



HKC (HOLDINGS) LIMITED 香港建設(控股)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：190



PROJECTS IN CHINA

在中國之項目



1 Heilongjiang
黑龍江

2 Inner Mongolia
內蒙古

3 Shenyang
瀋陽

4 Beijing
北京

5 Tianjin
天津

6 Hebei
河北

7 Gansu
甘肅

8 Henan
河南

9 Shanghai
上海

10 Nanxun
南潯

11 Guangzhou
廣州

12 Jiangmen
江門

13 Shenzhen
深圳



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CORPORATE INFORMATION

公司資料

DIRECTORS

Non-Executive Director

Mr. OEI Tjie Goan (*Chairman*)

Executive Directors

Mr. OEI Kang, Eric (*Chief Executive Officer*)

Mr. LEUNG Wing Sum, Samuel (*Chief Financial Officer*)

Mr. LEE Shiu Yee, Daniel

Mr. WONG Jake Leong, Sammy

Independent Non-Executive Directors

Mr. CHUNG Cho Yee, Mico

Mr. CHENG Yuk Wo

Mr. Albert Thomas DA ROSA, Junior

AUDITOR

PricewaterhouseCoopers

PRINCIPAL BANKERS

Bank of Communications Co., Ltd.

Bank of Tianjin Co., Ltd.

China Construction Bank Corporation

China Everbright Bank Co., Ltd.

China Merchants Bank Co., Ltd.

China Minsheng Banking Corp., Ltd.

Dah Sing Bank, Limited

Industrial and Commercial Bank of China Limited

Ping An Bank Co., Ltd.

Shanghai Pudong Development Bank Co., Ltd.

The Bank of East Asia, Limited

COMPANY SECRETARY

Mr. LAI Kam Kuen, Ricky

董事

非執行董事

黃志源先生(主席)

執行董事

黃剛先生(行政總裁)

梁榮森先生(首席財務官)

李肇怡先生

黃植良先生

獨立非執行董事

鍾楚義先生

鄭毓和先生

羅凱栢先生

核數師

羅兵咸永道會計師事務所

主要往來銀行

交通銀行股份有限公司

天津銀行股份有限公司

中國建設銀行股份有限公司

中國光大銀行股份有限公司

招商銀行股份有限公司

中國民生銀行股份有限公司

大新銀行有限公司

中國工商銀行股份有限公司

平安銀行股份有限公司

上海浦東發展銀行股份有限公司

東亞銀行有限公司

公司秘書

賴錦權先生

CORPORATE INFORMATION

公司資料

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190

CHAIRMAN'S STATEMENT

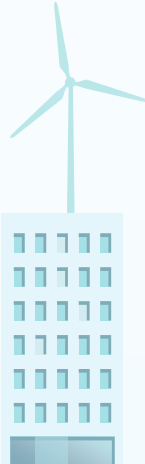
主席報告書



▶ Shanghai Landmark Center
上海星薈中心

CHINA'S PROPERTY SECTOR SLOWED IN 2018.

China's property sector is cooling given restriction on mortgages, rising interest rates, and a slowing economy. The trade war with the U.S. is also dampening sentiment. As a result, residential sales volume began declining in the second half of 2018, with declines of 1% year on year in September and October and 4% in November. It increased by 2.5% in December, but poor Chinese New Year's data suggest that the decline will continue into 2019. Moreover, the price rise growth for new residential properties has decelerated for the third straight month. In January, residential prices for 70 major cities increased only 0.61% compared to December, the slowest pace in nine months.



While the government is beginning to increase liquidity for favored sectors such as those involved with infrastructure, there is no indication that credit will be significantly relaxed for the property sector. The government emphasizes that "houses should be for living in rather than for speculation." With prices high relative to incomes, the government wants to be careful about any hints that it will reignite another property bubble. Therefore, the government's latest policies appear more to stabilize the market rather than to stimulate it. As a result, although the government has loosened policy slightly with regards to the property sector, we do not anticipate any significant easing of the Loan-to-Value requirements, purchase or selling restrictions, lowering of housing transaction taxes, etc.

中國房地產行業於二零一八年增長放緩。

中國房地產行業因限貸、利率上漲以及經濟放緩而降溫。與美國的貿易戰亦影響了市場氛圍。因此，住宅銷售量於二零一八年下半年開始下滑，九月及十月同比下降1%，十一月下降4%。銷量於十二月回升2.5%，但春節期間的數據低迷，表明下行趨勢將於二零一九年延續。不僅如此，新住宅物業的價格漲幅連續三個月加速回落。於一月，七十個主要城市的住宅房價較十二月僅上漲0.61%，是九個月以來最低增幅。

儘管政府開始增加涉及基礎設施的重點行業的流動性，但並無跡象顯示房地產行業的信貸將大幅放寬。政府強調「房住不炒」。相對於收入房價偏高，政府對任何示意將再次引發房地產泡沫均保持審慎。所以，政府最新政策更重視穩定而非刺激市場。因此，儘管政府已經微放寬房地產行業方面的政策，我們預計貸款成數要求、限購限售、下調房屋交易稅等不會大幅放寬。

CHAIRMAN'S STATEMENT

主席報告書

Given the optimism from the previous property cycle, many Chinese developers have been heavily leveraged in order to finance property projects. With the decline in sales volume and prices, many property developers are now facing a liquidity issue, with a large amount of bonds maturing over the next several years.

HKC IS WELL POSITIONED TO TAKE ADVANTAGE OF THIS DIFFICULT ENVIRONMENT GIVEN LOW DEBT AND INCREASING RECURRENT REVENUES FROM COMPLETION OF COMMERCIAL BUILDINGS IN SHANGHAI.

While this environment is not favorable for heavily indebted property developers, HKC is well positioned. The Group has anticipated that this heavily speculative environment was unsustainable. Therefore, the Group has focused on profitability rather than sales turnover and has avoided entering into competitive bids for expensive parcels of land meant for residential properties. Instead of investing in land in which returns are expected to only be in the single digits, the Group has decided to preserve its cash. Therefore, unlike many other developers, the Group has a strong balance sheet, with a net debt/equity ratio of only 2%.

The Group's strategy to balance residential sales with leasing revenues from office and commercial buildings is beginning to pay off as leasing revenues increased 67% during the year compared to 2017. China's residential property markets are highly volatile, and leasing revenues can reduce some of that volatility, providing secure cashflows that can be used to take advantage of opportunities that may periodically arise. Leasing revenues improved as the Group's two new commercial buildings in Shanghai: Landmark Center and Sinar Mas Plaza, are starting to contribute. The two commercial projects are located in a prime area of Shanghai with outstanding, panoramic views of the Huangpu River.

許多中國的開發商鑒於對早前房地產周期抱樂觀態度而維持高槓杆水平，來為物業項目融資。隨著銷售量及房價下跌，許多物業開發商現正面臨流動性問題，大額債券將於未來數年內到期。

憑藉低負債及上海商業樓宇竣工帶來的經常性收益增加，香港建設處於有利位置能在此艱難環境中取得優勢。

正當目前環境對高負債的物業開發商不利，香港建設卻處於有利位置。本集團預計高度投機性的環境不會持續。因此，本集團重視盈利能力而非銷售額，並會避免參與住宅物業高價地塊的競標。與其投資於預期回報率僅為個位數的地塊，本集團決定保留其現金。因此，有別於許多其他開發商，本集團的資產負債表強健，淨負債對權益比率僅為2%。

本集團平衡住宅銷售與辦公室及商業樓宇租賃收益的策略初見成效，年內租賃收益較二零一七年增長67%。中國住宅物業市場大幅波動，而租賃收益可在一定程度上抵禦此波動性，提供穩定的現金流量，可用以把握週期性出現的商機。由於本集團位於上海兩座新建的商業樓宇上海星薈中心及白玉蘭廣場開始貢獻收益，租賃收益得以提升。兩個商業項目均位於上海的黃金地段，一覽黃浦江優美之全景。

CHAIRMAN'S STATEMENT

主席報告書

UNDERLYING PRE-TAX PROFITS INCREASE 41% ALTHOUGH NET PROFIT DECLINES BECAUSE OF LOWER REVALUATION GAINS.

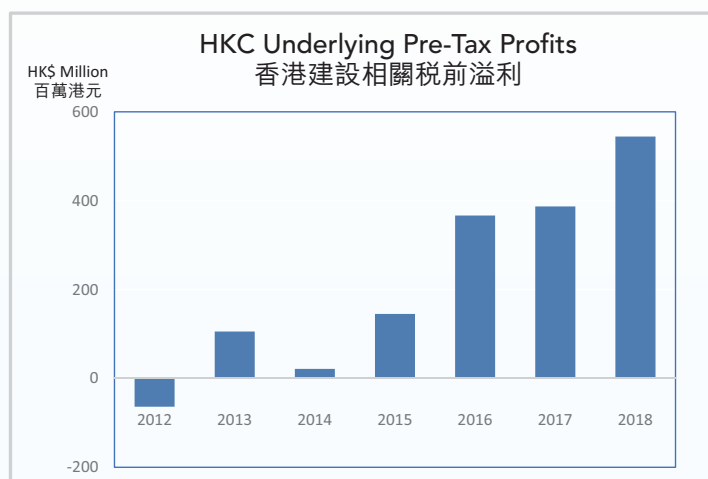
With increased revenues from the Group's recently completed Shanghai properties, HKC's underlying pre-tax profits, defined as profit before income tax excluding fair value adjustments on investment properties and one-off non-operating items, increased 41% from HK\$387.0 million in 2017 to HK\$544.4 million in 2018. Higher leasing revenues compensated for lower residential sales as the Group depletes its inventory in Tianjin, Shenyang, and Jiangmen and given lower demand. However, because of lower revaluation gains, net profit attributable to equity holders declined by 18%.

As the following graph illustrates, the Group's underlying pre-tax profits have steadily improved as the Group has executed on its plans.

儘管純利因重估收益減少而下降，但相關稅前溢利增加41%。

隨著本集團近期竣工的上海物業貢獻的收益增加，香港建設的相關稅前溢利(定義為所得稅前溢利，不包括投資物業公平值調整及一次性非經營項目)由二零一七年的387,000,000港元增加41%至二零一八年的544,400,000港元。租賃收益增加彌補了本集團在天津、瀋陽及江門因庫存售罄及需求降低造成的住宅銷售下降。然而，由於重估收益減少，權益持有人應佔純利下降18%。

如下圖所示，本集團的相關稅前溢利隨著本集團實施其計劃而穩步提升。



CHAIRMAN'S STATEMENT

主席報告書

RENEWABLE ENERGY PROFITS RELATIVELY STABLE.

Renewable energy revenues increased 14% to HK\$149.5 million. Although wind resources were at similar levels as in 2017, lower overall curtailment and new contributions from the Group's distributed solar project led to the increase. With lower operational costs, gross profit for the period increased 14% to HK\$51.9 million. Wind conditions of our wind farms operating under the associates were similar to 2017. However, net profit for the year increased only 3% to HK\$63.0 million due to a HK\$4.2 million foreign exchange loss stemming from depreciation of Renminbi.



▶ Shanghai Sinar Mas Plaza
上海白玉蘭廣場

可再生能源溢利相對穩定。

可再生能源收益增加14%至149,500,000港元。儘管風力資源與二零一七年維持接近水平，限電率整體較低以及本集團的分佈式太陽能項目的新貢獻使可再生能源溢利增加。因營運成本較低，期間毛利增加14%至51,900,000港元。我們藉聯營公司所營運風電場的風力情況與二零一七年相近。然而，年內純利僅增加3%至63,000,000港元，是由人民幣貶值導致匯兌虧損4,200,000港元造成。



▶ Guangzhou CITIC Plaza
廣州中信廣場

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my sincerest thanks to each of our business partners, employees, management and shareholders for their dedication and support, so critical to the long-term growth of the Group.

OEI Tjie Goan
Chairman

Hong Kong, 20 March 2019

致謝

承蒙各業務夥伴、僱員、管理層及股東之鼎力支持及盡心竭力，凡此種種對本集團之長遠增長攸關重要，本人謹此代表董事會致以衷心感謝。

黃志源
主席

香港，二零一九年三月二十日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

During the year ended 31 December 2018, turnover amounted to HK\$1,270.0 million, a decrease of 29% over turnover of HK\$1,789.1 million for the same period in 2017. Gross profit for the period decreased 5% to HK\$640.8 million compared to HK\$676.9 million in 2017. The Group sold fewer residential properties given credit tightening in the property sector and as it depletes the inventory of its completed residential properties. However, focusing on profitability rather than sales turnover, the Group raised prices an average of 17% on its residential units, and focused on selling higher margin units, such as villas and larger apartments. As a result, gross margins on residential properties sold increased to 35% during the year compared to 25% in 2017.

Gross profit also benefitted from increased leasing revenues as leasing will increasingly become a greater percentage of the turnover mix as the Group seeks a balanced approach between residential sales and commercial and office properties. During the year, leasing revenues increased 67% to HK\$338.0 million, compared to HK\$202.8 million in 2017. The Group started to generate significant leasing revenues from its newly opened Landmark Center in Shanghai and leasing revenues also improved at Shenzhen South Ocean Center and Nanxun International Building Materials City.

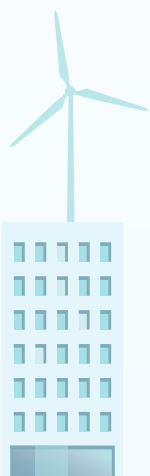
The Group recorded a net profit attributable to the equity holders of HK\$734.1 million for the period under review, a decline of 18% over the previous year as the Group recorded lower revaluation gains from its Shanghai Landmark Center and Sinar Mas Plaza (HK\$556.1 million gain in 2018 compared to HK\$1,110.5 million gain in 2017). Basic earnings per share for the year amounted to HK138.8 cents, while basic earnings per share for the same period in 2017 was HK170.0 cents. Book value per share was HK\$25.0. The Group's attributable value in Landmark Center is valued at HK\$3,797.8 million or HK\$7.2 per share, while Sinar Mas Center Plaza is valued at HK\$1,626.7 million or HK\$3.1 per share.

財務回顧

截至二零一八年十二月三十一日止年度，營業額為1,270,000,000港元，較二零一七年同期之營業額1,789,100,000港元減少29%。期內毛利由二零一七年的676,900,000港元減少5%至640,800,000港元。鑒於房地產行業的信貸收緊，且已竣工住宅物業的庫存逐步售罄，本集團售出較少住宅物業。然而，本集團著重盈利能力而非銷售營業額，故將住宅單位價格平均提高17%，並專注於銷售利潤率較高的單位（如別墅及大型公寓）。因此，本年度已售住宅物業的毛利率較二零一七年的25%上升至35%。

毛利亦受惠於租金收益增長，由於本集團尋求住宅銷售與商業及辦公物業租賃之平衡，故持續提升租金佔營業額組合的佔比。於本年度，租金收益為338,000,000港元，較二零一七年的202,800,000港元增加67%。本集團開始自其在上海新開業的星薈中心產生大量租金收益，且深圳南海中心及南潯國際建材城的租金收益，亦有所提高。

於回顧期間，本集團錄得權益持有人應佔純利734,100,000港元，較上年度下降18%，乃是由於本集團上海星薈中心及白玉蘭廣場重估收益減少（二零一八年的收益為556,100,000港元，相對二零一七年的收益為1,110,500,000港元）。年內每股基本盈利為138.8港仙，二零一七年同期之每股基本盈利為170.0港仙。每股賬面值為25.0港元。本集團於星薈中心應佔價值的估值為3,797,800,000港元或每股7.2港元，而於白玉蘭廣場的估值則為1,626,700,000港元或每股3.1港元。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity and Financial Resources

As at 31 December 2018, the Group's total borrowings and amount due to a shareholder amounted to HK\$3,442.8 million, representing an increase of 14% when compared with the equivalent figure of HK\$3,022.3 million as at 31 December 2017. The Group's borrowings have increased because of an additional drawdown on a bank loan related to the Shanghai Landmark Center. Total borrowings and amount due to a shareholder as at 31 December 2018 included Hong Kong Dollar borrowings of HK\$385.5 million (31 December 2017: HK\$229.2 million) and Renminbi borrowings are equivalent to HK\$3,057.3 million (31 December 2017: HK\$2,793.1 million).

For the maturity dates of the Group's outstanding borrowings and amount due to a shareholder, HK\$674.5 million are repayable within one year or on demand, HK\$2,391.1 million repayable within two to five years, and HK\$377.2 million repayable after five years.

Most of the Group's outstanding borrowings take the form of interest-bearing loans, with floating interest rates.

As at 31 December 2018, the Group had restricted cash of HK\$478.9 million (31 December 2017: HK\$398.0 million), mainly related to the increase on the drawdown of bank loans for designated purposes. Unrestricted cash and cash equivalents (includes short-term bank deposits) amounted to HK\$2,601.9 million (31 December 2017: HK\$2,497.4 million).

The Group did not use any financial instruments for financial hedging purposes during the period under review.

The Group will continue its efforts to create an optimum financial structure that best reflects the long-term interests of its shareholders and will actively consider a variety of alternative sources of funding to finance its future investments.

Details of Charges in Group Assets

During the period under review, the Group and certain of its subsidiaries had charged certain assets worth HK\$11,047.6 million (31 December 2017: HK\$10,625.8 million) as security for bank and other loans.

流動資金及財務資源

於二零一八年十二月三十一日，本集團之借款總額及應付一名股東款項為3,442,800,000港元，較於二零一七年十二月三十一日之3,022,300,000港元上升14%。本集團的借款增加，乃因上海星薈中心再度提取銀行貸款所致。於二零一八年十二月三十一日之借款總額及應付一名股東款項包括港元借款385,500,000港元（二零一七年十二月三十一日：229,200,000港元）及相當於3,057,300,000港元（二零一七年十二月三十一日：2,793,100,000港元）之人民幣借款。

本集團尚未償還借款及應付一名股東款項之到期日如下：674,500,000港元須於一年內或應要求償還，2,391,100,000港元須於二至五年內償還，而377,200,000港元則須於五年後償還。

本集團大部分尚未償還借款均屬計息貸款，按浮動利率計息。

於二零一八年十二月三十一日，本集團之受限制現金為478,900,000港元（二零一七年十二月三十一日：398,000,000港元），主要與增加提取指定用途的銀行貸款有關。無限制現金及現金等價物（包括短期銀行存款）為2,601,900,000港元（二零一七年十二月三十一日：2,497,400,000港元）。

回顧期內，本集團並無利用任何金融工具作財務對沖用途。

本集團將繼續致力建立最能反映股東長遠利益之最佳財務結構，並積極考慮各類融資方法，為日後投資項目籌集資金。

本集團資產抵押詳情

回顧期內，本集團及其若干附屬公司將價值為11,047,600,000港元（二零一七年十二月三十一日：10,625,800,000港元）之若干資產抵押，作為銀行及其他貸款之擔保。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gearing Ratio

The Group's gearing ratio, defined as total borrowings plus amount due to a shareholder divided by total equity as at 31 December 2018 was 22%, compared with 19% as at 31 December 2017. The Group's net debt ratio for the same period was 2%, compared with 1% as at 31 December 2017. This ratio represents total borrowings plus amount due to a shareholder minus cash and divided by total equity.

BUSINESS MODEL

The Group is a Hong Kong based property developer focusing on investing and developing property projects in the Mainland China and aims to develop high quality products to create sustainable value for its shareholders.

The Group has a diversified property portfolio model with investments in both residential projects for sale and commercial projects mainly for rental income. The residential projects currently are located in Tianjin, Jiangmen and Shenyang. The Group's commercial projects, which are primarily involved in office buildings and retail malls, are located in prime business areas in Shanghai, Shenzhen, Beijing and Guangzhou. The Group also has commercial property in Nanxun, Zhejiang province.

Over the long term, the Group seeks to maintain a balance between residential development for sale and commercial investment properties for lease in order to create a sustainable model with growth potential. Residential properties for sale generate fast turnover, which should enhance return on equity. Investment properties for lease, on the other hand, create steady recurring income and cash flow as well as long term capital appreciation, and are relatively immune from the periodic restrictions on residential properties.

The Group adopts a very prudent financial policy, and given the volatility of the property industry, HKC aims to maintain a conservative net debt/equity ratio. While most of the Group's projects are in the People's Republic of China (the "PRC"), the Group may consider diversifying by investing in other countries.

The Group has also made an investment in the renewable energy sector and believes shareholders may benefit from China's need to develop non-polluting sources of energy.

負債資本比率

本集團於二零一八年十二月三十一日之負債資本比率(定義為借款總額加應付一名股東款項再除以權益總額)為22%，而二零一七年十二月三十一日則為19%。本集團於同期之債務淨額比率為2%，而二零一七年十二月三十一日為1%。此比率為借款總額加應付一名股東款項減現金再除以權益總額。

業務模式

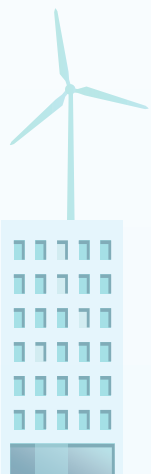
本集團是一家以香港為基地之物業開發商，專注於中國內地投資及開發房地產項目，並旨在開發優質項目，為股東投資締造持久價值。

本集團之物業組合模式多元化，同時投資於可供出售住宅項目及主要賺取租金收入之商業項目。住宅項目目前位於天津、江門及瀋陽。本集團之商業項目主要涉及辦公大樓和購物商場，是位於上海、深圳、北京及廣州之高檔商業區。本集團亦於浙江省南潯擁有商業物業。

長遠而言，本集團尋求在可供出售住宅開發項目與可供出租商業投資物業之間，取得均衡發展，從而開創具增長潛力之可持續發展模式。可供出售住宅物業週轉期短，能提高股本回報率。另一方面，可供出租投資物業能產生穩定之經常性收入、現金流以及長期資本增值，並且相對免除了住宅物業受到週期性限制之影響。

本集團採取非常審慎之理財政策，鑒於房地產行業之波動性，香港建設旨在維持保守之淨負債權益比率。儘管本集團大部分項目均位於中華人民共和國(「中國」)，但本集團亦會考慮投資其他國家，使業務多元化。

本集團亦於再生能源行業作出投資，並相信股東可從中國對開發無污染能源之需求中受惠。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Risks

As a China property developer, the Group is subject to Chinese government property policies, development, marketing, and other execution risks.

Currency Risk

Most of the Group's assets are in Renminbi. The Group conducts a majority of its business operations in the PRC. The major portion of revenue, expenses and debts are denominated in Renminbi. Fluctuation in the exchange rates of Renminbi would have limited impact on the Group's operations. However, depreciation of the Renminbi may have an adverse impact on the Group's book value.

Environmental Policies

The Group aspires to be a leading sustainable Group, and has therefore invested in the renewable energy sector, and uses sustainable technologies in some of its property developments, such as solar panels.

BUSINESS REVIEW

Revenues from property leasing have increased sharply as the Group leases out its newly constructed commercial properties in Shanghai. Leasing revenues in 2018 increased 67% to HK\$338.0 million. With occupancy rates at these properties expected to continue rising in 2019, and the Group having completed renovations at its Shenzhen Shun Hing Square, leasing revenues are likely to continue rising in 2019.

However, revenues from residential sales in Tianjin, Shenyang, and Jiangmen have declined. The Tianjin and Shenyang economies performed poorly in 2018 and sentiment towards residential properties deteriorated. Revenues also declined in Jiangmen as the Group has sold most of its inventory.

業務風險

作為中國物業開發商，本集團須面對中國政府之房地產政策、發展、市場推廣及其他執行風險。

貨幣風險

本集團之大部分資產以人民幣計值。本集團主要業務是在中國境內經營，絕大部分收益、開支及債務均以人民幣計值。人民幣匯率波動對本集團經營之影響十分有限。然而，人民幣貶值或會對本集團之賬面值帶來不利影響。

環境政策

本集團致力成為領先之可持續發展集團，因此，本集團投資再生能源業務，並於其若干物業發展項目中引入可持續發展技術，如太陽能電池板。

業務回顧

由於本集團出租其於上海新落成之商業物業，物業租金收益大幅增加。二零一八年租金收益增加67%至338,000,000港元。隨著該等物業的租用率預期於二零一九年繼續上升及本集團已完成深圳信興廣場的翻新，租金收益很可能於二零一九年持續上升。

然而，天津、瀋陽及江門之住宅銷售收益有所下降。天津及瀋陽之經濟於二零一八年表現低迷及住宅物業市場氛圍已惡化。於江門之收益亦減少，因本集團已出售其大部分的存貨。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INVESTMENT PROPERTIES

Shanghai

Leasing revenues are expected to increase significantly over the next couple of years as the occupancy rates of the Group's two commercial buildings in North Bund increase. The area is benefitting from the improvement in infrastructure, including the completion of the International Cruise Terminal, an underground road connecting to the Bund and a new tunnel linking Hongkou and Pudong. A continuous pedestrian riverside path starting from Waibaidu Bridge at the northern end of the historical Bund, and near the Group's Landmark Center, all the way to Sinar Mas Plaza, was opened in 2017, making the North Bund area much more attractive and more closely linked to the historical Bund district.

Moreover, the area is set to gain from an increasing tendency of price sensitive tenants to move from the central business district ("CBD") to nearby fringe districts such as the North Bund. Eventually, the North Bund, particularly given its proximity and improving infrastructure, is expected to gradually merge with the CBD. According to Knight Frank, Shanghai's office market remains stable. Grade A lease rates during the third quarter of 2018 in Shanghai stayed flat and Grade A office vacancy rates dropped 0.5 percentage points to 5% quarter on quarter.

Landmark Center

The Group has a 60% interest in Landmark Center, which is a commercial complex consisting of two Grade A office towers and a retail shopping mall, with the total volume of gross floor area ("GFA") of approximately 246,000 square meters. The project is located at the junction of North Sichuan and Tiantong Road, just a few minutes walk from the metro station (Tian Tong Road connects metro line 10 and line 12), and is also near the CBD and the historical Bund, and offers panoramic views of the Huangpu River, the Bund, and Lujiazui. The surrounding blocks are becoming an increasingly fashionable area with the recent openings of MGM's Bellagio Hotel, located across the street, and the Bvlgari Hotel. The Peninsula Hotel is also nearby. Construction of Landmark Center was fully completed during the period. As a result, the value of the property has increased, and the Group recorded a HK\$552.6 million revaluation gain.

投資物業

上海

由於本集團於北外灘的兩座商業樓宇的租用率上升，預期未來數年的租金收益將大幅增加。該地區受惠於基礎設施改善，當中包括新落成之國際郵輪碼頭，連接外灘的地下街及連接虹口和浦東之新隧道等。延續不斷的江畔步行路位於外灘北端，二零一七年對外開放，從鄰近本集團上海星薈中心，歷史悠久的外白渡橋開始一直延至白玉蘭廣場。這將增加北外灘地區之吸引力，且更緊密地聯繫至歷史悠久的外灘區。

此外，對價格敏感的租戶而言，從中心商業區（「中心商業區」）搬遷至鄰近外圍地區（如北外灘）已成趨勢，令北外灘區受惠。鑒於北外灘之地理位置及基礎設施不斷完善，預期北外灘最終將逐漸與中心商業區融合。根據Knight Frank，上海辦公室市場保持穩定。於二零一八年第三季度，上海的甲級辦公室租金持平及甲級辦公室空置率季度環比下跌0.5個百分點至5%。

上海星薈中心

本集團擁有上海星薈中心60%權益，上海星薈中心為一幢商業綜合大樓，包括兩幢甲級辦公室及一個零售商場，樓面總面積（「樓面總面積」）約為246,000平方米。該項目位於四川北路與天潼路的交匯處，距離地鐵站（天潼路站為10號線及12號線的換乘站）僅有數分鐘步距，亦毗鄰中心商業區及歷史悠久的外灘，一覽黃浦江、外灘和陸家嘴全景。隨著一街之隔的米高梅白樂宮酒店與寶格麗酒店於近期開業，周邊的街區變得更為時尚。半島酒店亦座落於附近。上海星薈中心於本期間已全面完工。因此，該物業的價值增加，且本集團錄得重估收益552,600,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Landmark Center started generating significant leasing revenues during the year, with leasing revenues rising to HK\$164.8 million compared to HK\$58.5 million in 2017. Despite continued oversupply of office space in the Shanghai market, Landmark Center is benefitting from strong demand from well-known domestic corporations and also multinational corporations seeking to increase their market share in the local market. Relaxation of restrictions on some industries previously dominated by state owned companies such as the insurance industry, has resulted in increased demand from companies such as Metlife and AIA, who have both committed to leasing out significant amounts of space at Landmark Center. Demand is also strong from co-working space operators, with both Weworks and Mcentury entering into leasing arrangements. The Group has also confirmed an office leasing deal with Equinix, a leading international data center. The Group's achieved lease rates at Landmark Center have met with original expectations. Over 40% of the office space has now been leased out.

Sinar Mas Plaza

Sinar Mas Plaza, in which the Group has a 25% interest, has a GFA of approximately 257,000 square meters (GFA of approximately 410,000 square meters including basement) of office, hotel, and retail spaces. Construction was completed during the year. The office tower offers highly panoramic views of the Shanghai skyline. The hotel commenced operation in 2017 and is run by the Starwood Group under the W brand. While Sinar Mas Plaza is still loss making given it is only partially occupied, the Group anticipates that it will soon become profitable as occupancy rates increase.

Shenzhen, Guangzhou, Beijing, and Nanxun

The Group's property investment portfolio also includes premium commercial and retail developments in Shenzhen, Guangzhou, Beijing, and Nanxun. In Shenzhen, the Group operates Shun Hing Square and South Ocean Center. During the year, the Group completed renovation of Shun Hing Square, and held a soft opening on 6 July 2018. Because of the renovation, leasing revenues were reduced in 2017 but is expected to increase as new tenants move in at higher lease rates. South Ocean Center performed well as its occupancy increased to 100% compared to 72% as at 31 December 2017.

上海星薈中心於本年度開始產生大量租金收益，租金收益較比二零一七年的58,500,000港元增至164,800,000港元。儘管上海市場的辦公室持續供應過剩，但由於知名國內企業及跨國企業追求增加本地市場的市場份額，上海星薈中心受惠於此強勁需求。部分過往由國有企業主導之行業（如保險業）的限制放寬，使美國大都會人壽保險公司及美國友邦保險有限公司等公司的需求上升，而該兩間公司均已承諾租用上海星薈中心之大量空間。聯合辦公空間運營商的需求亦強勁，已跟Weworks及美百年訂立了租賃安排。本集團亦與一所領先的國際數據中心Equinix確認了辦公室的租賃交易。本集團於上海星薈中心取得之出租率符合原先期望。現時已出租逾40%的辦公室空間。

白玉蘭廣場

白玉蘭廣場為辦公室、酒店及零售物業，而本集團擁有此項目25%權益，樓面總面積約為257,000平方米，包含地庫之樓面總面積約410,000平方米。建設工程已於本年度完工。辦公樓可高度俯瞰上海天際線之全景。酒店於二零一七年開業，且由Starwood Group以W品牌經營。儘管白玉蘭廣場因僅有部分已出租，仍處於虧損中，但本集團預料，隨著租用率上升，項目短期內將變為有所盈利。

深圳、廣州、北京及南潯

本集團的物業投資組合亦包括深圳、廣州、北京及南潯多項優質商業及零售發展項目。本集團於深圳經營信興廣場及南海中心。於本年度，本集團完成信興廣場的翻新，並於二零一八年七月六日試業。由於翻新，租金收益於二零一七年有所下降，但因新租戶按較高租價入駐預期將會提昇。南海中心表現良好，其租用率由二零一七年十二月三十一日的72%上升至100%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In Guangzhou, the Group owns CITIC Plaza. In Beijing, the Group operates a retail complex at Legation Quarters, the former site of the United States diplomatic compound in Beijing. The Group also owns a trading center for furniture and building materials in Nanxun, Zhejiang Province, with occupancy currently at 80%. The Group is in the process of expanding the complex, with the superstructure completed in January 2019. The 26,900 square meters (including basement) expansion will be launched in the first quarter of 2019, and is expected to be completed by the second quarter of 2019.

RESIDENTIAL DEVELOPMENTS

Tianjin

Tianjin Eka Garden is on a prime location in the Nankai District of Tianjin. The project consists of villas and high-rise apartments with total GFA of approximately 150,000 square meters. Construction for all three phases has been completed.

The market environment for Tianjin has slowed down recently, with GDP growing 3.4% during the first half of the year, compared to 9% in 2016 and 3.6% in 2017. Growth declined primarily because of lower GDP growth in Binhai New Area. In addition, buying sentiment has been depressed after the government moved to dampen the speculative environment that existed in 2017 with the announcement to move many of the government functions to Xiongan. However, efforts continue to coordinate the economic development of Beijing, Tianjin and Hebei province.

During the year, the Group sold approximately 9,100 square meters of GFA, resulting in contracted sales of RMB211.8 million, a decline of 57% compared to RMB496.1 million during the same period in 2017. Sales were slower given limited available inventory and dampened demand for the remaining higher priced inventory as some banks are restricting mortgages to those seeking to upgrade to larger units. However, residential units were sold at a higher committed price than in previous years. Prices for service apartments, for example, increased 14% year-over-year during the period. In addition, the Group sold more profitable villas. As a result, gross margins rose to 43% during the year compared to 37% during the corresponding period in 2017.

本集團於廣州持有中信廣場。本集團於北京前門23號(美國駐北京前大使館舊址)經營零售中心。本集團亦於浙江省南潯擁有一個傢俱建材貿易中心，租用率目前達80%。本集團正在擴建該綜合貿易中心，其上層結構已於二零一九年一月完工。這26,900平方米(包括地庫)的擴建將於二零一九年第一季度開展，並預計於二零一九年第二季度竣工。

住宅開發

天津

天津奕聰花園位於天津南開區之優質地段。該項目由樓面總面積約150,000平方米之別墅及高層樓宇組成。三個階段之建設均已竣工。

天津的市場環境近期處於低迷，於本年度上半年，地區生產總值增長為3.4%，較比二零一六年為9%及二零一七年為3.6%。增長下滑主要由於濱海新區的地區生產總值增長放緩。再者，政府抑制於二零一七年存在的投機環境及宣佈將許多政府職能遷至雄安後，購房意慾一直低迷。然而，北京、天津及河北省經濟發展持續協調的工作。

於本年度，本集團出售樓面總面積約9,100平方米，錄得已簽約銷售額人民幣211,800,000元，較二零一七年同期人民幣496,100,000元減少57%。由於可供出售庫存減少，部分銀行亦限制向尋求改換較大單位的買家提供按揭，導致剩餘的高價庫存需求不振，銷售額有所下降。然而，住宅單位以高於往年的合約訂價售出。例如，服務式公寓的價格，於本期間同比上漲14%。此外，本集團售出更多利潤較高的別墅。因此，毛利率於本年度上升至43%，而二零一七年同期則為37%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group has initiated master planning for its Tuanbo Lake land bank in Tianjin. The land area can support the development of approximately 836,000 square meters of what the Group believes will be a world class residential community and will provide the Group a substantial development pipeline. The plan is to develop the site over five phases. The Group has hired the renowned design firm Chapman Taylor to do the master planning. However, there has been a delay in submitting this plan as the Group is waiting for the official completion of the Tianjin city master plan.

Jiangmen

Jiangmen Eka Garden is a residential project with GFA of approximately 189,000 square meters of villas and high-rise apartments. The project is located on an excellent site along a river bank, within a few minutes walk to the Jiangmen/Hong Kong ferry terminal, an international school, and a marina club. The site is also close to the Guangzhou Intercity Railway's Waihai Station connecting Jiangmen to Guangzhou and Zhuhai. Jiangmen is part of the Greater Bay Area which is benefitting from improved infrastructure.

Purchase restrictions during the year dampened demand in Jiangmen. The Group sold approximately 8,600 square meters of villas and apartment units, recording contracted sales of RMB74.3 million, a 62% decrease compared to RMB195.2 million during the same period in 2017. During the year, the Group increased the sales price for phase three apartments by 18% compared to the same period in 2017, and sold more villas at higher profit-margins. As a result, gross margins increased to 31% compared to 11% in 2017.

本集團已啟動天津團泊湖土地儲備的總體規劃。該地區可開發之樓面總面積約為836,000平方米，而本集團相信該區將成為世界一流的住宅小區，並為本集團提供龐大的發展管道。該區計劃將分五期開發。本集團委聘著名的設計公司Chapman Taylor進行總體規劃。然而，由於本集團正等待天津市總體規劃正式完成，故已延後提交該計劃。

江門

江門奕聰花園為樓面總面積約189,000平方米別墅及高層樓宇組成之住宅項目。該項目坐擁河岸優質地段，江門／香港渡輪碼頭、一所國際學校及遊艇會僅咫尺之遙，信步可達。該地段亦靠近連接江門至廣州及珠海之廣珠城際輕軌之外海站。江門為大灣區的一部分，受益於完善的基礎設施。

本年度的限購抑制江門的需求，本集團售出別墅及樓宇單位約8,600平方米，錄得已簽約銷售額人民幣74,300,000元，較二零一七年同期人民幣195,200,000元減少62%。於本年度，本集團提高第三期公寓的售價，較二零一七年同期增加18%，且按較高的利潤率出售更多別墅。因此，毛利率上升至31%，較比二零一七年則為11%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Shenyang

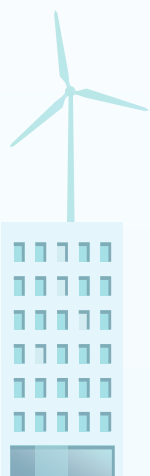
Shenyang Eka Garden, located in one of Shenyang's prime residential areas, is adjacent to Shenyang's Nanhu Park in the center of city. The project, subdivided into sites A, B, and C, comprises GFA of approximately 266,000 square meters of townhouses, high-rise apartments, and a few commercial shops. For site B (GFA: approximately 133,500 square meters), construction of all four high-rise towers and townhouses have been completed. Site C (GFA: approximately 57,500 square meters) is divided into two portions. One completed portion consists of two high-rise blocks (mainly for housing resettled residents) with ground floor shops and a small communal block. A second portion, with a GFA of approximately 6,400 square meters (GFA of approximately 9,590 square meters including basement) is now being developed into low-rise apartments. The basement construction was completed just before the winter. Construction of the superstructure will commence in April 2019. Pre-sales is scheduled for the first quarter of 2019. Construction is expected to be completed by the first quarter of 2020. Preparation for development of site A, with GFA of approximately 75,000 square meters, is underway. The Group continues to work with the local government to complete the relocation of the residents on site A.

The market environment for Shenyang was subdued during the year as a weak economy and purchase restrictions adversely impacted demand. Upgrade demand for the Group's larger units were impacted by government restrictions on providing mortgages for second units. For the year, the Group sold approximately 17,100 square meters of GFA, resulting in contracted sales of RMB239.2 million, a decrease of 55% compared to RMB532.6 million in the same period in 2017. During the year, the Group increased the sales price for its apartments by over 5%. Gross margins rose to 36% compared to 28% in 2017.

瀋陽

瀋陽奕聰花園位於瀋陽高檔住宅區，毗鄰瀋陽市中心南湖公園。該項目細分為A、B及C地塊，包括樓面總面積約266,000平方米之洋房、高層樓宇及少量商店。就B地塊(樓面總面積約133,500平方米)而言，所有四棟高層樓宇及洋房建設工程均已完工。C地塊(樓面總面積約57,500平方米)分為兩個部分。其中已完工部分包含兩棟高層建築(主要用於重置迴遷舊住戶)，並設地面商店和小部分公共社區。第二部分樓面總面積約6,400平方米(包含地庫樓面總面積約為9,590平方米)現正開發為低層樓宇。地庫工程剛於冬季前完工。上層結構將於二零一九年四月開始動工。計劃於二零一九年第一季度預售。建造工程預期於二零二零年第一季度完工。A地塊(樓面總面積約75,000平方米)之開發準備工作亦正在籌備中。本集團繼續與當地政府合作，以完成A地塊居民之遷徙。

由於經濟疲弱及需求受限購的不利影響，瀋陽市場環境於本年度低迷。本集團較大單位的升級需求，受到政府限制對第二套單位提供按揭所影響。於本年度，本集團售出約17,100平方米樓面總面積，已簽約銷售額為人民幣239,200,000元，較二零一七年同期之人民幣532,600,000元減少55%。於本年度，本集團將其公寓的售價提高逾5%。毛利率上升至36%，較比二零一七年則為28%。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Renewable Energy

All of the Group's renewable energy projects are under its subsidiary, China Renewable Energy Investment Limited ("CRE"). Although wind resources were at similar levels as in 2017, lower overall curtailment and new contributions from the Group's distributed solar project has led to a 14% increase in revenues. In 2018, curtailment at Mudanjiang has been reduced from 16% to 7%; and at Siziwangqi, from 28% to 17%. However, net profit for the year only increased 3% to HK\$63.0 million as currency exchange loss of HK\$4.2 million was recorded due to Renminbi depreciation. Please refer to CRE's annual report for more details.

PROSPECTS

Property

The Group expects leasing revenues to continually improve as the Group leases out its properties at the Landmark Center and Sinar Mas Plaza. These two properties will provide the Group with steady cash flow over the long term and are relatively immune from residential focused credit tightening by the government. Leasing revenues should also improve at Shun Hing Square in Shenzhen as the Group completed renovation in 2018. With completion of renovation, leasing revenues are expected to increase as the commercial complex is expected to attract more quality tenants.

However, the Group believes that the sales outlook for residential properties in 2019 will remain subdued given a weakening Chinese economy. There have been some indications that the government is relaxing its policies toward the property sector, however, the Group does not expect these changes to be significant as the government remains highly concerned over the speculative nature of the property markets.

With regard to existing residential properties, the Group will continue focusing on sales of its residential properties in Tianjin, Shenyang and Jiangmen. For future residential development, the Group is focusing on its Tuanbo Lake land bank. The site can support the development of approximately 836,000 square meters of residential development and will be developed over five phases. However, the Group needs to wait until the official completion of the Tianjin City master plan before obtaining the necessary development permits. In Shenyang, work is continuing on the construction of additional low-rise apartments, with target completion by early 2020.

再生能源

本集團透過其附屬公司—中國再生能源投資有限公司（「中國再生能源」）進行所有可再生能源項目。儘管風力資源與二零一七年之水平相若，但限電整體減少及本集團分佈式太陽能項目之新貢獻令收益增加14%。於二零一八年，牡丹江的限電由16%減少至7%；四子王旗的限電由28%減少至17%。然而，本年度之純利僅增加3%至63,000,000港元，乃因人民幣貶值而錄得匯兌虧損4,200,000港元所致。更多詳情請參閱中國再生能源之年報。

前景

物業

由於本集團出租其於星薈中心及白玉蘭廣場的物業，本集團預期租金收益將持續提升。此兩所物業將長期為本集團提供穩定的現金流量，且相對不受政府集中於住宅信貸收緊之影響。由於本集團於二零一八年完成深圳信興廣場的翻新，租金收益應有所提高。隨著翻新完成，商場有望吸引更多優質租戶，租金收益預期將會增加。

然而，鑒於中國經濟疲弱，本集團相信二零一九年的住宅物業銷售前景仍不樂觀。若干跡象顯示政府正對房地產行業放寬其政策，然而，由於政府仍高度關注房地產市場的投機性質，本集團預期該變動並不重大。

就現有的住宅物業而言，本集團將繼續專注於銷售其在天津、瀋陽及江門的住宅物業。對於未來住宅開發，本集團專注於其團泊湖之土地儲備。該地塊可支持開發約836,000平方米的住宅發展項目，並將分五期開發。然而，本集團需等待天津市總體規劃正式完成後方能取得所需的開發許可證。瀋陽新增的低層樓宇的施工工程繼續進行，目標於二零二零年初完工。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In Nanxun, the Group still has one plot of land that can be developed. The land has been approved for the construction of a commercial building offering high-end furniture outlets. This extension area will be synergistic with the existing building materials and furniture trading center that is adjacent to the land. Construction has begun, the 26,900 square meters (including basement) expansion will be launched in the first quarter of 2019, and with target project completion expected by the second quarter of 2019.

Over the last couple of years, the Group has been reluctant to purchase land bank at what it perceives to be at inflated values. Property markets are inherently cyclical, and the Group looks for opportunities that will increase shareholder value rather than just building a large land bank. As a result, the Group does not face the financial pressures that other property developers face given the current severe credit tightening environment. Therefore, the Group views the current environment as an opportunity rather than a crisis. The Group has a very strong balance sheet, and unlike many property developers that have a large net debt/equity ratio, the Group's net debt ratio was only 2% as at 31 December 2018. In 2019, the Group hopes to leverage its strong balance sheet to take advantage of any opportunities that might arise given the many companies that are seeking to deleverage.

Renewable Energy

Curtailment is expected to continue declining in 2019 as new transmission lines are completed and new policies to encourage the usage of renewable energy are implemented. The Group is continuing to construct its Songxian project in Henan Province. Completion of this project was delayed and it is now expected to be completed by the first half of 2019. Upon completion, CRE's net wind power generation capacity is expected to increase by 21%. In addition, the Group has received approval from the Luoyang Development and Reform Commission to construct an additional 40 MW of wind power at Songxian. The Group is now waiting to obtain the grid interconnection approval. CRE is optimistic over this project given the curtailment rate in this region is relatively low and wind tariff rate is relatively high.

Please refer to CRE's annual report for more information.

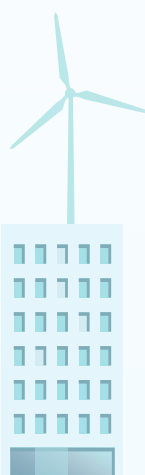
本集團於南潯仍有一塊可開發之地皮。該地皮已獲批准建造一幢提供高端傢俱直銷的商業樓宇。此擴建區將與鄰近地皮之現有建築材料及傢俱貿易中心產生協同效應。建設工程已啟動，這26,900平方米(包括地庫)的擴建將於二零一九年第一季度開展，並預計在二零一九年第二季度完成目標項目。

本集團在過去數年一直不願購買其認為價值虛高的地塊。房地產市場本身具有週期性，而本集團尋求機遇提高股東價值，而非僅建立龐大的土地儲備。因此，在目前信貸嚴重緊縮的環境下，本集團並未面臨其他房地產開發商所面臨的財務壓力。所以，本集團將當前環境視作機遇，而非危難。本集團的資產負債表極為強健，有別於許多淨負債對權益比率高的房地產開發商，本集團於二零一八年十二月三十一日的淨負債比率僅為2%。於二零一九年，鑒於許多公司正尋求去槓桿，本集團希望利用其強健的資產負債表以把握可能出現的任何機會。

再生能源

由於新輸電網已經完成及鼓勵使用再生能源之新政策已實施，預期限電量將於二零一九年繼續下降。本集團於河南省繼續建造嵩縣項目。該項目已延後完工，現時預期將於二零一九年上半年完成。於完工後，預期中國再生能源之淨風電產能將提升21%。此外，本集團已獲洛陽市發展和改革委員會批准，於嵩縣建設額外40兆瓦風力發電項目。本集團現時正等待併網批准。鑒於該地區限電率較低且風力電費率較高，故中國再生能源對該項目持樂觀態度。

更多資料請參閱中國再生能源之年報。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Employees

As of 31 December 2018, the Group employed approximately 240 employees across its operations in Hong Kong and the Mainland China. All employees are remunerated according to the nature of their jobs, their individual performances, the Group's overall performance and prevailing market conditions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

Environmental

Through CRE, the Group has been one of the earliest investors in China's renewable energy sector. As such, the Group has been heavily involved in environmental protection and support for the low carbon development of China. CRE has over 660 MW of operating wind farms in Hebei, Heilongjiang, Gansu and Inner Mongolia provinces. With a total electricity generation of 1,362.2 GWh, CRE has reduced coal assumption by approximately 443,000 tons and carbon emission by 1,054,000 tons.

As a responsible property developer, the Group strictly complies with laws and regulations regarding environmental protection and has adopted effective environmental technologies to ensure its projects meet the construction standards and ethics in respect of environmental protection. Measures have been put in place to control solid waste, waste water and waste gas emissions; and also to control noise pollution. Reflecting its belief in the importance of renewable energy, the Group recently installed solar panels on the rooftops of its commercial buildings in Nanxun.

The Group's emphasis on sustainability is reflected in its construction projects. The Group imposes strict controls to ensure adherence to the relevant construction regulations. The overall project designs focus on fitting in with the surrounding natural environment and fully utilising local natural resources. The construction should be sustainable, eco-friendly and integrated into nature, with high energy efficiency and should not harm the local eco-system. The interior design of its buildings is designed to create a healthy living environment and to make full use of daylight in order to conserve energy.

僱員

於二零一八年十二月三十一日，本集團在香港及中國內地之業務合共聘用約240名僱員。所有僱員薪酬按彼等職務性質、個別工作表現、本集團整體表現及現行市況釐定。

環境、社會及管治事宜

環境

本集團透過中國再生能源，成為最早在中國投資可再生能源領域的投資者之一。因此，本集團一直積極參與環境保護及支持中國的低碳發展。中國再生能源於河北、黑龍江、甘肅及內蒙古等省份營運超過660兆瓦的風力發電場。中國再生能源的總發電量為1,362.2吉瓦時，煤炭消耗量因此減少約443,000噸，碳排放量減少1,054,000噸。

作為一家負責任的房地產開發商，本集團嚴格遵守與環境保護相關的法律及法規，並採用有效的環保技術，確保其項目符合建設標準及環保道德。本集團已採取措施控制固體廢物、廢水及廢氣排放，並控制噪音污染。本集團近期在南灣商業樓宇屋頂安裝太陽能電池板，反映其相信可再生能源之重要性。

本集團的建設項目反映其對可持續發展之重視。本集團施加嚴格控制，以確保遵守相關建築法規。整體項目設計著重於融入周圍的自然環境及充分利用當地自然資源。建設應為可持久、環保及融入自然，並具有高效能，不損害當地生態系統。樓宇的室內設計，旨在創造一個健康的生活環境，並充分利用日光來節省能源。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Social and Governance

The Group regards people as its most important asset. Over the years, the Group has put considerable effort to provide a safe and healthy staff environment for its employees. The Group offers a comprehensive and competitive package of benefits to attract and retain talent. The Group is committed to provide a safe, effective and congenial work environment. Adequate arrangements, training and guidelines are implemented to ensure the working environment is healthy and safe. Different safety-related initiatives and measures have been rolled out in the Company's operations. Risk assessments are also conducted to identify risks in special working environments, while detailed safety instructions have been formulated and communicated to workers as part of their safety training sessions. Safety officers are appointed to coordinate and communicate safety-related matters to workers on site.

The Group has issued a "Code of Conduct & Business Ethics" (the "Code") to all the directors and employees of the Group and has been uploaded to the Company's website. The Code sets out the principles to guide the directors and employees of the Group to conduct all the business affairs in accordance with the highest business ethical standards. A "Whistle-blowing Guideline" has been created for the reporting of any illegal activities.

The Group is committed to participate in the community where we operate with an aim to the improvement of community well-being and social services. Through the hiring of locals using market compatible remuneration packages, the Group is able to share its operational returns with the local community and contribute back to society.

社會及管治

本集團將人才視為其最寶貴的資產。多年來，本集團一直竭力為僱員提供安全及健康的就業環境。本集團提供全面及具競爭力的福利待遇，以吸引及挽留人才，並承諾提供安全、有效及理想的工作環境。本集團已作出適當的安排、培訓及指引，以確保工作環境健康安全。在公司的業務營運中推出不同的安全計劃及措施。亦會進行風險評估，以識別特殊操作環境中的風險，同時制定詳細的安全指引，傳達予所有員工，作為員工其中一個安全培訓環節。本集團已委派安全主任協調及向現場員工傳達安全相關事項。

本集團已向本集團所有董事及僱員發佈「行為及商業道德守則」(「守則」)，並已將守則上載至本公司網站。守則載有指引本集團董事及僱員根據最高商業道德標準進行所有業務的原則。本集團已制定「舉報指引」，指導舉報任何非法活動。

本集團致力於參與經營所在社區事務，以改善社區福利及服務。通過採用與市場相符的薪酬待遇僱用當地人員，本集團與當地社區居民分享經營成果，回饋社會。



► Beijing Chienmen 23
北京前門23號



► Tianjin Eka Garden
天津奕聰花園

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. OEI Tjie Goan

(Non-executive Director and Chairman)

Mr. OEI Tjie Goan, aged 74, is the Chairman and an Non-executive Director of the Group since April 2004. Mr. OEI was a graduate of the Mathematics & Dynamics Department of Beijing University where he majored in Computational Mathematics. Involved in Asia's pulp and paper, finance, banking, property and agricultural industries since 1974, Mr. OEI sits on the board of two listed companies in Indonesia: PT. Indah Kiat Pulp & Paper Tbk. and PT. Pabrik Kertas Tjiwi Kimia Tbk. Mr. OEI is the father of Mr. OEI Kang, Eric, an Executive Director and Chief Executive Officer of the Company.

