently measured at amortised cost using effective interest method. Imputed interest of approximately HK\$856,000 was recognised in the profit or loss during the year. (2016: Nil). The issuance of the Corporate Bonds will not result in any dilution on the shareholding of the existing shareholders of the Group.

流動資金、財務資源及資金

於二零一七年十二月三十一日，本集團之現金及現金等價物（不包括受限制現金）為約164,679,000港元（二零一六年：約132,903,000港元）。

本集團之流動資產淨值（並無計及持作出售之出售組別）為約170,272,000港元（二零一六年十二月三十一日：235,257,000港元），包括流動資產約471,138,000港元（二零一六年十二月三十一日：669,209,000港元）及流動負債約300,866,000港元（二零一六年十二月三十一日：433,952,000港元），流動比率約為1.57（二零一六年十二月三十一日：1.54）。

本集團利用不同之資金來源管理其資本架構，以為其整體營運及增長撥付資金。於二零一七年十二月三十一日，本集團之其他借貸及公司債券為約330,317,000港元（二零一六年十二月三十一日：無）。

於二零一七年十二月三十一日，本集團之資本負債比率（界定為計息負債總額除以本集團之權益總額）為約0.38（二零一六年十二月三十一日：無）。

公司債券

年內，本集團已發行本金總額21,000,000港元之公司債券，其按年利率7%計息及最高到期日為自發行日期起計7.5年。有關債券隨後使用實際利率法按攤銷成本計量。年內估算利息約856,000港元於損益確認（二零一六年：無）。發行公司債券將不會對本集團現有股東所持股權造成任何攤薄影響。

Management Discussion and Analysis

管理層討論與分析

EXCHANGE RATE RISK

The Group undertakes certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly to the risk of fluctuations in the Hong Kong dollar and U.S. dollar against RMB. We have not used any derivative contracts to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should such need arise.

FINANCE COSTS

The Group's finance costs consisted mainly of interest expenses on corporate bonds, term loan and other borrowings. The aggregate amount of interest incurred was approximately HK\$10,531,000 (2016: approximately HK\$6,360,000) for the year.

CONTINGENT LIABILITIES

The Company has given guarantee to bank in respect of the securities margin financing facilities granted to subsidiary. As at 31 December 2017, no such facilities were utilised by the subsidiary to facilitate daily operation (31 December 2016: Nil).

CHARGE ON ASSETS

As at 31 December 2017, the term loan of HKD250 million were secured by (i) the guarantee from Guangdong Hoifu Wai Yip Investment Management Limited (廣東凱富偉業投資管理有限公司); (ii) the personal guarantee from the Guarantor (Dr. Hui Chi Ming) and Beijing Yinghe Property Development Limited (北京盈和房地產綜合開發有限公司) respectively; and (iii) the charge/pledge to be granted by several subsidiaries of the Company.

匯率風險

本集團以外幣進行若干業務交易，導致本集團須面對主要來自港元及美元兌人民幣之匯率波動風險。本集團並無使用任何衍生合約對沖其外匯風險。管理層密切監察匯率走勢以管理外匯風險，並於有需要時考慮對沖重大外匯風險。

財務費用

本集團之財務費用主要包括公司債券、定期貸款及其他借貸之利息開支。年內產生之利息總額為約10,531,000港元（二零一六年：約6,360,000港元）。

或然負債

本公司已就授予附屬公司之證券保證金融資額度向銀行提供擔保。於二零一七年十二月三十一日，附屬公司並無動用有關額度作日常營運（二零一六年十二月三十一日：無）。

資產抵押

於二零一七年十二月三十一日，250,000,000港元定期貸款乃以(i)廣東凱富偉業投資管理有限公司之擔保；(ii)擔保人（許智銘博士）及北京盈和房地產綜合開發有限公司各自之個人擔保；及(iii)本公司若干附屬公司將授出之抵押／質押作抵押。

Management Discussion and Analysis

管理層討論與分析

On the other hand, the Group held banking facilities from various banks as at 31 December 2017. The Group's banking facilities were secured by guarantees given by the Group's bank deposits and the Company. As at 31 December 2017, bank deposits amounting to approximately HK\$5,239,000 (31 December 2016: HK\$5,229,000) were pledged to secure banking facilities granted to a subsidiary.

PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Company obtained a term loan facility in an aggregate amount of HK\$250,000,000 for a term of 36 months during the year. Pursuant to the terms of the facility agreement, the occurrence of change of control event constitutes an event of default which the Lender may cancel the facility.

HUMAN RESOURCES

As at 31 December 2017, the Group employed a total of 293 staff (2016: 355) of which 20 were commission based (2016: 26) and the total related staff cost amounted to HK\$29,383,000 (2016: HK\$28,438,000). The Group's long term success rests primarily on the total integration of the company core value with the basic staff interest. In order to attract and retain high caliber staff, the Group provides competitive salary package and other benefits including mandatory provident fund, medical schemes and bonus. The future staff costs of the sales will be more directly linked to the performance of business turnover and profit. The Group maintained organic overhead expenses to support the basic operation and dynamic expansion of its business enabling the Group to respond flexibly with the changes of business environment.

另一方面，於二零一七年十二月三十一日，本集團持有多間銀行提供之銀行融資。本集團之銀行融資以本集團銀行存款及本公司提供之擔保作抵押。於二零一七年十二月三十一日，本集團就附屬公司獲授之銀行融資抵押銀行存款約5,239,000港元（二零一六年十二月三十一日：5,229,000港元）。

根據上市規則第13.18條作出之披露

本公司於年內獲得總額為250,000,000港元之定期貸款融資，為期36個月。根據融資協議之條款，出現有關控制權變動事項構成一項違約事項，貸方可取消融資。

人力資源

於二零一七年十二月三十一日，本集團共僱用293名員工（二零一六年：355名），其中20名（二零一六年：26名）為佣金制，相關員工成本總額為29,383,000港元（二零一六年：28,438,000港元）。本集團之長期成就主要取決於將公司核心價值與員工基本利益全面結合。為吸引及留聘優秀員工，本集團提供具競爭力的薪酬組合及其他福利，包括強制性公積金、醫療計劃及花紅。未來銷售之員工成本將更直接與營業額及利潤掛鉤。本集團維持靈活的間接開支，以支援基本業務及業務之積極擴展，讓本集團可因應商業環境轉變而靈活作出回應。

Management Discussion and Analysis

管理層討論與分析

CAPITAL STRUCTURE

As at 31 December 2017, the total number of issued ordinary shares of the Company was 2,521,280,885 of HK\$0.10 each (31 December 2016: 2,521,280,885 shares of HK\$0.10 each).

APPOINTMENT OF EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

With effect from 1 July 2017 and 5 July 2017, Mr. Yim Kai Pung has been appointed as an Independent non-executive Director of the Company and Mr. Ren Qian has been appointed as an executive Director of the Company respectively.

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

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the financial year, the Company has adopted the Model Code under Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transaction. All Directors of the Company have confirmed, following specific enquiry by the Company that they have complied with the required standard set out in the Model Code and the Code during the financial year.

資本架構

於二零一七年十二月三十一日，本公司已發行普通股總數為2,521,280,885股每股面值0.10港元之股份（二零一六年十二月三十一日：2,521,280,885股每股面值0.10港元之股份）。

委任執行董事及獨立非執行董事

自二零一七年七月一日及二零一七年七月五日起，嚴繼鵬先生及任前先生分別獲委任為本公司獨立非執行董事及本公司執行董事。

購入、出售或贖回本公司上市股份

截至二零一七年十二月三十一日止年度，本公司及其任何附屬公司概無購入、出售或贖回本公司任何上市證券。

董事進行證券交易之標準守則

於財政年度內，本公司已採納上市規則附錄10之標準守則，作為董事進行證券交易之操守準則。本公司已向董事作出具體查詢，而全體董事均已確認彼等於財政年度內已完全遵從標準守則及守則所規定準則。

Management Discussion and Analysis

管理層討論與分析

CORPORATE GOVERNANCE

The Company is aware of the importance that complying with the relevant statutory and regulatory requirements and maintaining good corporate governance standards are important to the effective and efficient operation of the Company. The Company has, therefore, adopted and implemented relevant measures to ensure that the relevant statutory and regulatory requirements are complied with and that a high standard of corporate governance practices is maintained. In the opinion of the Directors, the Company has complied with the Code on Corporate Governance Practices (the "Code"), as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the interim report except for the deviation from code provision A.4.2. of the Code which every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, according to Byelaws of the Company, the Chairman or Managing Director are not subject to retirement by rotation or taken into account on determining the number of Directors to retire. As continuation is a key factor to the successful implementation of any long-term business plans, the Board believes that the roles of Chairman and Managing Director provides the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategies, that the present arrangement is most beneficial to the Company and the shareholders as a whole.

企業管治

本公司明白遵守相關法規和監管規定，以及維持良好企業管治標準對本公司之營運成效及效率極為重要。因此，本公司已採取及執行各項相關措施，確保符合相關法規和監管規定，以及維持高水平的企業管治常規。董事認為，本公司於中報所涵蓋之整段會計期間一直遵守上市規則附錄14所載之企業管治常規守則（「守則」），惟偏離守則條文A.4.2.除外，其規定每名董事（包括有指定任期之董事）應輪流退任，至少每三年一次。然而，根據本公司之公司細則，本公司之主席或董事總經理均毋須輪值退任，於釐定董事退任人數時亦毋須計算在內。由於持續性是成功執行任何長遠業務計劃之主要因素，董事會相信，主席及董事總經理之職務，能為本集團提供強大而貫徹一致之領導，在策劃及落實長期商業策略方面更有效率，故現有之安排對於本公司以至股東之整體利益最為有利。

Directors and Senior Management Profiles

董事及高級管理層簡介

HONORARY CHAIRMAN AND SENIOR CONSULTANT

Dr. Hatoyama Yukio, aged 71, was appointed the Honorary Chairman and a senior consultant of the Company on 21 March 2013. With the amicable relationship with renowned global energy groups from Japan, China and Africa, as well as the successful experience and leadership in cooperative development and operation of international energy projects, Dr. Hatoyama is deeply confident of participating and guiding the Group's energy development business.

Dr. Hatoyama, first elected to the House of Representatives of Japan in 1986. He held office as a member in the House of Representatives for the eighth consecutive term. Hatoyama became the President of Democratic Party of Japan, the main opposition party in Japan, in May 2005. He then led the party to victory in the August 2009 general election and was appointed as the 93th Prime Minister in September 2009. Dr. Hatoyama graduated with a Bachelor of Engineering from the University of Tokyo in 1969 and received a PhD in Industrial Engineering from Stanford University in 1976.

榮譽主席兼高級顧問

鳩山由紀夫博士，71歲，於二零一三年三月二十一日獲委任為本公司榮譽主席兼高級顧問。憑藉與日本、中國、非洲等國際著名能源集團關係良好，並對國際能源項目的合作開發經營等方面富有成功的經驗和領導才能，鳩山博士對參與和指導本集團能源開發經營業務深具信心。

鳩山博士早於一九八六年當選日本眾議院議員，彼曾八度連任眾議院議員。於二零零五年五月出任日本主要在野黨日本民主黨之總裁，其後於二零零九年八月領導該黨勝出大選，於同年九月就任日本第九十三任首相。鳩山博士於一九六九年畢業於東京大學，獲頒工程學士頭銜，並於一九七六年獲美國史丹福大學頒授工業工程博士學位。

Directors and Senior Management Profiles

董事及高級管理層簡介

DIRECTORS

Executive Directors

Dr. Hui Chi Ming G.B.S., J.P., aged 53, was appointed the Chairman and an executive director on 15 November 2012 of the Company. He is responsible for the implementation of the overall strategic planning and development of the Group. Dr. Hui received a Doctor Honoris Causa in Economics and IFES Doctoris Honoris Causa from the Institute of Far Eastern Studies, The Russian Academy of Sciences in 2002. The Department of Social Sciences of The Russian Academy of Sciences had also awarded Dr. Hui the scientific degree of Doctor Honoris Causa in 2005. Dr. Hui had over 10 years of experience in the investment, exploration and exploitation of oil and gas business. He has been the chairman of the board of over 20 companies such as Hoifu Petroleum Group Limited (凱富石油集團有限公司), Madagascar Southern Petroleum Company Limited (馬達加斯加南方石油有限公司) and Madagascar Northern Petroleum Company Limited (馬達加斯加北方石油有限公司). From 2004 to 2010, Dr. Hui was the chairman and an executive director of Sino Union Energy Investment Group Limited, which was subsequently re-named as Yanchang Petroleum International Limited, a company whose shares are listed on the main board of the Stock Exchange of Hong Kong Limited (stock code: 346) and engaged in the investment, exploration and exploitation of oil and gas business. Dr. Hui was a member of the 9th, 10th, 11th and 12th National Committee of the Chinese People's Political Consultative Conference. He is the chairman of the Confucian Academy of Hong Kong, a standing committee member of the All-China Federation of Industry & Commerce, the honorable president of the Beijing Federation of Industry & Commerce, a standing committee member of the Chinese General Chamber of Commerce, the president of Hong Kong Xian Trade Association Limited, the president of the Hong Kong General Association of International Investment and the chief president of the Federation of Hong Kong Guangdong Community Organisation. Dr. Hui is also the Honorary Consul in Hong Kong of the Republic of Madagascar. All these years, Dr. Hui has been actively participating in promoting poverty alleviation and charity, and he has been awarded the China Glory Society Medal for Poverty Alleviation (中國光彩事業扶貧獎章) and accredited as China Top Ten Poverty Alleviation Contributor (全國十大扶貧狀元) by the government of the PRC. In recognition of the outstanding contribution of Dr. Hui to poverty alleviation, the International Minor Planet Naming Committee (國際小行星命名委員會) approved permanently naming the minor planet No. 5390 as "Hui Chi Ming Planet".

董事

執行董事

許智銘博士，G.B.S., J.P.，現年53歲，於二零一二年十一月十五日獲委任為本公司主席兼執行董事，彼負責本集團整體策略性計劃之實施及發展。許博士於二零零二年獲俄羅斯科學院遠東研究所頒授經濟學榮譽博士學位(Doctor Honoris Causa in Economics)及IFES榮譽博士學位(IFES Doctoris Honoris Causa)。俄羅斯科學院社會科學學系於二零零五年亦向許博士頒授科學榮譽博士學位(Scientific degree of Doctor Honoris Causa)。許博士在油氣投資、勘探和開採業務方面擁有逾十年經驗。他曾擔任逾20家公司的董事會主席，如凱富石油集團有限公司、馬達加斯加南方石油有限公司及馬達加斯加北方石油有限公司。於二零零四年至二零一零年，許博士曾任中聯能源投資集團有限公司(該公司其後易名為延長石油國際有限公司，股份於香港聯合交易所有限公司主板上市(股份代號：346)，從事油氣投資、勘探及開發業務)的主席兼執行董事。許博士曾任中國人民政治協商會議第九、十、十一及十二屆全國委員會委員。彼為香港孔教學院主席、中華全國工商業聯合會常務委員、北京市工商業聯合會榮譽會長、香港中華總商會常務委員、香港西安商會會長、香港國際投資總商會會長，以及香港廣東社團總會首席會長。許博士還擔任馬達加斯加共和國駐香港名譽領事。多年來，許博士積極參與扶貧慈善活動，獲頒授中國光彩事業扶貧獎章，並獲中國政府頒授全國十大扶貧狀元。為表彰許博士對人類社會發展和扶貧事業所作出之傑出貢獻，國際小行星命名委員會將編號5390號小行星永久命名為「許智銘星」。

Directors and Senior Management Profiles

董事及高級管理層簡介

DIRECTORS *(Continued)*

Executive Directors *(Continued)*

Mr. Neil Bush, aged 63, was appointed the Deputy Chairman and an executive director on 15 November 2012 of the Company. He is responsible for the implementation of the overall strategic planning and development of the Group. Mr. Bush graduated from Tulane University with a bachelor's degree in International Economics and from the Tulane University Freeman School of Business with a master's degree in Business Administration. Mr. Bush had over 30 years of experience in domestic and international energy and real estate business development. He formed oil companies which explored oil resources in various states in the United States of America and overseas. Mr. Bush has engaged in various international business development activities with a focus on the PRC and Middle East. Since 1975, Mr. Bush has traveled to the PRC over 140 times and worked with numerous entities on a variety of projects including real estate development, energy, automobile parts, sheet rock manufacturing and paint production. From 7 December 2010 to 20 July 2012, Mr. Bush was a non-executive director of China Resources and Transportation Group Limited, a company of which the shares are listed on the Stock Exchange (stock code: 269). Since 22 April 2013, Mr. Neil Bush has been serving as the Non-Executive Chairman on the board of SGX-ST Mainboard-listed SingHaiyi Group Limited, a Singapore based real estate company, a Singapore based real estate company. He is also the Chairman of the Points of Light, a national charitable organisation formed by President George H.W. Bush in 1989 that promotes citizen service through volunteerism in communities all across America and increasingly overseas. Mr. Bush serves as Chairman of the Barbara Bush Houston Literacy Foundation, and on the boards of the Houston Salvation Army and the Bush School of Government and Public Service.

董事 (續)

執行董事 (續)

尼爾•布什先生，現年63歲，於二零一二年十一月十五日獲委任為本公司副主席兼執行董事，彼負責本集團整體策略性計劃之實施及發展。布什先生畢業於杜蘭大學，獲授國際經濟學士學位，並獲授杜蘭大學弗里曼商學院工商管理碩士學位。布什先生於國內外能源及地產業務開發領域擁有逾30年經驗。他曾創辦多家石油公司，在美國多個州及海外勘探石油資源。布什先生曾從事國際業務開發活動，專注於中國及中東。自一九七五年起，布什先生到訪中國超過140次，並就包括地產開發、能源、汽車部件、石膏夾心紙板製造及油漆生產在內的眾多項目與大量企業合作。於二零一零年十二月七日至二零一二年七月二十日，布什先生任中國資源交通集團有限公司（其股份於聯交所上市，股份代號：269）的非執行董事。自二零一三年四月二十二日起，尼爾•布什先生一直擔任新交所主板上市公司SingHaiyi Group Limited（以新加坡為基地之房地產公司）董事會非執行主席。彼亦擔任Points of Light主席，該機構為喬治•赫伯特•沃克•布什總統於一九八九年創辦的全國性慈善組織，透過全美（及愈加在海外）的社區義務活動宣傳公民服務。布什先生亦於Barbara Bush Houston Literacy Foundation擔任主席並於休斯頓救世軍及布什政府與公共服務學院董事會任職。

Directors and Senior Management Profiles

董事及高級管理層簡介

DIRECTORS (Continued)

Executive Directors (Continued)

Dr. Chui Say Hoe, aged 69, was appointed as the Managing Director and an executive director of the Group. He is responsible for overall strategic planning and operations and in charge of the execution and further development of the Group's expansion plan. He has been the executive director and general manager of Sun Hoe Company Limited, a company engaged in medicine distribution and trading business, since 1978. Dr. Chui is also a director of the Honourable Mr. Tsui Sze Man (GBM) Foundation For the Development of Technology and Education in Myanmar Ltd., since 2000. He is also a director of the Mirror Post Cultural Enterprises Co., Ltd., since 2009. Before joining Sun Hoe Company Limited, Dr. Chui worked in commercial bank in Hong Kong for about 5 years. Dr. Chui has more than 30 years experience in commerce and general business management. He was granted Honorary Doctorate of Management from Morrison University, Nevada, U.S.A.. Dr. Chui was a member of Post-Release Supervision Board, HKSAR, from November 2005 to November 2007. He was an adjudicator of the Registration of persons Tribunal from June 2007 to June 2013. Dr. Chui was awarded The World Outstanding Chinese Award by World Outstanding Chinese Association. Dr. Chui was an executive director of Sino Union Energy Investment Group Limited (Stock code: 346, currently known as Yanchang Petroleum International Limited) from 2 November 2004 to 6 October 2010.

Mr. Ren Qian, aged 58, was newly appointed as Executive Director on 5 July 2017. He graduated from the North China University of Water Conservancy and Electronic Power majoring in Agricultural Water in 1983 and obtained a Master of Business Administration from the Beijing Normal University in 2001. He has over 30 years' experience in the water resources management industry, the housing and urban-rural development industry and the real estate industry in the PRC. Mr. Ren was the secretary of the office minister of The Ministry of Water Resources of the PRC and The Ministry of Housing and Urban-Rural Development of the PRC respectively. He has extensive experience in planning, usage, development and operation of water resources and land resources in the PRC. Mr. Ren was also the deputy mayor of The People's Government of Hebei Province, Langfang City (mainly responsible for urban development), the deputy general manager of China Housing and Urban-Rural Development Huatong Real Estate Limited* (中國建設部華通置業有限公司) and the chairman of Beijing Yinghe Property Development Limited. Prior to joining the Company, Mr. Ren served as an executive director of China City Infrastructure Group Limited (Stock Code: 2349) (formerly known as China Botanic Development Holdings Limited) from 30 July 2009 to 2 December 2016 and was responsible for strategic development and properties management.

董事 (續)

執行董事 (續)

徐世和博士，69歲，獲委任為本集團之董事總經理兼執行董事，負責整體策略性計劃及運作，並負責執行及進一步發展本集團之擴展計劃。彼自一九七八年起擔任從事藥品分銷及買賣業務之新和環球有限公司之執行董事兼總經理。徐博士亦自二零零零年起出任香港大紫荊勳賢徐四民先生發展緬甸科技教育基金有限公司之董事。彼自二零零九年起亦為鏡報文化企業有限公司之董事。加盟新和環球有限公司前，徐博士曾於香港一家商業銀行工作約五年。徐博士於商業及一般業務管理方面積逾三十年經驗。彼獲得美國內華達州Morrison University之管理學榮譽博士學位。彼於二零零五年十一月至二零零七年十一月擔任香港特別行政區監管釋囚委員會之委員。彼於二零零七年六月至二零一三年六月擔任人事登記審裁處審裁員。徐博士曾獲世界傑出華人會頒發世界傑出華人獎。徐博士於二零零四年十一月二日至二零一零年十月六日曾出任中聯能源投資集團有限公司(股份代號: 346, 現稱延長石油國際有限公司)之執行董事。

任前先生，58歲，於二零一七年七月五日新獲委任為執行董事。彼於一九八三年畢業於華北水利水電學院農水系，並於二零零一年取得北京師範大學企業管理碩士學位。彼於中國水利、住房及城鄉建設行業及地產業擁有三十多年經驗。任先生曾分別擔任中國水利部及中國住房和城鄉建設部辦公廳部長秘書，彼對中國水資源和土地資源的規劃利用和開發經營擁有豐富經驗。任先生亦曾擔任河北省廊坊市人民政府副市長(主管城市建設)、中國建設部華通置業有限公司副總經理及北京盈和房地產綜合開發有限公司董事長。任先生加盟本公司前，由二零零九年七月三十日至二零一六年十二月二日期間為中國城市基礎設施集團有限公司(股份代號: 2349)(前稱中國植物開發控股有限公司)執行董事，負責制定發展策略及物業管理。

Directors and Senior Management Profiles

董事及高級管理層簡介

DIRECTORS *(Continued)*

Executive Directors *(Continued)*

Mr. Xu Jun Jia, aged 29, was appointed as an executive director on 1 January 2016. He graduated from Institute of International Relations of Moscow University in 2014 with an expert degree. He is currently the general manager of Siberian Energy Group, Inc. (西伯利亞能源集團), the general manager of Far East Oil Group Limited (遠東石油集團有限公司) and the general manager of Africa Resources Group Limited (非洲資源集團有限公司). Mr. Xu is currently the vice president of Hong Kong International Foundation for Poverty Alleviation (香港國際扶貧基金會), and head of the Youth Committee of Hong Kong General Association of International Investment (香港國際投資總商會). In recent years, he has played an active role in professional investments in a number of deals in various sectors such as oil and chemical, metal mining and financial securities, as well as negotiations and decision making in merger and acquisition, equity participation and controlling deals. As a result, he is fully equipped with relevant professional knowledge and operating experiences. Mr. Xu is fluent in English, Russia, Mandarin and Cantonese. He is very familiar with oil and gas businesses between Russia and the international market. Mr. Xu is the son of Dr. Hui Chi Ming, the Chairman of the Company. He has been appointed as an Administration Manager of the Company since 1 September 2014.

Mr. Cao Yu, aged 39, was appointed as an executive director on 1 January 2016. He graduated from CERAM Sophia Antipolis with a master degree in management. Mr. Cao has been the project manager for listed companies and he was specialized in the operation and coordination of the drilling and seismic engineering projects with famous petroleum companies in China. Meanwhile, he was also responsible for identifying suitable investors to establish joint venture company for petroleum exploration projects. He has also worked in the world's largest energy efficiency management company and was responsible for providing energy efficiency strategy in China region for the group. Besides, Mr. Cao was the analyst in the headquarter of BNP Paribas in France. His main duty was to provide financial and strategic advice in the area of energy technology and he was responsible for the merger and acquisition activities as well as financial planning service. Mr. Cao has been engaged in management and analytical work for many years and possesses the appropriate and professional experience. He has been the manager of the development department of the Company since September 2012.

董事 (續)

執行董事 (續)

許峻嘉先生，29歲，於二零一六年一月一日獲委任為執行董事。於二零一四年畢業於莫斯科大學國際關係學院(Institute of International Relations of Moscow University)，獲頒專家學位。彼現任西伯利亞能源集團(Siberian Energy Group, Inc.)總經理、遠東石油集團有限公司總經理及非洲資源集團有限公司總經理。許先生現亦為香港國際扶貧基金會副會長、香港國際投資總商會青年委員會主任。近年，彼積極參與多個專業投資項目，涵蓋石油化工、金屬採礦及金融證券等不同領域，並就併購、參股及控股交易進行磋商及決策。因此，彼完全具備相關專業知識及經營經驗。許先生操流利英語、俄語、普通話及廣東話，且非常熟悉俄羅斯與國際市場之間油氣業務。許先生為本公司主席許智銘博士之兒子，自二零一四年九月一日起獲本公司委任為行政經理。

曹宇先生，39歲，於二零一六年一月一日獲委任為執行董事。持有法國尼斯高等商學院管理碩士學位。曹先生曾於上市公司擔任項目經理，專責處理及協調與國內知名石油公司之鑽探及地震工程項目。同時，亦負責尋找適合的投資者，成立合資公司進行石油勘探項目。彼亦曾於全球最大能源效益管理公司工作，負責為集團提供中國區域能源效益戰略。除此之外，曹先生於法國巴黎銀行法國總部，擔任分析師，專門就能源科技範疇提供財務和戰略意見，負責進行併購活動及提供融資方案。曹先生從事管理及分析工作多年，具備適當及專業經驗。彼自二零一二年九月起為本公司開發部經理。

Directors and Senior Management Profiles

董事及高級管理層簡介

DIRECTORS (Continued)

Executive Directors (Continued)

Mr. Lam Kwok Hing, aged 54. Mr. Lam is the founder of the Group. He has extensive experience in the securities, futures, options, fund management and financial advisory industry. His primary focus is to further develop the financial business in the Group. He is the Chairman, Executive Director and Managing Director of Asia Tele-Net and Technology Corporation Limited (Stock Code: 679). He is the brother of Mr. Nam Kwok Lun.

Mr. Nam Kwok Lun, aged 59. He is a co-founder of the Group and is in charge of the stockbroking, futures and options broking, securities margin financing business, fund management and financial advisory business. Mr. Nam has extensive experience in the securities, futures and options, securities margin financing, fund management and financial advisory industry. He has been a member of the Hong Kong Securities and Investment Institute. Mr. Nam is also the Deputy Chairman and Executive Director of Asia Tele-Net and Technology Corporation Limited (Stock Code: 679). He is the brother of Mr. Lam Kwok Hing.

Independent Non-Executive Directors

Mr. Chen Wei-Ming Eric, aged 54, is a director of several general trading companies in Hong Kong. Mr. Chen holds a Bachelor of Science degree in Business Administration from the Boston University in Massachusetts, USA and is engaged in the food import business. Mr. Chen was appointed as Independent Non-Executive Director since September 2000.

Mr. Kwan Wang Wai Alan, aged 55, holds a Bachelor degree in Engineering Science and a Master of Arts degree from the University of Oxford and has over 20 years of experience in the consumer electronics field. Mr. Kwan is also an Independent Non-Executive Director of Asia Tele-Net and Technology Corporation Limited (Stock Code: 679). He was appointed as an Independent Non-Executive Director since September 2004.

Mr. Ng Chi Kin David, aged 56, is a professional accountant with over 30 years of professional experience and is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of CPA Australia. Mr. Ng is also an Independent Non-Executive Director of Asia Tele-Net and Technology Corporation Limited (Stock Code: 679). He was appointed as Independent Non-Executive Director of the Company since September 2000.

董事 (續)

執行董事 (續)

藍國慶先生，54歲，藍先生亦為本集團創辦人，於證券、期貨、期權、基金管理、及融資顧問行業擁有豐富經驗。彼主要職責為深度開發本集團之財務業務。藍先生亦為本港另一上市公司亞洲聯網科技有限公司（股份代號：679）主席、執行董事兼董事總經理。藍先生為藍國倫先生之胞弟。

藍國倫先生，59歲，藍先生為本集團協辦人，負責證券買賣、期貨及期權買賣業務、證券保證金融資業務、基金管理、及融資顧問業務。藍先生於證券、期貨、期權、證券保證金融資、基金管理、及融資顧問行業擁有豐富經驗，並為香港證券及投資學會會員。藍先生亦為亞洲聯網科技有限公司（股份代號：679）副主席兼執行董事。藍先生為藍國慶先生之胞兄。

獨立非執行董事

陳偉明先生，54歲，為香港數家貿易公司董事，從事食品進口業務。陳先生持有美國麻省波士頓大學工商管理學理學士學位，自二零零零年九月起獲委任為獨立非執行董事。

關宏偉先生，55歲，獲英國牛津大學頒發工程學學士學位及文學碩士學位，並在消費電子業擁有逾20年經驗。關先生亦為亞洲聯網科技有限公司（股份代號：679）之獨立非執行董事。關先生自二零零四年九月起獲委任為獨立非執行董事。

伍志堅先生，56歲，為專業會計師，擁有逾30年專業經驗，為香港會計師公會資深執業會計師及澳洲會計師公會註冊會計師。伍先生亦為亞洲聯網科技有限公司（股份代號：679）之獨立非執行董事。伍先生自二零零零年九月起獲委任為本公司獨立非執行董事。

Directors and Senior Management Profiles

董事及高級管理層簡介

DIRECTORS (Continued)

Independent Non-Executive Directors (Continued)

Mr. Yim Kai Pung, aged 53, was newly appointed as independent Non-Executive Director on 1 July 2017. Mr. Yim has extensive experience working in CPA firms providing services of audit, tax advices and capital consultancy and planning arrangements for initial public offering services. He is a Managing Director of CCTH CPA Limited. He served as an independent non-executive director of HNA Technology Investments Holdings Limited (Stock code: 2086) (formerly known as Advanced Card Systems Holdings Limited) from 10 June 2014 to 30 September 2017; an independent non-executive director of Greens Holdings Limited (Stock Code: 1318) from 2009 to 2015; an independent non-executive director of Success Universe Group Limited (formerly known as Macau Success Limited) (Stock Code: 487) from 2004 to 2012; an executive director of Heng Xin China Holdings Limited (formerly known as Tiger Tech Holdings Limited) (Stock Code: 8046) from 2006 to 2007; and an independent non-executive director of Magician Industries (Holdings) Limited (presently known as LISI Group (Holdings) Limited) (Stock Code: 526) from 2005 to 2006. Mr. Yim graduated from the City Polytechnic of Hong Kong with a Bachelor of Arts in Accountancy degree. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom.

COMPANY SECRETARY

Mr. Fu Wing Kwok, Ewing, aged 49, is the Chief Financial Officer and Company Secretary. He is responsible for the financial and secretarial affairs of the Group. Mr. Fu joined the Company in December 2012. He holds a bachelor degree in science with major in accounting of Bemidji State University, USA and is a member of both American Institute of Certified Public Accountants and Hong Kong Institute of Certified Public Accountants. He has over 20 years of experience in auditing and accounting field.

董事 (續)

獨立非執行董事 (續)

嚴繼鵬先生，53歲，於二零一七年七月一日新獲委任為獨立非執行董事。嚴先生於提供審核服務、稅務意見及資本顧問以及首次公開發售計劃安排服務的註冊會計師事務所具有豐富工作經驗。彼為中正天恆會計師有限公司董事總經理。彼於二零一四年六月十日至二零一七年九月三十日出任海航科技投資控股有限公司（股份代號：2086）（前稱龍傑智能卡控股有限公司）獨立非執行董事；於二零零九年至二零一五年期間出任格菱控股有限公司（股份代號：1318）獨立非執行董事；於二零零四年至二零一二年期間出任實德環球有限公司（前稱澳門實德有限公司）（股份代號：487）獨立非執行董事；於二零零六年至二零零七年期間出任恒芯中國控股有限公司（前稱老虎科技（控股）有限公司）（股份代號：8046）執行董事；及於二零零五年至二零零六年期間出任通達工業（集團）有限公司（現稱利時集團（控股）有限公司）（股份代號：526）獨立非執行董事。嚴先生畢業於香港城市理工學院，獲會計學文學士學位。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。

公司秘書

傅榮國先生，49歲，為財務總監兼公司秘書。彼負責本集團財政及秘書事務。傅先生於二零一二年十二月起加入本公司。彼持有美國伯米吉州立大學理學士學位，主修會計；並為美國會計師公會及香港會計師公會會員。傅先生在審計及會計方面積逾20年經驗。

Directors and Senior Management Profiles

董事及高級管理層簡介

SENIOR MANAGEMENT

Mr. Chan Lap Kwan, aged 44, is the Director of Karl-Thomson Securities Company Limited and is responsible for the daily operations and implementation of the internal control procedures of the Kwun Tong branch. He holds a Bachelor of Business (Banking and Finance) degree from University of South Australia. He has extensive experience in the securities, futures and options industry. He joined the Group in July 1997.

Mr. Sung Wing Yiu, aged 61, is the Director of Karl-Thomson Securities Company Limited. He is responsible for the management and development of internet trading services, securities, futures and other derivatives business of the Group. He holds a Bachelor of Social Science degree in Government & Public Administration from the Chinese University of Hong Kong and a Master of Business Administration degree from the University of Hong Kong. Mr. Sung has extensive experience in the securities and futures industry and held senior positions in regional financial institutions in Hong Kong. He joined the Group in February 2001.

INVESTMENT BANKING GROUP

Mr. Chow Ka Wo Alex, aged 51, is the Director of Karl Thomson Financial Advisory Limited. He is responsible for the operation of the Group's investment banking business since joining the Group in March 2002. Prior to joining the Group, Mr. Chow had worked at various international investment banks. He holds a Bachelor of Arts degree in Applied Mathematics and Economics from the University of California at Berkeley and a Master of Arts degree in Economics from the Cornell University in the USA. Mr. Chow was an Executive Director of Sino Katalytics Investment Corporation (stock code: 2324), which was subsequently re-named as Capital VC Limited, for the period between 12 September 2005 to 31 March 2010 and was an Executive Director of Shenyang Public Utility Holdings Company Limited (stock code: 0747) for the period from 17 September 2008 to 21 June 2013. He is also currently a visiting professor of Guang Xi College of Foreign Languages.

高級管理層

陳立群先生，44歲，高信證券有限公司董事，負責觀塘分公司之日常營運及執行內部監控程序。陳先生持有南澳洲大學商業學（銀行業及財經）學士學位。在證券、期貨及期權業擁有豐富經驗。陳先生於一九九七年七月加入本集團。

宋榮耀先生，61歲，高信證券有限公司董事，負責管理及發展本集團之互聯網買賣服務、證券、期貨及其他衍生工具業務。宋先生持有香港中文大學社會科學系公共及行政學學士學位及香港大學工商管理學碩士學位。宋先生在證券及期貨業擁有豐富經驗，並曾在香港金融機構擔任要職。宋先生於二零零一年二月加入本集團。

投資銀行部

周家和先生，51歲，高信融資服務有限公司董事，周先生自二零零二年三月加入本集團以來，便負責本集團之投資銀行業務之營運。加盟本集團前，周先生曾於多間國際性投資銀行工作。周先生持有美國柘克萊加利福尼亞大學應用數學及經濟系文學學士學位及美國紐約康乃爾大學經濟系文學碩士學位。周先生於二零零五年九月十二日至二零一零年三月三十一日止期間為德泰中華投資有限公司（股份代號：2324）（該公司其後易名為首都創投有限公司）之執行董事及於二零零八年九月十七日至二零一三年六月二十一日止期間為瀋陽公用發展股份有限公司（股份代號：0747）之執行董事。周先生亦是廣西外國語學院客座教授。

Report of the Directors

董事會報告

The Directors would like to present to shareholders their annual report (“Annual Report”) and the audited consolidated financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are (1) the trading of natural resources and petrochemicals; (2) mineral mining, oil and gas exploration and production; (3) the provision of financial services and (4) property investment. Particulars of the principal subsidiaries of the Company are set out in note 45 to the consolidated financial statements.