Mr. OEI Kang, Eric

(Executive Director and Chief Executive Officer)

Mr. OEI Kang, Eric, aged 48, has been appointed as an Executive Director of the Group since April 2004. Mr. OEI is the Chief Executive Officer and the chairman of the Executive Committee of the Company. Mr. OEI was appointed as a member of the Nomination Committee and the Remuneration Committee of the Company on 20 March 2019. Mr. OEI also holds several directorships in other members of the Group. Mr. OEI was educated in the USA, and obtained a Bachelor's Degree in Economics (with a minor in Electrical Engineering) and a Master's Degree in Business Administration. Earlier in his career, Mr. OEI worked with Peregrine Securities Ltd. and PCCW in Hong Kong, the LG Group in Seoul and McKinsey & Co. in Los Angeles, USA. Mr. OEI is a son of Mr. OEI Tjie Goan, the Chairman of the Group. Mr. OEI is also the sole director and the sole shareholder of Claudio Holdings Limited, the controlling shareholder of the Company. Mr. OEI is currently an Executive Director, Chairman and Chief Executive Officer of China Renewable Energy Investment Limited, a subsidiary of the Company and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

黃志源先生

(非執行董事兼主席)

黃志源先生現年七十四歲，自二零零四年四月起一直出任本集團主席兼非執行董事職務。黃先生畢業於北京大學數學與力學系，主修計算數學。黃先生自一九七四年起一直在亞洲地區從事造紙、財經及銀行業、物業及農業業務。黃先生現時為PT. Indah Kiat Pulp & Paper Tbk.及PT. Pabrik Kertas Tjiwi Kimia Tbk.之董事，該兩家公司均為印尼上市公司。黃先生乃本公司執行董事兼行政總裁黃剛先生之父親。

黃剛先生

(執行董事兼行政總裁)

黃剛先生現年四十八歲，自二零零四年四月起出任本集團執行董事職務。黃先生現為本公司行政總裁及執行委員會主席，黃先生於二零一九年三月二十日被委任為本公司提名委員會及薪酬委員會之成員，同時亦於本集團其他成員公司出任董事職務。黃先生於美國升學，持有經濟學學士學位(副修電機工程)，以及持有工商管理碩士學位。黃先生曾任職於百富勤證券有限公司、香港電訊盈科、首爾LG Group及美國洛杉磯McKinsey & Co.。黃先生乃本集團主席黃志源先生之兒子。黃先生亦為本公司控股股東 Claudio Holdings Limited之唯一董事及唯一股東。黃先生現為本公司之附屬公司中國再生能源投資有限公司(其股份於香港聯合交易所有限公司(「聯交所」)主板上市)之執行董事、主席兼行政總裁。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. LEUNG Wing Sum, Samuel

(Executive Director and Chief Financial Officer)

Mr. LEUNG Wing Sum, Samuel, aged 55, is an Executive Director of the Company since September 2015. Mr. LEUNG also serves as a director of certain members of the Group and Chief Financial Officer and a member of the Executive Committee of the Company. Mr. LEUNG has been appointed as an Executive Director and Chief Financial Officer of China Renewable Energy Investment Limited ("CRE"), a non-wholly owned subsidiary of the Company, the shares of which are also listed on the main board of the Stock Exchange since 1 December 2008. He joined the CRE Group in April 2008 as Qualified Accountant. He also holds several directorships in other members of CRE Group and is a member of the Executive Committee of CRE. Mr. LEUNG is a certified practising accountant of CPA Australia. He obtained a Master's Degree in Business from RMIT University of Australia. He has over 20 years' experience in auditing and finance management with an international audit firm and other major conglomerates in Hong Kong. Prior to joining the CRE Group, Mr. LEUNG was a director of internal control and risk management of the Company.

Mr. LEE Shiu Yee, Daniel

(Executive Director)

Mr. LEE Shiu Yee, Daniel, aged 53, is an Executive Director of the Company since January 2014. Mr. LEE also serves as a director of certain members of the Group and a member of the Executive Committee of the Company. Mr. LEE is the Project Director of Property Department of the Group since December 2010. Mr. LEE holds a Professional Diploma in Quantity Surveying (Hong Kong Polytechnic), a Bachelor of Laws (LLB) degree with honours (City University, Hong Kong) and an MSc degree in Construction Management (Reading University, UK). He is a Registered Professional Surveyor, a member of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. Mr. LEE has over twenty years of project management experience in property developments in Hong Kong and China. Before joining the Group, Mr. LEE was the General Manager (Property Projects) of the Property Department of CITIC Pacific Limited.

梁榮森先生

(執行董事兼首席財務官)

梁榮森先生現年五十五歲，自二零一五年九月起出任本公司執行董事職務。梁先生亦為本集團其他成員公司之董事、本公司首席財務官及執行委員會成員。梁先生自二零零八年十二月一日起出任本公司之非全資附屬公司中國再生能源投資有限公司(「中國再生能源」)之執行董事兼首席財務官職務，其股份亦於香港聯交所主板上市，彼於二零零八年四月加入中國再生能源集團為合資格會計師，彼於中國再生能源集團其他成員公司出任董事職務並為中國再生能源執行委員會之成員。梁先生為澳洲執業會計師公會執業會計師。彼取得澳洲RMIT大學之商業碩士學位，並於一家國際核數師事務所及香港其他主要大型企業累積逾二十年核數及財務管理經驗。梁先生於加入中國再生能源集團前，為本公司之內部監控及風險管理董事。

李肇怡先生

(執行董事)

李肇怡先生現年五十三歲，自二零一四年一月起出任本公司執行董事職務。李先生亦為本集團其他成員公司之董事及本公司執行委員會成員。李先生自二零一零年十二月起出任本集團地產部項目總監。李先生持有香港理工學院工料測量學專業文憑、香港城市大學法律學榮譽學士學位及英國雷丁大學工程管理理學碩士學位。李先生為註冊專業測量師、英國皇家特許測量師學會會員及香港測量師學會會員。李先生在香港及中國的物業發展範疇擁有超過二十年的項目管理經驗。加入本集團前，李先生為中信泰富有限公司地產部項目策劃總經理。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. WONG Jake Leong, Sammy

(Executive Director)

Mr. WONG Jake Leong, Sammy, aged 58, has been appointed as Executive Director of the Company since January 2014. He has been instrumental in raising funds for the Group and is currently serving as a member of the Executive Committee of the Company. He is also a director of certain subsidiaries of the Group. Mr. WONG is the Investor Relations Director of the Group and has been with the Group since 2007. He has also served as a former Chief Financial Officer. Mr. WONG is an Executive Director of China Renewable Energy Investment Limited, a listed subsidiary of the Company, the shares of which are listed on the Main Board of the Stock Exchange.

Mr. WONG received a Bachelor's degree in the geophysical sciences from the University of Chicago and an MBA from the Yale School of Management. He started his career as an investment banker at Kidder, Peabody in New York, where he was involved in project finance. He moved to Hong Kong with Bear Stearns, and was involved in a variety of corporate finance activities, and was involved in some of the first H share IPOs out of China. Mr. WONG then worked in equity research at Societe Generale where he was in charge of the research efforts in Shanghai; and later as Vice President and head of China Research at Credit Suisse in Hong Kong. Before joining the Company, Mr. WONG served as a Chief Financial Officer for DVN Holdings Limited (now known as "Frontier Services Group Limited"), where he was involved in fund raising and introducing strategic investors to the company.

黃植良先生

(執行董事)

黃植良先生現年五十八歲，自二零一四年一月起出任本公司執行董事職務。黃先生於本集團負責籌集資金並現出任本公司執行委員會成員，黃先生並為本集團若干附屬公司董事。黃先生為本集團投資者關係總監，自二零零七年以來一直於本集團任職。他曾擔任過首席財務官職務。黃先生為本公司之上市附屬公司中國再生能源投資有限公司之執行董事，其股份於聯交所主板上市。

黃先生持有芝加哥大學地質物理科學學士學位及耶魯大學管理學院工商管理碩士。彼於紐約投資銀行Kidder, Peabody開始了他的職業生涯，參與項目融資，彼移居香港後加入Bear Stearns，參與各種企業融資活動，包括部分中國以外H股首次公開發行。黃先生隨後在上海Societe Generale證券分析部負責研究工作，以及後來在香港Credit Suisse出任中國研究副總裁及主管。在加入本公司前，黃先生曾擔任天地數碼控股有限公司(現稱為「先豐服務集團有限公司」)首席財務官，並參與集資及引進策略性投資者。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. CHUNG Cho Yee, Mico

(Independent Non-executive Director)

Mr. CHUNG Cho Yee, Mico, aged 58, is an independent non-executive director of the Group since April 2004. Mr. CHUNG graduated from the University College, University of London, England with a Law Degree in 1983. After qualifying as a solicitor in Hong Kong in 1986, Mr. CHUNG spent 2 years working with the commercial department of a local law firm. He subsequently joined the corporate finance department of Standard Chartered Asia Ltd., the investment banking arm of Standard Chartered Bank, in 1988.

In 1990, Mr. CHUNG became a director and General Manager of Bond Corporation International Ltd., leaving to join China Strategic Holdings Ltd in 1992. In March 1999, he joined the Pacific Century Group as executive director with responsibility for the group's merger and acquisition activities. Mr. CHUNG is currently the executive chairman of CSI Properties Limited, a company listed on The Stock Exchange of Hong Kong Limited, and a non-executive director of HKT Limited and HKT Management Limited (in its capacity as the trustee – manager of the HKT Trust).

鍾楚義先生

(獨立非執行董事)

鍾楚義先生現年五十八歲，自二零零四年四月起一直出任本集團獨立非執行董事職務。鍾先生於一九八三年畢業於英國倫敦大學University College，取得法律學位。鍾先生於一九八六年成為香港執業律師，其後在香港一家律師行之商業部門任職兩年。鍾先生於一九八八年加入渣打銀行之投資銀行分公司渣打(亞洲)有限公司之企業融資部。

於一九九零年，鍾先生成為奔達國際有限公司之董事兼總經理，其後於一九九二年加盟中策集團有限公司。鍾先生於一九九九年三月加盟盈科拓展集團，並出任執行董事一職，負責盈科拓展集團之併購事項。鍾先生現為香港聯合交易所有限公司上市公司資本策略地產有限公司之執行主席，及香港電訊有限公司與香港電訊管理有限公司(以其作為香港電訊信託託管人—經理身份)之非執行董事。



DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. CHENG Yuk Wo

(Independent Non-executive Director)

Mr. CHENG Yuk Wo, aged 58, is an independent non-executive director of the Group since July 2004. Mr. CHENG holds a Master of Science Degree in Economics, Accounting and Finance and a Bachelor of Arts (Hons.) Degree in Accounting. He is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Institute of Chartered Accountants of Ontario. His career includes more than 20 years' accounting and corporate advisory services expertise in several listed companies in Hong Kong. The co-founder of a Hong Kong merchant banking firm, Mr. CHENG is the proprietor of a certified public accountancy practice in Hong Kong.

Mr. CHENG is currently an independent non-executive director of CSI Properties Limited, Goldbond Group Holdings Limited, C.P. Lotus Corporation, Chia Tai Enterprises International Limited, Chong Hing Bank Limited, CPMC Holdings Limited, Top Spring International Holdings Limited, Liu Chong Hing Investment Limited, DTXS Silk Road Investment Holdings Company Limited, Miricor Enterprises Holdings Limited, Somerley Capital Holdings Limited and Kidsland International Holdings Limited, all being Hong Kong listed companies.

鄭毓和先生

(獨立非執行董事)

鄭毓和先生現年五十八歲，自二零零四年七月起一直出任本集團之獨立非執行董事職務。鄭先生持有會計及財務經濟科學碩士學位及榮譽文學學士學位(會計)。鄭先生為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員，並為加拿大安大略省特許會計師公會會員。彼曾於香港多間上市公司擁有超過二十年會計及企業顧問服務之專業知識。鄭先生為香港一間商人銀行機構之共同創辦人，現為香港一間執業會計師行之擁有人。

鄭先生現為香港上市公司資本策略地產有限公司、金榜集團控股有限公司、卜蜂蓮花有限公司、正大企業國際有限公司、創興銀行有限公司、中糧包裝控股有限公司、萊蒙國際集團有限公司、廖創興企業有限公司、大唐西市絲路投資控股有限公司、卓珈控股集團有限公司、新百利融資控股有限公司及凱知樂國際控股有限公司之獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Albert Thomas DA ROSA, Junior

(Independent Non-executive Director)

Mr. Albert Thomas DA ROSA, Junior (alias: Alberto Thomaz DA ROSA, Junior 羅凱栢), aged 65, is an independent non-executive director of the Group since September 2004. Mr. DA ROSA holds both Bachelor's and Master's Law Degrees from The University of Hong Kong. He qualified as a solicitor in Hong Kong in 1980. He is currently a practicing solicitor and a partner of Messrs. Cheung Tong & Rosa Solicitors, Hong Kong.

Mr. DA ROSA is a fellow of The Chartered Institute of Arbitrators and The Hong Kong Institute of Directors, a member of the Hong Kong Securities and Investment Institute and an accredited mediator with certain institutions in the U.K. and Hong Kong.

Mr. DA ROSA is a non-executive director of TCL Electronics Holdings Limited and the company secretary of Y.T. Realty Group Limited and Yugang International Limited, all of which are companies listed on The Stock Exchange of Hong Kong Limited.

Mr. DA ROSA serves as the chairman of the Board of Review (Inland Revenue Ordinance) Panel. He is a member of the Standing Committee on Standards and Development of The Law Society of Hong Kong. He served as chairman of the Appeal Tribunal (Buildings) Panel from 2009 to 2017. He served the Solicitors Disciplinary Tribunal Panel from 1998 to 2014 as member, deputy tribunal convenor and ultimately the tribunal convenor. He also served as member of the Academic and Accreditation Advisory Committee of the Securities and Futures Commission of Hong Kong from 2003 to 2009.

Albert Thomas DA ROSA, Junior先生

(獨立非執行董事)

Albert Thomas DA ROSA, Junior先生(別名: Alberto Thomaz DA ROSA, Junior 羅凱栢)現年六十五歲，自二零零四年九月起一直出任本集團之獨立非執行董事職務。羅先生擁有香港大學法律學士及法律碩士學位。彼於一九八零年獲得香港律師資格，現為香港執業律師，並為香港張秀儀唐滙棟羅凱栢律師行的合夥人。

羅先生為英國特許仲裁人學會之資深會士及香港董事學會之資深會員，香港證券及投資學會之會員及為若干英國及香港團體之認可調解員。

羅先生現為TCL電子控股有限公司之非執行董事及渝太地產集團有限公司和渝港國際有限公司之公司秘書，以上公司均於香港聯合交易所有限公司上市。

羅先生擔任稅務上訴委員會小組主席。他是香港律師會專業水準及發展常務委員會會員。於二零零九年至二零一七年期間，他曾擔任建築物上訴審裁團主席。於一九九八年至二零一四年期間，彼獲委任為律師紀律審裁團成員、審裁團副召集人及最終成為審裁團召集人。彼亦曾於二零零三年至二零零九年期間擔任香港證券及期貨事務監察委員會之學術評審諮詢委員會委員。



CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

HKC (Holdings) Limited (the “Company”, and with its subsidiaries, collectively, the “Group”) is committed to good corporate governance principles and practices and its board of directors (the “Directors” or the “Board”) recognizes that it is essential to safeguard the interests of shareholders, customers and employees and uphold accountability, transparency and responsibility of the Company.

The Company has applied the principles and complied with the code provisions and certain recommended best practices set out in the Corporate Governance Code (the “CG Code”), contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the year ended 31 December 2018, save for the deviations with considered reasons as explained stated in the following relevant paragraphs.

BOARD OF DIRECTORS

Board Composition

The Company has at all time during the year ended 31 December 2018 maintained a balanced board with strong independent element. The Board currently comprises eight Directors with four Executive Directors, one Non-executive Director and three Independent Non-executive Directors. Each Director possesses expertise and experience and provides checks and balances for safeguarding the interests of the Group and the shareholders as a whole. In addition, the Company had maintained three Independent Non-executive Directors which formed at least one-third of the full Board. Biographical details of the Directors and their relationships, where applicable, are set out in pages 21 to 26 of this Annual Report.

During the year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors with at least one Independent Non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. The independence of the Independent Non-executive Directors was assessed in accordance with the applicable Listing Rules. Each of the Independent Non-executive Directors has provided to the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of them are independent.

企業管治常規

香港建設(控股)有限公司(「本公司」, 連同其附屬公司統稱為「本集團」)致力達致良好之企業管治準則及常規, 而其董事會(「董事」或「董事會」)明白, 有關準則及常規對保障股東、客戶及僱員之利益以及維持本公司問責性、透明度及責任方面攸關重要。

於截至二零一八年十二月三十一日止年度, 本公司一直採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載企業管治守則(「企管守則」)之原則, 並遵守其守則條文及若干建議最佳常規, 惟若干具有合理理由之偏離情況除外, 有關詳情載於下文相關段落。

董事會

董事會之組成

本公司於截至二零一八年十二月三十一日止年度全年維持平衡且高度獨立之董事會。董事會目前由八名董事組成, 當中包括四名執行董事、一名非執行董事及三名獨立非執行董事。各董事均具備專業知識及經驗, 可收相互監督及平衡之效, 以保障本集團及股東整體利益。此外, 本公司維持三名獨立非執行董事, 人數佔董事會全體成員最少三分之一。董事之履歷詳情及彼等之關係(如適用)載於本年報第21至26頁。

董事會於整個年度均符合上市規則之規定, 委任最少三名獨立非執行董事, 當中最少一名獨立非執行董事必須具備適當的專業資格, 或具備適當的會計或相關的財務管理專長。本公司根據適用上市規則評估獨立非執行董事之獨立性。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。本公司認為, 彼等均為獨立人士。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

Chairman and Chief Executive Officer

The roles of chairman and chief executive officer of the Company were exercised by two different individuals. Mr. OEI Tjie Goan is the Chairman and Mr. OEI Kang, Eric is the Chief Executive Officer (“CEO”) of the Company. Their responsibilities had been clearly set out and approved by the Board. The Board considers that this arrangement facilitates the execution of the Group’s business strategies and maximizes effectiveness of its operation. The Board shall nevertheless review its structure from time to time and will consider appropriate move to take should circumstances so required. Mr. OEI Tjie Goan, the Chairman of the Company, is the father of Mr. OEI Kang, Eric, CEO.

Responsibilities of Directors

The Board is responsible for the leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs and formulating business strategies with a view to maximizing its financial performance and shareholders’ value.

The Board has delegated various responsibilities and powers to the Board committees to assist it in efficiently implementing those functions specified in written terms of reference.

Decisions relating to the long-term objectives and viability of the Company, and any acquisitions or disposal of transactions and investments of any kind with value exceeding the authority of the Executive Committee set out in its terms of reference or the threshold for discloseable transactions for the Company as defined in the Listing Rules from time to time are reserved for the Board; whereas decisions on matters set out in the terms of reference of the Executive Committee and those not specifically reserved for the Board are delegated to the Executive Committee and management, as applicable.

Directors are provided with sufficient resources to seek independent professional advice in performing their duties at the Company’s expense and are encouraged to consult with the Company’s senior management independently. The management provides monthly management accounts of the Group to the Directors to apprise them of the Group’s latest performance and financial position.

董事會(續)

主席及行政總裁

本公司主席及行政總裁角色分別由兩名人士擔任，黃志源先生出任本公司主席，而黃剛先生則出任本公司行政總裁(「行政總裁」)。彼等之職責已清晰界定並獲董事會批准，董事會認為，此項安排有助執行本集團之業務策略及發揮其營運效能。然而，董事會將不時檢討該架構，並將考慮在情況需要時作出適當變動。本公司主席黃志源先生為行政總裁黃剛先生之父親。

董事責任

董事會負責本集團之領導及監控工作，透過統管及監督本集團事務及制定業務策略，提升財務表現及股東價值，共同負責推動本集團邁向成功。

董事會已向其轄下董事會委員會委以重任及授予權力，以助其有效實施書面職權範圍內訂明之有關職能。

關於本公司長遠目標及經營能力之決策，及任何收購或出售交易，及任何類別投資，而其價值超出執行委員會職權範圍所載權力，或上市規則不時界定本公司須予披露交易上限者，概由董事會處理；而關於執行委員會職權範圍所載事項的決策，及該等毋須特別交由董事會處理之事項，則由執行委員會及管理層(視適用情況而定)處理。

董事獲提供充足資源，於履行彼等之職務時尋求獨立專業意見，費用由本公司承擔，彼等亦可獨立諮詢本公司高級管理層。管理層向董事提供本集團每月管理賬目，以評估本集團最近期表現和財務狀況。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

Responsibilities of Directors (continued)

Directors are requested to disclose to the Company at the time of his appointment and in a timely manner for any change, the number and nature of offices held in public companies or organizations and other significant commitments. Such changes will be updated and published in the annual and interim reports as appropriate.

The Company has arranged appropriate liability insurance to indemnify the Group's Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

Nomination, Appointment and Re-election of Directors

All new appointment of Directors and nomination of Directors proposed for re-election at the annual general meeting are first considered by the Nomination Committee. The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. Having due regard for the benefits of diversity of the Board, the Nomination Committee will then put recommendations to the Board for decision. Details of the role and function as well as a summary of the work performed by the Nomination Committee are set out under the heading of "Nomination Committee" below.

In accordance with the Company's Bye-laws ("Bye-laws"), the nearest to but not less than one-third of the Directors shall retire from office by rotation but are eligible for re-election by shareholders at the annual general meeting provided that every Director is subject to retirement by rotation at least once every three years. New appointments to the Board are also subject to re-election by shareholders at the next following annual general meeting (in the case of an addition to the Board) or at the following general meeting (in the case filling the casual vacancy).

All Non-executive Directors of the Company were appointed with no specific term, but are subject to the aforesaid rotation requirement in the Bye-laws, accomplishing the same purpose as being appointed for a specific term pursuant to code provision A.4.1 of the CG Code. The rotating Directors who are subject to retirement and re-election at the 2019 annual general meeting are set out on page 64 of this Annual Report.

董事會(續)

董事責任(續)

董事在其接受委任時須向本公司披露其在公眾公司或組織機構擔任的職位數量及性質以及其他重大承擔，其後若有任何變動應適時向本公司披露。該等變動將於適當時間在年報及中期報告中更新及刊載。

本公司已安排適當責任保險，以彌償本集團董事因企業事務產生之責任。本公司每年檢討保險範圍。

提名、委任及重選董事

所有新委任之董事及於股東週年大會候任重選之董事提名均先經由提名委員會初步考慮。提名委員會將按品格、經驗、技能以及就履行職責付出之時間及努力等標準評估候選人或在任人。在適當考慮董事會成員多元化的好處，提名委員會之建議將於其後提交董事會以作決定。提名委員會之角色及職能詳情以及所履行工作之概要載於下文「提名委員會」一節。

根據本公司之公司章程細則(「公司章程細則」)，人數最接近但不少於三分之一之董事須輪值退任，惟彼等符合資格可於股東週年大會獲股東重選連任，另每名董事須至少每三年輪值退任一次。董事會之新委任董事亦須於下一屆股東週年大會(倘出任董事會新增成員)或於下一屆股東大會(倘填補臨時空缺)由股東重選連任。

本公司全體非執行董事並無固定任期，惟須遵守上述公司章程細則之輪值退任規定，此舉目的與根據企管守則項下守則條文第A.4.1條按固定任期委任相同。須於二零一九年股東週年大會輪值退任及重選連任之董事載於本年報第64頁。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

Meetings of the Board and Board Committees

The Directors meet from time to time to discuss and exchange ideas on the affairs of the Company. The Board has set up various Board Committees, among others, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Executive Committee for overseeing particular aspects of the Group's affairs. The terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee are available on both the websites of the Company and the Stock Exchange.

During the year, the following meetings of the Board, the Audit Committee, the Nomination Committee and the Remuneration Committee were held and the attendance of the individual Directors at these meetings is set out in the table below:

董事會(續)

董事會及董事委員會會議

董事不時舉行會議，以討論本公司事務及交換意見。董事會已成立多個董事委員會，其中包括審核委員會、提名委員會、薪酬委員會及執行委員會，以監察本集團各項事務之特定範疇。審核委員會，提名委員會及薪酬委員會的職權範圍，載於本公司及聯交所網站。

年內，董事會、審核委員會、提名委員會及薪酬委員會曾舉行下列會議，各董事於該等會議出席情況載於下表：

| Name of Directors | 董事姓名 | Number of meetings attended/ Number of meetings eligible to attend 出席會議數目/合資格出席會議數目 | | | |
|--|----------------|---|-----------------------------|------------------------------------|----------------------------------|
| | | Board 董事會 | Audit Committee 審核委員會 | Remuneration Committee 薪酬委員會 | Nomination Committee 提名委員會 |
| Executive Directors | 執行董事 | | | | |
| Mr. OEI Kang, Eric | 黃剛先生 | 4/4 | 2/2 (Note附註) | 1/1 (Note附註) | 1/1 (Note附註) |
| Mr. LEE Shiu Yee, Daniel | 李肇怡先生 | 4/4 | 1/2 (Note附註) | N/A不適用 | N/A不適用 |
| Mr. WONG Jake Leong, Sammy | 黃植良先生 | 4/4 | 2/2 (Note附註) | N/A不適用 | N/A不適用 |
| Mr. LEUNG Wing Sum, Samuel | 梁榮森先生 | 4/4 | 2/2 (Note附註) | N/A不適用 | N/A不適用 |
| Non-executive Director | 非執行董事 | | | | |
| Mr. OEI Tjie Goan | 黃志源先生 | 0/4 | N/A不適用 | N/A不適用 | N/A不適用 |
| Independent Non-executive Directors | 獨立非執行董事 | | | | |
| Mr. CHUNG Cho Yee, Mico | 鍾楚義先生 | 3/4 | 1/2 | 1/1 | 1/1 |
| Mr. CHENG Yuk Wo | 鄭毓和先生 | 4/4 | 2/2 | 1/1 | 1/1 |
| Mr. Albert Thomas DA ROSA, Junior | 羅凱栢先生 | 4/4 | 2/2 | 1/1 | 1/1 |

Note: The Executive Directors attended the relevant meetings as invitees.

附註：執行董事以受邀請人身份出席有關會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

Meetings of the Board and Board Committees (continued)

Notices of not less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they are advised of the matters to be discussed and given an opportunity to make their views known to the Chairman and/or the CEO prior to the meeting.

Minutes of the board meetings and committee meetings are recorded in sufficient detail on the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each board meeting and committee meeting are sent to the Directors for comments within a reasonable time after the date of the meeting. All Directors have access to the Company Secretary, who is responsible for ensuring that the board procedures are complied with and advising the Board on compliance matters.

The Board continues to maintain a culture of openness and constructive relations between Executive and Non-executive Directors (including Independent Non-executive Directors). In the absence of the Chairman, the CEO is in the position to facilitate the effective contribution of Non-executive Directors, and ensure their views are communicated and heard by the Board. During the year, the Chairman did not hold any formal meeting with Independent Non-executive Directors and Non-executive Director without the Executive Directors present (as provided for in code provision A.2.7 of the CG Code) due to the tight schedule of the Chairman and Non-executive Directors.

董事會(續)

董事會及董事委員會會議(續)

本公司就所有定期舉行之董事會會議發出不少於十四天通知，以向全體董事提供機會騰空出席及提出相討事項納入定期會議議程。就其他董事會及委員會會議而言，一般將會作出合理通知。於舉行會議前最少三天向董事或委員會成員送交議程及隨附之會議文件，以確保彼等擁有充足時間檢閱該等文件並就會議作充分準備。倘董事或委員會成員未能出席會議，彼等將於會議舉行前得悉將予討論之事項以使彼等獲得機會向主席及／或行政總裁發表彼等之意見。

董事會及委員會會議之會議記錄均充分載列董事會及委員會所考慮事項之詳情及所達致之決策，包括董事提出之任何疑慮。各董事會及委員會會議之會議記錄草擬本於會議舉行日期後一段合理時間內送交董事，以獲取意見。全體董事均可與公司秘書聯繫，公司秘書須負責確保已遵守董事會程序，並就合規事宜向董事會提供意見。

董事會將繼續保持開放文化並與執行及非執行董事(包括獨立非執行董事)維持建設性的關係。在主席缺席的情況下，行政總裁將負責促進非執行董事作出有效的貢獻，並確保董事會聽取並傳達彼等的意見。年內，由於主席及非執行董事日程緊湊，主席並無在執行董事避席的情況下，與獨立非執行董事及非執行董事進行任何正式會議(企管守則守則條文第A.2.7條的規定)。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee with written terms of reference. The Remuneration Committee, chaired by an Independent Non-executive Director, comprises four members namely Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo and Mr. Albert Thomas DA ROSA, Junior, who are Independent Non-executive Directors and Mr. OEI Kang, Eric who is the Executive Director and CEO and was appointed as a member on 20 March 2019.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's remuneration policy and structure for Directors and senior management, and reviewing their remuneration packages. In arriving at its recommendations, the Remuneration Committee will consult with the Chairman and/or the CEO whenever it thinks fit and take into consideration factors such as the remuneration paid by comparable companies, skill, knowledge, time commitment and responsibilities of Directors. The Remuneration Committee has the responsibility, powers and discretion to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management.

During the year under review, the Remuneration Committee held one meeting to review, inter alia, the remuneration policy and structure of Directors including those retired and re-elected at the 2018 annual general meeting of the Company and approve the year-end bonus and salary increment of the Executive Directors. No Director was involved in deciding his own remuneration. The attendance records of each member at the meetings of the Remuneration Committee held during his term of office are set out on page 30 of this Annual Report. Details of the Directors' and senior management's remuneration for the year ended 31 December 2018 are set out in Note 40 to the consolidated financial statements.

薪酬委員會

本公司已成立薪酬委員會，並制訂其書面職權範圍。薪酬委員會由一名獨立非執行董事擔任主席，包括四名成員，分別為獨立非執行董事鍾楚義先生、鄭毓和先生及羅凱栢先生以及執行董事兼行政總裁黃剛先生，彼於二零一九年三月二十日獲委任為成員。

薪酬委員會負責就本公司董事及高級管理層之薪酬政策及結構向董事會作出推薦建議，以及審閱彼等之薪酬待遇。於達致其建議時，薪酬委員會於其認為合適時諮詢主席及／或行政總裁，並考慮其他可比較公司所支付之薪酬、董事之技能、知識、所付出時間及職責等因素。薪酬委員會有責任、權力及酌情權，並獲轉授責任，釐定個別執行董事及高級管理層之薪酬待遇。

於回顧年度內，薪酬委員會曾舉行一次會議，以檢討（其中包括）董事之薪酬政策及結構，當中包括於本公司二零一八年股東週年大會退任及重選連任的董事，以及批准執行董事年終花紅及薪酬加幅。概無董事參與釐定本身之薪酬。各成員於任期內已舉行之薪酬委員會會議出席記錄載於本年報第30頁。截至二零一八年十二月三十一日止年度，董事及高級管理層薪酬詳情載於綜合財務報表附註40。

CORPORATE GOVERNANCE REPORT

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NOMINATION COMMITTEE

The Company has established a Nomination Committee with written terms of reference. The Nomination Committee, chaired by an Independent Non-executive Director, comprises four members namely Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo and Mr. Albert Thomas DA ROSA, Junior, all of whom are Independent Non-executive Directors and Mr. OEI Kang, Eric who is the Executive Director and CEO was appointed as a member on 20 March 2019. The Nomination Committee held one meeting during the year, and the attendance details of each member are set out on page 30 of this Annual Report.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board at least annually, identifying suitable candidates for directorship, assessing the independence of Independent Non-executive Directors, and making recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy.

During the year, the work performed by the Nomination Committee includes the following:

- reviewing the structure, size and composition of the Board;
- reviewing the structure of board committees;
- assessing the independence of Independent Non-executive Directors and sufficient number of independent directors to maintain a balanced board;
- making recommendation to the Board relating to the re-appointment of the retiring Directors; and
- reviewing the progress report from the management in relation to the Board Diversity Policy.

The Company had provided the Nomination Committee sufficient resources to perform its duties. Where necessary, the Nomination Committee could seek independent professional advice, at the Company's expense, to perform its responsibilities.

提名委員會

本公司已成立提名委員會，並制訂其書面職權範圍。提名委員會由一名獨立非執行董事擔任主席，包括四名成員，分別為獨立非執行董事鍾楚義先生、鄭毓和先生及羅凱栢先生以及執行董事兼行政總裁黃剛先生，彼於二零一九年三月二十日獲委任為成員。提名委員會於年內曾舉行一次會議，各成員之出席詳情載於本年報第30頁。

提名委員會負責至少每年檢討董事會架構、人數及組成；物色適合擔任董事之候選人，評估獨立非執行董事之獨立性；以及就配合本公司的企業策略而擬對董事會作出的任何變動向董事會作出建議。

年內，提名委員會進行之工作包括以下各項：

- 檢討董事會之架構、人數及組成；
- 檢討董事委員會之架構；
- 評估獨立非執行董事之獨立性及獨立董事數量是否足夠，以維持董事會的平衡；
- 就重新委任退任董事向董事會作出推薦意見；及
- 檢討管理層就董事會多元化政策發出之進度報告。

本公司已向提名委員會提供充足資源以履行其職責。提名委員會可在有需要時尋求獨立專業意見，以履行職責，費用由本公司承擔。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE (continued)

Board Diversity Policy

The Board adopted a board diversity policy (the “Board Diversity Policy”) on 8 July 2013.

Below is the summary of the Board Diversity Policy:

The Company recognizes and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. All appointments of the members of the Board are made on merit, in the context of the skills and experience the Board as a whole requires to be effective. In designing the Board composition, the Company is committed to equality of opportunity in all aspects and does not discriminate on the grounds, including but not limited to, ethnicity, gender, age, cultural and religious background.

The Nomination Committee discussed and agreed the measurable objectives for achieving diversity on the Board and recommended them to the Board for adoption. During the year, the Committee reviewed the existing composition of the Board and identified the key business skills and experience required in line with the business strategy. It also monitored the review of the Company’s recruitment process to reinforce its commitment to the principle of equal opportunity.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference which have been updated from time to time to align with the code provisions set out in the CG Code. The Audit Committee, chaired by an Independent Non-executive Director, comprised three members namely Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo and Mr. Albert Thomas DA ROSA, Junior, all of whom are Independent Non-executive Directors at all time during the year ended 31 December 2018.

提名委員會(續)

董事會多元化政策

董事會已於二零一三年七月八日採納董事會多元化政策(「董事會多元化政策」)。

董事會多元化政策之概要如下：

本公司了解及認同具有多元化董事會的裨益，並視在董事會層面的多元化為維持競爭優勢的重要元素。董事會成員的所有委任均配合董事會整體運作所需要的技能及經驗水平而作出。於制訂董事會之組成時，本公司致力於所有方面做到機會平等，並不會因(包括但不限於)種族、性別、年齡、文化及宗教背景而有所區別。

提名委員會已作出討論及協定為達致董事會多元化的所有可計量目標，並向董事會建議有關目標以供採納。年內，委員會審閱現有董事會之組成，並識別與業務策略一致的主要業務技能及所須經驗。委員會亦監察本公司招聘過程之審查，以加強其對平等機會原則之決心。

審核委員會

本公司已成立審核委員會，並制訂其不時更新之書面職權範圍，貫徹企管守則所載守則條文。於截至二零一八年十二月三十一日止年度的所有時間，審核委員會由一名獨立非執行董事擔任主席，包括三名成員，分別為鍾楚義先生、鄭毓和先生及羅凱栢先生，彼等均為獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (continued)

The principal responsibilities of the Audit Committee are to, inter alia, review and supervise the Group's financial reporting process, internal control and risk management procedures, as well as oversee the adequacy of the accounting and financial reporting resources. While recognized corporate governance is the collective responsibility of all Directors, the Board has delegated the corporate governance functions to the members of Audit Committee who are in an objective and independent position to oversee the corporate governance compliance.

During the year under review, the Audit Committee held two meetings together with senior management and external auditor. The attendance details of each member are set out on page 30 of this Annual Report. The major work performed by the Audit Committee during the year included reviewing interim and annual financial statements, continuing connected transactions, internal audit reports on the internal control and risk management matters, the Company's policies and practices on corporate governance as well as reviewing and recommending re-appointment of external auditor.

The Company has adopted a whistleblowing policy for employees to raise concerns, in confidence, with the designated executive who is accountable to the Audit Committee about possible improprieties in financial reporting, unlawful activities, or activities violating the Group's Code of Conduct and Business Ethics or otherwise amounting to serious improper conduct and to ensure protection from possible retaliation against any of our employees who has reported concerns in good faith.

EXECUTIVE COMMITTEE

The Company has established an Executive Committee with the key initiatives to manage the Group's business activities, and oversee the operating performance and financial position of the Group and all strategic business units. The Executive Committee comprises all Executive Directors of the Company and chaired by Mr. OEI Kang, Eric.

During the year under review, the Executive Committee met regularly to review the performance of various business units of the Group, co-ordinate overall resources, made financial and operation decisions delegated by the Board, review and develop investment strategy and policies of the Company and make relevant recommendations to the Board.

審核委員會(續)

審核委員會之主要職責為(其中包括)檢討及監察本集團財務匯報程序、內部監控及風險管理程序以及監察會計及財務匯報資源是否足夠。雖然達致認可企業管治水平為全體董事的共同責任，董事會將企業管治的職能轉授予審核委員會成員，以客觀及獨立的立場監督企業管治的遵守。

於回顧年度內，審核委員會與高級管理層及外聘核數師曾舉行兩次會議，各成員之出席詳情載於本年報第30頁。審核委員會年內主要進行之工作包括審閱中期及年度財務報表、持續關連交易、內部監控及風險管理事宜之內部審核報告、本公司企業管治之政策及常規，以及檢討外聘核數師之續聘及就此作出建議。

本公司已為僱員採納一個舉報政策，讓僱員可暗中向對審核委員會負責之指定主管提出有關財務報告中可能發生的不正當行為、非法活動，或違反本集團之商業道德與行為守則的活動或其他嚴重的不當行為，同時確保善意進行舉報的任何員工免受可能的報復。

執行委員會

本公司已成立之執行委員會，主要目的為管理本集團之業務活動，監督本集團之營運表現及財務狀況以及所有策略性業務單位。執行委員會由本公司全體執行董事組成並由黃剛先生擔任主席。

於回顧年度內，執行委員會定期會面，以檢討本集團各業務單位之表現，並統籌整體資源、按董事會所授權作出財務及營運決策、檢討及制訂本公司投資策略及政策並向董事會提出相關建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

DELEGATION BY THE BOARD

The management, consisting of the Executive Directors and other executives of the Company, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day operations of the Group. Executive Directors and senior executives meet regularly to review the performance of the businesses of various business units of the Group as a whole, co-ordinate overall resources and make financial and operation decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries, the Company has obtained confirmation from all Directors that they have complied with the required standards set out in the Model Code during the year ended 31 December 2018.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of unpublished inside information in relation to the securities of the Group, on no less exacting terms than the Model Code.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2018 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows. In preparing the financial statements, the Directors have adopted generally accepted accounting standards in Hong Kong and suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

董事會之授權

管理層(包括執行董事及本公司其他行政人員)·獲授權負責執行董事會不時採納之策略及方針·及履行本集團日常營運。執行董事與高級行政人員定期會面·審閱本集團各業務單位之整體表現·協調整體資源以及作出財務及經營決策。董事會亦就管理權力提供清晰指引·包括管理層須作出匯報之情況·並定期檢討授權安排以確保該等安排符合本集團需求。

董事進行證券交易之標準守則

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的標準守則(「標準守則」)作為有關董事進行證券交易之操守守則。經作出具體查詢後·本公司已獲全體董事確認·彼等於截至二零一八年十二月三十一日止年度一直遵守標準守則載列之規定標準。

本公司亦已採納相關僱員買賣本公司證券之守則·該等僱員可能擁有有關本集團證券之未公佈內幕消息。有關守則條款不會較標準守則寬鬆。

董事對財務報表之責任

董事知悉彼等須負責編製截至二零一八年十二月三十一日止年度財務報表·以真實及公平地反映本公司及本集團之業務狀況以及本集團之業績及現金流量。編製財務報表時·董事已採納並持續應用香港公認會計準則及適當之會計政策·作出審慎·公平及合理之判斷及評估·並按持續經營基準編製財務報表。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS (continued)

The statement of the Company's auditor about their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on pages 82 to 91 of this Annual Report.

AUDITORS' REMUNERATION

For the year ended 31 December 2018, the fees in respect of audit and non-audit services provided to the Group by the auditor amounted to approximately HK\$4.8 million and HK\$1.5 million respectively. The non-audit services mainly consist of interim results review services and tax advisory services.

DIRECTORS' TRAINING

During the year, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills. The training programmes included seminars and courses, reviewed the updated laws, rules and regulations and materials on topics relevant to the director's duties and responsibilities. A summary of training received by Directors during the year ended 31 December 2018 according to the records provided by the Directors is as follows:

董事對財務報表之責任(續)

本公司核數師就彼等對本公司財務報表之申報責任聲明載於本年報82至91頁之獨立核數師報告。

核數師酬金

截至二零一八年十二月三十一日止年度，有關核數師向本集團提供審核及非審核服務之費用分別約為4,800,000港元及1,500,000港元。非審核服務主要包括中期業績審閱服務及稅務顧問服務。

董事培訓

年內，全體董事均已參與發展及更新彼等知識及技能之持續專業發展。培訓計劃包括講座及課程、檢閱最新法律、法規及規例，以及題材與董事職務及職責相關的材料。按董事提供之記錄，董事於截至二零一八年十二月三十一日止年度接受之培訓概述如下：

| Name of Directors | 董事姓名 | Training on corporate governance, regulatory development and other relevant topics 企業管治、監管發展及其他相關主題之培訓 |
|--|----------------|---|
| Executive Directors | 執行董事 | |
| Mr. OEI Kang, Eric | 黃剛先生 | ✓ |
| Mr. LEE Shiu Yee, Daniel | 李肇怡先生 | ✓ |
| Mr. WONG Jake Leong, Sammy | 黃植良先生 | ✓ |
| Mr. LEUNG Wing Sum, Samuel | 梁榮森先生 | ✓ |
| Non-executive Director | 非執行董事 | |
| Mr. OEI Tjie Goan | 黃志源先生 | ✓ |
| Independent Non-executive Directors | 獨立非執行董事 | |
| Mr. CHUNG Cho Yee, Mico | 鍾楚義先生 | ✓ |
| Mr. CHENG Yuk Wo | 鄭毓和先生 | ✓ |
| Mr. Albert Thomas DA ROSA, Junior | 羅凱栢先生 | ✓ |

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' TRAINING (continued)

The Company continuously updates Directors on the latest developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. In addition, the Directors are regularly encouraged to enroll in a wide range of professional development courses and seminars regarding the Listing Rules and other regulatory requirements to enhance their awareness of good corporate governance practices.

董事培訓(續)

本公司持續向董事提供有關法定及監管架構及營商環境發展之最新信息，以協助彼等履行職務。此外，本公司鼓勵董事定期參加有關上市規則及其他監管規定之各種專業發展課程及研討會，以加強彼等對良好企業管治常規的意識。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's risk management and internal control systems and reviewing their effectiveness, while management is charged with the responsibility to design, implement and monitor the risk management and internal control systems to manage risks and compliance.

風險管理及內部監控

董事會負責監察本集團之風險管理及內部監控系統，並檢討其成效，而管理層則負責設計、執行及監察風險管理及內部監控系統以管理風險及規管事宜。

Risk Management Model



風險管理模式

As the first line of defense, operational management is responsible for maintaining effective internal controls and for executing risk and control procedures on day-to-day operation. Management of Head Office establishes various risk management and compliance functions to provide direction on the importance of risk management and monitor the first line of defense controls. The Internal Audit and Risk Management ("IARM") Department reviews and provides independent assurance on the effectiveness of risk management and internal control systems of the Group.

作為第一道防線，營運管理層負責維持內部監控之效用及執行日常營運之風險及監控程序。總部管理層建立多種風險管理及合規職能，就風險管理之重要性發出指示及監察第一道防線。內部審計及風險管理部（「內審部」）評審本集團風險管理及內部監控系統之效用並就此提供獨立意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Internal Control Framework

The Group has in place an integrated internal control framework that is consistent with the COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework as illustrated below:

風險管理及內部監控(續)

內部監控框架

本集團已設立與COSO (Committee of Sponsoring Organisations of the Treadway Commission)框架一致之綜合內部監控架構，詳見如下：

Control Environment

監控環境

- Set the right tone of the Group influencing control consciousness and risk awareness of the staff.
確立本集團正確的管治基調，以強化僱員的監控意識及風險認知。
- Factors include integrity, ethical values, competence, delegation of authority and responsibility.
涵蓋個人操守、道德價值、勝任能力、授權及責任範圍等因素。
- Foundation for all other components of internal control.
作為所有其他內部監控組成部分的基礎。

Risk Assessment

風險評估

- Identification, evaluation and analysis of the key risks underlying the achievement of the Group's objectives, including the risks relating to the changing regulatory and operating environment; conducted regularly, forming the basis for determining control activities.
定期識別、評估及分析與達致本集團目標相關的主要風險(包括有關監管及經營環境變化的風險)，並以此作為制定監控活動的基礎。

Control Activities

監控活動

- Policies and procedures for ensuring management directives are carried out and necessary actions are taken to address the risks that may hinder the achievement of the Group's objectives.
制定政策及程序，確保管理層之指示得以執行以及採取必要行動處理或會影響本集團達致目標之風險。
- Control activities include authorisations, approvals, verifications, performance reviews, segregation of duties, asset security, access control, documentation and records.
監控活動包括授權、審批、核實、績效檢討、職責劃分、資產保護、存取控制、文件存檔及記錄等。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued) 風險管理及內部監控(續)

Internal Control Framework (continued) 內部監控框架(續)

Information and Communication

資訊及通訊

- Pertinent information is identified, captured and provided to the right person in a timely manner.
適時識別、擷取及向適當人士提供相關資料。
- Channels of communication across the Group and with external parties are established.
建立本集團各部門之間以及與外界人士之溝通渠道。
- Channels of communication exist for people to report suspected malpractices or improprieties relating to the Group.
就舉報涉嫌與本集團事務有關的違規事件或不當行為設立溝通渠道。

Monitoring

監察

- Combination of ongoing and separate evaluations of control system's performance.
持續及個別評估監控系統的績效。
- Management and supervisory activities.
管理及監察工作。
- Internal audit activities.
內部審計工作。



CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Control Environment

The actions of management and its demonstrated commitment to maintaining a high standard of corporate governance practices within the Group are transparent to all. The Group strives to conduct all business affairs based on good business ethics and accountability. We have in place a formal Code of Conduct & Business Ethics that is communicated to all staff members. We aim to build risk awareness and control responsibility into our culture and regard them as the foundation of our risk management and internal control systems.

The risk management and internal control systems are designed to monitor the Group's ability to achieve its business objectives; and can provide reasonable, but not absolute, assurance against material misstatement or loss.

We maintain an effective internal audit function, the IARM Department, whose main features include:

- (i) independence from operational management;
- (ii) fully empowered auditors with access to all data and every operation of the Group;
- (iii) adequate resources and well qualified and capable staff;
- (iv) risk-based auditing, concentrating on areas with significant risks or where significant changes have been made.

Risk Management

Management has an ongoing process to identify and evaluate the significant risks facing the Group and to prioritise resources to manage those that arise. Mitigation strategies and plans with respect to each key risk identified are developed and implemented with regular review and update, which include establishing or enhancing internal controls.

Heads of the departments, projects and business units regularly review and analyse the key risks associated with achieving the objectives of their particular departments, activities and businesses to provide reasonable assurance that internal controls are both embedded and effective within their areas of accountability.

風險管理及內部監控(續)

監控環境

管理層之行為及其致力確保本集團維持高水平企業管治之決心是有跡可尋，透明度極高的。本集團致力按良好商業道德操守及問責制進行所有業務事宜，並已訂立正式的商业道德與行為守則，且已知會全體員工。本集團旨在於企業文化內建立風險意識及監控責任，並視之為其風險管理及內部監控系統之基礎。

風險管理及內部監控系統是為了監控本集團可達致業務目標而設，其對於重大錯誤陳述或損失，只能提供合理而非絕對之保證。

本集團維持有效內部審計職能(即內審部)，其主要特色包括：

- (i) 獨立於營運管理；
- (ii) 全面賦予審計人員權利，可查閱本集團所有數據及營運資料；
- (iii) 具備充足資源，以及資歷深厚且能幹之員工；
- (iv) 推行以風險為本的審計工作，集中處理具重大風險或曾作出重大變動之範疇。

風險管理

管理層持續識別及評估本集團所面對之主要風險，及優化資源配置以管理已產生之主要風險。本集團已就各項已識別之主要風險，制定並執行緩和策略及計劃，並定期檢討及更新，當中包括建立或加強內部監控措施。

各部門、項目及業務單位之主管均定期檢討及分析與達致其部門、活動及業務目標相關之主要風險，並合理地確保各內部監控措施在其職責範疇內持續有效地運作。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

Control Processes

The Board maintains sound and effective risk management and internal control systems through the following:

- (i) The Board reviews the Group's strategic plans and objectives on an annual basis.
- (ii) An organisational structure with defined lines of responsibility and delegation of authority is devised.
- (iii) Systems and procedures are in place to identify and evaluate risks on an ongoing basis. Senior executives review the risk assessment process and monitor the effectiveness of the Group's risk management and internal control systems.
- (iv) Appropriate policies and key control activities are maintained with regular review on their effectiveness.
- (v) Financial performance is analysed against budget with variances being accounted for and appropriate actions taken to rectify deficiencies.
- (vi) Senior executives ensure compliance with relevant laws, regulations, standards and ordinances, including Hong Kong Financial Reporting Standards, the Listing Rules and the Companies Ordinance, under their responsibility.
- (vii) The IARM Department reports directly to the Audit Committee and the CEO, and carries out independent reviews on the adequacy and effectiveness of the Group's risk management and internal control systems in accordance with its annual audit plan approved by the Audit Committee. Key audit findings and implementation progress of internal control recommendations are regularly reported to the Board through the Audit Committee. Head of the IARM Department also serves as the contact person under the Whistleblowing Guideline of the Company.

風險管理及內部監控(續)

監控程序

董事會透過下列程序，維持行之有效的風險管理及內部監控系統：

- (i) 董事會每年檢討本集團的策略計劃及目標。
- (ii) 制定具清晰職責及授權範圍之組織架構。
- (iii) 建立制度及程序，持續識別及評估風險。高級行政人員負責檢討風險評估程序及監察本集團風險管理及內部監控系統之效能。
- (iv) 持續執行合適的政策及主要監控活動，並定期檢討其成效。
- (v) 將財務表現與預算作比較分析，考慮當中差異，並採取適當行動以補救不足之處。
- (vi) 高級行政人員負責確保其職責範圍內的相關法律、法規、準則及條例均獲遵守，包括香港財務報告準則、上市規則及公司條例。
- (vii) 內審部直接向審核委員會及行政總裁匯報。其根據已獲審核委員會審批之年度審核計劃，對本集團風險管理及內部監控系統之足夠性及效能進行獨立審核，並透過審核委員會定期向董事會匯報重要審核結果及內部監控建議之執行情況。內審部之主管亦擔任本公司舉報指引下的聯絡人。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Review of Internal Control Effectiveness

The Executive Directors of the Company conduct reviews of the effectiveness of the Group's risk management and internal control systems, and submit to the Audit Committee a certification of compliance for effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations bi-annually. The scope of this review covers the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions.

The Audit Committee regularly reviews the audit findings and implementation progress of internal control recommendations, and opinion of the IARM Department on the performance of risk management and internal control systems of the Group. External auditor also reports on any control issues identified in the course of their audit work.

Taking the above into consideration, the Audit Committee reviews the effectiveness of the Group's risk management and internal control systems at least once each year and reports to the Board on such reviews.

The Board has, through the Audit Committee, reviewed and considered the Group's risk management and internal control systems effective and adequate for the year ended 31 December 2018. No significant areas of concern that might affect the operational, financial, and compliance controls and risk management function of the Group were identified.

風險管理及內部監控(續)

檢討內部監控效能

本公司之執行董事每年兩度就本集團風險管理及內部監控系統之效能進行檢討，評估有關營運效益及效率、財務匯報的可靠性及適用的法律及法規之遵從情況，並就此向審核委員會呈交合規證明書。是項檢討之範圍涵蓋本集團在會計、內部審計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及培訓課程及預算是否充足。

審核委員會定期檢閱內審部的審核結果及內部監控建議之執行情況，以及內審部對本集團風險管理及內部監控系統表現之意見。外聘核數師亦會匯報其審核工作中識別之任何監控問題。

審核委員會在計及上述因素後，至少每年檢討本集團風險管理及內部監控系統效能一次，並就有關檢討結果向董事會匯報。

董事會已透過審核委員會檢討本集團之風險管理及內部監控系統，並認為就截至二零一八年十二月三十一日止年度而言，本集團之風險管理及內部監控系統屬有效及足夠。概無發現任何可能影響本集團營運、財務及合規監控以及風險管理職能之相關重大事項。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

- (i) is aware of the obligations under the Securities and Futures Ordinance, the applicable Listing Rules and other statutory regulations with regard to the timely and proper disclosure of inside information, announcements and financial disclosures and authorises their publication as required.
- (ii) has adopted and implemented its Inside Information Disclosure Policy.
- (iii) has in place a Code for Securities Dealing for governing the securities transactions of those employees who, because of their positions, are likely to have access to confidential or inside information.
- (iv) identifies and authorises members of the Group's senior management to act as the Company's spokespersons and respond to external enquiries.

COMPANY SECRETARY

The Company Secretary reports to the CEO on Board or committee matters. All Directors have direct access to the advice and services of the Company Secretary for the ongoing discharge of their duties and responsibilities. For the financial year ended 31 December 2018, the Company Secretary took more than 15 hours of relevant professional training organized by the Stock Exchange and various professional bodies.

CONSTITUTIONAL DOCUMENTS OF THE COMPANY

The Company has published its updated and consolidated version of Memorandum of Association and Bye-Laws at the websites of the Stock Exchange and the Company. During the year, there was no alteration on the constitutional documents of the Company.

風險管理及內部監控(續)

內幕消息

就處理及發佈內幕消息之程序及內部監控方面，本公司：

- (i) 知悉依照證券及期貨條例、相關上市規則及其他監管規定，有關適時妥善披露內幕消息、公佈及財務披露資料的義務，並在需要時授權刊發。
- (ii) 已採納並實施其內幕消息披露政策。
- (iii) 已訂立買賣證券守則，旨在規管因工作關係而可能取得機密或內幕消息之員工的證券交易。
- (iv) 已選定本集團高級管理層成員，並授權彼等擔任本公司發言人，以回應外界提問。

公司秘書

公司秘書就董事會或委員會事宜向行政總裁匯報。全體董事可直接聯繫公司秘書尋求意見及服務，以便持續履行彼等之職務及職責。於截至二零一八年十二月三十一日止財政年度，公司秘書參加了超過15個小時由聯交所及多個專業機構舉辦之相關專業培訓。

本公司之組織章程文件

本公司已於聯交所及本公司網站刊載本公司之組織章程大綱及章程細則之最新綜合版本。年內，本公司之組織章程文件概無任何修改。

CORPORATE GOVERNANCE REPORT

企業管治報告

GENERAL MEETINGS

The last annual general meeting of the Company was held on 29 May 2018 (the "2018 AGM"). The CEO chaired the 2018 AGM in the absence of the Chairman of the Board due to the Chairman's prior business engagement. The external auditor attended the 2018 AGM to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

The attendance record of the individual Directors at the 2018 AGM is set out in the table below:

股東大會

本公司上一屆股東週年大會於二零一八年五月二十九日舉行(「二零一八年股東週年大會」)。董事會主席因本身已有業務安排未克出席二零一八年股東週年大會，大會由行政總裁擔任主席。外聘核數師出席二零一八年股東週年大會，回答有關審計工作、編製核數師報告及其內容、會計政策以及其獨立性等問題。

各董事於二零一八年股東週年大會之出席記錄載列如下：

| Name of Directors | 董事姓名 | 2018 AGM Attended 出席二零一八年 股東週年大會 |
|--|----------------|--|
| Executive Directors | 執行董事 | |
| Mr. OEI Kang, Eric | 黃剛先生 | ✓ |
| Mr. LEE Shiu Yee, Daniel | 李肇怡先生 | ✓ |
| Mr. WONG Jake Leong, Sammy | 黃植良先生 | ✓ |
| Mr. LEUNG Wing Sum, Samuel | 梁榮森先生 | ✓ |
| Non-executive Director | 非執行董事 | |
| Mr. OEI Tjie Goan | 黃志源先生 | X |
| Independent Non-executive Directors | 獨立非執行董事 | |
| Mr. CHUNG Cho Yee, Mico | 鍾楚義先生 | X |
| Mr. CHENG Yuk Wo | 鄭毓和先生 | ✓ |
| Mr. Albert Thomas DA ROSA, Junior | 羅凱栢先生 | ✓ |

Note: Independent Non-executive Directors and Non-executive Directors are required to attend general meetings pursuant to code provision A.6.7 of the CG Code. All Independent Non-executive Directors and Non-executive Directors were encouraged to attend the general meetings to inter-face with shareholders of the Company but certain of them were not in a position to attend the 2018 AGM due to overseas commitment and pre-arranged business engagements.

附註：根據企管守則項下守則條文第A.6.7條，獨立非執行董事及非執行董事須出席股東大會。本公司鼓勵全體獨立非執行董事及非執行董事出席股東大會，以便與本公司股東會面，惟部分董事因海外公務繁忙及預先作出之業務安排未克出席二零一八年股東週年大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

i. Procedures for the shareholders of the Company to convene a special general meeting

Under section 74 of the Companies Act 1981 of Bermuda and bye-law 58 of the Bye-laws, any members holding not less than one-tenth of the paid up capital of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition ("Requisitionists").

The written request must state the resolution, preferably accompanied by a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution for the Company's reference and consideration, signed by the all Requisitionists concerned.

The written request must be deposited at the head office of the Company at 9/F., Tower 1, South Seas Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, for the attention of the Company Secretary.

The request will be verified with the Company's branch share registrar and transfer agent in Hong Kong (the "Branch Share Registrars"). Upon the Branch Share Registrars' confirmation that the request is proper and in order, the Company will convene a special general meeting within two months after the deposit of such requisition, and will serve sufficient notice in accordance with the statutory and regulatory requirements to all members of the Company.

股東權利

i. 本公司股東召開股東特別大會之程序

根據百慕達一九八一年公司法第74條及公司章程細則第58條，持有不少於十分之一本公司繳足股本之股東有權透過向董事會或公司秘書提交書面呈請(「呈請人」)，要求董事會就呈請所述任何事宜舉行股東特別大會。

由所有相關呈請人簽署之書面呈請必須列明決議案，最好附有不超過一千字有關提呈之決議案所述事宜之陳述書，以供本公司參考及考慮。

書面呈請必須提交本公司之總辦事處，地址為香港九龍尖沙咀東麼地道75號南洋中心一期九樓，並應註明收件人為公司秘書。

本公司之香港股份過戶登記分處(「股份過戶分處」)將會查核呈請。於股份過戶分處確認呈請為妥當及符合程序後，本公司將於收到呈請後兩個月內召開股東特別大會，並根據法定及監管規定向本公司全體股東發出充足通知。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS (continued)

ii. Procedures for putting forward proposals at general meetings

Pursuant to sections 79 and 80 of the Companies Act of Bermuda, either any number of members representing not less than one-twentieth of the total voting rights of all the members, or not less than one hundred members ("Requisitionists") can submit a written request to move a resolution at an annual general meeting or to circulate a statement of not more than one thousand words in relation to business to be dealt with in any general meeting to members of the Company.

If a resolution is proposed by the members, the written request must state the resolution (preferably accompanied by a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution), signed by all the Requisitionists concerned.

The written request must be deposited at the registered office of the Company and preferably with a copy of such request sent to the head office of the Company at 9/F., Tower 1, South Seas Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, for the attention of the Company Secretary not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution, and not less than one week in the case of any other requisition.

The request will be verified by the Branch Share Registrars. Upon the Share Registrars' confirmation that the request is proper and in order, and the Requisitionists have deposited a sum reasonably sufficient to meet the Company's expenses in giving effect thereto, the Company will send the notice of resolution or the statement to its members.

iii. Procedures for election of directors of the Company

The procedures for the shareholders of the Company to propose a person for election as a director of the Company are available and accessible on the Company's website at www.hkcholdings.com.

股東權利(續)

ii. 於股東大會上提呈議案之程序

根據百慕達公司法第79及80條，代表有權投票之全部股東不少於二十分之一之股東，或不少於一百名股東(「呈請人」)，可提交書面要求，於股東週年大會上動議決議案；或向本公司股東傳閱不超過一千字之陳述書，以告知於任何股東大會將處理之事宜。

倘股東動議決議案，由所有相關呈請人簽署之書面呈請必須列明決議案，最好附有不超過一千字有關提呈之決議案所述事宜之陳述書。

書面呈請須在不少於(倘為要求決議案通知之呈請)大會舉行前六週或(倘為任何其他呈請)大會舉行前一週，遞交至本公司之註冊辦事處(最好將該呈請之副本送至本公司之總辦事處，地址為香港九龍尖沙咀東麼地道75號南洋中心一期九樓)，並應註明收件人為公司秘書。

股份過戶分處將會查核呈請。於股份過戶分處確認呈請為妥當及符合程序後，以及呈請人已支付足以彌補本公司相關開支之款項，本公司將向其股東寄發決議案通告或陳述書。

iii. 推選本公司董事之程序

有關本公司股東推選任何人士參選本公司董事之程序已載於本公司網站www.hkcholdings.com。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Board believes regular and timely communication with shareholders forms part of the Group's effort to help our shareholders understand our business better. Copies of the annual reports and interim reports of the Company are distributed to its shareholders in accordance with statutory and regulatory requirements and also to interested parties recorded in the Company's mailing lists. The publications of the Company, including financial reports, circulars and announcements, are also available on the Company's website at www.hkcholdings.com.

The Company acknowledges that general meetings are good communication channel with the shareholders. At the general meeting, each substantially separate issue is considered by a separate resolution, including election of individual directors, and the poll procedures are clearly explained. The CEO attended the 2018 AGM in the absence of the Chairman of the Board due to the Chairman's prior business engagement. Other members of the Board, the Chairmen of the relevant Board Committees and the external auditor of the Company also attended the annual general meeting to inter-face with, and answer questions from the shareholders of the Company.

Shareholders can send their enquiry to the Board by the following ways:

Post: 9/F., Tower 1, South Seas Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong

E-mail: info@hkcholdings.com

Fax: (852) 2722 6266

與股東之溝通

董事會相信，定期及適時與股東溝通為本集團致力協助股東更深入了解本集團業務之重要一環。本公司根據法例及監管規定向股東以及名列本公司郵寄名單中之有關人士寄發本公司年報及中期報告。本公司之刊物包括財務報告、通函及公佈，亦於本公司網站 www.hkcholdings.com 可供查閱。

本公司明白股東大會為與股東溝通之良好渠道。於股東大會上，各重大個別事項均以獨立決議案方式考慮，包括推選個別董事，本公司亦會清楚解釋按股數投票表決之程序。行政總裁在董事會主席因已有業務安排缺席時出席二零一八年股東週年大會。董事會其他成員、相關董事委員會主席及本公司之外聘核數師均出席股東週年大會，與本公司股東會面並回答股東提問。

股東可透過以下途徑向董事會提出諮詢：

郵寄：香港九龍尖沙咀東麼地道75號
南洋中心一期九樓

電郵： info@hkcholdings.com

傳真： (852) 2722 6266



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HKC (Holdings) Limited (the “Company”, and with its subsidiaries, collectively, the “Group”) is pleased to present its annual Environmental, Social and Governance Report (the “ESG Report”) with disclosure reference made to the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as contained in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The ESG Report covers the financial year ended 31 December 2018.

This ESG Report describes the Group’s environmental, social and governance management approach, strategy, priorities and objectives. It explains how the Group complies with the “comply or explain” provisions of the ESG Reporting Guide. This ESG Report covers the Group’s governance on the Environmental and Social aspect. The corporate governance aspect is addressed in more detailed in the Corporate Governance Report.

ENVIRONMENTAL

Through China Renewable Energy Investment Limited (“CRE”), the listed subsidiary of the Company, the Group has been one of the earliest investors in China’s renewable energy sector. As such, the Group has been heavily involved in environmental protection and support for the low carbon development of China. CRE has seven wind farms and one distributed solar project under operation with a total gross power generating capacity of 664 Mega-Watt in Hebei, Heilongjiang, Gansu, Inner Mongolia and Zhejiang provinces. With a total electricity generation of 1,362.2 Giga-Watt-hours (“GWh”) (2017: 1,325.2GWh), CRE has reduced approximately 443,000 tons (2017: 431,000 tons) of coal consumption and 1,054,000 tons (2017: 1,025,000 tons) of carbon emission.

As a responsible property developer, the Group strictly complies with laws, regulations and good practices regarding environmental protection. During the construction stage, the Group has ensured that its contractors have complied with the laws and contractual requirements in respect to environmental protection and construction safety standards. The Group also endeavours to minimize environmental impact as early as the design stage by adopting eco-friendly and energy efficient designs.

香港建設(控股)有限公司(「本公司」, 連同其附屬公司, 統稱「本集團」)欣然提呈年度環境、社會及管治報告(「環境、社會及管治報告」), 乃參考香港聯合交易所有限公司證券上市規則附錄二十七所載「環境、社會及管治報告指引」(「環境、社會及管治報告指引」)所披露。環境、社會及管治報告涵蓋截至二零一八年十二月三十一日止財政年度。

本環境、社會及管治報告列示本集團的環境、社會及管治管理方法、策略、優先次序及目標, 說明本集團如何遵守環境、社會及管治報告指引中「不遵守就解釋」原則。本環境、社會及管治報告涵蓋本集團有關環境及社會範疇的管治。有關企業管治範疇的詳情載於企業管治報告。

環境

透過本公司之上市附屬公司中國再生能源投資有限公司(「中國再生能源」), 本集團成為在中國最早投資可再生能源領域的投資者之一。本集團一直積極參與環境保護及支持中國的低碳發展。中國再生能源於河北、黑龍江、甘肅、內蒙古及浙江等省份營運七座風力發電場及一個分佈式太陽能發電項目, 總發電裝機容量合計為664兆瓦。中國再生能源的總發電量為1,362.2吉瓦時(「吉瓦時」)(二零一七年: 1,325.2吉瓦時), 煤炭消耗量因此減少約443,000噸(二零一七年: 431,000噸), 碳排放量減少1,054,000噸(二零一七年: 1,025,000噸)。

作為一家負責任的房地產開發商, 本集團嚴格遵守與環境保護相關的法律、法規及良好慣例。於建設階段, 本集團保證其承包商已遵守有關環境保護及文明施工的法律及合約規定。本集團早於設計階段便竭力透過採取環保、節能的設計以盡量降低對環境的影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL (continued)

Emissions

Pollutants are generated in the process construction of all property development projects. These mainly include: (i) various kinds of machinery noise; (ii) dust and exhaust, and also gas emitted from organic waste left during renovation; (iii) wastewater generated from construction sites and domestic sewage generated by construction workers; and (iv) remaining waste material left in the construction site and garbage disposed of by construction workers. All these will adversely affect the surrounding environment. Corresponding pollution prevention and environmental management measures have been taken to reduce such impact.

Noise Emissions

Construction noise come from various kinds of machinery such as foundation piling machines, excavators, and bulldozers. In order to reduce the impact to neighbours, the construction teams are required to take the following measures:

- Operation of machinery with high noise levels are prohibited during breaks, noon time and night time; and any extension of operations due to special circumstances must be reported and approved by the relevant department.
- Use mechanical equipment with low noise levels or those equipped with attenuators as much as possible.
- The entrances and exits for the construction trucks at the construction sites should be arranged at places away from the sensitive area.

環境(續)

排放物

每個物業發展項目施工過程中都會產生污染物，主要有：(i)各類機械噪音；(ii)揚塵、廢氣以及裝修期間產生的餘料有機廢氣；(iii)建築工地所產生的廢水及施工人員的生活污水；及(iv)建築工地所產生施工剩餘廢物及施工人員產生的生活垃圾等。這些都會為周圍環境造成不良影響。本集團已採取相應的污染防治和環境管理措施，減少其對周圍環境的影響。

噪音排放

施工噪音來自各種施工機械如打樁機、挖土機、推土機等。為減少對相鄰區域的影響，建設團隊須採取以下措施：

- 嚴禁高噪音設備在休息時間、中午及夜間期間作業，因特殊需要延續施工時間的，必須報有關部門批准。
- 儘量使用低噪音或帶消聲設備的機械設備。
- 施工運輸車輛於工地的出口及入口應安排遠離敏感區域。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL (continued)

Emissions (continued)

Waste Gas Emissions

Waste gas emission during operation includes mainly the dust resulting from construction, the exhaust gas emitted from various construction machinery and transportation vehicles, and organic waste gas generated during renovation. To minimize the impact of the dust to the surrounding atmosphere, the Group has adopted the following measures:

- Construction sites should be 100% enclosed, and road surfaces within the construction sites should be 100% hardened.
- Certain wetness should be maintained during the excavation and drilling process by watering the operation surface; watering should be carried out regularly on loose and dry soil in the construction site; and proper watering should be carried out on the dry surface of soil when backfilling the soil.
- Dedicated locations should be set up with enclosures for the stacking and storing of building materials and misplacements are not allowed. Unwanted and spoiled materials should be transported away as soon as possible and accumulation of such waste is not allowed. When not used, sand and soil in the construction site should be 100% covered.
- When not in use, machinery should be turned off to reduce the generation of exhaust gas from combustion. During the construction process, using disposed building materials as fuel is strictly prohibited. Accommodation and canteen facilities should not be set up on construction sites.

環境(續)

排放物(續)

廢氣排放

項目施工時所產生的廢氣主要為土建施工時產生的揚塵、各類施工機械及運輸車輛所排放的廢氣、裝修時產生的有機廢氣。為使施工過程中產生的揚塵對周圍環境空氣的影響降低到最小程度，本集團已採取以下防護措施：

- 施工現場100%圍蔽，工地路面實行100%硬化。
- 開挖和鑽孔過程中，灑水使作業面保持一定的濕度；對施工場地內鬆散、乾涸的表土，經常灑水防止揚塵；回填土方時，在表層土質乾燥時適當灑水。
- 設置建築物料專用堆放場所，採用圍隔堆放處理，不准亂堆亂放。不需要的建築材料棄渣及時運走，不長時間堆積。工地沙土不用時100%覆蓋。
- 各類施工機械在不工作時應停止運行，減少其產生的燃料廢氣。施工過程中，嚴禁將廢棄的建築材料作為燃料燃燒。工地現場不設住宿及食堂。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL (continued)

Emissions (continued)

Wastewater Emissions

Wastewater discharged during operation mainly comes from surface runoff of heavy rain, domestic sewage from construction workers, and waste water from rinsing of the ground surface. In order to minimize the impact of wastewater discharged during operation, the Group has adopted the following measures:

- Wastewater generated during foundation piling work must be treated immediately by paying attention to dredging and discharge management. Pollutants in wastewater generated from the washing and rinsing of machinery and construction vehicles are mainly suspended solids. The rinsing and washing facilities should be set up at designated locations. The ground surface water ditches should be directed to temporary sedimentation tanks.
- Muddy water generated during operation and sludge produced by punching pile drivers and bored piles must not be discharged without treatment. Temporary settling basins should be provided at backfill dumps and at locations where sludge is produced. Discharge of rain water containing sediments and muddy water must be organized and planned. They should only be discharged after all solid particles have settled in the settling basins so as to prevent any sewer blockage.

環境(續)

排放物(續)

廢水排放

施工廢水主要為來自暴雨的地表徑流、施工人員生活污水和地面沖洗廢水。為使施工過程中產生的廢水影響降低至最小程度，本集團已採取以下防護措施：

- 及時處理打樁基礎作業產生的污水，要注意疏導、排放管理；施工機械設備沖洗和施工車輛沖洗廢水中主要污染物為懸浮物，應指定施工機械設備沖洗場地並設置地面水槽引至臨時沉澱池。
- 施工時產生的泥漿水及沖孔鑽孔樁產生的泥漿未經處理不隨便排放。在回填土堆放場、施工泥漿產生點設置臨時沉沙池。含泥沙雨水、泥漿水經沉沙池沉澱所有固體顆粒後排放，以防造成下水道堵塞，並禁止無組織排放。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL (continued)

Emissions (continued)

Solid Waste Emissions

Solid waste generated during construction consists of large quantities of silt, muck, and sludge resulting from surface excavation. There is residual waste construction materials and domestic garbage from workers. Residual waste such as mortar surface cement, interior and exterior wall coating, plastic, flexible packaging, scrap metal wire, sawdust, etc, is also generated from renovation. In order to reduce the accumulation of solid waste during the construction period as well as the impact to the environment during transportation, the following measures should be taken:

- Different types of solid waste generated from construction should be placed separated.
- Domestic garbage should be regularly cleaned and delivered to the environmental health department.
- Construction waste that may cause airborne dust should be covered with an enclosure.
- Waste should be only dumped in landfill sites designated by the relevant authorities. The Group strictly complied with the aforesaid principle, relevant laws, rules and regulations throughout the year ended 31 December 2018.

Under the KPIs A1.1 to A1.6 of the ESG Reporting Guide, as a property developer and all the Group's construction works are outsourced to contractors, KPIs A1.1 (types of direct emissions and emissions data), A1.2 (greenhouse gas emissions in total and intensity), A1.4 (total non-hazardous waste produced), A1.5 (description of measures to mitigate emissions and results achieved) and A1.6 (description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved) are immaterial to the Group's operation and have not been disclosed in this report. Further, as there is no hazardous waste produced from the Group's operation, KPI A1.3 (total hazardous waste produced) is not applicable to the Group.

環境(續)

排放物(續)

固體廢物排放

固體廢物主要為建築工地產生的大量淤泥、渣土、地表開挖的淤泥、施工剩餘廢物料及施工人員產生的生活垃圾等。裝修亦會產生水泥沙漿抹面、內外牆塗料、塑料、軟包裝、廢電綫金屬、木屑等餘料廢棄物。為減少施工期間產生的固體廢物的堆放及運輸過程中對環境的影響，採取如下措施：

- 將施工期間的固體廢物分類堆放。
- 生活垃圾經收集後交環境衛生部門，定期清理。
- 對會引起揚塵的建築廢物採用圍隔堆放處理。
- 廢物須運到有關部門指定的填埋場地堆放。於截至二零一八年十二月三十一日止年度，本集團嚴格遵守上述原則、相關法律、法規及規例。

根據環境、社會及管治報告指引的關鍵績效指標A1.1至A1.6，作為物業開發商，所有集團建造工程分包予承包商。關鍵績效指標A1.1(直接排放物種類及相關排放數據)、A1.2(溫室氣體總排放總量及密度)、A1.4(所產生無害廢棄物總量)、A1.5(描述減低排放量的措施及所得成果)及A1.6(描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果)對於本集團營運無實質影響，故本報告中不予以披露。此外，關鍵績效指標A1.3(所產生有害廢棄物總量)並不適用於本集團。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL (continued)

Use of Resources

The Group has incorporated energy saving and eco-friendly designs in its residential and commercial developments so as to protect the environment and improve air quality within the community. Such designs include:

- Occupancy sensors to turn off lighting in common areas.
- LED and energy saving lighting.
- Water cooled chillers (in lieu of air cooled chillers).
- Air purification system that filters PM2.5 particles to provide superior indoor air quality.
- Smart temperature control and fresh air system that cleans and renews air while realizing energy saving.
- Ground Source Heat Pumps.
- Lifts and escalators with variable voltage variable frequency drives to save energy.
- Variable speed drive in electrical system to allow supply on demand for motor driven systems to save energy in water supply systems, chilled water pumps and condensed water pumps.
- Low-E insulated glass to reduce reliance on air-conditioning.
- Provision of roller blinds for office tenants.
- South-North natural ventilation concept included in living room design.
- Provision of balconies and sky gardens in residential units to improve air ventilation and capture of daylight. The Group is also planning to install electric vehicles chargers to carparks and solar panels in some of its properties.

環境(續)

資源使用

本集團已在其住宅及商業開發項目中引入節能、環保設計，以保護環境及提升社區內的空氣質量。該等設計包括：

- 在公共區域關閉佔用感應器。
- LED及節能照明設備。
- 水冷式空調系統(代替風冷式空調系統)。
- 可過濾PM2.5顆粒的空氣淨化系統，以提供良好的室內空氣質量。
- 節能的智能溫控及換氣系統，清潔及更換空氣。
- 地源熱泵。
- 使用可變電壓變頻調控技術的升降機及電動扶梯，節省能源。
- 電氣系統變速調控技術可按需供應，有助於電機傳動系統節約水供應系統、冷水泵及冷凝水泵的能源。
- 低輻射隔熱玻璃，降低對空調系統的倚賴。
- 為辦公室租戶提供滾式百葉簾。
- 起居室設計融入南北通透理念。
- 住宅單位提供陽台及空中花園，改善通風狀況及攝取陽光。本集團亦正計劃在停車場安裝電動汽車充電器及在其部分物業安裝太陽能電池板。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL (continued)

Use of Resources (continued)

The Group is also committed to implementing energy conservation and environmental protection measures in its offices:

Water resources control

- The Group educates each employee to save water, and to encourage the reuse of water in order to reduce water consumption, so as to reduce sewage from the source.
- The Group is committed to the guarantee of water supply installation and maintenance, and to ensure that water supply is always available. When leakage is discovered, it will be quickly repaired.

Electricity control

- The use of electricity in production must strictly comply with the Electricity Power Law of the PRC, encouraging power saving, safety, high efficiency and low consumption.
- Lights and electrical appliances in workplace must be turned off when not in use.
- Every member of the staff and management must turn off the power for each department's computers, photocopy machines and printers machines when they are off duty or on leave.
- Staff is reminded to switch off lights and air-conditioning in meeting rooms and to turn off the computer at the workstation when it is not in use. The room temperature is maintained at 25°C to save energy.
- To ensure no unnecessary use of resources at production lines.

環境(續)

資源使用(續)

本集團亦致力於在辦公室實施節能環保措施：

水資源控制

- 本集團教育各僱員節約用水，且鼓勵重複使用水資源，以降低消耗，從源頭上減少污水排放。
- 本集團致力於保障供水系統的安裝及維護，並確保常有供水。一旦發現洩漏，立時修復。

電力控制

- 生產過程中的電力使用必須嚴格遵守中國電力法，倡導省電、安全、高效及低耗。
- 工作場合的照明及電器設備在不使用時必須關閉。
- 每位員工及管理層人員於下班或休假時，均必須關閉各部門的電腦、影印機及打印機。
- 提醒員工在不使用時關閉會議室的燈光及空調以及工作站的電腦。室溫應維持在25°C，以節約能源。
- 確保生產線上沒有不必要的資源使用。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL (continued)

Use of Resources (continued)

Office consumables consumption management

- The Group encourages employees to reduce the use of paper by assessing the necessity of printing, by encouraging duplex printing where appropriate, and by reusing the blank side of single-side printed paper.
- No printing and photocopying of materials unrelated to work.

Based on these energy use efficiency initiatives, use of resources can be effectively controlled and efficiently reduced.

Under the KPIs A2.1 to A2.4 of the ESG Reporting Guide, as only a minimum amount of electricity and water were used in the office, KPIs A2.1 (energy consumption in total and intensity), A2.2 water consumption in total and intensity), A2.3 (description of energy use efficiency initiatives and results achieved) and A2.4 (description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved) are immaterial to the Group's operation. For the Group's investment properties in 2018, the energy consumption and water consumption of Shenzhen Shun Hing Square was 15,732,190 KWh (2017: 16,693,087 KWh) in total and 397,336m³ (2017: 371,181m³) in total respectively. The energy consumption and water consumption of Shenzhen South Ocean Centre was 880,026 KWh (2017: 1,587,776 KWh) in total and 123,831 tonnes (2017: 250,366 tonnes) in total respectively. The energy consumption and water consumption of Beijing Legation Quarter was 1,321,317 KWh (2017: 1,555,450 KWh) in total and 28,524m³ (2017: 25,441m³) in total respectively. After the grand opening of Shanghai Landmark Center during the year, the energy consumption and water consumption was 10,430,127 KWh in total and 56,267m³ in total respectively.

Further, as no packaging material was used in the Group's operation, KPI A2.5 (total packaging material used for finished products) is not applicable to the Group.

環境(續)

資源使用(續)

辦公耗材消費管理

- 本集團鼓勵員工透過評估打印的必要性來減少紙張消耗量，並鼓勵員工酌情使用雙面打印功能及重複使用單面打印紙。
- 禁止列印及影印與工作無關的材料。

該等能源使用效率措施可有效控制及減少使用資源。

根據環境、社會及管治報告指引的關鍵績效指標A2.1至A2.4，由於本集團僅消耗少量的辦公用水電，關鍵績效指標A2.1(能源總耗量及密度)、A2.2(總耗水量及密度)、A2.3(描述能源使用效益計劃及所得成果)及A2.4(描述求取適用水源可有任何問題，以及提升用水效益計劃及所得成果)對於本集團營運無實質影響。就本集團二零一八年的投資物業而言，深圳信興廣場的能耗總量及用水總量分別為15,732,190兆瓦時(二零一七年：16,693,087兆瓦時)及397,336立方米(二零一七年：371,181立方米)。深圳南海中心的能耗總量及用水總量分別為880,026兆瓦時(二零一七年：1,587,776兆瓦時)及123,831噸(二零一七年：250,366噸)。北京前門23號的能耗總量及用水總量分別為1,321,317兆瓦時(二零一七年：1,555,450兆瓦時)及28,524立方米(二零一七年：25,441立方米)。上海星薈中心於本年度盛大開業後，其能耗總量及用水總量分別為10,430,127兆瓦時及56,267立方米。

此外，本集團營運中未涉及包裝材料的使用，關鍵績效指標A2.5(製成品所用包裝材料的總數)並不適用於本集團。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL (continued)

The Environment and Natural Resources

The Group is committed to minimizing environmental impact from its property developments. Building layouts and heights are optimized and subject to rigorous sunlight analysis to avoid reduction in sunlight hours to neighbours. Extensive soft landscaping have been provided to create a green environment for building users and neighbours. The concept of vehicles and pedestrian separation are included in the design of all open areas. The overall project designs focus on minimizing environmental impact and fitting in with the surrounding natural environment and fully utilizing natural resources. The properties should be sustainable, eco-friendly and integrated into nature, with high energy efficiency and should not harm the local ecosystem.

As the Group's environmental impact and use of natural resources is minimal, KPI A3.1 of the ESG Reporting Guide is not applicable to the Group's operation.

環境(續)

環境及自然資源

本集團致力於盡量降低其物業開發項目的環境影響。建築佈局及高度獲優化，並遵守嚴格的日照分析，以避免於日照時間造成相鄰位置光線的減弱。本集團設置大片園景，為用戶及相鄰地區提供一個綠色的環境。所有公共區域的設計均納入人車分流的理念。整體項目設計著重於盡量降低環境影響、融入周圍的自然環境及充分利用當中自然資源。所有物業應為可持久、環保及融入自然，並具有高效能，不損害當地生態系統。

由於本集團的環境影響及使用資源較小，環境、社會及管治報告指引的關鍵績效指標A3.1並不適用於本集團的營運。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL

The Group regards people as its most important asset. Over the years, the Group has put considerable effort to provide a safe and healthy staff environment for its employees. The Group offers a comprehensive and competitive package of benefits to attract and retain talent.

Employment

The Group has adopted an “Employee Handbook” which sets out the practices and policies of human resources. The Employee Handbook is in compliance with PRC Labour law, PRC Labour Contract Law, Hong Kong employment laws, and other relevant laws and regulations. The Employee Handbook covers areas such as compensation and dismissal, recruitment and promotion, working hours, rest periods, diversity, and other benefits and welfare for the benefit of the employees.

The Group is an equal opportunity employer and does not discriminate on the basis of personal characteristics. Regardless of race, color, descent, ethnic background, ethnic origin, gender, age, nationality, disability, veteran status, citizenship and religion, all job applicants and current employees enjoy equal opportunities and fair treatment. The Group values the input and contributions made by employees of all backgrounds.

During the year ended 31 December 2018, the Group has complied with all the relevant rules and regulations in relation to employment.

社會

本集團將人才視為其最寶貴的資產。多年來，本集團一直竭力為僱員提供安全及健康的就業環境。本集團提供全面及具競爭力的福利待遇，以吸引及挽留人才。

僱傭

本集團已採納「僱員手冊」，當中載列人力資源常規及政策。僱員手冊符合中國勞動法、中國勞動合同法、香港僱傭法例以及其他相關法律法規。僱員手冊涵蓋賠償與解僱、招募與晉升、工時、休息時間、多元化及其他使僱員受益的利益與福利等領域。

本集團乃提供平等機會的僱主，不會歧視個人特徵。無論種族、膚色、血統、種族背景、種族起源、性別、年齡、國籍、殘疾、退伍軍人身份、公民資格及宗教如何，所有工作申請人及現有僱員享有平等機會及公平待遇。本集團珍視背景各異的僱員的加入及彼等作出的貢獻。

截至二零一八年十二月三十一日止年度，本集團已遵守所有僱傭相關的法規及規例。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL (continued)

Health and Safety

The Group is committed to providing a safe, effective and congenial work environment. Adequate arrangements, training and guidelines are implemented to ensure the working environment is healthy and safe. Different safety-related initiatives and measures have been rolled out in the Group's operations. Risk assessments are also conducted to identify risks in special working environments, while detailed safety instructions have been formulated and communicated to workers as part of their safety training sessions. For employees working on construction sites, safety equipment such as safety helmets, safety shoes, ear plugs and dusk masks are provided. Safety officers are appointed by the main contractors to coordinate and communicate safety-related matters to workers on site.

The Company offers its employees comprehensive health care coverage and also provides medical insurance coverage.

Development and Training

The Group encourages employees to attend training and development programs to strengthen their job skills, to update their professionalism, to improve their operational efficiency and productivity, and to develop their potential and other talents. In addition, the Group encourages and assists employees to further develop their technical or professional standards knowledge by sponsoring them for professional membership. All applications for membership fee reimbursement will be considered depending on their degree of importance to the employee's job and their relevance to the operational requirements of the employee's department. Continuous professional development training for directors and senior management are required and the Group encourages them to attend training programs organised by various professional bodies.

Labour Standards

The Group's employment practices has strictly complied with the Labor Contract law of PRC, the Hong Kong employment laws and other relevant laws and regulations to avoid child or forced labour and other potential irregularities. During recruitment, all job applicants are required to complete a job application form and declare that all personal data provided (including age and personal particulars) are true and correct. The Group undertakes a detailed job reference check, if needed.

社會(續)

健康與安全

本集團承諾提供安全、有效及理想的工作環境。本集團已作出適當的安排、培訓及指引，以確保工作環境健康安全。已在公司的業務營運中推出不同的安全計劃及措施。亦會進行風險評估，以識別特殊操作環境中的風險，同時制定詳細的安全指引，傳達予所有員工，作為員工其中一個安全培訓環節。本集團向在建築工地工作的僱員提供安全設備(如安全頭盔、安全鞋、耳塞及防塵面具)。主要承包商已委派安全主任協調及向現場員工傳達安全相關事項。

本公司為其員工提供全面的醫療保障計劃，並提供醫療保險。

發展及培訓

本集團鼓勵僱員參加培訓及發展計劃，以提升僱員的工作技能，更新專業水平，提高經營效率及生產力，以及開發僱員的潛能及其他天賦。此外，本集團透過提供資助專業資格，鼓勵及協助僱員進一步學習技術或專業水平知識。所有專業協會年費資助申請均將根據其對僱員工作的重要程度及與僱員部門的營運要求的相關度而審議。向董事及高級管理層提供持續專業發展培訓實屬必要，且本集團鼓勵彼等參加由各類專業機構組織的培訓課程。

勞工準則

本集團的僱傭常規嚴格遵守中國勞動合同法、香港僱傭法例及其他相關法律法規，以避免童工或強制勞工或其他潛在的違法行為。於招聘期間，所有工作申請人均須填寫工作申請表且聲明提供的所有個人資料(包括年齡及個人詳情)均屬真實、準確。本集團將開展詳細的工作證明材料核查(如需)。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL (continued)

Supply Chain Management

The Group is committed to ensuring that its supply chain management is socially responsible. The Group has adopted procurement procedures to identify eligible bidders. Factors considered include: company size, financial strength, statutory qualifications, reputation, previous track record and ongoing projects. Satisfaction of past co-operation is also an important determining factor.

Suppliers are chosen based on the supplier's continuous ability to guarantee satisfactory product quantity and quality, price, and ability to deliver services on time. The Group closely monitors supplier's performance and provides feedback where necessary.

Product Responsibility

The Group's construction of office and residential properties have been closely supervised by internal and external professionals. The Group and its consultants and contractors strictly adhered to the national and local standards and the respective codes for construction inspection and acceptance. During the construction process, the Group and its consultants conducted systematic inspection and acceptance on each part of the construction.

Strict procedures in respect to examination and rectification have been carried out in the handover of properties to purchasers. Customer service teams have also been set up to resolve queries from customers.

Maintaining high quality and standards are crucial to the Group's sustainable development. Reliability, safety and quality of our energy generation are crucial to the Group's success. Therefore, maintaining consistency in quality and precision of our energy generation are the Group's major priorities.

The Group strictly complied with the aforesaid principle, relevant laws, rules and regulations throughout the year ended 31 December 2018.

社會(續)

供應鏈管理

本集團致力於確保其供應鏈管理對社會負責。本集團採取相關採購程序，以確定合資格投標方。所考慮的因素包括公司規模、財政實力、法定資格、商譽、以往項目紀錄及在建項目。過往合作的滿意度亦為至關重要的決定性因素。

供應商甄選以其持續保證令人滿意的產品數量及質量的能力、價格、準時交付服務的能力為基準。本集團嚴密監控供應商的表現，並於必要時作出反饋。

產品責任

本集團建設辦公室及住宅物業的過程一直受到內部及外部專業人員的嚴密監督。本集團及其顧問及承包商嚴格遵守國家及地方標準以及相關建築檢查及驗收準則。於建設過程中，本集團及其顧問在建築的各個部分進行系統性檢查及驗收。

本集團將物業交予買方時已執行嚴格的檢查及整改程序，亦已建立客戶服務團隊，以解決客戶提出的詢問。

維持高質量及高標準對本集團的可持續發展至關重要，而能源生產的可靠性、安全性及質量是本集團取得成功的關鍵。因此，維持能源生產的質量及精確度的一貫性是本集團的主要優先任務。

於截至二零一八年十二月三十一日止年度，本集團嚴格遵守上述原則、相關法律、法規及規例。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL (continued)

Anti-Corruption

The Group has issued the “Code of Conduct & Business Ethics” (the “Code”) to all the directors and employees of the Group and the Code has been uploaded on to the Company’s website. The Code sets out the principles to guide the directors and employees of the Group to conduct business affairs in accordance with the highest business ethical standards. The Group strives to preserve honesty, fairness and impartiality. In accordance with the “Whistle-blowing Guideline”, all employees can report for investigation any suspected bribery, extortion, fraudulent and money laundering cases. Once confirmed, it will be reported to the police or other regulatory bodies for prosecution. The Group has also issued a “Policy on Advantages Handling” with regard to guidelines for soliciting, accepting or offering advantages and gifts by the directors and employees. The Policy also provides guidelines for the avoidance of any potential conflicts of interest or breaches of any local laws, rules or regulations.

The Group strictly complied with the aforesaid principle, relevant laws, rules and regulations throughout the year ended 31 December 2018.

Community Investment

The Group is committed to participating in the community where we operate with an aim to improve the community’s wellbeing. Through the hiring of locals using market compatible remuneration packages, the Group is able to share its operational returns with the local community and to contribute back to the society. The Group will explore other means to contribute more to the environment and to society once the Group achieves higher profitability. To create shared values with the community and stakeholders, the Group will continue to consider ESG factors in selecting future investment projects.

社會(續)

反貪污

本集團已向本集團所有董事及僱員發佈商業道德與行為守則(「守則」)，並已將守則上載至本公司網站。守則載有指引本集團董事及僱員根據最高商業道德標準進行所有業務的原則，秉持誠實、公平及公正的理念。根據「舉報指引」，所有僱員均可舉報任何涉嫌行賄、敲詐、欺詐及洗錢行為，以供調查。一旦被證實，將向警方或其他監管機構舉報，供其檢控。本集團亦已發佈「利益處理規定」，作為董事及僱員申請、接受或提供利益及禮物的相關指引，避免任何潛在利益衝突或違反當地任何適用法律、法規或規例。

於截至二零一八年十二月三十一日止年度，本集團嚴格遵守上述原則、相關法律、法規及規例。

社區投資

本集團致力於參與經營所在社區事務，以改善社區福利。通過採用與市場相符的薪酬待遇僱用當地人員，本集團與當地社區居民分享經營成果，回饋社會。待本集團實現更高的盈利能力後，本集團將尋求向環境及社會作出更多貢獻的其他方式。為與社區及權益人創造共享價值，本集團於日後選擇投資項目時將繼續考慮環境、社會及管治因素。

REPORT OF THE DIRECTORS

董事會報告書

The directors of the Company (the “Directors” or the “Board”) have pleasure in presenting to shareholders of the Company (the “Shareholders”) their report together with the audited financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Group are property development and investment and renewable energy investment and operation. The activities of its principal subsidiaries, associates and a joint venture are set out in pages 235 to 242 of the consolidated financial statements.

An analysis of the Group’s performance for the year ended 31 December 2018 by geographical and business segments is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated income statement on page 92.

The Board has recommended the payment of a final dividend of HK13 cents (2017: HK11 cents) per ordinary share for the year ended 31 December 2018 to Shareholders whose names appear on the register of members of the Company on Friday, 31 May 2019. Subject to the approval of Shareholders at the forthcoming annual general meeting of the Company which will be held on Monday, 20 May 2019 (“2019 AGM”), the final dividend will be paid on Friday, 14 June 2019.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2018 is set out in the section headed “Management Discussion and Analysis” on pages 8 to 20 of this annual report.

Compliance with the relevant laws and regulations

The Group have complied the relevant laws and regulations during the year.

本公司董事(「董事」或「董事會」)欣然向本公司股東(「股東」)提呈本公司及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度之報告書及經審核財務報表。

主要業務及營業地區分析

本集團之主要業務是物業發展與投資以及再生能源投資及營運。其主要附屬公司、聯營公司及一間合營公司之業務載於綜合財務報表第235至242頁。

截至二零一八年十二月三十一日止年度，本集團按地區及業務分部劃分之業績分析載於綜合財務報表附註5。

業績及分派

本集團截至二零一八年十二月三十一日止年度之業績載於第92頁綜合損益表。

董事會建議向於二零一九年五月三十一日(星期五)名列本公司股東名冊的股東派付截至二零一八年十二月三十一日止年度的末期股息每股普通股13港仙(二零一七年：11港仙)。待本公司股東在於二零一九年五月二十日(星期一)舉行的應屆股東週年大會(「二零一九年股東週年大會」)上批准後，末期股息將於二零一九年六月十四日(星期五)派發。

業務回顧

本集團截至二零一八年十二月三十一日止年度之業務回顧載於本年報第8至20頁「管理層討論及分析」一節。

遵守相關法律及法規

於本年度內，本集團已遵守相關法律及法規。

REPORT OF THE DIRECTORS

董事會報告書

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in Note 16 to the consolidated financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties held for development and investment purposes are set out on pages 245 to 248.

SHARE ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 December 2018 are set out in Note 29 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the bye-laws of the Company ("Bye-laws") and there is no restriction against such rights under the law of Bermuda.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in Note 39 and Note 30 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2018, the distributable reserves of the Company available for distribution was HK\$623.4 million (2017: HK\$656.7 million), calculated in accordance with the Companies Act 1981 of Bermuda (as amended).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 243.

DONATIONS

During the year, the Group made no charitable and other donation (2017: Nil).

物業、機器及設備

年內，本集團之物業、機器及設備變動詳情載於綜合財務報表附註16。

主要物業

持有作發展及投資用途之主要物業詳情載於第245至248頁。

年內已發行股份

於截至二零一八年十二月三十一日止年度發行之股份詳情載於綜合財務報表附註29。

優先認購權

本公司之公司章程細則(「章程細則」)並無有關優先認購權之條文，而百慕達法律亦無對優先認購權有所限制。

儲備

年內，本公司及本集團之儲備變動詳情載於綜合財務報表附註39及附註30。

可供分派儲備

於二零一八年十二月三十一日，本公司可供分派之可分派儲備為623,400,000港元(二零一七年：656,700,000港元)，乃按照百慕達一九八一年公司法(經修訂)計算。

五年財務資料概要

本集團過去五個財政年度之業績以及資產及負債概要載於第243頁。

捐款

年內，本集團並無作出慈善及其他捐款(二零一七年：無)。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS

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

Non-executive Director

Mr. OEI Tjie Goan (*Chairman*)

Executive Directors

Mr. OEI Kang, Eric (*Chief Executive Officer*)

Mr. LEE Shiu Yee, Daniel

Mr. WONG Jake Leong, Sammy

Mr. LEUNG Wing Sum, Samuel (*Chief Financial Officer*)

Independent Non-executive Directors

Mr. CHUNG Cho Yee, Mico

Mr. CHENG Yuk Wo

Mr. Albert Thomas DA ROSA, Junior

In accordance with bye-law 85 of the Bye-laws, Mr. LEUNG Wing Sum, Samuel, Mr. LEE Shiu Yee, Daniel and Mr. Albert Thomas DA ROSA, Junior will retire by rotation at 2019 AGM and, being eligible, will offer themselves for re-election as Directors.

The Company has also received from each of the Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company considers that all of them to be independent.

Mr. OEI Tjie Goan, a Non-executive Director and Chairman of the Company, has voluntarily agreed to waive his annual director's fees with effect from 1 January 2010 until further notice to the Company, and the director's fee he waived for the year ended 31 December 2018 amounted to HK\$100,000.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at 2019 AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

年內及截至本報告日期之董事如下：

非執行董事

黃志源先生(主席)

執行董事

黃剛先生(行政總裁)

李肇怡先生

黃植良先生

梁榮森先生(首席財務官)

獨立非執行董事

鍾楚義先生

鄭毓和先生

羅凱栢先生

根據章程細則第85條，梁榮森先生、李肇怡先生及羅凱栢先生將於二零一九年股東週年大會輪值告退，惟均符合資格並願意膺選連任董事。

本公司已接獲各獨立非執行董事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」)第3.13條就其獨立身份發出之年度確認書，本公司認為全體獨立非執行董事均為獨立人士。

本公司非執行董事兼主席黃志源先生自願同意放棄彼自二零一零年一月一日起之年度董事袍金，直至另行通知本公司為止。於截至二零一八年十二月三十一日止年度，彼放棄之董事袍金為100,000港元。

董事服務合約

概無擬於二零一九年股東週年大會膺選連任之董事與本公司或其任何附屬公司訂立本集團不可於一年內予以終止而毋須賠償之服務合約(法定賠償除外)。

REPORT OF THE DIRECTORS

董事會報告書

SHARE OPTION SCHEMES

Share Options of subsidiary of the Company

China Renewable Energy Investment Limited (“CRE”), a subsidiary of the Company, adopted a share option scheme (the “CRE Option Scheme”) on 27 May 2008. Particulars of the CRE Option Scheme are set out below:

(a) Purpose

The principal purposes are to recruit and retain high calibre Eligible Persons (as defined below) and attract human resources that are valuable to the Group or any entity in which any member of the Group holds an equity interest (“Invested Entity” or “Invested Entities”), to recognise the significant contributions of the Eligible Persons to the growth of the Group or Invested Entities by rewarding them with opportunities to obtain ownership interest in the Company and to further motivate and give incentives to these Eligible Persons to continue to contribute to the long term success and prosperity of the Group or Invested Entities.

(b) Eligible Persons

Any employee (whether full time or part time), senior executive or officer, manager, director (including executive, non-executive and independent non-executive director) or consultant of any members of the Group or any Invested Entity who, in the sole discretion of the Board, have contributed or will contribute to the growth and development of the Group or any Invested Entity.

(c) Maximum number of shares available for issue

The CRE Option Scheme has been expired on 27 May 2018.

購股權計劃

本公司附屬公司之購股權

本公司附屬公司中國再生能源投資有限公司(「中國再生能源」)於二零零八年五月二十七日採納一項購股權計劃(「中國再生能源購股權計劃」)。中國再生能源購股權計劃之詳情載列如下：

(a) 目的

主要目的為聘請及留聘優秀之合資格人士(定義見下文)以及吸引對本集團或旗下任何成員公司持有股本權益之任何實體(「投資實體」)有價值之人力資源、透過提供機會讓合資格人士取得本公司之擁有權權益，表揚彼等對本集團或投資實體之增長所作出重大貢獻，並進一步鼓勵及獎勵該等合資格人士繼續為本集團或投資實體之長遠成功作出貢獻。

(b) 合資格人士

董事會全權酌情認為任何曾經或將會對本集團或任何投資實體之增長及發展作出貢獻之本集團旗下任何成員公司或投資實體之全職或兼職僱員、高級行政人員或主要人員、經理、董事(包括執行、非執行及獨立非執行董事)或顧問。

(c) 可供發行股份之最高數目

中國再生能源購股權計劃已於二零一八年五月二十七日屆滿。

REPORT OF THE DIRECTORS

董事會報告書

SHARE OPTION SCHEMES (continued)

Share Options of subsidiary of the Company (continued)

(d) Maximum entitlement of each Eligible Person

The total number of shares of the Company issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to:

- (i) each Eligible Person must not exceed 1% of the shares of the Company in issue; and
- (ii) a substantial shareholder or an independent nonexecutive director of the Company must not exceed 0.1% of the shares of the Company in issue and not exceed HK\$5 million in aggregate value.

(e) Period within which the shares must be taken up under an option

An option must be exercised within ten years from the date on which it is granted or such shorter period as the Board may specify at the time of grant.

(f) Minimum period, if any, for which an option must be held

At the time of the grant of an option, the Board must specify the minimum period(s), if any, for which an option must be held before it can be exercised.

(g) Period open for acceptance of an option and amount payable upon acceptance

An offer of the grant of an option shall remain open for acceptance for a period of ten business days from the date of offer and a consideration of HK\$1.0 must be paid upon acceptance.

購股權計劃(續)

本公司附屬公司之購股權(續)

(d) 各合資格人士之最高限額

於授出之任何十二個月期間，行使已授出購股權(不論已獲行使或尚未行使)時向以下人士已發行及將予發行之本公司股份總數：

- (i) 每名合資格人士，不得超過本公司已發行股份1%；及
- (ii) 主要股東或本公司獨立非執行董事，不得超過本公司已發行股份0.1%及總值5,000,000港元。

(e) 根據購股權須認購股份之期間

購股權須於授出日期起計十年或董事會可能於授出時指明之較短期間內行使。

(f) 持有購股權之最短期限(如有)

於購股權授出時，董事會須訂明其可行使前持有購股權之最短期限(如有)。

(g) 接納購股權之期限以及接納時應付之金額

提呈授出之購股權可自提呈日期起計十個營業日期間內可供接納，接納時須支付1.0港元代價。

REPORT OF THE DIRECTORS

董事會報告書

SHARE OPTION SCHEMES (continued)

Share Options of subsidiary of the Company (continued)

(h) Basis of determining the subscription price of an option

The exercise price must be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

(i) Remaining life

CRE Option Scheme has a life of ten years and has been expired on 27 May 2018.

No share option is outstanding under the CRE Option Scheme as at 27 May 2018.

No share option was granted, exercised, cancelled nor lapsed during the year ended 31 December 2018 under the CRE Option Scheme.

DIRECTORS' INTERESTS IN SECURITIES

At 31 December 2018, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules adopted by the Company were as follows:

購股權計劃(續)

本公司附屬公司之購股權(續)

(h) 釐定購股權認購價之基準

行使價須最少為以下較高者：(i)股份於授出日期在聯交所每日報價表所列收市價；(ii)股份緊接於授出日期前五個營業日在聯交所每日報價表所列平均收市價；及(iii)股份面值。

(i) 餘下年期

中國再生能源購股權計劃之有效期為期十年並已於二零一八年五月二十七日屆滿。

於二零一八年五月二十七日，中國再生能源購股權計劃項下概無尚未行使購股權。

於截至二零一八年十二月三十一日止年度，概無任何購股權根據中國再生能源購股權計劃獲授出、行使、註銷或已失效。

董事於證券之權益

於二零一八年十二月三十一日，各董事及本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」))第XV部之股份、相關股份及債券中擁有登記於證券及期貨條例第352條規定存置的登記冊之權益及淡倉；或根據本公司採納之上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)規定須知會本公司及聯交所之權益及淡倉如下：

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' INTERESTS IN SECURITIES (continued)

(i) Long positions in the shares and underlying shares of the Company:

董事於證券之權益(續)

(i) 於本公司股份及相關股份之好倉：

| Name of Directors | Nature of interest | Number of shares and underlying shares of the Company | Approximate percentage of the existing issued share capital of the Company |
|-------------------------------------|--------------------|---|--|
| 董事姓名 | 權益性質 | 本公司股份及相關股份數目 | 佔本公司現有已發行股本概約百分比 |
| Mr. OEI Kang, Eric 黃剛先生 | Corporate 公司 | 363,924,938 ¹ | 68.816% |
| | Joint 共同 | 11,154,987 ² | 2.109% |
| Mr. LEE Shiu Yee, Daniel 李肇怡先生 | Personal 個人 | 7,200 ³ | 0.001% |
| Mr. WONG Jake Leong, Sammy 黃植良先生 | Personal 個人 | 5,145,000 ⁴ | 0.973% |

Notes:

- The corporate interest of Mr. OEI Kang, Eric represents (i) an interest in 203,445,407 shares of the Company held by Creator Holdings Limited ("Creator"); (ii) an interest in 143,212,531 shares of the Company held by Genesis Capital Group Limited ("Genesis"); and (iii) an interest in 17,267,000 shares of the Company held by Great Nation International Limited ("Great Nation") (via its wholly-owned subsidiary, Genesis Ventures Limited ("Genesis Ventures")), a company owned as to 50% by Mr. OEI Kang, Eric and as to the remaining 50% by his wife, Mrs. OEI Valonia Lau. Both Creator and Genesis are wholly-owned by Claudio Holdings Limited ("Claudio"), a company wholly-owned by Mr. OEI Kang, Eric.
- The joint interest of Mr. OEI Kang, Eric represents an interest in 11,154,987 shares of the Company jointly held with his wife, Mrs. OEI Valonia Lau.
- The personal interest of Mr. LEE Shiu Yee, Daniel represents an interest in 7,200 shares of the Company.
- The personal interest of Mr. WONG Jake Leong, Sammy represents an interest in 5,145,000 shares of the Company.

附註：

- 黃剛先生之公司權益指(i)由創達集團有限公司(「創達」)持有之203,445,407股本公司股份權益；(ii)由華創集團有限公司(「華創」)持有之143,212,531股本公司股份權益；及(iii)由偉邦國際有限公司(「偉邦」)持有之17,267,000股本公司股份權益(透過其全資附屬公司華創創業投資有限公司(「華創創業」)，其為一間由黃剛先生擁有50%權益及其妻子劉慧女士擁有其餘50%權益的公司)。創達及華創均由 Claudio Holdings Limited(「Claudio」)全資擁有，而Claudio由黃剛先生全資擁有。
- 黃剛先生之共同權益指由彼與彼之妻子劉慧女士共同持有之11,154,987股本公司股份之權益。
- 李肇怡先生之個人權益指7,200股本公司股份權益。
- 黃植良先生之個人權益指5,145,000股本公司股份權益。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' INTERESTS IN SECURITIES (continued)

(ii) Long positions in the shares and underlying shares of associated corporation of the Company:

| Name of associated corporation | Name of Director | Nature of interest | Number of shares and underlying shares of the associated corporation | Approximate percentage of the existing issued share capital of the associated corporation |
|---|----------------------------|--------------------|--|---|
| 相聯法團名稱 | 董事姓名 | 權益性質 | 相聯法團之股份及相關股份數目 | 佔相聯法團現有已發行股本概約百分比 |
| China Renewable Energy Investment Limited 中國再生能源投資有限公司 | Mr. OEI Kang, Eric 黃剛先生 | Corporate 公司 | 1,826,026,937 ¹ | 72.862% |
| | | Joint 共同 | 41,661,439 ² | 1.662% |

Notes:

- Since as at 31 December 2018, the Company was held as to (i) approximately 65.551% by Claudio (via its wholly-owned subsidiaries, Creator and Genesis), a company wholly-owned by Mr. OEI Kang, Eric; and (ii) approximately 3.265% by Great Nation (via its wholly-owned subsidiary, Genesis Ventures). As thus, Mr. OEI Kang, Eric is deemed to be interested in the same parcel of shares of CRE in which the Company is interested. The corporate interest of Mr. OEI Kang, Eric represents (i) an interest in 1,395,682,050 shares of CRE held by the Company; (ii) an interest in 276,065,897 shares of CRE held by Genesis; and (iii) an interest in 154,278,990 shares of CRE held by Creator.
- The joint interest of Mr. OEI Kang, Eric represents an interest in 41,661,439 shares of CRE jointly held with his wife, Mrs. OEI Valonia Lau.

Save as disclosed above, at no time during the year was the company, its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the Directors and chief executives of the company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the company or its specified undertakings or other associated corporation.