Further discussion and analysis of the Group’s principal activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group’s business, can be found in the Management Discussion and Analysis set out on pages 7 to 18 of this Annual Report. This discussion forms part of this report of the Directors.

BUSINESS REVIEW

Details of business review, financial performance and future development of the Group’s business are set out in the “Management Discussion and Analysis” section from pages 7 to 18.

An analysis of the Group’s performance during the year using financial key performance indicators is provided in the Five Year Financial Summary on page 191 of this Annual Report.

PRINCIPAL RISKS AND UNCERTAINTIES

There are various risks and uncertainties including business risks, capital risks and financial risks that may have different levels of impact on the Group’s financial performance, operations, business as well as future prospects.

The business risk faced by the Group is set out in the Environmental, Social and Governance Report and the capital risk and financial risk are set out in Note 5 and 6 to the consolidated financial statements respectively.

董事欣然向各股東提呈截至二零一七年十二月三十一日止年度之年報（「年報」）及經審核綜合財務報表。

主要業務

本公司為投資控股公司。本集團之主要業務為(1)天然資源及石化產品貿易；(2)採礦、石油與天然氣勘探及生產；(3)提供金融服務；及(4)物業投資。本公司主要附屬公司之詳情載於綜合財務報表附註45。

按照香港公司條例附表5規定之本集團之主要業務之進一步討論及分析（包括對本集團面對之主要風險及不確定因素之論述，以及本集團業務未來可能發展之揭示）可於本年報第7至18頁所載管理層討論與分析內查閱。此討論乃本董事會報告之一部分。

業務回顧

業務回顧、財務表現及本集團業務未來發展之詳情載於第7至18頁之「管理層討論與分析」一節。

採用財務關鍵表現指標對本集團年內表現作出之分析載於本年報第191頁之五年財務概要。

主要風險及不確定因素

各種風險及不確定因素包括對本集團財務表現、營運、業務及未來前景有不同程度影響之業務風險、資本風險及財務風險。

本集團面臨之業務風險載於環境、社會及管治報告及資本風險及財務風險分別載於綜合財務報表附註5及6。

Report of the Directors

董事會報告

ENVIRONMENTAL POLICIES AND PERFORMANCE

We are attentive to consumption of natural resources and reduction of pollution during the course of managing our businesses. It is our goal to minimize our environmental impacts through recycling of materials, encouragement of resources savings and reduce wastes. The Group is committed to ensure our compliance with relevant environmental protection laws and regulations. For further details on performance of the Group on environmental aspects during the Year, please refer to our Environmental, Social and Governance Report on pages 60 to 75.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group requires operations of the Company and its subsidiaries to comply with the relevant laws and regulations in the territories in which we operate. During the Year, the Board was not informed of any events on violation with laws and regulations.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for the legal risks possibly faced by its Directors, Supervisors and senior management during their duty performances.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS AND OTHER STAKEHOLDERS

The Group understands the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. During the year, there were no material and significant dispute between the Group and its key stakeholders that have a significant impact on the Group. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholder.

環境政策及表現

本集團在管理業務之過程中，一直關注天然資源之耗用及減少污染等問題。本集團之目標是透過循環利用材料、鼓勵節約資源及減廢，盡量減少環境影響。本集團致力確保其符合相關環保法律及法規之規定。有關本集團年內在環保方面之表現之進一步詳情，請參閱第60至75頁之「環境、社會及管治報告」。

遵守相關法律及法規

本集團規定本公司及其附屬公司之營運須遵守我們經營所在地區之相關法律及法規。年內，董事會並不知悉有關違反法律及法規之任何事宜。

獲准彌償條文

本公司已就其董事、監事及高級管理人員因履行彼等之職責而面臨的法律風險安排合適投保。

與僱員、客戶及供應商及其他權益人之關係

本集團了解本集團業務之成功取決於其主要權益人，包括僱員、客戶、供應商、銀行、監管機構及股東之支持。年內，本集團與對本集團有重大影響之主要權益人並無重大及顯著糾紛。本集團將繼續確保與各主要權益人之有效溝通，並保持良好關係。

Report of the Directors

董事會報告

RESULTS AND APPROPRIATIONS

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 page 84 to 85 of the Annual Report.

The Directors do not recommend the payment of any dividend for the year.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years ended 31 December 2013, 2014, 2015, 2016 and 2017 is set out on page 191 of the Annual Report.

FIXED ASSETS AND INVESTMENT PROPERTIES

Movements in the fixed assets and investment properties of the Group during the year are set out in note 19 and 20 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 37 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

業績及分派

本集團截至二零一七年十二月三十一日止年度之業績，詳列於本年報第84至85頁之綜合損益及其他全面收益表。

董事不建議就本年度派付任何股息。

財務概要

本集團截至二零一三年、二零一四年、二零一五年、二零一六年及二零一七年十二月三十一日止過去五個財政年度之業績與資產及負債概要詳列於本年報第191頁。

固定資產及投資物業

本集團於本年度內固定資產及投資物業之變動，分別詳列於綜合財務報表附註19及20內。

股本

本公司股本之詳情詳列於綜合財務報表附註37內。

優先購買權

本公司之公司細則或百慕達法例概無載列任何有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

Report of the Directors

董事會報告

UPDATE ON USE OF PROCEEDS

Fund raising from the placement of new shares under general mandate

The net proceeds from the placement of 50,000,000 new shares in the Company under general mandate as set out in the announcement date 14 July 2016 were approximately HK\$34 million, which was based on the placing price of HK\$0.70 per placing share after deducting the expenses relating to the Placement of new shares.

所得款項用途更新

根據一般授權配售新股份籌集之資金

本公司根據一般授權配售50,000,000股新股份（載於日期為二零一六年七月十四日之公佈）之所得款項淨額約為34,000,000港元，乃按配售價每股配售股份0.70港元扣除配售新股份相關之開支後計算得出。

Net proceeds from the placement of new shares under general mandate in 2016	Actual use of net proceeds from the placement of new shares under general mandate as at 31 December 2017 於二零一七年 十二月三十一日 根據一般授權 配售新股份之 所得款項淨額之 實際用途
於二零一六年 根據一般授權 配售新股份之 所得款項淨額	於二零一七年 十二月三十一日 根據一般授權 配售新股份之 所得款項淨額之 實際用途

As used for general working capital and future business development and investments of the Group.

用作本集團之一般營運資金以及未來業務發展及投資。

HK\$34,000,000港元 HK\$34,000,000港元

DISTRIBUTABLE RESERVES

At 31 December 2017 and 2016, the Company had no reserves available for distribution to the shareholders.

可供分派儲備

於二零一七年及二零一六年十二月三十一日，本公司並無可供分派予各股東之儲備。

DONATION

No charitable donation was made by the Group during the year ended 31 December 2017 (2016: Nil).

捐款

本集團於截至二零一七年十二月三十一日止年度並無作出慈善捐款（二零一六年：無）。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases

– the largest supplier	92%
– five largest suppliers in aggregate	100%

Sales

– the largest customer	49%
– five largest customers in aggregate	70%

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

DIRECTORS

The Directors of the Company during the year and up to the date of this Annual Report were as follows:

Executive Directors:

Dr. Hui Chi Ming G.B.S., J.P. (*Chairman*)
 Mr. Neil Bush (*Deputy Chairman*)
 Dr. Chui Say Hoe (*Managing Director*)
 Mr. Ren Qian (appointed on 5 July 2017)
 Mr. Xu Jun Jia
 Mr. Cao Yu
 Mr. Lam Kwok Hing M.H., J.P.
 Mr. Nam Kwok Lun

Independent Non-Executive Directors:

Mr. Chen Wei-Ming Eric
 Mr. Kwan Wang Wai Alan
 Mr. Ng Chi Kin David
 Mr. Yim Kai Pung (appointed on 1 July 2017)

主要客戶及供應商

本集團主要供應商及客戶應佔年內採購量及銷量百分比如下：

採購量

– 最大供應商佔	92%
– 五大供應商合共佔	100%

銷量

– 最大客戶佔	49%
– 五大客戶合共佔	70%

概無董事或彼等之任何聯繫人或任何股東（據董事所知，擁有本公司已發行股本5%以上）於本集團五大供應商及其五大客戶中擁有任何實益權益。

董事

於本年度內及截至本年報日期，本公司之董事如下：

執行董事：

許智銘博士 G.B.S., J.P. (*主席*)
 尼爾·布什先生 (*副主席*)
 徐世和博士 (*董事總經理*)
 任前先生 (於二零一七年七月五日獲委任)
 許峻嘉先生
 曹宇先生
 藍國慶先生 M.H., J.P.
 藍國倫先生

獨立非執行董事：

陳偉明先生
 關宏偉先生
 伍志堅先生
 嚴繼鵬先生 (於二零一七年七月一日獲委任)

Report of the Directors

董事會報告

DIRECTORS (Continued)

The Company has received written annual confirmation from all of its independent non-executive Directors in respect of their independence pursuant to the requirements of the Listing Rules. The Company considers that all of them are independent in accordance with the independence guidelines set out in the Listing Rules.

In accordance with Bye-laws 99 and 102 of the Company's Bye-laws, one-third of the Directors for the time being shall retire from office by rotation (save any Director holding office as Chairman or Managing Director) at each annual general meeting and any additional Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting. Therefore, Mr. Ren Qian and Mr. Yim Kai Pung retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Pursuant to A.4.3 of the Corporate Governance Code, any further appointment of an Independent Non-Executive Director in excess of nine years should subject to a separate resolution to be approved by shareholders. Therefore, Mr. Chen Wei-Ming, Mr. Kwan Wang Wai Alan and Mr. Ng Chi Kin David retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Each of the Independent Non-Executive Directors has signed a letter of appointment for a term of three years until terminated by not less than three months' notice in writing served by the Independent Non-Executive Director of the Company or in accordance with the terms set out in the respective letters of appointment. Each of the Independent Non-Executive Directors is entitled to a director's fee.

The Director being proposed for re-election at the forthcoming annual general meeting does not have a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事 (續)

本公司已接獲其全體獨立非執行董事根據上市規則的規定就其獨立身份而呈交的年度書面確認。根據上市規則所載獨立性指引，本公司認為彼等全部均獨立。

根據本公司細則第99及102條，在每屆股東週年大會上，當時三分之一之董事將輪流退任，惟出任主席或董事總經理之任何董事除外，而任何獲委任之新增董事任期僅直至本公司下屆股東週年大會為止，並符合資格於會上重選連任。因此，任前先生及嚴繼鵬先生於應屆股東週年大會上退任，並符合資格且願意重選連任。

根據企業管治守則第A.4.3條，任何進一步委任在任已超過九年的獨立非執行董事須獲股東以獨立決議案批准，方可作實。因此，陳偉明先生、關宏偉先生及伍志堅先生於應屆股東週年大會上退任，並符合資格膺選連任。

各獨立非執行董事已與本公司訂立為期三年的委聘書，直至本公司獨立非執行董事送達不少於三個月的書面通知或按照各有關委聘書所載條款終止為止。各獨立非執行董事享有董事袍金。

擬於即將舉行之股東週年大會上重選連任之董事概無與本公司或其任何附屬公司訂有不能由本集團於一年內免付賠償（法定賠償除外）而終止之服務合約。

Report of the Directors

董事會報告

DIRECTORS AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical information of the Directors of the Company and the senior management of the Group are set out on pages 19 to 26 of the Annual Report.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a three-year term commencing from 1 September 2000 which is not determinable within one year without payment of compensation. These service contracts shall continue thereafter unless and until terminated by either party with not less than three months' prior written notice.

DIRECTORS' REMUNERATION

The remuneration committee of the Board considers and recommends to the Board the remuneration of all Directors is subject to regular monitoring by the remuneration committee to ensure that the levels of their remuneration and compensation are appropriate. Details of the Directors' remuneration are set out in note 15 to the consolidated financial statements.

MANAGEMENT CONTRACT

During the year, no contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered or existed.

董事及高級管理層簡歷

本公司董事及本集團高級管理層之簡歷資料詳列於本年報第19至26頁。

董事之服務合約

各執行董事均與本公司訂立一份不得於一年內終止而毋須作出補償之服務合約，合約期由二零零零年九月一日起計，為期三年。該等服務合約將於其後繼續生效，除非及直至任何一方事先發出不少於三個月書面通知予以終止。

董事酬金

董事會之薪酬委員會考慮並向董事會建議全體董事之酬金，有關酬金由薪酬委員會定期監察，以確保酬金及賠償水平恰當。董事酬金詳情載於綜合財務報表附註15內。

管理合約

年內，本公司並無訂立或存在有關管理及實施本公司全部或任何主要部分業務之合約。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN SHARES

At 31 December 2017, the interests of the Directors and their associates in the shares of the Company and its associated corporations (with the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

1. Long positions in the ordinary shares of HK\$0.10 each of the Company

Name of Directors	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Dr. Hui Chi Ming (<i>Note 1</i>) 許智銘博士 (<i>附註1</i>)	Interest of controlled corporation 受控制法團之權益	1,813,827,427	71.94%

Note 1: These Shares included 828,737,143 Shares held by Triumph Energy Group Limited, 39,966,000 Shares held by Wisdom On Holdings Limited, 4,018,000 Shares held by Taiming Petroleum Group Limited and 941,106,284 Shares held by Golden Nova Holdings Limited. The issued share capital of Triumph Energy Group Limited is beneficially and indirectly owned as to 92.67% by Dr. Hui through Golden Nova Holdings Limited and Simply Superb Holdings Limited. Wisdom On Holdings Limited, Taiming Petroleum Group Limited and Golden Nova Holdings Limited are directly or indirectly wholly-owned by Dr. Hui Chi Ming.

董事於股份之權益

於二零一七年十二月三十一日，董事及彼等之聯繫人於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份中，擁有按本公司根據證券及期貨條例第352條存置的登記冊所記錄，或根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）上市公司董事進行證券交易之標準守則（「標準守則」）另行知會本公司及聯交所之權益如下：

1. 於本公司每股面值0.10港元普通股之長倉

附註1: 該等股份包括凱信銘能源集團有限公司持有的828,737,143股股份、Wisdom On Holdings Limited持有的39,966,000股股份、泰銘石油集團有限公司持有的4,018,000股股份及Golden Nova Holdings Limited持有的941,106,284股股份。凱信銘能源集團有限公司的已發行股本由許博士分別透過Golden Nova Holdings Limited及顯佳控股有限公司實益間接擁有92.67%權益。Wisdom On Holdings Limited、泰銘石油集團有限公司及Golden Nova Holdings Limited由許智銘博士直接或間接全資擁有。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN SHARES (Continued)

2. Ordinary shares in subsidiaries which are wholly-owned

As at 31 December 2017, none of the Directors of the Company, chief executive or their associates had any interests or short positions in any 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 required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this Annual Report, at no time during the year was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

- a) During the year, the Group received commission income and other securities dealing income from securities dealing of approximately HK\$31,000 and HK\$1,000 separately (2016: HK\$27,000 and HK\$Nil separately) from close family members of two Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- b) During the year, the Group received commission income and other income from securities dealing of approximately HK\$5,000 (2016: HK\$31,000) from ATNT, in which two Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun, have controlling interests.

董事於股份之權益 (續)

2. 全資附屬公司之普通股

於二零一七年十二月三十一日，概無本公司董事、主要行政人員或其聯繫人於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債券中，擁有記入根據證券及期貨條例第352條須存置之登記冊之任何權益或淡倉，或根據標準守則另行知會本公司及聯交所之任何權益或淡倉。

購買股份或債券安排

除本年報所披露者外，本年度內任何時候，本公司、其最終控股公司或其最終控股公司之任何附屬公司，概無任何收購本公司或任何其他法人團體的股份或債券的安排而致使本公司董事獲得利益。

關連交易及董事之重要合約權益

- a) 於本年度內，本集團就證券買賣向兩名董事藍國慶先生及藍國倫先生之近親收取佣金收入及其他證券買賣收入分別約31,000港元及1,000港元（二零一六年：分別為27,000港元及零港元）。
- b) 於本年度內，本集團就證券買賣自亞洲聯網（兩名董事藍國慶先生及藍國倫先生擁有其控制權益）收取佣金收入及其他收入約5,000港元（二零一六年：31,000港元）。

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

(Continued)

- c) At 31 December 2017, an executive Directors, Mr. Nam Kwok Lun, advanced approximately HK\$85,305,000 (2016: HK\$129,605,000) to the Group. During the year, the Group paid finance costs of HK\$2,951,000 (2016: HK\$4,508,000) to the executive Director, Mr. Nam Kwok Lun.
- d) During the year ended 31 December 2017, the Group made minimum lease payments under operating leases in respect of office premises of approximately HK\$2,460,000 (2016: HK\$2,400,000) to Gahood Holding Company Limited, a company indirectly wholly-owned by Dr. Hui Chi Ming, an executive Director of the Company. The transaction also constitutes a continuing connected transaction under Appendix 14A of the Listing Rules.
- e) As at 31 December 2017, outstanding advances from a Director, Dr. Hui Chi Ming, amounted to HK\$Nil (2016: HK\$24,033,000).

Other than as disclosed above, there was no other transaction which need to be disclosed as a connected transaction in accordance with the requirements of the Listing Rules and no contract of significance to which the Company, its ultimate holding company or any subsidiaries of its ultimate holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

關連交易及董事之重要合約權益 (續)

- c) 於二零一七年十二月三十一日，執行董事藍國倫先生向本集團墊款約85,305,000港元（二零一六年：129,605,000港元）。年內，本集團向執行董事藍國倫先生支付財務費用2,951,000港元（二零一六年：4,508,000港元）。
- d) 截至二零一七年十二月三十一日止年度，本集團就辦公室物業經營租約向本公司執行董事許智銘博士間接全資擁有之嘉浩集團有限公司支付最低租金約2,460,000港元（二零一六年：2,400,000港元）。該項交易亦構成上市規則附錄14A項下之持續關連交易。
- e) 於二零一七年十二月三十一日，應收一名董事許智銘博士之尚未償還墊款為零港元（二零一六年：24,033,000港元）。

除上文所披露者外，於本年度末或年內任何時間，並無其他交易需根據上市規則之規定按關連交易予以披露，且本公司、其最終控股公司或其最終控股公司之任何附屬公司並無訂立本公司董事直接或間接於其中擁有重大權益之重大合約。

Report of the Directors

董事會報告

CONTINUING CONNECTED TRANSACTION

On 31 May 2013, the Group leased from Gahood Holding Company Limited, a company wholly-owned by Dr. Hui, the office space located at Unit 9 (portion) and Units 10-12, 19th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong for an initial term of two years at a monthly rent of HK\$180,000. Such agreement was renewed in May 2015 to extend the tenancy period for two years expiring on 31 May 2017 at a monthly rent of HK\$200,000. The tenancy agreement was further renewed and extended with the tenancy period expiring on 31 May 2019 and the monthly rent was adjusted to HK\$210,000.

Three of these agreements were arm's length transactions which were valued by an independent valuer and in the usual and ordinary course of business of the Company and on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The annual cap amount for each of the financial years ended/ending 31 December 2017, 2018, and 2019 are HK\$2,460,000, HK\$2,520,000, and HK\$1,050,000 respectively. The total amount of the transactions for the year ended 31 December 2017 was HK\$2,460,000 (2016: HK\$2,400,000).

Gahood is indirectly wholly-owned by Dr. Hui Chi Ming, an executive Director of the Company. Therefore, Gahood is a connected person of the Company under the Listing Rules.

According to the Tenancy Agreements between Gahood and Shiny Future constitutes continuing connected transactions for both Gahood and Shiny Future under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.76 (1) of the Listing Rules, such Extended Tenancy Agreement is fully exempt from shareholders' approval, annual review and all disclosure requirements.

持續關連交易

於二零一三年五月三十一日，本集團向嘉浩集團有限公司（許博士全資擁有的公司）租賃香港上環干諾道中168-200號信德中心招商局大廈19樓第9號（部分）及第10至12號辦公室單位，初步年期為兩年，月租為180,000港元。該協議於二零一五年五月重續，將租期延長兩年，於二零一七年五月三十一日屆滿，月租為200,000港元。租賃協議獲進一步重續及延期，租期於二零一九年五月三十一日屆滿，月租被調整為210,000港元。

該等三份協議屬公平交易，乃由獨立估值師估值，並於本公司日常及一般業務過程中按一般商業條款訂立，屬公平合理且符合本公司及股東整體利益。

截至二零一七年、二零一八年及二零一九年十二月三十一日止財政年度各年之年度上限金額分別為2,460,000港元、2,520,000港元及1,050,000港元。截至二零一七年十二月三十一日止年度之交易總額為2,460,000港元（二零一六年：2,400,000港元）。

嘉浩由本公司執行董事許智銘博士間接全資擁有，故嘉浩為上市規則項下本公司之關連人士。

嘉浩與耀港之租賃協議構成上市規則第14A章項下嘉浩及耀港之持續關連交易。根據上市規則第14A.76(1)條，該經延長租賃協議獲全面豁免遵守股東批准、年度審閱及所有披露規定。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2017, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholder had notified the Company of relevant interests in the issued share capital of the Company.

Long positions in the ordinary shares of HK\$0.10 each of the Company

主要股東

於二零一七年十二月三十一日，根據本公司按證券及期貨條例第336條存置之主要股東登記冊所記錄，下列股東已通知本公司所擁有本公司已發行股本之相關權益。

於本公司每股面值0.10港元普通股之長倉

Name of shareholder 股東名稱	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the share capital of the Company 佔本公司 股本百分比
Triumph Energy Group Limited (Note 1) 凱信銘能源集團有限公司 (附註1)	Beneficial owner 實益擁有人	828,737,143	32.87%
Taiming Petroleum Group Ltd (Note 2) 泰銘石油集團有限公司 (附註2)	Beneficial owner 實益擁有人	4,018,000	0.15%
Wisdom On Holdings Limited (Note 2) (附註2)	Beneficial owner 實益擁有人	39,966,000	1.59%
Golden Nova Holdings Limited (Note 2) (附註2)	Beneficial owner 實益擁有人	941,106,284	37.33%

Note 1: The entire issued share capital of Triumph is beneficially and indirectly owned as to 92.67% by Dr. Hui Chi Ming through Golden Nova Holdings Limited and Simply Superb Holdings Limited.

Note 2: The entire issued share capital of Taiming, Wisdom on and Golden Nova are directly or indirectly wholly-owned by Dr. Hui Chi Ming.

附註1：凱信銘的全部已發行股本由許智銘博士透過Golden Nova Holdings Limited及顯佳控股有限公司實益間接擁有92.67%權益。

附註2：泰銘、Wisdom on及Golden Nova之全部已發行股本均由許智銘博士直接或間接全資擁有。

Save as disclosed above, no person (other than the Directors of the Company whose interests are set out under the heading "Directors' Interests in Shares" above) had an interest or a short position in the shares and underlying shares of the Company that was required to be recorded under Section 336 of the SFO.

除上文所披露者外，除本公司董事（彼等之權益已詳列於上文「董事於股份之權益」內）外，概無人士於本公司股份及相關股份中擁有須記錄於根據證券及期貨條例第336條所存置之登記冊的權益或淡倉。

Report of the Directors

董事會報告

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at 31 December 2017, none of the Directors or their respective associates had any business or interests in business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

EMOLUMENT POLICY

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

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total number of issued shares were held by the public as at the date of this Annual Report.

RETIREMENT BENEFITS SCHEME

Details of the Group's retirement benefits scheme are set out in note 40 to the consolidated financial statements.

董事於競爭業務之權益

於二零一七年十二月三十一日，概無董事或彼等各自之聯繫人擁有任何與本集團業務直接或間接競爭或可能競爭的業務或於除本集團業務以外的該等業務中擁有權益。

酬金政策

本集團僱員之酬金政策乃由薪酬委員會根據僱員之貢獻、資歷及能力而釐定。

本公司董事之酬金乃由薪酬委員會經考慮本公司之經營業績、各董事之表現及可供比較之市場數據而釐定。

足夠公眾持股量

根據本公司可公開獲得之資料及據董事所知，於本年報日期本公司已發行股份總數最少25%由公眾持有。

退休福利計劃

本集團的退休福利計劃詳情載於綜合財務報表附註40內。

Report of the Directors

董事會報告

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares on the Stock Exchange during the year ended 31 December 2017.

CORPORATE GOVERNANCE

The Company had complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the year. The details of the Group's compliance with the Code is set out in the Corporate Governance Report from page 41 to page 59 of this Annual Report.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

Details of which is set out in pages 60 to 75 of the Environment, Social and Governance Report in this Annual Report.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting to the Company to re-appoint Elite Partners CPA Limited as auditor of the Company.

By Order of the Board
Dr. Hui Chi Ming, G.B.S., J.P.
CHAIRMAN
Hong Kong, 29 March 2018

購入、贖回或售出本公司證券

本公司或其任何附屬公司於截至二零一七年十二月三十一日止年度概無於聯交所購入、售出或贖回任何本公司股份。

企業管治

於年內，本公司一直遵守上市規則附錄十四所載企業管治守則的所有適用守則條文。本集團遵守守則之詳情載於本年報第41至59頁之企業管治報告。

環境、社會及企業責任

有關詳情載於本年報第60至75頁之環境、社會及管治報告。

核數師

本公司將於應屆股東週年大會上提交決議案以續聘開元信德會計師事務所有限公司為本公司核數師。

承董事會命
許智銘博士，G.B.S., J.P.
主席
香港，二零一八年三月二十九日

Corporate Governance Report

企業管治報告

The Company recognizes that good corporate governance is vital to the success of the Group and sustains development of the Group. The Company is committed to maintaining good corporate governance standard and practices with an emphasis on integrity, transparency and independence. The board of directors (the “Board”) believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders’ value.

CORPORATE GOVERNANCE PRACTICES

During the financial year of 2017, the Company has complied with most of the code provisions set out in the Corporate Governance Code (the “Code”) as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), save for the following:

1. The Chairman of the Board and the Managing Director of the Company is not subject to retirement by rotation pursuant to Byelaw 99 of the Company’s Bye-laws.

The Company periodically reviews its corporate governance practices to ensure they continue to meet the requirements of the Code during the year ended 31 December 2017. The key corporate governance principles and practices of the Company are summarised in this report.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors’ securities transaction.

To the specific enquiry by the Company, all Directors have confirmed that they had complied with the Model Code throughout the year ended 31 December 2017.

本公司深明良好企業管治對本集團之成功及持續發展十分重要。本公司致力維持良好之企業管治準則及常規，著重於操守、透明度及獨立性。董事會（「董事會」）相信，良好之企業管治對本公司成功及提升股東價值至為重要。

企業管治常規

除以下各項外，本公司於二零一七年財政年度內已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「守則」）之大部分守則條文：

1. 根據本公司的細則第99條，本公司的董事會主席及董事總經理毋須輪值退任。

本公司定期檢討其企業管治常規，以確保該等常規於截至二零一七年十二月三十一日止年度內一直符合守則的規定。本公司主要的企業管治原則及措施概列於本報告內。

董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」）作為董事進行證券交易之行為守則。

經本公司作出具體查詢後，全體董事已確認彼等於截至二零一七年十二月三十一日止年度內一直遵守標準守則。

Corporate Governance Report

企業管治報告

THE BOARD

Responsibilities

As at the date of this Annual Report, the Board comprises of eight Executive Directors, being Dr. Hui Chi Ming (Chairman), Mr. Neil Bush (Deputy Chairman), Dr. Chui Say Hoe (Managing Director), Mr. Ren Qian, Mr. Lam Kwok Hing and Mr. Nam Kwok Lun, Mr. Xu Jun Jia, Mr. Cao Yu; four Independent Non-Executive Directors, being Mr. Chen Wei-Ming Eric, Mr. Kwan Wang Wai Alan, Mr. Ng Chi Kin David and Mr. Yim Kai Pung. Biographical details, which include relationships among members of the Board, are provided in the “Directors and Senior Management” section of the Annual Report. The composition of the Board is well balanced with the Directors having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The Executive Directors and Independent Non-Executive Directors bring a variety of experience and expertise to the Company.

There is a clear division of responsibilities between the Board and the management. The Board is responsible for providing high-level guidance and effective oversight of management while day-to-day management of the Group is delegated to the management team of each respective subsidiary. Generally speaking the Board is responsible for:

- Formulating the Group’s long term strategy and monitoring the implementation thereof
- Approval of interim and year end dividend
- Reviewing and approving the annual and interim reports
- Ensuring good corporate governance and compliance
- Monitoring the performance of the management
- Reviewing and approving any material acquisition and assets disposal
- Developing and reviewing the Group’s policies and practices on corporate governance

董事會

職責

於本年報日期，董事會包括八名執行董事許智銘博士（主席）、尼爾•布什先生（副主席）、徐世和博士（董事總經理）、任前先生、藍國慶先生、藍國倫先生、許峻嘉先生及曹宇先生；以及四名獨立非執行董事陳偉明先生、關宏偉先生、伍志堅先生及嚴繼鵬先生。履歷詳情（包括董事會成員間之關係）載於本年報「董事及高層管理」一節。董事會之成員各有所長，而董事對於本集團所從事業務均具備充份行業知識、豐富的企業及策略規劃經驗及／或專門技術。執行董事及獨立非執行董事為本公司帶來不同的經驗及專門技術。

董事會及管理層有明確分工。董事會之角色為提供高層次之領導與監察，而集團業務之日常管理則委派予各附屬公司之管理層負責。一般而言，董事會之職責包括：

- 制訂本集團之長遠策略及對策略執行進行監控
- 審批中期及年末股息
- 檢討及批准全年及中期報告
- 確保良好企業管治及遵守有關守則
- 監控管理層的表现
- 檢討及批准任何重大收購及資產出售
- 發展及檢討本集團的企業管治政策及常規

Corporate Governance Report

企業管治報告

THE BOARD *(Continued)*

Responsibilities *(Continued)*

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the Executive Directors, senior management and certain specific responsibilities to the Board committees. The Board is committed to making decisions in the best interests of both the Company and its shareholders.

The Board acknowledges its responsibility for preparing the consolidated financial statements of the Group which give a true and fair view of the Group's consolidated financial position in accordance with statutory requirements and applicable accounting standards. The statement by the auditor of the Company about its reporting responsibilities for the consolidated financial statements of the Group is set out on pages 76 to 83 in the Independent Auditor's Report.

All Directors have full and timely access to all relevant information as well as the advice and service of the Company Secretary to ensure Board procedures and all applicable rules and regulations are followed.

Composition

The Board has in its composition a balance of skills and experience necessary for independent decision making and fulfilling its business needs.

董事會 (續)

職責 (續)

董事會將實行日常營運、業務策略及本集團業務管理的授權及責任委派予執行董事、高級管理人員，並將若干特定責任指派予董事委員會。董事會在決策時，致力以本公司及其股東之最佳利益為依歸。

董事會知悉須負責根據法例及適用會計準則編製能真實而公允地反映本集團綜合財務狀況之本集團綜合財務報表。本公司核數師就其對本集團綜合財務報表申報責任之聲明載於第76至83頁之獨立核數師報告內。

全體董事均可全面並適時獲得所有相關資料、要求公司秘書提供服務及諮詢其意見，以確保符合董事會程序及所有適用規則和規例。

組成

董事會成員兼具多樣才能和豐富經驗，協助董事會作出獨立決定，達致業務所需。

Corporate Governance Report

企業管治報告

THE BOARD *(Continued)*

Composition *(Continued)*

As at the date of this annual report, the Board comprised twelve members, including eight Executive Directors and four Independent Non-executive Directors, as follows:

Executive Directors:

Dr. HUI Chi Ming G.B.S., J.P. *(Chairman)*
 Mr. BUSH Neil *(Deputy Chairman)*
 Dr. CHUI Say Hoe *(Managing Director)*
 Mr. REN Qian (appointed on 5 July 2017)
 Mr. XU Jun Jia
 Mr. CAO Yu
 Mr. LAM Kwok Hing M.H., J.P.
 Mr. NAM Kwok Lun

Independent Non-Executive Directors:

Mr. CHEN Wei-Ming Eric
 Mr. KWAN Wang Wai Alan
 Mr. NG Chi Kin David
 Mr. Yim Kai Pung (appointed on 1 July 2017)

Biographical details of the Directors are set out on pages 19 to 26.

During the year ended 31 December 2017, the Board complied with the Rules 3.10 and 3.10 (A) of the Listing Rules relating to the appointment of at least three independent non-executive directors, one of the independent non-executive directors has appropriate professional qualifications or accounting or related finance management expertise and the independent non-executive directors representing at least one-third of the board.

On 1 July 2017, Mr. Yim Kai Pung appointed as an independent Non-Executive Director. All four Independent Non-Executive Directors are appointed for a specific term of three years. They are subject to retirement by rotation and re-election provisions of the Bye-laws.

董事會 (續)

組成 (續)

於本年報日期，董事會由十二名成員組成，即以下八名執行董事及四名獨立非執行董事：

執行董事：

許智銘博士 G.B.S., J.P. (主席)
 尼爾•布什先生 (副主席)
 徐世和博士 (董事總經理)
 任前先生 (於二零一七年七月五日獲委任)
 許峻嘉先生
 曹宇先生
 藍國慶先生 M.H., J.P.
 藍國倫先生

獨立非執行董事：

陳偉明先生
 關宏偉先生
 伍志堅先生
 嚴繼鵬先生 (於二零一七年七月一日獲委任)

董事履歷詳情載於第19至26頁。

截至二零一七年十二月三十一日止年度，董事會已遵守上市規則第3.10及3.10(A)條有關最少委任三名獨立非執行董事，及其中一名獨立非執行董事須具備適當之專業資格或會計或相關財務管理專長且獨立非執行董事佔董事會成員至少三分之一之規定。

於二零一七年七月一日，嚴繼鵬先生獲委任為獨立非執行董事。全部四名獨立非執行董事之任期均為三年。彼等須根據細則的規定輪席退任及膺選連任。

Corporate Governance Report

企業管治報告

THE BOARD *(Continued)*

Composition *(Continued)*

The Company has received written annual confirmation from each Independent Non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out within Rule 3.13 of the Listing Rules.

The Bye-laws of the Company requires that one-third (if the number is not a multiple of three, the number nearest to but not less than one-third) of the Directors (including executive and non-executive directors) shall retire by rotation each year. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election and those of the other Directors who have been longest in office since their election or re-election. A retiring Director is eligible for re-election. Any Director appointed by the Board to fill a casual vacancy shall hold office until the next general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office until the next following annual general meeting and be eligible for re-election. Any Director appointed pursuant to the aforesaid Bye-law shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Under the code provisions A.4.2. of the Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, according to Bye-Laws of the Company, the Chairman or Managing Director are not subject to retirement by rotation or taken into account on determining the number of Directors to retire. This constitutes a deviation from code provision A.4.2. of the Code. As continuation is a key factor to the successful implementation of any long-term business plans, the Board believes that the roles of Chairman and Managing Director provide the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategies, that the present arrangement is most beneficial to the Company and the shareholders as a whole.

董事會 (續)

組成 (續)

本公司已接獲各獨立非執行董事根據上市規則的規定就其獨立身份而呈交的年度書面確認。根據上市規則第3.13條所載獨立性指引，本公司認為全體獨立非執行董事均獨立。

本公司之細則規定每年須有三分之一（倘人數並非三之倍數，則最接近但不少於三分之一之人數）數目之董事（包括執行及非執行董事）輪值退任。輪值退任的董事包括願意退任且不再重選連任的任何董事以及自推選或重選起計就任年期最長之其他董事。退任之董事符合資格膺選連任。任何獲董事會委任以填補臨時空缺之董事，其任期將直至其獲委任後之下屆股東大會為止並須在該大會上重選，而任何由董事會委任以出任現時董事會新增董事席位的董事，其任期至下屆股東週年大會為止，並合資格重選連任。任何根據上述細則獲委任之董事在釐定輪值退任的特定董事或董事人數時不應考慮在內。

根據守則第A.4.2.條守則條文，每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。然而，根據本公司細則，主席或董事總經理均毋須輪值退任，於釐定董事退任人數時亦毋須計算在內，構成與守則第A.4.2.條守則條文有所偏差。由於持續性是成功執行任何長遠業務計劃的主要因素，董事會相信，主席兼董事總經理之職，能令本集團之領導更具強勢及貫徹，在策劃及落實長期商業策略方面更有效率，現有的安排對於本公司以致股東的整體利益最為有利。

Corporate Governance Report

企業管治報告

THE BOARD (Continued)

Board Meetings and General Meeting

During the year ended 31 December 2017, eleven Board meetings and one annual general meeting (“AGM”) was held with details of the Directors’ attendance set out below:

董事會 (續)

董事會會議及股東大會

於截至二零一七年十二月三十一日止年度曾舉行十一次董事會會議及一次股東週年大會(「股東週年大會」)，有關董事之出席詳情載列如下：

Name of Director	董事姓名	Attendance/Number of Meetings	
		出席／會議次數	Annual General Meeting
		Board Meeting	股東週年大會
Executive Directors:	執行董事：		
Dr. HUI Chi Ming (Chairman)	許智銘博士 (主席)	9/11	1/1
Mr. BUSH Neil (Deputy Chairman)	尼爾·布什先生 (副主席)	0/11	0/1
Dr. CHUI Say Hoe (Managing Director)	徐世和博士 (董事總經理)	10/11	1/1
Mr. REN Qian (appointed on 5 July 2017)	任前先生 (於二零一七年七月五日獲委任)	5/11	N/A* 不適用*
Mr. Xu Jun Jia	許峻嘉先生	8/11	0/1
Mr. Cao Yu	曹宇先生	10/11	0/1
Mr. LAM Kwok Hing	藍國慶先生	4/11	0/1
Mr. NAM Kwok Lun	藍國倫先生	8/11	0/1
Independent Non-Executive Directors:	獨立非執行董事：		
Mr. CHEN Wei-Ming Eric	陳偉明先生	5/11	0/1
Mr. KWAN Wang Wai Alan	關宏偉先生	5/11	0/1
Mr. NG Chi Kin David	伍志堅先生	7/11	1/1
Mr. Yim Kai Pung (appointed on 1 July 2017)	嚴繼鵬先生 (於二零一七年七月一日獲委任)	7/11	N/A* 不適用*

Directors’ Training

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide a comprehensive introduction package covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Company’s constitutional documents and the Guides on Directors’ Duties issued by the Companies Registry to each newly appointed Director to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements.

* The AGM was held before appointment.

董事培訓工作

本公司鼓勵董事參與持續專業發展，增進並重溫彼等之知識及技能。本公司向每名新委任的董事提供全面的就任資料文件，涵蓋香港上市公司董事之職責及法律責任概要、本公司之組織章程文件以及香港公司註冊處發出的董事責任指引，確保有關董事充份知悉其於上市規則及其他監管規定下的職責及責任。

* 股東週年大會於委任前舉行。

Corporate Governance Report

企業管治報告

THE BOARD *(Continued)*

Directors' Training *(Continued)*

The Annual General Meeting was held before appointment.

The Company Secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials, as well as organizes seminars on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities.

During the year of 2017, there were one in-house seminars conducted covering the topics of director's duties under Appendix 10 and Appendix 14 of the Listing Rules under the Listing Rules. All Directors attended the seminars.

For the year ended 31 December 2017, each of the newly appointed Directors participated in the director's induction training conducted by the lawyer.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman of the Board and the Chief Executive Officer are held separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman is responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company. The Managing Director is responsible for managing the Group's business and overall operations. The day-to-day running of the Company is delegated to the management with divisional heads responsible for different aspects of the business.

The Chairman shall ensure that all Directors are properly briefed on issues arising at Board meetings.

The Chairman is responsible for ensuring that Directors receive adequate information, which must be complete and reliable, in a timely manner.

董事會 (續)

董事培訓工作 (續)

股東週年大會已於委任前舉行。

公司秘書不時向董事匯報上市規則、企業管治常規以及其他監管制度之最新變動及發展並提供相關書面資料，亦安排講座講解有關董事職務及職責之專業知識及監管規定的最新情況。

於二零一七年，本公司曾舉行一次內部講座，內容包括上市規則附錄十及附錄十四下之董事職務規定。全體董事已出席該講座。

截至二零一七年十二月三十一日止年度，各新委任董事均已參加律師進行之董事入職培訓。

主席及行政總裁

董事會主席及行政總裁職位分別由兩名人士擔任，以確保此等職位各自之獨立性、問責性及責任承擔。主席負責監管董事會運作以及制訂本公司整體策略及政策。董事總經理負責管理本集團之業務及整體營運。本公司之日常管理事務交由管理層人員處理，並由各部門主管負責業務各個方面之營運。

主席確保董事會會議上所有董事均適當知悉當前的事項。

主席負責確保董事及時收到充份的資訊，而有關資訊均屬完備可靠。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

The Directors are aware of their collective and individual responsibilities to the shareholders for the wellbeing and success of the Company.

To enhance the effectiveness of the management of the Company, the Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee to oversee corresponding aspects of the Company's affairs. All Board committees of the Company have defined written terms of reference.

Audit Committee

The Audit Committee was established on August 2000 and comprises three Board members, all of whom are Independent Non-executive Directors. The Audit Committee has adopted the same term of reference, which describes the authority and duties of the Committee, as quoted under code provision C.3.3 of the Code. The written terms of reference which describe the authority and duties of the Audit Committee were adopted on August 2000 and revised on 1 March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website and the Stock Exchange.

The Audit Committee is primarily responsible for the following duties:

- to make recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the audit fees and the terms of engagement of the external auditor, and any questions of their resignation or dismissal;
- monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- to monitor integrity of the Group's consolidated financial statements, annual report, accounts and the half-year report, and to review significant financial reporting judgments contained in them;

董事會委員會

董事深知彼等須向股東共同及個別地承擔努力經營及令本公司取得成功之責任。

為提升本公司之管理效益，董事會已成立三個委員會，分別為審核委員會、提名委員會及薪酬委員會，以監督本公司事務的有關範疇。本公司所有董事會委員會均已制訂書面職權範圍。

審核委員會

審核委員會已於二零零零年八月成立，成員包括三名董事會成員，全部均為獨立非執行董事。審核委員會已採納守則條文C.3.3，有關審核委員會之職責與權力為委員會之職權範圍。為符合守則條文，描述審核委員會權限及職責之職權範圍已於二零零零年八月獲採納，並於二零一二年三月一日修訂，職權範圍全文已刊載於本公司網頁及聯交所網站。

審核委員會主要負責以下職責：

- 就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的審核費及聘用條款、及處理任何有關該核數師辭職或辭退的問題；
- 按適用的標準監察外聘核數師是否獨立客觀及核數程序是否有效，並於核數工作開始前與外聘核數師討論核數性質及範疇及有關申報責任；
- 監察本集團綜合財務報表、年度報告、賬目及半年度報告的完整性，並審閱報表及報告所載有關財務申報的重大意見；

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

- to oversee the Group's financial reporting system and internal control procedures;
- and to review compliance with regulatory and legal requirements by the Company.

The Audit Committee shall meet at least twice each year. In 2017, the Audit Committee held two meetings which include considering the annual results of the Group for the financial year ended 31 December 2016 and the interim results of the Group for the 6 months ended 30 June 2017, discussing with the Company's auditor on the existing internal control and the re-appointment of the external auditor. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

Subsequent to the financial year end, the Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2017, including the accounting principles and practices adopted by the Group, and recommended them to the Board for approval.

There were two meetings held during the year, details of attendance are set out below:

Number of meetings

Audit Committee members:

- Mr. NG Chi Kin David
(Chairman of Audit Committee)
- Mr. CHEN Wei-Ming Eric
(Re-designated on 1 July 2017)
- Mr. KWAN Wang Wai Alan
- Mr. Yim Kai Pung (appointed on 1 July 2017)

董事會委員會 (續)

審核委員會 (續)

- 監管本集團財務申報制度及內部監控程序；及
- 檢討公司所遵循的管理和法律規定。

審核委員會將每年至少召開會議兩次。於二零一七年，審核委員會曾召開兩次會議，以考慮本集團截至二零一六年十二月三十一日止財政年度之全年業績及截至二零一七年六月三十日止六個月之中期業績，與本公司之核數師就現行內部監控進行討論，以及重新委聘外聘核數師。審核委員會亦為董事會及公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師是否獨立客觀。

於財政年度結束後，審核委員會已審閱本集團截至二零一七年十二月三十一日止年度的經審核綜合財務報表，包括本集團採納之會計原則及慣例，並建議董事會批准。

年內，審核委員會曾舉行兩次會議，出席詳情載列如下：

會議次數

審核委員會成員：

- 伍志堅先生
(審核委員會主席) 2/2
- 陳偉明先生 (於二零一七年七月一日調任) 1/2
- 關宏偉先生 2/2
- 嚴繼鵬先生 (於二零一七年七月一日獲委任) 1/2

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

Nomination Committee

The Nomination Committee of the Company (the "Nomination Committee") was established on 27 March 2012 and is composed of one executive director and two independent non-executive directors, namely Dr. Hui Chi Ming (Chairman of the Nomination Committee), Mr. Yim Kai Pung and Mr. Ng Chi Kin David.

In order to comply with the Code, the Board adopted terms of reference of the Nomination Committee on 27 March 2012 and the terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify and nominate qualified individuals for appointment as additional directors or to fill Board vacancies as and when they arise, and to make recommendations to the Board on matters relating to the appointment or re-appointment of directors and succession plan for directors, in particular the Chairman and the Chief Executive Officer.

The Nomination Committee shall meet at least once per year according to its terms of reference. Two Nomination Committee meetings were held during the year, details of attendance are set out below:

Number of meetings	會議次數	
Nomination Committee members:	提名委員會成員:	
Dr. HUI Chi Ming, G.B.S., J.P. (Chairman of the Nomination Committee)	許智銘博士, G.B.S., J.P. (提名委員會主席)	2/2
Mr. CHEN Wei-Ming Eric (Re-designated on 1 July 2017)	陳偉明先生 (於二零一七年 七月一日調任)	1/2
Mr. NG Chi Kin David	伍志堅先生	2/2
Mr. Yim Kai Pung (appointed on 1 July 2017)	嚴繼鵬先生 (於二零一七年 七月一日獲委任)	1/2

During the year, the Nomination Committee had reviewed the structure, size and composition of the Board of Directors of the Company and the retirement and re-appointment arrangement of the Directors in the Company's forthcoming annual general meeting.

董事會委員會 (續)

提名委員會

本公司之提名委員會(「提名委員會」)於二零一二年三月二十七日成立,由一名執行董事及兩名獨立非執行董事組成,分別為許智銘博士(提名委員會主席)、嚴繼鵬先生及伍志堅先生。

為遵守守則,董事會於二零一二年三月二十七日採納提名委員會之職權範圍。提名委員會之職權範圍已刊載於本公司及聯交所網站。

提名委員會之首要職責乃檢討董事會的架構、人數及組成(包括技術、知識及經驗方面)及就改動向董事會提出建議,以協助公司整體策略,物色具備合適資格可擔任董事的人士,並提名有關人士為新增董事或於需要時填補董事會空缺,及就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃的有關事宜向董事會提出建議。

根據提名委員會所制訂之職權範圍,提名委員會須最少每年舉行一次會議。提名委員會已於年內舉行兩次會議,出席詳情載列如下:

年內,提名委員會已審閱本公司董事會之架構、規模及組成,以及本公司應屆股東週年大會之董事退任及重新委任安排。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES *(Continued)*

Remuneration Committee

The Company established the Remuneration Committee on 28 July 2005 with terms of reference substantially the same as those contained in paragraph B.1.2 of the Corporate Governance Code. The written terms of reference which describe the authority and duties of the Remuneration Committee were adopted on 28 July 2005 and revised on 1 March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website and the Stock Exchange. A majority of the members of the Remuneration Committee is Independent Non-executive Directors and members of the Committee are listed as below.

In accordance with the code provision B.1.2 (c)(ii) of the Corporate Governance Code, the Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of individual executive directors and senior management. The Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

The Remuneration Committee is primarily responsible for the following duties:

- to determine the policy for the remuneration of executive directors, assessing performance of executive directors and approving the terms of executive directors' service contracts;
- to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to place recommendations before the Board concerning the total remuneration and/or benefits granted to the Directors from time to time;
- to review and approve the senior management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;

董事委員會 (續)

薪酬委員會

本公司於二零零五年七月二十八日成立薪酬委員會，其職權範圍與企業管治守則第B.1.2段所載者大致相同。為符合守則條文，描述薪酬委員會權限及職責之職權範圍已於二零零五年七月二十八日獲採納，並於二零一二年三月一日修訂，職權範圍全文已刊載於本公司網頁及聯交所網站內。薪酬委員會的大部分成員為獨立非執行董事，該委員會的成員載列如下。

根據企業管治守則第B.1.2 (c)(ii)條守則條文，薪酬委員會負責向董事會建議個別執行董事及高級管理人員的薪酬待遇。薪酬委員會考慮各項因素，包括同業薪金水平，董事奉獻之時間及其職責，集團內部其他職位的僱傭情況及與表現掛鉤之酬金。

薪酬委員會主要負責以下職責：

- 制訂執行董事薪酬政策、評估執行董事的表現及批准執行董事服務合約條款；
- 對本公司有關董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序以制訂薪酬政策，向董事會提出建議。委員會亦需要就授予董事的總薪酬及／或利益，不時向董事會提出建議；
- 因應董事會訂立之企業方針及目標而不時檢討及批准高級管理人員的薪酬；

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

- to performs an advisory role to the Board and to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, with the Board retaining the final authority to approve executive directors' and senior management's remuneration;
- to make recommendations to the Board on the remuneration on independent non-executive directors;
- to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive; and
- to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

The overriding objective of the remuneration policy is to ensure that the Company is able to attract, retain, and motivate a high-calibre team which is essential to the success of the Company.

The Remuneration Committee shall meet at least once each year. During the year, one meeting was held to consider and approve the remuneration of all Directors and senior management.

董事委員會 (續)

薪酬委員會 (續)

- 作為董事會的顧問提供意見及向董事會建議個別執行董事及高級管理人員的薪酬待遇，但董事會就執行董事及高級管理人員的薪酬待遇保留最後的審批權；
- 就獨立非執行董事的薪酬待遇向董事會提供意見；
- 檢討及批准向執行董事及高級管理人員支付與喪失或終止職務或委任有關的賠償，以確保該等賠償按有關合約條款釐定；若未能按有關合約條款釐定，賠償亦須公平合理，不會對公司造成過重負擔；及
- 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排按有關合約條款釐定；若未能按有關合約條款釐定，有關賠償亦須合理適當。

薪酬政策之首要目標乃確保本公司能夠吸引、留聘及鼓勵對本公司之成功至關重要之高質素團隊。

薪酬委員會將每年至少召開會議一次。於回顧年內，薪酬委員會曾召開一次會議，以考慮及批准全體董事及高級管理人員之薪酬。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

董事委員會 (續)

Remuneration Committee (Continued)

薪酬委員會 (續)

Three Remuneration Committee meetings were held during the year, details of attendance are set out below:

年內，薪酬委員會曾舉行三次會議，出席詳情載列如下：

Number of meetings	會議次數	
		3
Remuneration Committee members:	薪酬委員會成員：	
Dr. Chui Say Hoe (Chairman of the Remuneration Committee)	徐世和博士 (薪酬委員會主席)	3/3
Mr. CHEN Wei-Ming Eric (Re-designated on 1 July 2017)	陳偉明先生 (於二零一七年七月一日調任)	2/3
Mr. NG Chi Kin David	伍志堅先生	3/3
Mr. Yim Kai Pung (appointed on 1 July 2017)	嚴繼鵬先生 (於二零一七年七月一日獲委任)	1/3

During the year under review, the Remuneration Committee reviewed the existing remuneration policies of the Company.

於回顧年度，薪酬委員會已審閱本公司之現有薪酬政策。

CORPORATE GOVERNANCE FUNCTIONS

企業管治職能

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

董事會負責制訂本公司之企業管治政策並履行以下企業管治職務：

- | | |
|--|--|
| (i) To develop and review the Group's policies and practices on corporate governance and make recommendations; | (i) 制訂及檢討本集團的企業管治政策及常規，並提出建議； |
| (ii) To review and monitor the training and continuous professional development of directors and senior management; | (ii) 檢討及監察董事及高級管理層的培訓及持續專業發展； |
| (iii) To review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable); | (iii) 檢討及監察本集團的政策及常規符合所有法律及規例的要求（如適用）； |
| (iv) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors of the Group; and | (iv) 制訂、檢討及監察適用於本集團全體僱員及董事的行為守則及合規指引（如有）；及 |
| (v) To review the Group's compliance with the code of corporate governance and disclosure requirements in the Corporate Governance Report. | (v) 檢討本集團對企業管治守則及企業管治報告的披露要求的合規情況。 |

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

(Continued)

During the year, the Board approved the terms of reference of the Board and the revised terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee, the shareholder communication policy, shareholder enquiry procedures and special request procedures.

AUDITOR'S REMUNERATION

During the year ended 31 December 2017, the remuneration paid/payable to the external auditors of the Group, Elite Partners CPA Limited, is set out as follow:

Services Rendered

所提供服務

Audit services	審計服務
Other assurance services	其他保證服務
Non assurance services	非保證服務

The audit committee has expressed its views to the Board that the level of fees paid/payable to the Company to the Company's external auditors for annual audit services is reasonable. There has been no major disagreement between the auditors and the management of the Company during the year.

COMPANY SECRETARY

Mr. Fu Wing Kwok Ewing, the secretary of the Company whose biography details are set out in the section headed "Directors and Senior Management" in this Annual Report, confirmed that he had attained no less than 15 hours of relevant professional training during the year ended 31 December 2017.

企業管治職能 (續)

年內，董事會已批准董事會之職權範圍、審核委員會、提名委員會及薪酬委員會之經修訂職權範圍、股東溝通政策、股東查詢程序及特別請求程序。

核數師的酬金

截至二零一七年十二月三十一日止年度，已付／應付本集團外聘核數師開元信德會計師事務所有限公司之酬金載列如下：

Fees paid/payable

已付／應付費用

HK\$'000

千港元

Audit services	審計服務	1,265,000
Other assurance services	其他保證服務	980,000
Non assurance services	非保證服務	250,000

審核委員會已向董事會發表意見，即本公司就年度審核服務已付／應付本公司外聘核數師之費用水平乃屬合理。年內，本公司核數師與管理層之間概無重大分歧。

公司秘書

本公司之公司秘書傅榮國先生之履歷詳情載於本年報「董事及高級管理層」一節，彼確認已於截至二零一七年十二月三十一日止年度內接受不少於十五小時之相關專業培訓。

Corporate Governance Report

企業管治報告

LIABILITY INSURANCE OF DIRECTORS AND SENIOR MANAGEMENT

The Company has appropriate directors and officers liability insurance in place for its Directors and senior management, in order to safeguard them from any legal and compensation liabilities arising in the course of discharging their duties.

DIRECTOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENT

The Board acknowledges that it is their responsibilities for:

- (i) overseeing the preparation of the financial statements of the Group with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group, and
- (ii) selecting suitable accounting policies and applying the selected accounting policies consistently with the support of reasonable and prudent judgement and estimates.

The statement by auditor about their reporting responsibilities is set out in the Independent Auditor's Report on pages 76 to 83 of the Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

董事及高級管理人員的責任保險

本公司有投保董事及高級管理人員責任保險，以保障其董事及高級管理人員等因履行職務而被追究法律及賠償責任。

董事對財務報表之責任

董事會確認彼等之責任為：

- (i) 監督本集團財務報表之編製，確保財務報表真實公平反映本集團之財務狀況，及
- (ii) 選取適合之會計政策，並且貫徹應用該等會計政策，以作出合理審慎之判斷及估計。

核數師就彼等之呈報責任所作聲明載於本年報第76至83頁之獨立核數師報告內。

風險管理及內部控制

董事會已全面負責評估及釐定本集團達成策略目標時願意接納之風險性質及程度，並確保本集團設立及維持適當及有效的風險管理及內部控制系統。

審核委員會持續檢討對本集團而言屬重大的風險管理及內部控制。審核委員會將檢討本集團會計、內部審核及財務申報職能的員工及外部顧問的資源、資質、經驗及培訓是否充足。

本集團管理層負責設計、維護、實施及監管風險管理及內部控制系統，確保有足夠控制措施保障本集團的資產及利益相關人士的利益。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

The Group has established risk management procedures to address and handle the all significant risks associate with the business of the Group. The Board would perform annual review on any significant change of the business environment and establish procedures to response the risks result from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

The management would identify the risks associate with the business of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of risks has been assessed and prioritised based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, type of risk management strategy has been listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market; and
- Risk transfer: transfer ownership and liability to a third party.

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact results from the risks. The risk management and internal control system are design 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.

風險管理及內部控制 (續)

本集團已設立風險管理程序，以解決及處理本集團業務所涉及的一切重大風險。董事會每年對營商環境的重大變動進行檢討，並設立程序應對營商環境的重大變動所帶來的風險。風險管理及內部控制系統旨在減少業務的潛在虧損。

管理層經考慮政治、經濟、技術、環境、社會及員工等內外部風險及事件後，識別本集團業務所涉及的風險。本集團根據各項風險的相關影響及發生機會評估相關風險，並釐定相關風險的優次順序。相關風險管理策略將根據評估結果應用於各類風險，而各類風險管理策略呈列如下：

- 風險保留及降低：本集團接納風險影響或採取行動，以降低風險的影響；
- 風險避免：變更業務流程或目標，以避免風險；
- 風險分擔及分散：分散風險影響，或分配至不同地區或產品或市場；及
- 風險轉移：向第三方轉移所有權及責任。

設計及實施內部控制系統旨在降低本集團所接納之業務風險，並盡量降低該等風險造成的不利影響。設計風險管理及內部控制系統旨在管理，而非消除未能達成業務目標的風險，且僅對重大失實陳述或損失提供合理但非絕對保證。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

For the year ended 31 December 2017, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. There is no significant deficiency and weakness on the internal control system has been identified by the external advisory firm for the year ended 31 December 2017.

The Board considered that, for the year ended 31 December 2017, the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance controls and risk management functions were reasonably effective and adequate.

SHAREHOLDERS' RIGHTS

An annual general meeting shall be held in every year. General meetings which are not annual general meetings are known as special general meetings ("SGM") as referred to in the procedures described below. These procedures are subject to the bye-laws of the Company, the Companies Act 1981 of Bermuda (the "Companies Act") and applicable legislation and regulations.

Convening of SGM on requisition of shareholders

In accordance with the Companies Act registered Shareholder(s) holding not less than one-tenth (10%) of the paid-up capital of the Company as at the date of the deposit of the requisition shall have the right to submit a written requisition requiring a SGM to be convened by the Board.

The written requisition (i) must state the purposes(s) of the meeting, and (ii) must be signed by the requisitionists and deposited at the Company's registered office in Bermuda, and may consist of several documents in like form, each signed by one or more requisitionists. To ensure that the requisition is received by the Company at the earliest opportunity, the requisitionists are urged to deposit also a copy of the signed requisition at the Company's principal place of business in Hong Kong (for the attention of the board of directors or the company secretary).

If the Directors fail to proceed to convene an SGM within 21 days from the date of deposit of the requisition, the requisitionist(s) (or any of them representing more than one-half of their total voting rights) may himself/themselves convene an SGM, which must be held within 3 months of the date of deposit of the requisition. The SGM must be convened by the requisitionist(s) in the same manner as nearly as possible as that in which SGM is to be convened by the Directors.

風險管理及內部控制 (續)

截至二零一七年十二月三十一日止年度，本集團已聘用外部顧問公司承擔內部審核職能，確保本集團風險管理及內部控制系統之有效性及效率。截至二零一七年十二月三十一日止年度，外部顧問公司並未發現本集團內部控制系統存在任何重大缺陷及不足。

董事會認為，截至二零一七年十二月三十一日止年度，本集團涵蓋財務、營運及合規控制等所有重大控制事宜及風險管理職能的風險管理及內部控制系統乃屬合理有效及足夠。

股東之權利

本公司於每年將會舉行股東週年大會。非屬股東週年大會之股東大會乃以下所述程序所指之股東特別大會（「股東特別大會」）。有關程序須受本公司公司細則、百慕達一九八一年公司法（「公司法」）及適用之法例及規例限制。

應股東要求召開股東特別大會

根據公司法，於提出請求當日持有本公司已繳足股本不少於十分之一(10%)的登記股東有權提出書面請求要求董事會召開股東特別大會。

該書面請求(i)須列明大會的目的及(ii)須由呈請人簽署並送交本公司之百慕達註冊辦事處，並可由數份同樣格式的文件組成，而每份由一名或多名呈請人簽署。為確保本公司盡早收到書面請求，呈請人務請亦於本公司香港主要營業地點存放一份經簽署書面請求（註明收件人為董事會或公司秘書）。

倘於送交請求日期起21日內，董事未有召開股東特別大會，則該等呈請人（或任何佔所有呈情人總表決權一半以上之呈請人）可自行召開股東特別大會，惟如此召開的股東特別大會必須於存放請求當日三個月內召開。由呈請人召開的股東特別大會，須盡可能以接近於董事召開股東特別大會的相同方式召開。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

Putting forward proposals at general meetings

In accordance with Sections 79 and 80 of the Companies Act, the registered Shareholders are entitled to putting forward a proposal at a general meeting if:

- (a) they represent not less than one-twentieth (5%) of the total voting rights of the Company as at the date of the deposit of the requisition; or
- (b) there are not less than 100 registered Shareholders.

The written requisition stating the resolutions is duly signed by the registered Shareholder(s) concerned, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with must be deposited at the registered office of the Company.

Upon receipt of a valid written requisition, the Company shall take appropriate actions and make necessary arrangements, and the Shareholders concerned shall be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Companies Act.

Putting forward enquiries to the Board

Shareholders should direct their questions about their shareholdings to the Company's branch share registrar, Tricor standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Shareholders may send written enquiries, either by post, by facsimiles or by email, together with his/her contact details, such as postal address, email or fax, addressing to the head office of the Company at the following address or facsimile number or via email:

Address: Units 1910-12, 19/F China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong
 Fax: (852) 2587-7807
 Email: pat@hoifuenergy.com

股東之權利 (續)

在股東大會上提呈建議

登記股東於符合公司法第79條及第80條的以下條件的情況下有權於股東大會上提呈建議：

- (a) 於寄存請求當日佔本公司總投票權不少於二十分之一(5%)的任何登記股東；或
- (b) 不少於100位本公司的登記股東。

經有關登記股東妥為簽署並載列該決議案的書面請求連同不多於1,000字關於該建議決議案或待處理事宜的聲明須送交本公司註冊辦事處。

本公司於接獲有效書面請求時，將採取適當行動及作出有關安排。有關股東須根據公司法第79條及第80條負責支付進行該等行動及安排所產生的開支。

向董事會提出查詢

股東如對名下持股有任何問題，應向本公司的股份過戶登記分處卓佳標準有限公司提出，地址為香港皇后大道東183號合和中心22樓。

股東可將書面查詢（不論郵寄、傳真或電郵）連同其詳細聯絡資料（如郵寄地址、電郵或傳真）提交到本公司總辦事處以下地址、傳真號碼或電郵：

地址：香港上環干諾道中168-200號信德中心招商局大廈19樓1910-12室
 傳真：(852) 2587-7807
 電郵：pat@hoifuenergy.com

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

Putting forward enquiries to the Board (Continued)

All enquiries shall be collected by the Company Secretary who shall report to the Executive Directors periodically on the enquiries collected. The Executive Directors shall review the enquiries and assign different kinds of enquiries to appropriate division head/manager for answering. After receiving the answers of all enquiries from the relevant division head/manager, the Company Secretary will collect the answers for the Executive Directors' review and approval. The Company Secretary shall then be authorized by the Executive Directors to reply all enquiries in writing.

INVESTOR RELATIONS

The Company recognises its responsibility to explain its activities to those with a legitimate interest and to respond to their questions. In addition, questions received from the general public and individual shareholders are answered promptly. In all cases great care is taken to ensure that no price-sensitive information is disclosed selectively.

CONSTITUTIONAL DOCUMENTS

No significant changes to the Company's constitutional documents were made during the year.

SHAREHOLDERS COMMUNICATION POLICY

The Board is responsible for ensuring shareholder communications are adequate and appropriate and based on transparency and sound corporate governance principles. The Company adopted a Shareholders Communication Policy on 1 March 2012 which aims to present a clear, balanced and comprehensive assessment of our financial position and operational status by providing shareholders and other stakeholders with information in a timely and transparent manner. The Company will communicate to shareholders through written information and electronic communication as follows:

- Annual and interim reports
- Disclosures made to the Hong Kong Stock Exchange
- Notice and circular of general meetings
- Annual general meeting, where the external auditor is available to answer questions about the audit
- Corporate website: www.hoifuenergy.com
- Direct enquiry sent to the Company

股東之權利 (續)

向董事會提出查詢 (續)

所有查詢將由公司秘書收取，而公司秘書將定期向執行董事報告收集到的查詢。執行董事審閱所有查詢後，根據查詢類別交由合適部門主管／經理解答。公司秘書收取由相關部門主管／經理的解答後，將呈交執行董事作審閱及批准。執行董事屆時會授權公司秘書以書面形式回覆所有查詢。

投資者關係

本公司了解本身須向持有權益的人士闡述其業務狀況及回應彼等的提問。此外，本公司會及時解答公眾人士及個別股東提出的問題。在任何情況下，本公司將採取審慎態度以確保不會選擇性地披露任何股價敏感資料。

組織章程文件

年內，本公司之組織章程文件並未發生任何重大變動。

股東溝通政策

董事會負責確保按透明良好的企業管治原則充份與股東溝通。本公司於二零一二年三月一日採納股東溝通政策，冀清晰、公平及全面地評估本公司的財務狀況及營運現狀，及時透明地向股東及其他權益人提供資料。本公司將透過下列書面資料及電子通訊與股東溝通：

- 年報及中期報告
- 向香港聯交所作出的披露
- 股東大會通告及通函
- 股東週年大會，外聘核數師可於會上解答有關審核的提問
- 公司網站：www.hoifuenergy.com
- 向本公司作出直接查詢

Environmental, Social and Governance Report

環境、社會及管治報告

INTRODUCTION AND SCOPE OF ESG REPORT

This report has been prepared by the management of the Company in accordance with the requirement of the Appendix 27 Environmental, Social and Governance Reporting Guide (“ESG Guide”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The environmental, social and governance report of Hoifu Energy Group Limited (the “ESG Report”) has been presented into two subject areas, Environmental and Social and each subject area will have various aspects to disclose the relevant policies and the status of compliance with relevant laws and regulations as addressed by the ESG Guide.

The Guide has indicated that the requirement of key performance indicators would upgrade to “comply or explain” with effective date for the financial year beginning on or after 1 January 2017.

The Board believed that the responsible and respective environmental and social strategy and policies are extremely important to the Group as the developer of natural resources. The Board has overall responsibility for the Group’s environmental and social strategy and reporting and this report has been reviewed and approved. The following will show the ESG issues that found material for the Group and the relation to the ESG Reporting Guide:

ESG Guide

ESG 指引

A. Environmental

A. 環境

A.1 Emissions

A.1 排放物

A.2 Use of resources

A.2 使用資源

A.3 Environmental and natural resources

A.3 環境及天然資源

緒言及ESG報告範圍

本報告乃由本公司管理層根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄27《環境、社會及管治報告指引》（「ESG指引」）之規定編製。

凱富能源集團有限公司之環境、社會及管治報告（「ESG報告」）已呈列為兩大主題範疇：環境及社會，各主題範疇將分為不同方面，以披露相關政策以及相關法律及法規之合規狀況（如ESG指引所述）。

指引已表明，關鍵績效指標規定將提升至「不遵守就解釋」，於二零一七年一月一日或之後開始之財政年度生效。

董事會認為，可靠及單獨的環境及社會策略及政策對本集團作為天然資源開發商而言至關重要。董事會全面負責本集團之環境及社會策略及申報，且本報告已經審閱及批准。下表呈列對本集團屬意義重大的ESG事項以及與ESG報告指引的關係：

Relevant ESG issues to the Group

與本集團相關的ESG事項

Carbon dioxide emission and waste management

二氧化碳排放及廢物管理

Energy and water consumption

能源及水消耗

Measures in reducing environmental impact

減少環境影響的措施

Environmental, Social and Governance Report

環境、社會及管治報告

INTRODUCTION AND SCOPE OF ESG REPORT (Continued)

緒言及ESG報告範圍 (續)

ESG Guide ESG 指引

Relevant ESG issues to the Group 與本集團相關的ESG事項

B. Social B. 社會	
B.1 Employment B.1 僱傭	Labour practices 勞工常規
B.2 Health and safety B.2 健康及安全	Workplace health and safety 工作場所健康與安全
B.3 Development and training B.3 發展及培訓	Employee development and training 僱員發展及培訓
B.4 Labour standards B.4 勞工準則	Child labour and forced labor 童工及強制勞工
B.5 Supply chain management B.5 供應鏈管理	Supplier management 供應商管理
B.6 Product responsibility B.6 產品責任	Product safety and quality 產品安全及質素
B.7 Anti-corruption B.7 反貪污	Anti-corruption and money laundering 反貪污及洗黑錢
B.8 Community investment B.8 社區投資	Community involvement 社區參與

Environmental, Social and Governance Report

環境、社會及管治報告

INTRODUCTION AND SCOPE OF ESG REPORT

(Continued)

The principal activities of the Group are:

- (1) the provision of financial services in Hong Kong;
- (2) property investment in the People's Republic of China ("the PRC");
- (3) hotel management in Madagascar; and

The Group will dispose the business of mineral mining exploration and production in 2018 and the Management of the Group is of the view that the mining business is a discontinued operation of the Group. Therefore, the focus of this report is placed on general disclosure of mining business.

A. ENVIRONMENTAL

The Group has established environmental policies and has communicated measurable environmental objectives to employees. The Group actively encourages staffs to protect the environment through training, education and communication.

The development of natural resources required the permission of the central and local governments. The Group has maintained proper and long-term relationship with the relevant central and local government department in the various jurisdiction. The Group has committed to comply with all relevant environmental policies established by both the central and local government and also committee to implement environmentally friendly facility such as water recycling system. The Group always keeps itself up-to-date on developments in local legislation and standards for environmental protection. During the reporting period, the Group did not experience any cases of non-compliance relating to environmental laws and regulations in PRC and Hong Kong.

緒言及ESG報告範圍 (續)

本集團之主要業務為：

- (1) 於香港提供金融服務；
- (2) 於中華人民共和國（「中國」）之物業投資；
- (3) 馬達加斯加之酒店管理；及

本集團將於二零一八年出售採礦、勘探及生產業務，且本集團認為，採礦業務為本集團之已終止經營業務。因此，本報告重點為採礦業務之一般披露。

A. 環境

本集團已制定環境政策，並向僱員宣傳可量度的環境目標。本集團透過培訓、教育及宣傳，積極鼓勵員工保護環境。

開發天然資源須獲得中央及地方政府許可。本集團已與各司法權區的相關中央及地方政府部門維持適當及長期關係。本集團已承諾遵守中央及地方政府制訂的所有相關環保政策，亦承諾採用水循環系統等環保設施。本集團始終保持了解有關當地環保法規及準則之最新發展資訊。於報告期間內，本集團並無任何有關中國及香港環境法律及法規的不合規行為。

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL *(Continued)*

The water source of project is underground water well of nearby area, and the site management recycles water wherever possible. This project does inevitably produce a small amount of domestic sewage and is discharged into the factory septic tank treatment and used for plantations.