董事於證券之權益(續)

(ii) 於本公司相聯法團股份及相關股份之好倉：

| Name of associated corporation | Name of Director | Nature of interest | Number of shares and underlying shares of the associated corporation | Approximate percentage of the existing issued share capital of the associated corporation |
|---|----------------------------|--------------------|--|---|
| 相聯法團名稱 | 董事姓名 | 權益性質 | 相聯法團之股份及相關股份數目 | 佔相聯法團現有已發行股本概約百分比 |
| China Renewable Energy Investment Limited 中國再生能源投資有限公司 | Mr. OEI Kang, Eric 黃剛先生 | Corporate 公司 | 1,826,026,937 ¹ | 72.862% |
| | | Joint 共同 | 41,661,439 ² | 1.662% |

附註：

- 於二零一八年十二月三十一日，由於本公司(i)由Claudio持有約65.551%(透過其全資附屬公司創達及華創)，而Claudio則由黃剛先生全資擁有；及(ii)由偉邦持有約3.265%(透過其全資附屬公司華創創業)。故黃剛先生被視為於同一批本公司擁有權益之中國再生能源股份中擁有權益。黃剛先生之公司權益指(i)本公司所持之1,395,682,050股中國再生能源股份權益；(ii)華創所持之276,065,897股中國再生能源股份權益；及(iii)創達所持之154,278,990股中國再生能源股份權益。
- 黃剛先生之共同權益指由彼與彼之妻子劉慧女士共同持有之41,661,439股中國再生能源股份權益。

除上文所披露者外，於本年內任何時間，本公司、其附屬公司、同系附屬公司、母公司或其他相聯法團概無訂立任何安排致使董事及本公司主要行政人員(包括彼等各自之配偶或18歲以下子女)於本公司或其特定企業或其他相聯法團之股份、相關股份或債券中擁有任何權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement that enabled the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Mr. OEI Tjie Goan is the chairman and a director of PT. Sinar Mas, a company together with its subsidiaries, associates, including Asia Pulp & Paper Company, Ltd., and its holding companies (if any) (the "Sinar Mas Group") are engaged in, among other things, general trading and property development and investment. Save as disclosed above, Mr. OEI Tjie Goan is not interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group. Mr. OEI Kang, Eric, a member of the OEI Family and the son of Mr. OEI Tjie Goan, does not hold any directorship in the Sinar Mas Group. Having considered that the Company itself has its own management supervising the daily operation and making financial and business decisions, the Company can operate its business independently from the Sinar Mas Group.

Save as disclosed above, none of the Directors or their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group during the year.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the sections "Continuing Connected Transactions" in this Report of the Directors and "Related Party Transactions" in Note 37 to the consolidated financial statements, no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事購買股份或債券之權利

除上文披露者外，於本年內任何時間，本公司或其任何附屬公司概無訂立任何安排致使董事或彼等各自之配偶或18歲以下子女可藉購入本公司或任何其他法人團體之股份或債券而獲益。

董事在競爭業務之權益

黃志源先生為PT. Sinar Mas主席兼董事。PT. Sinar Mas連同其附屬公司、聯營公司(包括亞洲漿紙業有限公司)及其控股公司(如有)(統稱「金光集團」)從事(其中包括)一般貿易以及物業發展與投資業務。除上文披露者外，黃志源先生並無擁有足以或可能對本集團業務直接或間接構成競爭之業務權益。黃剛先生為黃氏家族之成員及黃志源先生之子，並無於金光集團擔任任何董事職務。鑑於本公司擁有本身之管理層負責監督日常業務運作以及作出財務及商業決策，本公司之業務運作能夠獨立於金光集團。

除上文披露者外，董事或其各自之聯繫人士年內概無擁有足以或可能對本集團業務直接或間接構成競爭之業務權益。

董事及控股股東於重大合約之權益

除本董事會報告書之「持續關連交易」一節及綜合財務報表附註37之「關聯方交易」所披露者外，於年終或年內任何時間，本公司或其任何附屬公司並無訂立任何董事直接或間接擁有重大權益之重大合約。

REPORT OF THE DIRECTORS

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

At 31 December 2018, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in the shares and underlying shares of the Company

主要股東於證券之權益

於二零一八年十二月三十一日，以下人士(董事或本公司主要行政人員除外)於本公司之股份及相關股份中擁有須登記於證券及期貨條例第336條規定須予存置的登記冊之權益或淡倉：

於本公司股份及相關股份之好倉

| Name | Nature of interest | Number of shares and underlying shares of the Company | Approximate percentage of existing issued share capital of the Company |
|---|---------------------------|---|--|
| 姓名/名稱 | 權益性質 | 本公司股份及相關股份數目 | 佔本公司現有已發行股本概約百分比 |
| Mrs. OEI Valonia Lau 劉慧女士 | Family 家族 | 363,924,938 ¹ | 68.816% |
| | Joint 共同 | 11,154,987 ² | 2.109% |
| Claudio Holdings Limited | Corporate 公司 | 346,657,938 ³ | 65.551% |
| Creator Holdings Limited 創達集團有限公司 | Beneficial owner 實益擁有人 | 203,445,407 ⁴ | 38.471% |
| Genesis Capital Group Limited 華創集團有限公司 | Beneficial owner 實益擁有人 | 143,212,531 ⁵ | 27.081% |

REPORT OF THE DIRECTORS

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES (continued)

Long positions in the shares and underlying shares of the Company (continued)

Notes:

1. Mrs. OEI Valonia Lau is deemed to be interested in the same parcel of shares of the Company in which Mr. OEI Kang, Eric is taken to be interested (as detailed in "Directors' Interests in Securities" section above).
2. The joint interest of Mrs. OEI Valonia Lau represents an interest in 11,154,987 shares of the Company jointly held with Mr. OEI Kang, Eric.
3. The corporate interest of Claudio includes an interest in 203,445,407 shares of the Company held by Creator, and an interest in 143,212,531 shares of the Company held by Genesis.
4. The beneficial interest of Creator includes an interest in 203,445,407 shares of the Company.
5. The beneficial interest of Genesis includes an interest in 143,212,531 shares of the Company.

Save as disclosed above, as at 31 December 2018, the Company had not been notified by any person, other than Directors and chief executive of the Company, who had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register required to be kept under section 336 of Part XV of the SFO.

主要股東於證券之權益(續)

於本公司股份及相關股份之好倉(續)

附註：

1. 劉慧女士被視為於黃剛先生被當作擁有權益之同一批本公司股份中擁有權益(詳情參見上文「董事於證券之權益」一節)。
2. 劉慧女士之共同權益指彼與黃剛先生共同持有之11,154,987股本公司股份之權益。
3. Claudio之公司權益包括由創達持有之203,445,407股本公司股份之權益，以及由華創持有之143,212,531股本公司股份之權益。
4. 創達之實益權益包括於203,445,407股本公司股份之權益。
5. 華創之實益權益包括於143,212,531股本公司股份之權益。

除上文披露者外，於二零一八年十二月三十一日，本公司並不知悉有任何人士(董事及本公司主要行政人員除外)於本公司之股份及相關股份中擁有須登記於證券及期貨條例第XV部第336條規定存置的登記冊之權益或淡倉。



REPORT OF THE DIRECTORS

董事會報告書

RELATED PARTY TRANSACTIONS

The Company and its subsidiaries entered into certain transactions in the ordinary course of business and on normal commercial terms which were "Related Parties Transactions", the details of which are set out in Note 37 to the consolidated financial statements. Some of these transactions also constitute "Continuing Connected Transactions" under the Listing Rules as summarized below.

CONTINUING CONNECTED TRANSACTIONS

Details of the continuing connected transactions entered into by the Group during the year are set out below:

(i) Guarantee to the subsidiaries of CRE

The Company has provided, by itself directly or its wholly-owned subsidiary indirectly, guarantees in respect of project loan facilities granted by banks to the relevant project companies, which are subsidiaries of CRE (the "Guarantees"). CRE is a subsidiary of the Company and Mr. OEI Kang, Eric (Executive Director and Chief Executive Officer of the Company) and his associates held approximately 18.83% direct interest in CRE as at 31 December 2018. The provision of the Guarantees is subject to reporting, annual review and disclosure requirement under Chapter 14A of the Listing Rules. Details of the Guarantees were disclosed in the announcement of the Company dated 30 September 2011.

關聯方交易

本公司及其附屬公司在日常業務過程中及按正常商業條款訂立若干交易(即「關聯方交易」,詳情於綜合財務報表附註37呈列)。其中部分交易亦根據上市規則構成「持續關連交易」,有關概述如下。

持續關連交易

本集團年內訂立之持續關連交易詳情載列如下:

(i) 向中國再生能源之附屬公司提供擔保

本公司已直接或透過其全資附屬公司間接就銀行向相關項目公司(為中國再生能源附屬公司)授予的項目貸款融資提供擔保(「擔保」)。中國再生能源為本公司附屬公司,於二零一八年十二月三十一日,本公司執行董事兼行政總裁黃剛先生及其聯繫人士持有中國再生能源約18.83%的直接權益。提供擔保須遵守上市規則第14A章項下申報、年度審閱及披露規定。擔保的詳情已於本公司日期為二零一一年九月三十日的公佈披露。

REPORT OF THE DIRECTORS

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(continued)

持續關連交易(續)

(i) Guarantee to the subsidiaries of CRE (continued)

The salient particulars of the Guarantees are set out below:

(1) Date : 28 August 2006
日期 二零零六年八月二十八日

Project company (borrower) : 亞洲風力發電(牡丹江)有限公司(Asia Wind Power (Mudanjiang) Company Limited), which is currently a non-wholly owned subsidiary of CRE.
項目公司(借方) 亞洲風力發電(牡丹江)有限公司，目前為中國再生能源非全資附屬公司。

Amount secured : The Guarantee provided for this project company was given in favour of the bank to secure repayment of all monies due from the operating company to the lending bank under the loan facility, including the principals, interests accrued and other losses, damages and monies payable under the loan facility.
擔保金額

向此項目公司所作出之擔保乃以銀行為受益人，確保償還貸款融資項下借款銀行應收營運公司之所有款額，包括貸款融資項下本金、應計利息及其他虧損、損失及應付款額。

The loan in the sum of RMB200.0 million (approximately HK\$227.7 million) was originally granted and utilized. The loan was a term loan and carried interest at such annual rate as agreed with lending bank, determined by reference to PBOC Benchmark Rate for loans of the same grade and tenure. The interest rate will be adjusted annually on each anniversary of the related advancement (and, in relation to an extended term agreed by lending bank, on each anniversary of the date falling immediately after the original maturity date) based on the PBOC Benchmark Rate then in effect as prescribed in the facility agreement.

原先授出及使用之貸款總額為人民幣200,000,000元(約227,700,000港元)。貸款為定期貸款，按與借款銀行協定之有關年利率計息，經參考中國人民銀行就相同等級及年期之貸款之基準利率釐定。按融資協議所訂明，利率將根據中國人民銀行當時生效之基準利率，於有關墊款之每一週年當日(並就借款銀行協定之延長期間，緊隨原到期日後之每一週年當日)按年調整。

As at 31 December 2018, the total outstanding principal was RMB42.0 million (approximately HK\$47.8 million); and the extent of the Guarantee was for the same amount.

於二零一八年十二月三十一日，未償還本金總額為人民幣42,000,000元(約47,800,000港元)，擔保金額亦告相同。

Repayment and maturity dates of loan facility : The loan is repayable by installments scheduled over the term of the loan as provided in the facility agreement, with the final maturity date falling on 30 August 2021.

貸款融資之還款及到期日 按融資協議規定，貸款於貸款期內分期償還，最後到期日為二零二一年八月三十日。

REPORT OF THE DIRECTORS

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

持續關連交易(續)

(continued)

(i) Guarantee to the subsidiaries of CRE (continued)

(i) 向中國再生能源之附屬公司提供擔保(續)

- (2) Date : 3 March 2006
日期 二零零六年三月三日
- Project company (borrower) : 香港風力發電(穆稜)有限公司(Hong Kong Wind Power (Muling) Company Limited), which is currently a non-wholly owned subsidiary of CRE.
項目公司(借方) 香港風力發電(穆稜)有限公司，目前為中國再生能源之非全資附屬公司。
- Amount secured : The Guarantee provided for this project company was given in favour of the bank to secure repayment of all monies due from the operating company to the bank under the loan facility, including the principals, interests accrued and losses, damages and other monies payable under the loan facility.
擔保金額 向此項目公司所作出之擔保乃以銀行為受益人，確保償還貸款融資項下銀行應收營運公司之所有款額，包括貸款融資項下本金、應計利息及虧損、損失及其他應付款額。

The loan in the sum of RMB200.0 million (approximately HK\$227.7 million) was originally granted and utilized. The loan was a term loan and carried interest, settled quarterly, at such annual rate as agreed with lending bank, determined by reference to PBOC Benchmark Rate for loans of the same grade and tenure. The interest rate will be adjusted annually on each anniversary of the date of related advancement (and, in relation to an extended term agreed by lending bank, on each anniversary of the date falling immediately after the original maturity date) based on the PBOC Benchmark Rate then in effect, as prescribed in the facility agreement.

原先授出及使用之貸款總額為人民幣200,000,000元(約227,700,000港元)。貸款為定期貸款，按與借款銀行協定之有關年利率計息並按季償還，經參考中國人民銀行就相同等級及年期之貸款之基準利率釐定。按融資協議所訂明，利率將根據中國人民銀行當時生效之基準利率，於有關墊款之每一週年當日(並就借款銀行協定之延長期間，緊隨原到期日後之每一週年當日)按年調整。

As at 31 December 2018, the total outstanding principal was RMB42.0 million (approximately HK\$47.8 million); and the extent of the Guarantee was for the same amount.

於二零一八年十二月三十一日，未償還本金總額為人民幣42,000,000元(約47,800,000港元)，擔保金額亦告相同。

- Repayment and maturity dates of loan facility : The loan is repayable by installments scheduled over the term of the loan as provided in the facility agreement over the term of the loan, with the final maturity date falling on 27 February 2021.
貸款融資之還款及到期日 於貸款期內按融資協議規定，貸款於貸款期內分期償還，最後到期日為二零二一年二月二十七日。

REPORT OF THE DIRECTORS

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

持續關連交易(續)

(continued)

(i) Guarantee to the subsidiaries of CRE (continued)

(i) 向中國再生能源之附屬公司提供擔保(續)

- (3) Date : 22 December 2008
日期 二零零八年十二月二十二日
- Project company (borrower) : 港建新能源四子王旗風能有限公司(Hong Kong New Energy Si Zi Wang Qi Wind Power Ltd.), which is currently a wholly-owned subsidiary of CRE.
項目公司(借方) 港建新能源四子王旗風能有限公司，目前為中國再生能源之全資附屬公司。
- Amount secured : The Guarantee provided for this project company was given in favour of the bank to secure repayment of all monies due from the operating company to the bank under the loan facility, including the principals, interests accrued and other losses, damages and monies payable under the loan facility.
擔保金額 向此項目公司所作出之擔保乃以銀行為受益人，確保償還貸款融資項下銀行應收營運公司之所有款額，包括貸款融資項下本金、應計利息及其他虧損、損失及應付款額。

The loan in the sum of RMB300.0 million (approximately HK\$341.6 million) was originally granted and utilized. The loan was a term loan and carried interest at such annual rate as agreed with lending bank, determined by reference to PBOC Benchmark Rate for loans of the same grade and tenure. The interest rate will be adjusted annually on each anniversary of the date of related advancement based on the PBOC Benchmark Rate then in effect, as prescribed in the facility agreement.

原先授出及使用之貸款總額為人民幣300,000,000元(約341,600,000港元)。貸款為定期貸款，按與借款銀行協定之有關年利率計息，經參考中國人民銀行就相同等級及年期之貸款之基準利率釐定。按融資協議所訂明，利率將根據中國人民銀行當時生效之基準利率，於有關墊款之每一週年當日按年調整。

As at 31 December 2018, the total outstanding principal was RMB75.0 million (approximately HK\$85.4 million); and the extent of the Guarantee was for the same amount.

於二零一八年十二月三十一日，未償還本金總額為人民幣75,000,000元(約85,400,000港元)，擔保金額亦告相同。

- Repayment and maturity dates of loan facility : The loan is repayable by installments scheduled over the term of the loan as provided in the facility agreement over the term of the loan, with the final maturity date falling on 22 December 2021.
貸款融資之還款及到期日 於貸款期內按融資協議規定，貸款於貸款期內分期償還，最後到期日為二零二一年十二月二十二日。

REPORT OF THE DIRECTORS

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(continued)

(i) Guarantee to the subsidiaries of CRE (continued)

Opinion from the Independent Non-executive Directors on the continuing connected transactions

The Independent Non-executive Directors of the Company were given sufficient information to discharge their duties in monitoring the continuing connected transactions described above ("Continuing Connected Transactions"). The Independent Non-executive Directors of the Company had assessed that the Continuing Connected Transactions were conducted in accordance with the terms of the relevant agreements governing the Continuing Connected Transactions and on normal commercial terms. The internal audit had reviewed the Continuing Connected Transactions and the internal control procedures and provide the finds to the Independent Non-executive Directors of the Company to assist them in performing their annual review, The internal control systems and procedures of the Company had provided an internal audit function to ensure that the Independent Non-executive Directors of the Company had sufficient information to properly review the Continuing Connected Transactions. The Independent Non-executive Directors of the Company had ensured that the methods and procedures established by the Group are sufficient to ensure that the Continuing Connected Transactions were conducted on normal commercial terms and not prejudicial to the interests of the Group and its minority shareholders and appropriate internal control procedures are in place and the Group's internal audit would review the Continuing Connected Transactions.

持續關連交易(續)

(i) 向中國再生能源之附屬公司提供擔保(續)

獨立非執行董事對持續關連交易之意見

本公司獨立非執行董事獲提供充分資料，以履行彼等在監察上述持續關連交易(「持續關連交易」)方面之職責。本公司獨立非執行董事已評定，持續關連交易乃按規管持續關連交易之相關協議條款及一般商業條款進行。內部審計部門已檢討持續關連交易及內部監控程序，並向本公司獨立非執行董事匯報結果，協助其進行年度審閱。本公司內部監控系統及程序具有內部審計職能，可確保本公司獨立非執行董事獲提供充分資料以妥善檢討持續關連交易。本公司獨立非執行董事已確保，本集團所制定的方法及程序足夠保證持續關連交易乃按一般商業條款進行且不會損害本集團及其少數股東之利益，並已採取適當內部監控措施，且本集團內部審計部門將會檢討持續關連交易。

REPORT OF THE DIRECTORS

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

(continued)

(i) Guarantee to the subsidiaries of CRE (continued)

Opinion from the Independent Non-executive Directors on the continuing connected transactions (continued)

In accordance with rule 14A.55 of the Listing Rules, the Independent Non-executive Directors of the Company have reviewed and approved the Continuing Connected Transactions and confirmed that the Continuing Connected Transactions were carried out in accordance with the following principles:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms no less favourable than terms available to (or from) independent third parties;
- (c) in accordance with the terms of the relevant agreements governing the Continuing Connected Transactions; and
- (d) on a fair and reasonable basis and in the interest of the Company and its shareholders as a whole.

Report from the auditor on the continuing connected transactions

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the abovementioned continuing connected transactions disclosed by the Group in accordance with the Main Board Listing Rule 14A.56. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

持續關連交易(續)

(i) 向中國再生能源之附屬公司提供擔保(續)

獨立非執行董事對持續關連交易之意見(續)

根據上市規則第14A.55條，本公司獨立非執行董事已審閱及批准持續關連交易，並確認持續關連交易乃按以下原則進行：

- (a) 於本集團一般日常業務中；
- (b) 不遜於向(或獲)獨立第三方提供之一般商業條款；
- (c) 根據規管持續關連交易之相關協議條款；及
- (d) 按公平合理基準且符合本公司及其股東整體利益。

有關持續關連交易之核數師報告

本公司核數師已獲聘根據香港會計師公會頒佈的香港核證工作準則第3000號「審核或審閱歷史財務資料以外的核證工作」及參照應用指引第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團的持續關連交易。核數師已根據主板上市規則第14A.56條發出無保留意見函件，函件載有核數師對有關本集團上述所披露的持續關連交易的結果及結論。本公司已向聯交所提交核數師函件副本。

REPORT OF THE DIRECTORS

董事會報告書

MANAGEMENT CONTRACT

Apart from those disclosed under the heading “Related Party Transactions” in Note 37 to the consolidated financial statements, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases

| | |
|-------------------------------------|-----|
| The largest supplier | 28% |
| Five largest suppliers in aggregate | 50% |

Sales

| | |
|-------------------------------------|-----|
| The largest customer | 8% |
| Five largest customers in aggregate | 16% |

Save as disclosed above, none of the Directors, any of their associates, or shareholders of the Company (which to the knowledge of the Directors, own more than 5% of the Company’s issued share capital) had any interest in the Group’s five largest suppliers or customers noted above.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended 31 December 2018, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

CORPORATE GOVERNANCE

The Company’s corporate governance practices are set out in the Corporate Governance Report on pages 27 to 48.

管理合約

除綜合財務報表附註37「關聯方交易」所披露者外，本公司於年內並無訂立或擁有任何有關本公司全部或任何重大部分業務之管理及行政合約。

主要客戶及供應商

本集團主要供應商及客戶於年內佔本集團購貨額及銷售額之百分比如下：

購貨額

| | |
|---------|-----|
| 最大供應商 | 28% |
| 五大供應商合計 | 50% |

銷售額

| | |
|--------|-----|
| 最大客戶 | 8% |
| 五大客戶合計 | 16% |

除上文披露者外，董事、彼等任何聯繫人士或本公司股東（據董事所知擁有本公司已發行股本超過5%者）概無於上述本集團五大供應商或客戶中擁有任何權益。

購買、出售或贖回本公司上市證券

截至二零一八年十二月三十一日止年度，本公司或其附屬公司概無於年內購買、出售或贖回本公司任何上市證券。

企業管治

本公司之企業管治常規載於第27至48頁之企業管治報告。

REPORT OF THE DIRECTORS

董事會報告書

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specified employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code. A Code for Securities Dealings by Employees has also been adopted in this regard.

RETIREMENT BENEFITS SCHEMES

Information on the Group's retirement benefits schemes is set out in Note 9 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

REVIEW OF THE AUDITED FINANCIAL STATEMENTS BY AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The audit committee has reviewed the audited consolidated financial statements for the year ended 31 December 2018.

AUDITOR

The consolidated financial statements for the year have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company is to be proposed at 2019 AGM.

董事進行證券交易之標準守則

本公司已採納標準守則作為其本身董事進行證券交易之操守守則。可能擁有本集團尚未公佈內幕消息之特定僱員，亦須遵守不會較標準守則寬鬆之指引。本公司亦已就此採納僱員買賣證券守則。

退休福利計劃

本集團之退休福利計劃資料載於綜合財務報表附註9。

足夠公眾持股量

根據本公司取得之公開資料及就董事所知，於本報告日期，本公司維持足夠公眾持股量，即根據上市規則所規定本公司已發行股份25%以上由公眾人士持有。

審核委員會審閱經審核財務報表

本公司審核委員會包括三名獨立非執行董事，已根據上市規則規定制訂書面職權範圍，並須向董事會匯報。審核委員會已審閱本集團截至二零一八年十二月三十一日止年度之經審核綜合財務報表。

核數師

年度綜合財務報表已由告退並符合資格續聘連任之羅兵咸永道會計師事務所審核。有關續聘羅兵咸永道會計師事務所為本公司核數師之決議案將於二零一九年股東週年大會提呈。

REPORT OF THE DIRECTORS

董事會報告書

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, every Director and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

The Company has arranged appropriate liability insurance to indemnify the Group's Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, change in the information of the Directors since the date of the 2018 Interim Report is set out below:

Mr. OEI Kang, Eric
(Executive Director, Chairman & Chief Executive Officer)

Mr. OEI was appointed as a member of the Nomination Committee and Remuneration Committee of the Company with effect from 20 March 2019.

On behalf of the Board
HKC (HOLDINGS) LIMITED
OEI Kang, Eric
Executive Director and Chief Executive Officer

Hong Kong, 20 March 2019

獲准許的彌償條文

根據章程細則，本公司各董事及其他行政人員因履行其職責而招致或蒙受之所有訴訟、費用、收費、損失、損害及開支均可從本公司之資產及利潤獲得彌償，確保免就此受任何損害，惟本彌償保證不延伸至任何與上述人士欺詐或不忠誠有關之事宜。

本公司已安排適當責任保險，以彌償本集團董事因企業事務產生之責任。本公司每年檢討保險範圍。

董事資料更新

根據上市規則第13.51B(1)條，董事資料自本公司二零一八年度中期報告日期以來的變動載列如下：

黃剛先生
(執行董事、主席兼行政總裁)

黃先生自二零一九年三月二十日起獲委任為本公司提名委員會及薪酬委員會成員。

代表董事會
香港建設(控股)有限公司
黃剛
執行董事兼行政總裁

香港，二零一九年三月二十日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HKC (HOLDINGS) LIMITED
(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of HKC (Holdings) Limited (the "Company") and its subsidiaries (the "Group") set out on pages 92 to 242, which comprise:

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

獨立核數師報告

致香港建設(控股)有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

香港建設(控股)有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第92至242頁的綜合財務報表，包括：

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Our opinion

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

BASIS FOR OPINION

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

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

Independence

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

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

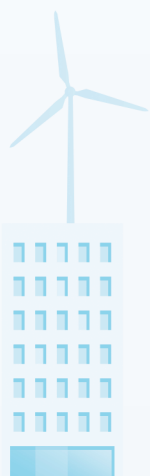
- Valuation of investment properties held by the Group and its joint venture
- Recoverability of prepaid land lease payments, properties under development and properties held for sale
- Impairment assessment of property, plant and equipment, intangible assets and prepaid land lease payments related to power plants in the Mainland China.

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 貴集團及其合營公司所持有的投資物業的估值
- 預付土地租賃款、發展中物業及作銷售用途之物業的可收回性
- 中國內地發電廠相關的物業、機器及設備、無形資產和預付土地租賃款的減值評估。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Valuation of investment properties held by the Group and its joint venture

貴集團及其合營公司所持有的投資物業的估值

Refer to note 2.6, 4(a) and 14 to the consolidated financial statements

請參閱綜合財務報表附註2.6、4(a)和14

Management estimated the fair value of the investment properties held by its subsidiaries and a joint venture to be HK\$12,345 million and HK\$3,832 million respectively at 31 December 2018, with a revaluation gain for the year ended 31 December 2018 recorded in fair value adjustments on investment properties of HK\$697 million and share of profits less losses of joint ventures of HK\$3 million respectively.

管理層估計其附屬公司及一所合營公司持有的投資物業的公平值於二零一八年十二月三十一日分別為12,345,000,000港元和3,832,000,000港元，截至二零一八年十二月三十一日止年度，列於投資物業公平值調整的重估收益為697,000,000港元，扣除虧損後應佔合營公司溢利為3,000,000港元。

Independent external valuations are obtained to support management's estimates, with income capitalisation method and direct comparison method being applied for the valuation of completed investment properties. These valuations are dependent on certain key assumptions that require significant management judgments, among other things, capitalisation rates, fair market rental and market unit rate.

通過獨立外部估值支援管理層的估計，對完工投資物業採用收入資本法及直接對比法進行估值。這些估值取決於需要管理層作出重大判斷的某些關鍵假設，其中包括資本化比率、公平市值租金及市場單位價值。

Due to the significant judgment and estimates involved, specific audit focus was placed on this area.

由於涉及重大判斷和估計，因此審計中特別關注該事項。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to management's valuation of investment properties included:

我們就管理層對投資物業的估值所執行的程式包括：

- Evaluation of the independent external valuer's qualifications, expertise, competence, capabilities and objectivity;
評價獨立外部估值師的資歷、專業能力、實力及客觀性；
- Assessed the methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry and using our valuation specialists;
根據我們對物業行業的瞭解，使用我們的內部估值專家，評估所採用的估值方法及關鍵假設的合理性；以及
- Checked, on a sample basis, the published external market data for the accuracy and relevance of the input data used by the independent external valuer.
抽樣檢查所公佈的外部市場資料的準確性以及獨立外部估值師所使用的輸入資料的相關性。

We found that the assumptions used in the valuations were supported by the available evidence.

我們發現估值中使用的假設有合理支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Recoverability of prepaid land lease payments, properties under development and properties held for sale

預付土地租賃款、發展中物業及作銷售用途之物業的可收回性

Refer to note 2.7, 2.8, 2.9, 4(a), 4(b), 4(c), 15, 18 and 24 to the consolidated financial statements

請參閱綜合財務報表附註2.7、2.8、2.9、4(a)、4(b)、4(c)、15、18及24

Included in the Group's balance sheet were prepaid land lease payments, property under development and properties held for sale which amounted to HK\$1,472 million, HK\$556 million and HK\$920 million respectively as at 31 December 2018 and which were related to property projects in the Mainland China.

截至二零一八年十二月三十一日，包括在貴集團資產負債表中的預付土地租賃款、發展中物業及作銷售用途之物業分別為1,472,000,000港元、556,000,000港元和920,000,000港元，與中國內地房地產項目有關。

Given their financial significance, management assessed the recoverability of prepaid land lease payments and net realisable value assessment in respect of the properties under development and held for sale, where applicable, taking into account the estimated costs to completion and estimated net sales value at prevailing market conditions.

鑒於其財務意義，管理層評估了預付土地租賃款的可收回性以及發展中和作銷售用途之物業的可變現淨值評估，如適用，並考慮了現行市場條件下的預計竣工成本和估計銷售淨值。

In respect of properties held for sale, management assessed the recoverability based on the estimated net sales value at prevailing market conditions.

作銷售用途之物業方面，管理層根據現行市場條件下估計的銷售淨值評估了可收回金額。

Provision is made when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The assessment requires management judgment and estimates.

當有事件出現或情況改變而顯示賬面值可能無法收回時，計提減值準備。評估時，需要管理層作出判斷和估計。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to management's assessment on recoverability of the prepaid land lease, properties under development and properties held for sale included:

關於管理層對預付土地租賃款、發展中物業和作銷售用途之物業的可收回性的評估，我們執行的程式包括：

- Evaluation of management's assessment which was prepared based on the estimated selling price and cost to completion. We had benchmarked the estimated selling price, on a sample basis, to recent transactions or available market information. While on the construction cost to completion, we had vouched significant items to the relevant supporting documents; and
評估管理層根據估計的銷售價格和完工成本作出的評估。我們對估計的銷售價格與近期交易或可用市場訊息進行了抽樣比較。而在完工成本方面，我們核對了相關證明文件中的重要事項；以及
- Discussed with management on the latest status and development plans of the underlying property projects, such as expected dates in obtaining the completion certificates and expected completion dates of the projects.
與管理層討論相關物業項目的近況和開發計劃，如獲得完工證書的預計日期和項目完工的預計日期。

We found the carrying amounts were supported by the available evidence.

我們發現賬面值的可收回性有合理支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment assessment of property, plant and equipment, intangible assets and prepaid land lease payments related to power plants in the Mainland China

中國內地發電廠相關的物業、機器及設備、無形資產和預付土地租賃款的減值評估

Refer to note 2.5, 2.7, 2.11(b), 4(c), 15, 16 and 17 to the consolidated financial statements

請參閱綜合財務報表附註2.5、2.7、2.11(b)、4(c)、15、16及17

As at 31 December 2018, the Group's non-current assets principally comprised property, plant and equipment, intangible assets and prepaid land lease payments related to power plants in the Mainland China.

截至二零一八年十二月三十一日，貴集團的非流動資產主要包括中國內地相關發電廠的物業、機器及設備、無形資產和預付土地租賃款。

Management assessed whether there was any impairment of the carrying values of property, plant and equipment, intangible assets and prepaid land lease payments by calculating the recoverable amount under value-in-use method, where applicable. The impairment assessment requires management to exercise significant management judgment and estimates, among other things, estimating correspondingly tariff rates, future sales volume and discount rate.

管理層通過採用使用價值方法計算可回收金額，評估物業、機器及設備、無形資產和預付土地租賃款的賬面值是否存在任何減值。減值評估要求管理層作出重大管理判斷及估計，包括估計相應電費、未來銷量及貼現率。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to management's impairment assessment of property, plant and equipment, intangible assets and prepaid land lease payments related to relevant power plants in the Mainland China included:

就管理層對中國內地相關發電廠的物業、機器及設備、無形資產和預付土地租賃款的減值評估，我們執行的程式包括：

- Assessed the impairment assessment methodology used by the management to estimate value in use;
評估管理層用於評估使用價值採用的減值評估方法；
- Assessed the reasonableness of the key assumptions based on our knowledge of the relevant business and industry and with the involvement of our valuations specialists;
根據我們對相關業務和行業的瞭解以及我們的內部估值專家的參與，評估關鍵假設的合理性；
- Reconciled input data to supporting evidence, such as approved budgets and considered the reasonableness of these budgets;
對比輸入數據和支持性證據，如核准的預算以及考慮這些預算的合理性；
- Evaluated the management's sensitivity analysis to assess the potential impact of reasonable possible downside changes in the key assumptions.
評估管理層的敏感性分析，以評估關鍵假設中合理可能的不利變化的潛在影響。

We found the assumptions made by management in relation to the value in use assessment to be supportable based on available evidence.

根據現有證據，我們發現，管理層對使用價值的評估所作假設有合理支持。

The significant inputs have been appropriately disclosed in note 4c.

該事項的重要輸入數據已在附註4c中合理披露。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他信息

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

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

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

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

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

核數師就審計綜合財務報表承擔的責任

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

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

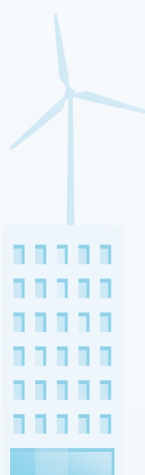
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with 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.

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Pong Fei Ho.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 March, 2019

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

出具本獨立核數師報告的審計項目合夥人是龐飛浩。

羅兵咸永道會計師事務所
執業會計師

香港，二零一九年三月二十日

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| | | Note | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|---------------------------------|------|---------------------------------------|---------------------------------------|
| | | 附註 | | |
| Revenue | 收益 | 5 | 1,270.0 | 1,789.1 |
| Cost of sales | 銷售成本 | | (629.2) | (1,112.2) |
| Gross profit | 毛利 | | 640.8 | 676.9 |
| Other income | 其他收入 | 6 | 135.2 | 235.6 |
| Fair value adjustments on investment properties | 投資物業公平值調整 | | 696.5 | 1,110.0 |
| Selling and distribution costs | 銷售及分銷成本 | | (36.6) | (54.5) |
| Administrative expenses | 行政費用 | | (155.0) | (199.8) |
| Other and general expenses | 其他及一般費用 | | (43.3) | (94.0) |
| Operating profit | 經營溢利 | 7 | 1,237.6 | 1,674.2 |
| Finance income | 財務收入 | 8 | 41.8 | 32.1 |
| Finance costs | 融資成本 | 8 | (33.4) | (40.7) |
| Finance income/(costs) – net | 財務收入／(融資成本) —淨額 | 8 | 8.4 | (8.6) |
| Share of profits less losses of associates | 應佔聯營公司溢利減虧損 | 20 | 89.4 | 97.1 |
| Share of loss of a joint venture | 應佔一間合營公司虧損 | 21 | (65.9) | (47.8) |
| Profit before income tax | 所得稅前溢利 | | 1,269.5 | 1,714.9 |
| Income tax expense | 所得稅支出 | 11 | (312.3) | (470.5) |
| Profit for the year | 本年度溢利 | | 957.2 | 1,244.4 |
| Profit attributable to: | 以下應佔溢利： | | | |
| Equity holders of the Company | 本公司權益持有人 | | 734.1 | 898.8 |
| Non-controlling interests | 非控股權益 | | 223.1 | 345.6 |
| | | | 957.2 | 1,244.4 |
| Earnings per share attributable to equity holders of the Company (expressed in HK cents per share) | 本公司權益持有人應佔每股盈利 (以每股港仙列示) | 12 | | |
| Basic | 基本 | | 138.8 | 170.0 |
| Diluted | 攤薄 | | 138.3 | 170.0 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面損益表

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

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Profit for the year | 本年度溢利 | 957.2 | 1,244.4 |
| Other comprehensive (loss)/income Items that may be reclassified subsequently to profit or loss | 其他全面(虧損)/收入 可於其後重新分類至損益之項目 | | |
| Translation of financial statements of foreign operations | 換算海外業務財務報表 | | |
| – Currency translation differences of the Company and its subsidiaries | —本公司及其附屬公司之 匯兌換算差額 | (693.3) | 953.2 |
| – Currency translation differences of associates and a joint venture | —聯營公司及一間合營公司之 匯兌換算差額 | (134.8) | 151.4 |
| Investments available for sale | 可供出售投資 | | |
| – Gain in fair value | —公平值收益 | – | 3.2 |
| Item that will not be reclassified subsequently to profit or loss | 其後不會重新分類至損益之項目 | | |
| Gain on property revaluation | 物業重估收益 | – | 52.3 |
| Other comprehensive (loss)/income for the year, net of tax | 本年度其他全面(虧損)/收入， 扣除稅項 | (828.1) | 1,160.1 |
| Total comprehensive income for the year | 本年度全面收入總額 | 129.1 | 2,404.5 |
| Total comprehensive income attributable to: | 以下應佔全面收入總額： | | |
| Equity holders of the Company | 本公司權益持有人 | 54.5 | 1,870.0 |
| Non-controlling interests | 非控股權益 | 74.6 | 534.5 |
| | | 129.1 | 2,404.5 |

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2018
於二零一八年十二月三十一日

| | | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|------------------------|------------|---------------------------------------|---------------------------------------|
| | | Note 附註 | | |
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Investment properties | 投資物業 | 14 | 12,344.9 | 12,280.5 |
| Prepaid land lease payments | 預付土地租賃款 | 15 | 1,472.1 | 1,579.6 |
| Property, plant and equipment | 物業、機器及設備 | | | |
| – Other property, plant and equipment | – 其他物業、機器及設備 | 16 | 909.7 | 998.2 |
| – Construction in progress | – 在建工程 | 16 | 321.0 | 36.1 |
| Intangible assets | 無形資產 | 17 | 1.4 | 1.6 |
| Properties under development | 發展中物業 | 18 | 555.6 | 529.9 |
| Interests in associates | 於聯營公司之權益 | 20 | 1,210.3 | 1,251.0 |
| Interest in a joint venture | 於一間合營公司之權益 | 21 | 1,626.7 | 1,780.3 |
| Available-for-sale financial assets | 可供出售金融資產 | 22 | – | 28.0 |
| Financial assets at fair value through other comprehensive income | 按公平值在其他全面損益列賬之 金融資產 | 22 | 21.4 | – |
| Prepayments and other receivables | 預付款及其他應收款 | 25 | 84.3 | 194.1 |
| Total non-current assets | 非流動資產總額 | | 18,547.4 | 18,679.3 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | | 6.7 | 9.0 |
| Properties held for sale | 作銷售用途之物業 | 24 | 919.9 | 1,461.9 |
| Trade and other receivables | 應收賬款及其他應收款 | 25 | 369.4 | 230.1 |
| Restricted cash | 受限制現金 | 26 | 478.9 | 398.0 |
| Short-term bank deposits | 短期銀行存款 | 27 | 712.3 | – |
| Cash and cash equivalents | 現金及現金等價物 | 28 | 1,889.6 | 2,497.4 |
| Total current assets | 流動資產總額 | | 4,376.8 | 4,596.4 |
| Total assets | 資產總額 | | 22,924.2 | 23,275.7 |



CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2018
於二零一八年十二月三十一日

| | | Note | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|-----------------|------|---------------------------------------|---------------------------------------|
| | | 附註 | | |
| EQUITY | 權益 | | | |
| Capital and reserves attributable to equity holders of the Company | 本公司權益持有人應佔資本及儲備 | | | |
| Share capital | 股本 | 29 | 132.2 | 132.2 |
| Reserves | 儲備 | 30 | 13,070.0 | 13,138.7 |
| Equity attributable to equity holders of the Company | 本公司權益持有人應佔權益 | | 13,202.2 | 13,270.9 |
| Non-controlling interests | 非控股權益 | | 2,752.2 | 2,685.3 |
| Total equity | 權益總額 | | 15,954.4 | 15,956.2 |
| LIABILITIES | 負債 | | | |
| Non-current liabilities | 非流動負債 | | | |
| Borrowings | 借款 | 31 | 2,768.3 | 2,508.1 |
| Deferred income tax liabilities | 遞延所得稅負債 | 33 | 1,882.4 | 1,790.5 |
| Total non-current liabilities | 非流動負債總額 | | 4,650.7 | 4,298.6 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 應付賬款及其他應付款 | 32 | 1,474.3 | 2,187.0 |
| Borrowings | 借款 | 31 | 477.0 | 288.0 |
| Amount due to a shareholder | 應付一名股東款項 | 34 | 197.5 | 226.2 |
| Current income tax liabilities | 即期所得稅負債 | | 170.3 | 319.7 |
| Total current liabilities | 流動負債總額 | | 2,319.1 | 3,020.9 |
| Total liabilities | 負債總額 | | 6,969.8 | 7,319.5 |
| Total equity and liabilities | 權益及負債總額 | | 22,924.2 | 23,275.7 |

OEI Kang, Eric
黃剛
Director
董事

LEUNG Wing Sum, Samuel
梁榮森
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| | | Note 附註 | Attributable to equity holders of the Company 本公司權益 持有人應佔 HK\$ Million 百萬港元 | Non- controlling interests 非控股 權益 HK\$ Million 百萬港元 | Total equity 權益總額 HK\$ Million 百萬港元 |
|--|-----------------------------|------------|--|---|---|
| Balance at 1 January 2017 | 於二零一七年一月一日結餘 | | 11,477.2 | 2,149.9 | 13,627.1 |
| Comprehensive income | 全面收入 | | | | |
| Profit for the year | 本年度溢利 | | 898.8 | 345.6 | 1,244.4 |
| Other comprehensive income | 其他全面收入 | | | | |
| Translation of financial statements of foreign operations | 換算海外業務財務報表 | | | | |
| – Currency translation differences of the Company and its subsidiaries | — 本公司及其附屬公司之匯兌換算差額 | 30 | 764.3 | 188.9 | 953.2 |
| – Currency translation differences of associates and a joint venture | — 聯營公司及一間合營公司之匯兌換算差額 | 30 | 151.4 | – | 151.4 |
| Investments available for sale | 可供出售投資 | | | | |
| – Gain in fair value | — 公平值收益 | 30 | 3.2 | – | 3.2 |
| Gain on property revaluation | 物業重估收益 | | 52.3 | – | 52.3 |
| Total comprehensive income for the year | 本年度全面收入總額 | | 1,870.0 | 534.5 | 2,404.5 |
| Transactions with owners | 與擁有人之交易 | | | | |
| Changes in ownership interests in a subsidiary that do not result in a loss of control arising from the following factor | 因下列原因導致附屬公司之擁有權益變動但未導致失去控制權 | | | | |
| – Exercise of a listed subsidiary's warrants | — 行使一間上市附屬公司之認股權證 | 30 | (2.3) | 4.2 | 1.9 |
| Dividends paid | 已派股息 | 30 | (74.0) | (3.3) | (77.3) |
| Total transactions with owners | 與擁有人之交易總額 | | (76.3) | 0.9 | (75.4) |
| Balance at 31 December 2017 | 於二零一七年十二月三十一日結餘 | | 13,270.9 | 2,685.3 | 15,956.2 |
| Balance at 1 January 2018 | 於二零一八年一月一日結餘 | | 13,270.9 | 2,685.3 | 15,956.2 |
| Comprehensive income | 全面收入 | | | | |
| Profit for the year | 本年度溢利 | | 734.1 | 223.1 | 957.2 |
| Other comprehensive loss | 其他全面虧損 | | | | |
| Translation of financial statements of foreign operations | 換算海外業務財務報表 | | | | |
| – Currency translation differences of the Company and its subsidiaries | — 本公司及其附屬公司之匯兌換算差額 | 30 | (544.8) | (148.5) | (693.3) |
| – Currency translation differences of associates and a joint venture | — 聯營公司及一間合營公司之匯兌換算差額 | 30 | (134.8) | – | (134.8) |
| Total comprehensive income for the year | 本年度全面收入總額 | | 54.5 | 74.6 | 129.1 |
| Transactions with owners | 與擁有人之交易 | | | | |
| Changes in ownership interests in subsidiaries that do not result in a loss of control arising from the following factor | 因下列原因導致附屬公司之擁有權益變動但未導致失去控制權 | | | | |
| – Exercise of a listed subsidiary's warrants | — 行使一間上市附屬公司之認股權證 | 30 | 22.6 | (17.7) | 4.9 |
| – Acquisition of non-controlling interests of a subsidiary | — 收購一間附屬公司之非控股權益 | 30 | (18.9) | 18.9 | – |
| Dividends paid | 已派股息 | 30 | (126.9) | (8.9) | (135.8) |
| Total transactions with owners | 與擁有人之交易總額 | | (123.2) | (7.7) | (130.9) |
| Balance at 31 December 2018 | 於二零一八年十二月三十一日結餘 | | 13,202.2 | 2,752.2 | 15,954.4 |

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|--------------------|---------------------------------------|---------------------------------------|
| | Note 附註 | | |
| Cash flows from operating activities | 經營業務所得之現金流量 | | |
| Cash generated from operations | 38 | 797.3 | 1,566.8 |
| Income tax paid, net | | (256.0) | (105.4) |
| Net cash generated from operating activities | | 541.3 | 1,461.4 |
| Cash flows from investing activities | 投資活動之現金流量 | | |
| Interest received | | 41.8 | 23.8 |
| Dividend received from associates | | 23.4 | - |
| Development costs paid for investment properties under development | | (419.3) | (208.3) |
| Development costs paid for construction in progress | | (184.7) | (28.9) |
| Additions to prepayment for property, plant and equipment and investment properties under development | | - | (186.2) |
| Purchase of property, plant and equipment | | (12.3) | (24.3) |
| Purchase of intangible assets | | (0.2) | - |
| Proceeds from the disposal of property, plant and equipment | | 0.3 | 1.0 |
| Return of capital from a financial asset at fair value through other comprehensive income | | 5.4 | - |
| Disposal of a financial asset at fair value through profit or loss | | - | 36.8 |
| Decrease in advances to a joint venture | | - | 246.8 |
| (Increase)/decrease in short-term bank deposits | | (712.3) | 14.5 |
| Net cash used in investing activities | | (1,257.9) | (124.8) |

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| | Note | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|--------------------------|---------------------------------------|---------------------------------------|
| | 附註 | | |
| Cash flows from financing activities | 融資活動之現金流量 | | |
| Repayment of bank borrowings and other loans | 償還銀行借款及其他貸款 | (997.9) | (742.2) |
| (Increase)/decrease in restricted cash | 受限制現金(增加)/減少 | (101.1) | 265.3 |
| Increase in bank borrowings and other loans | 銀行借款及其他貸款增加 | 1,609.5 | 388.4 |
| (Decrease)/increase in advance from a shareholder | 一名股東墊款(減少)/增加 | (25.0) | 220.0 |
| Contribution from non-controlling shareholders | 非控股股東之注資 | 4.9 | 1.9 |
| Dividends paid to equity holders of the Company | 已付本公司權益持有人之股息 | (126.9) | (77.3) |
| Dividends paid to non-controlling shareholders | 已付非控股股東之股息 | (8.9) | – |
| Repayment of loan from a non-controlling shareholder | 償還非控股股東貸款 | (1.3) | – |
| Settlement of a financial liability at fair value through profit or loss | 結算按公平值在損益表列賬之金融負債 | – | (163.7) |
| Interest paid | 已付利息 | (176.2) | (152.4) |
| Net cash generated from/(used in) financing activities | 融資活動所得/(所用)現金淨額 | 177.1 | (260.0) |
| Net (decrease)/increase in cash and cash equivalents | 現金及現金等價物(減少)/增加淨額 | (539.5) | 1,076.6 |
| Cash and cash equivalents at 1 January | 於一月一日之現金及現金等價物 | 2,497.4 | 1,296.3 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | (68.3) | 124.5 |
| Cash and cash equivalents at 31 December | 於十二月三十一日之現金及現金等價物 | 1,889.6 | 2,497.4 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

HKC (Holdings) Limited (the “Company” or “HKC”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company and its subsidiaries (collectively the “Group”) are principally engaged in the business of property development and investment and renewable energy investment and operation. The investments of the Group are mainly located in the Mainland China.

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The ultimate holding company is Claudio Holdings Limited, a company incorporated in the British Virgin Islands.

These consolidated financial statements are presented in million of Hong Kong dollars (HK\$ Million), unless otherwise stated. These consolidated financial statements were approved for issue by the board of directors of the Company (the “Board”) on 20 March 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of HKC have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

1 一般資料

香港建設(控股)有限公司(「本公司」或「香港建設」)為於百慕達註冊成立之有限責任公司。註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司及其附屬公司(統稱「本集團」)主要從事物業發展與投資、再生能源投資及營運業務。本集團之投資主要位於中國內地。

本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。於英屬處女群島註冊成立之 Claudio Holdings Limited 為本公司最終控股公司。

除另有列明外，此等綜合財務報表以百萬港元(「百萬港元」)列示。本公司董事會(「董事會」)已於二零一九年三月二十日批准刊發此等綜合財務報表。

2 主要會計政策概要

編製該等綜合財務報表採納之主要會計政策載列如下。除另有說明外，該等政策已於所有呈報年度內貫徹應用。

2.1 編製基準

香港建設之綜合財務報表乃根據所有適用香港財務報告準則(「香港財務報告準則」)及香港公司條例的披露規定編製。該等綜合財務報表按歷史成本慣例編製，惟已就投資物業、按公平值在其他全面損益列賬之金融資產、可供出售金融資產及按公平值在損益表列賬之金融資產及金融負債之重估作出修訂並以公平值列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

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

(a) New standards, amendments to standards and interpretations adopted by the Group

| | |
|--------------------------------|---|
| Amendments to HKAS 40 | Transfers of Investment Property |
| Amendments to HKFRS 2 | Classification and Measurement of Share-based Payment Transactions |
| Amendments to HKFRS 4 | Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts |
| HKFRS 9 | Financial Instruments |
| HKFRS 15 | Revenue from Contracts with Customers |
| Amendments to HKFRS 15 | Clarifications to HKFRS 15 |
| Annual Improvements to HKFRSs | Annual Improvements to HKFRSs 2014-2016 Cycle |
| HK (IFRIC) – Interpretation 22 | Foreign Currency Transactions and Advance Consideration |

2 主要會計政策概要(續)

2.1 編製基準(續)

編製符合香港財務報告準則之財務報表時，須採用若干重大會計估計。管理層亦須在應用本集團會計政策的過程中作出判斷。涉及較多判斷或較複雜的範疇，或假設及估計對綜合財務報表有重大影響的範疇於附註4披露。

(a) 本集團所採納之新準則、準則修訂及詮釋

| | |
|------------------------|-----------------------------------|
| 香港會計準則第40號之修訂 | 投資物業之轉讓 |
| 香港財務報告準則第2號之修訂 | 以股份支付交易之分類及計量 |
| 香港財務報告準則第4號之修訂 | 應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約 |
| 香港財務報告準則第9號 | 金融工具 |
| 香港財務報告準則第15號 | 客戶合約收入 |
| 香港財務報告準則第15號之修訂 | 香港財務報告準則第15號之澄清 |
| 香港財務報告準則之年度改進 | 香港財務報告準則二零一四年至二零一六年週期之年度改進 |
| 香港(國際財務報告詮釋委員會)一詮釋第22號 | 外幣交易及預收預付對價 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New standards, amendments to standards and interpretations adopted by the Group (continued)

(i) *HKFRS 9 Financial Instruments – Impact of adoption*

Classification and measurement

Following the adoption of HKFRS 9 and in accordance with the transitional provisions, comparative figures of the Group's financial statements have not been restated. The reclassifications and the adjustments arising from the new standards are therefore not restated in the balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The Group has elected to present changes in the fair value of the investments in other comprehensive income (previously classified as available-for-sale financial assets) as they are not expected to be sold in the short to medium term.

Under this election, changes in fair value are recognised in other comprehensive income and are not eligible to be recycled to profit and loss, even if the asset is impaired, sold or otherwise derecognised.

As a result, the comparatives continue to be accounted as available-for-sale financial assets while its opening balances were reclassified to financial assets at fair value through other comprehensive income ("FVOCI") with no adjustments on carrying amount on the date of initial adoption (i.e. 1 January 2018).

2 主要會計政策概要(續)

2.1 編製基準(續)

(a) 本集團所採納之新準則、準則修訂及詮釋(續)

(i) 香港財務報告準則第9號「金融工具」—採納的影響

分類及計量

於採納香港財務報告準則第9號後及根據過渡性條文，本集團財務報表的比較數字不作重列。所以，新準則產生之重新分類及調整不會於二零一七年十二月三十一日之資產負債表予以重列，但會於二零一八年一月一日期初資產負債表中確認。

本集團已選擇於其他全面損益(以往分類為可供出售金融資產)呈列投資之公平值變動，乃由於此投資預期不會在中短期內出售。

根據此選擇，公平值變動均於其他全面收益內確認，並永不撥回損益，即使資產已減值、出售或以其他方式終止確認。

因此，比較數字繼續列賬為可供出售金融資產，而其期初結餘則重新分類為按公平值在其他全面損益列賬(「按公平值在其他全面損益列賬」)之金融資產，且並無對初始採納日期(即二零一八年一月一日)的賬面值作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New standards, amendments to standards and interpretations adopted by the Group (continued)

- (i) HKFRS 9 Financial Instruments – Impact of adoption (continued)

Classification and measurement (continued)

The following tables show the impact on each individual line item. Line items that were not affected by the changes have not been included.