The main pollutants in the project are dust generated from open-pit mining; waste rocks produced from mining; and noise generated during mining. Water sprinkling measures and dust covers were installed wherever possible to reduce dust pollution; mining machinery to strictly control the working hours to address noise pollution; setting a dust cover. The mining site of the Group is far from urban area.

A.1 Emissions

The Group has strived to minimise the environmental impact of its mining activities, production activities and products. Management is of the view that the Group complied with applicable environmental laws and regulations.

A. 環境 (續)

項目所使用水來源於附近地區的地下水井，現場管理盡可能循環使用水。該項目不可避免會產生少量生活污水，排入工廠化糞池進行處理及用於種植園。

項目主要污染為露天開採所產生的灰塵；開採產生的廢石；及開採中產生的噪音。盡可能在各處安裝灑水設施及防塵罩以減少粉塵污染；嚴格控制開採機械工作時間以解決噪音污染問題；安裝防塵罩。本集團開採現場遠離城區。

A.1 排放物

本集團致力於減少其開採活動、生產活動及產品對環境之影響。管理層認為，本集團已遵守適用環保法律及法規。

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL (Continued)

A.1 Emissions (Continued)

The mineral mining, oil and gas business are in the opinion of the directors the most significant to the environmental concern of the Group and its stakeholders. The mining and production of Zeolite business located in Zhangjiakou City, Hebei, the PRC (the "Zeolite Mine") is the only active exploitation operations of the Group, other mining and oil projects are under initial exploration stage or mining planning stage and have no significant effect to the environment. The Zeolite Mine is an open-pit mine and machineries used for the mining activities will emit CO₂ and Volatile Organic Compound (VOCs). There are also machineries in the production plants, which are powered by electricity and the heating system will supply the factory during the winter. The Group has established policy to limit the emissions from the mining activities to restrict the driver to switch off the machinery when they are vacant for 15 minutes.

During the year ended 31 December 2017, air emission for nitrogen oxides ("NOx"), sulphur oxides ("SOx") and respiratory suspended particles ("RSP", also known as Particulate Matter ("PM")) were mainly produced from the company vehicles. The following table is the emission data within the Group for the year ended 31 December 2017:

		NOx (g) NOx (克)	SOx (g) SOx (克)	PM (g) PM (克)
Headquarter	總部	14,587	809	107
Property management	物業管理	134,460	1,029	990
Hotel	酒店	483	3	46
Mining	開採	315,581	1,512	8,199
Total	總計	465,111	3,353	9,342

A. 環境 (續)

A.1 排放物 (續)

董事認為，採礦及油氣業務在本集團及其權益人之環保工作方面最受關注。開採及生產位於中國河北張家口市之沸石（「沸石礦」）業務為本集團唯一活躍之開採業務，其他開採及石油項目處於初步勘探階段或開採規劃階段，且對環境並無重大影響。沸石礦為露天礦及用於開採活動之機器將排放二氧化碳及揮發性有機化合物。生產廠房亦配有機器，其將通過電力及供熱系統於冬季為工廠供電。本集團已就開採活動制訂限排政策，限定操作員於機器閒置15分鐘時關閉機器。

截至二零一七年十二月三十一日止年度，氮氧化物（「NOx」）、硫氧化物（「SOx」）氣體排放及懸浮顆粒（「RSP」，亦稱為顆粒物（「PM」））主要產生於公司車輛。下表載列本集團截至二零一七年十二月三十一日止年度的排放數據：

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL (Continued)

A.1 Emissions (Continued)

The main source of the Group's greenhouse gas emissions is derived from direct emission from the mobile combustion sources ("Scope 1"), indirect emission from acquired electricity emissions ("Scope 2") and other indirect emissions ("Scope 3"). The greenhouse gas of Scope 1 was generated by vehicles used and machinery used, Scope 2 was generated by electricity usage and Scope 3 was generated by water consumption, paper used and business travel by employees. The follow table is total greenhouse gases emissions from Scope 1, Scope 2 and Scope 3 within the Group for the year ended 31 December 2017.

		Scope 1 CO ₂ equivalent emissions (kg) 範疇一 二氧化碳 排放當量 (千克)	Scope 2 CO ₂ equivalent emissions (kg) 範疇二 二氧化碳 排放當量 (千克)	Scope 3 CO ₂ equivalent emissions (kg) 範疇三 二氧化碳 排放當量 (千克)
Headquarter	總部	14,907	NA 不適用	13,102
Property management	物業管理	18,955	1,617	8,547
Hotel	酒店	551	42,905	752
Mining	開採	818,851	47,400	1,321
Financial services	金融服務	NA 不適用	30,159	7,068
Total	總計	853,264	122,081	30,790

For the year ended 31 December 2017, the Group has not generated any hazardous waste. There is non-hazardous waste including domestic garbage was produced. The above environmental wastes, which would pollute the land, would be disposed of by the Group to disposal services provider.

本集團溫室氣體排放的主要來源為移動燃燒源直接排放（「範疇一」）、購買電力間接排放（「範疇二」）及其他間接排放（「範疇三」）。範疇一溫室氣體產生於使用車輛及機器。範疇二產生於用電及範疇三產生於用水、用紙及僱員差旅。下表為本集團截至二零一七年十二月三十一日止年度範疇一、範疇二及範疇三產生的溫室氣體排放總量。

截至二零一七年十二月三十一日止年度，本集團並無產生任何危險廢棄物，但產生無害廢棄物，包括生活垃圾。上述環境廢物會污染土地，本集團會將其交由處理服務供應商代為處理。

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL *(Continued)*

A.1 Emissions *(Continued)*

For the mining business the Group is governed by, and has complied with, the Environmental Protection of the People's Republic of China Prevention 《中華人民共和國環境保護法》. The Group does not generate significant air emission or hazardous waste.

Also, the Group believed that the emissions of headquarter, property management, financial services and hotel business would not generate significant emissions to the air and water. The Group has encouraged staff to turn off light and office equipment during the luncheon rest time, make good use of electronic documents, and restrict staff to use recycle paper when printing internal documents.

A.2 Use of resources

Energy and water consumption

The Group considered that the efficient use of resources is not only the key of efficiency productions but also the key of the Group's attribution to the environmental friendly strategy. The total amount of usage of the Group is mainly indirect and insubstantial since all energy resources are consumed for the offices' operation. The Group implemented the following key initiatives during the Reporting period:

- switch off lights and air-conditioning in the meeting room and computers at work stations where not in use;

A. 環境 (續)

A.1 排放物 (續)

本集團開採業務受《中華人民共和國環境保護法》規管，並遵守該法律。本集團並無產生大量廢氣排放或有害廢棄物。

此外，本集團相信，總部、物業管理、金融服務及酒店業務之排放將不會對空氣及水源產生大量排放物。本集團鼓勵員工在午休時間關閉電燈及辦公室設備、使用電子文件，並限制員工於打印內部文件時使用回收紙。

A.2 使用資源

能源及水消耗

本集團認為，高效使用資源不僅是高效生產之關鍵，亦是本集團實施環保戰略之關鍵。本集團使用總量主要為間接及非重大，因為所有能源資源均為辦公室營運消耗。本集團已於報告期間內實施以下關鍵措施：

- 在閒置時關閉會議室的照明燈和空調及工作區的電腦；

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL (Continued)

A.2 Use of resources (Continued)

Energy and water consumption (Continued)

- select the best configuration for air-conditioning control programme, based on in-door requirement and out-door condition;
- encourage teleconference and internet-meeting practices to avoid unnecessary travel; and
- advocate the use of double-sided printing and photocopying to reduce paper consumption, and encourage reuse single-sided paper.

The following consumption data was recorded in the year ended 31 December 2017:

A. 環境 (續)

A.2 使用資源 (續)

能源及水消耗 (續)

- 選用根據室內要求及室外情況調控的程序，實現最優的空調配置；
- 鼓勵電話會議及網上會議，避免不必要的差旅；及
- 鼓勵員工採用雙面打及影印以及鼓勵重用已單面打印的紙張，以減少用紙。

以下能耗數據乃於截至二零一七年十二月三十一日止年度錄得：

		Electricity consumption (kWh) 耗電 (千瓦時)	Water consumption (Tons) 耗水 (噸)	Paper used (kg) 用紙 (千克)	Diesel (L) 柴油 (升)	Petrol (L) 汽油 (升)
Headquarter	總部	NA 不適用	NA 不適用	659	NA 不適用	5,505
Property management	物業管理	1,617	18	7,680	NA 不適用	7,000
Hotel	酒店	172,415	6,037	NA 不適用	199	NA 不適用
Mining	開採	47,400	NA 不適用	225	286,822	8,581
Financial services	金融服務	47,872	NA 不適用	3,293	NA 不適用	NA 不適用
Total	總計	269,304	6,055	11,857	287,021	21,086

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL *(Continued)*

A.3 Environmental and natural resources

The Group's operation has less impact to environment compared to manufacturing. However, for reduction on the environmental impact and use of natural resources, the Group would continue to adopted green office practices to reduce natural resource consumption and the impact on the environment and the Group drives to achieve higher energy efficiency and reduce emission by reducing consumption and adopting low resources alternatives.

B. SOCIAL

The Group believes that one of the key aspects of its success is the good relationship it maintains with employees. The Group provides competitive employee benefits and comprehensive training programmes in order to encourage employees to achieve their potential and put their abilities into good use.

B.1 Employment

The Group's success largely relies on the effort contributed by the staffs of the Group at all levels. Their local experiences and knowledge have assisted the Group to maintain the long-term relationship with major stakeholders in the various jurisdiction. Every staff of the Group has signed the employment contract with the Group, which has been fully complied with the local employment law and regulations.

A. 環境 (續)

A.3 環境及自然資源

與製造業相比，本集團之營運對環境產生之影響較小。然而，為減少環境影響及使用自然資源，本集團將繼續採納綠色辦公慣例，以減少自然資源消耗及對環境的影響，且本集團透過減少能耗及採用資源消耗較低的替代品，力圖提高能效及減少排放。

B. 社會

本集團深信與僱員保持良好關係是企業成功之關鍵。本集團提供具競爭力之僱員福利及完善之培訓計劃，鼓勵僱員挖掘潛能及盡展所長。

B.1 僱傭

本集團之成功很大程度上有賴於本集團各層次員工之努力。彼等之地方經驗及知識已協助本集團維持與不同司法管轄區主要利益相關者之長遠關係。本集團每位員工均與本集團簽訂了僱傭合同，而合同完全遵照當地僱傭法例及規例制定。

Environmental, Social and Governance Report

環境、社會及管治報告

B. SOCIAL (Continued)

B.1 Employment (Continued)

The Group's practices and policies with respect to:

- compensation and dismissal;
- recruitment and promotion;
- working hours;
- rest periods;
- equal opportunities;
- diversity;
- fair recruitment and promotion
- anti-discrimination; and
- welfare and other benefits,

which have complied with Labor Law of the People's Republic of China 《中華人民共和國勞動法》, Labor Contract Law of People's Republic of China 《中華人民共和國勞動合同法》 in China; Employment Ordinance 《僱傭條例》, Minimum Wage Ordinance 《最低工資條例》 in Hong Kong and other relevant laws and regulations to ensure the employees' rights and protections.

B. 社會 (續)

B.1 僱傭 (續)

本集團有關以下各項之慣例及政策：

- 賠償及解僱；
- 招聘及晉升；
- 工作時數；
- 休息時間；
- 平等機會；
- 多元化；
- 公平招聘及晉升；
- 反歧視；及
- 福利及其他待遇。

符合中國《中華人民共和國勞動法》、《中華人民共和國勞動合同法》；香港《僱傭條例》、《最低工資條例》以及其他相關法律及法規，以確保僱員權利及保障。

Environmental, Social and Governance Report

環境、社會及管治報告

B. SOCIAL (Continued)

B.1 Employment (Continued)

The Group also aims to promote the diversity of the workforce, including in terms of age, gender and nationality, as well as the culture of equal opportunity. The management would frequently review the Group's remuneration policy in relation to relevant market standards.

The Group's employees work under a 40-hour standard per week and it maintains a holiday policy and travel policy, as well as annual vacation leave, compensation leave, maternity leave, personal leave and sick leave.

B.2 Health and Safety

In order to mitigate workplace incidents and strengthen the health care taken for employees who have suffered from a workplace incident. The Group has established a staff handbook which included sufficient policies on the safety and every member would require to follow the safety instruction.

With respect to occupational safety management, the Group has complied with all the corresponding laws and regulations of occupational safety and health. Workplace is equipped with fire and safety equipment to prevent outbreak of fire accident and the validity of the fire facilities have been regularly checked. During the year, the Group has reported zero work-related fatalities and work injuries.

B. 社會 (續)

B.1 僱傭 (續)

本集團亦致力促進員工多元化(包括年齡、性別及國籍)以及營造平等機會文化。管理層經常參照相關市場標準檢討本集團之薪酬政策。

本集團實行僱員每週工作40小時的標準制度,設有休假政策及出差政策,提供年休假、有薪假期、產假、事假及病假。

B.2 健康與安全

為減少工作場所事故及增強遭受工作場所事故僱員的醫療保健,本集團已建立員工手冊,其包含充足之安全相關政策,每位員工須遵守安全提示。

就職業安全管理而言,本集團已遵守所有有關職業健康與安全之相應法律及法規。工作場所配備消防及安全設備,以防止發生火災事故,並定期檢查消防設施是否可用。年內,本集團並無發生工作相關之死亡及工傷事故。

Environmental, Social and Governance Report

環境、社會及管治報告

B. SOCIAL (Continued)

B.3 Development and Training

The Group has always believed that people development plays the fundamental role in placing a solid ground for business growth. The Group aims to regularly upgrade staffs' professional skills and knowledge, standards and integrated abilities. The Group also motivates employees' job enthusiasm and welcome challenges, thereby creating greater corporate value and future development.

The Group has various training programmes, internal and external, to fully develop its workforce. New employees are also provided with on-board training to help faster adapt to the operations of the Group.

B.4 Labour Standards

The labour standards may be various in different jurisdictions that the Group has operated and the Group has complied with the relevant labour standards for the year ended 31 December 2017. It is always the Group's policy to prohibit to employ any staffs who has under the legal working age for protecting minors.

The labour standards may be various in different jurisdictions that the group has operated. For example, the Group observes relevant labour standards of Labour Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》 for the year ended 31 December 2017. There is a strict recruitment procedure through Human Resource Department and upon discovery of any child labour and use of forced labour, the person will be dismissed immediately and the Board will discuss and review the problem to prevent it from happening again. For the year ended 31 December 2017, there is no labour dispute between the company and its staff.

B. 社會 (續)

B.3 發展及培訓

本集團始終相信，個人發展在為業務發展奠定堅實基礎方面起重要作用。本集團致力定期提升員工之專業技能及知識、標準及綜合能力。本集團亦激發僱員之工作熱情，迎接挑戰，從而創造更高的企業價值及實現更好的未來發展。

本集團制定多項內部及外部培訓計劃，以充分發揮其勞動力。此外，本集團亦為新僱員提供入職培訓，幫助彼等更快適應本集團之營運。

B.4 勞工準則

本集團營運所在的不同司法權區之勞工準則可能各異，而本集團於截至二零一七年十二月三十一日止年度遵守相關勞工準則。本集團之一貫政策為禁止僱用任何法定勞動年齡以下之員工，以保護未成年人。

本集團營運所在的不同司法權區之勞工準則可能各異。例如，截至二零一七年十二月三十一日止年度，本集團已遵守《中華人民共和國勞動合同法》之相關勞工準則。本集團透過人力資源部實行嚴格的招聘程序，一旦發現有僱用童工及強制勞工的情況，會立即解僱有關人員，且董事會事後將討論及檢討有關問題，防止問題再次發生。截至二零一七年十二月三十一日止年度，本公司與其員工之間並無任何勞資糾紛。

Environmental, Social and Governance Report

環境、社會及管治報告

B. SOCIAL (Continued)

B.5 Supply Chain Management

The Group aims to provide comprehensive solutions that meet customers' needs and establish a comprehensive vertical supply chain management system through resource integration and supplier screening and management.

The objectives are to deepen the collaborative relationship with the suppliers and to create competitive advantages in the value chain, thereby aim to enhance the impact on the society and environment. The Group also tended to maintain long term relationship with its suppliers for ensuring stable supply.

The Group has business in the hospitality industry, during the year ended 31 December 2017, the Group has carefully selected its suppliers for providing to ensure the quality of the products, and endeavor to ensure their business partners throughout the supply chain follows the same stance on sustainable development. The Group has established policy to maintain long term relationship with the major supplier.

B.6 Product Responsibility

Financial Services

The Group provides financial services to meet the customer's financial needs, the Group implements specific procedures to ensure the quality of the services and products provided. The financial services or products provided to customers are tailored to their financial background and risk tolerant level. The Group is committed to providing clear information for customers to make informed decision.

B. 社會 (續)

B.5 供應鏈管理

本集團旨在提供全面解決方案以滿足客戶需求及透過資源整合與供應商篩選及管理建立全面的供應鏈管理系統垂直格局。

我們的目標為鞏固與供應商之間的合作關係並創造價值鏈競爭優勢，從而增強對社會及環境的影響。本集團亦擬與其供應商維持長遠關係，以保證穩定供應。

本集團從事酒店業務，於截至二零一七年十二月三十一日止年度，本集團慎重選擇提供相關產品之供應商以確保產品質量，並致力確保整個供應鏈中的業務夥伴於可持續發展方面保持相同立場。本集團已制定有關與主要供應商維持長期關係之政策。

B.6 產品責任

金融服務

本集團提供金融服務以符合客戶之融資需要。本集團實施特定程序以保障所提供服務及產品之質量。向客戶提供之金融服務或產品乃根據其財務背景及風險承受水平量身定做。本集團承諾為客戶提供明確資訊以便其作出知情決定。

Environmental, Social and Governance Report

環境、社會及管治報告

B. SOCIAL (Continued)

B.6 Product Responsibility (Continued)

Property Management

To ensure the health and safety of patrons and employees of the vicinity of the Groups' property, whether in the construction and or operation, the building of the Group would be tested and maintain and repaired to ensure the property's safety quality. The products of the Group are subjected to the Product Quality Law of the PRC, which makes the company have a responsibility to compensate for the damage done to a person or property if the products defect.

The Group strictly complies with the Advertising Law of the People's Republic of China and requires related parties to do likewise in the advertising contract.

Protection of Customer's Data

The Group's employees are obligated to retain in confidence any and all information obtained in connection with their employment, including, but not limited to, trade secrets, client information and other proprietary information.

B. 社會 (續)

B.6 產品責任 (續)

物業管理

為確保於建設及／或營運過程中保障本集團物業周邊地區顧客及僱員之健康與安全，本集團樓宇會進行測試及維修，以確保物業之安全質量。本集團產品遵守《中國產品質量法》，當中規定公司須就因產品缺陷造成的個人或財產損失承擔賠償責任。

本集團嚴格遵守《中華人民共和國廣告法》，並於廣告合約中要求關連人士同樣遵守該法律。

保護客戶資料

本集團僱員須對與其僱傭有關之任何及所有資料保密，包括但不限於商業秘密、客戶資料及其他專有資料。

Environmental, Social and Governance Report

環境、社會及管治報告

B. SOCIAL (Continued)

B.7 Anti-Corruption

The Group prevents employees from corruption, theft, fraud and embezzlement. Various documentations and directives from our Human Resource function clearly states that employees should not offer, solicit or accept anything of material value to or from a fellow employee, customer, supplier or other business associates in relation to the Group's affairs without the knowledge and consent of the Company. The contravention of these policies will be subject to disciplinary action or termination of employment.

The Group upholds a high standard of business integrity throughout its operations. Management considers a system with good moral integrity and anti-corruption mechanism as the cornerstone for the sustainable and healthy development of the Group. The Group has policies to comply with guideline on anti-money laundering and counter-terrorist financing of the jurisdictions the Group has operations in. Any suspicious transactions would be notified and reported to the relevant governing body by the responsible officer.

In respect of the Group's operation in China, the Group observes the relevant laws and regulations of Criminal law of the People's Republic of China 《中華人民共和國刑法》 and the Anti-Unfair Competition Law of the People's Republic of China 《中華人民共和國反不正當競爭法》. The Group has instructions and directives in relation to anti-money laundering and counter terrorist financing. For the year ended 31 December 2017, such events have never happened in the Group.

B. 社會 (續)

B.7 反貪污

本集團嚴禁僱員貪腐、偷竊、欺詐及挪用公款。人力資源部之各種文件及指示明確規定，在未獲本公司知情且同意之情況下，僱員不得就本集團事務向同事、客戶、供應商或其他業務人員提供、徵求或接受任何有重大價值之物品。違反該等政策之僱員將受到紀律處分或終止僱用。

本集團於其營運過程中恪守高標準之誠信經營。管理層認為，建立具良好道德誠信及反貪污機制之制度乃本集團可持續健康發展之基石。本集團訂有政策以遵守本集團營運所在司法權區之打擊洗錢及恐怖分子資金籌集指引。如有任何可疑交易，負責人員將通知及向相關管治機構匯報。

就本集團於中國之營運而言，本集團已遵守《中華人民共和國刑法》及《中華人民共和國反不正當競爭法》等相關法律及法規。本集團就打擊洗錢及恐怖分子資金籌集訂有指示及指引。截至二零一七年十二月三十一日止年度，本集團並無發生有關事件。

Environmental, Social and Governance Report

環境、社會及管治報告

B. SOCIAL *(Continued)*

B.8 Community investment

Contributing to society is a part of the Group's sustainable development strategy. The Group is committed to providing career opportunities to the locals and promoting the development of the community's economy. The Group would also seek more opportunity to contribute the social community in the coming future.

B. 社會 (續)

B.8 社區投資

回饋社區為本集團可持續發展策略之一部分。本集團致力於為當地居民提供就業機會及促進社區經濟發展。未來，本集團亦將尋求更多機會為社區貢獻力量。

Independent Auditor's Report

獨立核數師報告



TO THE MEMBERS OF HOIFU ENERGY GROUP LIMITED

(incorporated in the Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Hoifu Energy Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 84 to 190, 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 Accountants ("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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We 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.

致凱富能源集團有限公司列位股東

(於百慕達註冊成立的有限公司)

意見

我們已審核列載於第84至190頁凱富能源集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此財務報表包括於二零一七年十二月三十一日的綜合財務狀況報表與截至當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,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零一七年十二月三十一日的綜合財務狀況以及貴集團截至該日止年度的綜合財務表現及其綜合現金流量,並已按照香港公司條例的披露規定妥為編製。

意見基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。根據該等準則,我們的責任於本報告「核數師就審核綜合財務報表須承擔的責任」一節中進一步詳述。根據香港會計師公會「職業會計師道德守則」(「守則」),我們獨立於貴集團,並已遵循守則履行其他道德責任。我們相信,我們所獲得之審核憑證能充足及適當地為我們的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

關鍵審核事項

Impairment assessment of accounts receivable

應收賬款減值評估

As at 31 December 2017, the Group had accounts receivables of approximately HK\$128,694,000, as disclosed in note 29 to the consolidated financial statements, of which approximately HK\$103,460,000, HK\$629,000 and HK\$24,605,000 were allocated to financial business, trading natural resource and petrochemical and property investment business respectively. 於二零一七年十二月三十一日，誠如綜合財務報表附註29所披露，貴集團的應收賬款約為128,694,000港元，其中為數約103,460,000港元、629,000港元及24,605,000港元分別分配至金融業務、天然資源及石化產品貿易及物業投資業務。

關鍵審核事項

關鍵審核事項乃根據我們的專業判斷，認為對於我們審核截至二零一七年十二月三十一日止年度之綜合財務報表最為重要的事項。這些事項是在我們審核整體綜合財務報表及就此達成我們的意見時進行處理，而我們不會對這些事項提供單獨的意見。

How the matter was address in our audit

我們進行審核時如何處理該事項

Our major audit procedures to address the management's impairment assessment of accounts receivable included the following:

我們處理管理層對應收賬款的減值評估的主要審核程序包括以下各項：

- We tested the effectiveness on the control environment in respect of the the accounts receivable, including the Group's existing provisioning policy.
- 我們已測試應收賬款控制環境（包括 貴集團的現有撥備政策）的有效性。
- We reviewed the ageing of receivables balances as at the financial year end and discussed with the management of the Company whether impairment should be made for debts (especially, those that had been past due).
- 我們已檢討於財政年度末應收款項結存的賬齡及與 貴公司管理層討論是否須就債務，特別是已逾期者作出減值。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

關鍵審核事項 (續)

Key audit matter

關鍵審核事項

How the matter was address in our audit

我們進行審核時如何處理該事項

Impairment assessment of accounts receivable (Continued)

應收賬款減值評估 (續)

We had identified impairment assessment of the accounts receivable as a key audit matter because significant management judgement had to be made for the assessment of the recoverability of the accounts receivable, including but not limited to the credit quality and settlement history of customers.

我們已確認應收賬款減值評估為一項關鍵審核事項，此乃由於應收賬款可收回性評估須管理層作出重大判斷，包括但不限於客戶的信貨質素及過往償付記錄。

- We tested on large individual aged receivables balances, discussed with the management of the Company the rationale for management's provisioning decisions by reference to payment patterns during the year as well as other information available.
- 我們已測試大額個別賬齡較長的應收賬款結存，經參考年內的付款模式及其他可得資料後與 貴公司管理層討論管理層作出撥備決定的理由。
- We assessed the level of cash collected by the Group after the year end of past due receivable balances to consider whether sufficient impairment had been made.
- 我們已評估於年結日後 貴集團逾期應收款項結存的現金收回情況，以考慮是否已作出充足減值。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

關鍵審核事項 (續)

Key audit matter

關鍵審核事項

How the matter was address in our audit

我們進行審核時如何處理該事項

Valuation of investment properties

投資物業估值

Refer to note 20 to the consolidated financial statements. The Group's investment properties measured at fair value amounted to approximately HK\$598,151,000 as at 31 December 2017. The fair value was determined by management with reference to the valuations performed by an independent professional valuer (the "valuer") engaged by the Group.

請參閱綜合財務報表附註20。於二零一七年十二月三十一日，貴集團按公平值計量的投資物業為約598,151,000港元。該公平值乃由管理層經參考貴集團委聘的獨立專業估值師（「估值師」）進行的估值而釐定。

The valuations of investment properties involved significant judgements and estimates, which mainly included the determination of valuation techniques and the selection of different inputs in the models. The valuation techniques include comparison approach and investment approach.

投資物業估值涉及重大判斷及估計，主要包括釐定估值方法及選擇各模型的不同輸入數據。估值方法包括比較法及投資法。

Considering the above mentioned significance of judgement, estimates and the financial impacts of the valuations, we considered the valuation of investment properties as a key audit matters.

考慮上述判斷及估計的重要性及估值的財務影響，我們將投資物業估值視作一項關鍵審核事項。

Our major procedures to address the valuation of investment properties included the following:

我們處理投資物業估值的主要程序包括以下各項：

- We assessed the competence, capabilities and objectivity of the valuer.
- 我們已評估估值師的資歷、能力及客觀性。
- We communicated with the Group's management about the valuation techniques adopted by the valuer, and assessed the relevance and reasonableness of valuation techniques used by the valuer.
- 我們與貴集團管理層就估值師所採納的估值方法進行溝通並評估估值師所採用的估值方法的相關性及合理性。
- We evaluated the appropriateness of judgements and assumptions made by the valuer, in particular the comparable properties and discount rate.
- 我們已評估估值師作出判斷及假設的合適性，尤其是可資比較物業及折現率。

Independent Auditor's Report

獨立核數師報告

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 auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

董事負責其他資料。其他資料包括載入年度報告的資料，惟不包括綜合財務報表及我們的核數師報告。

我們就綜合財務報表的意見並未涵蓋其他資料，且我們不會就此發表任何形式的鑒證結論。

就我們審核綜合財務報表而言，我們的責任是閱讀其他資料，並在此過程中考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若基於我們已進行的工作，我們認為其他資料存在重大錯誤陳述，我們須報告該事實。我們並無就此作出報告。

董事及治理層就綜合財務報表須承擔的責任

董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

於編製綜合財務報表時，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，惟董事有意將 貴集團清盤或停止經營，或別無其他可行替代方案則除外。

治理層負責監督 貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

核數師就審核綜合財務報表須承擔的責任

我們的目標是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具載入我們意見的核數師報告。本報告乃根據一九八一年百慕達公司法第90條僅向閣下（作為整體）作出，除此之外別無其他目的。我們概不就本報告的內容向任何其他人士負上或承擔責任。合理保證屬高水平之保證，惟並不保證根據香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘合理預期單獨或匯總起來可能影響綜合財務報表使用者根據該等綜合財務報表所作出的經濟決定，則有關錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，我們運用職業判斷並在整個審計過程中保持職業懷疑態度。我們亦：

- 識別及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該等風險，以及取得充足及適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於因錯誤而導致出現重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的適當性及作出會計估計及相關披露的合理性。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance 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.

核數師就審核綜合財務報表須承擔的責任 (續)

- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審核憑證，決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。倘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注意綜合財務報表中的相關披露。倘有關的披露不足，則修訂我們的意見。我們的結論是基於直至核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評估綜合財務報表的整體列報方式、結構及內容（包括披露）以及綜合財務報表是否公平呈列相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲取充足適當的審核憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審核。我們須對我們的審核意見承擔全部責任。

我們與治理層就（其中包括）審核的計劃範圍及時間以及重大審核發現（包括我們在審核中識別出內部監控的任何重大不足之處）進行溝通。

我們亦向治理層提交聲明，表明我們已符合有關獨立性的相關職業道德要求，並與彼等溝通可能合理被認為會影響我們獨立性的所有關係及其他事項，以及在適用的情況下，相關的防範措施。

Independent Auditor's Report 獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31 December 2017 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yip Kai Yin with Practising Certificate number P05131.

Elite Partners CPA Limited *Certified Public Accountants*

10th Floor
8 Observatory Road
Tsim Sha Tsui
Kowloon, Hong Kong

29 March 2018

核數師就審核綜合財務報表須承擔的責任 (續)

從與治理層溝通的事項中，我們釐定對截至二零一七年十二月三十一日止年度綜合財務報表的審核最為重要的事項，進而釐定關鍵審核事項。我們會在核數師報告中闡釋該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期於我們的報告中溝通某事項造成的負面後果超過產生的公眾利益，則我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人為葉啟賢（執業證書編號：P05131）。

開元信德會計師事務所有限公司 執業會計師

香港九龍
尖沙咀
天文臺道8號
10樓

二零一八年三月二十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Re-presented) (經重列)
Continuing operations	持續經營業務			
Revenue	收益	7	97,065	31,329
Cost of goods sold and direct cost	貨物銷售成本及直接成本		(51,563)	(4,384)
Gross profit	毛利		45,502	26,945
Other income	其他收入	8	2,271	3,631
Other gains or losses	其他收益或虧損	9	132,954	(2,593)
Selling and distribution expenses	銷售及分銷費用		(1,082)	(929)
Administrative expenses	行政費用		(71,750)	(58,302)
Impairment loss on exploration and evaluation assets	勘探及估計資產減值虧損		(2,886)	(2,003)
Profit/(Loss) from operation	經營溢利／(虧損)		105,009	(33,251)
Finance costs	財務費用	11	(10,531)	(6,358)
Profit/(Loss) before taxation	除稅前溢利／(虧損)		94,478	(39,609)
Taxation	稅項	12	(31,896)	673
Profit/(Loss) for the year from continuing operations	持續經營業務之年內溢利／(虧損)	13	62,582	(38,936)
Discontinued operations	已終止經營業務			
(Loss)/Profit for the year from discontinued operations	已終止經營業務之年內(虧損)／溢利	14	(100,079)	42,081
(Loss)/Profit for the year	年內(虧損)／溢利		(37,497)	3,145
Other comprehensive income/(expenses) Items that may be reclassified subsequently to profit or loss:	其他全面收益／(支出) 其後可能重新分類至損益之項目：			
Exchange differences arising on translation	換算產生之匯兌差額		55,425	(31,719)
Fair value (loss)/gain on available-for-sale securities	可供出售證券之公平值(虧損)／收益		(342)	144

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Re-presented) (經重列)
		Notes 附註		
Other comprehensive income/(expenses) for the year	年內其他全面收益／(支出)		55,083	(31,575)
Total comprehensive income/(expenses) for the year	年內全面收益／(支出)總額		17,586	(28,430)
Profit/(Loss) for the year attributable to owners of the Company from continuing operations	本公司擁有人應佔年內溢利／(虧損)持續經營業務		61,976	(39,777)
from discontinued operations	已終止經營業務		(50,312)	35,156
Profit/(Loss) for the year attributable to owners of the Company	本公司擁有人應佔年內溢利／(虧損)		11,664	(4,621)
Profit/(Loss) for the year attributable to non-controlling interests from continuing operations	非控股權益應佔年內溢利／(虧損)持續經營業務		606	841
from discontinued operations	已終止經營業務		(49,767)	6,925
(Loss)/Profit for the year attributable to non-controlling interests	非控股權益應佔年內(虧損)／溢利		(49,161)	7,766
			(37,497)	3,145
Total comprehensive income/(expenses) attributable to:	應佔全面收益／(支出)總額：			
Owners of the Company	本公司擁有人		64,656	(21,027)
Non-controlling interests	非控股權益	36	(47,070)	(7,403)
			17,586	(28,430)
Earnings/(Loss) per share	每股盈利／(虧損)			
From continuing and discontinued operations	持續經營業務及已終止經營業務			
– Basic and diluted	– 基本及攤薄	17	HK\$0.0046 港元	HK\$(0.0026)港元
From continuing operations	持續經營業務			
– Basic and diluted	– 基本及攤薄	17	HK\$0.0246 港元	HK\$(0.0227)港元

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產			
Fixed assets	固定資產	19	120,572	177,230
Investment properties	投資物業	20	598,151	432,639
Intangible assets	無形資產	21	1,401	43,782
Exploration and evaluation assets	勘探及估計資產	22	–	2,886
Available-for-sale securities	可供出售證券	24	1,098	1,440
Deposit paid for acquisition of a subsidiary	收購一間附屬公司 支付之訂金	41	118,757	–
Statutory deposits	法定按金	25	4,057	4,055
Loans receivable	應收貸款	26	21,975	12,483
Prepaid land leases	預付土地租金	27	–	6,546
			866,011	681,061
Current assets	流動資產			
Inventories	存貨	28	–	57,062
Prepaid land leases	預付土地租金	27	–	169
Accounts receivable	應收賬款	29	128,694	138,993
Loans receivable	應收貸款	26	1,480	127
Other receivables, prepayments and deposits	其他應收賬款、 預付款項及按金	30	7,827	177,910
Pledged fixed deposits (general accounts)	已抵押定期存款(一般賬戶)	31	5,239	5,229
Bank balances (trust and segregated accounts)	銀行結存 (信託及獨立賬戶)	31	163,219	156,816
Bank balances (general accounts) and cash	銀行結存(一般賬戶)及現金	31	164,679	132,903
			471,138	669,209
Assets classified as disposal group held for sale	分類為持作出售之 出售組別之資產		318,821	–
			789,959	669,209
Current liabilities	流動負債			
Accounts payable	應付賬款	32	177,514	174,237
Other payables and accrued expenses	其他應付賬款及應計費用	33	37,891	93,837
Amounts due to a Director	應付一名董事款項	34	85,305	153,638
Tax payable	應付稅項		156	12,240
			300,866	433,952
Liabilities associated with disposal group held for sale	與持作出售之出售組別 有關之負債		133,403	–
			434,269	433,952

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net current assets	流動資產淨值		355,690	235,257
Total assets less current liabilities	資產總值減流動負債		1,221,701	916,318
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	23	33,025	11,911
Borrowings	借貸	35	311,005	–
Corporate bonds	公司債券	36	19,312	–
			363,342	11,911
Net assets	資產淨值		858,359	904,407
Capital and reserves	股本及儲備			
Share capital	股本	37	252,128	252,128
Reserves	儲備		584,364	519,708
Equity attributable to owners of the Company	本公司擁有人應佔權益		836,492	771,836
Non-controlling interests	非控股權益		21,867	132,571
Total equity	權益總額		858,359	904,407

The consolidated financial statements on pages 84 to 190 were approved and authorised for issue by the Board of Directors on 29 March 2018 and are signed on its behalf by:

第84頁至190頁的綜合財務報表於二零一八年三月二十九日獲董事會批准及授權刊發，並由以下代表簽署：

Dr. Hui Chi Ming, G.B.S., J.P.
許智銘博士 G.B.S., J.P.
DIRECTOR
董事

Dr. Chui Say Hoe
徐世和博士
DIRECTOR
董事

Consolidated Statement of Changes In Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests	Total	
		Share capital	Share premium	Contributed surplus	Capital redemption reserve	Investment revaluation reserve	Currency translation reserve	Accumulated losses	Sub-total		
		股本	股份溢價	實繳盈餘	資本贖回儲備	投資重估儲備	外幣換算儲備	累計虧損	小計	非控股權益	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
				(note a) (附註a)							
At 1 January 2016	於二零一六年一月一日	165,024	365,406	311,544	4,120	-	(17,979)	(448,011)	380,104	140,302	520,406
Profit for the year	年度溢利	-	-	-	-	-	-	(4,621)	(4,621)	7,766	3,145
Exchange differences	匯兌差額	-	-	-	-	-	(16,479)	-	(16,479)	(15,240)	(31,719)
Fair value gain on available-for-sale securities	可供出售證券之公平值收益	-	-	-	-	73	-	-	73	71	144
Total comprehensive expenses for the year	年內全面支出總額	-	-	-	-	73	(16,479)	(4,621)	(21,027)	(7,403)	(28,430)
Shares issued	已發行股份	5,000	30,000	-	-	-	-	-	35,000	-	35,000
Share repurchase and cancelled	股份購回及註銷	(1,467)	(6,859)	-	1,467	-	-	(1,467)	(8,326)	-	(8,326)
Purchases of non-controlling interest	購買非控股權益	-	-	-	-	-	-	(24)	(24)	24	-
Acquisition of subsidiaries not constituting a business	收購附屬公司並不構成一項交易	83,571	302,538	-	-	-	-	-	386,109	-	386,109
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	(352)	(352)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	252,128	691,085	311,544	5,587	73	(34,458)	(454,123)	771,836	132,571	904,407
Loss for the year	年度虧損	-	-	-	-	-	-	11,664	11,664	(49,161)	(37,497)
Exchange differences	匯兌差額	-	-	-	-	-	53,166	-	53,166	2,259	55,425
Fair value loss on available-for-sale securities	可供出售證券之公平值虧損	-	-	-	-	(174)	-	-	(174)	(168)	(342)
Total comprehensive expenses for the year	年內全面支出總額	-	-	-	-	(174)	53,166	11,664	64,656	(47,070)	17,586
Deregistration of subsidiaries	註銷附屬公司	-	-	-	-	-	-	-	-	(63,634)	(63,634)
At 31 December 2017	於二零一七年十二月三十一日	252,128	691,085	311,544	5,587	(101)	18,708	(442,459)	836,492	21,867	858,359

Note:

(a) Capital redemption reserve has been set up and is dealt with on repurchases and cancellations of the Company's own shares. The application of the capital redemption reserve is governed by Section 42A of the Companies Act 1981 of Bermuda (as amended).

附註:

(a) 資本贖回儲備已設立，用於處理本公司自身股份之購回及註銷。資本贖回儲備之應用由百慕達一九八一年公司法第42A條（經修訂）規管。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Operating activities	經營活動		
(Loss)/Profit before taxation	除稅前(虧損)/溢利	(5,332)	10,527
Adjustments for:	就下列各項作出調整:		
Reversal of allowance bad and doubtful debts	呆壞賬撥備回撥	(2,515)	(2,512)
Fair value change on investment properties	投資物公平值變動	(130,420)	-
Interest income	利息收入	(9)	(7)
Finance cost	財務費用	10,531	6,457
Depreciation	折舊	8,862	8,465
Amortisation	攤銷	2,577	5,225
Impairment Loss on exploration and evaluation assets	勘探及估計資產減值虧損	2,886	2,003
(Gain)/Loss on disposal/deregistration of subsidiary	出售/註銷附屬公司之(收益)/虧損	(888)	817
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(114,308)	30,975
Increase in inventories	存貨增加	-	(60,498)
Decrease/(Increase) in statutory deposits	法定按金減少/(增加)	(2)	221
Increase in loan receivables	應收貸款增加	(10,845)	(11,366)
Decrease/(Increase) in accounts receivable	應收賬款減少/(增加)	22,591	(14,081)
Decrease in other receivables, prepayments and deposits	其他應收賬款、預付款項及按金減少	51,862	120,100
Increase in bank balances (trust and segregated accounts)	銀行結存增加(信託及獨立賬戶)	(6,403)	(68,607)
(Decrease)/Increase in accounts payable	應付賬款(減少)/增加	(2,039)	68,320
Increase in other payables and accrued expenses	其他應付賬款及應計費用增加	44,250	88,387
Cash (used in)/generated from operations	經營(所用)/所得現金	(14,894)	153,451
Tax paid	已付稅項	-	(3,310)
Interest paid	已付利息	(9,424)	(6,457)
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額	(24,318)	143,684

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Investing activities	投資活動		
Purchase of fixed assets	購買固定資產	(1,766)	(8,609)
Proceed from disposal of fixed assets	出售固定資產所得款項	9,733	-
Acquisition of subsidiaries	收購附屬公司	-	(43,940)
Proceeds from disposal of subsidiary	出售附屬公司所得款項	-	3,446
Deposit paid for acquisition of a subsidiary	收購一間附屬公司支付之訂金	(115,420)	-
Purchase of available-for-sale securities	購買可供出售證券	-	(1,296)
Placement in pledged fixed deposits	存置已抵押定期存款	(10)	(13)
Interest received on bank deposits	銀行存款已收利息	9	7
Net cash used in investing activities	投資活動所用現金淨額	(107,454)	(50,405)
Financing activities	融資活動		
Proceeds from issuance of shares	發行股份所得款項	-	35,000
Payments for repurchase of shares	購回股份之付款	-	(8,326)
Proceeds from issuance of corporate bonds (net of issuance cost)	發行公司債券所得款項 (扣除發行成本)	19,210	-
Increase in borrowings	借貸增加	310,000	-
Decrease in amount due to a Director	應付一名董事款項減少	(68,080)	(21,239)
Net cash generated from financing activities	融資活動所產生現金淨額	261,130	5,435
Net increase in cash and cash equivalents	現金及等同現金項目之 增加淨額	129,358	98,714
Cash & cash equivalents at beginning of the year	年初之現金及等同現金項目	132,903	50,390
Effect of exchange rate changes	外幣匯率改變之影響	(52,452)	(16,201)
Cash & cash equivalents at end of the year	年終之現金及等同現金項目	209,809	132,903
Analysis of balances of cash and cash equivalents	現金及等同現金項目結餘分析		
Bank balances (general accounts) and cash	銀行結存(一般賬戶)及現金	164,679	132,903
Cash and cash equivalents included in disposal group held for sale	現金及等同現金項目 (計入持作出售之出售組別)	45,130	-
		209,809	132,903

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL

The Company is an exempted company incorporated under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate and immediate holding company is Golden Nova Holdings Limited, a company incorporated in the British Virgin Islands ("BVI").

The consolidated financial statements of the Group for the year ended 31 December 2017 comprise the Company and its subsidiaries (together the "Group"). The Company is an investment holding company. The principal activities of the Group are (1) the trading of natural resources and petrochemicals; (2) mineral mining, oil and gas exploration and production, (3) the provision of financial services and (4) property investment. During the year, the operation of mineral mining in the PRC was discontinued (See note 10).

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company and most of its subsidiaries.

1. 一般事項

本公司乃根據百慕達一九八一年公司法（修訂本）註冊成立為受豁免公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。本公司之最終及直接控股公司為於英屬處女群島（「英屬處女群島」）註冊成立之公司Golden Nova Holdings Limited。

本集團截至二零一七年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司（統稱「本集團」）。本公司為投資控股公司。本集團之主要業務為(1)天然資源及石化產品貿易；(2)採礦、石油與天然氣勘探及生產；(3)提供金融服務；及(4)物業投資。年內，中國採礦業務已終止經營（見附註10）。

本綜合財務報表以港元呈列，與本公司及其大部分附屬公司之功能貨幣相同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time:

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

Amendments to HKAS 7 Disclosure Initiative

The amendments to HKAS 7 require an entity to make disclosures that aim to enable users of financial statements to evaluate changes in liabilities arising from financing activities. Reconciliations of various types of the Group’s financing liabilities are disclosed in Notes 35 and 36 to the consolidated financial statements. Other than such additional disclosures, the application of the amendments has not had any material effect on the consolidated financial statements.

Except for the above impact, application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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」）

本年度強制生效之香港財務報告準則之修訂

於本年度內，本集團已首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之相關財務報告準則之修訂：

香港會計準則 第7號（修訂）	披露計劃
香港會計準則 第12號（修訂）	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）	作為二零一四年至二零一六年週期香港財務報告準則年度改進之一部分

香港會計準則第7號（修訂）披露計劃

香港會計準則第7號（修訂）要求實體作出披露資料，旨在使財務報表使用者能夠評估融資活動產生的負債變動。本集團各類融資活動之對賬於綜合財務報表附註35及36披露。除額外披露外，應用該等修訂並無對綜合財務報表造成任何重大影響。

除上述影響外，於本年度應用香港財務報告準則之修訂並無對本年度及過往年度本集團之財務表現及狀況及／或該等綜合財務報表所載之披露資料造成任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

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

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」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團尚未提早採納以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

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15號	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（國際財務報告詮釋委員會）－詮釋第22號	外幣交易及預付代價 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
香港財務報告準則第2號（修訂）	分類及計量股權支付交易 ¹
香港財務報告準則第4號（修訂）	採用香港財務報告準則第4號保險合約時一併應用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）	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）	投資者與其聯營公司或合營企業間資產出售或投入 ³
香港會計準則第40號（修訂）	轉讓投資物業 ¹
香港會計準則第28號（修訂）	作為二零一四年至二零一六年週期香港財務報告準則年度改進之一部分 ¹

¹ 於二零一八年一月一日或其後開始之年度期間生效

² 於二零一九年一月一日或其後開始之年度期間生效

³ 於待釐定日期或其後開始之年度期間生效

⁴ 於二零二一年一月一日或其後開始之年度期間生效

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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 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 entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with 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

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」）（續）

香港財務報告準則第15號客戶合約之收入

於二零一四年七月，香港財務報告準則第15號已頒佈並確立一項單一全面模式，供實體用於將自客戶合約產生之收益入賬。於香港財務報告準則第15號生效後，其將取代現時之收入確認指引，包括香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋。

香港財務報告準則第15號之核心原則為實體就向客戶轉讓承諾貨品或服務收入確認之款項，應反映實體預期就交換該等貨品或服務而有權獲得之代價。具體而言，該準則引入五步法確認收入：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：按合約中履約責任分配交易價
- 第五步：於實體完成履約責任時確認收入

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures. However, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

The directors of the Company anticipate that the application of the new and revised HKFRSs will have no material impact on the consolidated financial statements.

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」）（續）

香港財務報告準則第15號客戶合約之收入（續）

根據香港財務報告準則第15號，實體於完成履約責任時確認收入，即於特定履約責任相關之貨品或服務之「控制權」轉移予客戶時。香港財務報告準則第15號已就特定情況之處理方法加入更明確指引。此外，香港財務報告準則第15號規定作出更詳盡之披露。

本公司董事預期，於將來應用香港財務報告準則第15號可能導致更多披露。然而，本公司董事預期應用香港財務報告準則第15號將不會對於各報告期間確認收益之時間及金額造成重大影響。

本公司董事預計，應用新訂及經修訂香港財務報告準則將不會對綜合財務報表產生重大影響。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rule”).

The consolidated financial statements have been prepared under historical cost basis. 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.

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

3. 主要會計政策

綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之所有適用香港財務報告準則（「香港財務報告準則」，包括所有適用個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）及香港公司條例之披露規定編製。綜合財務報表亦符合香港聯合交易所有限公司證券上市規則（「上市規則」）之適用披露規定。

綜合財務報表已按歷史成本法編製。歷史成本一般按為換取資產而付出之代價之公平值計算。

公平值乃於計量日市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格是否為可直接觀察取得或可使用其他估值技術估計。於估計資產或負債的公平值時，本集團會考慮該等市場參與者於計量日對資產或負債定價時所考慮的資產或負債的特點。於該等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟屬於香港財務報告準則第2號範疇之股權支付交易、香港會計準則第17號範疇之租賃交易，以及與公平值存在若干相似之處但並非公平值之計量（例如香港會計準則第2號之可變現淨值或香港會計準則第36號之使用價值）除外。

非金融資產之公平值計量計及市場參與者透過最大限度使用該資產達致最佳用途或透過將該資產出售予將最大限度使用該資產達致最佳用途之另一市場參與者產生經濟效益之能力。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

For financial instruments and investment properties which are transferred at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

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.

The principal accounting policies are set out below.

3. 主要會計政策 (續)

就於隨後期間按公平值及將使用不可觀察輸入數據計量公平值的估值技術轉讓的金融工具及投資物業而言，估值技術會予以校準以使估值技術結果與交易價相等。

此外，就財務報告而言，公平值計量根據公平值計量輸入數據之可觀察程度及公平值計量輸入數據對其整體之重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據乃實體於計量日期可取得之相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據乃資產或負債之直接或間接可觀察輸入數據（第一級所包括報價除外）；及
- 第三級輸入數據乃資產或負債之不可觀察輸入數據。

主要會計政策載於下文。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group 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 Group gains control until the date when the Group ceases to control the subsidiary.

3. 主要會計政策 (續)

綜合基準

本綜合財務報表包含本公司及由本公司及其附屬公司控制之實體之財務報表。取得控制權乃指本公司：

- 可對投資對象行使權力；
- 因參與投資對象之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力以影響該等回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項變動，則本公司會重估是否仍然控制投資對象。

當本集團取得附屬公司之控制權，便開始將該附屬公司綜合入賬；當本集團失去附屬公司之控制權，便停止將該附屬公司綜合入賬。具體而言，年內收購或出售之附屬公司之收入及支出會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團對該附屬公司之控制權終止當日為止。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Profit or loss and each item 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.

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

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.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and 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. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). 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, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 主要會計政策 (續)

綜合基準 (續)

損益及各項其他全面收入項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

如有需要，附屬公司之財務報表將作出調整，以使其會計政策與本集團之會計政策一致。

集團內公司間一切資產及負債、股權、收入、支出及與集團成員公司間交易相關之現金流量於綜合賬目時悉數撇銷。

當本集團失去附屬公司之控制權時，收益或虧損於損益中確認，並按(i)已收代價公平值及任何保留權益公平值總額；與(ii)資產（包括商譽）之過往賬面值、附屬公司負債及任何非控股權益間之差額計算。所有先前於其他全面收入確認之有關附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬（即按適用香港財務報告準則之規定／許可條文重新分類至損益或轉撥至另一類權益）。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據香港會計準則第39號，於其後入賬時被列作初步確認之公平值，倘適用，列作於初步確認時於聯營公司或合資經營企業投資之成本。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

3. 主要會計政策 (續)

業務合併

業務收購乃採用收購法入賬。於業務合併轉撥之代價按公平值計量，按本集團所轉撥之資產、本集團對收購對象原擁有人產生之負債及本集團於交換收購對象之控制權所發行之股權於收購日期之公平值之總和計算。與收購有關之成本一般於產生時在損益確認。

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債，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；
- 與收購對象股權支付安排或本集團就取收購對象之股權支付安排而訂立之股權支付安排有關的負債或股本工具，於收購日期根據香港財務報告準則第2號股權支付計量（見下文會計政策）；及
- 根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務劃分為持作出售之資產（或出售組合），根據該項準則計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

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 re-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.

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, when applicable, on the basis specified in another HKFRS.

3. 主要會計政策 (續)

業務合併 (續)

商譽乃以所轉讓代價、任何非控股權益於收購對象中所佔金額及收購方過往所持有收購對象股權公平值(如有)之總和超出所收購可識別資產及所承擔負債於收購日期之淨值之部分計量。倘經過重新評估後,所收購可識別資產及所承擔負債於收購日期之淨值超出所轉讓代價、任何非控股權益於收購對象中所佔金額及收購方過往所持有收購對象股權公平值(如有)之總和,則超出部分即時於損益確認為議價收購收益。

屬現時所有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值之非控股權益,可初步按公平值或非控股權益應佔收購對象可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別非控股權益乃按其公平值或(如適用)另一項香港財務報告準則規定之基準計量。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Commission and brokerage income are recognised when the services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income 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.

Advisory fee income is recognised when the services are provided.

Rental income under operating leases is recognised in the period in which the properties are let out and on a straight line basis over the term of the relevant lease.

3. 主要會計政策 (續)

收益確認

收益按已收或應收代價之公平值計量，代表日常業務中提供服務產生之應收金額。

商品銷售收益於貨品交付及擁有權轉移並符合以下所有條件時確認：

- 本集團已將貨品擁有權之重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權有關之已售商品之持續管理權或實際控制權；
- 收益金額能可靠地計量；
- 與交易相關之經濟利益很可能流入本集團；及
- 有關交易產生或將產生之成本能可靠地計量。

佣金及經紀收入在提供服務時確認入賬。

當經濟利益很有可能流向本集團，而收入的金額能確實地計量，則確認金融資產之利息收入。利息收入乃參考未償還本金及適用實際利率按時間基準累計。實際利率即將於金融資產開始確認時預計可用年期估計所收取未來現金流量折算至該資產賬面淨值的利率。

顧問費收入在提供服務時確認入賬。

經營租約項下之租金收入於期內確認，該等物業於期內已租出並按直線基準於相關租期確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Dividend income from investment is recognised when the rights to receive payment have been established.

Fixed assets

Fixed assets are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of fixed assets 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.

Depreciation is recognised so as to write off the cost of items of fixed assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of fixed assets 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 the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策 (續)

收益確認 (續)

投資之股息收入於收取款項之權利確立時確認。

固定資產

固定資產按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

用作生產、供應或行政用途之在建物業，乃按成本減任何已確認減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化之借貸成本。該等物業於竣工及可作擬定用途時分類至固定資產的適當類別。當該等資產可作擬定用途時，開始進行折舊，其基準與其他物業資產相同。

確認折舊旨在於固定資產項目之估計可使用年期內以直線法撇銷其成本(減殘值)。估計可使用年期、殘值及折舊方法均於報告期末作出檢討，並對估計變更的影響按前瞻基準列賬。

固定資產項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時終止確認。因出售或報廢固定資產項目而產生收益或虧損，按出售所得款項與資產賬面值之差額計算，並於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (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.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for trading rights is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effective of any changes in estimate being accounted for on a prospective basis.

3. 主要會計政策 (續)

投資物業

投資物業為持有以賺取租金及／或資本增值的物業。

投資物業初步按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按其公平值計量。投資物業公平值變動產生之收益或虧損於產生之期間計入損益。

出售投資物業後或當投資物業永久不再使用及預期其出售不會帶來未來經濟利益時終止確認投資物業。終止確認該物業產生的任何收益或虧損（按出售所得款項淨額與該資產賬面值之間的差額計算）於終止確認該物業期間計入損益。

無形資產

單獨收購之無形資產

單獨收購之有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。交易權之攤銷按直線基準於其估計可使用年期確認。估計可使用年期及攤銷方法於每個報告期終結時檢討，並對估計變更的影響按前瞻基準列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses on the same basis as intangible assets that are acquired separately. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Intangible assets are 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 assets are derecognised.

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses. Costs of exploratory wells (pipelines, drilling cost and others) are capitalised pending a determination of whether sufficient quantities of potentially economic oil and gas reserves have been discovered.

Exploration and evaluation assets include the cost of exploration rights and the expenditures incurred in the search for natural resources as well as the determination of technical feasibility and commercial viability of extracting those resources.

3. 主要會計政策 (續)

無形資產 (續)

於業務合併收購之無形資產

於業務合併收購之無形資產與商譽分開確認及初步按收購日期之公平值(被視為其成本)確認。於初步確認後,業務合併所收購具備有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬,基準與單獨收購之無形資產相同。相反,業務合併所收購具備無限可使用年期之無形資產按成本減任何其後累計減值虧損列賬(見下文有關有形及無形資產之減值虧損之會計政策)。

無形資產於出售時或預計日後使用或出售該資產不會產生經濟利益時終止確認。終止確認無形資產產生之損益以資產處置所得款項淨額與賬面值之差額計算,並於終止確認資產之期間在損益確認。

勘探及估計資產

初步確認時,勘探及估計資產均以成本確認。初步確認後,勘探及估計資產均以成本減任何累計減值虧損列賬。開採井之成本(輸油管、鑽探成本及其他),於釐定是否已發現足夠數量具潛在經濟效益之石油及天然氣蘊藏量前撥充資本。

勘探及估計資產包括開採權之成本以及尋找天然資源與釐定開採該等資源之技術可行性及商業可行性所產生支出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation assets (Continued)

When the technical feasibility and commercial viability of extracting natural resources become demonstrable, previously recognised exploration and evaluation assets are reclassified as either intangible or tangible assets. These assets are assessed for impairment before reclassification.

Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually. When one of the following events or changes in circumstances, which is not exhaustive, indicate that the carrying amount may not be recoverable has occurred, impairment test is performed in accordance with HKAS 36.

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of natural resources in the specific area is neither budgeted nor planned.
- exploration for and evaluation of natural resources in the specific area have not led to the discovery of commercially viable quantities of natural resources and the Group has decided to discontinue such activities in the specific area.
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

3. 主要會計政策 (續)

勘探及估計資產 (續)

當可顯示開採天然資源之技術可行性及商業可行性，則任何先前確認之勘探及估計資產乃重新分類為無形或有形資產。此等資產在重新分類前評估減值。

勘探及估計資產減值

勘探及估計資產之賬面值每年均作檢討。當有以下任何一事件發生或情況變化顯示賬面值或不能收回時，則根據香港會計準則第36號進行減值測試。

- 該集團有權於特定範圍勘探之期間已屆滿或將於可見將來屆滿，並預期不會續期。
- 於特定範圍進一步勘探及估計天然資源之大量支出並非在預算或計劃內。
- 於特定範圍勘探及估計天然資源並未導致發現具商業效益數量之天然資源，而本集團已決定終止於特定範圍之該等活動。
- 現存之足夠數據顯示（雖然有極大可能於特定範圍進行開發）勘探及估計資產之賬面值不大可能透過順利開發或出售而收回全部金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation assets (Continued)

Impairment of exploration and evaluation assets (Continued)

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful life 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. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策 (續)

勘探及估計資產 (續)

勘探及估計資產減值 (續)

當資產賬面值超過其可收回金額時，將於損益確認減值虧損。

有形及無形資產之減值虧損

本集團於報告期終日審閱有限可使用年期之有形資產及無形資產之賬面值，釐定該等資產有否減值虧損跡象。倘有任何跡象顯示減值，將估計該資產之可收回金額以釐定減值虧損程度（如有）。當個別資產之可收回金額不能估計時，本集團估計該資產所屬現金產生單位之可收回金額。當能夠確定一個合理及一致的分配基礎時，公司資產會被分配至個別現金產生單位，否則被分配至可被確定合理及一致分配基礎之最小現金產生單位組別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on tangible and intangible assets (Continued)

Recoverable amount is the higher of fair value less costs to disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) 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 (or cash-generating unit) 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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of costs and net realisable value. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 主要會計政策 (續)

有形及無形資產之減值虧損 (續)

可收回金額為公平值減出售成本與使用價值之較高者。評估使用價值時，估計未來現金流量將以可反映現行市場對現金之時間價值及該等資產（估計未來現金流量調整前）之獨有風險之除稅前折現率折現至現值。

倘資產（或現金產生單位）之可收回金額估計低於其賬面值，則資產（或現金產生單位）之賬面值乃扣減至其可收回金額。減值虧損即時於損益中確認。

倘減值虧損於其後撥回，則資產（或現金產生單位）之賬面值會增至經修訂的估計可收回金額，惟增加之賬面值不會超過以往年度並未就該資產（或現金產生單位）確認任何減值虧損而應釐定之賬面值。回撥之減值虧損均即時確認為收入。

存貨

存貨以成本與可變現淨值兩者中的較低者列賬。成本乃根據加權平均成本法釐定。可變現淨值指估計存貨售價減所有估計完成成本及銷售所需成本。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the amount 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 consolidated 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 it is probable that taxable profits 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.

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

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項按年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所報金額不同，乃由於前者不包括在其他年度應課稅或可扣稅之收入或開支項目，亦不包括毋須課稅或不可扣稅項目。本集團之本期稅項負債按報告期終日已實行或大致已實行之稅率計算。

遞延稅項為就綜合財務報表資產及負債賬面值與計算應課稅溢利時所用之相應稅基兩者間之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產通常會就所有可扣減暫時差額按可能出現可利用暫時差額扣稅之應課稅溢利予以確認。倘有關差額因商譽或因業務合併以外原因開始確認既不影響應課稅溢利亦不影響會計溢利之交易中其他資產及負債而引致之暫時差額，則不會確認該等資產及負債。

遞延稅項負債按附屬公司及聯營公司投資所產生應課稅暫時差額確認，惟倘本集團能控制暫時差額之回撥，且暫時差額可能不會於可見將來回撥之情況則除外。由相關投資之可扣稅暫時差額所產生之遞延稅項資產，僅於可能有足夠應課稅溢利可以使用應課稅暫時差額之益處，且預計於可見將來可以撥回時確認。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (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 follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purpose of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各報告期終日作檢討，按不再可能有足夠應課稅溢利用以抵銷全部或部分資產為限作出調減。

遞延稅項資產及負債按預期於清償負債或變現資產之期間適用之稅率計量，並根據截至報告期終日前已頒佈或大致已頒佈之稅率（及稅法）計算。

遞延稅項負債及資產之計量反映本集團預期於報告期終日時收回或結算其資產及負債賬面值之方式所引起稅務結果。

就計量遞延稅項而言，利用公平值模式計量之投資物業之賬面值乃假設通過銷售全數收回，惟該假設被推翻則除外。當投資物業可予折舊及於業務模式（其業務目標乃隨時間消耗投資物業所包含之絕大部分經濟利益，而非透過銷售）內持有時，有關假設會被推翻。

即期及遞延稅項於損益確認，除非該稅項關係到於其他全面收入或直接於權益確認之項目，在該情況下即期及遞延稅項亦分別於其他全面收入或直接於權益確認。倘因業務合併之初步會計處理而產生遞延稅項，則稅務影響計入業務合併之會計處理內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, 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 under the heading of currency translation reserve (attributed to non-controlling interest as appropriate).

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, 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.

3. 主要會計政策 (續)

外幣

編製個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易，按其功能貨幣（即實體主要經營之經濟環境之貨幣）於交易日期當時之匯率記錄。於報告期終日，以外幣列值之貨幣項目以當日之匯率重新換算。以外幣歷史成本計算之非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目產生之匯兌差額於產生期內於損益中確認。

呈列綜合財務報表時，本集團海外業務之資產及負債按各報告期終日匯率換算為本集團呈列貨幣（即港元）。收入及開支項目乃按年度內平均匯率換算，除非年內匯率出現重大波幅，則於此情況下，將採用交易日期之匯率。所產生匯兌差額（如有）均確認為其他全面收入及累計於權益中之外幣換算儲備（歸於非控股權益，如適用）。

於出售海外業務時（即出售本集團於一海外業務之全部權益，或該出售包含失去對一間擁有海外業務之附屬公司之控制權，或該出售包含失去對一間擁有海外業務之聯營公司之重大影響），本公司擁有人應佔該業務於權益中所有累計匯兌差額重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

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

Retirement benefits costs

Payments to defined contribution retirement benefits scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 主要會計政策 (續)

租賃

融資租約指將擁有資產之風險及回報絕大部分轉嫁予承租人之租約。而其他租約均列為經營租約。

經營租賃付款以直線法於租期內確認為支出。經營租約產生之或然租金於產生期間確認為支出。

倘為促使訂立經營租約而獲取租約獎勵，此等獎勵則確認為債務。累計獎勵的利益以直線法確認並於租金開支中扣減。

經營租約的租金收入乃於相關租期內按直線基準於損益內確認。

退休福利成本

定額供款退休福利計劃之款項，於僱員提供服務享有供款時確認為開支。

借貸成本

因取得、建設或生產合資格資產（即需要一段長時間籌備作擬定用途或銷售之資產）而直接產生之借貸成本乃加入該等資產之成本，直至當資產已大致上可作擬定用途或銷售。指定借貸尚未運用於合資格資產前作短暫投資而產生之投資收入乃於可作資本化借貸成本內扣除。

所有其他借貸成本均於產生期間於損益確認。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

A financial asset and a financial liability is offset and the net amount presented in the consolidated statement of financial position when and only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

The Group's financial assets are mainly classified as available-for-sale financial assets and loans and receivables.

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 the effective interest basis for debt instruments.

3. 主要會計政策 (續)

金融工具

倘集團實體成為金融工具合約條文之訂約方，則於綜合財務狀況表中確認金融資產及金融負債。

金融資產及金融負債首先按公平值計量。因收購或發行金融資產及金融負債而直接產生之交易成本於首次確認時計入金融資產或金融負債之公平值或自金融資產或金融負債之公平值扣除（按適用情況而定）。

僅在本集團當前有法定可執行權抵銷已確認金額，及計劃以淨額基準結算或同時變現資產及清償負債時，方抵銷金融資產與金融負債及於綜合財務狀況表呈列淨額。

金融資產

本集團金融資產主要分類為可供出售金融資產及貸款及應收款項。

實際利息法

實際利息法為計算債務工具之攤銷成本以及於相關期間內分配利息收入之方法。實際利率指將債務工具預計可用年期或（如適用）較短期間之估計未來現金收入（包括構成實際利率之所有已付或已收費用、交易成本及其他溢價或折讓）準確折現至初步確認之賬面淨值的利率。

利息收入乃按債務工具實際利率基準確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale (“AFS”) financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss (“FVTPL”).

Equity and debt securities held by the Company that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Company’s right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated in investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

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 bank balances and cash, pledged fixed deposits, accounts receivable, loans receivable, other receivables and deposits and statutory deposits are carried at amortised cost using the effective interest method, less any identified impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

可供出售金融資產

可供出售(「可供出售」)金融資產為指定為可供出售或並無分類為(a)貸款及應收款項、(b)持有至到期之投資或(c)按公平值計入損益(「按公平值計入損益」)的金融資產的非衍生工具。

於各報告期末，本公司所持分類為可供出售金融資產並於活躍市場買賣的權益及債務證券乃按公平值計量。與採用實際利息法計算的利息收入有關的可供出售貨幣金融資產賬面值的變動於損益中確認。可供出售股本權益工具的股息於本公司收取股息的權利確立時於損益內確認。可供出售金融資產賬面值的其他變動於其他全面收益中確認並於投資重估儲備中累計。倘投資被出售或被釐定為出現減值，則之前於投資重估儲備累計的累計收益或虧損會重新分類至損益。

貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款之非衍生性質金融資產。於首次確認後，貸款及應收款項(包括銀行結存及現金、已抵押定期存款、應收賬款、應收貸款、其他應收賬款及按金及法定按金)採用實際利率法攤銷成本，減任何已確認減值虧損列賬。

利息收入乃採用實際利率確認，惟所確認利息並不重大的短期應收款項除外。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows have been affected. For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of loans and receivables, such as accounts receivable, assets that are assessed not to be impaired individually are, in addition, 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 and observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. 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 losses 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.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值

金融資產於報告期終日評定有否減值跡象。倘有客觀證據顯示金融資產之預計未來現金流量受首次確認後發生之一項或多項事件影響，則視作減值。就可供出售股本權益投資而言，證券之公平值大幅或長期跌至低於其成本則被視為減值之客觀證據。減值之客觀證據可包括：

- 發行人或交易對手出現重大財政困難；或
- 違約，例如拖欠利息或本金；或
- 借款人可能破產或財務重組。

此外，應收賬款及評定為不會個別減值之資產等若干類別貸款及應收款項，會共同評估有否減值。應收款項組合出現減值之客觀證據包括本集團過往收款記錄及國家或地區經濟狀況明顯轉變導致拖欠應收款項。

已確認減值虧損金額按資產賬面值與按金融資產原實際利率貼現之估計日後現金流量現值之差額計算。如在隨後期間減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則過往已確認之減值虧損將透過損益回撥，惟該資產於減值被回撥當日之賬面值不得超過未確認減值時之攤銷成本。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The carrying amount of the loans and receivables is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a 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.

Financial liabilities and equity instruments

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 and the definitions of a financial liability and an equity instrument.

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 recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

與所有貸款及應收款項有關之減值虧損會直接於金融資產之賬面值作出扣減，惟應收賬款除外，其賬面值會透過使用撥備賬作出扣減。撥備賬之賬面值變動會於損益確認。當應收款項視為不可收回時，則於撥備賬撇銷。於其後收回之過往已撇銷款項將計入損益。

金融負債及股本權益工具

集團實體發行之債務及股本權益工具根據合約安排內容以及金融負債及股本權益工具之定義分類為金融負債或股本權益工具。

股本權益工具

股本權益工具為帶有本集團資產剩餘權益（經扣除其所有負債）之任何合約。本公司發行之股本權益根據所收款項，扣除直接發行成本之淨額確認。

購回本公司本身之股本權益工具乃於權益中直接確認及扣除。概無就購買、出售、發行或註銷本公司本身之股本權益工具於損益確認收益或虧損。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

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 form an integral part of the 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.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including accounts payable, other payables and accrued expenses, and amount due to Directors are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, 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 and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liability when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本權益工具 (續)

實際利息法

實際利息法為計算金融負債之攤銷成本以及於相關期間內分配利息開支之方法。實際利率指將金融負債預計可使用年期或(如適用)較短期間之估計未來現金付款(包括所有構成實際利率一部分之已付或已收費用、交易成本及其他溢價或折讓)準確折現至初步確認時之賬面淨值的利率。

利息費用按實際利息基準確認。

金融負債

金融負債包括應付賬款、其他應付賬款及應計費用、應付董事款項，其後乃採用實際利率法按攤銷成本計算。

終止確認

僅於資產現金流量之合約權利屆滿時，本集團方會終止確認金融資產。

當終止確認金融資產時，資產賬面值與已收及應收代價總額加已於其他全面收入確認及累計於權益之累計收益或虧損的差額，於損益確認。

本集團僅於本集團之責任解除、註銷或屆滿時終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價的差額，於損益確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities do not constitute a business, the Group identifies and recognise the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

3. 主要會計政策 (續)

收購一間附屬公司並不構成一項交易

當本集團收購一組資產及負債並不構成一項交易時，本集團識別及確認所收購個別可識別資產及所承擔負債，方式為首先將購買價按各自的公平值分配至金融資產及金融負債，購買價餘額繼而分配至其他個別可識別資產及負債，基準為按其於購買日期之相對公平值。該交易不會產生商譽或議價購買收益。

持作出售之非流動資產

倘非流動資產及出售組別之賬面金額將主要透過出售交易（而非透過持續使用）收回，則非流動資產及出售組別分類為持作出售。此條件僅於資產（或出售組別）可以其現況供即時出售，出售條款僅屬出售該資產（或出售組別）之一般慣常條款，且極有可能出售時，方告達成。管理層必須承諾進行出售，即應預期於分類日期起計一年內合資格確認為一項已完成出售。

當本集團承諾進行涉及喪失一間附屬公司控制權之出售計劃，倘符合上述條件，該附屬公司之所有資產及負債均分類為持作出售，不論本集團會否於出售後保留其前附屬公司之非控股權益。

當本集團承諾進行涉及出售於聯營公司或合資公司之投資或部分投資之出售計劃，倘符合上述條件，將予出售之該項投資或部分投資分類為持作出售，而本集團將由投資（或部分投資）分類為持作出售之時起，終止就分類為持作出售之該部分使用權益法。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-current assets held for sale (Continued)

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

4. KEY SOURCE OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 3, management has made the following estimate that has a significant effect on the amounts recognised in the consolidated financial statements. The key source 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, is discussed below.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment annually and when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

For assets under construction located in Tunisia, the Group determined whether the related well costs are expensed if it is determined that such economic viability is not attained within the specific area after performing further feasibility studies that is usually completed within one year of completion of drilling. During the year ended 31 December 2017, an impairment loss of approximately HK\$2,886,000 (2016: HK\$2,003,000) was recognised on assets under construction. The Group's carrying value of assets under construction as at 31 December 2017 was approximately HK\$Nil (2016: HK\$2,886,000).