2 主要會計政策概要(續)

2.1 編製基準(續)

(a) 本集團所採納之新準則、準則修訂及詮釋(續)

- (i) 香港財務報告準則第9號「金融工具」一採納的影響(續)

分類及計量(續)

下表列載對各個別項目的影響。概無包括不受變動影響的項目。

| | | Available-for-sale financial assets 可供出售金融資產 HK\$ Million 百萬港元 | Financial assets at FVOCI 按公平值在其他全面損益列賬之金融資產 HK\$ Million 百萬港元 |
|--|-------------------------------------|---|---|
| Closing balance as at 31 December 2017 – HKAS 39 | 於二零一七年十二月三十一日之期終結餘 —香港會計準則第39號 | 28.0 | — |
| Reclassify investments from available-for-sale financial assets to financial assets at FVOCI | 將投資由可供出售金融資產重新分類至按公平值在其他全面損益列賬之金融資產 | (28.0) | 28.0 |
| Opening balance as at 1 January 2018 – HKFRS 9 | 於二零一八年一月一日之期初結餘—香港財務報告準則第9號 | — | 28.0 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New standards, amendments to standards and interpretations adopted by the Group (continued)

- (i) HKFRS 9 Financial Instruments – Impact of adoption (continued)

Classification and measurement (continued)

2 主要會計政策概要(續)

2.1 編製基準(續)

(a) 本集團所採納之新準則、準則修訂及詮釋(續)

- (i) 香港財務報告準則第9號「金融工具」一採納的影響(續)

分類及計量(續)

| | | Available-for-sale investments reserve | Financial assets at FVOCI reserve |
|--|-------------------------------------|--|-----------------------------------|
| | | 可供出售投資儲備 | 其他全面損益列賬之金融資產儲備 |
| | | HK\$ Million | HK\$ Million |
| | | 百萬港元 | 百萬港元 |
| Closing balance as at 31 December 2017 – HKAS 39 | 於二零一七年十二月三十一日之期終結餘 — 香港會計準則第39號 | 9.2 | – |
| Reclassify investments from available-for-sale financial assets to financial assets at FVOCI | 將投資由可供出售金融資產重新分類至按公平值在其他全面損益列賬之金融資產 | (9.2) | 9.2 |
| Opening balance as at 1 January 2018 – HKFRS 9 | 於二零一八年一月一日之期初結餘— 香港財務報告準則第9號 | – | 9.2 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New standards, amendments to standards and interpretations adopted by the Group (continued)

- (i) *HKFRS 9 Financial Instruments – Impact of adoption (continued)*

Impairment

The Group's financial assets classified at amortised cost, including trade and other receivables are subject to the new expected credit loss model for impairment assessment. The adoption of new impairment model as at 1 January 2018 has not resulted in any material impact on the carrying amount of the Group's financial assets.

- (ii) *HKFRS 15 Revenue from Contracts with Customers – Impact of adoption*

HKFRS 15 replaces HKAS 18 which covers contracts for goods and services. The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018. The Group has elected to apply the modified retrospective approach by adjusting opening retained earnings when it adopted HKFRS 15 effective on 1 January 2018 without restatement of prior periods.

2 主要會計政策概要(續)

2.1 編製基準(續)

(a) 本集團所採納之新準則、準則修訂及詮釋(續)

- (i) 香港財務報告準則第9號「金融工具」一採納的影響(續)

減值

本集團按攤銷成本分類的金融資產(包括應收賬款及其他應收款),均須按照新的預期信貸虧損模式進行減值評估。於二零一八年一月一日採用新減值模式,並未對本集團的金融資產的賬面值產生任何重大影響。

- (ii) 香港財務報告準則第15號「客戶合約收入」一採納的影響

香港財務報告準則第15號會取代香港會計準則第18號(涵蓋貨品及服務合約)。本集團已自二零一八年一月一日起採納香港財務報告準則第15號「客戶合約收入」。本集團採納於二零一八年一月一日生效之香港財務報告準則第15號時,選擇應用經修訂之追溯方法調整期初保留溢利而毋須重列過往期間的數字。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New standards, amendments to standards and interpretations adopted by the Group (continued)

(ii) *HKFRS 15 Revenue from Contracts with Customers – Impact of adoption (continued)*

The adoption does not have any impact on the recognition of the Group's revenue streams. Rental income from lease arrangements is excluded from the scope of HKFRS 15. For the sales of properties, the revenue continues to be recognised at the point in time of transfer of ownership. Revenue from the sales of electricity is recognised on the same basis, which is the transmission of electricity to customers. As a result, the adoption of HKFRS 15 does not have any impact on the Group's revenue recognition and therefore adjustments of the Group's opening retained earnings to reflect the adoption of HKFRS 15 is not required.

Other than HKFRS 9 and HKFRS 15, the adoption of these amendments to standards and interpretations does not have any significant impact on the Group.

2 主要會計政策概要(續)

2.1 編製基準(續)

(a) 本集團所採納之新準則、準則修訂及詮釋(續)

(ii) 香港財務報告準則第15號「客戶合約收入」—採納的影響(續)

有關採納對本集團收益來源的確認並無任何影響。來自租賃安排的租金收入排除於香港財務報告準則第15號之範圍外。就物業銷售而言，收益繼續於轉讓擁有權時獲確認。電力銷售的收益按相同基準(即電力輸送予客戶時)確認。因此，採納香港財務報告準則第15號對本集團之收益確認並無任何影響，故本集團毋須調整期初保留溢利以反映其採納香港財務報告準則第15號。

除香港財務報告準則第9號及香港財務報告準則第15號外，採納該等準則修訂及詮釋並沒有對本集團造成任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (b) New standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted

The following standards, amendments to standards and interpretations have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2019 or later periods, but the Group has not early adopted them:

2 主要會計政策概要(續)

2.1 編製基準(續)

- (b) 於二零一八年一月一日開始之財政年度已頒佈但尚未生效且無提早採納之新準則、準則修訂及詮釋

以下為已頒佈且必須強制應用於本集團自二零一九年一月一日或以後開始之會計期間或較後期間之準則、準則修訂及詮釋，惟本集團並無提早採納：

| | | Effective for accounting periods beginning on or after 於下列日期或之後開始的 會計期間生效 |
|---|--|---|
| Amendments to HKAS 19 香港會計準則第19號之修訂 | Plan Amendment, Curtailment or Settlement 計劃修訂、縮減或結算 | 1 January 2019 二零一九年一月一日 |
| Amendments to HKAS 28 香港會計準則第28號之修訂 | Long-term Interests in Associates and Joint Ventures 聯營公司及合營公司之長期權益 | 1 January 2019 二零一九年一月一日 |
| Amendments to HKFRS 9 香港財務報告準則第9號之修訂 | Prepayment Features with Negative Compensation 具有負補償的提前還款特性 | 1 January 2019 二零一九年一月一日 |
| HKFRS 16 香港財務報告準則第16號 | Leases 租賃 | 1 January 2019 二零一九年一月一日 |
| HKFRS 17 香港財務報告準則第17號 | Insurance Contracts 保險合約 | 1 January 2021 二零二一年一月一日 |
| Annual Improvements to HKFRSs 香港財務報告準則之年度改進 | Annual Improvements to HKFRSs 2015 – 2017 Cycle 香港財務報告準則二零一五年至二零一七年週期之年度改進 | 1 January 2019 二零一九年一月一日 |
| HK (IFRIC) – Interpretation 23 香港(國際財務報告詮釋委員會) 一詮釋第23號 | Uncertainty over Income Tax Treatments 所得稅處理之不確定性 | 1 January 2019 二零一九年一月一日 |
| Conceptual Framework for Financial Reporting 2018 財務報告概念框架2018 | Revised Conceptual Framework for Financial Reporting 財務報告概念框架之修訂 | 1 January 2020 二零二零年一月一日 |
| Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則 第28號之修訂 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營公司之間之資產出售或注資 | To be announced 待公佈 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (b) New standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted (continued)

The Group has not early adopted the new standards, amendments to standards and interpretations, which have been issued but are not effective for the financial year beginning on 1 January 2018. Further information about those new standards, amendments to standards and interpretations that are not yet effective but are expected to be applicable to the Group is set out below:

HKFRS 16 Leases

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

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$0.3 million. Based on current assessment, it is estimated that the change in accounting for the Group's operating leases will not result in a significant impact on the Group's financial statements.

2 主要會計政策概要(續)

2.1 編製基準(續)

- (b) 於二零一八年一月一日開始之財政年度已頒佈但尚未生效且無提早採納之新準則、準則修訂及詮釋(續)

本集團並無提早採納已頒佈但於二零一八年一月一日開始之財政年度尚未生效之新準則、準則修訂及詮釋。有關該等尚未生效但預期適用於本集團之新準則、準則修訂及詮釋的進一步資料載列如下：

香港財務報告準則第16號「租賃」

香港財務報告準則第16號於二零一六年一月頒佈，其將導致差不多所有租賃在資產負債表內確認，此乃由於經營與融資租賃的劃分已被刪除。根據新準則，資產(該租賃項目的使用權)與支付租金的金融負債被確認。唯一豁免為短期及低價值租賃。

對承租人的會計處理將不會有重大改變。

此準則將主要影響本集團經營租賃之會計處理。於報告日期，本集團有不可撤銷的經營租賃承擔300,000港元。根據目前的評估，估計本集團經營租賃之會計處理的變更將不會對本集團財務報表造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (b) New standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted (continued)

HKFRS 16 Leases (continued)

HKFRS 16 is mandatory for first annual reporting periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. The Group has not early adopted HKFRS 16 for the year ended 31 December 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

(a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 主要會計政策概要(續)

2.1 編製基準(續)

- (b) 於二零一八年一月一日開始之財政年度已頒佈但尚未生效且無提早採納之新準則、準則修訂及詮釋(續)

香港財務報告準則第16號「租賃」(續)

香港財務報告準則第16號必須在二零一九年一月一日或之後開始之首個年度報告期間應用。本集團擬應用簡化過渡方法，將不會在首次採納時重列過往年度之比較數字。本集團並無提早於截至二零一八年十二月三十一日止年度採納香港財務報告準則第16號。

概無其他尚未生效的準則預期對實體於現時或未來之報告期，及可預見未來之交易產生重大影響。

2.2 綜合基準

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

(a) 附屬公司

附屬公司為本集團可對其行使控制權之實體(包括結構實體)。當本集團從參與某實體之業務獲得或有權獲得可變回報，及有能力藉對實體行使其權力而影響其回報，則本集團控制該實體。自附屬公司之控制權轉移至本集團當日起綜合入賬，並於失去控制權當日起不再綜合入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

2 主要會計政策概要(續)

2.2 綜合基準(續)

(a) 附屬公司(續)

本集團採用購買法將業務合併入賬。收購附屬公司之轉讓代價為所轉讓資產、被收購方前擁有人所產生負債及本集團發行之股權之公平值。所轉讓代價包括或然代價安排所產生之任何資產或負債之公平值。收購相關成本於產生時列作開支。於業務合併時所收購可識別資產及所承擔負債及或然負債初步按收購當日公平值計量。

本集團按個別收購基準，確認被收購方之任何非控股權益。屬於現時擁有權益之被收購方之非控股權益，並賦予其擁有人於清盤時按比例應佔實體的資產淨值，以公平值或現時擁有權益應佔被收購方於可識別資產淨值已確認金額的比例計量。除非香港財務報告準則規定須採用其他計量基準，否則非控股權益之一切其他組成部分均以收購日期之公平值計量。

所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公平值超過所收購可識別資產淨值之公平值之差額入賬列作商譽。倘該議價收購之價格低於購入附屬公司之資產淨值之公平值，則該差額會直接於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. It is adjusted to reflect changes in consideration arising from contingent consideration amendments. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

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

2 主要會計政策概要(續)

2.2 綜合基準(續)

(a) 附屬公司(續)

在本公司之資產負債表內，於附屬公司之投資按成本扣除減值列賬。成本包括直接應佔投資成本。其經調整以反映修改或然代價所產生的代價變動。附屬公司之業績由本公司按已收及應收股息入賬。

當收到於附屬公司之投資之股息時，而股息超過附屬公司在股息宣派期間之全面收入總額，或該投資在獨立財務報表之賬面值超過被投資方淨資產(包括商譽)在綜合財務報表之賬面值時，則必須對有關投資進行減值測試。

集團內公司間之交易、結餘及集團公司之間進行交易之未變現收益均予對銷。除非該交易提供證據顯示已轉讓的資產出現減值，否則未變現虧損亦會對銷。附屬公司之會計政策已作出必要修改，以確保與本集團採用之會計政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 主要會計政策概要(續)

2.2 綜合基準(續)

(b) 不導致失去控制權的附屬公司所有權權益變動

本集團將其與非控股權益進行、不導致失去控制權的交易入賬為權益交易—即與附屬公司所有者以其作為所有者身份進行的交易。已支付任何代價之公平值與相關應佔附屬公司資產淨值之賬面值的差額計入權益。向非控股權益的處置之盈虧亦計入權益。

(c) 出售附屬公司

當本集團停止擁有控制權時，任何於該實體之保留權益按失去控制權當日之公平值重新計量，賬面值之變動於損益內確認。就聯營公司、合營公司或金融資產之保留權益之日後會計處理而言，公平值為其初始賬面值。此外，以往就該實體在其他全面收入中確認之任何金額將視作本集團已直接出售相關資產或負債入賬。此意味著，以往在其他全面收入中確認之金額將重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

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

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

2 主要會計政策概要(續)

2.2 綜合基準(續)

(d) 聯營公司

聯營公司為本集團對其有重大影響力但無控制權之公司，一般附帶有20%至50%表決權之股權。於聯營公司的投資以權益會計法入賬。根據權益會計法，初步按成本確認投資，賬面值會增加或減少以確認投資者在收購日後佔被投資方的溢利或虧損。本集團於聯營公司之投資包括收購時已識別之商譽。於購買聯營公司之所有權權益時，聯營公司成本與本集團分佔聯營公司可識別資產及負債公平值淨額之差額入賬列作商譽。

若於聯營公司之擁有權權益減少，但仍然保留重大影響力，僅將以往在其他全面收入中確認之金額按比例重新分類至損益(如適當)。

本集團應佔其聯營公司收購後之溢利或虧損於損益內確認，而應佔收購後其他全面收入之變動則於其他全面收入確認，並對投資賬面值做出相應調整。如本集團應佔一家聯營公司之虧損等於或超過其於該聯營公司之權益(包括任何其他無抵押應收款)，則本集團不會確認進一步虧損，除非本集團已代聯營公司承擔法律或推定責任或作出付款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(d) Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to “share of profits less losses of associates” in the income statement.

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

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income or other and general expenses in profit or loss.

2 主要會計政策概要(續)

2.2 綜合基準(續)

(d) 聯營公司(續)

本集團於各報告日期釐定是否有客觀證據證明於聯營公司之投資已減值。如投資已減值，則本集團按聯營公司可收回數額與其賬面值的差額計算減值金額，並將有關金額確認於損益表中「應佔聯營公司溢利減虧損」。

本集團與其聯營公司之間交易的未變現收益按本集團於聯營公司的權益對銷。除非交易時有證據顯示所轉讓資產有所減值，否則未變現虧損亦會對銷。聯營公司之會計政策已作必要修訂，以確保與本集團所採納之政策貫徹一致。

投資於聯營公司所產生之攤薄收益及虧損於損益內確認。

出售盈虧按所得款與賬面值的差額釐定，並在損益內的其他收入或其他及一般費用中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(e) Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

Investments in joint ventures are accounted for by the equity method of accounting. The consolidated income statement includes the Group's share of the results of joint ventures for the year, and the consolidated balance sheet includes the Group's share of the net assets of the joint ventures and goodwill (net of any accumulated impairment loss) on acquisition.

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

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's most senior executive management that makes strategic decisions.

2 主要會計政策概要(續)

2.2 綜合基準(續)

(e) 合營公司

合營公司為本集團與其他各方合作進行一項經濟活動之合約安排，該公司受共同控制，而任何參與方不可單方面控制有關經濟活動。

於合營公司之投資按權益會計法入賬。綜合損益表包括本集團於年內應佔合營公司之業績，而綜合資產負債表則包括本集團應佔合營公司之資產淨值及收購時產生之商譽(扣除任何累計減值虧損)。

本集團與其合營公司之間交易的未變現收益按本集團於合營公司的權益對銷。除非交易時有證據顯示所轉讓資產有所減值，否則未變現虧損亦會對銷。合營公司之會計政策已作必要修訂，以確保與本集團所採納之政策貫徹一致。

2.3 分部報告

經營分部以與向主要營運決策人(「主要營運決策人」)作出內部報告者一致之基準呈報。負責分配資源及評估經營分部表現之主要營運決策人為作出策略決定之本集團最高級行政管理層。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's functional currency is Renminbi and the Group's presentation currency is Hong Kong dollars to facilitate analysis of the financial information of the Group, which is listed in Hong Kong.

(b) Transactions and balances

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

2 主要會計政策概要(續)

2.4 外幣換算

(a) 功能及呈報貨幣

本集團各實體之財務報表所包括之項目，乃按該實體經營所在地主要經濟環境之貨幣（「功能貨幣」）計量。本集團之功能貨幣為人民幣，而本集團呈報貨幣則為港元，以便對於香港上市之本集團的財務資料進行分析。

(b) 交易及結餘

外幣交易均按交易或項目重新計量估值當日之現行匯率換算為功能貨幣。因該等交易結算及按年末結算日之匯率換算以外幣計值之貨幣資產及負債而產生之匯兌損益，均於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

2 主要會計政策概要(續)

2.4 外幣換算(續)

(c) 集團公司

集團旗下所有實體如持有與呈報貨幣不一致之功能貨幣(其中並無任何公司持有通脹嚴重之經濟體系之貨幣)，其業績和財務狀況均按以下方法兌換為呈報貨幣：

- (i) 每項資產負債表之資產及負債均按照該結算日當日之收市匯率換算；
- (ii) 每項損益表之收入和開支均按照平均匯率換算，但若此平均匯率未能合理地反映各交易日之匯率所帶來之累計影響，則按照各交易日之匯率換算此等收入和開支；及
- (iii) 所有產生之匯兌差異均於其他全面收入中確認。因收購海外公司而產生之商譽及公平值調整，均視作該海外公司之資產及負債處理，並以收市匯率換算。匯兌換算差額於其他全面收入內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture 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 equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2 主要會計政策概要(續)

2.4 外幣換算(續)

(d) 出售海外業務及部分出售

於出售海外業務(即出售本集團於海外業務之全部權益、或涉及失去對一間具有海外業務的附屬公司之控制權之出售、涉及失去對一間具有海外業務的合營公司之共同控制權之出售、或涉及失去對一間具有海外業務的聯營公司之重大影響力之出售)時,就本公司權益持有人應佔該業務而於權益內累計之所有匯兌差額重新分類至損益。

就有關部分出售並未導致本集團失去對具有海外業務之附屬公司之控制權,則按比例將累計匯兌差額重新分配予非控股權益,且不在損益內確認。就所有其他部分出售(即削減本集團於聯營公司或合營公司之擁有權權益,而不會導致本集團失去重大影響力或共同控制)而言,則按比例將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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment

Properties are interests in land and buildings other than investment properties. Leasehold land classified as finance lease, buildings, electric utility plant and equipment, other plant and equipment, comprising plant and machineries, motor vehicles and furniture and fixtures are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | |
|--|---|
| Leasehold land classified as finance lease | Shorter of remaining lease term or useful life |
| Buildings | 50 years |
| Electric utility plant and equipment | Shorter of the remaining operation period or 20 years |
| Other plant and equipment | 3 to 15 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

2 主要會計政策概要(續)

2.5 物業、機器及設備

物業是指投資物業以外之土地及樓宇權益。分類為融資租賃之租賃土地、樓宇、發電廠及設備、其他機器及設備，當中包括機器及設備、汽車及傢俬以及固定裝置，按成本減累計折舊及累計減值虧損列賬。歷史成本包括因收購有關項目而直接應佔之開支。

分類為融資租賃之租賃土地於該土地權益可用作預定用途時開始攤銷。分類為融資租賃之租賃土地之攤銷及其他資產之折舊以直線法計算，於估計可使用年期內將成本分配至其餘值，如下：

| | |
|--------------|------------------|
| 分類為融資租賃之租賃土地 | 剩餘租賃年期或可使用年期之較短者 |
| 樓宇 | 50年 |
| 發電廠及設備 | 剩餘經營期或20年之較短者 |
| 其他機器及設備 | 3至15年 |

每個結算日均會檢討資產之餘值及可使用年期，並會在適當情況下作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income or other and general expenses in profit or loss.

2.6 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields and is not occupied by the Group. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Property that is being constructed or developed as investment property is carried at fair value. Where fair value is not determinable, such investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

2 主要會計政策概要(續)

2.5 物業、機器及設備(續)

其後成本僅於與該項目有關的未來經濟利益很有可能流入本集團及項目成本能夠可靠計量時，方計入資產賬面值或確認為一項獨立資產(視乎適用情況而定)。已置換部分之賬面值則被終止確認。所有其他維修及保養費用於產生之財務期間內在損益扣除。

當資產之賬面值超過預計可收回金額時，資產賬面值即時撇減至其可收回金額。

出售盈虧按比較所得款項與賬面值釐定，於損益內其他收入或其他及一般費用確認。

2.6 投資物業

投資物業主要包括租賃土地及樓宇，乃持有作為長期收取租金用途且並非由本集團所佔用。以經營租賃持有之土地如符合投資物業的其餘定義，則按投資物業分類及記賬。經營租賃猶如其為融資租賃而記賬。

作為投資物業之興建或開發中物業以公平值列賬。倘未能可靠釐定公平值，則該建造中投資物業按成本計量，直至其公平值能可靠釐定或興建工程竣工(以較早者為準)為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties (continued)

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition at cost, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by Knight Frank Petty Limited ("Knight Frank"), an independent professional valuer.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property, others, including contingent rent payments, are not recognised in the financial statements.

Subsequently expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in profit or loss during the financial period in which they are incurred.

2 主要會計政策概要(續)

2.6 投資物業(續)

投資物業初步按成本計量，並包括相關之交易費用及借款成本(如適用)。於初步按成本確認後，投資物業會按公平值列賬，即由外聘估值師於各報告日期所釐定之公開市值。公平值按活躍市價釐定，倘有需要，會就指定資產於性質、地點或狀況三方面之任何差異作出調整。倘並無有關資料，本集團將會採用其他估值方法，例如活躍程度稍遜之市場的最近期價格或貼現現金流量預測。該等估值乃經獨立專業估值師萊坊測計師行有限公司(「萊坊」)每年檢討。

投資物業之公平值反映(其中包括)來自現有租賃合約之租金收入，以及按現有市場狀況對來自未來租賃合約之租金收入之假設。

公平值亦以類似方式反映預期有關物業之任何現金流出，其中若干現金流出確認為負債，包括分類為投資物業土地之融資租賃負債，其他項目(包括或然租金支出)不會在財務報表確認。

當有關資產之未來經濟利益很有可能流入本集團，且資產成本能夠可靠地計量時，其後開支方會計入資產之賬面值。所有其他維修及保養成本於產生之財務期間內在損益內支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties (continued)

Changes in fair values are recorded as part of a valuation gain or loss in fair value adjustments on investment properties in profit or loss.

The Group transfers a property from investment property to property, plant and equipment and prepaid land lease payments when and only when there is a change in use, evidenced by commencement of owner-occupation. The deemed cost of the property, plant and equipment and prepaid land lease payments is the fair value of the property at the date of change in use.

The Group transfers a property from property, plant and equipment to investment property when and only when there is a change in use, evidenced by end of owner-occupation. Any difference resulting between carrying amount and the fair value of the property at the date of transfer is treated as the same way as a revaluation under HKAS 16. Any resulting increase in the carrying amount of the property is recognised in income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to income statement.

2 主要會計政策概要(續)

2.6 投資物業(續)

公平值之變動於損益內作為投資物業公平值調整中公平值收益或虧損之一部分。

僅在開始自用的證據顯示用途改變時，本集團方會將物業由投資物業轉撥至物業、機器及設備以及預付土地租賃款。物業、機器及設備以及預付土地租賃款被視為之成本為該物業於用途改變當日之公平值。

僅在結束自用的證據顯示用途改變時，本集團方會將物業由物業、機器及設備轉撥至投資物業。該物業於轉撥當日賬面值與公平值之間的任何差額按與香港會計準則第16號項下相同的重估方式處置。該物業賬面值因此產生的任何增加於損益表確認，惟其需撥回先前確認之減值虧損，而任何餘下增長於其他全面收入確認及權益之直接增長於權益內重估盈餘確認。任何因此產生的物業賬面值減少初步自其他全面收入扣除，抵銷任何先前已經確認重估盈餘，任何餘下減少則計入損益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Prepaid land lease payments

Prepaid land lease payments represent prepayments for leasehold land held under operating leases, which are stated at cost and subsequently are amortised in profit or loss on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in profit or loss. During the course of the properties development, the amortisation is included as part of the costs of the properties under development.

2.8 Completed properties held for sale

Properties held for sale are initially measured at the carrying amount of the property at the date of reclassification from properties under development. Properties remaining unsold at the end of the year are stated at the lower of cost and net realisable value.

Cost comprises land and development costs attributable to the unsold properties.

Net realisable value represents the management's estimated selling price based on prevailing market conditions less costs to be incurred in selling the property.

The Group transfers a property from investment property to properties held for sale when and only when there is a change in use, evidenced by commencement of development with a view to sale. The deemed cost of the properties held for sale transferred from investment property is the fair value of the property at the date of change in use.

2 主要會計政策概要(續)

2.7 預付土地租賃款

預付土地租賃款指根據經營租賃持有租賃土地之預付款且按成本列賬，其後須於租期以直線法在損益攤銷，或倘出現減值，減值會在損益中支銷。於物業發展過程中，攤銷列作發展中物業成本部分。

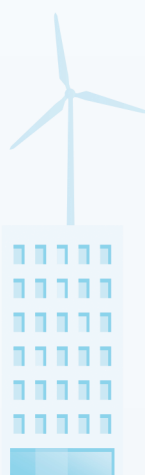
2.8 作銷售用途之落成物業

作銷售用途之物業初步按物業於自發展中物業重新分類日期之賬面值計量。於年結日尚未出售之物業按成本與可變現淨值兩者之較低者列賬。

成本包括未出售物業的土地及發展成本。

可變現淨值指管理層按照當時市況估計售價扣除出售物業所產生成本後之數額。

本集團僅於用途改變且有證據顯示開始發展以作出售時，將物業由投資物業轉撥至作銷售用途之物業。自投資物業轉入被視為作銷售用途之物業之成本為該物業於用途改變當日之公平值。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Properties under development

Properties under development including the properties developed for resale comprises development cost of properties which are stated at the lower of cost and net realisable value.

Properties under development are classified under current assets when they are expected to be realised in the Group's normal operating cycle and comprise development costs of properties and the costs paid to acquire land use rights which are stated at the lower of cost and net realisable value. On completion, the properties under development are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Development cost of properties comprises construction costs, borrowing costs and professional fees incurred during the development period.

2.10 Construction in progress

Costs directly attributable to the construction of property, plant and equipment including borrowing costs during the construction period are capitalised as the costs of the assets, which are classified as construction in progress. On completion, the construction in progress is transferred to property, plant and equipment at cost less accumulated impairment losses. No depreciation is provided on construction in progress until such items as the relevant assets are completed and available for intended use.

2 主要會計政策概要(續)

2.9 發展中物業

發展中物業(包括興建作再售用途的物業)含物業發展成本，有關金額乃以成本及可變現淨值之較低者列賬。

倘預期發展中物業將於本集團正常經營週期內變現，且由物業發展成本及已就收購土地使用權支付之成本組成(金額乃以成本及可變現淨值之較低者列賬)，則有關發展中物業分類為流動資產。於竣工後，發展中物業轉撥至作銷售用途之落成物業。

可變現淨值考慮預期最終變現之價格，扣除適用的可變動銷售開支以及預期竣工成本。

物業發展成本包括發展期間之建築成本、借款成本及專業費用。

2.10 在建工程

所有物業、機器及設備之直接應佔建造成本(包括建造期間之借款成本)均資本化為資產成本，並分類為在建工程。於竣工後，在建工程將按成本減累計減值虧損轉撥至物業、機器及設備。並無就在建工程作出折舊撥備，直至該項目之相關資產已建成並可供預定之使用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGUs containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Other intangible assets

Other intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Other intangible assets have a finite useful life and are carried at cost less accumulated impairment and amortisation. Amortisation is calculated using the straight-line method over their estimated useful lives of five years.

2 主要會計政策概要(續)

2.11 無形資產

(a) 商譽

於收購附屬公司時產生的商譽指所轉讓代價、於被收購方的任何非控股權益金額及過去於被收購方的股權於收購日期的公平值超出所收購可識別資產淨值的公平值之差額。

就減值測試而言，業務合併所獲得的商譽會分配至預期將受益於合併協同效應的各現金產生單位（「現金產生單位」）或現金產生單位組別。商譽所分配的各單位或單位組別為實體內就內部管理目的而監察商譽的最低層次。商譽乃於經營分部層次進行監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。現金產生單位（含有商譽）賬面值與可收回金額作比較，可收回金額為使用價值與公平值減出售成本的較高者。任何減值實時確認為開支，且其後不會撥回。

(b) 其他無形資產

業務合併時收購之其他無形資產於收購日期按公平值確認。其他無形資產可使用年期有限，並以成本減累計減值及攤銷入賬。攤銷按估計可使用年期五年，採用直線法計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets which are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Investments and other financial assets

(a) Classification

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

- those to be measured subsequently at FVOCI and
- those to be measured at amortised cost.

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

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

2 主要會計政策概要(續)

2.12 非金融資產減值

未確定可使用年期之資產或尚未投入使用之無形資產毋須攤銷，但須最少於每年進行減值測試。受限於攤銷之資產於有事件或情況有變化而顯示可能不可收回其賬面值時檢討減值。資產賬面值高出其可收回金額之金額確認為減值虧損。可收回金額指資產之公平值減出售成本及使用價值兩者較高之金額。於評核減值時，資產按最小單位分類以分開辨認現金流量(即現金產生單位)進行分組。除商譽以外，出現減值之資產，於每個呈報日期就撥回減值之可能性進行審閱。

2.13 投資及其他金融資產

(a) 分類

自二零一八年一月一日起，本集團將其金融資產分類為下列計量類別：

- 其後將按公平值在其他全面損益計量；及
- 將按攤銷成本計量。

分類視乎實體用以管理金融資產的業務模式及現金流量的合約條款而定。

至於按公平值計量的資產，收益及虧損將錄入其他全面損益。至於非持作買賣的股本工具的投資，取決於本集團是否已於初始確認時作出不可撤回的選擇，按公平值在其他全面損益列賬為股本投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Investments and other financial assets (continued)

(b) Recognition and derecognition

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

(c) Measurement

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

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

2 主要會計政策概要(續)

2.13 投資及其他金融資產(續)

(b) 確認及終止確認

常規方法購買及出售之金融資產於交易日確認，而交易日是指本集團承諾購買或出售該資產的日期。當收取金融資產現金流量之權利經已到期或經已轉讓，且本集團已將擁有權之所有風險及回報轉讓時，即終止確認金融資產。

(c) 計量

於初步確認時，倘金融資產並非按公平值在損益表列賬的，則本集團以其公平值再加上收購金融資產時直接應佔的交易成本計量。

本集團所有股本投資隨後按公平值計量。倘本集團管理層已選擇將股本投資之公平值收益及虧損於其他全面收益呈列，則終止確認投資後，概無後續重新分類公平值收益及虧損至損益。本集團收取付款之權利確立時，有關投資之股息繼續於損益中確認為其他收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Investments and other financial assets (continued)

(d) Impairment

From 1 January 2018, the Group applies the simplified approach on assessing the expected credit losses associated with trade receivables as permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 25 for further details.

(e) Accounting policies applied until 31 December 2017

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

Until 31 December 2017, the Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables, and
- available-for-sale financial assets

2 主要會計政策概要(續)

2.13 投資及其他金融資產(續)

(d) 減值

自二零一八年一月一日，本集團應用香港財務報告準則第9號允許的簡化方式，評估應收賬款相關之預期信貸虧損，於初始確認應收款時確認預期全期虧損，進一步詳情請參閱附註25。

(e) 應用直至二零一七年十二月三十一日之會計政策

本集團應用香港財務報告準則第9號進行追溯，但選擇對比較資料不作重列。因此，比較資料依舊按照與以往一致的會計政策入帳。

直至二零一七年十二月三十一日，本集團將金融資產按照以下類別進行分類：

- 按公平值在損益表列賬的金融資產，
- 貸款及應收款，及
- 可供出售之金融資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Investments and other financial assets (continued)

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than twelve months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "cash and cash equivalents", "short-term bank deposits" and "restricted cash" in the balance sheet.

2 主要會計政策概要(續)

2.13 投資及其他金融資產(續)

分類視乎購入該金融資產的目的。管理層於初步確認時釐定其金融資產的分類。

(i) **按公平值在損益表列賬的金融資產**

按公平值在損益表列賬的金融資產為持作買賣的金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具被劃分為持作買賣用途，除非已被指定為對沖工具。此類別的資產被劃分為流動資產。

(ii) **貸款及應收款**

貸款及應收款為附帶固定或待定付款且並無在活躍市場報價之非衍生金融資產。此等項目包括在流動資產內，但預期將於結算日起計超過12個月結算的數額，則分類為非流動資產。本集團之貸款及應收款已包括在資產負債表中「應收賬款及其他應收款」、「現金及現金等價物」、「短期銀行存款」及「受限制現金」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Investments and other financial assets (continued)

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within twelve months of the balance sheet date.

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2 主要會計政策概要(續)

2.13 投資及其他金融資產(續)

(iii) 可供出售金融資產

可供出售金融資產為被指定為此類別或並無分類為任何其他類別之非衍生工具。除該投資到期或管理層有意在結算日後十二個月內出售該項投資，否則此等資產計入非流動資產。

一般買賣金融資產乃於買賣日期(即本集團承諾買賣有關資產當日)確認入賬。對於所有並非按公平值在損益表列賬之金融資產，投資初步按公平值加交易成本確認。按公平值在損益表列賬之金融資產，初步按公平值確認，交易成本於損益中支銷。金融資產於收取投資現金流量的權利屆滿或已經轉讓且本集團已轉讓擁有權絕大部分風險和回報時解除確認。可供出售金融資產及按公平值在損益表列賬之金融資產其後按公平值列賬。貸款及應收款其後使用實際利率法按攤銷成本列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Investments and other financial assets (continued)

Gains and losses arising from changes in fair value of the “financial assets at fair value through profit or loss” category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss when the Group’s right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as other income or other and general expenses.

Interest on available-for-sale securities calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in profit or loss as part of other income which the Group’s right to receive payments is established.

2 主要會計政策概要(續)

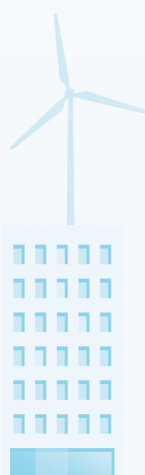
2.13 投資及其他金融資產(續)

「按公平值在損益表列賬之金融資產」類別的公平值變動所產生盈虧，於產生期間在損益中呈列。按公平值在損益表列賬之金融資產所得股息收入，於本集團收取款項之權利確定時於損益內確認。

以外幣為單位以及分類為可供出售之貨幣性證券之公平值變動，按照證券之攤銷成本變動與該證券賬面值之其他變動所產生之匯兌差額進行分析。分類為可供出售之貨幣性及非貨幣性證券之公平值變動乃於其他全面收入確認。

當分類為可供出售之證券售出或減值時，在權益中確認之累計公平值調整列入損益內作為其他收入或其他及一般費用。

可供出售證券之利息使用實際利率法計算並於損益確認為其他收入的一部分。可供出售股本工具之股息於本集團確立收款之權利時在損益確認為其他收入一部分。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Investments and other financial assets (continued)

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

For the purposes of assessing the fair value of unlisted securities, the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

2 主要會計政策概要(續)

2.13 投資及其他金融資產(續)

當有法定可強制執行權力以抵銷已確認金額，且有意圖按其淨值作結算或同時變現資產和結算負債時，有關金融資產與負債可互相抵銷，並在資產負債表報告其淨值。法定可強制執行權利不得依賴未來事件而定，且在一般業務過程中以及倘本公司或對方出現違約、無償債能力或破產時亦必須可強制執行。

為評估非上市證券之公平值，本集團利用重估技術設定公平值。這些技術包括利用近期公平原則交易、參考大致相同之其他工具、貼現現金流量分析及期權定價模式，並提高使用市場輸入數據，且盡可能減少依賴實體特定之輸入數據。

本集團在每個結算日評估是否有客觀證據證明金融資產或一組金融資產已經減值。對於分類為可供出售的股本證券，在釐定證券是否已經減值時，會考慮證券公平值有否大幅或長期跌至低於其成本值。若可供出售金融資產存在此等證據，按收購成本與當時公平值的差額減該金融資產之前在損益確認的任何減值虧損計算之累計虧損自權益中剔除並在損益確認。在損益確認的股本工具減值虧損，不會透過損益撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment. See Note 25 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

2 主要會計政策概要(續)

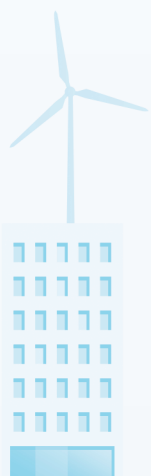
2.14 存貨

存貨按成本與可變現淨值之較低者列賬。成本以先進先出法(「先進先出法」)釐定。可變現淨值為在日常業務過程中之估計銷售價減適用之變動銷售費用。

2.15 應收賬款

應收賬款為在日常經營活動中就貨品銷售或提供服務而應收客戶的款項。應收賬款通常於30日內進行結算，因此悉數分類為流動資產。

應收賬款按可無條件獲得的對價金額進行初始確認，但當其包含重大融資成分時，按公平值進行初始確認。本集團持有應收賬款的目的是收取合同現金流量，因此其後使用實際利率法按攤銷成本計量應收賬款，減減值撥備。有關本集團就應收賬款的會計政策的詳細資料及本集團的減值政策描述，請分別參閱附註25及附註3.1。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

2 主要會計政策概要(續)

2.16 借款

借款初始按公平值扣除已產生交易成本後確認。借款其後按攤銷成本列賬，所得款項(扣除交易成本)與贖回價值之任何差額則於借款期內以實際利率法於損益表內確認。

倘可能提取部分或全部貸款額，就設立貸款融資所支付費用將確認為貸款交易成本。在此情況下，有關費用將遞延入賬直至提取貸款。倘無跡象顯示可能提取部分或全部貸款額，則有關費用將被資本化為流動資金服務預付款，並於有關貸款額期間攤銷。

除非本集團有權無條件將負債之結算遞延至結算日期後最少十二個月，否則借款分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Borrowing costs

General and specific 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.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

2.18 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2 主要會計政策概要(續)

2.17 借款成本

可直接歸屬且需經較長時間的預備方能達至預定可使用或出售狀態之合資格資產收購、建設或生產的一般及特定借款成本，計入該等資產之成本，直至達至其預定可使用或出售狀態為止。

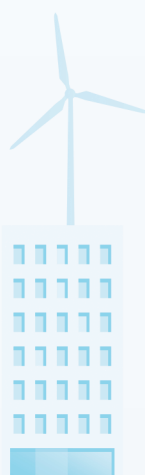
在特定借款撥作合資格資產支出前之暫時投資所賺取之投資收入，須自合資格資本化之借款成本中扣除。

所有其他借款成本於其產生期間於損益確認。

就興建任何合資格資產產生的借款成本，於資產須完成備妥作擬定用途期間資本化。其他借款成本予以支銷。

2.18 現金及現金等價物

於綜合現金流量表內，現金及現金等價物包括手頭現金、銀行通知存款及其他原到期日為三個月或以下之短期高流通性投資。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.21 Financial liability at fair value through profit or loss

Financial liability at fair value through profit or loss is financial liability held for trading. A financial liability is classified in this category as designated by the Group upon initial recognition.

Gains or losses arising from changes in the fair value of the “financial liability at fair value through profit or loss” category are presented in profit or loss in the period in which they arise.

Financial liabilities at fair value through profit or loss are derecognised from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability at fair value through profit or loss that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as other income.

2 主要會計政策概要(續)

2.19 股本

普通股分類為權益。發行新股份或購股權直接應佔之增量成本，於權益中列為所得款項之扣減項目(扣除稅項)。

2.20 應付賬款

應付賬款初始按公平值確認，其後以實際利率法按攤銷成本計量。

2.21 按公平值在損益表列賬之金融負債

按公平值在損益表列賬之金融負債為持作買賣之金融負債。於初始確認後，本集團指定該金融負債於此類別分類。

「按公平值在損益表列賬之金融負債」類別的公平值變動所產生盈虧，於產生期間在損益列賬。

當合約列明的債務被解除、取消或到期時，按公平值在損益表列賬之金融負債自綜合資產負債表中解除確認。已消除或轉撥至另一方的按公平值在損益表列賬之金融負債的賬面值與已付對價的差價，在損益表中確認為其他收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

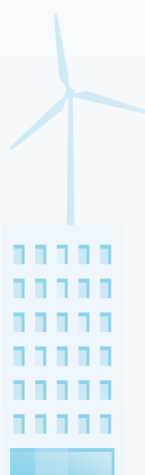
2 主要會計政策概要(續)

2.22 即期及遞延所得稅

本期間稅項支出包括即期及遞延稅項。稅項乃於損益確認，惟與於其他全面收入或直接於權益確認之項目有關者除外。在此情況下，稅項亦分別在其他全面收入或直接於權益確認。

即期所得稅開支以本公司附屬公司、聯營公司及合營公司營運及產生應課稅收入所在國家於結算日已頒佈或實質頒佈之稅法為基準計算。管理層定期就適用稅務規例須作出詮釋的情況評估報稅單，並按預期支付予稅務機關的適當數額計提合適的撥備。

遞延所得稅就資產及負債之稅基與綜合財務報表所示賬面值之間的暫時差額，以負債法確認。然而，因初始確認商譽產生則不予確認遞延所得稅負債，倘於非業務合併的交易中初始確認資產或負債而產生遞延所得稅，而交易當時並無影響會計處理及應課稅溢利或虧損，則不會將遞延所得稅入賬。遞延所得稅按結算日前已頒佈或實際頒佈，並在有關之遞延所得稅資產變現或遞延稅負債結算時預期應用之稅率(及稅法)釐定。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Current and deferred income tax (continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.23 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2 主要會計政策概要(續)

2.22 即期及遞延所得稅(續)

遞延所得稅資產於可能有未來應課稅盈利而就此可使用暫時差異時確認。

遞延所得稅於附屬公司、聯營公司及合營公司投資產生暫時差異時計提撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來很有可能不會撥回之遞延所得稅負債則除外。

倘有法定可強制執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關就一個或多個應課稅實體徵收之所得稅有關，而有關實體有意按淨額基準繳納稅項時，遞延所得稅資產與負債將予互相抵銷。

2.23 僱員福利

(a) 僱員假期應享權利

僱員應享之年假及長期服務休假乃於僱員有權享有時確認。就因僱員截至結算日之服務年資而產生之年假及長期服務休假之估計責任會計提撥備。僱員應享病假及產假於僱員放假時方會確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Employee benefits (continued)

(b) Defined contribution plans

The Group uses a mandatory provident fund scheme ("MPF") and employee pension schemes established by municipal government in the People's Republic of China ("PRC") for the eligible employees in Hong Kong and the PRC respectively.

The Group's and the employees' contributions to the MPF comply with the related statutory requirements. The Group has no further payments obligations once the contributions have been paid. The Group's contributions to the MPF are expensed as incurred and are not reduced by contributions forfeited by those employees who leave MPF prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The assets of MPF are held separately from those of the Group in independently administered funds.

The Group's contribution to the employee pension schemes in the PRC is at a percentage in compliance with the requirements of respective municipal governments.

2 主要會計政策概要(續)

2.23 僱員福利(續)

(b) 定額供款計劃

本集團設有強制性公積金計劃(「強積金」)及由中華人民共和國(「中國」)市政府成立之僱員退休金計劃，分別供香港及中國之合資格僱員參與。

本集團及僱員均按有關法例要求作出強積金供款。倘供款支付後，本集團將無進一步付款責任。本集團對強積金之供款於產生時列作開支，而不會扣減僱員於全數享有供款前不再參與強積金而被沒收之供款。倘出現現金退款或未來款項扣減，預付供款將確認為資產。強積金之資產與本集團資產分開，由獨立管理之基金管理。

本集團就中國僱員退休金計劃之供款乃根據相關市政府規定之百分比而作出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Employee benefits (continued)

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the balance sheet date are discounted to their present value.

2 主要會計政策概要(續)

2.23 僱員福利(續)

(c) 離職福利

離職福利是指員工在正常退休日前被集團終止聘用或員工接受自願離職以換取有關福利時支付之福利。本集團按以下日期(以較早者為準)確認離職福利：(a)於本集團不能取消提供該等福利時；及(b)實體確認任何屬香港會計準則第37號範疇內之有關重組成本及涉及支付離職福利當日。在提出要約以鼓勵自願離職的情況下，離職福利乃根據預期接受要約的僱員人數計量。在結算日後超過十二個月到期支付之福利應貼現為現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

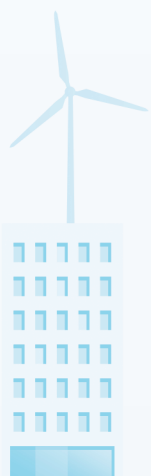
2 主要會計政策概要(續)

2.24 撥備

當本集團因已發生之事件而產生現有的法律或推定責任、很有可能需要流出資源以償付責任，並且能可靠地估計有關金額時，則會確認撥備。倘本集團預期某項撥備可獲償付，例如根據保險合約作出償付，則會在肯定可獲償付之情況下確認為獨立資產。

倘有多項類似責任，會考慮整體責任類別以確定解除責任時是否需要流出資源。即使同類責任中有關任何一項流出之可能性低，亦確認撥備。

撥備按預期履行責任所需開支之現值，以可反映現時市場評估之貨幣時間價值及責任之特定風險之稅前貼現率計量。因時間過去而產生之撥備升幅確認為利息開支。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, properties and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (a) Revenues from renewable energy refers to power dispatched during commercial operation. Revenues from sales of electricity is recognised at a point of time when it is transmitted to the customers. Commercial operation starts upon obtaining a Power Purchase Agreement, safety certificate from the State Electricity Regulatory Commission ("SERC") or Provincial Grid Authority, and 240 hours commissioning. Revenue attributable to the sales of electricity generated during construction and testing period is not included in the electricity sales revenue, but is offset against the cost of property, plant and equipment.

2 主要會計政策概要(續)

2.25 收益確認

收益指本集團在通常活動過程中出售貨品、物業及服務的已收或應收代價的公平值。收益在扣除增值稅及對銷本集團內部銷售後列賬。

當收益的數額能夠可靠計量、未來經濟利益很有可能流入有關實體，而本集團每項活動均符合下文所述之具體條件時，本集團會確認收益。除非與銷售有關的所有或然事項均已解決，否則收益的數額不被視為能夠可靠計量。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

- (a) 來自再生能源之收益指商業營運期間輸送的電量。來自電力銷售之收益按電力輸送予客戶時確認。於獲得購電協議、國家電力監管委員會(「電監會」)或省級電網管理局發出之安全證書及進行240小時試運後，方會開始商業營運。興建及測試期間產生的電力銷售應佔收益不計入電力銷售收益，但與物業、機器及設備的成本抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

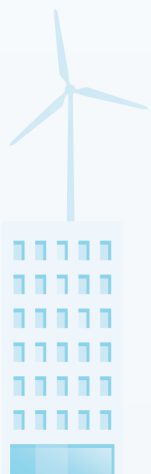
2.25 Revenue recognition (continued)

- (b) Rental income from investment properties is recognised in the income statement on a straight-line basis over the terms of the respective leases.
- (c) Revenue from sales of properties is recognised when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, the Group does not have an enforceable right to payment for performance completed to date. Therefore, revenue is recognised at a point in time when the ownership of the properties has been passed to the customer. Deposits and instalments received on properties sold prior to date of revenue recognition are included under current liabilities.
- (d) Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets, that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- (e) Property management fee income is recognised when the services are rendered.

2 主要會計政策概要(續)

2.25 收益確認(續)

- (b) 來自投資物業之租金收入於有關租期內以直線法於損益表確認。
- (c) 物業銷售收益於物業之控制權轉移至客戶時確認。因合約限制，本集團通常無法就相關物業用以其他用途。然而，本集團並無可強制執行權利獲得迄今已完成履約之付款。因此，收益於物業所有權移交至客戶之時間點確認。於收益確認日期前已就出售物業所收取之按金及分期付款，列入流動負債內。
- (d) 利息收入透過對金融資產的賬面總值應用實際利率計算，惟其後出現信貸減值的金融資產除外。就信貸減值的金融資產而言，其利息收入是用實際利率乘以金融資產賬面淨額(經扣除虧損撥備)得出。
- (e) 物業管理費用收入於提供服務時確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Leases

(a) Finance leases (leasee)

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The finance charges are charged to the income statement over the lease periods so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2 主要會計政策概要(續)

2.26 租賃

(a) 融資租賃(承租人)

向本集團轉讓資產擁有權絕大部分風險及回報之租賃分類為融資租賃。融資租賃於租賃開始時按租賃物業公平值與最低租金現值之較低者撥充資本。每項租賃款於負債及融資開支之間分配，以達致佔尚未償還融資餘額固定比率。相對租金責任扣除融資開支後計入負債。融資開支於租賃期間計入損益表，以計算各期間負債餘額之定期利率。

(b) 經營租賃

資產擁有權之絕大部分風險及回報歸於出租者之租賃，均歸類為經營租賃。根據經營租賃支付之款項在扣除自出租者收取之任何優惠後，於租賃期內以直線法在損益表中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved.

2 主要會計政策概要(續)

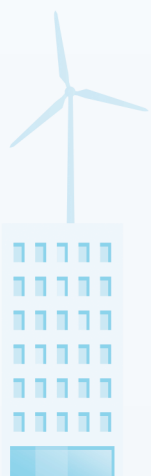
2.27 或然負債

或然負債乃因過去事件而可能出現之責任，而僅視乎日後會否出現一項或多項非本集團可完全控制之事件而確認。或然負債亦可為因過去事件而產生之現有責任，但由於不大可能需要消耗經濟資源或未能就該責任之數額作可靠估計而未有確認。

或然負債不會確認，但會於綜合財務報表附註披露。倘情況有變可能導致經濟資源消耗時，或然負債將確認為撥備。

2.28 派付股息

向本公司股東派付之股息於批准派付股息之期間內在本集團及本公司財務報表中確認為負債。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's major financial instruments include trade and other receivables, amounts due from an associate and a joint venture, restricted cash, short-term bank deposits, cash and cash equivalents, derivative financial instrument, financial assets at fair value through profit or loss, financial assets at FVOCI, available-for-sale financial assets, trade and other payables, bank loans and loans from non-controlling shareholders. Details of these financial instruments are disclosed in the respective notes.

It is the policy of the Group not to enter into derivative transactions for speculative purposes.

The Board focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Market risk

(i) Foreign exchange risk

The Group operates mainly in the Mainland China. Entities within the Group are exposed to foreign exchange risk arising from future commercial transactions and monetary assets and liabilities that are denominated in a currency that is not the Group's functional currency.

3 財務風險管理

3.1 財務風險因素

本集團業務涉及多類財務風險：市場風險（包括外匯風險、價格風險及利率風險）、信貸風險及流動資金風險。本集團之主要金融工具包括應收賬款及其他應收款、應收一間聯營公司及一間合營公司款項、受限制現金、短期銀行存款、現金及現金等價物、衍生金融工具、按公平值在損益表列賬之金融資產、按公平值在其他全面損益列賬之金融資產、可供出售金融資產、應付賬款及其他應付款、銀行借款及非控股股東貸款。該等金融工具之詳情於各附註披露。

本集團之政策為不會就投機用途進行衍生工具交易。

董事會關注於未能預測之金融市場，並力求減低對本集團財務表現之潛在負面影響。董事會就管理各項風險檢討及議定政策，其概述如下。

(a) 市場風險

(i) 外匯風險

本集團主要於中國大陸經營。本集團內各實體承受來自未來商業交易及以本集團功能貨幣以外貨幣列賬之貨幣資產及負債所產生的外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The Group currently does not have any foreign currency hedging activities. However, the management of the Group monitors the foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

If Renminbi had strengthened/weakened by 5% against the Hong Kong dollars and US dollars as at 31 December 2018 with all other variables held constant, the Group's profit before income tax would have been HK\$58.9 million higher/lower (2017: HK\$23.6 million).

(ii) Interest rate risk

The Group's interest rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk due to fluctuation of the prevailing market interest rate. The Group's results and operating cash flows are substantially dependent of changes in market interest rates.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

本集團現時並無任何外匯對沖活動。然而，本集團管理層密切監察外匯風險，並於需要時考慮對沖重大外匯風險。

倘於二零一八年十二月三十一日人民幣兌港元及美元升值／貶值5%，而所有其他因素維持不變，本集團所得稅前溢利增加／減少58,900,000港元（二零一七年：23,600,000港元）。

(ii) 利率風險

本集團之利率風險源於銀行借款。由於現行市場利率波動，按浮動利率授出之借款導致本集團須面對現金流量利率風險。市場利率變動對本集團之業績及經營現金流量有重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The Group does not use any derivative contracts to hedge its exposure to interest rate risk. However, management will consider hedging significant interest rate exposures should the need arise.

As at 31 December 2018, if the interest rate had increased/decreased 100 basis points with all other variables held constant, the Group's profit before income tax would have decreased/increased by HK\$31.1 million (2017: HK\$6.5 million).

(iii) Price risk

The Group has minimal exposure to price risk during the years ended 31 December 2018 and 2017.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險(續)

本集團並無使用任何衍生合約對沖其面對之利率風險。然而，管理層將於需要時考慮對沖重大利率風險。

於二零一八年十二月三十一日，倘利率增加／減少100個基點，而所有其他因素維持不變，本集團之所得稅前溢利應減少／增加31,100,000港元（二零一七年：6,500,000港元）。

(iii) 價格風險

截至二零一八年及二零一七年十二月三十一日止年度，本集團承受之價格風險並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group is exposed to credit risk in its short-term bank deposits, restricted cash, cash and cash equivalents and trade and other receivables.

The carrying amount of short-term bank deposits, restricted cash, cash and cash equivalents and trade and other receivables, represent the Group's maximum exposure to credit risk in relation to its financial assets.

(i) Risk management

To manage the credit risk associated with short-term bank deposits, restricted cash and cash and cash equivalents, most of the deposits are mainly placed with certain state-owned banks in the PRC which are high-credit quality financial institutions and banks with high credit rankings in Hong Kong.