3. 主要會計政策 (續)

持作出售之非流動資產 (續)

分類為持作出售之非流動資產(及出售組別)按其過往賬面值與公平值減出售成本之較低者計量。

4. 估計不確定因素之主要來源

採用附註3所述本集團會計政策時，管理層曾作出以下對綜合財務報表已確認金額構成重大影響之估計。報告期終日有相當風險導致下個財政年度之資產及負債賬面值重大調整之估計不確定因素的主要來源，於下文討論。

勘探及估計資產減值

每年及當事實及實際情況顯示勘探及估計資產之賬面值可能超出其可收回金額，勘探及估計資產會進行減值評估。

至於位於突尼西亞之在建資產，倘於指定地區內進行進一步可行性研究(一般於完成鑽探起一年內完成)，仍無法達到有關經濟效益，本集團會決定是否就相關油井成本列作開支。截至二零一七年十二月三十一日止年度，已就在建資產確認減值虧損約2,886,000港元(二零一六年：2,003,000港元)。於二零一七年十二月三十一日，本集團在建資產之賬面值約為零港元(二零一六年：2,886,000港元)。

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4. KEY SOURCE OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment of accounts receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and estimated future cash flows discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Valuation of investment property

Investment properties are stated at fair value based on the valuation performed by the independent professional valuer. The valuers have determined the fair value based on a method of valuation which involves certain estimates. In relying on the valuation report prepared by the valuers, management has reviewed the valuation including the assumptions and estimates adopted.

4. 估計不確定因素之主要來源 (續)

應收賬款減值

倘有客觀證據顯示出現減值虧損，本集團將考慮未來現金流量的估計值。減值虧損金額會按資產賬面值與按該金融資產初始實際利率進行貼現後的估計未來現金流量兩者之間的差額確認。倘實際未來現金流量少於預期，則可能會出現重大減值虧損。

投資物業估值

投資物業乃基於獨立專業估值師所進行之估值以公平值列賬。估值師基於涉及若干估計之估值方法釐定公平值。管理層依賴估值師所編製之估值報告審閱估值，包括所採納之假設及估計。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance. The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital, accumulated losses and other reserves.

The Directors review the capital structure on a continuous basis. As part of this review, the Directors consider the cost of capital and the risks associated with capital. The Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issuance of new debts or the redemption of existing debts. The Group's overall strategy remains unchanged from prior year.

Certain group entities are regulated by the Hong Kong Securities and Futures Commission and are required to comply with the financial resources requirements according to the Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout both years.

5. 資本風險管理

本集團管理資本，維持最有利的權益結餘，以確保本集團旗下公司能夠持續經營，並盡力提高股東的回報。本集團的資本架構為本公司擁有人應佔權益（包括已發行股本、累計虧損及其他儲備）。

董事持續檢討資本架構。董事在檢討時會考慮資本成本及資本所涉風險。本集團亦透過派付股息、發行新股及發行新債或贖回現有債務平衡整體資本架構。本集團整體策略與去年相同。

若干集團實體受香港證券及期貨事務監察委員會規管，須根據香港證券及期貨（財政資源）規則（「證券及期貨（財政資源）規則」）遵守財政資源規定。本集團受規管實體須遵守證券及期貨（財政資源）規則下的最低繳足股本規定及流動資金規定。管理層每日均會密切監察該等實體的流動資金水平以確保彼等符合證券及期貨（財政資源）規則的最低流動資金規定。本集團受規管實體於兩個年度內一直遵守證券及期貨（財政資源）規則的資金規定。

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綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Available-for-sale securities	可供出售證券	1,098	1,440
Loans and receivables	貸款及應收款項	497,070	603,014
		498,168	604,454
Financial liabilities – amortised cost	金融負債 – 攤銷成本	629,546	357,648

Financial risk management objectives and policies

The Group's financial instruments include available-for-sale securities, statutory deposits, loans receivable, accounts receivable, other receivables and deposits, pledged fixed deposits, bank balances and cash, accounts payable, other payables and accrued expenses, amount due to Directors, corporate bonds and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall strategy substantially remains unchanged from prior year.

6. 金融工具

金融工具類別

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Available-for-sale securities	可供出售證券	1,098	1,440
Loans and receivables	貸款及應收款項	497,070	603,014
		498,168	604,454
Financial liabilities – amortised cost	金融負債 – 攤銷成本	629,546	357,648

財務風險管理目標及政策

本集團之金融工具包括可供出售證券、法定按金、應收貸款、應收賬款、其他應收賬款及按金、已抵押定期存款、銀行結存及現金、應付賬款、其他應付賬款及應計費用、應付董事款項、公司債券及借貸。金融工具之詳情於相關附註披露。與此等金融工具有關之風險包括市場風險（貨幣風險及利率風險）、信貸風險及流動資金風險。減低此等風險之政策載於下文。管理層管理及監察此等風險，以確保能及時及有效地採取適當措施。本集團整體策略與去年大致相同。

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Offsetting of financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's statement of financial position.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("HKSCC"), and brokers, the Group has a legally enforceable right to set off the money obligation receivable and payable with HKSCC and brokers on the same settlement date and the Group intends to set off on a net basis.

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to HKSCC, brokers and cash clients that are not to be settled on the same date, deposit placed with HKSCC and brokers do not meet the criteria for offsetting in the statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

6. 金融工具 (續)

財務風險管理目標及政策 (續)

抵銷金融資產及負債

下表所載之披露包括下列金融資產及金融負債：

- 於本集團綜合財務報表內抵銷；或
- 受可強制執行總淨額結算安排或類似協議所規限，涵蓋類似金融工具的類似交易，不論其是否於本集團綜合財務報表內抵銷。

根據本集團與香港中央結算有限公司（「香港結算」）及經紀間作出之持續淨額結算協議，本集團擁有合法可強制執行權利以在相同結算日與香港結算及經紀抵銷應收及應付款項責任，而且本集團有意按淨額基準結算。

由於已確認款項之抵銷權僅可於出現違約時強制執行，除同日到期應予結算之抵銷外，並非於同日結算之應收／應付香港結算、經紀及現金客戶款項、存放於香港結算及經紀之存款不符合於綜合財務狀況表內抵銷標準。

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綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Offsetting of financial assets and financial liabilities (Continued)

The amount offset and the net balance are shown as follows:

6. 金融工具 (續)

財務風險管理目標及政策 (續)

抵銷金融資產及負債 (續)

抵銷金額及結餘淨額列示如下：

		2017 二零一七年		2016 二零一六年	
		Accounts receivable 應收賬款 HK\$'000 千港元	Accounts payable 應付賬款 HK\$'000 千港元	Accounts receivable 應收賬款 HK\$'000 千港元	Accounts payable 應付賬款 HK\$'000 千港元
Gross amounts of cash client	現金客戶總額	56,324	(200,182)	29,926	(169,532)
Amounts offsetting	抵銷金額	(37,672)	37,672	(8,565)	8,565
Net amount of cash client	現金客戶淨額	18,652	(162,510)	21,361	(160,967)
Balance not offsetting	未抵銷結存	111,040	(15,004)	121,991	(13,270)
Allowance of provision of bad debt	計提壞賬撥備	(998)	-	(4,359)	-
Net amount presented in the consolidated statement of financial position	於綜合財務狀況表內呈列之淨額	128,694	(177,514)	138,993	(174,237)

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk

Currency risk

As the Group's monetary assets and monetary liabilities are mainly in functional currency of respective group entities, the currency risk resulting from daily operations is considered not significant. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate pledged fixed deposits, loans receivable, corporate bonds and borrowings. The Group is also exposed to cash flow interest rate risk in relation to variable-rate of bank balances, loans to securities margin clients and amount due to Directors. The Group currently does not have interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Prime Rate arising from the Group's variable-rate loans to securities margin clients and amount due to Directors.

6. 金融工具 (續)

財務風險管理目標及政策 (續)

市場風險

貨幣風險

由於本集團之貨幣資產及貨幣負債主要以各集團實體之功能貨幣計值，故日常營運產生之貨幣風險並不重大。本集團目前尚無外幣對沖政策。然而，管理層會監察外幣匯兌風險，並在需要時考慮對沖重大的外幣風險。

利率風險

本集團的公平值利率風險與定息已抵押定期存款、應收貸款、公司債券及借貸有關。本集團亦因銀行結存、證券保證金融資客戶貸款及應付董事款項等浮息而面對現金流利率風險。本集團現時並無利率對沖政策。然而，管理層會監察利率風險，並在需要時考慮對沖重大的利率風險。本集團之現金流利率風險主要集中於本集團借予證券保證金客戶之浮息貸款及應付董事款項之香港最優惠利率之改變。

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate loans to securities margin clients and amount due to a Director mentioned above at the end of the reporting period. The analysis is prepared assuming the amounts of assets and liabilities recorded at the end of the reporting period were outstanding for the whole year. A 50 basis point (2016: 50 basis point) increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis point (2016: 50 basis point) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2017 would increase/decrease by approximately HK\$1,658,000 (2016: HK\$307,000).

The effect on bank balances has not been taken into account in preparing the sensitivity analysis because the effect involved is not significant.

Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

6. 金融工具 (續)

財務風險管理目標及政策 (續)

市場風險 (續)

利率風險 (續)

敏感度分析

以下的敏感度分析乃按照報告期終日上述借予證券保證金客戶之浮息貸款及應付一名董事款項之利率釐定。此分析根據假設於報告期終日錄得之資產及負債額於整年存在而編製。增減50基點(二零一六年: 50基點)即管理層對利率可能之合理變動之評估。

倘利率增加/減少50基點(二零一六年: 50基點), 而所有其他可變數不變, 本集團截至二零一七年十二月三十一日止年度之虧損將增加/減少約1,658,000港元(二零一六年: 307,000港元)。

由於所涉影響不大, 故編製敏感度分析時, 並無計及銀行結存所受影響。

信貸風險

於二零一七年十二月三十一日, 本集團因交易對手未能履行責任引致本集團產生財務虧損而面對之最大信貸風險為綜合財務狀況表所示相關已確認金融資產之賬面值。

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綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has concentration on bank balances as the Group had placed the bank balances in several authorised institutions with high credit ratings assigned by international credit-rating agencies. The Directors consider the credit risk of such authorised institutions is low.

The Group has no significant concentration of credit risk on accounts receivable and loans receivable, with exposure spread over a number of counterparties and customers.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group's liquidity position is monitored on a daily basis by management and is reviewed monthly by the Directors. The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

6. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險 (續)

為盡力減低信貸風險，本集團管理層委派一組人員負責釐定信貸額、信貸審批及其他監管程序，以確保就回收逾期債務作出跟進行動。此外，本集團會於報告期終日審閱各個別債務之可收回金額，確保為不可收回之款額作出適當之減值撥備。因此，董事認為本集團之信貸風險大幅降低。

由於本集團之銀行存款存放於獲國際評級機構高信貸評級的若干認可機構，因此銀行結餘集中。董事認為該等認可機構之信貸風險低。

本集團應收賬款及應收貸款的風險分散於多名交易對手及客戶，因此並無重大集中信貸風險。

流動資金風險

管理流動資金風險時，本集團監察及維持管理層視為足以支付本集團營運及減低現金流量波動影響所需之現金及等同現金項目水平。管理層監察銀行借貸之動用情況及確保遵守貸款契諾。

本集團之流動資金狀況由管理層每日監察，並由董事每月審閱。下表詳述本集團根據議定還款期編製之金融負債合約到期資料。該表基於本集團須支付金融負債之最早日期按有關負債之未折現現金流量編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities as at 31 December 2017, the amount of HK\$629,546,000. The table has been drawn up to reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The interest payments are computed using contractual rates or, if variable, based on the prevailing interest rate at the end of each reporting period.

	Weighted average interest rate	On demand and 3 months or less 按要求及於三個月或以內	3-6 months 三至六個月	6-12 months 六至十二個月	1-2 year 一至兩年	2-5 years 兩至五年	Over 5 years 五年以上	Total undiscounted cash flows 未貼現現金流量總額	Carrying amount 賬面值
Financial liabilities									
At 31 December 2017									
Accounts payable	-	177,514	-	-	-	-	-	177,514	177,514
Other payables and accrual expenses	-	37,891	-	-	-	-	-	37,891	37,891
Amount due to Director	5%	85,305	-	-	-	-	-	85,305	85,305
Borrowings									
- Variable rate	5%	740	748	1,512	62,490	-	-	65,490	60,000
- Fixed rate	8.8%	4,624	5,398	11,454	289,538	-	-	311,014	251,005
Corporate bonds	11.02%-11.99%	500	500	1,087	2,158	21,611	4,839	30,695	17,831
		306,574	6,646	14,053	354,186	21,611	4,839	707,909	629,546

As at 31 December 2016, the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date that the Group can be required to pay are within one year or on demand.

6. 金融工具 (續)

財務風險管理目標及政策 (續)

流動資金風險 (續)

下表為本集團於二零一七年十二月三十一日之金融負債629,546,000港元之餘下合約到期日詳情。該表根據本集團可被要求支付的最早日期編製，以反映金融負債的未貼現現金流量。該表包括利息及本金現金流量。利息付款乃按合約利率或（倘為浮息）各報告期末之現行利率計算。

於二零一六年十二月三十一日，本集團金融負債於報告期末之餘下合約到期日（根據合約未貼現現金流量及本集團可被要求支付的最早日期）為一年內或按要求。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Fair values

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

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.

6. 金融工具 (續)

公平值

金融資產及金融負債之公平值按公認定價模式基於貼現現金流量分析釐定。董事認為綜合財務報表內按攤銷成本列賬的金融資產及金融負債的賬面值與其公平值相若。

公平值乃於計量日市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格是否為可直接觀察取得或可使用其他估值技術估計。於估計資產或負債的公平值時，本集團會考慮該等市場參與者於計量日對資產或負債定價時所考慮的資產或負債的特點。於該等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟屬於香港財務報告準則第2號範疇之股權支付交易、香港會計準則第17號範疇之租賃交易，以及與公平值存在若干相似之處但並非公平值之計量（例如香港會計準則第2號之可變現淨值或香港會計準則第36號之使用價值）除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Fair values (Continued)

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.

6. 金融工具 (續)

公平值 (續)

此外，就財務報告而言，公平值計量根據公平值計量輸入數據之可觀察程度及公平值計量輸入數據對其整體之重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據乃實體於計量日期可取得之相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據乃資產或負債之直接或間接可觀察輸入數據（第一級所包括報價除外）；及
- 第三級輸入數據乃資產或負債之不可觀察輸入數據。

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 31 December 2017	於二零一七年十二月三十一日				
Available-for-sale securities	可供出售證券	1,098	-	-	1,098
As at 31 December 2016	於二零一六年十二月三十一日				
Available-for-sale securities	可供出售證券	1,440	-	-	1,440

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. REVENUE

7. 收益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Re-presented) (經重列)
Continuing operations	持續經營業務		
Sales of natural resources and petrochemicals	天然資源及石化產品銷售	47,704	–
Rental income	租金收入	23,860	5,125
Commission and brokerage income	佣金及經紀收入	15,160	10,987
Interest income arising from financial business	金融業務產生之利息收入	8,460	9,951
Advisory and consultancy fee	諮詢顧問費	1,881	5,266
		97,065	31,329

8. OTHER INCOME

8. 其他收入

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Re-presented) (經重列)
Continuing operations	持續經營業務		
Interest income from bank	銀行利息收入	–	1
Sundry income	雜項收入	415	1,256
Handling charge income	手續費收入	1,712	1,456
Placing income	配售收入	–	800
Dividend income	股息收入	144	118
		2,271	3,631

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OTHER GAINS OR LOSSES

9. 其他收益或虧損

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Re-presented) (經重列)
Continuing operations	持續經營業務		
Reversal of allowance for bad and doubtful debts	呆壞賬撥備撥回	2,515	2,512
Net exchange gain/(loss)	匯兌收益／(虧損)淨額	19	(5,105)
Fair value change on investment properties	投資物業之公平值變動	130,420	-
		132,954	(2,593)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

10. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on the nature of the products provided and services rendered.

During the year ended 31 December 2017, the Group is currently organised into the four operating and reportable segments – (1) trading business, (2) mineral mining, oil and gas business (3) financial business and (4) property investment. These revenue streams are the basis of the internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to segments and to assess their performance.

Trading business	–	sales of natural resources and petrochemicals
Mineral mining, oil and gas business	–	exploration and production of mineral, oil and gas
Financial business	–	provision of financial service, including stockbroking, futures and options broking, mutual funds, insurance-linked investment plans and provision of corporate financial services and immigration consultancy services, and securities margin financing
Property investment	–	rental income

10. 分類資料

向本公司董事會，即主要營運決策者，報告用作分配資源及評估分類表現之資料，乃主要根據所提供產品及所給予服務之性質作分類。

截至二零一七年十二月三十一日止年度，本集團目前由四個經營及可呈報分類組成 – (1)貿易業務；(2)採礦、油氣業務；(3)金融業務；及(4)物業投資。此等收益分類是董事會定期審閱有關本集團各業務組別之內部報告之基準，用以對各分類分配資源及評估該分類之表現。

貿易業務	–	銷售天然資源及石化產品
採礦、油氣業務	–	礦物、石油及天然氣勘探及生產
金融業務	–	提供金融服務，包括股票經紀、期貨及期權經紀、互惠基金、保險掛鈎投資計劃及提供企業融資服務及移民顧問服務，以及證券孖展融資
物業投資	–	租金收入

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

10. SEGMENT INFORMATION (Continued)

An operating segment regarding the mineral mining in the PRC was discontinued in the current year. The segment information reported on the following does not include any amounts for these discontinued operation, which are described in more detail in note 14.

Segment revenues and results

The following is an analysis of the Group's revenue and results by segment.

For the year ended 31 December 2017

		Trading business	Mineral mining, oil and gas business	Financial business	Property investment	Consolidated
		貿易業務	採礦、 油氣業務	金融業務	物業投資	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
REVENUE	收益					
Segment revenue	分類收益	47,705	-	25,501	23,859	97,065
RESULTS	業績					
Segment profit/(loss)	分類溢利/(虧損)	265	(5,392)	36	151,288	146,197
Corporate administration costs	公司行政費用					(51,719)
Profit before taxation from continuing operations	持續經營業務之 除稅前溢利					94,478

10. 分類資料 (續)

有關中國採礦之經營分類已於本年度終止。以下呈報之分類資料並無包括已終止經營業務之任何金額，更多詳情載於附註14。

分類收益及業績

下列為本集團分類收益及業績之分析。

截至二零一七年十二月三十一日止年度

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綜合財務報表附註

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

10. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2016

		Trading business 貿易業務 HK\$'000 千港元	Mineral mining, oil and gas business 採礦、 油氣業務 HK\$'000 千港元	Financial business 金融業務 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
Segment revenue	分類收益	-	-	26,204	5,125	31,329
RESULTS	業績					
Segment profit/(loss)	分類溢利/(虧損)	756	(5,849)	2,904	(1,910)	(4,099)
Corporate administration costs	公司行政費用					(35,510)
Loss before taxation from continuing operations	持續經營業務之 除稅前虧損					(39,609)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the financial results by each segment without allocation of corporate administration costs. This is the measure reported to the Board of Directors for the purposes of resource allocation and performance assessment.

10. 分類資料 (續)

分類收益及業績 (續)

截至二零一六年十二月三十一日止年度

營運分類之會計政策與本集團會計政策相同。分類溢利/(虧損)指並無分配公司行政費用情況下各分類之財務業績。這是向董事會呈報資料之方式，以分配資源及評估表現。

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綜合財務報表附註

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

10. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by segment:

At 31 December 2017

		Trading business	Mineral mining, oil and gas business	Financial business	Property investment	Consolidated
		貿易業務	採礦、 油氣業務	金融業務	物業投資	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS	資產					
Segment assets	分類資產	705	1,405	334,088	745,363	1,081,561
Unallocated assets	未劃撥資產					246,181
Assets relating to the discontinued operations	與已終止經營業務有關之資產					318,821
Consolidated total assets	綜合資產總值					1,646,563
LIABILITIES	負債					
Segment liabilities	分類負債	24	753	276,258	65,304	342,339
Unallocated liabilities	未劃撥負債					312,462
Liabilities relating to the discontinued operations	與已終止經營業務有關之負債					133,403
Consolidated total liabilities	綜合負債總額					788,204

10. 分類資料 (續)

分類資產及負債

下列為本集團分類資產及負債之分析：

於二零一七年十二月三十一日

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

10. SEGMENT INFORMATION (Continued)

10. 分類資料 (續)

Segment assets and liabilities (Continued)

分類資產及負債 (續)

At 31 December 2016

於二零一六年十二月三十一日

		Trading business 貿易業務 HK\$'000 千港元	Mineral mining, oil and gas business 採礦、 油氣業務 HK\$'000 千港元	Financial business 金融業務 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產					
Segment assets	分類資產	78	6,694	322,510	560,810	890,092
Unallocated assets	未劃撥資產					34,897
Assets relating to the discontinued operations	與已終止經營業務 有關之資產					425,281
Consolidated total assets	綜合資產總值					1,350,270
LIABILITIES	負債					
Segment liabilities	分類負債	24	1,473	264,387	4,700	270,584
Unallocated liabilities	未劃撥負債					74,701
Liabilities relating to the discontinued operations	與已終止經營業務 有關之負債					100,578
Consolidated total liabilities	綜合負債總額					445,863

For the purposes of monitoring segment performances and allocating resources between segments:

就監察分類表現及分配資源予各分類而言：

- all assets are allocated to operating segments other than bank balances and cash for administrative purpose and other assets including other receivables, prepayments and deposits of head office.
- all liabilities are allocated to operating segments, other payables and accrued expenses in relation to corporate administration costs.
- 除作行政用途之銀行結存及現金以及總辦事處其他資產(包括其他應收賬款、預付款項及按金)外,所有資產已分配予營運分類。
- 所有負債已分配予營運分類、與公司行政費用有關之其他應付款項及應計費用。

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綜合財務報表附註

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

10. SEGMENT INFORMATION (Continued)

Other segment information

		Trading business	Mineral mining, oil and gas business	Financial business	Property investment	Total	Unallocated	Consolidated
		貿易業務 HK\$'000 千港元	油氣業務 HK\$'000 千港元	金融業務 HK\$'000 千港元	物業投資 HK\$'000 千港元	合共 HK\$'000 千港元	未分配 HK\$'000 千港元	綜合 HK\$'000 千港元
Continuing operation For the year ended 31 December 2017	持續經營業務 截至二零一七年十二月三十一日 止年度							
Amounts included in the measure of segment profit (loss) or segment assets:	計量分類溢利(虧損)或 分類資產計入之金額:							
Additions to fixed assets	固定資產增添	-	-	-	18	18	13	31
Impairment loss on exploration and evaluation assets	勘探及估計資產減值虧損	-	2,886	-	-	2,886	-	2,886
Amortisation	攤銷	-	2,403	-	-	2,403	-	2,403
Depreciation	折舊	-	-	285	4,396	4,681	452	5,133
Reversal of allowance for bad and doubtful debts	撥回呆壞賬撥備	-	-	(2,515)	-	(2,515)	-	(2,515)
Finance costs	財務費用	-	-	5,133	-	5,133	5,398	10,531
Interest income	利息收入	-	-	(8,460)	-	(8,460)	-	(8,460)

10. 分類資料 (續)

其他分類資料

		Trading business	Mineral mining, oil and gas business	Financial business	Property investment	Total	Unallocated	Consolidated
		貿易業務 HK\$'000 千港元	油氣業務 HK\$'000 千港元	金融業務 HK\$'000 千港元	物業投資 HK\$'000 千港元	合共 HK\$'000 千港元	未分配 HK\$'000 千港元	綜合 HK\$'000 千港元
Continuing operation For the year ended 31 December 2016	持續經營業務 截至二零一六年十二月三十一日 止年度							
Amounts included in the measure of segment profit (loss) or segment assets:	計量分類溢利(虧損)或 分類資產計入之金額:							
Additions to fixed assets	固定資產增添	-	-	924	19	943	92	1,035
Impairment loss on exploration and evaluation assets	勘探及估計資產減值虧損	-	2,003	-	-	2,003	-	2,003
Amortisation	攤銷	-	2,403	-	-	2,403	-	2,403
Depreciation	折舊	-	-	282	4,441	4,723	402	5,125
Reversal of allowance for bad and doubtful debts	撥回呆壞賬撥備	-	-	(2,512)	-	(2,512)	-	(2,512)
Finance costs	財務費用	-	-	4,508	-	4,508	1,851	6,359
Interest income	利息收入	-	-	(9,951)	-	(9,951)	-	(9,951)

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

10. SEGMENT INFORMATION (Continued)

Geographical information

All of the activities of trading business are based in the PRC and Hong Kong. The activities of mineral mining is based in Kenya, while oil and gas business are based in Tunisia and Madagascar. All of the activities of the financial business are based in Hong Kong.

The Group's revenue from continuing operations and its non-current assets, other than available-for-sales securities, deposit paid for acquisition of a subsidiary statutory deposits and loans receivables, by geographical location of the assets regarding its operations are detailed below:

10. 分類資料 (續)

地區資料

貿易業務之一切活動在中國及香港進行。採礦活動在肯尼亞進行，而油氣業務在突尼西亞及馬達加斯加進行。金融業務之一切活動在香港進行。

除可供出售證券、收購一間附屬公司已付按金、法定按金及應收貸款外，本集團按資產之地理位置劃分其經營之持續經營業務之收益及其非流動資產詳情如下：

		Revenue		Non-current assets	
		收益		非流動資產	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	25,501	26,204	1,326	6,105
Tunisia	突尼西亞	-	-	-	2,886
Kenya	肯尼亞	-	-	1,401	3,804
PRC	中國	69,815	2,201	598,186	526,872
Madagascar	馬達加斯加	1,749	2,924	119,211	123,585
		97,065	31,329	720,124	663,252

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綜合財務報表附註

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

10. SEGMENT INFORMATION (Continued)

Information about major customer

Revenue from customers of the year from continuing operations ended 31 December 2017 and 2016 contributing over 10% of the total revenue of the Group are generated from mining business as follow:

Customer A – Trading business	客戶甲 – 貿易業務
Customer B – Property investment	客戶乙 – 物業投資

There is no other single customer contributing over 10% of total revenue from continuing operations of the Group for the years ended 31 December 2017 and 2016.

10. 分類資料 (續)

主要客戶之資料

以下為截至二零一七年及二零一六年十二月三十一日止年度佔本集團總收益逾10%之所有產生自採礦業務之持續經營業務之客戶收益：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Re-presented) (經重列)
Customer A – Trading business	47,705	N/A 不適用
Customer B – Property investment	15,455	N/A 不適用

截至二零一七年及二零一六年十二月三十一日止年度，並無其他單一客戶貢獻本集團持續經營業務總收益10%以上。

11. FINANCE COSTS

Continuing operations

Interest on borrowings wholly repayable within five years:

Corporate bonds	公司債券
Borrowing	借貸
Bank borrowings and bank overdrafts	銀行借貸及銀行透支
Amounts due to directors	應付董事款項

	10,531	6,358
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11. 財務費用

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest on borrowings wholly repayable within five years:		
Corporate bonds	856	–
Borrowing	4,791	–
Bank borrowings and bank overdrafts	–	6
Amounts due to directors	4,884	6,352
	10,531	6,358

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綜合財務報表附註

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

12. TAXATION

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

12. 稅項

綜合損益及其他全面收益表之所得稅乃指：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Continuing operations	持續經營業務		
Current tax – PRC enterprise income tax provision for the year	即期稅項 – 一年內中國企業所得稅撥備	12	664
Deferred tax – origination and reversal of temporary difference	遞延稅項 – 暫時差額之產生及撥回	31,884	(1,337)
		31,896	(673)

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2017 and 2016 as the relevant group entities have no assessable profits or the assessable profit is wholly absorbed by tax losses brought forward for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. No provision for profits tax is made in other jurisdictions as the subsidiaries operating in other jurisdictions have no assessable profits for both years.

由於截至二零一七年及二零一六年十二月三十一日止年度相關集團實體沒有應課稅溢利，或該等應課稅溢利已全數被承前稅項虧損抵銷，故並無於該兩個年度計提香港利得稅。

根據中華人民共和國關於企業所得稅之法律（「企業所得稅法」）及企業所得稅法之實施條例，中國附屬公司於兩個年度之稅率為25%。

於其他司法權區產生之稅項按相關司法權區現行稅率計算。由於在其他司法權區經營之附屬公司於該兩個年度均無任何應課稅溢利，故並無計提其他司法權區之利得稅。

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

12. TAXATION (Continued)

The taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

12. 稅項 (續)

年度稅項與綜合損益及其他全面收益表之除稅前虧損對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Re-present) (經重列)
Profit/(Loss) before taxation	除稅前溢利／(虧損)	94,478	(39,609)
Taxation charge at the Hong Kong Profits Tax rate of 16.5%	以香港利得稅率16.5%計算之稅項支出	15,589	(6,536)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(602)	(440)
Tax effect of estimated tax losses not recognised	未確認估計稅務虧損之稅務影響	966	1,172
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	8,693	6,409
Tax effect of utilisation of tax loss previously not recognised	動用先前未確認稅務虧損之稅務影響	(3,520)	(703)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	10,770	(575)
Taxation for the year	年度稅項	31,896	(673)

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13. PROFIT/(LOSS) FOR THE YEAR

13. 年度溢利／（虧損）

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Re-presented) (經重列)
Continuing operations	持續經營業務		
Profit/(Loss) for the year has been arrived at after charging (crediting):	年度溢利／（虧損）已扣除（計入）下列各項：		
Auditor's remuneration	核數師酬金	1,265	1,180
Amortisation	攤銷	2,403	2,403
Depreciation	折舊	5,133	7,724
Staff cost, including Directors' remuneration	員工成本（包括董事酬金）	28,691	27,674
Contributions to retirement benefits scheme (included in staff costs)	退休福利計劃供款（計入員工成本）	692	764
Cost of inventories recognised as expense	確認為開支之存貨成本	47,276	-
Loss/(Gain) from error trades	錯誤交易虧損／（收益）	17	(3)
Interest income on bank deposits (included in other income)	銀行存款之利息收入（計入其他收入）	(28)	-
Operating lease in respect of office premises	有關辦公室物業之經營租約	5,748	6,912

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

14. 已終止經營業務及持作出售之出售組別

During the year ended 31 December 2017, the directors resolved to dispose of the Group's operation in mineral mining operation in the PRC. Negotiations with several interested parties have subsequently taken place. The asset and liabilities attributable to the business, which are expected to be sold within twelve months, have been classified as a disposal group held for sales and are presented separately in the consolidated statement of financial position (see below). The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

The (loss)/profit for the year from the discontinued mineral mining operation in the PRC is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the mineral mining operation in the PRC as a discontinued operation.

截至二零一七年十二月三十一日止年度，董事決議出售本集團於中國之採礦業務。其後已與多名有興趣之人士進行磋商。該業務應佔之資產及負債（預期將於十二個月內出售）已分類為持作出售之出售組別且目前在綜合財務狀況表內單獨呈列（見下文）。出售所得款項淨額預期將超過相關資產及負債之賬面值，因此，並無確認減值虧損。

已終止經營中國採礦業務之年內（虧損）／溢利載列如下。綜合損益及其他全面收益表之比較數字已經重列，已將中國之採礦業務重新呈列為已終止經營業務。

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

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

(Continued)

14. 已終止經營業務及持作出售之出售組別 (續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	–	105,240
Cost of sales	銷售成本	–	(62,323)
Gross profit	毛利	–	42,917
Other income	其他收入	12,573	23,262
Other gain or loss	其他收益或虧損	1,772	(708)
Selling and distribution expenses	銷售及分銷費用	(1,263)	(119)
Administrative expenses	行政費用	(112,889)	(15,118)
(Loss)/Profit from operation	經營(虧損)/溢利	(99,807)	50,234
Finance cost	財務費用	(3)	(98)
(Loss)/Profit before taxation	除稅前(虧損)/溢利	(99,810)	50,136
Taxation	稅項	(269)	(8,055)
(Loss)/Profit for the year	年內(虧損)/溢利	(100,079)	42,081
(Loss)/Profit for the year from discontinued operations including the following:	已終止經營業務之年內(虧損)/溢利包括以下各項:		
Depreciation	折舊	24	741
Amortisation	攤銷	174	2,646
Interest income	利息收入	(9)	(7)

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綜合財務報表附註

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

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE (Continued)

The major classes of assets and liabilities of the mineral operation in the PRC as at 31 December 2017, which have been presented separately in the consolidated statement of financial position, are as follows:

14. 已終止經營業務及持作出售之出售組別 (續)

於二零一七年十二月三十一日，本集團礦物業務之資產及負債之主要類別（於綜合財務狀況表獨立呈列）如下：

		HK\$'000 千港元
Fixed assets	固定資產	42,968
Intangible assets	無形資產	42,781
Prepaid land leases	預付土地租金	7,005
Inventories	存貨	62,454
Other receivables, prepayments and deposits	其他應收賬款、預付款項及按金	118,483
Bank balances (general accounts) and cash	銀行結存（一般賬戶）及現金	45,130
<hr/>		
Assets classified as disposal group held for sale	分類為持作出售之出售組別之資產	318,821
<hr/>		
Accounts payable	應付賬款	4,154
Other payables and accrual	其他應付賬款及應計費用	101,168
Tax payable	應付稅項	16,557
Deferred tax liabilities	遞延稅項負債	11,524
<hr/>		
Liabilities associated with disposal group held for sale	與持作出售之出售組別有關之負債	133,403

Cumulative amount of approximately HK\$14,756,000 relating to the disposal group classified as held for sale has been recognised in other comprehensive income and included in equity.

與分類為持作出售之出售組別有關之累計金額約14,756,000已於其他全面收入確認並計入權益。

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

15. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

15. 董事及主要行政人員酬金

	Hui Chi Ming 許智銘 HK\$'000 千港元	Neil Bush 尼爾·布什 HK\$'000 千港元	Chui Say Hoe 徐世和 HK\$'000 千港元	Xu Jun Jia 許峻嘉 HK\$'000 千港元	Cao Yu 曹宇 HK\$'000 千港元	Lam Kwok Hing 藍國慶 HK\$'000 千港元	Nam Kwok Lun 藍國倫 HK\$'000 千港元	Ren Qian 任前 HK\$'000 千港元 (Note c) (附註c)	Ng Chi Kin David 伍志堅 HK\$'000 千港元	Chen Wei-Ming Eric 陳偉明 HK\$'000 千港元	Kwan Wang Wai Alan 關宏偉 HK\$'000 千港元	Yim Kai Pung 嚴繼鵬 HK\$'000 千港元 (Note d) (附註d)	Total 合共 2017 二零一七年 HK\$'000 千港元
Fees: Independent Non-Executive Directors 袍金：獨立非執行董事	-	-	-	-	-	-	-	-	50	50	50	25	175
Other emoluments to Executive Directors: Other emoluments to Executive Directors: Salaries and other benefits 薪金及其他福利	963	600	648	950	963	2,808	984	294	-	-	-	-	8,210
Contributions to retirement benefits scheme 退休福利計劃供款	18	-	-	18	18	18	18	-	-	-	-	-	90
Total remuneration 總酬金	981	600	648	968	981	2,826	1,002	294	50	50	50	25	8,475

	Hui Chi Ming 許智銘 HK\$'000 千港元	Neil Bush 尼爾·布什 HK\$'000 千港元	Chui Say Hoe 徐世和 HK\$'000 千港元	Xu Jun Jia 許峻嘉 HK\$'000 千港元 (Note a) (附註a)	Cao Yu 曹宇 HK\$'000 千港元 (Note b) (附註b)	Lam Kwok Hing 藍國慶 HK\$'000 千港元	Nam Kwok Lun 藍國倫 HK\$'000 千港元	Ng Chi Kin David 伍志堅 HK\$'000 千港元	Chen Wei-Ming Eric 陳偉明 HK\$'000 千港元	Kwan Wang Wai Alan 關宏偉 HK\$'000 千港元	Total 合共 2016 二零一六年 HK\$'000 千港元
Fees: Independent Non-Executive Directors 袍金：獨立非執行董事	-	-	-	-	-	-	-	-	50	50	150
Other emoluments to Executive Directors: Other emoluments to Executive Directors: Salaries and other benefits 薪金及其他福利	625	600	625	600	625	2,808	984	-	-	-	6,867
Contributions to retirement benefits scheme 退休福利計劃供款	18	-	-	18	18	18	18	-	-	-	90
Total remuneration 總酬金	643	600	625	618	643	2,826	1,002	50	50	50	7,107

Note a: Mr. Hui Ngok Ka changed his name to Mr. Xu Jun Jia on 4 May 2016, and he was appointed as Director of the Company on 1 January 2016.