To manage the credit risk associated with trade and other receivables, the Group adopts risk control to assess the credit quality of the customers and debtors, taking into account their financial positions and past experience. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

本集團面對短期銀行存款、受限制現金、現金及現金等價物、應收賬款及其他應收款的信貸風險。

短期銀行存款、受限制現金、現金及現金等價物及應收賬款及其他應收款之賬面值，代表本集團就其金融資產面對之最高信貸風險。

(i) 風險管理

為管理短期銀行存款、受限制現金以及現金及現金等價物之相關信貸風險，大部分存款主要存放於若干中國國有銀行，即具備高信貸質素之金融機構，以及存放於香港獲高信貸評級之銀行。

為管理應收賬款及其他應收款之相關信貸風險，本集團已採納風險控制，評估客戶及債務人之信貸質素，並考慮其財務狀況及過往經歷。本集團設有監察程序以確保對收回過期債項已採取跟進措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Risk management (continued)

For renewable energy business, the Group is exposed to significant concentration of credit risk in terms of electricity sales as the Group's sales of electricity were made to state-owned provincial power grid companies. The Group normally does not require collateral from trade debtors. It normally grants credit terms of 30 days to these power grid companies. However, part of the trade receivables, including those held through associates, due from the power grid companies relate to government subsidy which are subject to government allocation of the tariff surcharge for renewable energy. Based on past experience and industry practice, these tariff premiums are generally paid in 6 to 12 months from the date of the sales recognition through it may take longer to get paid in some circumstances where the government needs more time to allocate the tariff subsidies. Ageing analysis of the Group's trade receivables is disclosed in Note 25. Management makes periodic collective assessment as well as individual assessment of the recoverability of trade receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the relevant debtors.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 風險管理(續)

就再生能源業務而言，本集團於電力銷售方面面臨高度集中的信貸風險，原因為本集團電力大部分售予國有省級電網公司。本集團一般不會就應收賬款要求收取抵押品。本集團一般向電網公司批出為期30日之信貸期。然而，部分應收電網公司之應收賬款(包括聯營公司之應收賬款)與政府補助有關，受限於政府就再生能源電費附加費之分配。根據過往經驗及行規，此等電費溢價一般於確認銷售之日起計六至十二個月內支付，惟在若干情況下當政府需要較長時間分配電費補貼時，可能耗費較長時間收回款項。本集團應收賬款之賬齡分析於附註25披露。管理層定期對應收賬款之可收回程度進行整體及個別評核，有關評核乃根據過往付款記錄、逾期長短、債務人之財政實力及與有關債務人是否有任何糾紛等基準而作出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Risk management (continued)

Other than renewable energy business, there is no concentration of credit risk with respect to trade receivables from third party customers as the customer bases are widely dispersed in different sectors and industries.

In addition, the Group monitors the exposure to credit risk in respect of the financial assistance provided to subsidiaries, associates and joint ventures through exercising control significant influence or joint control (where applicable) over their financial and operating policy decisions and reviewing their financial positions on a regular basis.

3 財務風險管理(續)

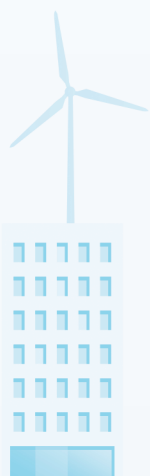
3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 風險管理(續)

除再生能源業務外，由於客戶分佈於不同界別及行業，故來自第三方客戶之應收賬款信貸風險並不集中。

此外，本集團透過對附屬公司、聯營公司及合營公司之財務及營運政策決定行使控制權、重大影響或共同控制權(倘適用)，並定期審閱該等公司之財務狀況，從而監察向該等公司提供財務資助承受之信貸風險。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets

The Group's trade receivables are subject to the expected credit loss model.

While short-term deposits, restricted cash and cash and cash equivalents, amount due from an associate and amount due from a joint venture are also subject to impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值

本集團的應收賬款須遵守預期信貸虧損模式。

儘管短期存款、受限制現金及現金及現金等價物、應收一間聯營公司款項及應收一間合營公司款項亦須遵守香港財務報告準則第9號的減值規定，已識別的減值虧損並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation.

The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on the inflation rate and the economic environment of the PRC.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為存續期內所有應收賬款的預期虧損撥備。

為計量預期信貸虧損，應收賬款已根據攤估信貸風險特點及過期天數分類。因此，本集團已確定，應收賬款之預期虧損率屬合理相若。

預期虧損率基於客戶的支付情況及期間發生的相應歷史信用虧損確定。本集團調整了歷史虧損率，以反映通脹率及中國經濟環境的當前和前瞻性資訊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

On that basis, the provision for impairment of trade receivables as at 31 December 2018 and 1 January 2018 (on adoption of HKFRS 9) was determined as follows:-

| | | 31 December 2018 二零一八年 十二月三十一日 HK\$ Million 百萬港元 | 1 January 2018 二零一八年 一月一日 HK\$ Million 百萬港元 |
|--------------------------------|-----------|---|--|
| Not yet due | 未逾期 | 24.9 | 15.0 |
| Past due for: | 已逾期： | | |
| – Less than 2 months | —少於2個月 | 16.1 | 3.2 |
| – 2 to less than 6 months | —2至少於6個月 | 11.5 | 1.5 |
| – 6 to less than 12 months | —6至少於12個月 | 13.4 | 0.6 |
| – 12 months and more | —12個月及以上 | 9.9 | 7.9 |
| | | 75.8 | 28.2 |
| Less: provision for impairment | 減：減值撥備 | (11.3) | (7.9) |
| | | 64.5 | 20.3 |

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a customer to engage in a repayment plan with the Group.

當不存在可收回的合理預期時，本集團會核銷應收賬款。不存在可收回的合理預期的指標包括(其中包括)客戶無法與本集團達成還款計劃。

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產之減值(續)

根據此基準，於二零一八年十二月三十一日及二零一八年一月一日之應收賬款的減值撥備(採用香港財務報告準則第9號)按以下釐定：

| | | 31 December 2018 二零一八年 十二月三十一日 HK\$ Million 百萬港元 | 1 January 2018 二零一八年 一月一日 HK\$ Million 百萬港元 |
|--------------------------------|-----------|---|--|
| Not yet due | 未逾期 | 24.9 | 15.0 |
| Past due for: | 已逾期： | | |
| – Less than 2 months | —少於2個月 | 16.1 | 3.2 |
| – 2 to less than 6 months | —2至少於6個月 | 11.5 | 1.5 |
| – 6 to less than 12 months | —6至少於12個月 | 13.4 | 0.6 |
| – 12 months and more | —12個月及以上 | 9.9 | 7.9 |
| | | 75.8 | 28.2 |
| Less: provision for impairment | 減：減值撥備 | (11.3) | (7.9) |
| | | 64.5 | 20.3 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of prudent ratios regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the course of ordinary business.

During the year, the Group complied with all externally imposed loan covenant requirements to which it is subject to.

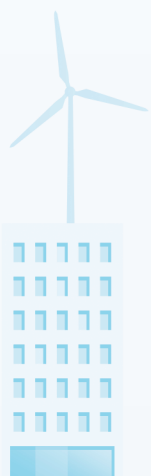
3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

流動資金風險為本集團未能履行其到期即期責任之風險。本集團就整體資產、負債、貸款及承擔之流動資金架構，透過維持審慎比率計量及監察其流動資金。本集團亦維持流動資產於穩健水平，以確保具備充裕現金流量應付日常業務中任何未能預測之重大現金需求。

於本年度，本集團遵循所有有關外部借貸合同的要求。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's contractual maturity for its financial liabilities. The amounts disclosed in the table have been drawn up with reference to the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

下表分析本集團金融負債之合約到期日。下表披露之款額乃參考本集團須付款之最早日期金融負債之未貼現現金流量編製。

| | | Less than 1 year 一年內 HK\$ Million 百萬港元 | Between 1 and 2 years 一至兩年 HK\$ Million 百萬港元 | Between 2 and 5 years 二至五年 HK\$ Million 百萬港元 | Over 5 years 五年以上 HK\$ Million 百萬港元 | Total 總額 HK\$ Million 百萬港元 |
|---|--------------------------------|--|---|---|---|-------------------------------------|
| At 31 December 2018 | 於二零一八年十二月三十一日 | | | | | |
| Borrowings | 借款 | 631.9 | 541.1 | 2,177.5 | 393.2 | 3,743.7 |
| Trade and other payables | 應付賬款及其他應付款 | 1,394.6 | - | - | - | 1,394.6 |
| Financial guarantee for credit facilities granted (Note 37(a)) | 就獲授信貸融資提供財務擔保(附註37(a)) | 82.0 | - | - | - | 82.0 |
| Financial guarantee for mortgage facilities granted to certain property buyers (Note 36(b)) | 就向若干物業買家授出的按揭融資提供財務擔保(附註36(b)) | 516.6 | - | - | - | 516.6 |
| Amount due to a shareholder (Note 34) | 應付一名股東款項(附註34) | 197.5 | - | - | - | 197.5 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | | | | | |
| Borrowings | 借款 | 432.2 | 433.5 | 2,110.1 | 403.9 | 3,379.7 |
| Trade and other payables | 應付賬款及其他應付款 | 2,022.7 | - | - | - | 2,022.7 |
| Financial guarantee for credit facilities granted (Note 37(a)) | 就獲授信貸融資提供財務擔保(附註37(a)) | 100.8 | - | - | - | 100.8 |
| Financial guarantee for mortgage facilities granted to certain property buyers (Note 36(b)) | 就向若干物業買家授出的按揭融資提供財務擔保(附註36(b)) | 569.5 | - | - | - | 569.5 |
| Amount due to a shareholder (Note 34) | 應付一名股東款項(附註34) | 226.2 | - | - | - | 226.2 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, raise new debt financing, issue new shares, share options and warrants or conduct share buy-backs.

The Group monitors its capital structure by reviewing its gearing ratio and cash flows requirements, taking into account of its future financial obligations and commitments for this purpose. The Group defines gearing ratio as total debt divided by total equity. Total debt is the aggregate of current and non-current borrowings as shown in the consolidated balance sheet and total equity is also as shown in the consolidated balance sheet.

The gearing ratios at 31 December 2018 and 2017 were as follows:

3 財務風險管理(續)

3.2 資本風險管理

本集團管理資本之宗旨為保障本集團持續經營業務之能力，務求為股東提供回報及為其他權益相關者帶來利益，並維持最佳的資本架構從而減少資金成本。

為保持或調整資本架構，本集團或會調整向股東派付之股息金額、籌集新債務融資、發行新股份、購股權及認股權證或進行回購股份。

本集團透過檢討其負債資本比率及現金流量需求監察其資本架構，檢討時會考慮其未來財務責任及承擔。本集團將負債資本比率界定為債務總額除以權益總額。債務總額為綜合資產負債表所示流動及非流動借款總額。權益總額亦於綜合資產負債表列示。

於二零一八年及二零一七年十二月三十一日之負債資本比率如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|-------------------|---------------------------------------|---------------------------------------|
| Current borrowings | 流動借款 | 674.5 | 514.2 |
| Non-current borrowings | 非流動借款 | 2,768.3 | 2,508.1 |
| Total borrowings | 借款總額 | 3,442.8 | 3,022.3 |
| Total equity | 權益總額 | 15,954.4 | 15,956.2 |
| Gearing ratio (total debt/equity ratio) | 負債資本比率(債務總額／權益總額) | 21.6% | 18.9% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value at 31 December 2018.

| | | Level 1 第1級 HK\$ Million 百萬港元 | Level 2 第2級 HK\$ Million 百萬港元 | Level 3 第3級 HK\$ Million 百萬港元 | Total 總額 HK\$ Million 百萬港元 |
|---------------------------|--------------------|--|--|--|-------------------------------------|
| Assets | 資產 | | | | |
| Financial assets at FVOCI | 按公平值在其他全面損益列賬之金融資產 | - | 10.7 | 10.7 | 21.4 |

3 財務風險管理(續)

3.3 公平值估計

下表採用估值法對按公平值列賬之金融工具進行分析。不同級別界定如下：

- 就可資識別資產或負債於活躍市場之報價(未經調整)(第1級)。
- 於第1級計入之報價以外可直接(即透過價格)或間接(即透過價格產生者)觀察資產或負債所得投入項目(第2級)。
- 並非按可觀察市場數據(即並非觀察所得投入項目)之資產或負債投入項目(第3級)。

下表呈列本集團於二零一八年十二月三十一日按公平值計量之金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 31 December 2017.

| | | Level 1 第1級 HK\$ Million 百萬港元 | Level 2 第2級 HK\$ Million 百萬港元 | Level 3 第3級 HK\$ Million 百萬港元 | Total 總額 HK\$ Million 百萬港元 |
|-------------------------------------|-----------|--|--|--|-------------------------------------|
| Assets | 資產 | | | | |
| Available-for-sale financial assets | 可供出售金融資產 | - | 10.0 | 18.0 | 28.0 |

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity investments classified as trading securities under financial assets at fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

3 財務風險管理(續)

3.3 公平值估計(續)

下表呈列本集團於二零一七年十二月三十一日按公平值計量之金融資產。

於活躍市場所買賣金融工具之公平值乃根據於結算日所報市場價格計算。倘即時及定時透過交易所、交易商、經紀、業界組別、報價服務或監管機構獲得報價，且該等價格反映實際及經常按公平基準進行之市場交易，則市場可視為活躍。本集團所持金融資產所用市場報價為目前之買入價。此等工具已計入第1級。計入第1級之工具主要包括分類為按公平值在損益表列賬之金融資產項下交易證券之股本投資。

未有在活躍市場買賣金融工具之公平值乃採用估值技術釐定。當可獲得可觀察市場數據並盡可能減少依賴實體特定估計時，此等估值技術盡量運用可觀察市場數據。倘計算一項工具之公平值所需之重大輸入數據全部屬可觀察，有關工具會計入第2級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The valuation technique and inputs used in the fair value measurements within Level 2 and Level 3 are as follows:

| | Valuation technique 估值技術 | Significant inputs 重大輸入數據 |
|--|---|---|
| Available-for-sale financial assets (Level 2) 可供出售金融資產(第2級) | Quoted market prices for similar instruments 同類工具之市場報價 | Observable quoted market price 可觀察市場報價 |
| Available-for-sale financial assets (Level 3) 可供出售金融資產(第3級) | Net asset value ^(Note) 資產淨值(附註) | Not applicable 不適用 |
| Financial assets at FVOCI (Level 2) 按公平值在其他全面損益列賬之金融資產(第2級) | Quoted market prices for similar instruments 同類工具之市場報價 | Observable quoted market price 可觀察市場報價 |
| Financial assets at FVOCI (Level 3) 按公平值在其他全面損益列賬之金融資產(第3級) | Net asset value ^(Note) 資產淨值(附註) | Not applicable 不適用 |
| Financial assets at fair value through profit or loss (Level 3) 按公平值在損益表列賬之金融資產(第3級) | Net asset value ^(Note) 資產淨值(附註) | Not applicable 不適用 |
| Financial liabilities at fair value through profit or loss (Level 3) 按公平值在損益表列賬之金融負債(第3級) | Discounted cash flow 折現現金流量 | Discount rate and expected recoverable amount of underlying project 貼現率及預期相關項目之可收回款額 |

Note: The Group has determined that the reported net asset value represents fair value at 31 December 2018 and 2017.

3 財務風險管理(續)

3.3 公平值估計(續)

倘一個或多個重大輸入數據並非根據可觀察市場數據計算，有關工具會計入第3級。

第2級及第3級公平值計量所使用之估值技術及輸入數據如下：

附註：本集團釐定所呈列之資產淨值指於二零一八年及二零一七年十二月三十一日之公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

Additional information about fair value measurements using significant unobservable inputs (Level 3):

| | Significant unobservable inputs 重大無法觀察的輸入數據 | Range 範圍 |
|---|---|-----------------------|
| Financial liabilities at fair value through profit or loss ^(Note) 按公平值在損益表列賬之金融負債 ^(附註) | Discount rate 貼現率 | 10% |
| | Expected recoverable amount of underlying project 預期相關項目之可收回款額 | Not applicable 不適用 |

Note: The valuations are performed and reported at each of the Group's reporting dates to Group management. The higher the discount rate, the lower the fair value. The higher the expected recoverable amount of underlying project, the higher the fair value.

There were no changes in valuation techniques during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the years ended 31 December 2018 and 2017, there were no significant transfers of financial assets between level 1, 2 and 3 fair value hierarchy classifications.

3 財務風險管理(續)

3.3 公平值估計(續)

使用重大無法觀察之輸入數據(第3級)來計量公平值之額外資料:

附註: 於本集團各個報告日期進行估值並向本集團管理層匯報。貼現率愈高, 公平值愈低。預期相關項目之可收回款額愈高, 公平值愈高。

估值技術於年內概無任何變動。

本集團之政策是於轉撥事件或導致轉撥之情況發生變化之日, 確認轉入及轉出公平值等級。

截至二零一八年及二零一七年十二月三十一日止年度, 公平值等級為第1、2及3級之金融資產之間並無重大轉撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The fair value of the following financial assets and liabilities approximate their carrying amounts:

- Trade and other receivables
- Amount due from an associate, net
- Amount due from a joint venture
- Cash and cash equivalents
- Short-term bank deposits
- Restricted cash
- Trade and other payables
- Borrowings
- Amount due to a shareholder

The following table presents the changes in level 3 instruments for the years ended 31 December 2018 and 2017.

3 財務風險管理(續)

3.3 公平值估計(續)

以下金融資產及負債之公平值與其賬面值相若：

- 應收賬款及其他應收款
- 應收一間聯營公司款項淨額
- 應收一間合營公司款項
- 現金及現金等價物
- 短期銀行存款
- 受限制現金
- 應付賬款及其他應付款
- 借款
- 應付一名股東款項

下表載列截至二零一八年及二零一七年十二月三十一日止年度之第3級工具變動。

| | | Available- for-sale financial assets | Financial assets at FVOCI | Financial assets at fair value through profit or loss | Financial liabilities at fair value through profit or loss | Total |
|---|--------------------|---|---------------------------------|---|--|----------------------|
| | | 按公平值在其他 可供出售 金融資產 | 按公平值在其他 全面損益列賬之 金融資產 | 按公平值在 損益表列賬之 金融資產 | 按公平值在 損益表列賬之 金融負債 | 總額 |
| | | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 18.0 | - | - | - | 18.0 |
| Reclassification on adoption of HKFRS 9 | 採納香港財務報告準則第9號之重新分類 | (18.0) | 18.0 | - | - | - |
| Return of capital | 資本回收 | - | (5.5) | - | - | (5.5) |
| Net loss recognised in reserves | 於儲備中確認虧損淨額 | - | (1.8) | - | - | (1.8) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | - | 10.7 | - | - | 10.7 |
| At 1 January 2017 | 於二零一七年一月一日 | 16.8 | - | 12.5 | (290.5) | (261.2) |
| Disposal | 出售 | - | - | (12.7) | 291.1 | 278.4 |
| Net gain recognised in profit and loss | 於損益中確認之收益淨額 | - | - | - | 13.2 | 13.2 |
| Net gain/(loss) recognised in reserves | 於儲備中確認之收益/(虧損)淨額 | 1.2 | - | 0.2 | (13.8) | (12.4) |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 18.0 | - | - | - | 18.0 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Valuation of investment properties/recoverable amount of prepaid land lease payments

The fair value of each investment property, and the recoverable amount of prepaid land lease payments portfolio as at 31 December 2018 and 2017, are individually determined at each balance sheet date by an independent valuer based on a market value assessment. Knight Frank was engaged to carry out the independent valuation of the Group's investment property and prepaid land lease payments portfolio as at 31 December 2018 and 2017. This valuation was carried out in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors which defines market value as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

4 重大會計估計及判斷

本集團根據以往經驗及其他因素(包括對未來事件所作出在不同情況下相信屬合理之預期),不斷對估計及判斷作出評估。

本集團對未來作出估計及假設。顧名思義,所得出之會計估算甚少與有關的實際結果相同。導致下一個財政年度資產及負債賬面值出現重大調整風險之估計及假設在下文論述。

(a) 投資物業/預付土地租賃款可收回金額之估值

各投資物業及預付土地租賃款組合於二零一八年及二零一七年十二月三十一日的可收回金額之公平值,於各結算日由獨立估值師按市值評估個別釐定。萊坊已對本集團於二零一八年及二零一七年十二月三十一日之投資物業及預付土地租賃款組合進行獨立估值。該估值乃根據香港測量師學會之物業估值準則進行。該準則對市值之定義為「該物業於估值日在適當市場推銷後,由自願買方及自願賣方在知情、審慎及並無強迫之情況下,按公平原則進行交易而可交換之估計金額」。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Valuation of investment properties/recoverable amount of prepaid land lease payments (continued)

Knight Frank has derived the valuation of the Group's property portfolio by capitalising the rental income derived from existing tenancies with due provision for reversionary income potential and where appropriate, by reference to market comparable transactions. The assumptions are based on market conditions existing at the balance sheet date.

For the prepaid land lease payments, management determined the recoverable amount based on the valuation report prepared by Knight Frank. Knight Frank has valued the investment properties under development/recoverable amount of prepaid land lease payments on the basis that the properties will be developed in accordance with the information provided from management. It is assumed that approvals for the development scheme will be obtained without any onerous condition which would affect the value of investment properties under development/recoverable amount of prepaid land lease payments. In arriving the opinion of value, Knight Frank has made reference to comparable transactions in the locality and has also taken into account the construction costs that will be expended to complete the development and the quality of the completed development in the development scheme.

Management has reviewed the Knight Frank valuation and compared it with its own assumptions, with reference to comparable sales transaction data where such information is available, and has concluded that the Knight Frank valuation of the Group's investment property portfolio and prepaid land lease payments is reasonable.

4 重大會計估計及判斷(續)

(a) 投資物業／預付土地租賃款可收回金額之估值(續)

萊坊已將現有租約所得之租金收入資本化，並為約滿後新訂租金潛在變化及在適當情況下參考市場可比較交易而作出適當撥備，而得出本集團物業組合之估值。假設乃根據結算日存在之市場情況而作出。

就預付土地租賃款而言，管理層根據萊坊編製之估值報告釐定可收回金額。萊坊已根據管理層提供物業將予發展之資料為基準對發展中投資物業／預付土地租賃款之可收回金額進行估值。此乃假設發展計劃之批文可在並無附帶任何影響發展中投資物業／預付土地租賃款之可收回金額價值之繁重條件下取得。於達致估值意見時，萊坊已參照同一地區之可比較交易，且亦計及因完成發展項目及發展計劃內已竣工之發展項目質素而產生之建築成本。

管理層已審閱萊坊之估值，並已參考可取得之同類銷售交易數據，與管理層本身的假設作比較，結果認為萊坊對本集團投資物業組合及預付土地租賃款的估值屬合理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Valuation of investment properties/ recoverable amount of prepaid land lease payments (continued)

If the valuation of the investment properties had been 10% higher or lower than the value stated on the valuation report, the fair value adjustment for the year arising from the Group's investment properties would have been increased or decreased by HK\$1,287.4 million (2017: HK\$1,177.7 million).

(b) Provision for properties held for sales, properties under development and prepaid land lease payments

The Group assesses the carrying amounts of properties held for sales, properties under development and prepaid land lease payments according to their estimated net recoverable amount based on the realisability of these properties, taking into account of costs to completion based on past experience and net sales value based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates.

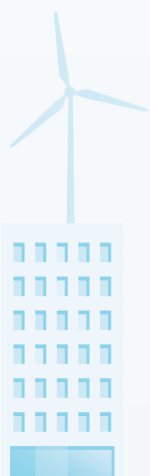
4 重大會計估計及判斷(續)

(a) 投資物業／預付土地租賃款可收回 金額之估值(續)

倘投資物業之估值較估值報告所列價值高出或低於10%，本年度自本集團投資物業產生之公平值調整應增加或減少1,287,400,000港元(二零一七年：1,177,700,000港元)。

(b) 就作銷售用途之物業、發展中物業 及預付土地租賃款的撥備

本集團根據物業的可變現能力估計其可收回淨額，當中計及基於過往經驗的完工成本及現行市況的銷售淨值，以評估作銷售用途之物業、發展中物業及預付土地租賃款的賬面值。當有事件或變動情況顯示賬面值未必能變現時作出撥備。該評估須使用判斷及估計。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Impairment assessment of property, plant and equipment, intangible assets and prepaid land lease payments related to power plants in the Mainland China

Plant and equipment are reviewed by management for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of fair value less costs to sell and value in use of the plant and equipment. Management makes judgements on whether such events or changes in circumstances have occurred, and makes estimates in determining the recoverable amount. In the situation where the value in use of plant and equipment cannot be assessed due to the uncertainties of the operation model in the future, management has assessed the respective recoverable amount solely based on the fair value less costs to sell. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be recovered.

The Group tests whether property, plant and equipment, prepaid land lease payments and interests in associates engaged in the renewable energy businesses ("Renewable Energy Projects") have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy in Note 2.12. The Group reviews certain indicators of potential impairment such as operating performance, actual electricity dispatched, tariff of electricity and other general market conditions.

4 重大會計估計及判斷(續)

(c) 中國內地發電廠相關的物業、機器及設備，無形資產和預付土地租賃款的減值評估

倘有任何事件或情況變動顯示賬面值或不能收回，管理層會審閱機器及設備有否出現減值虧損。可收回金額為公平值減銷售成本及機器及設備使用價值之較高者。管理層將就有否出現有關事件或情況變動作出判斷，並就釐定可收回金額進行估計。就因未來操作模式未明而未能評估機器及設備使用價值之情況，管理層僅按公平值減出售成本評估各自之可收回金額。當事件或情況變動顯示賬面值或不能收回時，則會進行撥備。

倘有任何事件或情況變動顯示賬面值或不能收回，本集團會根據附註2.12之會計政策測試物業、機器及設備、預付土地租賃款項以及於從事再生能源業務之聯營公司之權益(「再生能源項目」)有否出現任何減值。本集團審閱若干潛在減值跡象，例如營運表現、實際輸電量、電費及其他一般市場狀況等若干潛在減值指標。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Impairment assessment of property, plant and equipment, intangible assets and prepaid land lease payments related to power plants in the Mainland China (continued)

If an indication of impairment is identified, the need for recognising an impairment loss is assessed by comparing the carrying amount of the assets, to the higher of (i) the fair value less cost to sell, and (ii) the value-in-use of the cash-generating units. The value-in-use of the cash-generating units represents estimated future cash flows from the continuous use of the assets, and requires complex assumptions and estimates such as future electricity dispatched, tariff of electricity and discount rates. The discount rates used to discount the estimated future cash flows are based on the relevant industry sector risk premium and the gearing ratio.

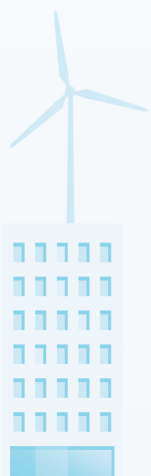
During the year, the Group has performed an impairment assessment on the Renewable Energy Projects. The value-in-use calculation was based on the key assumptions, including (i) average annual tariff increment at approximately 2.0% (2017: 2.0%) per annum based on management's expectation on market development and general inflation, and (ii) projection of volume of electricity dispatched based on the operational feasibility reports and historical performances. The pre-tax discount rates applied to the cash flow projections are 11.69% – 12.27% (2017: 11.43%–11.84%) per annum.

4 重大會計估計及判斷(續)

(c) 中國內地發電廠相關的物業、機器及設備，無形資產和預付土地租賃款的減值評估(續)

倘有減值跡象，確認減值虧損之需要乃透過比較資產賬面值與下列各項之較高者：(i)公平值減出售成本，及(ii)現金產生單位之使用價值。現金產生單位之使用價值指持續使用資產產生之估計未來現金流量，本集團須就此作出複雜假設及估計，包括未來輸電量、電費及貼現率等。用以貼現估計未來現金流量之貼現率乃基於相關行業風險溢價及資本負債比率釐定。

本年度內，本集團已就可再生能源項目作出減值評估。使用價值計算乃基於數項主要假設而作出，包括：(i)基於管理層對市場發展及整體通脹之預期，平均每年約有2.0%(二零一七年：2.0%)之電費增幅及(ii)根據營運可行性報告及過往表現之基準估計之輸電量。適用於現金流量預測之稅前貼現率為每年11.69%至12.27%(二零一七年：11.43%至11.84%)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Impairment assessment of property, plant and equipment, intangible assets and prepaid land lease payments related to power plants in the Mainland China (continued)

Based on the impairment assessment, the recoverable amounts of the cash-generating units are higher than their respective carrying amounts.

With all other variables held constant, if there is an average annual tariff reduction at 1.0% (2017: 1.0%) throughout the operating period, the profit before taxation would have been decreased by HK\$3.6 million (2017: HK\$5.6 million). Similarly, with all other variables held constant, if the volume of electricity dispatched is 10.0% (2017: 10.0%) less than management expectation, the profit before taxation would have been decreased by HK\$21.8 million (2017: HK\$25.0 million).

(d) Income taxes

The Group is subject to income taxes in Mainland China. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determined is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

4 重大會計估計及判斷(續)

(c) 中國內地發電廠相關的物業、機器及設備，無形資產和預付土地租賃款的減值評估(續)

根據減值評估，現金產生單位之可收回金額高於其各自賬面值。

在所有其他變數維持不變之情況下，倘於營運年期內每年平均電費減少1.0% (二零一七年：1.0%)，除稅前溢利將已減少3,600,000港元(二零一七年：5,600,000港元)。同樣，在所有其他變數維持不變之情況下，倘輸電量較管理層預期少10.0% (二零一七年：10.0%)，除稅前溢利將已減少21,800,000港元(二零一七年：25,000,000港元)。

(d) 所得稅

本集團於中國內地須繳納所得稅項。於釐定各所得稅項撥備時，須運用重大判斷。於日常業務過程中未能準確釐定最終須繳納稅項之交易及計算相當繁多。本集團會就估計是否需要繳付到期額外稅項確認潛在稅務風險負債。若有關上述事項之最終稅款與原先之入賬額不同，則該差異將影響釐定稅款期間之所得稅項及遞延稅項撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Fair value of financial assets/liabilities at fair value through profit or loss and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods (including but not limited to discounted cash flow analysis) and make assumptions that are mainly based on market conditions existing at each balance sheet date.

(f) Impairment on financial assets

The impairment on financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.

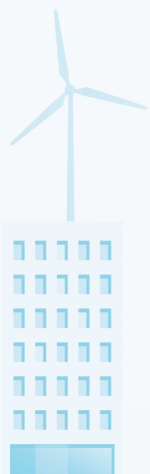
4 重大會計估計及判斷(續)

(e) 按公平值在損益表列賬之金融資產／負債及其他金融工具之公平值

並非於活躍市場買賣之金融工具公平值，以估值技術釐定。本集團運用判斷選擇多種方法(包括但不限於貼現現金流量分析)，並主要根據於各結算日之市場情況作出假設。

(f) 金融資產減值

金融資產減值乃基於有關違約風險及預期虧損率之假設作出。於各報告期末，本集團根據其過往歷史、現時市況及前瞻性估計，通過判斷作出該等假設及選擇減值計算之輸入數據。主要假設及所用輸入數據的詳情於附註3有所披露。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION

Segment information disclosed in the annual results announcement has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group is organised into the following segments: Properties development (for sale or lease upon completion of construction work), Property investment and leasing, Renewable energy and Other operations.

The Group's most senior executive management assesses the performance of the operating segments based on operating profit after interest income and expenses, taxation and share of profits/(losses) of associates and a joint venture. Corporate expenses mainly include the employee expenses of the head office, interest income and expenses arising from the holding companies and other administrative expenses of the head office.

The Group's segment assets exclude financial assets at FVOCI, available-for-sale financial assets which are managed on a central basis. These are part of the reconciliation to total balance sheet assets. Corporate assets mainly include the cash at bank, property, plant and equipment and other receivables held by the head office. The assets of each reportable segment comprise the inter-segment receivables.

5 分部資料

於全年業績公佈披露之分部資料已按與本集團最高級行政管理層就評估分部表現及分配分部間資源所用資料一致之方式編製。就此而言，本集團劃分為下列分部：物業發展（於工程竣工後供銷售或出租）、物業投資及租賃、再生能源以及其他業務。

本集團最高級行政管理層按除利息收入及開支、稅項以及應佔聯營公司及一間合營公司溢利／（虧損）後之經營溢利，評估經營分部之表現。企業開支主要包括總辦事處之僱員開支、控股公司產生之利息收入及開支以及總辦事處之其他行政費用。

本集團分部資產不包括集中管理之按公平值在其他全面損益列賬之金融資產及可供出售金融資產。此等項目乃為資產負債表資產總額之部分調整。企業資產主要包括總辦事處持有之銀行現金、物業、機器及設備以及其他應收款。各可呈報分部之資產包括分部間之應收款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to management is measured in a manner consistent with that in the consolidated income statement. Total segment revenue from external customers also represents the Group's revenue.

The segment information for the reportable segments for the years ended 31 December 2018 and 2017 is as follows:

5 分部資料(續)

分部間銷售按與公平交易中適用之相同條款進行。向管理層報告來自外界客戶之收益乃按與綜合損益表所用者一致之方式計量。來自外界客戶之分部收益總額亦代表本集團之收益。

截至二零一八年及二零一七年十二月三十一日止年度可呈報分部之分部資料如下：

| | | Properties development 物業發展 | | | | Property investment and leasing 物業投資及租賃 | Renewable energy 再生能源 | Other operations 其他業務 | Total reportable segments 可呈報分部總額 |
|---|-------------------|--------------------------------|----------------------|----------------------|----------------------|--|--------------------------|--------------------------|--------------------------------------|
| | | Shanghai and Zhejiang 上海及浙江 | Shenyang 瀋陽 | Tianjin 天津 | Jiangmen 江門 | | | | |
| | | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | |
| Year ended 31 December 2018 | 截至二零一八年十二月三十一日止年度 | | | | | | | | |
| Revenue from external customers | 來自外界客戶之收益 | 3.4 | 348.0 | 344.0 | 87.1 | 338.0 | 149.5 | 1,270.0 | |
| Inter-segment revenue | 分部間收益 | - | - | - | - | 0.4 | - | 4.7 | |
| Total revenue | 收益總額 | 3.4 | 348.0 | 344.0 | 87.1 | 338.4 | 149.5 | 1,274.7 | |
| Operating profit | 經營溢利 | 398.9 | 104.4 | 111.0 | 21.1 | 534.4 | 33.9 | 1,203.7 | |
| Finance income | 財務收入 | 0.1 | 3.1 | 3.5 | 0.9 | 6.8 | 3.2 | 17.6 | |
| Finance costs | 融資成本 | - | - | - | - | (4.0) | (28.8) | (32.8) | |
| Share of profits less losses of associates | 應佔聯營公司溢利減虧損 | - | - | - | - | 6.1 | 83.3 | 89.4 | |
| Share of loss of a joint venture | 應佔一間合營公司虧損 | 3.5 | - | - | - | (69.4) | - | (65.9) | |
| Profit before income tax | 所得稅前溢利 | 402.5 | 107.5 | 114.5 | 22.0 | 473.9 | 91.6 | 1,212.0 | |
| Income tax expense | 所得稅支出 | (107.2) | (25.4) | (33.6) | (10.2) | (108.3) | (11.1) | (295.8) | |
| Profit for the year | 本年度溢利 | 295.3 | 82.1 | 80.9 | 11.8 | 365.6 | 80.5 | 916.2 | |
| Depreciation | 折舊 | - | - | (0.1) | - | (1.3) | (71.0) | (72.4) | |
| Amortisation | 攤銷 | - | - | (20.0) | - | (2.4) | (1.0) | (23.4) | |
| Fair value adjustments on investment properties | 投資物業公平值調整 | 402.4 | - | - | - | 294.1 | - | 696.5 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

5 分部資料(續)

| | | Properties development 物業發展 | | | | Property investment and leasing 物業投資 及租賃 | Renewable energy 再生能源 | Other operations 其他業務 | Total reportable segments 可呈報 分部總額 |
|--|-----------------------|--|--|---------------------------------------|--|--|-----------------------------|-----------------------------|--|
| | | Shanghai and Zhejiang 上海及 浙江 HK\$ Million 百萬港元 | Shenyang 瀋陽 HK\$ Million 百萬港元 | Tianjin 天津 HK\$ Million 百萬港元 | Jiangmen 江門 HK\$ Million 百萬港元 | | | | |
| Year ended 31 December 2017 | 截至二零一七年 十二月三十一日止年度 | | | | | | | | |
| Revenue from external customers | 來自外界客戶之收益 | 25.8 | 614.0 | 542.2 | 273.0 | 202.8 | 131.3 | - | 1,789.1 |
| Inter-segment revenue | 分部間收益 | - | - | - | - | - | - | - | - |
| Total revenue | 收益總額 | 25.8 | 614.0 | 542.2 | 273.0 | 202.8 | 131.3 | - | 1,789.1 |
| Operating profit | 經營溢利 | 1,043.7 | 146.9 | 152.9 | 12.2 | 176.4 | 37.2 | - | 1,569.3 |
| Finance income | 財務收入 | 2.3 | 3.0 | 3.7 | 1.1 | 3.0 | 2.5 | - | 15.6 |
| Finance costs | 融資成本 | - | (0.1) | - | (2.2) | (5.0) | (32.6) | - | (39.9) |
| Share of profits less losses of associates | 應佔聯營公司溢利減虧損 | - | - | - | - | 15.7 | 81.4 | - | 97.1 |
| Share of loss of a joint venture | 應佔一間合營公司虧損 | (47.8) | - | - | - | - | - | - | (47.8) |
| Profit before income tax | 所得稅前溢利 | 998.2 | 149.8 | 156.6 | 11.1 | 190.1 | 88.5 | - | 1,594.3 |
| Income tax expense | 所得稅支出 | (302.5) | (12.8) | (69.8) | (27.0) | (38.3) | (11.1) | - | (461.5) |
| Profit/(loss) for the year | 本年度溢利/(虧損) | 695.7 | 137.0 | 86.8 | (15.9) | 151.8 | 77.4 | - | 1,132.8 |
| Depreciation | 折舊 | - | - | (0.1) | - | (1.2) | (67.0) | - | (68.3) |
| Amortisation | 攤銷 | - | - | (19.4) | - | (1.3) | (0.7) | - | (21.4) |
| Fair value adjustments on investment properties | 投資物業公平值調整 | 1,075.2 | - | - | - | 34.8 | - | - | 1,110.0 |

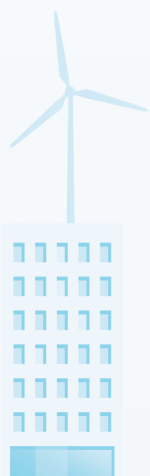
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

5 分部資料(續)

| | | Properties development 物業發展 | | | | Property investment and leasing 物業投資及租賃 | Renewable energy 再生能源 | Other operations 其他業務 | Total reportable segments 可呈報分部總額 |
|-----------------------------|---------------|--------------------------------|----------------------|----------------------|----------------------|--|--------------------------|--------------------------|--------------------------------------|
| | | Shanghai and Zhejiang 上海及浙江 | Shenyang 瀋陽 | Tianjin 天津 | Jiangmen 江門 | Property investment and leasing 物業投資及租賃 | Renewable energy 再生能源 | Other operations 其他業務 | Total reportable segments 可呈報分部總額 |
| | | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | | | | | | | | |
| Total assets | 資產總額 | 279.9 | 1,097.1 | 2,307.6 | 390.3 | 16,389.7 | 2,389.5 | 0.4 | 22,854.5 |
| Total assets include: | 資產總額包括: | | | | | | | | |
| Interests in associates | 於聯營公司之權益 | - | - | - | - | 470.1 | 740.2 | - | 1,210.3 |
| Interest in a joint venture | 於一間合營公司之權益 | - | - | - | - | 1,626.7 | - | - | 1,626.7 |
| Total liabilities | 負債總額 | 188.5 | 444.8 | 1,396.1 | 149.8 | 5,681.0 | 779.9 | - | 8,640.1 |
| As at 31 December 2017 | 於二零一七年十二月三十一日 | | | | | | | | |
| Total assets | 資產總額 | 4,652.9 | 1,447.6 | 2,650.9 | 446.4 | 12,173.0 | 2,329.0 | 2.9 | 23,702.7 |
| Total assets include: | 資產總額包括: | | | | | | | | |
| Interests in associates | 於聯營公司之權益 | - | - | - | - | 486.2 | 764.8 | - | 1,251.0 |
| Interest in a joint venture | 於一間合營公司之權益 | 587.4 | - | - | - | 1,192.9 | - | - | 1,780.3 |
| Total liabilities | 負債總額 | 2,088.1 | 833.6 | 1,626.1 | 205.1 | 3,760.1 | 726.0 | - | 9,239.0 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

A reconciliation of profit for the year of reportable segments to profit for the year of the Group is provided as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|-----------------------------|---------------------------------------|---------------------------------------|
| Profit for the year of reportable segments | 可呈報分部之本年度溢利 | 916.2 | 1,132.8 |
| Unallocated amounts: | 未分配金額： | | |
| Corporate income/(expenses), net | 企業收入／(開支)淨額 | 15.1 | (68.6) |
| Gain on disposal of a financial asset at fair value through profit or loss | 出售按公平值在損益表列賬之金融資產收益 | - | 23.9 |
| Gain on settlement of a financial liability at fair value through profit or loss | 結算按公平值在損益表列賬之金融負債收益 | - | 131.2 |
| Write-back of provision of other payables | 其他應付款撥備撥回 | - | 25.1 |
| Compensation income claimed and received from an insurance company for a project completed in prior year | 就以前年度一個已完成項目於保險公司申索及獲得之補償收入 | 25.9 | - |
| Profit for the year of the Group | 本集團之本年度溢利 | 957.2 | 1,244.4 |

5 分部資料(續)

可呈報分部之本年度溢利與本集團之本年度溢利對賬如下：

Reportable segments' assets are reconciled to total assets as follows:

可呈報分部資產與資產總額對賬如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|--------------------|---------------------------------------|---------------------------------------|
| Total segment assets | 分部資產總額 | 22,854.5 | 23,702.7 |
| Head office assets | 總辦事處資產 | 1,759.1 | 1,152.2 |
| Intra group elimination | 集團內部對銷 | (1,710.8) | (1,607.2) |
| Available-for-sale financial assets | 可供出售金融資產 | - | 28.0 |
| Financial assets at FVOCI | 按公平值在其他全面損益列賬之金融資產 | 21.4 | - |
| Total assets per consolidated balance sheet | 綜合資產負債表所列資產總額 | 22,924.2 | 23,275.7 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

Reportable segments' liabilities are reconciled to total liabilities as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|---------------|---------------------------------------|---------------------------------------|
| Total segment liabilities | 分部負債總額 | 8,640.1 | 9,239.0 |
| Head office liabilities | 總辦事處負債 | 207.7 | 139.5 |
| Intra group elimination | 集團內部對銷 | (1,878.0) | (2,059.0) |
| Total liabilities per consolidated balance sheet | 綜合資產負債表所列負債總額 | 6,969.8 | 7,319.5 |

Non-current assets other than available-for-sale financial assets and financial assets at FVOCI are mainly located in the Mainland China.

可供出售金融資產及按公平值在其他全面損益列賬之金融資產以外之非流動資產主要位於中國內地。

Analysis of revenue by category:

按分類劃分之收益分析：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|----------------|---------------------------------------|---------------------------------------|
| Sales proceeds from properties held for sale | 出售作銷售用途之物業所得款項 | 782.5 | 1,455.0 |
| Rental income from investment properties | 投資物業租金收入 | 338.0 | 202.8 |
| Renewable energy | 再生能源 | 149.5 | 131.3 |
| | | 1,270.0 | 1,789.1 |

For the years ended 31 December 2018 and 2017, revenue from external customers is substantially attributable to the China market and there is no revenue derived from a single external customer exceeding 10% of total revenue.

截至二零一八年及二零一七年十二月三十一日止年度，外界客戶之收益絕大部分來自中國市場，未有來自單一外界客戶之收益超過收益總額之10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 OTHER INCOME

6 其他收入

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|--------------------------------|---------------------------------------|---------------------------------------|
| Property management fee income | 物業管理費收入 | 22.5 | 22.9 |
| Rental income generated from properties held for sale | 來自作銷售用途之物業之租金收入 | 0.6 | 2.1 |
| Gain on disposal of property, plant and equipment – net | 出售物業、機器及設備之收益 – 淨額 | 0.3 | 1.0 |
| Write-back of provision of trade and other payables | 應付賬款及其他應付款撥備撥回 | – | 32.0 |
| Fair value loss on financial assets and financial liabilities at fair value through profit or loss – net | 按公平值在損益表列賬之金融資產及金融負債公平值虧損 – 淨額 | – | (0.1) |
| Gain on settlement of a financial liability at fair value through profit or loss | 結算按公平值在損益表列賬之金融負債收益 | – | 131.2 |
| Gain on disposal of a financial asset at fair value through profit or loss | 出售按公平值在損益表列賬之金融資產收益 | – | 23.9 |
| Net exchange gain | 匯兌收益淨額 | 53.1 | – |
| Compensation income claimed and received from an insurance company for a project completed in prior year | 就以前年度一個已完成項目於保險公司申索及獲得之補償收入 | 25.9 | – |
| Others | 其他 | 32.8 | 22.6 |
| | | 135.2 | 235.6 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 OPERATING PROFIT

Operating profit was arrived at after (charging)/crediting the following items:

7 經營溢利

經營溢利已(扣除)/抵免下列項目：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|------------------------------|---------------------------------------|---------------------------------------|
| Employee benefit expenses (Note 9) | 僱員福利開支(附註9) | (104.8) | (98.1) |
| Amortisation of prepaid land lease payments (Note 15) | 預付土地租賃款攤銷(附註15) | (23.1) | (21.3) |
| Depreciation of property, plant and equipment (Note 16) | 物業、機器及設備折舊(附註16) | (74.7) | (71.2) |
| Cost of inventories | 存貨成本 | (4.7) | (2.1) |
| Cost of properties sold | 已售物業成本 | (479.2) | (1,029.9) |
| Direct operating expenses arising from investment properties that generate rental income | 可賺取租金收入之投資物業產生之直接經營開支 | (53.8) | (7.6) |
| Impairment losses on trade and other receivables | 應收賬款及其他應收款之減值虧損 | (10.2) | - |
| Provision for impairment of trade receivables | 應收賬款之減值撥備 | (4.9) | - |
| Auditor's remuneration | 核數師酬金 | | |
| – Audit services | – 核數服務 | (4.8) | (4.7) |
| – Non-audit services | – 非核數服務 | (1.5) | (1.5) |
| Operating lease payments | 經營租賃款項 | (1.1) | (3.1) |
| Net exchange gain/(loss) | 匯兌收益/(虧損)淨額 | 53.1 | (18.8) |
| Fair value loss on financial assets and financial liabilities at fair value through profit or loss – net | 按公平值在損益表列賬之金融資產及金融負債公平值虧損–淨額 | - | (0.1) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 FINANCE INCOME AND COSTS

8 財務收入與融資成本

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|-------------------------|---------------------------------------|---------------------------------------|
| Finance costs: | 融資成本： | | |
| Interest expenses on bank borrowings | 銀行借款利息開支 | (158.8) | (137.5) |
| Interest expenses on amount due to a shareholder (Note 37) | 應付一名股東款項之利息開支 (附註37) | (9.9) | (6.2) |
| Interest expenses on other loans | 其他貸款利息開支 | (13.5) | (14.9) |
| | | (182.2) | (158.6) |
| Less: amounts capitalised | 減：已資本化之金額 | 148.8 | 117.9 |
| | | (33.4) | (40.7) |
| Finance income: | 財務收入： | | |
| Interest income on bank deposits | 銀行存款利息收入 | 41.8 | 24.2 |
| Interest income on shareholder loan to a joint venture | 借予一間合營公司之股東貸款 利息收入 | - | 7.9 |
| | | 41.8 | 32.1 |
| Finance income/(costs) – net | 財務收入／(融資成本) – 淨額 | 8.4 | (8.6) |

Note: The capitalisation rate used to determine the amount of finance costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year, in this case 4.84% (2017: 3.66%).

附註：釐定將資本化的融資成本所用的資本率為本集團於年內一般借款適用的加權平均利率，在此情況下利率為4.84%（二零一七年：3.66%）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 EMPLOYEE BENEFIT EXPENSES

9 僱員福利開支

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|----------------------|---------------------------------------|---------------------------------------|
| Wages, salaries and other benefits | 工資、薪金及其他福利 | (101.1) | (95.2) |
| Pension costs – defined contribution plan (Note) | 退休金成本—定額供款計劃 (附註) | (3.8) | (3.0) |
| Write back of unused annual leave | 未使用年假撥回 | 0.1 | 0.1 |
| Charged to income statement, net | 已在損益表扣除淨額 | (104.8) | (98.1) |

Note:

The Group uses the MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$30,000 (HK\$25,000 prior to 1 June 2014). Contributions to the scheme vest immediately. The Group's contribution to the employee pension schemes in the PRC is at a percentage in compliance with the requirements of respective municipal governments.

附註：

本集團按照香港強制性公積金計劃條例之規定設立一項強積金計劃，為根據香港僱傭條例受僱之僱員而設。強積金計劃是由獨立信託人管理之定額供款退休金計劃。根據強積金計劃，僱主及其僱員均須按照僱員相關收入之5%向計劃作出供款；但每月之相關收入以30,000港元(二零一四年六月一日之前為25,000港元)為上限。計劃供款隨即悉數歸於僱員。本集團向中國僱員退休金計劃之供款乃按符合相關市政府規定之百分比作出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year include four (2017: four) directors whose emoluments are reflected in the analysis presented on Note 40. The emoluments payable to the remaining one (2017: one) individuals during the year are as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---------------------------|---------|---------------------------------------|---------------------------------------|
| Salary and other benefits | 薪金及其他福利 | 2.6 | 2.5 |
| Discretionary bonus | 酌情花紅 | 0.7 | 0.8 |
| | | 3.3 | 3.3 |

The emoluments fell within the following bands:

| | | No of individuals 人數 | |
|--------------------------------|---------------------------|-------------------------|---------------|
| | | 2018 二零一八年 | 2017 二零一七年 |
| Emoluments band (in HK dollar) | 薪酬級別(港元) | | |
| HK\$3,000,001 – HK\$3,500,000 | 3,000,001港元 – 3,500,000港元 | 1 | 1 |

10 五名酬金最高人士

年內，本集團五名最高薪人士包括四名(二零一七年：四名)董事，彼等之酬金已於附註40呈列之分析反映。年內餘下一名(二零一七年：一名)個別人士之應付酬金如下：

| | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---------------------------|---------------------------------------|---------------------------------------|
| Salary and other benefits | 2.6 | 2.5 |
| Discretionary bonus | 0.7 | 0.8 |
| | 3.3 | 3.3 |

酬金等級分析如下：

| | | No of individuals 人數 | |
|--------------------------------|---------------------------|-------------------------|---------------|
| | | 2018 二零一八年 | 2017 二零一七年 |
| Emoluments band (in HK dollar) | 薪酬級別(港元) | | |
| HK\$3,000,001 – HK\$3,500,000 | 3,000,001港元 – 3,500,000港元 | 1 | 1 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group has no assessable profit for the years ended 31 December 2018 and 2017. Mainland China income tax includes corporate income tax which has been provided on the estimated assessable profits of subsidiaries operating in the Mainland China at 25% (2017: 25%). Withholding tax was provided for undistributed profits of certain subsidiaries and associates in the PRC at a rate of 5% or 10% (2017: 5% or 10%).

Mainland China land appreciation tax is provided at progressive rates ranging from 30% to 40% (2017: 30% to 40%) on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures (including costs of land use rights and property development expenditures).

11 所得稅支出

由於本集團於截至二零一八年及二零一七年十二月三十一日止年度並無應課稅溢利，故並無就香港利得稅作出撥備。中國內地所得稅（包括企業所得稅）按照在中國內地經營附屬公司之估計應課稅溢利，按25%（二零一七年：25%）之稅率作出撥備。預扣稅按照若干中國附屬公司及聯營公司之未分派溢利，按5%或10%（二零一七年：5%或10%）之稅率作出撥備。

中國內地土地增值稅就土地升值按介乎30%至40%（二零一七年：30%至40%）之累進稅率撥備，土地升值即出售物業所得款項減去可扣稅開支（包括土地使用權成本及物業發展開支）。

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--------------------------------------|-------------|---------------------------------------|---------------------------------------|
| Current income tax | 即期所得稅 | | |
| Mainland China income tax | 中國內地所得稅 | (83.7) | (65.4) |
| Mainland China land appreciation tax | 中國內地土地增值稅 | (37.6) | (121.7) |
| | | (121.3) | (187.1) |
| Deferred income tax (Note 33) | 遞延所得稅(附註33) | | |
| Charged to the income statement | 於損益表扣除 | (191.0) | (283.4) |
| | | (312.3) | (470.5) |

Note: The share of income tax expense of associates amounting to HK\$34.2 million (2017: HK\$27.6 million) and the share of income tax credit of a joint venture amounting to HK\$2.3 million (2017: share of income tax expense of HK\$11.8 million) are included in the Group's share of profits less losses of associates and share of loss of a joint venture respectively.

附註：應佔聯營公司之所得稅支出為34,200,000港元（二零一七年：27,600,000港元）及應佔一間合營公司之所得稅抵免為2,300,000港元（二零一七年：應佔所得稅支出為11,800,000港元），分別計入本集團之應佔聯營公司溢利減虧損及應佔一間合營公司虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 INCOME TAX EXPENSE (continued)

The tax of the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

11 所得稅支出(續)

本集團所得稅前溢利之稅項，與採用加權平均稅率而適用於合併企業溢利之理論稅額之差額如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|----------------------------|---------------------------------------|---------------------------------------|
| Profit before income tax and share of results of associates and a joint venture | 所得稅前及不包括應佔聯營公司及一間合營公司業績之溢利 | 1,246.0 | 1,665.6 |
| Tax charge calculated at the domestic rates applicable to profits in the respective countries | 按在有關國家內之溢利所適用當地稅率計算之稅項扣除 | (295.0) | (413.3) |
| Expenses not deductible for taxation purposes | 不可扣稅之支出 | (19.1) | (26.5) |
| Income not subject to tax | 毋須課稅之收入 | 55.3 | 75.7 |
| Utilisation of previously unrecognised tax losses | 使用先前未確認之稅項虧損 | 3.2 | 28.0 |
| Withholding tax on dividends from subsidiaries and associates | 附屬公司及聯營公司派發之股息之預扣稅 | (16.4) | (10.6) |
| Mainland China land appreciation tax | 中國內地土地增值稅 | (37.6) | (121.7) |
| Deferred tax charged on undistributed profits | 未分配溢利之遞延稅項扣除 | (2.7) | (2.1) |
| Tax expense | 稅項支出 | (312.3) | (470.5) |

The weighted average applicable tax rate was 23.7% (2017: 24.8%).

加權平均適用稅率為23.7% (二零一七年：24.8%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 EARNINGS PER SHARE

(a) Basic

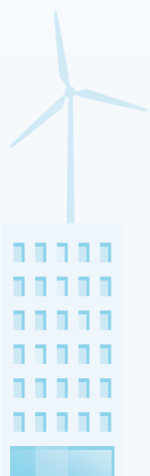
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

12 每股盈利

(a) 基本

每股基本盈利乃根據本公司權益持有人應佔溢利除以年內已發行普通股之加權平均數計算。

| | | 2018 二零一八年 | 2017 二零一七年 |
|---|---------------------|---------------|---------------|
| Profit attributable to equity holders of the Company (HK\$ Million) | 本公司權益持有人應佔溢利 (百萬港元) | 734.1 | 898.8 |
| Weighted average number of ordinary shares in issue (Million) | 已發行普通股之加權平均數 (百萬) | 528.8 | 528.8 |
| Basic earnings per share (HK cents per share) | 每股基本盈利(每股港仙) | 138.8 | 170.0 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

12 每股盈利(續)

(b) 攤薄

每股攤薄盈利乃透過調整未行使普通股之加權平均數，以假設所有攤薄潛在普通股均已獲兌換而計算。

| | | 2018 二零一八年 | 2017 二零一七年 |
|--|----------------------------|---------------|---------------|
| Profit attributable to equity holders of the Company (HK\$ Million) | 本公司權益持有人應佔溢利(百萬港元) | 734.1 | 898.8 |
| Effect of assumed conversion of convertible notes issued by a subsidiary (HK\$ Million) | 假設兌換由附屬公司發行之可換股票據之影響(百萬港元) | (2.5) | - |
| Effect of assumed conversion of warrants issued by a subsidiary (HK\$ Million) | 假設兌換由附屬公司發行之認股權證之影響(百萬港元) | (0.4) | - |
| Profit used to determine diluted earnings per share (HK\$ Million) | 用於釐定每股攤薄盈利之溢利(百萬港元) | 731.2 | 898.8 |
| Weighted average number of ordinary shares for calculation of diluted earnings per share (Million) | 計算每股攤薄盈利之普通股加權平均數(百萬) | 528.8 | 528.8 |
| Diluted earnings per share (HK cents per share) | 每股攤薄盈利(每股港仙) | 138.3 | 170.0 |

Diluted earnings per share for the year ended 31 December 2017 did not assume the conversion of convertible notes and warrants of the subsidiaries during the year since the conversion would have an anti-dilutive effect.

截至二零一七年十二月三十一日止年度之每股攤薄盈利並無假設年內附屬公司之可換股票據及認股權證獲兌換，因有關兌換具反攤薄影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 DIVIDENDS

13 股息

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|----------------------------------|---------------------------------------|---------------------------------------|
| Interim dividend paid, of HK13 cents (2017: HK6 cents) per ordinary share | 已派中期股息，每股普通股13港 仙(二零一七年：6港仙) | 68.7 | 31.7 |
| Final dividend proposed, of HK13 cents (2017: HK11 cents) per ordinary share | 擬派末期股息，每股普通股13港 仙(二零一七年：11港仙) | 68.7 | 58.2 |

On 20 March 2019, a final dividend of HK13 cents per ordinary share payable in cash in respect of the year ended 31 December 2018 is proposed by the Board and the amounts are not accounted for until they are approved by the shareholders at the forthcoming annual general meeting of the Company. As the proposed final dividend is declared after the balance sheet date, such dividend is not recognised as liability as at 31 December 2018.

On 23 August 2018, the Board has declared an interim dividend of HK13 cents per ordinary share payable in cash, total of HK\$68.7 million was paid in September 2018.

For the year ended 31 December 2017, a final dividend of HK11 cents per ordinary share payable in cash, total HK\$58.2 million was paid in June 2018.

於二零一九年三月二十日，董事會建議派發截至二零一八年十二月三十一日止年度之末期股息，每股普通股派發現金13港仙，需待股東於即將舉行之本公司股東週年大會上通過。由於擬派發之末期股息是在資產負債表日後宣派，故不列作二零一八年十二月三十一日的負債。

於二零一八年八月二十三日，董事會宣派中期股息，每股普通股派發現金13港仙，合計68,700,000港元，已於二零一八年九月支付。

截至二零一七年十二月三十一日止年度，每股普通股派發現金11港仙之末期股息，合共58,200,000港元於二零一八年六月支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 INVESTMENT PROPERTIES

14 投資物業

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|------------|---------------------------------------|---------------------------------------|
| At 1 January | 於一月一日 | 12,280.5 | 9,141.5 |
| Currency translation differences | 匯兌換算差額 | (648.6) | 818.9 |
| Additions | 添置 | 16.5 | 1,182.6 |
| Transfer to property, plant and equipment | 轉至物業、機器及設備 | - | (11.8) |
| Transfer from property, plant and equipment | 轉自物業、機器及設備 | - | 23.7 |
| Transfer to prepaid land lease payments | 轉至預付土地租賃款 | - | (36.2) |
| Cost adjustment | 成本調整 | - | (0.5) |
| Fair value adjustments, net | 公平值調整淨額 | 696.5 | 1,162.3 |
| At 31 December | 於十二月三十一日 | 12,344.9 | 12,280.5 |

Notes:

附註：

- (a) At 31 December 2018, investment properties of HK\$9,792.8 million (2017: HK\$9,664.4 million) were pledged as securities for the Group's borrowings (Note 31).
- (b) The Group's interests in investment properties at their carrying values and the lease terms are analysed as follows:

- (a) 於二零一八年十二月三十一日，價值 9,792,800,000 港元（二零一七年：9,664,400,000 港元）之投資物業，已作為本集團所獲借款之抵押（附註31）。
- (b) 本集團於投資物業之權益按其賬面值及租期分析如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|----------------------------------|-------------|---------------------------------------|---------------------------------------|
| In Mainland China, held on: | 於中國內地持有： | | |
| Leases of between 10 to 50 years | 介乎10至50年之租賃 | 12,146.1 | 12,052.8 |
| Leases less than 10 years | 少於10年之租賃 | 109.5 | 151.6 |
| In Hong Kong, held on: | 於香港持有： | | |
| Leases of between 10 to 50 years | 介乎10至50年之租賃 | 89.3 | 76.1 |
| | | 12,344.9 | 12,280.5 |

- (c) Fair value hierarchy
An independent valuation of the Group's investment properties was performed by the valuer, Knight Frank to determine the fair value of the investment properties as at 31 December 2018 and 2017. The following table analyses the investment properties carried at fair value using significant unobservable inputs (Level 3) in fair value measurements.

- (c) 公平值等級
本集團投資物業的獨立估值工作由估值師萊坊進行，以釐定投資物業於二零一八年及二零一七年十二月三十一日之公平值。下表對採用重大無法觀察輸入數據（第3級）作公平值計量之按公平值列賬之投資物業進行分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 INVESTMENT PROPERTIES (continued)

Notes: (continued)

(c) Fair value hierarchy (continued)

14 投資物業(續)

附註：(續)

(c) 公平值等級(續)

| | | At 31 December 2018 於二零一八年 十二月三十一日 HK\$ Million 百萬港元 | At 31 December 2017 於二零一七年 十二月三十一日 HK\$ Million 百萬港元 |
|--|---------------------------|---|---|
| Investment properties: | 投資物業： | | |
| – Commercial properties under development in Shanghai | – 於上海的發展中商業物業 | – | 9,664.4 |
| – Commercial properties in Nanxun, Beijing, Shenzhen, Tianjin and Hong Kong | – 於南潯、北京、深圳、天津及香港的商業物業 | – | 2,616.1 |
| – Commercial properties in Nanxun, Beijing, Shenzhen, Tianjin Shanghai and Hong Kong | – 於南潯、北京、深圳、天津、上海及香港的商業物業 | 12,344.9 | – |

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Levels 1, 2 and 3 during the years ended 31 December 2018 and 2017.

本集團的政策是於轉撥事件或導致轉撥的情況發生變化之日，確認轉入及轉出公平值等級。

截至二零一八年及二零一七年十二月三十一日止年度，第1、2及3級之間並無轉撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 INVESTMENT PROPERTIES (continued)

Valuation processes of the Group

The Group measures its investment properties at fair value. The fair value of the Group's investment properties at 31 December 2018 and 2017 has been determined on the basis of valuations carried out by an independent qualified valuer not related to the Group, who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. The Group employed Knight Frank to value its investment properties. For all investment properties, their current use equates to the highest and best use. Discussion of valuation processes and results are held between the Group's senior management and valuers at least once every six months, in line with the Group's interim and annual reporting dates. At each reporting date the Group's senior management:

- verifies all major data inputs to the independent valuation report;
- assess property valuations movements when compared to the prior period valuation report;
- holds discussions with the independent valuer.

Changes in Level 3 fair values are also analysed at each reporting date by the Group's senior management.

Valuation techniques

Fair value measurements using significant unobservable inputs

Fair values of completed commercial properties in Shanghai, Nanxun, Shenzhen and Tianjin are generally derived by using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of market transactions and valuers' interpretation of prevailing investor expectations. The prevailing market rents adopted in the valuation have been referenced to recent lettings, within the subject properties and other comparable properties.

14 投資物業(續)

本集團之價值評估流程

本集團按公平值計量其投資物業。本集團於二零一八年及二零一七年十二月三十一日之投資物業之公平值乃按與本集團並無關連之獨立合資格估值師進行的價值評估而得出，該估值師持有相關認可專業資格，並對所估值的投資物業的地點和領域有近期經驗。本集團委聘萊坊對其投資物業進行價值評估。就所有投資物業而言，其目前的使用等於其最高和最佳使用。為配合本集團的中期和年度報告日期，本集團之高級管理層與估值師最少每六個月討論估值流程和相關結果一次。於各報告日期，本集團之高級管理層：

- 核實獨立估值報告的所有重大數據輸入；
- 評估物業估值與過往期間估值報告比較下的變動；
- 與獨立估值師進行討論。

本集團之高級管理層亦會在各報告日期分析第3級公平值之變動。

估值技術

採用重大無法觀察的輸入數據進行的公平值計量

於上海、南潯、深圳及天津之已落成商業物業的公平值普遍地採用收入資本法釐定。此估值方法乃基於通過採用適當之資本化比率，將潛在收入淨額及復歸收入予以資本化，而資本化比率乃通過對市場交易及估值師分析現行投資者之期望而得出。在估值中採用的現行市值租金乃根據該等物業及其他可比較物業的近期租務情況而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 INVESTMENT PROPERTIES (continued)

Valuation techniques (continued)

Fair value measurements using significant unobservable inputs (continued)

Fair value of completed commercial properties in Beijing is generally derived by using the income capitalisation method with reference to its profit rent originated from the lease term interest and its rights in sub-letting and/or transferring the lease term interest of the property.

Fair value of completed commercial property in Hong Kong is generally derived by using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of commercial properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

There were no changes to the valuation techniques for the valuation for the years ended 31 December 2018 and 2017.

14 投資物業(續)

估值技術(續)

採用重大無法觀察的輸入數據進行的公平值計量(續)

於北京之已落成商業物業的公平值普遍地採用收入資本法釐定，並參考其自租期權益獲得的溢利租金以及分租及／或轉讓物業租期權益的權利。

於香港之已落成商業物業的公平值普遍地採用直接對比法釐定。此估值方法乃基於直接將需估值物業與其他近期進行交易的可比較物業對比。然而，鑒於商業物業的多樣化性質，慣常須就任何質素差異可能影響在審議中的物業所達之價格作出適當調整。

截至二零一八年及二零一七年十二月三十一日止年度之估值的估值技術概無任何變動。

| Description 內容 | Valuation technique(s) 估值技術 | Unobservable inputs 無法觀察輸入數據 | Range of unobservable inputs (probability-weighted average) 無法觀察輸入數據範圍(概率加權平均值) | Relationship of unobservable inputs to fair value 無法觀察輸入數據與公平值的關係 |
|--|---------------------------------------|---------------------------------|---|--|
| Commercial properties in Nanxun, Beijing, Shenzhen, Tianjin and Shanghai 於南潯、北京、深圳、天津及上海之商業物業 | Income capitalisation method 收入資本法 | Capitalisation rate | 5% – 8.25% (2017: 5% – 8%) | The higher the capitalisation rate, the lower the fair value |
| | | Average market rental | RMB1.2 – RMB7.9 (2017: RMB1.0 – RMB8.5) per square meter per day 每日每平方米人民幣1.2元至人民幣7.9元 (二零一七年：人民幣1.0元至人民幣8.5元) | The higher the daily rental value, the higher the fair value 每日租賃價值愈高，公平值愈高 |
| Commercial properties in Hong Kong 於香港之商業物業 | Direct comparison method 直接對比法 | Market unit rate 市場單位價值 | HK\$19,500 (2017: HK\$16,400) per square feet 每平方英尺19,500港元 (二零一七年：16,400港元) | The higher the market unit rate, the higher the fair value 市場單位價值愈高，公平值愈高 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 PREPAID LAND LEASE PAYMENTS

The Group's interest in leasehold land and land use rights representing prepaid operating lease payments and their net carrying values is analysed as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|-----------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| At 1 January | 於一月一日 | | 1,579.6 | | 1,461.5 |
| Currency translation differences | 匯兌換算差額 | | (79.2) | | 115.8 |
| Additions | 添置 | | 2.1 | | 2.4 |
| Transfer from investment properties | 轉自投資物業 | | – | | 36.2 |
| Amortisation | 攤銷 | | | | |
| – Capitalised in properties under development | – 已於發展中物業資本化 | (7.3) | | (15.0) | |
| – Charged to income statement (Note 7) | – 已於損益表扣除 (附註7) | (23.1) | (30.4) | (21.3) | (36.3) |
| At 31 December | 於十二月三十一日 | | 1,472.1 | | 1,579.6 |
| In Mainland China, held on: | 於中國內地持有： | | | | |
| Leases of over 50 years | 超過50年之租賃 | | 1,096.7 | | 1,175.6 |
| Leases of between 10 to 50 years | 介乎10至50年之租賃 | | 375.4 | | 404.0 |
| | | | 1,472.1 | | 1,579.6 |

Certain bank borrowings are secured by the Group's prepaid land lease payments with carrying values of HK\$47.5 million (2017: HK\$14.7 million) (Note 31).

15 預付土地租賃款

本集團於租賃土地及土地使用權之權益指預付經營租賃款，其賬面淨值分析如下：

本集團賬面值47,500,000港元(二零一七年：14,700,000港元)之預付土地租賃款已抵押以取得若干銀行借款(附註31)。

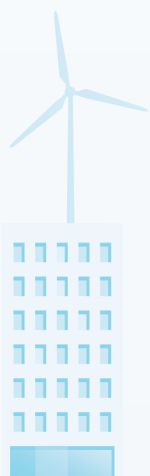
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 PROPERTY, PLANT AND EQUIPMENT

16 物業、機器及設備

| | | Construction in progress 在建工程 HK\$ Million 百萬港元 | Electric utility plant and equipment 發電廠及設備 HK\$ Million 百萬港元 | Other plant and equipment 其他機器及設備 HK\$ Million 百萬港元 | Land and buildings 土地及樓宇 HK\$ Million 百萬港元 | Total 總額 HK\$ Million 百萬港元 |
|---|-------------------|---|--|---|--|-------------------------------------|
| Year ended 31 December 2018 | 截至二零一八年十二月三十一日止年度 | | | | | |
| Opening net book amount | 年初賬面淨值 | 36.1 | 912.3 | 4.2 | 81.7 | 1,034.3 |
| Currency translation differences | 匯兌換算差額 | (14.3) | (45.8) | (0.4) | (1.7) | (62.2) |
| Additions | 添置 | 324.1 | 7.2 | 2.0 | - | 333.3 |
| Transfer | 轉讓 | (24.9) | 24.9 | - | - | - |
| Depreciation | 折舊 | - | (70.6) | (1.7) | (2.4) | (74.7) |
| Closing net book amount | 年終賬面淨值 | 321.0 | 828.0 | 4.1 | 77.6 | 1,230.7 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | | | | | |
| Cost | 成本 | 321.0 | 1,493.8 | 74.0 | 98.8 | 1,987.6 |
| Accumulated depreciation and impairment | 累計折舊及減值 | - | (665.8) | (69.9) | (21.2) | (756.9) |
| Net book amount | 賬面淨值 | 321.0 | 828.0 | 4.1 | 77.6 | 1,230.7 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 PROPERTY, PLANT AND EQUIPMENT (continued)

16 物業、機器及設備(續)

| | | Construction in progress 在建工程 HK\$ Million 百萬港元 | Electric utility plant and equipment 發電廠及設備 HK\$ Million 百萬港元 | Other plant and equipment 其他機器及設備 HK\$ Million 百萬港元 | Land and buildings 土地及樓宇 HK\$ Million 百萬港元 | Total 總額 HK\$ Million 百萬港元 |
|---|--------------------------|---|--|---|--|-------------------------------------|
| Year ended 31 December 2017 | 截至二零一七年十二月三十一日止年度 | | | | | |
| Opening net book amount | 年初賬面淨值 | 7.3 | 910.7 | 3.8 | 94.2 | 1,016.0 |
| Currency translation differences | 匯兌換算差額 | 1.8 | 66.8 | 0.4 | 2.1 | 71.1 |
| Additions | 添置 | 29.3 | 0.5 | 1.9 | - | 31.7 |
| Transfer | 轉讓 | (0.9) | 0.9 | - | - | - |
| Transfer to intangible asset | 轉至無形資產 | (1.4) | - | - | - | (1.4) |
| Transfer to investment properties | 轉至投資物業 | - | - | - | (23.7) | (23.7) |
| Transfer from investment properties | 轉自投資物業 | - | - | - | 11.8 | 11.8 |
| Depreciation | 折舊 | - | (66.6) | (1.9) | (2.7) | (71.2) |
| Closing net book amount | 年終賬面淨值 | 36.1 | 912.3 | 4.2 | 81.7 | 1,034.3 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | | | | | |
| Cost | 成本 | 36.1 | 1,541.3 | 77.2 | 100.6 | 1,755.2 |
| Accumulated depreciation and impairment | 累計折舊及減值 | - | (629.0) | (73.0) | (18.9) | (720.9) |
| Net book amount | 賬面淨值 | 36.1 | 912.3 | 4.2 | 81.7 | 1,034.3 |

Certain bank borrowings are secured by certain of the Group's construction in progress, properties, plant and equipment with carrying values of HK\$1,124.3 million (2017: HK\$942.3 million) (Note 31).

本集團賬面值1,124,300,000港元(二零一七年: 942,300,000港元)之若干在建工程、物業、機器及設備已抵押以取得若干銀行借款(附註31)。

The Group's interests in land and buildings at their carrying values and the lease terms are analysed as follows:

本集團於按賬面值列賬之土地及樓宇之權益以及租期分析如下:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|----------------------------------|-------------|---------------------------------------|---------------------------------------|
| In Hong Kong, held on: | 於香港持有: | | |
| Leases of between 10 to 50 years | 介乎10至50年之租賃 | 46.7 | 48.1 |
| In Mainland China, held on: | 於中國內地持有: | | |
| Leases of between 10 to 50 years | 介乎10至50年之租賃 | 30.9 | 33.6 |
| | | 77.6 | 81.7 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INTANGIBLE ASSETS

17 無形資產

| | | Goodwill 商譽 HK\$ Million 百萬港元 | Other intangible assets 其他無形資產 HK\$ Million 百萬港元 | Total 總額 HK\$ Million 百萬港元 |
|---|-------------------------------|--|---|-------------------------------------|
| Year ended 31 December 2018 | 截至二零一八年 十二月三十一日止年度 | | | |
| Opening net book amount | 年初賬面淨值 | – | 1.6 | 1.6 |
| Currency translation differences | 匯兌換算差額 | – | (0.1) | (0.1) |
| Additions | 添置 | – | 0.2 | 0.2 |
| Amortisation | 攤銷 | – | (0.3) | (0.3) |
| Closing net book amount | 年終賬面淨值 | – | 1.4 | 1.4 |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | | | |
| Cost | 成本 | 409.5 | 2.4 | 411.9 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | (409.5) | (1.0) | (410.5) |
| Net book amount | 賬面淨值 | – | 1.4 | 1.4 |
| At 1 January 2017 | 於二零一七年一月一日 | | | |
| Cost | 成本 | 409.5 | 0.8 | 410.3 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | (409.5) | (0.6) | (410.1) |
| Net book amount | 賬面淨值 | – | 0.2 | 0.2 |
| Year ended 31 December 2017 | 截至二零一七年 十二月三十一日止年度 | | | |
| Opening net book amount | 年初賬面淨值 | – | 0.2 | 0.2 |
| Currency translation differences | 匯兌換算差額 | – | 0.1 | 0.1 |
| Transfer from construction in progress | 轉自在建工程 | – | 1.4 | 1.4 |
| Amortisation | 攤銷 | – | (0.1) | (0.1) |
| Closing net book amount | 年終賬面淨值 | – | 1.6 | 1.6 |
| At 31 December 2017 | 於二零一七年 十二月三十一日 | | | |
| Cost | 成本 | 409.5 | 2.3 | 411.8 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | (409.5) | (0.7) | (410.2) |
| Net book amount | 賬面淨值 | – | 1.6 | 1.6 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 PROPERTIES UNDER DEVELOPMENT

18 發展中物業

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|------------|---------------------------------------|---------------------------------------|
| Properties under development comprise: | 發展中物業包括： | | |
| Construction costs and capitalised expenditure | 建築成本及資本化開支 | 300.4 | 282.0 |
| Prepaid land lease payments | 預付土地租賃款 | 255.2 | 247.9 |
| | | 555.6 | 529.9 |

The properties under development are all located in the Mainland China.

No properties under development (2017: Nil) are expected to be completed and available for sale within next twelve months. At 31 December 2018, no bank borrowings are secured by the Group's properties under development (2017: Nil) (Note 31).

19 SUBSIDIARIES

Material non-controlling interests

The total non-controlling interests as at 31 December 2018 is HK\$2,752.2 million (2017: HK\$2,685.3 million), of which HK\$727.4 million (2017: HK\$760.2 million) is for China Renewable Energy Investment Limited and HK\$2,067.5 million (2017: HK\$1,986.0 million) is attributed to Shanghai Guangtian Real Estate Development Company Limited. The profit allocated to non-controlling interests of China Renewable Energy Investment Limited is HK\$35.1 million (2017: HK\$35.7 million) and the profit allocated to non-controlling interests of Shanghai Guangtian Real Estate Development Company Limited is HK\$190.2 million (2017: HK\$308.1 million) for the year ended 31 December 2018. The ownership interests held by non-controlling interests of China Renewable Energy Investment Limited and Shanghai Guangtian Real Estate Development Company Limited are 44.31% and 40% as at 31 December 2018 (2017: 46.05% and 40%). The non-controlling interests in respect of these subsidiary companies are material to the Group.

發展中物業全部位於中國內地。

並無發展中物業(二零一七年：無)預期於未來十二個月內完成，且可供銷售。於二零一八年十二月三十一日，本集團並無(二零一七年：無)發展中物業已抵押以取得銀行借款(附註31)。

19 附屬公司

重大非控股權益

於二零一八年十二月三十一日之非控股權益總額為2,752,200,000港元(二零一七年：2,685,300,000港元)，其中727,400,000港元(二零一七年：760,200,000港元)為中國再生能源投資有限公司及2,067,500,000港元(二零一七年：1,986,000,000港元)來自上海廣田房地產開發有限公司。截至二零一八年十二月三十一日止年度，分配予中國再生能源投資有限公司之非控股權益的溢利為35,100,000港元(二零一七年：35,700,000港元)，而分配予上海廣田房地產開發有限公司之非控股權益的溢利為190,200,000港元(二零一七年：308,100,000港元)。於二零一八年十二月三十一日，中國再生能源投資有限公司及上海廣田房地產開發有限公司非控股權益持有之所有權權益分別為44.31%及40%(二零一七年：46.05%及40%)。有關該等附屬公司之非控股權益對本集團而言屬重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 SUBSIDIARIES (continued)

Material non-controlling interests (continued)

Set out below are the summarised financial information (before inter-company eliminations) for each subsidiary that has non-controlling interests that are material to the Group.

Summarised income statement for the year ended
31 December

19 附屬公司(續)

重大非控股權益(續)

下文載列具有對本集團而言屬重大而擁有非控股權益之附屬公司各自於公司間對銷前之財務資料摘要。

截至十二月三十一日止年度之損益表摘要

| | | China Renewable Energy Investment Limited 中國再生能源投資有限公司 | | Shanghai Guangtian Real Estate Development Company Limited 上海廣田房地產開發有限公司 | |
|--|-------------|--|---------------------------------------|--|---------------------------------------|
| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
| Revenue | 收益 | 149.5 | 131.3 | 164.9 | 58.5 |
| Profit for the year | 本年度溢利 | 63.0 | 60.9 | 475.4 | 770.3 |
| Total comprehensive (loss)/income | 全面(虧損)/收入總額 | (28.6) | 184.9 | 203.7 | 1,108.1 |
| Dividends paid to non-controlling interests | 已派付非控股權益股息 | (8.9) | (3.3) | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 SUBSIDIARIES (continued)

Material non-controlling interests (continued)

Summarised balance sheet as at 31 December

| | | China Renewable Energy Investment Limited 中國再生能源投資有限公司 | | Shanghai Guangtian Real Estate Development Company Limited 上海廣田房地產開發有限公司 | |
|--------------------------|-------------|---|---------------------------------------|---|---------------------------------------|
| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
| Non-current assets | 非流動資產 | 2,106.1 | 2,062.8 | 9,773.8 | 9,740.2 |
| Current assets | 流動資產 | 419.3 | 426.8 | 347.2 | 241.1 |
| Total assets | 資產總額 | 2,525.4 | 2,489.6 | 10,121.0 | 9,981.3 |
| Non-current liabilities | 非流動負債 | 414.7 | 384.1 | 3,835.8 | 3,346.0 |
| Current liabilities | 流動負債 | 383.4 | 362.2 | 1,117.3 | 1,671.1 |
| Total liabilities | 負債總額 | 798.1 | 746.3 | 4,953.1 | 5,017.1 |

19 附屬公司(續)

重大非控股權益(續)

於十二月三十一日之資產負債表摘要

Summarised cash flows for the year ended 31 December

截至十二月三十一日止年度之現金流量摘要

| | | China Renewable Energy Investment Limited 中國再生能源投資有限公司 | | Shanghai Guangtian Real Estate Development Company Limited 上海廣田房地產開發有限公司 | |
|--|-------------------|---|---------------------------------------|---|---------------------------------------|
| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
| Net cash generated from operating activities | 經營業務所得現金淨額 | 51.2 | 153.0 | 98.4 | 21.1 |
| Net cash used in investing activities | 投資活動所用現金淨額 | (231.2) | (192.3) | (526.1) | (332.5) |
| Net cash generated from financing activities | 融資活動所得現金淨額 | 43.3 | 127.1 | 426.0 | 312.2 |
| Net (decrease)/increase in cash and cash equivalents | 現金及現金等價物(減少)/增加淨額 | (136.7) | 87.8 | (1.7) | 0.8 |

Particulars of the principal subsidiaries are set out on pages 235 to 240.

主要附屬公司之詳情載於第235至240頁。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 INTERESTS IN ASSOCIATES

20 於聯營公司之權益

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-----------------------------------|--------------|---------------------------------------|---------------------------------------|
| Group's share of net assets | 本集團應佔資產淨值 | 1,071.0 | 1,111.7 |
| Amount due from an associate, net | 應收一間聯營公司款項淨額 | 139.3 | 139.3 |
| | | 1,210.3 | 1,251.0 |

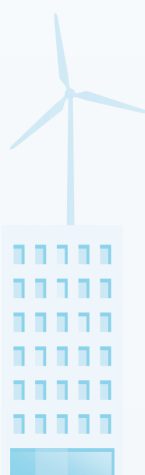
Amount due from an associate is unsecured, interest free and not repayable within the next twelve months. The carrying amount approximates its fair values. The balance is denominated in Hong Kong dollar.

應收一間聯營公司款項是無抵押、免息及毋須於未來十二個月內償還。賬面值與其公平值相若。其結餘以港元結算。

The following financial information, after making adjustments to conform to the Group's significant accounting policies, represents the Group's aggregate share of revenue and results of associates, all of which are unlisted, and is summarised as below:

下列財務資料(遵照本集團重大會計政策而調整後)反映本集團合共應佔聯營公司(全部為非上市企業)之收益與業績概述如下:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--------------------------|--------|---------------------------------------|---------------------------------------|
| Revenue | 收益 | 252.1 | 238.7 |
| Profit before income tax | 所得稅前溢利 | 123.6 | 124.7 |
| Income tax expense | 所得稅支出 | (34.2) | (27.6) |
| Profit for the year | 本年度溢利 | 89.4 | 97.1 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 INTERESTS IN ASSOCIATES (continued)

Material associates

Hong Kong Construction SMC Development Limited, CECIC HKC (Gansu) Wind Power Company Limited and CECIC HKC Wind Power Company Limited are the associates that are material to the Group.

Details of principal associates are set out on page 241.

Set out below are the summarised financial information for the material associates. The information reflects the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates.

Summarised income statement for the year ended 31 December

| | | Hong Kong Construction SMC Development Limited 香港建設規壳發展有限公司 | | CECIC HKC (Gansu) Wind Power Company Limited 中節能港建(甘肅)風力發電有限公司 | | CECIC HKC Wind Power Company Limited 中節能港建風力發電(張北)有限公司 | | Total 總額 | |
|-----------------------------------|-------------|--|---------------------------------------|---|---------------------------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
| Revenue | 收益 | 95.8 | 82.8 | 238.7 | 226.9 | 214.3 | 204.1 | 548.8 | 513.8 |
| Profit for the year | 本年度溢利 | 15.3 | 39.3 | 112.6 | 115.8 | 68.3 | 69.4 | 196.2 | 224.5 |
| Other comprehensive (loss)/income | 其他全面(虧損)/收入 | (58.0) | - | (43.8) | 61.4 | (41.9) | 57.9 | (143.7) | 119.3 |
| Total comprehensive income | 全面收入總額 | (42.7) | 39.3 | 68.8 | 177.2 | 26.4 | 127.3 | 52.5 | 343.8 |
| Dividends from the associates | 聯營公司派發之股息 | 16.1 | - | 35.2 | 48.6 | 25.2 | 27.5 | 76.5 | 76.1 |

20 於聯營公司之權益(續)

重大聯營公司

香港建設規壳發展有限公司、中節能港建(甘肅)風力發電有限公司及中節能港建風力發電(張北)有限公司為對本集團而言屬重大之聯營公司。

主要聯營公司之詳情載於第241頁。

下文載列重大聯營公司之財務資料摘要。有關資料反映在聯營公司的財務報表內呈列的款額，並就本集團與聯營公司之間會計政策的差異已經作出調整。

截至十二月三十一日止年度之損益表摘要

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 INTERESTS IN ASSOCIATES (continued)

Material associates (continued)

Summarised balance sheet as at 31 December

| | | Hong Kong Construction SMC Development Limited 香港建設殼 發展有限公司 | | CECIC HKC (Gansu) Wind Power Company Limited 中節能港建(甘肅)風力 發電有限公司 | | CECIC HKC Wind Power Company Limited 中節能港建風力發電 (張北)有限公司 | | Total 總額 | |
|-------------------------|-------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
| Non-current assets | 非流動資產 | 1,378.7 | 1,455.2 | 1,041.0 | 1,178.4 | 991.4 | 1,109.7 | 3,411.1 | 3,743.3 |
| Current assets | 流動資產 | 172.7 | 139.0 | 240.6 | 182.1 | 249.1 | 227.0 | 662.4 | 548.1 |
| Total assets | 資產總額 | 1,551.4 | 1,594.2 | 1,281.6 | 1,360.5 | 1,240.5 | 1,336.7 | 4,073.5 | 4,291.4 |
| Non-current liabilities | 非流動負債 | 688.6 | 696.8 | - | - | - | - | 688.6 | 696.8 |
| Current liabilities | 流動負債 | 35.8 | 29.9 | 473.4 | 533.0 | 504.1 | 563.7 | 1,013.3 | 1,126.6 |
| Total liabilities | 負債總額 | 724.4 | 726.7 | 473.4 | 533.0 | 504.1 | 563.7 | 1,701.9 | 1,823.4 |
| Net assets | 資產淨值 | 827.0 | 867.5 | 808.2 | 827.5 | 736.4 | 773.0 | 2,371.6 | 2,468.0 |

20 於聯營公司之權益(續)

重大聯營公司(續)

於十二月三十一日之資產負債表摘要

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in its material associates:

按本集團於其重大聯營公司權益的賬面值列報的財務資料概要對賬如下：

| | | Hong Kong Construction SMC Development Limited 香港建設殼 發展有限公司 | | CECIC HKC (Gansu) Wind Power Company Limited 中節能港建(甘肅)風力 發電有限公司 | | CECIC HKC Wind Power Company Limited 中節能港建風力發電 (張北)有限公司 | | Total 總額 | |
|-----------------------------------|----------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
| Closing net assets | 年末資產淨值 | 827.0 | 867.5 | 808.2 | 827.5 | 736.4 | 773.0 | 2,371.6 | 2,468.0 |
| Group's share of net assets (40%) | 本集團應佔資產淨值(40%) | 330.8 | 347.0 | 323.3 | 331.0 | 294.5 | 309.2 | 948.6 | 987.2 |
| Amount due from an associate, net | 應收一間聯營公司款項淨額 | 139.3 | 139.3 | - | - | - | - | 139.3 | 139.3 |
| Carrying amount | 賬面值 | 470.1 | 486.3 | 323.3 | 331.0 | 294.5 | 309.2 | 1,087.9 | 1,126.5 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 INTERESTS IN ASSOCIATES (continued)

Material associates (continued)

The Group has interests in a number of individually immaterial associates. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these associates.

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|----------------|---------------------------------------|---------------------------------------|
| Share of profit for the year | 應佔本年度溢利 | 11.0 | 7.3 |
| Share of other comprehensive (loss)/income | 應佔其他全面(虧損)/收入 | (6.7) | 9.2 |
| Share of total comprehensive income | 應佔全面收入總額 | 4.3 | 16.5 |
| Carrying amount of interests in these associates | 於該等聯營公司之權益之賬面值 | 122.4 | 124.5 |

21 INTEREST IN A JOINT VENTURE

| | | | |
|---------------------------------|------------|---------|---------|
| Group's share of net assets | 本集團應佔資產淨值 | 1,583.2 | 1,734.4 |
| Amount due from a joint venture | 應收一間合營公司款項 | 43.5 | 45.9 |
| | | 1,626.7 | 1,780.3 |

As at 31 December 2018 and 2017, amount due from a joint venture is unsecured, interest free and not repayable within the next twelve months. The carrying amount approximates its fair value. The balance is denominated in Renminbi.

There are no material contingent liabilities relating to the Group's interest in the joint venture as at 31 December 2018 and 2017.

20 於聯營公司之權益(續)

重大聯營公司(續)

本集團於多個個別並非重大的聯營公司擁有權益。下表為應佔該等聯營公司的溢利及其他全面收入及賬面值總額的分析。

21 於一間合營公司之權益

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---------------------------------|------------|---------------------------------------|---------------------------------------|
| Group's share of net assets | 本集團應佔資產淨值 | 1,583.2 | 1,734.4 |
| Amount due from a joint venture | 應收一間合營公司款項 | 43.5 | 45.9 |
| | | 1,626.7 | 1,780.3 |

於二零一八年及二零一七年十二月三十一日，應收一間合營公司款項是無抵押，免息及毋須於未來十二個月內償還。賬面值與其公平值相若。其結餘以人民幣結算。

於二零一八年及二零一七年十二月三十一日，並無有關本集團於合營公司之權益之重大或然負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INTEREST IN A JOINT VENTURE (continued)

The following financial information represents the Group's aggregate share of results of the joint venture and is summarised as below:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-----------------------------|------------|---------------------------------------|---------------------------------------|
| Loss before income tax | 所得稅前虧損 | (68.2) | (36.0) |
| Income tax credit/(expense) | 所得稅抵免/(支出) | 2.3 | (11.8) |
| Loss for the year | 本年度虧損 | (65.9) | (47.8) |

Shanghai Jingang North Bund Real Estate Company Limited is the joint venture of the Group.

Details of the joint venture are set out on page 242.

Set out below are the summarised financial information for the joint venture. The information reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint venture.

21 於一間合營公司之權益(續)

下列財務資料反映本集團合共應佔合營公司之業績概述如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-----------------------------|------------|---------------------------------------|---------------------------------------|
| Loss before income tax | 所得稅前虧損 | (68.2) | (36.0) |
| Income tax credit/(expense) | 所得稅抵免/(支出) | 2.3 | (11.8) |
| Loss for the year | 本年度虧損 | (65.9) | (47.8) |

上海金港北外灘置業有限公司為本集團的合營公司。

合營公司之詳情載於第242頁。

下文載列合營公司財務資料摘要。有關資料反映在合營公司財務報表內呈列的款額，並經就本集團與合營公司之間會計政策的差異作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INTEREST IN A JOINT VENTURE (continued)

Summarised income statement for the year ended
31 December

21 於一間合營公司之權益(續)

截至十二月三十一日止年度之損益表摘要

| | | Shanghai Jingang North Bund Real Estate Company Limited 上海金港北外灘置業有限公司 | |
|--|-------------|---|---------------------------------------|
| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
| Revenue | 收益 | 628.3 | 207.5 |
| Depreciation and amortisation | 折舊及攤銷 | (127.8) | (75.3) |
| Fair value adjustments on investment properties | 投資物業公平值調整 | 18.4 | 188.5 |
| Interest income | 利息收入 | 3.9 | – |
| Interest expense | 利息開支 | (351.4) | (199.7) |
| Loss before income tax | 所得稅前虧損 | (273.0) | (143.9) |
| Income tax credit/(expense) | 所得稅抵免/(支出) | 9.1 | (47.1) |
| Loss for the year | 本年度虧損 | (263.9) | (191.0) |
| Other comprehensive (loss)/income | 其他全面(虧損)/收入 | (341.3) | 378.0 |
| Total comprehensive (loss)/income | 全面(虧損)/收入總額 | (605.2) | 187.0 |
| Dividend from a joint venture | 一間合營公司派發之股息 | – | – |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INTEREST IN A JOINT VENTURE (continued)

Summarised balance sheet as at 31 December

21 於一間合營公司之權益(續)

於十二月三十一日之資產負債表摘要

| | | Shanghai Jingang North Bund Real Estate Company Limited 上海金港北外灘置業有限公司 | |
|---|-------------------------|---|--------------|
| | | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 |
| | | HK\$ Million | HK\$ Million |
| | | 百萬港元 | 百萬港元 |
| Non-current assets | 非流動資產 | 17,910.3 | 17,502.9 |
| Current assets | 流動資產 | | |
| Cash and cash equivalents | 現金及現金等價物 | 271.8 | 2,396.1 |
| Others | 其他 | 118.3 | 12.2 |
| Total current assets | 流動資產總額 | 390.1 | 2,408.3 |
| Non-current liabilities | 非流動負債 | | |
| Financial liabilities (excluding trade and other payables and provisions) | 金融負債(不包括應付賬款及其他應付款以及撥備) | 9,199.9 | 9,356.1 |
| Others | 其他 | 1,079.0 | 1,146.0 |
| Total non-current liabilities | 非流動負債總額 | 10,278.9 | 10,502.1 |
| Current liabilities | 流動負債 | 1,688.7 | 2,471.5 |
| Net assets | 資產淨值 | 6,332.8 | 6,937.6 |

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in its joint venture:

按本集團於其合營公司權益的賬面值列報的財務資料概要對賬如下：

| | | Shanghai Jingang North Bund Real Estate Company Limited 上海金港北外灘置業有限公司 | |
|-----------------------------------|----------------|---|--------------|
| | | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 |
| | | HK\$ Million | HK\$ Million |
| | | 百萬港元 | 百萬港元 |
| Net assets | 資產淨值 | 6,332.8 | 6,937.6 |
| Group's share of net assets (25%) | 本集團應佔資產淨值(25%) | 1,583.2 | 1,734.4 |
| Amount due from a joint venture | 應收一間合營公司款項 | 43.5 | 45.9 |
| Carrying amount | 賬面值 | 1,626.7 | 1,780.3 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 AVAILABLE-FOR-SALE FINANCIAL ASSETS/ FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

22 可供出售金融資產／按公平值在其他 全面損益列賬之金融資產

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-------------------------------------|------------------------|---------------------------------------|---------------------------------------|
| Available-for-sale financial assets | 可供出售金融資產 | | |
| Unlisted securities, at fair value | 按公平值之非上市證券 | – | 28.0 |
| Financial assets at FVOCI | 按公平值在其他全面損益列賬之 金融資產 | | |
| Unlisted securities, at fair value | 按公平值之非上市證券 | 21.4 | – |

In prior year, the above investments were designated as available-for-sale as the management intended to hold them for medium to long-term. Upon the application of HKFRS 9, they were reclassified to financial assets at FVOCI as disclosed in Note 2.1.

於以前年度，管理層有意中長期持有上述投資，故列為可供出售金融資產。於應用香港財務報告準則第9號，這些投資重新分類至按公平值在其他全面損益列賬之金融資產並於附註2.1披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 FINANCIAL INSTRUMENTS BY CATEGORY

23 按類別劃分之金融工具

| | | Assets at amortised cost | Assets at FVOCI | Available- for-sale | Total |
|---|----------------------------------|--|--|------------------------------|----------------------------|
| | | 按攤銷成本 計量之資產 HK\$ Million 百萬港元 | 按公平值 在其他全面 損益列賬之資產 HK\$ Million 百萬港元 | 可供出售 HK\$ Million 百萬港元 | 總額 HK\$ Million 百萬港元 |
| Assets as per consolidated balance sheet | 綜合資產負債表之資產 | | | | |
| At 31 December 2018 | 於二零一八年十二月 三十一日 | | | | |
| Financial assets at FVOCI (Note 22) | 按公平值在其他全面 損益列賬之金融資產 (附註22) | – | 21.4 | – | 21.4 |
| Amount due from an associate, net (Note 20) | 應收一間聯營公司款項 淨額(附註20) | 139.3 | – | – | 139.3 |
| Amount due from a joint venture (Note 21) | 應收一間合營公司款項(附 註21) | 43.5 | – | – | 43.5 |
| Trade and other receivables under current assets (Note 25) | 流動資產中的應收 賬款及其他應收款 (附註25) | 369.4 | – | – | 369.4 |
| Other receivables under non-current assets | 非流動資產中的其他應 收款 | 67.6 | – | – | 67.6 |
| Restricted cash (Note 26) | 受限制現金(附註26) | 478.9 | – | – | 478.9 |
| Short-term bank deposits (Note 27) | 短期銀行存款(附註27) | 712.3 | – | – | 712.3 |
| Cash and cash equivalents (Note 28) | 現金及現金等價物 (附註28) | 1,889.6 | – | – | 1,889.6 |
| Total | 總額 | 3,700.6 | 21.4 | – | 3,722.0 |
| At 31 December 2017 | 於二零一七年十二月 三十一日 | | | | |
| Available-for-sale financial assets (Note 22) | 可供出售金融資產 (附註22) | – | – | 28.0 | 28.0 |
| Amount due from an associate, net (Note 20) | 應收一間聯營公司款項淨 額(附註20) | 139.3 | – | – | 139.3 |
| Amount due from a joint venture (Note 21) | 應收一間合營公司款項 (附註21) | 45.9 | – | – | 45.9 |
| Trade and other receivables under current assets (Note 25) | 流動資產中的應收賬款及 其他應收款(附註25) | 230.1 | – | – | 230.1 |
| Other receivables under non-current assets | 非流動資產中的 其他應收款 | 39.1 | – | – | 39.1 |
| Restricted cash (Note 26) | 受限制現金(附註26) | 398.0 | – | – | 398.0 |
| Cash and cash equivalents (Note 28) | 現金及現金等價物 (附註28) | 2,497.4 | – | – | 2,497.4 |
| Total | 總額 | 3,349.8 | – | 28.0 | 3,377.8 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 FINANCIAL INSTRUMENTS BY CATEGORY (continued)

23 按類別劃分之金融工具(續)

| | | Other financial liabilities at amortised cost 按攤銷成本計算之其他金融負債 HK\$ Million 百萬港元 | Total 總額 HK\$ Million 百萬港元 |
|--|-------------------|---|-------------------------------------|
| Liabilities as per consolidated balance sheet | 綜合資產負債表之負債 | | |
| At 31 December 2018 | 於二零一八年十二月三十一日 | | |
| Borrowings (Note 31) | 借款(附註31) | 3,245.3 | 3,245.3 |
| Amount due to a shareholder (Note 34) | 應付一名股東款項(附註34) | 197.5 | 197.5 |
| Trade and other payables (Note 32) | 應付賬款及其他應付款(附註32) | 1,474.3 | 1,474.3 |
| Total | 總額 | 4,917.1 | 4,917.1 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | | |
| Borrowings (Note 31) | 借款(附註31) | 2,796.1 | 2,796.1 |
| Amount due to a shareholder (Note 34) | 應付一名股東款項(附註34) | 226.2 | 226.2 |
| Trade and other payables (Note 32) | 應付賬款及其他應付款(附註32) | 2,187.0 | 2,187.0 |
| Total | 總額 | 5,209.3 | 5,209.3 |

24 PROPERTIES HELD FOR SALE

At 31 December 2018, no properties held for sale (2017: Nil) was pledged as securities for the Group's borrowings (Note 31).

24 作銷售用途之物業

於二零一八年十二月三十一日，並無作銷售用途之物業(二零一七年：無)用作本集團所獲借款之抵押(附註31)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

25 預付款、應收賬款及其他應收款

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|----------------|---------------------------------------|---------------------------------------|
| Non-current | 非流動 | | |
| Prepayments and other receivables (Note h) | 預付款及其他應收款(附註h) | 84.3 | 194.1 |
| Current | 流動 | | |
| Trade receivables | 應收賬款 | 75.8 | 28.2 |
| Less: provision for impairment | 減：減值撥備 | (11.3) | (7.9) |
| Trade receivables – net | 應收賬款－淨額 | 64.5 | 20.3 |
| Bills receivable | 應收票據 | 4.0 | 6.4 |
| Prepaid taxes | 預付稅款 | 19.0 | 17.7 |
| Prepayments, other receivables and deposits | 預付款、其他應收款及按金 | 281.9 | 185.7 |
| | | 369.4 | 230.1 |
| | | 453.7 | 424.2 |

Notes:

- (a) The ageing analysis of trade receivables by the Group's revenue recognition policy at year end, net of provision for impairment, was as follows:

附註：

- (a) 於年末，按本集團收益確認政策就已扣除減值撥備後之應收賬款賬齡分析如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--------------------------|----------|---------------------------------------|---------------------------------------|
| Less than 2 months | 少於2個月 | 34.2 | 18.2 |
| 2 to less than 6 months | 2至少於6個月 | 15.0 | 1.5 |
| 6 to less than 12 months | 6至少於12個月 | 12.3 | 0.6 |
| 12 months and more | 12個月及以上 | 3.0 | - |
| | | 64.5 | 20.3 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(a) (continued)

The ageing analysis of trade receivables by invoice date at year end, net of provision for impairment, was as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--------------------------|----------|---------------------------------------|---------------------------------------|
| Less than 2 months | 少於2個月 | 33.7 | 18.2 |
| 2 to less than 6 months | 2至少於6個月 | 15.0 | 1.5 |
| 6 to less than 12 months | 6至少於12個月 | 11.1 | 0.6 |
| 12 months and more | 12個月及以上 | 4.7 | - |
| | | 64.5 | 20.3 |

- (i) For renewable energy business, the Group allows a credit period of 30 days to its trade customers. Based on the credit history of the customers, it is expected that the amounts will be received eventually. They are related to a number of independent customers for which there is no recent history of default. The Group does not hold any collateral in relation to these receivables.
- (ii) Other than renewable energy business, group companies each has its own credit policies depending on the requirements of their markets and the businesses which they operate.

25 預付款、應收賬款及其他應收款(續)

附註：(續)

(a) (續)

於年末，按發票日期劃分就已扣除減值撥備後之應收賬款賬齡分析如下：

| | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--------------------------|---------------------------------------|---------------------------------------|
| Less than 2 months | 33.7 | 18.2 |
| 2 to less than 6 months | 15.0 | 1.5 |
| 6 to less than 12 months | 11.1 | 0.6 |
| 12 months and more | 4.7 | - |
| | 64.5 | 20.3 |

- (i) 就再生能源業務而言，本集團向其貿易客戶提供為期30日之信貸期。根據客戶的信貸記錄，預期該等款項最終將會收回。該等款項與近期並無拖欠記錄之若干獨立客戶有關。本集團並無持有與該等應收賬款有關之任何抵押物。
- (ii) 除再生能源業務外，集團公司會因應其市場需求及所經營業務擁有各自的信貸政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (b) Other than renewable energy business, there is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.
- (c) As at 31 December 2018, trade receivables of HK\$11.3 million (2017: HK\$7.9 million) were impaired and fully provided for.
- (d) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-------------------|-----|---------------------------------------|---------------------------------------|
| Hong Kong dollars | 港元 | 4.1 | 1.8 |
| Renminbi | 人民幣 | 449.6 | 422.4 |
| | | 453.7 | 424.2 |

- (e) There is a bank borrowing secured by certain of the Group's trade receivables with carrying values of HK\$25.6 million (2017: HK\$4.4 million) (Note 31).

25 預付款、應收賬款及其他應收款(續)

附註：(續)

- (b) 除再生能源業務外，因本集團客戶為數不少，故應收賬款並無信貸集中之風險。
- (c) 於二零一八年十二月三十一日，為數11,300,000港元(二零一七年：7,900,000港元)之應收賬款出現減值及已全面作出相應撥備。
- (d) 本集團之應收賬款及其他應收款之賬面值以下列貨幣計值：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-------------------|-----|---------------------------------------|---------------------------------------|
| Hong Kong dollars | 港元 | 4.1 | 1.8 |
| Renminbi | 人民幣 | 449.6 | 422.4 |
| | | 453.7 | 424.2 |

- (e) 本集團有若干應收賬款，賬面值為25,600,000港元(二零一七年：4,400,000港元)已用作銀行借款之抵押(附註31)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (f) Movements on the provision for impairment of trade receivables are as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|---------------|---------------------------------------|---------------------------------------|
| At 1 January | 於一月一日 | 7.9 | 7.3 |
| Currency translation differences | 匯兌換算差額 | (0.7) | 0.6 |
| Additions | 增加 | 4.9 | - |
| Receivables written off during the year as uncollectible | 年內撇銷為不可收回之應收款 | (0.8) | - |
| At 31 December | 於十二月三十一日 | 11.3 | 7.9 |

- (g) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.
- (h) Included in prepayments and other receivables were (i) deposits held for property resettlement schemes of HK\$24.5 million (2017: HK\$27.7 million) and (ii) input value-added taxation recoverable of HK\$49.4 million (2017: HK\$18.4 million) arising from purchases of property, plant and equipment.

25 預付款、應收賬款及其他應收款(續)

附註：(續)

- (f) 應收賬款之減值撥備變動如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|---------------|---------------------------------------|---------------------------------------|
| At 1 January | 於一月一日 | 7.9 | 7.3 |
| Currency translation differences | 匯兌換算差額 | (0.7) | 0.6 |
| Additions | 增加 | 4.9 | - |
| Receivables written off during the year as uncollectible | 年內撇銷為不可收回之應收款 | (0.8) | - |
| At 31 December | 於十二月三十一日 | 11.3 | 7.9 |

(g) 於報告日期之最高信貸風險為上述各類應收款之賬面值。本集團並無持有任何抵押品作擔保。

(h) 計入預付款及其他應收款為(i)就物業迴遷計劃持有之訂金24,500,000港元(二零一七年：27,700,000港元)及(ii)應收進項增值稅49,400,000港元(二零一七年：18,400,000港元)，乃源自購買物業、機器及設備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 RESTRICTED CASH

26 受限制現金

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|-------------------|---------------------------------------|---------------------------------------|
| Restricted cash represents: | 受限制現金指： | | |
| Escrow accounts relating to deposits held for property development projects | 託管賬戶涉及多項物業發展計劃之訂金 | 476.5 | 398.0 |
| Deposits subject to regulatory restriction | 受限於監管限制之存款 | 2.4 | - |
| | | 478.9 | 398.0 |

27 SHORT-TERM BANK DEPOSITS

27 短期銀行存款

As at 31 December 2018, the short-term bank deposits are with original maturities of more than three months. The interest rates on the short-term bank deposits range from 2.69% to 3.85% per annum.