Note b: Mr. Cao Yu was appointed as Director of the Company on 1 January 2016.

Note c: Mr. Ren Qian was appointed as Director of the Company on 5 July 2017.

Note d: Mr. Yim Kai Pung was appointed as Director of the Company on 1 July 2017.

附註a：許岳嘉先生於二零一六年五月四日更名為許峻嘉先生，並於二零一六年一月一日獲委任為本公司董事。

附註b：曹宇先生於二零一六年一月一日獲委任為本公司董事。

附註c：任前先生於二零一七年七月五日獲委任為本公司董事。

附註d：嚴繼鵬先生於二零一七年七月一日獲委任為本公司董事。

During both years, no emolument was paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments during the year (2016: Nil).

Salaries, allowance and benefits in kind paid to or for the executive directors are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

於兩個年度內，本集團概無向任何董事支付任何酬金，以吸引其加入本集團或作為離職賠償。於年度內，董事並無放棄任何酬金（二零一六年：無）。

向或就執行董事支付之薪金、津貼及實物福利乃一般為就該等人士管理本公司及其附屬公司之事務所提供之其他服務支付或應收之酬金。

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16. EMPLOYEES' EMOLUMENTS

The five individuals with the highest emoluments in the Group included three (2016: three) Directors of the Company for the year, details of whose emoluments are included in note 15. The emoluments of the remaining two (2016: two) individuals were as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,300	2,869
Contributions to retirement benefits scheme	退休福利計劃供款	36	18
		3,336	2,887

The emoluments of two (2016: two) individual with the highest emolument is within the following band:

Emoluments band	酬金範圍	2017 二零一七年 No. of individuals 人數	2016 二零一六年 No. of individuals 人數
HK\$Nil to HK\$1,500,000	零港元至1,500,000港元	1	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
		2	2

During both years, no emolument was paid by the Group to the above-mentioned individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

16. 僱員酬金

於年度內，本集團之五名最高薪酬人士包括三名（二零一六年：三名）本公司董事，其薪酬詳情載於附註15。其餘兩名（二零一六年：兩名）人士之酬金如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,300	2,869
Contributions to retirement benefits scheme	退休福利計劃供款	36	18
		3,336	2,887

兩名（二零一六年：兩名）最高薪人士之酬金介乎下列範圍內：

Emoluments band	酬金範圍	2017 二零一七年 No. of individuals 人數	2016 二零一六年 No. of individuals 人數
HK\$Nil to HK\$1,500,000	零港元至1,500,000港元	1	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
		2	2

於兩個年度內，本集團概無向上述人士支付任何酬金，以吸引其加入本集團或加入時或作為離職賠償。

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綜合財務報表附註

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

17. EARNINGS/(LOSS) PER SHARE

For continuing operations

The calculation of the basic earnings/(loss) per share attributable to the owners of the Company is based on the following data:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Earnings/(loss):	盈利/(虧損):		
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic earnings/(loss) per share	用以計算每股基本盈利/(虧損)之本公司擁有人應佔年度溢利/(虧損)	61,976	(39,777)
		Number of shares 股份數目	
		'000 千股	'000 千股
Number of shares:	股份數目:		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	用以計算每股基本盈利/(虧損)之普通股加權平均數	2,521,280	1,749,158

No diluted earnings/(loss) per share was presented as there were no potential ordinary shares during the years ended 31 December 2017 and 2016.

17. 每股盈利/(虧損)

持續經營業務

本公司擁有人應佔每股基本盈利/(虧損)乃按下列數據計算:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Earnings/(loss):	盈利/(虧損):		
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic earnings/(loss) per share	用以計算每股基本盈利/(虧損)之本公司擁有人應佔年度溢利/(虧損)	61,976	(39,777)
		Number of shares 股份數目	
		'000 千股	'000 千股
Number of shares:	股份數目:		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	用以計算每股基本盈利/(虧損)之普通股加權平均數	2,521,280	1,749,158

由於截至二零一七年及二零一六年十二月三十一日止年度並無潛在普通股，故並無呈列每股攤薄盈利/(虧損)。

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

17. EARNINGS/(LOSS) PER SHARE (Continued)

For continuing and discontinued operations

The calculation of the basic earnings/(loss) per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

Earnings/(loss):	盈利／（虧損）：
Profit/(loss) for the purposes of	用以計算每股基本盈利／（虧損）之
basic earnings/(loss) per share	溢利／（虧損）

The denominators used are the same as those detailed above for both basic earnings/(loss) per share.

From discontinued operations

Basic loss per share for the discontinued operation is HK\$2.00 cents per share (2016: earnings per share of HK\$2.01 cents per share), based on the loss for the year from the discontinued operations of approximately HK\$50,312,000 (2016: profit of approximately HK\$35,156,000) and the denominators detailed above for both basic earnings/(loss) per share.

18. DIVIDEND

The Directors do not recommend the payment of a final dividend for both years.

17. 每股盈利／（虧損）（續）

持續經營業務及已終止經營業務

本公司擁有人應佔持續經營業務及已終止經營業務之每股基本盈利／（虧損）乃按下列數據計算：

2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元

	11,664	(4,621)
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所用分母與上文所詳述之每股基本盈利／（虧損）所用者相同。

已終止經營業務

已終止經營業務之每股基本虧損為每股2.00港仙（二零一六年：每股盈利每股2.01港仙），乃根據已終止經營業務之年內虧損約50,312,000港元（二零一六年：溢利約35,156,000港元）及上文所詳述之每股基本盈利／（虧損）所用之分母計算。

18. 股息

董事不建議就該兩個年度派付末期股息。

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

19. FIXED ASSETS

19. 固定資產

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in process 在建工程 HK\$'000 千港元	Property 物業 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Total 合共 HK\$'000 千港元
COST	成本								
At 1 January 2016	於二零一六年一月一日	1,015	6,392	1,978	1,927	16,316	136,094	27,203	190,925
Additions	增添	520	418	97	-	7,574	-	3,359	11,968
Disposal of a subsidiary	出售一間附屬公司	-	(4)	-	-	-	-	-	(4)
Disposal	出售	-	-	-	-	-	-	(2,410)	(2,410)
Transfer	轉撥	-	(300)	-	300	(14,256)	8,447	5,809	-
Written-off	撇銷	-	-	(55)	-	-	-	-	(55)
Exchange adjustment	匯兌調整	-	(18)	(9)	(28)	(746)	(752)	(2,018)	(3,571)
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	1,535	6,488	2,011	2,199	8,888	143,789	31,943	196,853
Additions	增添	-	19	11	-	1,736	-	-	1,766
Disposal	出售	-	-	(273)	-	-	-	(12,680)	(12,953)
Transfer to the disposal group classified for held-for-sales	轉撥至分類為持作出售之 出售組別	-	(211)	-	(118)	-	(25,997)	(21,108)	(47,434)
Deregistration of a subsidiary	註銷一間附屬公司	-	(58)	-	(307)	-	-	-	(365)
Transfer	轉撥	-	-	-	-	(10,911)	10,845	66	-
Exchange adjustment	匯兌調整	-	19	9	26	287	1,363	1,779	3,483
At 31 December 2017	於二零一七年十二月三十一日	1,535	6,257	1,758	1,800	-	130,000	-	141,350
DEPRECIATION	折舊								
At 1 January 2016	於二零一六年一月一日	1,015	5,457	1,701	955	-	2,423	2,421	13,972
Provided for the year	年度撥備	55	248	141	375	-	4,461	3,185	8,465
Written off on disposal	出售時撇銷	-	-	-	-	-	-	(2,520)	(2,520)
Transfer	轉撥	-	(15)	-	15	-	-	-	-
Eliminated on disposals from disposal group classified for held-for-sales	分類為持作出售之 出售組別出售時對銷	-	(1)	(55)	-	-	-	-	(56)
Exchange adjustment	匯兌調整	-	(12)	(6)	(17)	-	(21)	(182)	(238)
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	1,070	5,677	1,781	1,328	-	6,863	2,904	19,623
Provided for the year	年度撥備	111	246	109	452	-	5,297	2,647	8,862
Disposal	出售	-	-	(273)	-	-	-	(2,947)	(3,220)
Written off on deregistration of a subsidiary	註銷一間附屬公司時撇銷	-	(58)	-	(254)	-	-	-	(312)
Transfer to the disposal group classified for held-for-sales	轉撥至分類為持作出售之 出售組別	-	(166)	-	(118)	-	(1,386)	(2,796)	(4,466)
Exchange adjustment	匯兌調整	-	13	5	20	-	61	192	291
At 31 December 2017	於二零一七年十二月三十一日	1,181	5,712	1,622	1,428	-	10,835	-	20,778
CARRYING VALUES	賬面值								
At 31 December 2017	於二零一七年十二月三十一日	354	545	136	372	-	119,165	-	120,572
At 31 December 2016	於二零一六年十二月三十一日	465	811	230	871	8,888	136,926	29,039	177,230

Depreciation is provided using the straight-line method at the following rates per annum:

折舊以直線法按以下年率計提：

Leasehold improvements	20% – 33 ¹ / ₃ %
Computer equipment	20% – 50%
Furniture and fixtures	20% – 40%
Motor vehicles	20% – 30%
Property	2% – 5%
Plant and machinery	10%

租賃物業裝修	20% – 33 ¹ / ₃ %
電腦設備	20% – 50%
傢俬及裝置	20% – 40%
汽車	20% – 30%
物業	2% – 5%
廠房及機器	10%

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綜合財務報表附註

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

20. INVESTMENT PROPERTIES

20. 投資物業

		HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	435,054
Exchange adjustment	匯兌調整	(2,415)
At 31 December 2016	於二零一六年十二月三十一日	432,639
Fair value change	公平值變動	130,420
Exchange adjustment	匯兌調整	35,092
At 31 December 2017	於二零一七年十二月三十一日	598,151

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

凡本集團根據經營租賃持作以賺取租金或資本增值的物業權益均採用公平值模式計量，並被分類為及入賬列作投資物業。

Investment properties represent a commercial unit located in the PRC.

投資物業指一個位於中國之商業單位。

The fair values of the Group's investment properties at 31 December 2017 have been arrived at on the basis of a valuation carried out on that day by Malcolm & Associates Appraisal Limited, an independent qualified professional valuer that is not connected with the Group.

本集團於二零一七年十二月三十一日之投資物業公平值乃由與本集團並無關連之獨立合資格專業估值師建盟顧問有限公司按當日之估值釐定。

The fair value was determined based on the "Direct Comparison Method" and "Investment Method", where the value is assessed by reference to the comparable properties of sales evidence as available in the relevant market, factoring in all the respective advantages and disadvantages of each property in order to arrive at the comparison of capital value.

公平值乃按「直接比較法」及「投資法」釐定，而其價值乃參照相關市場可得之可資比較物業銷售證據而評定，並經考量各物業之一切相關利弊因素以達致資本價值之比較。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. INVESTMENT PROPERTIES (Continued)

The carrying amounts of investment properties shown above comprise:

Properties in PRC:
Medium-term lease

中國物業：
中期租賃

2017
二零一七年
HKS'000
千港元

2016
二零一六年
HK\$'000
千港元

598,151

432,639

The fair value measurements for all of the Group's investment properties are categorised as level 3. The following table gives information about how the fair values of the investment properties as at 31 December 2017 are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised level 3 based on the degree to which the inputs to the fair value measurements is observable.

Properties	Fair value hierarchy	Valuation technique & key input 估值技術及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值之關係
Property – located in Beijing, PRC	Level 3	Direct comparison method and investment method The key input is price per square foot	Price per square foot, using market direct comparable and taking into account location and other individual factors such as age and location of the property, approximately RMB23,655 per square foot as at 31 December 2017	An increase in the price per square foot will increase significantly the fair value
物業一位於中國北京	第三級	直接比較法及投資法 主要輸入數據為每平方呎價格	利用市場直接可資比較物業並計及地點及其他個別因素(例如物業的樓齡及地點)得出之每平方呎價格,即於二零一七年十二月三十一日每平方呎約人民幣23,655元	每平方呎價格上升將大幅增加公平值

During the period ended 31 December 2017, there were no transfers between level 1 and level 2, or transfers into or out of level 3.

20. 投資物業 (續)

上述投資物業之賬面值包括：

本集團所有投資物業之公平值計量獲分類為第三級。下表提供如何釐定投資物業於二零一七年十二月三十一日之公平值之資料(特別是估計技術及所用之輸入數據),以及根據公平值計量輸入數據之可觀察程度分類公平值計量所屬公平值等級為第三級。

截至二零一七年十二月三十一日止期間,概無於第一級及第二級之間轉換,或轉入或轉出第三級。

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

21. INTANGIBLE ASSETS

21. 無形資產

		Mineral mining rights 採礦權 HK\$'000 千港元	Trading rights 交易權 HK\$'000 千港元	Total 合共 HK\$'000 千港元
COST	成本			
At 1 January 2016	於二零一六年一月一日	58,444	50	58,494
Exchange realignment	匯兌調整	(2,945)	–	(2,945)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	55,499	50	55,549
Transfer to disposal group classified for held for sales	轉撥至分類為持作出售之 出售組別	(46,536)	–	(46,536)
Exchange realignment	匯兌調整	3,049	–	3,049
At 31 December 2017	於二零一七年十二月三十一日	12,012	50	12,062
AMORTISATION	攤銷			
At 1 January 2016	於二零一六年一月一日	7,030	50	7,080
Provided for the year	年度撥備	4,871	–	4,871
Exchange realignment	匯兌調整	(184)	–	(184)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	11,717	50	11,767
Provided for the year	年度撥備	2,403	–	2,403
Transfer to disposal group classified for held for sales	轉撥至分類為持作出售之 出售組別	(3,755)	–	(3,755)
Exchange realignment	匯兌調整	246	–	246
At 31 December 2017	於二零一七年十二月三十一日	10,611	50	10,661
CARRYING VALUES	賬面值			
At 31 December 2017	於二零一七年十二月三十一日	1,401	–	1,401
At 31 December 2016	於二零一六年十二月三十一日	43,782	–	43,782

Trading rights represent two trading rights in the Stock Exchange and one trading right in Hong Kong Futures Exchange Limited.

交易權指聯交所之兩個交易權及香港期貨交易所有限公司之一個交易權。

Trading rights were amortised over nine years.

交易權按九年攤銷。

Notes to the Consolidated Financial Statements

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

21. INTANGIBLE ASSETS (Continued)

As at 31 December 2017, the Group had one mining rights in respect of the rights granted under the Licence 253 in respect of Kenya Mine 253, an area of approximately 1,056 square kilometers situated in Kitui District Eastern Province, Kenya.

Mineral mining rights of Kenya Mine 253 were amortised over 5 years.

21. 無形資產 (續)

於二零一七年十二月三十一日，本集團擁有一項採礦權，涉及有關肯尼亞第253號礦場之第253號許可證授出之權利，該礦場位於肯尼亞東部省庫裡亞地區(Kitui District Eastern Province)，面積約1,056平方公里。

肯尼亞第253號礦場之採礦權按五年攤銷。

22. EXPLORATION AND EVALUATION ASSETS

22. 勘探及估計資產

		Assets under- construction (Note a) 在建資產 (附註a) HK\$'000 千港元
COST	成本	
At 1 January 2016	於二零一六年一月一日	4,889
Impairment loss	減值虧損	(2,003)
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日及 於二零一七年一月一日	2,886
Impairment loss	減值虧損	(2,886)
At 31 December 2017	於二零一七年十二月三十一日	-

Notes:

Assets under construction presented the cost of various kinds of oil drilling and production equipment located in Ksar Hadada, Tunisia, from the acquisition of subsidiaries in 2013. As at 31 December 2017, the Group carried out an impairment review for the exploration and evaluation assets in Tunisia. An impairment loss of approximately HK\$2,886,000 (2016: HK\$2,003,000) was recognised in profit or loss in relation to the exploration and evaluation assets in Tunisia.

附註：

在建資產指源自於二零一三年收購附屬公司位於突尼西亞Ksar Hadada各種石油鑽探及生產設備之成本。於二零一七年十二月三十一日，本集團對突尼西亞之勘探及估計資產進行減值檢討。就突尼西亞之勘探及估計資產於損益中確認約2,886,000港元(二零一六年：2,003,000港元)之減值虧損。

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

23. DEFERRED TAX LIABILITIES

The following is deferred tax liabilities recognised and movements thereon during the year ended 31 December 2017:

23. 遞延稅項負債

以下為於截至二零一七年十二月三十一日止年度確認之遞延稅項負債及其變動：

		Fair value changes on investment properties	Fair value adjustments arising from acquisition of subsidiaries	Total
		投資物業 公平值變動	收購附屬公司 產生之公平值 調整	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	-	13,991	13,991
Credit to profit or loss	撥入損益	-	(1,337)	(1,337)
Exchange realignment	匯兌調整	-	(743)	(743)
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	-	11,911	11,911
Transfer to disposal group classified for held for sale	轉撥至分類為持作出售之 出售組別	-	(11,524)	(11,524)
Charged to profit or loss	於損益扣除	32,605	(721)	31,884
Exchange realignment	匯兌調整	-	754	754
At 31 December 2017	於二零一七年十二月三十一日	32,605	420	33,025

At the end of the reporting period, the Group had estimated unused tax losses of approximately HK\$99,461,000 (2016: HK\$92,220,000) available for offset against future profits. No deferred tax asset has been recognised in relation to such unused tax losses as it is not probable that taxable profit will be available against which the unused tax losses can be utilised. Tax losses may be carried forward indefinitely.

於報告期終日，本集團的未動用估計稅務虧損約為99,461,000港元（二零一六年：92,220,000港元）可供抵銷未來溢利。由於不太可能有應課稅溢利可用於抵銷未動用稅務虧損，故並無就上述未動用稅務虧損確認遞延稅項資產。稅務虧損可無限期結轉。

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

24. AVAILABLE-FOR-SALE SECURITIES

Available-For-Sale Securities comprise:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Listed investment:	上市投資：		
– Equity securities listed on Hong Kong Stock Exchange	– 於香港聯交所上市之股本證券	1,098	1,440
		1,098	1,440
Analysed for reporting purposes as:	用於報告之分析：		
Current assets	流動資產	–	–
Non-current assets	非流動資產	1,098	1,440
		1,098	1,440

24. 可供出售證券

可供出售證券包括：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	1,098	1,440
	1,098	1,440
	–	–
	1,098	1,440
	1,098	1,440

25. STATUTORY DEPOSITS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deposits with:	存放於下列公司之款項：		
The Stock Exchange of Hong Kong Limited	香港聯合交易所有限公司	230	230
The Securities and Futures Commission Hong Kong Securities Clearing Company Limited ("HKSCC")	證券及期貨事務監察委員會 香港中央結算有限公司 (「香港結算」)	2,100	2,100
Reserve Fund Contribution to Hong Kong Futures Exchange Clearing Corporation Limited ("HKFECC")	香港期貨結算有限公司 (「期貨結算公司」) 之儲備金供款	200	200
		1,527	1,525
		4,057	4,055

25. 法定按金

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26. LOANS RECEIVABLE

26. 應收貸款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fixed-rate loans receivable denominated in functional currency of Hong Kong dollars	以功能貨幣港元列值 之定息應收貸款	23,455	12,610
Carrying amount analysed for reporting purposes:	用於報告之賬面值 分析：		
Current assets (receivable within 12 months from the end of the reporting period)	流動資產（可自報告 期終日起十二個月內 收取）	1,480	127
Non-current assets (receivable after 12 months from the end of the reporting period)	非流動資產（可自報告 期終日起十二個月後 收取）	21,975	12,483
		23,455	12,610

The fixed-rate loans receivable have contractual maturity dates as follows:

定息應收貸款之合約到期日如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 1 year	一年內	1,480	127
In more than one year but not more than two years	一年後但兩年內	7,055	10
In more than two years but not more than five years	兩年後但五年內	13,196	–
In more than five years	五年後	1,724	12,473
		23,455	12,610

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26. LOANS RECEIVABLE (Continued)

Loan receivable with a carrying value of approximately HK\$34,112,000 is secured by a property located in Hong Kong. The Group is not permitted to sell or repledge the property in the absence of default by the customer.

The effective interest rates (which are equal to contractual interest rates) on the Group's loans receivable ranged from 6.25% to 8.25% per annum (2016: 5% to 8.25%). Interest rate term is fixed at the time when entering into loan agreement. The periods of the loans ranged from 2 years to 27 years.

In determining recoverability of the loans receivable, the Group considers any change in credit quality of the borrowers from the date credit was initially granted up to the end of the reporting period. Loans receivable with a carrying amount of approximately HK\$21,429,000 (2016: HK\$12,525,000) are neither past due nor impaired at the end of the reporting period for which the Group believes that the amounts are with good credit quality. Therefore, no provision is considered necessary.

Loans receivable with a carrying amount of approximately HK\$2,026,000 (2016: HK\$85,000) are past due as at the reporting date but not impaired, as the Group considered the amount was recovered subsequently to the end of the reporting period.

26. 應收貸款 (續)

賬面值約為34,112,000港元之應收貸款以位於香港之物業作抵押。在客戶並無違約之情況下，本集團不得出售或再次質押該物業。

本集團應收貸款之實際利率（等同合約利率）為每年6.25%至8.25%（二零一六年：5%至8.25%）。利率條款於訂立貸款協議時釐定。貸款期介乎兩年至二十七年。

於釐定應收貸款可否收回時，本集團會考慮借款人自初次授出信貸日期起直至報告期終日的信貸質素有無變化。於報告期終日，賬面值約21,429,000港元（二零一六年：12,525,000港元）之應收貸款並未過期亦未減值，而本集團相信有關款項信貸質素良好，因此認為毋須作出撥備。

賬面值約2,026,000港元（二零一六年：85,000港元）之應收貸款於報告日期已逾期但未減值，原因為本集團認為該款項於報告期終日後已收回。

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27. PREPAID LAND LEASES

27. 預付土地租金

		Total 合共 HK\$'000 千港元
COST	成本	
At 1 January 2016	於二零一六年一月一日	7,500
Acquisition of a subsidiary	收購一間附屬公司	(475)
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日及 於二零一七年一月一日	7,025
Transfer to disposal group classified for held-for-sale	轉撥至分類為持作出售之 出售組別	(7,517)
Exchange adjustment	匯兌調整	492
At 31 December 2017	於二零一七年十二月三十一日	-
Amortisation	攤銷	
At 1 January 2016	於二零一六年一月一日	151
Provided for the year	年度撥備	177
Exchange adjustment	匯兌調整	(18)
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日及 於二零一七年一月一日	310
Provided for the year	年度撥備	174
Transfer to disposal group classified for held-for-sales	轉撥至分類為持作出售之 出售組別	(512)
Exchange adjustment	匯兌調整	28
At 31 December 2017	於二零一七年十二月三十一日	-
CARRYING VALUES	賬面值	
At 31 December 2017	於二零一七年十二月三十一日	-
At 31 December 2016	於二零一六年十二月三十一日	6,715

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27. PREPAID LAND LEASES (Continued)

27. 預付土地租金 (續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current portion	即期部分	-	169
Non-current portion	非即期部分	-	6,546
		-	6,715

28. INVENTORIES

28. 存貨

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw Material	原材料	-	910
Finished goods	製成品	-	56,152
		-	57,062

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29. ACCOUNTS RECEIVABLE

29. 應收賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Accounts receivable consist of:	應收賬款包括下列項目：		
Accounts receivable arising from business of trading natural resource and petrochemical	天然資源及石化產品貿易業務所產生之應收賬款	629	–
Accounts receivable arising from business of properties investment	投資物業業務所產生之應收賬款	24,605	1,681
Accounts receivable arising from mineral business	礦物業務所產生之應收賬款	–	56,855
Accounts receivable arising from the business of dealing in securities:	買賣證券業務所產生之應收賬款：		
– Cash clients	– 現金客戶	15,841	17,275
Less: Allowance for doubtful debts	扣除：呆賬撥備	(941)	(4,296)
		14,900	12,979
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	– 香港中央結算有限公司（「香港結算」）	2,811	4,086
Accounts receivable from Hong Kong Futures Exchange Clearing Corporation Limited (“HKFECC”) arising from the business of dealing in futures contracts	買賣期貨合約業務所產生之應收香港期貨結算有限公司（「期貨結算公司」）賬款	1,390	3,416
Loans to securities margin clients	給予證券保證金客戶之貸款	84,410	58,951
Less: Allowance for doubtful debts	扣除：呆賬撥備	(57)	(63)
		84,353	58,888
Accounts receivable arising from the business of advisory for financial management	財務管理諮詢業務所產生之應收賬款	6	1,088
		128,694	138,993

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

29. ACCOUNTS RECEIVABLE (Continued)

An average credit period for accounts receivable from trading business is 30 days. The accounts receivable from trading business aged within 90 days.

An average credit period for accounts receivable from mineral business is 60 days. The aged analysis of accounts receivable arising from mineral business is as follow:

Accounts receivable from mineral business

0 – 180 days	0至180日
More than 180 days	180日以上

29. 應收賬款 (續)

來自貿易業務應收賬款之平均信貸期為30日。來自貿易業務應收賬款之賬齡為90日內。

來自礦物業務應收賬款之平均信貸期為60日。礦物業務產生之應收賬款之賬齡分析如下：

來自礦物業務之應收賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		–	55,938
		–	917
		–	56,855

The Group does not provide any credit term to its property investment client. The accounts receivable from investment property business aged within 90 days.

The settlement terms of accounts receivable from cash clients, HKSCC, HKFECC and brokers are usually one to two days after the trade date. Except for the accounts receivable from cash clients as mentioned below, the accounts receivable from HKSCC and HKFECC aged within 30 days.

本集團並無向物業投資客戶提供任何信貸期。來自投資物業業務應收賬款之賬齡為90日內。

現金客戶、香港結算、期貨結算公司及經紀應收賬款之結算期限通常為交易日期後一至兩日。除下文所述應收現金客戶賬款外，應收香港結算及期貨結算公司賬款之賬齡均為30日內。

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29. ACCOUNTS RECEIVABLE (Continued)

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

Loans to securities margin clients are repayable on demand and bear interest at Hong Kong Prime Rate quoted by OCBC Wing Hang Bank Limited plus 3% equivalent to 8.25% per annum for both years. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value. The loans are secured by pledged marketable securities at fair value of approximately HK\$353,385,000 (2016: HK\$194,491,000). The average percentage of collateral over the outstanding balance as at 31 December 2017 is ranged from 118% to 6,828% (2016: 113% to 7,467%). The fair value of pledged marketable securities of the individual margin clients is higher than the corresponding outstanding loans. The Group is permitted to sell or repledge the marketable securities if the customer default the payment as requested by the Group. The Group had provided the allowance for doubtful debts for securities margin clients with reference to the portfolio held and the subsequent settlement of each customer.

The Group does not provide any credit term to its advisory for financial management clients. The aged analysis of accounts receivable arising from the business of advisory for financial management clients is as follow:

Accounts receivable from advisory for financial management clients

0 – 90 days	0至90日
More than 90 days	90日以上

29. 應收賬款 (續)

當本集團當前有依法可執行權利抵銷結餘並擬以淨額基準結算或同時變現結餘時，本集團會抵銷若干應收賬款及應付賬款。

給予證券保證金客戶之貸款須於要求時償還及按華僑永亨銀行有限公司所報香港最優惠利率加3% (兩個年度均相等於年利率8.25%) 計息。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。貸款以公平值約353,385,000港元 (二零一六年：194,491,000港元) 之已抵押流通證券作擔保。於二零一七年十二月三十一日，未償還結餘之抵押品之平均百分比介乎118%至6,828% (二零一六年：113%至7,467%)。個別保證金客戶之已抵押流通證券之公平值高於相應未償還貸款。本集團獲准於客戶拖欠本集團所要求款項時賣出或再抵押流通證券。本集團已參考各證券保證金客戶持有之投資組合及其後結算狀況，就證券保證金客戶計提呆賬撥備。

本集團並無向財務管理諮詢業務客戶提供任何信貸期。財務管理諮詢業務客戶產生之應收賬款之賬齡分析如下：

來自財務管理諮詢業務客戶之應收賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		6	243
		-	845
		6	1,088

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29. ACCOUNTS RECEIVABLE (Continued)

The settlement terms of cash clients are usually one to two days after the trade date. The aged analysis of accounts receivable arising from cash clients is as follows:

Accounts receivable from cash clients

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 90 days	0至90日	14,646	11,175
91 – 180 days	91至180日	254	1,804
		14,900	12,979

The accounts receivable from cash clients with a carrying amount of approximately HK\$3,659,000 (2016: HK\$6,139,000) are past due but not impaired at the end of the reporting period. The average age of the amount past due but not impaired is within 30 days (2016: within 30 days). In the opinion of the Directors, no significant accounts receivable from advisory for financial management clients and cash clients are impaired at 31 December 2017 and 2016 with reference to the subsequent settlement received after the end of the reporting period.

Movement in the allowance for doubtful debts of cash clients

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	4,296	6,786
Provided for the year	本年度撥備	–	–
Amounts recovered during the year	本年度收回款項	(1)	(2,489)
Amounts written off as uncollectible	撇銷不可收回款項	(3,354)	(1)
Balance at end of year	年終結餘	941	4,296

29. 應收賬款 (續)

現金客戶之結算期通常為交易日期後一至兩日。現金客戶產生之應收賬款之賬齡分析如下：

應收現金客戶賬款

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 90 days	14,646	11,175
91 – 180 days	254	1,804
	14,900	12,979

於報告期終日，賬面值約為3,659,000港元（二零一六年：6,139,000港元）之應收現金客戶賬款已逾期但未有減值。逾期但未有減值款項之平均賬齡為30日內（二零一六年：30日內）。董事參考報告期終日後之其後已收結算情況認為，於二零一七年及二零一六年十二月三十一日，並無應收財務管理諮詢業務客戶及現金客戶之重大賬款已減值。

現金客戶呆賬撥備之變動

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance at beginning of the year	4,296	6,786
Provided for the year	–	–
Amounts recovered during the year	(1)	(2,489)
Amounts written off as uncollectible	(3,354)	(1)
Balance at end of year	941	4,296

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29. ACCOUNTS RECEIVABLE (Continued)

Movement in the allowance for doubtful debts of securities margin clients

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	63	86
Provided for the year	年內撥備	5	15
Amounts recovered during the year	本年度收回金額	(11)	(38)
Balance at end of the year	年終結餘	57	63

Included in the allowance for doubtful debts of cash clients and securities margin clients are individually impaired accounts receivable due from clients who have been in severe financial difficulties. For the securities margin clients, the amount was arrived at after considering the proceeds from disposal of respective pledged marketable securities held by the Group.

29. 應收賬款 (續)

證券保證金客戶呆賬撥備之變動

現金客戶及證券保證金客戶呆賬撥備包括應收一直面對嚴重財政困難之客戶之個別已減值應收賬款。證券保證金客戶撥備額乃經考慮出售本集團所持相關已抵押流通證券之所得款項後釐定。

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29. ACCOUNTS RECEIVABLE (Continued)

In determining the recoverability of the accounts receivable, the Group considers any change in the credit quality of the accounts receivable from the date credit was initially granted, subsequent settlement and the fair value of pledged marketable securities up to the reporting date. In the opinion of the Directors, there is no further credit provision required in excess of existing allowance for doubtful debtors.

29. 應收賬款 (續)

本集團於釐定應收賬款之可收回機會時，會考慮由初次授出信貸日期起直至報告日期止之應收賬款信貸質素、其後結算狀況及已抵押流通證券之公平值之任何變化。董事認為，毋須作出現有呆賬撥備以外之進一步信貸撥備。

30. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

30. 其他應收賬款、預付款項及按金

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other receivables	其他應收賬款	6,220	102,582
Amounts due from non-controlling interests (note)	應收非控股權益款項 (附註)	-	48,324
Rental and other deposits	租金及其他按金	1,502	1,503
Prepayments	預付款項	105	25,501
		7,827	177,910

Note: Amounts due from non-controlling interests are unsecured, interest free and recoverable on demand.

附註：應收非控股權益款項為無抵押、免息及按要求收回。

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31. PLEDGED FIXED DEPOSITS, BANK BALANCES AND CASH

Pledged fixed deposits (general accounts)

The pledged fixed deposits represented the amounts pledged to banks to secure general banking facilities granted to the Group. The pledged fixed deposits carry interest rates at 0.225% (2016: 0.225%) per annum and will be released upon the expiry of the relevant banking facilities. Included in pledged fixed deposits (general accounts) is approximately HK\$5,239,000 (2016: HK\$5,229,000) which is denominated in US\$, a currency other than the functional currency of the relevant group entity.

Bank balances (trust and segregated accounts)

From the Group's ordinary business, it receives and holds money deposited by clients in the course of the conduct of the regulated activities. These clients' monies are maintained in one or more segregated bank accounts and bear prevailing market deposit rates ranging from 0.01% to 0.1% (2016: 0.01% to 0.15%) per annum. The Group has recognised the corresponding accounts payable to respective clients. However, the Group does not have a currently enforceable right to offset those payables with the deposits placed.

Bank balances (general accounts) and cash

The amounts comprise cash held by the Group and short-term bank deposits carrying prevailing market deposit rates at 0.01% (2016: 0.01%) per annum with an original maturity of three months or less. Included in bank balances (general accounts) and cash are approximately HK\$625,000 (2016: HK\$627,000) and HK\$1,361,000 (2016: HK\$43,527,000) and which are denominated in US\$ and RMB respectively.

31. 已抵押定期存款、銀行結存及現金

已抵押定期存款（一般賬戶）

已抵押定期存款指為取得本集團一般銀行融資而向銀行作出之抵押金額。已抵押定期存款之利率為每年0.225%（二零一六年：0.225%），於有關銀行融資到期後解除。計入已抵押定期存款（一般賬戶）之約5,239,000港元（二零一六年：5,229,000港元）以非相關集團實體之功能貨幣美元列值。

銀行結存（信託及獨立賬戶）

本集團於日常業務進行受監管活動而收取並持有客戶之存款。該等客戶之款項存入一個或多個獨立銀行賬戶並按現行市場存款利率介乎每年0.01%至0.1%（二零一六年：0.01%至0.15%）計息。本集團確認應付有關客戶之相應賬款。然而，本集團現時並無可執行權利將存款抵銷該等應付賬款。

銀行結存（一般賬戶）及現金

此金額包括本集團持有之現金及按現行市場存款利率每年0.01%（二零一六年：0.01%）計息且原到期日為三個月或以下之短期銀行存款。計入銀行結存（一般賬戶）及現金之約625,000港元（二零一六年：627,000港元）及1,361,000港元（二零一六年：43,527,000港元）分別以美元及人民幣列值。

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32. ACCOUNTS PAYABLE

32. 應付賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Accounts payable from mineral business	礦物業務所產生應付賬款	–	4,301
Accounts payable from properties investment	物業投資所產生應付賬款	33	–
Accounts payable arising from the business of dealing in securities:	買賣證券業務所產生應付賬款：		
– Cash clients	– 現金客戶	159,252	157,198
– HKSCC	– 香港結算	3,403	3,769
Accounts payable to clients arising from the business of dealing in futures contracts	買賣期貨合約業務所產生之應付客戶賬款	2,543	3,797
Amounts due to securities margin clients	應付證券保證金客戶款項	12,280	5,172
Accounts payable arising from the business of advisory for financial management	財務管理諮詢業務所產生應付賬款	3	–
		177,514	174,237

The settlement term of accounts payable to cash clients and HKSCC is two days after the trade date and aged within 30 days.

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their tradings of futures contracts on HKFECC. The excess of the outstanding amounts over the required margin deposits stipulated by HKFECC are repayable to clients on demand. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

Amounts due to securities margin clients are repayable on demand. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

應付現金客戶及香港結算賬款之結算期限為交易日期後兩日，其賬齡為30日內。

買賣期貨合約業務所產生之應付客戶賬款，乃為就於期貨結算公司買賣期貨合約向客戶收取之保證金。未償還款項超出期貨結算公司所規定保證金之數額須於要求時償還予客戶。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

應付證券保證金客戶款項須於要求時償還。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

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

32. ACCOUNTS PAYABLE (Continued)

The accounts payable amounting to approximately HK\$163,219,000 (2016: HK\$156,816,000) were payable to clients or other institutions in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

Accounts payable from mineral business

0 – 90 days	0至90日
90 – 180 days	90至180日

32. 應付賬款 (續)

於進行受規管活動過程中代客戶收取並持有信託及獨立銀行結存而應付客戶或其他機構之應付賬款約為163,219,000港元(二零一六年: 156,816,000港元)。然而,本集團現時並無可執行權利以存款抵銷該等應付賬款。

來自礦物業務之應付賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		-	830
		-	3,471
		-	4,301

Accounts payable from properties investment

0 – 90 days	0至90日
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物業投資所產生應付賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		33	-

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33. OTHER PAYABLES AND ACCRUED EXPENSES

		2017 二零一六年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other payables	其他應付款項	34,988	24,634
Accrued expenses	應計費用	2,889	5,139
Receipts in advance from trading business	貿易業務之預收款項	14	64,064
		37,891	93,837

34. AMOUNTS DUE TO A DIRECTOR

Amounts due to Directors are unsecured, interest bearing at Hong Kong Prime Rate quoted by Wing Hang Bank Limited (2016: Hong Kong Prime Rate quoted by Wing Hang Bank Limited) per annum and are repayable on demand.

35. BORROWINGS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Borrowing	借貸	311,005	-
Secured	有抵押	251,005	-
Unsecured	無抵押	60,000	-
		311,005	-

33. 其他應付賬款及應計費用

34. 應付一名董事款項

應付董事款項為無抵押，按永亨銀行報價的香港最優惠利率（二零一六年：永亨銀行報價的香港最優惠利率）每年計息及須應要求償還。

35. 借貸

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

35. BORROWINGS (Continued)

The Group's borrowings are repayable as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 1 year	一年內	-	-
After 1 year but within 2 years	一至兩年	60,000	-
After 2 years but within 5 years	兩至五年	251,005	-
After 5 years	五年後	-	-
		311,005	-

35. 借貸 (續)

本集團之應償還借貸如下：

The movement of borrowings is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
As at 1 January	於一月一日	-	-
Proceeds from new borrowings	新借貸所得款項	310,000	-
Accrued interests	應計利息	4,791	-
Interests paid	已付利息	(3,786)	-
31 December	於十二月三十一日	311,005	-

借貸變動如下：

As at 31 December 2017, the Group has borrowing of approximately HK\$251,005,000 which was secured by the entire registered capital of Beijing Yinghe Property Development Limited, an indirect wholly-owned subsidiary of the Group, and guaranteed by Guangdong Hoifu Wai Yip Investment Management Limited and the personal guarantee from Dr. Hui Chi Ming. The borrowing is fixed-rate interest at 7% for the first year and 8% for the period after 1 year. The effective interest rate of the borrowing is 8.8% per annum.

於二零一七年十二月三十一日，本集團之借貸約251,005,000港元乃以本集團間接全資附屬公司北京盈和房地產綜合開發有限公司之全部註冊資本作抵押，並以廣東凱富偉業投資管理有限公司及許智銘博士之個人擔保作擔保。借貸於首年按固定利率7%計息，而一年後按8%計息。借貸之實際年利率為8.8%。

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

35. BORROWINGS (Continued)

As at 31 December 2017, the Group has borrowing HK\$60,000,000 was unsecured which borrowed from Asia Tele-Net and Technology Corporation Limited ("ATNT"), a company incorporated in Bermuda with its shares being listed on the Stock Exchange in which two Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun, have controlling interests. The borrowing is fixed-rate interest at Hong Kong Prime rate of 5% per annum.

35. 借貸 (續)

於二零一七年十二月三十一日，本集團之借貸60,000,000港元為無抵押，由亞洲聯網科技有限公司（「亞洲聯網」）（一間於百慕達註冊成立之公司，其股份於聯交所上市，兩名董事藍國慶先生及藍國倫先生擁有其控股權益）提供。該借貸按香港最優惠固定年利率5%計息。

36. CORPORATE BONDS

36. 公司債券

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unsecured corporate bonds	無抵押公司債券	19,312	-

The Group's corporate bonds are repayable as follows:

本集團之應償還公司債券如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 1 year	一年內	-	-
After 1 year but within 2 years	一至兩年	-	-
After 2 years but within 5 years	兩至五年	16,078	-
After 5 years	五年後	3,234	-
		19,312	-

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

36. CORPORATE BONDS (Continued)

The movement of corporate bonds is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
As at 1 January	於一月一日	-	-
Proceeds from new borrowings	新借貸所得款項	19,210	-
Accrued interests	應計利息	856	-
Interests paid	已付利息	(754)	-
31 December	於十二月三十一日	19,312	-

During the year ended 31 December 2017, the Group issued bonds with a principle amount in a total of HK\$21,000,000 carried interest at 7% per annum. Total transaction cost attributable to the issuance of the bond amounted to HK\$1,790,000. The bonds are unsecured with maturity date falling on 4-7.5 years of the issue date.

The effective interest rate of the bonds is ranging from 7.03% to 11.57% per annum.

36. 公司債券 (續)

公司債券變動如下：

截至二零一七年十二月三十一日止年度，本集團發行本金額合共21,000,000港元之債券，按年利率7%計息。發行債券產生之交易成本總額為1,790,000港元。債券為無抵押，而到期日為自發行日期起計滿4至7.5年當日。

債券之實際年利率介乎7.03%至11.57%。

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37. SHARE CAPITAL

37. 股本

		Number of shares	
		股份數目	
		'000	HK\$'000
		千股	千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
Authorised:	法定：		
At 31 December 2016 and 2017	於二零一六年及二零一七年 十二月三十一日	10,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2016	於二零一六年一月一日	1,650,238	165,024
Share repurchased and cancelled (<i>note a</i>)	股份購回及註銷 (<i>附註a</i>)	(14,672)	(1,467)
Issue on 28 July 2016 (<i>note b</i>)	於二零一六年七月二十八日發行 (<i>附註b</i>)	50,000	5,000
Issued in consideration for the acquisition (<i>note c</i>)	作為收購代價而發行 (<i>附註c</i>)	835,714	83,571
At 31 December 2016 and 2017	於二零一六年及二零一七年 十二月三十一日	2,521,280	252,128

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綜合財務報表附註

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

37. SHARE CAPITAL (Continued)

Notes:

- a) During the year ended 31 December 2016, the Company repurchased its own shares through the Stock Exchange of Hong Kong Limited as follow:

Month of repurchase	購回月份	No. of ordinary shares of HK\$0.10 each 每股面值 0.10港元之 普通股數目	Price per share 每股價格		Aggregate consideration paid 已付總代價 HK\$'000 千港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
January 2016	二零一六年一月	14,672,000	0.7	0.5	8,326

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

- b) Pursuant to subscription agreement dated 14 July 2016 entered into between an independent third party ("Subscriber") and the Company, Subscriber subscribed for 50,000,000 new shares of HK\$0.10 in the Company at price of HK\$0.70 per share. These new shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 14 July 2016. All the issued shares rank pari passu in all respects "with other shares in issue. The net proceeds raised are intended to be used for general working capital and future business development and investments of the Group.
- c) During the year ended 31 December 2016, the Company has issued 835,714,284 ordinary shares for acquiring 100% equity interest of Millhaven Holdings Limited.

37. 股本 (續)

附註:

- a) 截至二零一六年十二月三十一日止年度，本公司透過香港聯合交易所有限公司購回其本身股份如下：

Month of repurchase	購回月份	No. of ordinary shares of HK\$0.10 each 每股面值 0.10港元之 普通股數目	Price per share 每股價格		Aggregate consideration paid 已付總代價 HK\$'000 千港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
January 2016	二零一六年一月	14,672,000	0.7	0.5	8,326

年內，本公司各附屬公司概無購入、出售或贖回本公司任何上市證券。

- b) 根據一名獨立第三方（「認購人」）與本公司所訂立日期為二零一六年七月十四日之認購協議，認購人按每股0.70港元之價格，認購50,000,000股每股面值0.10港元之本公司新股份。該等新股份乃根據於二零一六年七月十四日所舉行本公司股東週年大會上授予董事之一般授權發行。所有已發行股份於各方面與其他已發行股份享有同等地位。所籌集之所得款項淨額擬作本集團一般營運資金及未來業務發展及投資用途。
- c) 截至二零一六年十二月三十一日止年度，本公司已就收購Millhaven Holdings Limited之全部股權發行835,714,284股普通股。

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

38. NON-CONTROLLING INTERESTS

The details of non-wholly owned subsidiaries of the Group that have material non-controlling interests shown as below:

38. 非控股權益

擁有重大非控股權益之本集團非全資附屬公司之詳情列示如下：

Name of Subsidiary 附屬公司名稱	Place of incorporation/ principal place of business 註冊成立地點/ 主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有之所有權權益及投票權比例		Profit/(Loss) allocated to non-controlling interests 分配予非控股權益之溢利/(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Beibuwan Yuchai Energy Chemical Co., Ltd. ("Beibuwan Energy")* 北部灣玉柴能源化工有限公司 (「北部灣能源」)*	PRC/PRC 中國/中國	N/A 不適用	35%	N/A 不適用	(4,654)	N/A 不適用	59,926
Hebei Panbao Zeolite Technology Ltd ("Hebei Panbao") 河北攀寶沸石科技有限公司 (「河北攀寶」)	PRC/PRC 中國/中國	45%	45%	(49,854)	6,306	15,510	65,364
Individually immaterial subsidiaries with non-controlling interests 具有非控股權益之個別非重大附屬公司				(821)	(9,049)	6,357	7,281
				(50,675)	(7,397)	21,867	132,571

* Deregistered in August 2017

* 於二零一七年八月註銷

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38. NON-CONTROLLING INTERESTS (Continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests are set out below. The summarised financial information below represented amounts before intragroup eliminations.

As at 31 December

38. 非控股權益 (續)

有關具有重大非控股權益之本集團各附屬公司之概要財務資料載列如下。以下概要財務資料為集團內公司間抵銷前之數額。

於十二月三十一日

		Hebei Panbao 河北攀寶		Beibuwan Energy 北部灣能源	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產	92,527	97,969	-	49
Current assets	流動資產	99,782	134,465	-	172,560
Current liabilities	流動負債	(140,181)	(76,411)	-	(1,392)
Non-current liabilities	非流動負債	(11,524)	(10,769)	-	-
		40,604	145,254	-	171,217
Equity attributable to owners of the Company	本公司擁有人應佔權益	75,211	79,890	-	111,291
Non-controlling interest	非控股權益	(34,607)	65,364	-	59,926
		40,604	145,254	-	171,217

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38. NON-CONTROLLING INTERESTS (Continued) 38. 非控股權益 (續)

For the year ended 31 December

截至十二月三十一日止年度

		Hebei Panbao 河北攀寶		Beibuwan Energy 北部灣能源	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	-	105,240	-	-
Other income	其他收入	2,965	110	707	-
Expenses	支出	(113,750)	(82,001)	(460)	(1,667)
(Loss)/Profit for the year	年度(虧損)/溢利	(110,785)	23,349	247	(1,667)
Other comprehensive income/(expenses) for the year	年度其他全面收益/(支出)	3,376	(5,134)	-	(11,630)
Total comprehensive (expenses)/income for the year	年度全面(支出)/收益總額	(107,409)	18,215	247	(13,297)
(Loss)/Profit attributable to:	應佔(虧損)/溢利:				
Owners of the Company	本公司擁有人	(60,932)	12,842	161	(1,084)
Non-controlling interests	非控股權益	(49,853)	10,507	86	(583)
		(110,785)	23,349	247	(1,667)
Total comprehensive (expenses)/income attributable to:	應佔全面(支出)/收益總額:				
Owners of the Company	本公司擁有人	(59,074)	11,909	161	(8,643)
Non-controlling interests	非控股權益	(48,335)	6,306	86	(4,654)
		(107,409)	18,215	247	(13,297)
Net cash inflow from:	來自以下各項之現金流入淨額:				
operating activities	經營活動	(11,066)	2,709	247	(1,667)
investing activities	投資活動	-	2,619	-	-
financing activities	融資活動	5,300	-	-	-
Net cash (outflow)/inflow	現金(流出)/流入淨額	(5,766)	5,328	247	(1,667)

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39. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	4,718	3,455
In the second to fifth years inclusive	第二至第五年 (包括首尾兩年)	1,903	3,486
		6,621	6,941

Operating lease payments represent rentals payable by the Group for its office premises. Leases are mainly negotiated for an average term of two years and rentals are fixed over the relevant lease term.

The Group as Lessor

At the end of the reporting period, the Group had commitments for future minimum lease income under non-cancellable operating leases in respect of rented premises which fall due as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	11,072	21,110
In the second to fifth years inclusive	第二至第五年 (包括首尾兩年)	-	10,592
		11,072	31,702

Operating lease income represent rentals receivable by the Group for its office premises. Leases are mainly negotiated for an average term of two years and rentals are fixed over the relevant lease term.

39. 經營租約

本集團作為承租人

於報告期終日，本集團須根據租賃物業之不可註銷經營租約，在下列期間支付未來最低租金：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
一年內	4,718	3,455
第二至第五年 (包括首尾兩年)	1,903	3,486
	6,621	6,941

經營租約款項指本集團就辦公室物業應付之租金。租約主要按平均兩年期磋商，而租期內之租金固定。

本集團作為出租人

於報告期終日，本集團根據租賃物業之不可註銷經營租約，在下列期間之未來最低租金收入：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
一年內	11,072	21,110
第二至第五年 (包括首尾兩年)	-	10,592
	11,072	31,702

經營租賃收入指本集團就辦公室租賃物業應收之租金。租約的議定期通常為平均兩年，並確定相關租期的租金。

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40. RETIREMENT BENEFITS SCHEMES

Mandatory provident scheme (the “MPF Scheme”)

The Group has operated a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance after the implementation of the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirement of 5% of eligible employees’ relevant aggregate income with a cap of HK\$1,500 (2016: HK\$1,500) per employee per month. The contributions are charged to profit or loss as incurred.

41. EVENTS AFTER THE REPORTING PERIOD

Acquisition of a subsidiary

On 28 July 2017, the Group had entered into a sale and purchase agreement with Hoifu Group Investment Holdings Limited (“Hoifu Investment”), a company wholly-owned by Dr. Hui Chi Ming, an executive director and controlling shareholder of the Company pursuant to the Group agreed to acquire and Hoifu Investment agreed to sell the entire issued share capital New Guangdong Merchants Investment Holdings Limited (“New Guangdong”) and its shareholder loan, at the consideration of RMB1,100 million of which RMB100 million (equivalent to approximately HK\$118,757,000) will be satisfied by payment of cash as a refundable deposit and RMB1,000 million will be satisfied by issuance of 5-year zero-coupon convertible note with principal amount of RMB1,000 million. As at 31 December 2017, RMB100 million has been paid in cash as a refundable deposit for the above acquisition.

The acquisition constituted a very substantial acquisition and connected transaction as defined in the Listing Rule and subject to the independent shareholder approval. On 13 February 2018, the acquisition was approved by independent shareholder. At the date of approval of these consolidated financial statements, the acquisition was completed and New Guangdong becomes a wholly-owned subsidiary of the Group.

40. 退休福利計劃

強制性公積金計劃（「強積金計劃」）

於強制性公積金計劃條例實行後，本集團已根據強制性公積金計劃條例之規則及規例設立退休金計劃。強積金計劃之資產，乃分開於獨立管理基金內持有。本集團已遵守最低法定供款規定，就合資格僱員有關總收入5%作出供款，上限為每名員工每月1,500港元（二零一六年：1,500港元）。供款於產生時於損益扣除。

41. 報告期間後事項

收購一間附屬公司

於二零一七年七月二十八日，本集團與凱富集團投資控股有限公司（「凱富投資」）（本公司執行董事及控股股東許智銘博士全資擁有之公司）訂立買賣協議，據此本集團同意收購及凱富投資同意出售新粵商投資控股有限公司（「新粵商」）之全部已發行股本及其股東貸款，代價為人民幣1,100,000,000元，其中人民幣100,000,000元（相當於約118,757,000港元）將以現金支付作為可退還按金，及人民幣1,000,000,000元將以發行本金額為人民幣1,000,000,000元之五年期零息可換股票據方式支付。於二零一七年十二月三十一日，人民幣100,000,000元已以現金支付作為上述收購事項之可退還按金。

收購事項構成一項非常重大收購及關連交易（定義見上市規則）及須待獨立股東批准後方可作實。於二零一八年二月十三日，收購事項獲得獨立股東批准。收購事項於該等綜合財務報表獲批准日期完成，及新粵商成為本集團之全資附屬公司。

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41. EVENTS AFTER THE REPORTING PERIOD (Continued)

Acquisition of a subsidiary (Continued)

However, at the date of approval of these consolidated financial statements, the initial accounting for the business combination is not yet completed.

Detail of the transaction were set out in the Company Circular dated 28 February 2018.

41. 報告期間後事項 (續)

收購一間附屬公司 (續)

然而，於該等綜合財務報表獲批准日期，業務合併之初步會計處理尚未完成。

交易詳情載於本公司日期為二零一八年二月二十八日之通函。

42. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of a subsidiary not constituting a business

北京盈和房地產綜合開發有限公司

In November 2016, the Group acquired the entire equity interest in 北京盈和房地產綜合開發有限公司(「北京盈和」) for a consideration of RMB50,000,000 in cash and issuance of 835,714,284 ordinary shares of the Company from Golden Nova Holdings Limited, a company wholly-owned by Dr. Hui Chi Ming, a Chairman and controlling shareholder of the Company. The principal assets of 北京盈和 comprises investment properties situated in the PRC. This acquisition of a subsidiary has been accounted for as acquisition of assets as 北京盈和 principally engaged in property holding and does not have operations as at the acquisition date. The identifiable net assets acquired are as follows:

42. 收購附屬公司

(a) 收購一間附屬公司並不構成一項交易

北京盈和房地產綜合開發有限公司

於二零一六年十一月，本集團以現金人民幣50,000,000元及發行835,714,284股本公司普通股之代價向本公司主席兼控股股東許智銘博士全資擁有之公司Golden Nova Holdings Limited收購北京盈和房地產綜合開發有限公司(「北京盈和」)之全部股權。北京盈和的主要資產包括位於中國的投資物業。是次收購附屬公司已作為資產收購入賬，此乃由於北京盈和主要從物業控股，且於收購日期並無經營業務。所收購可識別資產的淨值如下：

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42. ACQUISITION OF SUBSIDIARIES (Continued)

(a) Acquisition of a subsidiary not constituting a business (Continued)

北京盈和房地產綜合開發有限公司 (Continued)

		HK\$'000 千港元
Investment properties	投資物業	435,054
Bank balances and cash	銀行結存及現金	12,268
Trade and other payables	貿易及其他應付賬款	(3,356)
		443,966
Satisfied by:	以下列方式支付：	
Cash consideration	現金代價	56,208
Issue of shares	發行股份	387,758
		443,966
Cash outflow arising on acquisition:	收購產生之現金流出：	
Cash consideration	現金代價	56,208
Bank balances and cash acquired	所獲銀行結存及現金	(12,268)
		43,940

42. 收購附屬公司 (續)

(a) 收購一間附屬公司並不構成一項交易 (續)

北京盈和房地產綜合開發有限公司 (續)

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42. ACQUISITION OF SUBSIDIARIES (Continued)

42. 收購附屬公司 (續)

(b) Disposal of subsidiaries

(b) 出售附屬公司

Tianjin Panbao International Trading Limited

天津市攀寶舜天國際貿易有限公司

During the year ended 31 December 2016, the Group disposed 100% equity interest in 天津市攀寶舜天國際貿易有限公司 (Tianjin Panbao International Trading Limited*) which engaged in trading business to an independent third party for the consideration of RMB3,000,000. The net assets of the subsidiary at the date of disposal were as follow:

截至二零一六年十二月三十一日止年度，本集團向獨立第三方出售從事貿易業務之天津市攀寶舜天國際貿易有限公司之全部股權，代價為人民幣3,000,000元。該附屬公司於出售日期之資產淨值如下：

Consideration received:	已收代價：	HK\$'000 千港元
Cash received	已收現金	3,506
Analysis of assets and liabilities as at the date of disposal:	於出售日期之資產及負債之分析：	
Property, plant and equipment	物業、廠房及設備	3
Trade and other receivable	貿易及其他應收賬款	58,414
Inventory	存貨	300
Bank balances and cash	銀行結存及現金	60
Trade and other payables	貿易及其他應付賬款	(54,454)
Net assets disposed of	已出售之資產淨值	4,323
Loss on disposal of subsidiary	出售一間附屬公司之虧損	(817)
Satisfied by:	以下列方式支付：	
Cash consideration	現金代價	3,506
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	3,506
Less: Bank balances and cash disposed of	減：已出售銀行結存及現金	(60)
		3,446

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43. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2016, part of the consideration for the acquisition of subsidiaries comprised issuance of shares of the Company. Further details of the acquisitions are set out in note 42(a).

44. RELATED PARTY TRANSACTIONS

Transactions with related parties

Save for disclosed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties:

- (a) During the year, the Group received commission income and other securities dealing income from securities and futures dealing of approximately HK\$31,000 and HK\$1,000 separately (2016: HK\$27,000 and HK\$ Nil separately) from close family members of two Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (b) During the year, the Group received commission income and other income from securities dealing of approximately HK\$5,000 (2016: HK\$31,000) from ATNT, in which two Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun, have controlling interests.
- (c) At 31 December 2017, an executive Director, Mr. Nam Kwok Lun, advanced approximately HK\$85,305,000 (2016: HK\$129,605,000) to the Group. During the year, the Group paid finance costs of HK\$2,951,000 (2016: HK\$4,508,000) to the executive Director, Mr. Nam Kwok Lun.
- (d) During the year ended 31 December 2017, the Group made minimum lease payments under operating leases in respect of office premises of approximately HK\$2,460,000 (2016: HK\$2,400,000) to Gahood Holding Company Limited, a company indirectly wholly-owned by Dr. Hui Chi Ming, an executive Director of the Company. The transaction also constitutes a continuing connected transaction under Appendix 14A of the Listing Rules.

43. 重大非現金交易

截至二零一六年十二月三十一日止年度，收購附屬公司之部分代價包括發行本公司股份。有關收購事項之進一步詳情載於附註42(a)。

44. 關連人士交易

關連人士交易

除該等綜合財務報表其他部分所披露者外，本集團之關連人士交易如下：

- (a) 於本年度內，本集團就證券及期貨買賣分別向兩名董事藍國慶先生及藍國倫先生之近親收取佣金收入及其他證券買賣收入約為31,000港元及1,000港元（二零一六年：分別為27,000港元及零港元）。
- (b) 於本年度內，本集團就證券買賣自亞洲聯網（兩名董事藍國慶先生及藍國倫先生擁有其控制權益）收取佣金收入及其他收入約5,000港元（二零一六年：31,000港元）。
- (c) 於二零一七年十二月三十一日，執行董事藍國倫先生向本集團墊款約85,305,000港元（二零一六年：129,605,000港元）。年內，本集團向執行董事藍國倫先生支付財務費用2,951,000港元（二零一六年：4,508,000港元）。
- (d) 截至二零一七年十二月三十一日止年度，本集團就辦公室物業經營租約向本公司執行董事許智銘博士間接全資擁有之嘉浩集團有限公司支付最低租金約2,460,000港元（二零一六年：2,400,000港元）。該項交易亦構成上市規則附錄14A項下之持續關連交易。

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44. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties (Continued)

- (e) As at 31 December 2017, outstanding advances from a Director, Dr. Hui Chi Ming, amounted to HK\$Nil (2016: HK\$24,033,000).
- (f) At 31 December 2017, the Group advanced HK\$60,000,000 from related company, PAL Finance Limited ("PAL"), in which two directors of the Group Messrs. Lam Kwok Hing and Nam Kwok Lun, having controlling interest. During the year, the Group paid finance costs in total of HK\$2,182,000 to PAL.

Compensation of key management personnel

The remuneration of Directors during the year were as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term benefits	短期福利	8,385	7,017
Post-employment benefits	退休福利	90	90
		8,475	7,107

The remuneration of Directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

45. PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

44. 關連人士交易 (續)

關連人士交易 (續)

- (e) 於二零一七年十二月三十一日，應收一名董事許智銘博士之尚未償還墊款為零港元（二零一六年：24,033,000港元）。
- (f) 於二零一七年十二月三十一日，本集團應收關連公司亞洲企業財務有限公司（「亞洲企業」）（本集團兩名董事藍國慶先生及藍國倫先生擁有其控制權益）之墊款為60,000,000港元。年內，本集團支付予亞洲企業之財務費用合共為2,182,000港元。

主要管理人員之薪酬

年內董事之酬金如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term benefits	8,385	7,017
Post-employment benefits	90	90
	8,475	7,107

董事酬金由薪酬委員會按個別人士之表現及市場趨勢釐定。

45. 主要附屬公司

下表載列董事認為對本集團業績或資產有主要影響之本公司各附屬公司。董事認為，提供其他附屬公司之詳情會令篇幅過於冗長。

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45. PRINCIPAL SUBSIDIARIES (Continued)

45. 主要附屬公司 (續)

Name 名稱	Country/ place of incorporation 註冊成立 國家/地點	Principal place of business 主要營業地點	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued share capital held by the Group 本集團持有 已發行股本面值比例		Principal activities 主要業務
				2017 二零一七年 %	2016 二零一六年 %	
				百分比	百分比	
Karl Thomson Financial Group Limited 高信金融集團有限公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	Hong Kong 香港	HK\$10 10港元	100	100	Investment holding 投資控股
Karl-Thomson Securities Company Limited 高信證券有限公司	Hong Kong 香港	Hong Kong 香港	HK\$5,000,000 5,000,000港元	100	100	Securities dealing and broking 證券買賣及經紀
Karl-Thomson Commodities Company Limited 高信商品期貨有限公司	Hong Kong 香港	Hong Kong 香港	HK\$5,000,000 5,000,000港元	100	100	Futures and options broking 期貨及期權經紀
Karl Thomson Finance Limited 高信財務有限公司	Hong Kong 香港	Hong Kong 香港	HK\$20,000,000 20,000,000港元	100	100	Securities margin financing 證券保證金融資
Karl Thomson Credit Limited 高信理財有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100	100	Money lending 借貸
Karl Thomson Investment Consultants Limited 高信投資顧問有限公司	Hong Kong 香港	Hong Kong 香港	HK\$1,000,000 1,000,000港元	100	100	Broking of mutual funds and insurance-linked investment plans and products 互惠基金、保險掛鈎 投資計劃及產品經紀

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45. PRINCIPAL SUBSIDIARIES (Continued)

45. 主要附屬公司 (續)

Name 名稱	Country/ place of incorporation 註冊成立 國家/地點	Principal place of business 主要營業地點	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued share capital held by the Group 本集團持有 已發行股本面值比例		Principal activities 主要業務
				2017 二零一七年 %	2016 二零一六年 %	
				百分比	百分比	
Karl Thomson Financial Advisory Limited 高信融資服務有限公司	Hong Kong 香港	Hong Kong 香港	HK\$600,000 600,000港元	51	51	Corporate finance advisory 企業融資顧問
Hoifu Energy International Trading Company Limited 凱富能源國際貿易有限公司	BVI 英屬處女群島	Hong Kong 香港	HK\$100 100港元	100	100	Trading in natural resources 天然資源貿易
Hoifu Energy Holdings Limited 凱富能源控股有限公司	BVI 英屬處女群島	Hong Kong 香港	US\$100 100美元	100	100	Investment holding 投資控股
Shiny Future Holdings Limited 耀港集團有限公司	Hong Kong 香港	Hong Kong 香港	HK\$100 100港元	100	100	Investment holding 投資控股
Guangdong Hoifu Petroleum Limited 廣東凱富石油有限公司	PRC 中國	PRC 中國	RMB25,500,000 人民幣25,500,000元	85	85	Trading in natural resources 天然資源貿易
Hoifu Group Investment Limited 凱富集團投資有限公司	BVI 英屬處女群島	Hong Kong 香港	US\$100 100美元	100	100	Investment holding 投資控股
Madagascar Northern Petroleum Company Limited 馬達加斯加北方石油有限公司	BVI 英屬處女群島	Madagascar 馬達加斯加	US\$100 100美元	100	100	Oil and gas exploration and production 石油及天然氣開採及生產
Zhen Hua Company Limited 振華有限公司	Kenya 肯尼亞	Kenya 肯尼亞	KES100,000 100,000肯尼亞先令	60	60	Minerals exploration and production 礦產開採及生產

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45. PRINCIPAL SUBSIDIARIES (Continued)

45. 主要附屬公司 (續)

Name 名稱	Country/ place of incorporation 註冊成立 國家/地點	Principal place of business 主要營業地點	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued share capital held by the Group 本集團持有 已發行股本面值比例		Principal activities 主要業務
				2017 二零一七年 %	2016 二零一六年 %	
Hebei Panbao Zeolite Technology Company Limited 河北攀寶沸石科技有限公司	PRC 中國	PRC 中國	RMB55,000,000 人民幣55,000,000元	55		55 Minerals exploration and production 礦產開採及生產
Societe Hoteliere Tananarivienne	Madagascar 馬達加斯加	Madagascar 馬達加斯加	MGA600,000,000 600,000,000 馬達加斯加 阿里亞里	100		100 Property holding 物業持有
北京盈和房地產綜合開發有限公司	PRC 中國	PRC 中國	RMB22,000,000 人民幣22,000,000元	100		100 Property investment 物業投資

The Company directly holds the interest in Karl Thomson Financial Group Limited and Hoifu Energy Holdings Limited. All other subsidiaries shown above are indirectly held by the Company.

None of the subsidiaries had any debt securities outstanding at end of the year or at any time during the year.

本公司直接持有高信金融集團有限公司及凱富能源控股有限公司之權益，而上述所有其他附屬公司之權益則由本公司間接持有。

於本年度結束時或年內任何時間，附屬公司概無任何尚未清償之債務證券。

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46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

46. 本公司之財務狀況表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產		
Investment in subsidiaries	於附屬公司之投資	539,828	89,828
		539,828	89,828
Current assets	流動資產		
Amounts due from subsidiaries (note a)	應收附屬公司賬款 (附註a)	419,708	582,693
Other amounts receivable, prepayments and deposits	其他應收賬款、預付款項及按金	24,219	-
Bank balances (general accounts) and cash	銀行結存 (一般賬戶) 及現金	122,059	17,788
		565,986	600,481
Current liabilities	流動負債		
Amount due to subsidiaries (note a)	應付附屬公司款項 (附註a)	448,288	-
Other payables and accrued expenses	其他應付賬款及應計費用	2,446	11,696
Amount due to a Director (note b)	應付一名董事款項 (附註b)	39,718	61,819
Amount due to shareholders	應付股東款項	-	2,369
		490,452	75,884
Net current assets	流動資產淨值	75,534	524,597
Total assets less current liabilities	總資產減流動負債	615,362	614,425
Non-current liabilities	非流動負債		
Corporate bonds	公司債券	17,831	-
Borrowings	借貸	251,005	-
		268,836	-
Net assets	資產淨值	346,526	614,425
Capital and reserves	股本及儲備		
Share capital	股本	252,128	252,128
Reserves (note c)	儲備 (附註c)	94,398	362,297
Total equity	權益總額	346,526	614,425

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 29 March 2018 and are signed on its behalf by:

Dr. Hui Chi Ming, G.B.S., J.P.
許智銘博士 G.B.S., J.P.
DIRECTOR
董事

本公司之財務狀況表於二零一八年三月二十九日獲董事會批准及授權刊發，並由以下代表簽署：

Dr. Chui Say Hoe
徐世和博士
DIRECTOR
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

- (a) The amounts due from/(to) subsidiaries are unsecured, interest-free, and recoverable/(repayable) on demand.
- (b) The amount due to a Director is unsecured, interest bearing at Hong Kong Prime Rate quoted by Wing Hang Bank Limited (2016: Hong Kong Prime Rate quoted by Wing Hang Bank Limited) per annum and are repayable on demand.
- (c) Movement in reserves

46. 本公司之財務狀況表 (續)

附註：

- (a) 應收／(付)附屬公司款項為無抵押、免息及按要求收回／(償還)。
- (b) 應付一名董事款項為無抵押，按永亨銀行所報香港最優惠利率(二零一六年：永亨銀行所報香港最優惠利率)每年計息及於要求時償還。
- (c) 儲備變動

		Share premium	Contributed surplus	Capital redemption reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	資本贖回儲備	累計虧損	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	365,406	372,031	4,120	(687,754)	53,803
Loss and total comprehensive expenses for the year	年度虧損及全面支出總額	-	-	-	(17,185)	(17,185)
Share issued	已發行股份	30,000	-	-	-	30,000
Share repurchase and cancelled	股份購回及註銷	(6,859)	-	1,467	(1,467)	(6,859)
Acquisition of subsidiaries not constituting a business	收購附屬公司並不構成一項交易	302,538	-	-	-	302,538
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日及於二零一七年一月一日	691,085	372,031	5,587	(706,406)	362,297
Loss and total comprehensive expenses for the year	年度虧損及全面支出總額	-	-	-	(267,899)	(267,899)
At 31 December 2017	於二零一七年十二月三十一日	691,085	372,031	5,587	(974,305)	94,398

Five Years Financial Summary

五年財務概要

		Year ended 31 December 截至十二月三十一日止年度					2017
		2013	2014	2015	2016	2017	
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
RESULTS	業績						
Revenue	收益	562,886	313,127	38,329	31,329	97,065	
(Loss)/Profit before taxation	除稅前 (虧損)/溢利	(22,268)	(39,474)	(15,247)	(39,609)	94,478	
Taxation	稅項	300	721	(12,262)	673	(31,896)	
(Loss)/Profit for the year from continuing operations	持續經營業務之 年度(虧損)/ 溢利	(21,968)	(38,753)	(27,509)	(38,936)	62,582	
(Loss)/Profit for the year from discontinued operation	已終止經營業務之 年度(虧損)/ 溢利	–	–	(6,865)	42,081	(100,079)	
(Loss)/Profit for the year	年度(虧損)/溢利	(21,968)	(38,753)	(34,374)	3,145	(37,497)	
Loss per share	每股虧損						
From continuing and discontinued operations – Basic	持續經營業務及 已終止經營業務 – 基本	HK\$(0.0147) (0.0147)港元	HK\$(0.0249) (0.0249)港元	HK\$(0.0225) (0.0225)港元	HK\$(0.0026) (0.0026)港元	HK\$0.0046 0.0046 港元	
From continuing operations – Basic	持續經營業務 – 基本	HK\$(0.0147) (0.0147)港元	HK\$(0.0249) (0.0249)港元	HK\$(0.0225) (0.0225)港元	HK\$(0.0027) (0.0027)港元	HK\$0.0246 0.0246 港元	

Five Years Financial Summary

五年財務概要

As at 31 December

於十二月三十一日

		2013	2014	2015	2016	2017
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	453,562	584,023	892,438	1,350,270	1,655,970
Total liabilities	負債總額	(190,742)	(218,875)	(372,032)	(445,863)	(797,611)
		262,820	365,148	520,406	904,407	858,359
Equity attributable to owners of the Company	本公司擁有人應佔權益	290,912	320,285	380,104	771,836	836,492
Non-controlling interests	非控股權益	(28,092)	44,863	140,302	132,571	21,867
Total equity	權益總額	262,820	365,148	520,406	904,407	858,359

The image features a blue-tinted background with a modern office interior. In the foreground, several business professionals are engaged in a meeting, with some standing and others seated at tables. The background shows a large, modern building with a glass facade. Overlaid on the scene are various financial charts, including a candlestick chart and several line graphs, suggesting a focus on energy markets and financial performance. The overall aesthetic is professional and high-tech.

Hoifu
Hoifu Energy Group Limited
凱富能源集團有限公司