於二零一八年十二月三十一日，短期銀行存款之原到期日為超過三個月。短期銀行存款之年利率為2.69%至3.85%。

Short-term bank deposits are denominated in the following currencies:

短期銀行存款按以下貨幣計值：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-------------------|----|---------------------------------------|---------------------------------------|
| Hong Kong dollars | 港元 | 43.6 | - |
| US dollars | 美元 | 668.7 | - |
| | | 712.3 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 CASH AND CASH EQUIVALENTS

28 現金及現金等價物

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|-----------------------|---------------------------------------|---------------------------------------|
| Cash and cash equivalents comprises the following: | 現金及現金等價物包括以下各項： | | |
| Cash at bank and in hand | 銀行及手頭現金 | 1,329.7 | 1,922.6 |
| Restricted cash and bank deposits with original maturities of less than three months | 受限制現金及原到期日為三個月以下之銀行存款 | 1,038.8 | 972.8 |
| | | 2,368.5 | 2,895.4 |
| Less: Restricted cash | 減：受限制現金 | (478.9) | (398.0) |
| | | 1,889.6 | 2,497.4 |

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|------------------------------|---------------------------------------|---------------------------------------|
| Cash and cash equivalents, deposits with original maturities of less than three months and restricted cash | 現金及現金等價物、原到期日為三個月以下之存款及受限制現金 | | |
| (a) Placed in banks in the PRC: | (a) 於中國各銀行存置： | | |
| – denominated in Renminbi | – 以人民幣結算 | 1,610.8 | 2,293.1 |
| – denominated in Hong Kong dollars | – 以港元結算 | 39.3 | 41.7 |
| – denominated in US dollars | – 以美元結算 | 3.2 | 5.6 |
| (b) Placed in banks in Hong Kong: | (b) 於香港各銀行存置： | | |
| – denominated in Renminbi | – 以人民幣結算 | 9.9 | 6.0 |
| – denominated in Hong Kong dollars | – 以港元結算 | 306.1 | 348.8 |
| – denominated in US dollars | – 以美元結算 | 399.2 | 200.2 |
| | | 2,368.5 | 2,895.4 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 CASH AND CASH EQUIVALENTS (continued)

The effective interest rates at the balance sheet date were as follows:

| | 2018 | | | 2017 | | |
|--|-------------|-------------|-------------|-------|-------------|-------------|
| | 二零一八年 | | | 二零一七年 | | |
| | US\$ | HK\$ | RMB | US\$ | HK\$ | RMB |
| | 美元 | 港元 | 人民幣 | 美元 | 港元 | 人民幣 |
| Bank deposits with original maturities of less than three months | 2.39%-3.75% | 1.45%-3.05% | 0.30%-3.04% | 2.39% | 1.05%-1.45% | 0.30%-3.60% |

The maximum exposure to credit risk at the reporting date is the carrying value of the cash and bank balances stated above.

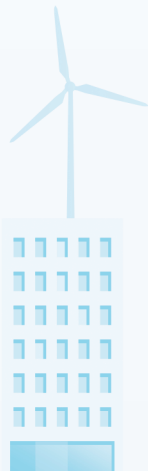
Cash and bank deposits with original maturities of less than three months of HK\$1,653.3 million (2017: HK\$2,340.4 million) are held in the Mainland China and are subject to local exchange control regulations, under which the balances could not be exported freely out of China. The repatriation of fund out from the Mainland China is possibly conducted by way of dividends or other means as complied to the regulations.

28 現金及現金等價物(續)

於結算日之實際利率如下：

於報告日期之最高信貸風險為上文所述之現金及銀行結餘賬面值。

存於中國內地之現金及原到期日為三個月以下之銀行存款1,653,300,000港元(二零一七年：2,340,400,000港元)受當地外匯管制條例所規限。該結餘不能自由輸出中國。從中國內地調出資金，須根據規定可能以股息或其他途徑進行。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE CAPITAL

29 股本

| | | Number of shares 股份數目 (Million) 百萬 | Ordinary shares 普通股 HK\$ Million 百萬港元 |
|---|--|--|---|
| Authorised | 法定 | | |
| At 1 January 2017, 31 December 2017 and 31 December 2018 | 於二零一七年一月一日、 二零一七年十二月三十一日 及二零一八年十二月 三十一日 | 1,200.0 | 300.0 |
| Issued and fully paid | 已發行及繳足 | | |
| At 1 January 2017, 31 December 2017 and 31 December 2018 | 於二零一七年一月一日、 二零一七年十二月三十一日 及二零一八年十二月 三十一日 | 528.8 | 132.2 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 RESERVES

30 儲備

| | | Share premium (Note) | Capital reserve | Contributed surplus | Other reserve | Property revaluation reserve | Exchange reserve | Financial assets at FVOCI reserve | Retained earnings | Total |
|--|-----------------------------|----------------------------|----------------------|------------------------|----------------------|------------------------------------|----------------------|--|----------------------|----------------------|
| | | 股份溢價 (附註) | 資本儲備 | 繳入盈餘 | 其他儲備 | 物業重估儲備 | 匯兌儲備 | 金融資產儲備 | 保留溢利 | 總額 |
| | | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 |
| Balance at 1 January 2018 | 於二零一八年一月一日結餘 | 8,497.9 | 655.9 | 524.7 | 8.1 | 62.7 | 1,429.8 | 9.2 | 1,950.4 | 13,138.7 |
| Currency translation differences arising from translation of financial statements of foreign operations | 換算海外業務財務報表所產生之匯兌換算差額 | | | | | | | | | |
| - subsidiaries | - 附屬公司 | - | - | - | - | - | (544.8) | - | - | (544.8) |
| - associates and a joint venture | - 聯營公司及一間合營公司 | - | - | - | - | - | (134.8) | - | - | (134.8) |
| Dividend paid | 已派股息 | - | - | (126.9) | - | - | - | - | - | (126.9) |
| Changes in ownership interests in subsidiaries that do not result in a loss of control arising from the following factor | 因下列原因導致附屬公司之擁有權益變動但未導致失去控制權 | | | | | | | | | |
| - exercise of a listed subsidiary's warrants | - 行使一間上市附屬公司之認股權證 | - | - | 22.6 | - | - | - | - | - | 22.6 |
| - acquisition of non-controlling interests of a subsidiary | - 收購一間附屬公司之非控股權益 | - | - | (18.9) | - | - | - | - | - | (18.9) |
| Profit for the year | 本年度溢利 | - | - | - | - | - | - | - | 734.1 | 734.1 |
| Balance at 31 December 2018 | 於二零一八年十二月三十一日結餘 | 8,497.9 | 655.9 | 401.5 | 8.1 | 62.7 | 750.2 | 9.2 | 2,684.5 | 13,070.0 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 RESERVES (continued)

30 儲備(續)

| | | Share premium (Note) | Capital reserve | Contributed surplus | Other reserve | Property revaluation reserve | Exchange reserve | Financial assets at FVOCI reserve 按公平值在其他全面損益列賬之金融資產儲備 | Available-for-sale investments reserve 可供出售投資儲備 | Retained earnings | Total |
|--|-----------------------------|-----------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|------------------------------|---|--|------------------------------|----------------------------|
| | | 股份溢價 (附註) HK\$ Million 百萬港元 | 資本儲備 HK\$ Million 百萬港元 | 繳入盈餘 HK\$ Million 百萬港元 | 其他儲備 HK\$ Million 百萬港元 | 物業重估儲備 HK\$ Million 百萬港元 | 匯兌儲備 HK\$ Million 百萬港元 | 金融資產儲備 HK\$ Million 百萬港元 | 可供出售投資儲備 HK\$ Million 百萬港元 | 保留溢利 HK\$ Million 百萬港元 | 總額 HK\$ Million 百萬港元 |
| Balance at 1 January 2017 | 於二零一七年一月一日結餘 | 8,497.9 | 655.9 | 601.0 | 8.1 | 10.4 | 514.1 | - | 6.0 | 1,051.6 | 11,345.0 |
| Currency translation differences arising from translation of financial statements of foreign operations | 換算海外業務財務報表所產生之匯兌換算差額 | - | - | - | - | - | 764.3 | - | - | - | 764.3 |
| - subsidiaries | - 附屬公司 | - | - | - | - | - | - | - | - | - | - |
| - associates and a joint venture | - 聯營公司及一間合營公司 | - | - | - | - | - | 151.4 | - | - | - | 151.4 |
| Dividend paid | 已派股息 | - | - | (74.0) | - | - | - | - | - | - | (74.0) |
| Investments available for sale | 可供出售投資 | - | - | - | - | - | - | - | 3.2 | - | 3.2 |
| - Gain in fair value | - 公平值收益 | - | - | - | - | - | - | - | - | - | - |
| Gain on property revaluation | 物業重估之收益 | - | - | - | - | 52.3 | - | - | - | - | 52.3 |
| Changes in ownership interests in a subsidiary that do not result in a loss of control arising from the following factor | 因下列原因導致附屬公司之擁有權益變動但未導致失去控制權 | - | - | - | - | - | - | - | - | - | - |
| - exercise of a listed subsidiary's warrants | - 行使一間上市附屬公司之認股權證 | - | - | (2.3) | - | - | - | - | - | - | (2.3) |
| Profit for the year | 本年度溢利 | - | - | - | - | - | - | - | - | 898.8 | 898.8 |
| Balance at 31 December 2017 | 於二零一七年十二月三十一日結餘 | 8,497.9 | 655.9 | 524.7 | 8.1 | 62.7 | 1,429.8 | - | 9.2 | 1,950.4 | 13,138.7 |
| Reclassification on adoption of HKFRS9 Note 2.1(a) | 採納香港財務報告準則第9號之重新分類附註2.1(a) | - | - | - | - | - | - | 9.2 | (9.2) | - | - |
| Balance at 1 January 2018 | 於二零一八年一月一日結餘 | 8,497.9 | 655.9 | 524.7 | 8.1 | 62.7 | 1,429.8 | 9.2 | - | 1,950.4 | 13,138.7 |

Note:

The application of the share premium account is governed by the Companies Act 1981 of Bermuda (as amended).

附註：

股份溢價賬之用途受百慕達一九八一公司法修訂本所管轄。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 BORROWINGS

31 借款

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|-------------|---------------------------------------|---------------------------------------|
| Non-current | 非流動 | | |
| Bank borrowings | 銀行借款 | 2,463.2 | 2,174.5 |
| Finance lease liabilities | 融資租賃負債 | 30.6 | 54.1 |
| Loans from non-controlling shareholders | 非控股股東貸款 | 274.5 | 279.5 |
| | | 2,768.3 | 2,508.1 |
| Current | 流動 | | |
| Bank borrowings | 銀行借款 | 453.3 | 260.2 |
| Finance lease liabilities | 融資租賃負債 | 20.7 | 19.8 |
| Loans from non-controlling shareholders | 非控股股東貸款 | 3.0 | 8.0 |
| | | 477.0 | 288.0 |
| Total borrowings | 借款總額 | 3,245.3 | 2,796.1 |

In 2018 and 2017, the Group's bank borrowings, except for a bank borrowing with an outstanding balance of HK\$25 million (2017: Nil), are secured by the investment properties, prepaid land lease payments, property, plant and equipment and trade receivables of the Group (Notes 14, 15, 16 and 25), certain of which are also secured by the corporate guarantee provided by the Company or its subsidiaries.

於二零一八年及二零一七年，本集團之銀行借款，除25,000,000港元(二零一七年：無)未償還銀行借款餘額外，由本集團之投資物業、預付土地租賃款、物業、機器及設備及應收賬款(附註14、15、16及25)作抵押，其中若干項亦由本公司或其附屬公司提供企業擔保作為抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 BORROWINGS (continued)

- (a) At the balance sheet date, the Group's bank borrowings were repayable as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|------------------------------------|-----------|---------------------------------------|---------------------------------------|
| Within one year | 一年內 | 453.3 | 260.2 |
| In the second year | 第二年 | 382.2 | 281.9 |
| In the third to fifth year | 第三至第五年 | 1,978.3 | 1,841.2 |
| After the fifth year | 五年後 | 102.7 | 51.4 |
| | | 2,916.5 | 2,434.7 |
| Wholly repayable within five years | 須於五年內全部償還 | 2,616.5 | 2,253.5 |
| Wholly repayable after five years | 須於五年後全部償還 | 300.0 | 181.2 |
| | | 2,916.5 | 2,434.7 |

- (b) The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|------------------|--------|---------------------------------------|---------------------------------------|
| 6 months or less | 6個月或以下 | 2,708.5 | 2,291.5 |
| 6 – 12 months | 6至12個月 | 306.2 | 216.5 |
| | | 3,014.7 | 2,508.0 |

31 借款(續)

- (a) 於結算日，本集團之銀行借款之還款期如下：

| | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Within one year | 453.3 | 260.2 |
| In the second year | 382.2 | 281.9 |
| In the third to fifth year | 1,978.3 | 1,841.2 |
| After the fifth year | 102.7 | 51.4 |
| | 2,916.5 | 2,434.7 |
| Wholly repayable within five years | 2,616.5 | 2,253.5 |
| Wholly repayable after five years | 300.0 | 181.2 |
| | 2,916.5 | 2,434.7 |

- (b) 本集團借款於結算日之利率變動風險及合約重新定價日期如下：

| | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|------------------|---------------------------------------|---------------------------------------|
| 6 months or less | 2,708.5 | 2,291.5 |
| 6 – 12 months | 306.2 | 216.5 |
| | 3,014.7 | 2,508.0 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 BORROWINGS (continued)

- (c) The Group has finance lease liabilities at the balance sheet date as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|------------------|---------------------------------------|---------------------------------------|
| Gross finance lease liabilities | 融資租賃負債總額 | | |
| – minimum lease payments | – 最低租賃款項 | | |
| Within one year | 一年內 | 23.3 | 23.9 |
| In the second year | 第二年 | 24.0 | 24.6 |
| In the third to fifth year | 第三至第五年 | 8.1 | 33.9 |
| | | 55.4 | 82.4 |
| Future finance charges on finance leases | 融資租賃之未來融資費用 | (4.1) | (8.5) |
| Present value of finance lease liabilities | 融資租賃負債之現值 | 51.3 | 73.9 |
| The present value of finance lease liabilities is as follows: | 融資租賃負債之現值如下： | | |
| Within one year | 一年內 | 20.7 | 19.8 |
| In the second year | 第二年 | 22.7 | 21.8 |
| In the third to fifth year | 第三至第五年 | 7.9 | 32.3 |
| | | 51.3 | 73.9 |

- (d) As at 31 December 2018, loans from non-controlling shareholders of HK\$277.5 million (2017: HK\$287.5 million) are unsecured, of which HK\$184.0 million (2017: HK\$193.8 million) carries interest at three to five years' People's Bank of China ("PBOC") lending rate per annum and the remaining balance of HK\$93.5 million (2017: HK\$93.7 million) is interest free.

The loans that are not expected to be repayable within twelve months are classified as non-current liabilities. The balance is mainly denominated in Renminbi.

31 借款(續)

- (c) 於結算日，本集團之融資租賃負債如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|------------------|---------------------------------------|---------------------------------------|
| Gross finance lease liabilities | 融資租賃負債總額 | | |
| – minimum lease payments | – 最低租賃款項 | | |
| Within one year | 一年內 | 23.3 | 23.9 |
| In the second year | 第二年 | 24.0 | 24.6 |
| In the third to fifth year | 第三至第五年 | 8.1 | 33.9 |
| | | 55.4 | 82.4 |
| Future finance charges on finance leases | 融資租賃之未來融資費用 | (4.1) | (8.5) |
| Present value of finance lease liabilities | 融資租賃負債之現值 | 51.3 | 73.9 |
| The present value of finance lease liabilities is as follows: | 融資租賃負債之現值如下： | | |
| Within one year | 一年內 | 20.7 | 19.8 |
| In the second year | 第二年 | 22.7 | 21.8 |
| In the third to fifth year | 第三至第五年 | 7.9 | 32.3 |
| | | 51.3 | 73.9 |

- (d) 於二零一八年十二月三十一日，277,500,000港元(二零一七年：287,500,000港元)之非控股股東貸款為無抵押，其中184,000,000港元(二零一七年：193,800,000港元)按照中國人民銀行(「中國人民銀行」)三至五年貸款年利率計息，而餘額93,500,000港元(二零一七年：93,700,000港元)則為免息。

預計不會於未來十二個月內償還之貸款被分類為非流動負債。餘額主要以人民幣計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 BORROWINGS (continued)

- (e) The effective interest rates at the balance sheet date were as follows:

| | | 2018 二零一八年 | | 2017 二零一七年 | |
|---|---------|---------------|------------|---------------|------------|
| | | HK\$ 港元 | RMB 人民幣 | HK\$ 港元 | RMB 人民幣 |
| Bank borrowings | 銀行借款 | 3.5%-4.2% | 4.9%-6.55% | - | 4.9%-6.55% |
| Finance lease liabilities | 融資租賃負債 | - | 5.75% | - | 5.75% |
| Loans from non-controlling shareholders | 非控股股東貸款 | - | 4.9% | - | 4.9% |

- (f) The carrying amounts of the borrowings are denominated in the following currencies:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-------------------|-----|---------------------------------------|---------------------------------------|
| Hong Kong dollars | 港元 | 188.0 | 3.0 |
| Renminbi | 人民幣 | 3,057.3 | 2,793.1 |
| | | 3,245.3 | 2,796.1 |

- (g) The Group has the following undrawn borrowing facilities mainly for project development purpose:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-------------------------------------|---------------|---------------------------------------|---------------------------------------|
| Fixed rate expiring beyond one year | 於一年後到期按固定利率計息 | - | 196.7 |
| Floating rate | 浮動利率 | | |
| - expiring within one year | - 於一年內到期 | 25.0 | 160.0 |
| - expiring beyond one year | - 於一年後到期 | 451.4 | 764.4 |
| | | 476.4 | 1,121.1 |

31 借款(續)

- (e) 於結算日之實際利率如下：

- (f) 借款之賬面值按下列貨幣計值：

- (g) 本集團有下列未動用借款信貸主要用於項目發展：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 TRADE AND OTHER PAYABLES

32 應付賬款及其他應付款

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-----------------------------------|------------|---------------------------------------|---------------------------------------|
| Trade payables | 應付賬款 | 18.4 | 17.1 |
| Retention payables | 應付保留款 | 93.3 | 140.1 |
| Properties sale deposits received | 已收物業銷售按金 | 79.7 | 164.3 |
| Other payables and accruals | 其他應付款及應計費用 | 1,282.9 | 1,865.5 |
| | | 1,474.3 | 2,187.0 |

(a) The ageing analysis of trade payables at year end was as follows:

(a) 於年末，應付賬款之賬齡分析如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--------------------------|----------|---------------------------------------|---------------------------------------|
| Less than 2 months | 少於2個月 | 7.1 | 5.3 |
| 2 to less than 6 months | 2至少於6個月 | – | 0.6 |
| 6 to less than 12 months | 6至少於12個月 | 0.7 | 4.1 |
| 12 months and more | 12個月及以上 | 10.6 | 7.1 |
| | | 18.4 | 17.1 |

(b) The carrying amounts of the trade and other payables are denominated in the following currencies:

(b) 應付賬款及其他應付款之賬面值按以下貨幣列值：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|-------------------|-----|---------------------------------------|---------------------------------------|
| Hong Kong dollars | 港元 | 50.8 | 65.3 |
| Renminbi | 人民幣 | 1,423.5 | 2,121.7 |
| US dollars | 美元 | – | – |
| | | 1,474.3 | 2,187.0 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 DEFERRED INCOME TAX LIABILITIES

The deferred income tax liabilities recognised and movements are as follows:

| | | Fair value adjustments on investment properties | Depreciation allowance | Tax loss | Adjustments on prepaid land lease payments | Other items | Total |
|---|-----------------------|--|---------------------------|--------------|---|--------------|--------------|
| | | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million |
| | | 百萬港元 | 百萬港元 | 百萬港元 | 百萬港元 | 百萬港元 | 百萬港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 1,417.8 | 57.5 | (2.8) | 304.4 | 13.6 | 1,790.5 |
| Currency translation differences | 匯兌換算差額 | (79.5) | (4.1) | 0.1 | (14.9) | (0.7) | (99.1) |
| Charged/(credited) to income statement (Note 11) | 於損益表扣除/(抵免) (附註11) | 179.8 | 27.5 | 0.6 | (13.1) | (3.8) | 191.0 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 1,518.1 | 80.9 | (2.1) | 276.4 | 9.1 | 1,882.4 |
| At 1 January 2017 | 於二零一七年一月一日 | 1,032.3 | 37.7 | (2.6) | 301.9 | 15.2 | 1,384.5 |
| Currency translation differences | 匯兌換算差額 | 99.7 | 3.7 | (0.2) | 23.0 | (3.6) | 122.6 |
| Charged/(credited) to income statement (Note 11) | 於損益表扣除/(抵免) (附註11) | 285.8 | 16.1 | - | (20.5) | 2.0 | 283.4 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 1,417.8 | 57.5 | (2.8) | 304.4 | 13.6 | 1,790.5 |

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$163.7 million (2017: HK\$165.5 million) in respect of tax losses of HK\$936.5 million (2017: HK\$946.3 million) to carry forward against future taxable income. These tax losses have no expiry dates except for the tax losses of HK\$105.7 million (2017: HK\$115.5 million) which will expire at various dates up to and including 2023 (2017: 2022).

34 AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder is unsecured, interest bearing at 3.5% per annum over one-month Hong Kong Interbank Offered Rate on outstanding amount and was repayable on demand. The balance is denominated in Hong Kong dollars.

33 遞延所得稅負債

已確認之遞延所得稅負債及其變動如下：

倘有可能透過未來應課稅溢利將有關之稅項利益變現，則會就結轉之稅項虧損確認遞延所得稅資產。本集團並無就稅項虧損936,500,000港元(二零一七年：946,300,000港元)確認遞延所得稅資產163,700,000港元(二零一七年：165,500,000港元)可作結轉，用以抵銷日後應課稅收入。該等稅項虧損並無到期日，惟105,700,000港元(二零一七年：115,500,000港元)之稅項虧損將於截至二零二三年(包括該年)(二零一七年：二零二二年)止各個日期到期。

34 應付一名股東款項

應付一名股東款項為無抵押，就未償還金額按一個月香港銀行同業拆息加3.5厘年利率計息，並須按要求償還。餘額以港元計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 COMMITMENTS

(a) Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

35 承擔

(a) 資本承擔

於結算日已承擔但尚未產生之資本開支如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|----------------|---------------------------------------|---------------------------------------|
| <hr/> | | | |
| (i) Capital commitments undertaken by the Group | (i) 本集團之資本承擔 | | |
| (a) Property, plant and equipment | (a) 物業、機器及設備 | | |
| – Contracted but not provided for | – 已訂約但未撥備 | 283.7 | 513.7 |
| (b) Property development projects | (b) 物業發展項目 | | |
| – Contracted but not provided for | – 已訂約但未撥備 | 159.9 | 69.1 |
| | | <hr/> 443.6 | <hr/> 582.8 |
| <hr/> | | | |
| (ii) Capital commitments undertaken by the joint venture | (ii) 合營公司之資本承擔 | | |
| Property development project | 物業發展項目 | | |
| – Contracted but not provided for | – 已訂約但未撥備 | | |
| – the Group's share | – 本集團應佔 | – | 189.5 |
| | | | <hr/> 189.5 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 COMMITMENTS (continued)

(b) Commitments under operating leases

The aggregate future minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|----------|---------------------------------------|---------------------------------------|
| No later than 1 year | 一年內 | 0.3 | 0.5 |
| Later than 1 year and no later than 5 years | 超過一年及五年內 | – | 0.3 |
| | | 0.3 | 0.8 |

(c) Future minimum rental receivable

The future aggregate minimum rental receivable under non-cancellable operating leases is as follows:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|----------|---------------------------------------|---------------------------------------|
| No later than 1 year | 一年內 | 332.7 | 207.8 |
| Later than 1 year and no later than 5 years | 超過一年及五年內 | 664.4 | 355.0 |
| Later than 5 years | 超過五年 | 130.0 | 36.6 |
| | | 1,127.1 | 599.4 |

The Group leases out investment properties under operating leases. The lease runs for an initial period of one to thirteen years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals. No contingent rent was recognised in the years ended 31 December 2018 and 2017.

35 承擔(續)

(b) 根據經營租賃之承擔

根據有關土地及樓宇之不可撤銷經營租賃之未來最低租金總額如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|----------|---------------------------------------|---------------------------------------|
| No later than 1 year | 一年內 | 0.3 | 0.5 |
| Later than 1 year and no later than 5 years | 超過一年及五年內 | – | 0.3 |
| | | 0.3 | 0.8 |

(c) 未來最低應收租金

根據不可撤銷經營租賃之未來最低應收租金總額如下：

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|----------|---------------------------------------|---------------------------------------|
| No later than 1 year | 一年內 | 332.7 | 207.8 |
| Later than 1 year and no later than 5 years | 超過一年及五年內 | 664.4 | 355.0 |
| Later than 5 years | 超過五年 | 130.0 | 36.6 |
| | | 1,127.1 | 599.4 |

本集團根據經營租賃將投資物業出租。租約初步為期一至十三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。租金一般會每年上調以反映市場租金。或然租金均未在截至二零一八年及二零一七年十二月三十一日止年度內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

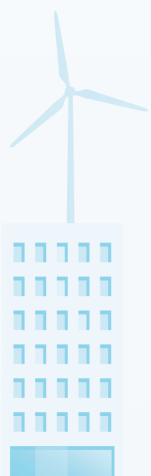
綜合財務報表附註

36 CONTINGENT LIABILITIES

- (a) The Group's investment property located in Shenzhen, the PRC is subject to housing facility fund pursuant to <深圳經濟特區住宅區物業管理條例> adopted on 1 November 1994. Contingent liabilities of RMB75.8 million (equivalent to approximately HK\$86.3 million) (2017: RMB75.8 million (equivalent to approximately HK\$90.9 million)) arising in this respect have been assessed by management with reference to the legal opinion previously obtained. Management have requested relief from the relevant local government authorities on the grounds that certain amounts of maintenance costs were already spent for the purposes as specified under the requirement of housing facility fund, hence no further provision for the fund is considered necessary.
- (b) As at 31 December 2018, the Group arranged bank financing for certain property buyers and provided guarantees of HK\$516.6 million (2017: HK\$569.5 million) in relation to the repayment obligations for those buyers. The Group had not suffered from any loss resulting from the above guarantees in the past, which was mainly because the guarantees concerned were only a transitional arrangement for property buyers prior to the completion of mortgage registration and were pledged against property rights, in addition to the fact that they will be released once the mortgage registration is completed. Considering the above factors, the Board is of the view that the possibility of default by buyers is minimal, thus the financial guarantees measured at fair value is immaterial.

36 或然負債

- (a) 根據於一九九四年十一月一日採納之《深圳經濟特區住宅區物業管理條例》，本集團位於中國深圳之一項投資物業受限於房屋公用設施專用基金。管理層已於參考過往取得之法律意見後，評估就此產生之或然負債為人民幣75,800,000元(約相當於86,300,000港元)(二零一七年：人民幣75,800,000元(約相當於90,900,000港元))。由於已根據房屋公用設施專用基金規定就所指定目的支付若干保養成本金額，管理層已向相關當地政府機關提出寬免要求，因此認為毋須對基金作進一步撥備。
- (b) 於二零一八年十二月三十一日，本集團為物業單位若干買家安排銀行融資，並就該等買家的還款責任提供擔保516,600,000港元(二零一七年：569,500,000港元)。本集團過往並未因上述擔保蒙受任何損失，主要由於有關擔保只作為物業買家在辦妥按揭抵押登記前的過渡性安排，且有關擔保經由物業產權抵押，並在按揭抵押登記完成後予以解除。基於上述原因，董事會認為，買家拖欠的可能性甚微，故按公平值計量的財務擔保微不足道。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 RELATED PARTY TRANSACTIONS

Other than the transactions and balances disclosed elsewhere in these financial statements, the material related party transactions during the year were:

- (a) At 31 December 2018, a subsidiary of the Group provided guarantee in respect of a facility granted to an associate of HK\$82.0 million (2017: HK\$100.8 million).

The transaction did not constitute a connected transaction as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

- (b) At 31 December 2018, no interest income (2017: HK\$7.9 million) was recognised by a subsidiary of the Company on the outstanding amount due from its joint venture (Note 21).

The transaction did not constitute a connected transaction as defined in Chapter 14A of the Listing Rules.

(c) Key management compensation

Key management solely represents directors of the Company. The compensation paid or payable to key management is shown as below:

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|---|------------|---------------------------------------|---------------------------------------|
| Director's fees | 董事袍金 | 1.3 | 1.3 |
| Salary and other benefits | 薪金及其他福利 | 21.9 | 21.7 |
| Employer's contribution to pension scheme | 退休金計劃之僱主供款 | 0.1 | 0.1 |
| | | 23.3 | 23.1 |

37 關聯方交易

除此等財務報表其他部分披露之交易及結餘外，年內重大關聯方交易如下：

- (a) 於二零一八年十二月三十一日，本集團一間附屬公司就授予一間聯營公司之信貸融資提供之擔保為82,000,000港元(二零一七年：100,800,000港元)。

有關交易並不構成根據香港聯合交易所有限公司證券上市規則(「上市規則」)第14A章定義之關連交易。

- (b) 於二零一八年十二月三十一日，本集團並無就一間附屬公司其應收合營公司未償還款項確認利息收入(二零一七年：7,900,000港元)(附註21)。

有關交易並不構成根據上市規則第14A章定義之關連交易。

(c) 主要管理層成員之補償

主要管理層成員僅指本公司董事。已付或應付予主要管理層成員之補償如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 RELATED PARTY TRANSACTIONS (continued)

- (d) During the year, interest expenses on amount due to a shareholder amounted to HK\$9.9 million (2017: HK\$6.2 million) with an outstanding interest expense payable of HK\$2.5 million as at 31 December 2018 (2017: HK\$6.2 million).

On 23 January 2017, a subsidiary of the Company entered into a loan facility agreement with Creator Holdings Limited (a company indirect wholly-owned by Mr. OEI Kang, Eric), under which the subsidiary of the Company might borrow up to HK\$300.0 million until 31 December 2018. The terms of the loan are set out in Note 34 to the consolidated financial statements.

The transaction did not constitute a connected transaction as defined in Chapter 14A of the Listing Rules.

On 25 August 2017, the Company entered into a standby loan facility agreement with Creator Holdings Limited (a company indirect wholly-owned by Mr. OEI Kang, Eric), under which the Company might borrow up to HK\$1,000.0 million until 31 December 2018. The loan is unsecured, interesting bearing at 2.8% per annum over one-month Hong Kong Interbank Offered Rate on principal amount and was repayable on demand. As at 31 December 2018, there has been no outstanding loan balance (31 December 2017: nil).

The transaction did not constitute a connected transaction as defined in Chapter 14A of the Listing Rules.

- (e) During the year ended 31 December 2018, an aggregate of 120,000,000 new shares of a listed subsidiary of the Group were subscribed by the Group upon the exercise of bonus warrants, at the subscription price of HK\$0.23 with the total gross payment of HK\$27.6 million.

The transaction did not constitute a connected transaction as defined in Chapter 14A of the Listing Rules.

37 關聯方交易(續)

- (d) 於本年度，就應付一名股東款項利息開支為9,900,000港元(二零一七年：6,200,000港元)，當中，於二零一八年十二月三十一日尚未償還之應付利息開支為2,500,000港元(二零一七年：6,200,000港元)。

於二零一七年一月二十三日，本公司之一間附屬公司與創達集團有限公司(該公司由黃剛先生間接全資擁有)訂立貸款融資協議，據此，直至二零一八年十二月三十一日，本公司之附屬公司可借入最多300,000,000港元。貸款之條款載於綜合財務報表附註34。

有關交易並不構成根據上市規則第14A章定義之關連交易。

於二零一七年八月二十五日，本公司與創達集團有限公司(該公司由黃剛先生間接全資擁有)訂立備用貸款融資協議，據此，直至二零一八年十二月三十一日，本公司可借入最多1,000,000,000港元。該筆貸款為無抵押，以一個月香港銀行同業拆息加2.8厘年利率計息(按本金計算)，並須按要求償還。於二零一八年十二月三十一日並無未償還貸款結餘(二零一七年十二月三十一日：無)。

有關交易並不構成根據上市規則第14A章定義之關連交易。

- (e) 截至二零一八年十二月三十一日止年度，本集團按認購價每股0.23港元行使本集團於一間上市附屬公司之認股權證，合共兌換120,000,000股新股份，款項總額為27,600,000港元。

有關交易並不構成根據上市規則第14A章定義之關連交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 NOTES TO CONSOLIDATED CASH FLOW STATEMENT

38 綜合現金流量表附註

(a) Reconciliation of operating profit to net cash generated from operations

(a) 經營溢利與經營業務所得現金淨額之對賬

| | | 2018 二零一八年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 |
|--|--------------------------------|---------------------------------------|---------------------------------------|
| Profit before income tax | 所得稅前溢利 | 1,269.5 | 1,714.9 |
| Finance income | 財務收入 | (41.8) | (32.1) |
| Depreciation and amortisation | 折舊及攤銷 | 98.1 | 92.6 |
| Fair value adjustments on investment properties | 投資物業之公平值調整 | (696.5) | (1,110.0) |
| Write-back of provision of trade and other payables | 應付賬款及其他應付款撥備撥回 | - | (32.0) |
| Net exchange (gain)/loss | 匯兌(收益)/虧損淨額 | (53.1) | 18.8 |
| Gain on disposal of property, plant and equipment – net | 出售物業、機器及設備之收益 – 淨額 | (0.3) | (1.0) |
| Fair value gain on financial assets and financial liabilities at fair value through profit or loss – net | 按公平值在損益表列賬之金融資產及金融負債公平值收益 – 淨額 | - | 0.1 |
| Gain on settlement of a financial liability at fair value through profit or loss | 結算按公平值在損益表列賬之金融負債收益 | - | (131.2) |
| Gain on disposal of a financial asset at fair value through profit or loss | 出售按公平值在損益表列賬之金融資產收益 | - | (23.9) |
| Finance costs | 融資成本 | 33.4 | 40.7 |
| Impairment losses on trade and other receivables | 應收賬款及其他應收款之減值虧損 | 10.2 | - |
| Provision for impairment of trade receivables | 應收賬款之減值撥備 | 4.9 | - |
| Share of profits less losses of associates | 應佔聯營公司溢利減虧損 | (89.4) | (97.1) |
| Share of loss of a joint venture | 應佔一間合營公司虧損 | 65.9 | 47.8 |
| Operating profit before working capital changes | 營運資金變動前經營溢利 | 600.9 | 487.6 |
| Increase in properties under development | 發展中物業增加 | (43.7) | (5.8) |
| Increase in prepaid land lease payments | 預付土地租賃款增加 | (2.1) | (2.0) |
| Decrease in properties held for sale | 作銷售用途之物業減少 | 484.1 | 1,085.5 |
| Decrease/(increase) in inventories | 存貨減少/(增加) | 2.2 | (2.6) |
| (Increase)/decrease in other non-current receivables and trade and other receivables | 其他非流動應收款以及應收賬款及其他應收款(增加)/減少 | (147.9) | 74.7 |
| Decrease in other non-current payables and trade and other payables | 其他非流動應付款以及應付賬款及其他應付款減少 | (96.2) | (70.6) |
| Cash generated from operations | 經營業務所得現金 | 797.3 | 1,566.8 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 NOTES TO CONSOLIDATED CASH FLOW STATEMENT (continued)

(b) Reconciliation of liabilities arising from financing activities

38 綜合現金流量表附註(續)

(b) 融資活動負債之對賬

| | | Borrowings 借款 | Amount due to a shareholder 應付一名股東款項 | Total 總計 |
|------------------------------|---------------|----------------------|---|----------------------|
| | | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 | HK\$ Million 百萬港元 |
| As at 1 January 2018 | 於二零一八年一月一日 | (2,796.1) | (226.2) | (3,022.3) |
| Cash (inflows)/outflows | 現金(流入)/流出 | | | |
| – principal, net | – 本金, 淨額 | (611.6) | 25.0 | (586.6) |
| Cash outflows | 現金流出 | | | |
| – interest payment | – 支付利息 | – | 13.6 | 13.6 |
| Foreign exchange adjustment | 匯兌調整 | 159.3 | – | 159.3 |
| Other non-cash movements | 其他非現金變動 | 3.1 | (9.9) | (6.8) |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | (3,245.3) | (197.5) | (3,442.8) |
| As at 1 January 2017 | 於二零一七年一月一日 | (2,944.4) | – | (2,944.4) |
| Cash outflows/(inflows), net | 現金流出/(流入), 淨額 | 353.8 | (220.0) | 133.8 |
| Foreign exchange adjustment | 匯兌調整 | (211.4) | – | (211.4) |
| Other non-cash movements | 其他非現金變動 | 5.9 | (6.2) | (0.3) |
| As at 31 December 2017 | 於二零一七年十二月三十一日 | (2,796.1) | (226.2) | (3,022.3) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY 39 本公司資產負債表及儲備變動

Balance sheet of the Company

本公司資產負債表

| | | As at 31 December | |
|---|------------------------|-------------------|----------------|
| | | 於十二月三十一日 | |
| | | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 |
| | | HK\$ Million | HK\$ Million |
| | | 百萬港元 | 百萬港元 |
| Note | | | |
| 附註 | | | |
| ASSETS | 資產 | | |
| Non-current asset | 非流動資產 | | |
| Investments in subsidiaries | 於附屬公司之投資 | 154.4 | 157.5 |
| Current assets | 流動資產 | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | 8,949.7 | 9,414.3 |
| Other receivables | 其他應收款 | 0.3 | 0.3 |
| Cash and cash equivalents | 現金及現金等價物 | 1.9 | 96.7 |
| Total current assets | 流動資產總額 | 8,951.9 | 9,511.3 |
| Total assets | 資產總額 | 9,106.3 | 9,668.8 |
| EQUITY | 權益 | | |
| Capital and reserves attributable to equity holders of the Company | 本公司權益持有人應佔資本及儲備 | | |
| Share capital | 股本 | 132.2 | 132.2 |
| Reserves (Note) | 儲備(附註) | 8,970.3 | 9,533.0 |
| Total equity | 權益總額 | 9,102.5 | 9,665.2 |
| LIABILITY | 負債 | | |
| Current liability | 流動負債 | | |
| Other payables | 其他應付款 | 3.8 | 3.6 |
| Total liability | 負債總額 | 3.8 | 3.6 |
| Total equity and liability | 權益及負債總額 | 9,106.3 | 9,668.8 |

OEI Kang, Eric
LEUNG Wing Sum, Samuel
Directors

黃剛
梁榮森
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

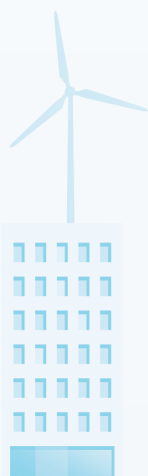
39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

39 本公司資產負債表及儲備變動(續)

Note: Reserve movement of the Company

附註：本公司儲備變動

| | | Share premium | Contributed surplus | Exchange reserve | Retained earnings/ (Accumulated losses) | Total |
|----------------------------------|-----------------|------------------|------------------------|---------------------|--|--------------|
| | | 股份溢價 | 繳入盈餘 | 匯兌儲備 | 保留盈利/ (累計虧損) | 總額 |
| | | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million |
| | | 百萬港元 | 百萬港元 | 百萬港元 | 百萬港元 | 百萬港元 |
| Balance at 1 January 2018 | 於二零一八年一月一日結餘 | 8,497.9 | 656.7 | 276.0 | 102.4 | 9,533.0 |
| Currency translation differences | 匯兌換算差額 | - | - | (484.4) | - | (484.4) |
| Dividend paid | 已付股息 | - | (126.9) | - | - | (126.9) |
| Profit for the year | 本年度溢利 | - | - | - | 48.6 | 48.6 |
| Balance at 31 December 2018 | 於二零一八年十二月三十一日結餘 | 8,497.9 | 529.8 | (208.4) | 151.0 | 8,970.3 |
| Balance at 1 January 2017 | 於二零一七年一月一日結餘 | 8,497.9 | 730.7 | (168.7) | (5.5) | 9,054.4 |
| Currency translation differences | 匯兌換算差額 | - | - | 444.7 | - | 444.7 |
| Dividend paid | 已付股息 | - | (74.0) | - | - | (74.0) |
| Profit for the year | 本年度溢利 | - | - | - | 107.9 | 107.9 |
| Balance at 31 December 2017 | 於二零一七年十二月三十一日結餘 | 8,497.9 | 656.7 | 276.0 | 102.4 | 9,533.0 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 BENEFITS AND INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

The remuneration of every director and chief executive officer is set out below:

For the year ended 31 December 2018:

| Name | 姓名 | Fees | Salary [#] | Discretionary bonuses [#] | Employer's contribution to pension scheme [#] | Total |
|-------------------------------|-----|----------|---------------------|------------------------------------|--|----------|
| | | 袍金 | 薪金 [#] | 酌情花紅 [#] | 退休金計劃之僱主供款 [#] | 總額 |
| | | 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 |
| OEI Tjie Goan | 黃志源 | - | - | - | - | - |
| OEI Kang, Eric* | 黃剛* | 175.0 | 12,221.6 | 1,251.9 | 36.0 | 13,684.5 |
| LEE Shiu Yee, Daniel | 李肇怡 | 100.0 | 2,789.1 | 326.3 | 18.0 | 3,233.4 |
| WONG Jake Leong, Sammy | 黃植良 | 175.0 | 2,520.3 | 294.3 | 36.0 | 3,025.6 |
| LEUNG Wing Sum, Samuel | 梁榮森 | 175.0 | 2,193.9 | 256.6 | 36.0 | 2,661.5 |
| CHUNG Cho Yee, Mico | 鍾楚義 | 240.0 | - | - | - | 240.0 |
| CHENG Yuk Wo | 鄭毓和 | 240.0 | - | - | - | 240.0 |
| Albert Thomas DA ROSA, Junior | 羅凱栢 | 240.0 | - | - | - | 240.0 |
| | | 1,345.0 | 19,724.9 | 2,129.1 | 126.0 | 23,325.0 |

* Chief Executive Officer

The amounts represented emoluments in respect of services provided in connection with the management of the affairs of the Company or its subsidiaries undertaking.

40 董事及主要行政人員之福利及權益

各董事及行政總裁的酬金如下：

截至二零一八年十二月三十一日止年度：

* 行政總裁

其金額代表在與管理本公司或其附屬公司的事務有關連情況下提供服務的薪酬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 BENEFITS AND INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES (continued)

For the year ended 31 December 2017:

| Name | 姓名 | Fees | Salary [#] | Discretionary bonuses [#] | Employer's contribution to pension scheme [#] | Total |
|-------------------------------|-----|----------|---------------------|------------------------------------|--|----------|
| | | 袍金 | 薪金* | 酌情花紅* | 退休金計劃之僱主供款* | 總額 |
| | | 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 |
| OEI Tjie Goan | 黃志源 | - | - | - | - | - |
| OEI Kang, Eric* | 黃剛* | 175.0 | 12,116.1 | 1,201.9 | 36.0 | 13,529.0 |
| LEE Shiu Yee, Daniel | 李肇怡 | 100.0 | 2,693.4 | 450.0 | 18.0 | 3,261.4 |
| WONG Jake Leong, Sammy | 黃植良 | 175.0 | 2,495.2 | 239.3 | 36.0 | 2,945.5 |
| LEUNG Wing Sum, Samuel | 梁榮森 | 175.0 | 2,125.4 | 309.1 | 36.0 | 2,645.5 |
| CHUNG Cho Yee, Mico | 鍾楚義 | 240.0 | - | - | - | 240.0 |
| CHENG Yuk Wo | 鄭毓和 | 240.0 | - | - | - | 240.0 |
| Albert Thomas DA ROSA, Junior | 羅凱栢 | 240.0 | - | - | - | 240.0 |
| | | 1,345.0 | 19,430.1 | 2,200.3 | 126.0 | 23,101.4 |

* Chief Executive Officer

The amounts represented emoluments in respect of services provided in connection with the management of the affairs of the Company or its subsidiaries undertaking.

40 董事及主要行政人員之福利及權益 (續)

截至二零一七年十二月三十一日止年度：

| Name | 姓名 | Fees | Salary [#] | Discretionary bonuses [#] | Employer's contribution to pension scheme [#] | Total |
|-------------------------------|-----|----------|---------------------|------------------------------------|--|----------|
| | | 袍金 | 薪金* | 酌情花紅* | 退休金計劃之僱主供款* | 總額 |
| | | 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 |
| OEI Tjie Goan | 黃志源 | - | - | - | - | - |
| OEI Kang, Eric* | 黃剛* | 175.0 | 12,116.1 | 1,201.9 | 36.0 | 13,529.0 |
| LEE Shiu Yee, Daniel | 李肇怡 | 100.0 | 2,693.4 | 450.0 | 18.0 | 3,261.4 |
| WONG Jake Leong, Sammy | 黃植良 | 175.0 | 2,495.2 | 239.3 | 36.0 | 2,945.5 |
| LEUNG Wing Sum, Samuel | 梁榮森 | 175.0 | 2,125.4 | 309.1 | 36.0 | 2,645.5 |
| CHUNG Cho Yee, Mico | 鍾楚義 | 240.0 | - | - | - | 240.0 |
| CHENG Yuk Wo | 鄭毓和 | 240.0 | - | - | - | 240.0 |
| Albert Thomas DA ROSA, Junior | 羅凱栢 | 240.0 | - | - | - | 240.0 |
| | | 1,345.0 | 19,430.1 | 2,200.3 | 126.0 | 23,101.4 |

* 行政總裁

其金額代表在與管理本公司或其附屬公司的事務有關連情況下提供服務的薪酬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 BENEFITS AND INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES (continued)

During the year ended 31 December 2018, Mr. OEI Tjie Goan voluntarily waived annual director's fee of HK\$100,000 (2017: HK\$100,000).

During the year, other benefits and remunerations in respect of accepting office as director were paid to or receivable by the directors in respect of their services as directors (2017: same as 2018). During the year, no emoluments were paid or receivable by the directors in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking (2017: Nil).

(i) Directors' retirement benefits

The retirement benefits paid to directors during the year ended 31 December 2018 by a defined contributions plan as disclosed in Note 10 in respect of their services as a director of the company and its subsidiaries is HK\$126,000 (2017: HK\$126,000). No other retirement benefits were paid to or receivables by the directors in respect of their services as directors of the Company and its subsidiaries or other services in connection with the management of the affairs of the company or its subsidiary undertaking (2017: Nil).

(ii) Directors' termination benefits

During the year, no payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2017: Nil).

40 董事及主要行政人員之福利及權益 (續)

截至二零一八年十二月三十一日止年度，黃志源先生自願放棄年度董事袍金100,000港元(二零一七年：100,000港元)。

年內，概無董事就擔任董事所提供的服務獲支付或應收有關接受委任為董事的其他福利及薪酬(二零一七年：與二零一八年相同)。年內，董事概無就管理公司或其附屬公司事務而提供之其他服務而支付或應收任何酬金(二零一七年：無)。

(i) 董事退休福利

截至二零一八年十二月三十一日止年度，本公司透過附註10所披露之界定供款退休計劃向董事支付的就彼等擔任本公司及其附屬公司董事的退休福利為126,000港元(二零一七年：126,000港元)。概無就彼等擔任本公司及其附屬公司董事或就彼等提供有關本公司或其附屬公司管理事務的其他服務向董事支付或應付其他退休福利(二零一七年：無)。

(ii) 董事離職福利

年內，概無就董事終止董事服務而直接或間接向董事支付或提供任何付款或福利；亦無任何應付款項(二零一七年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 BENEFITS AND INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES (continued)

(iii) Consideration provided to third parties for making available directors' services

During the year, no consideration was provided to or receivable by third parties for making available directors' services (2017: Nil).

(iv) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year, there are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2017: Nil).

(v) Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

40 董事及主要行政人員之福利及權益 (續)

(iii) 就獲取董事服務而向第三方支付之代價

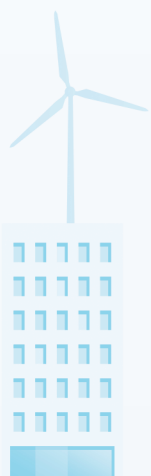
年內，概無就獲取董事服務而向第三方支付或收取任何代價(二零一七年：無)。

(iv) 有關以董事、董事之受控制法團及關連實體為受益人之貸款、準貸款及其他交易之資料

年內，概無以董事、董事之受控制法團及關連實體為受益人之貸款、準貸款或其他交易(二零一七年：無)。

(v) 董事於交易、安排或合約中之重大權益

並無有關集團業務而本公司作為其中一方且本公司董事於其中(不論直接或間接)擁有重大權益(於本年底或於年內任何時間存在)的重大交易、安排及合約(二零一七年：無)。



PRINCIPAL SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE

主要附屬公司、聯營公司及一間合營公司

Listed below are the principal subsidiaries, associates and a joint venture which, in the opinion of the directors, principally affect the result and/or net assets of the Group for the year ended 31 December 2018.

下表載列董事認為對本集團截至二零一八年十二月三十一日止年度業績及／或資產淨值有影響之主要附屬公司、聯營公司及合營公司詳情。

1 PRINCIPAL SUBSIDIARIES

1 主要附屬公司

| Name 名稱 | Place of incorporation/ operation and kind of legal entity ^a 註冊成立／經營地點及 法律實體類型 ^a | Principal activities 主要業務 | Issued share capital/ Paid up registered capital | | Group's effective equity interest | |
|--|--|--|---|--------------------------------|--------------------------------------|---------------|
| | | | 2018 二零一八年 | 2017 二零一七年 | 2018 二零一八年 | 2017 二零一七年 |
| (a) Investment holding 投資控股 | | | | | | |
| APC Wind Power Pte Limited [†] | Singapore 新加坡 | Investment holding 投資控股 | SGD10 10新加坡元 | SGD10 10新加坡元 | 55.69% | 53.95% |
| China Renewable Energy Investment Limited ^{†*} 中國再生能源投資有限公司 ^{†*} | Cayman Islands/PRC 開曼群島／中國 | Investment holding 投資控股 | HK\$25,061,575 25,061,575港元 | HK\$23,646,924 23,646,924港元 | 55.69% | 53.95% |
| China Renewable Energy (Nanxun) Limited [†] 中國再生能源(南淞)有限公司 [†] | Hong Kong/PRC 香港／中國 | Investment holding 投資控股 | HK\$1 1港元 | HK\$1 1港元 | 55.69% | 53.95% |
| China Renewable Energy (Songxian) Limited [†] 中國再生能源(嵩縣)有限公司 [†] | Hong Kong/PRC 香港／中國 | Investment holding 投資控股 | HK\$1 1港元 | HK\$1 1港元 | 55.69% | 53.95% |
| China Harvest Holdings Limited [†] 中行集團有限公司 [†] | Hong Kong/PRC 香港／中國 | Investment holding 投資控股 | HK\$1,000,000 1,000,000港元 | HK\$1,000,000 1,000,000港元 | 100% | 100% |
| HKC (China) Management Company Limited [†] 香港建設(中國)管理有限公司 | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Provision of management services in the PRC 於中國提供管理服務 | US\$8,000,000 8,000,000美元 | US\$8,000,000 8,000,000美元 | 100% | 100% |
| HKC Investment Limited [†] 香港建設投資有限公司 [†] | Hong Kong/PRC 香港／中國 | Investment holding 投資控股 | HK\$77,113,850 77,113,850港元 | HK\$77,113,850 77,113,850港元 | 100% | 100% |
| HKC (Nanxun) Holdings Limited [†] 香港建設(南淞)建材城控股有限公司 [†] | Hong Kong/PRC 香港／中國 | Investment holding 投資控股 | HK\$2 2港元 | HK\$2 2港元 | 100% | 100% |
| HKC Property Investments (China) Limited [†] 香港建設物業投資(中國)有限公司 [†] | British Virgin Islands/PRC 英屬處女群島／中國 | Investment holding 投資控股 | US\$1 1美元 | US\$1 1美元 | 100% | 100% |

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE

主要附屬公司、聯營公司及一間合營公司

1 PRINCIPAL SUBSIDIARIES (continued)

1 主要附屬公司(續)

| Name 名稱 | Place of incorporation/ operation and kind of legal entity ^a 註冊成立/經營地點及 法律實體類型 ^Δ | Principal activities 主要業務 | Issued share capital/ Paid up registered capital | | Group's effective equity interest | |
|---|--|------------------------------|---|----------------------------------|--------------------------------------|---------------|
| | | | 已發行股本/實付註冊資本 2018 二零一八年 | 2017 二零一七年 | 本集團之實際股本權益 2018 二零一八年 | 2017 二零一七年 |
| (a) Investment holding (continued) 投資控股(續) | | | | | | |
| HKC Shenyang Hunan Investments Limited ⁺ 香港建設瀋陽潭南投資有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$1 1港元 | HK\$1 1港元 | 100% | 100% |
| HKE (Da He) Holdings Limited ⁺ 香港新能源(大河)控股有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$1 1港元 | HK\$1 1港元 | 55.69% | 53.95% |
| HKE (Danjinghe) Wind Power Limited ⁺ 香港新能源(單晶河)風能有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$4 4港元 | HK\$4 4港元 | 55.69% | 53.95% |
| HKE (Gansu) Wind Power Limited ⁺ 香港新能源(甘肅)風能有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$1 1港元 | HK\$1 1港元 | 55.69% | 53.95% |
| Hong Kong Construction (Interior Contracting) Limited ⁺ 香港建設(裝修工程)有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$10,000 10,000港元 | HK\$10,000 10,000港元 | 100% | 100% |
| Hong Kong Construction Tianjin Tuan Po Hu Investment Limited ⁺ 香港建設天津團泊湖投資有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$462,000,000 462,000,000港元 | HK\$462,000,000 462,000,000港元 | 100% | 100% |
| Hong Kong Construction (Hong Kong) Limited 香港建設(香港)工程有限公司 | Hong Kong 香港 | Investment holding 投資控股 | HK\$150,000,000 150,000,000港元 | HK\$150,000,000 150,000,000港元 | 100% | 100% |
| Hong Kong New Energy (Si Zi Wang Qi) Wind Power Limited ⁺ 香港新能源(四子王旗)風能有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$2 2港元 | HK\$2 2港元 | 55.69% | 53.95% |
| Hong Kong New Energy (Si Zi Wang Qi II) Wind Power Limited ⁺ 香港新能源(四子王旗二期)風能有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$1,000 1,000港元 | HK\$1,000 1,000港元 | 55.69% | 53.95% |

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE

主要附屬公司、聯營公司及一間合營公司

1 PRINCIPAL SUBSIDIARIES (continued)

1 主要附屬公司(續)

| Name 名稱 | Place of incorporation/ operation and kind of legal entity ^a 註冊成立/經營地點及 法律實體類型 ^Δ | Principal activities 主要業務 | Issued share capital/ Paid up registered capital | | Group's effective equity interest | |
|--|--|--|---|----------------------------------|--------------------------------------|---------------|
| | | | 已發行股本/實付註冊資本 2018 二零一八年 | 2017 二零一七年 | 本集團之實際股本權益 2018 二零一八年 | 2017 二零一七年 |
| (a) Investment holding (continued) 投資控股(續) | | | | | | |
| HKC (Shanghai Guangtian) Holdings Limited ⁺ 香港建設(上海廣田)控股有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$1 1港元 | HK\$1 1港元 | 100% | 100% |
| Karboy Investment Limited ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$10,000,000 10,000,000港元 | HK\$10,000,000 10,000,000港元 | 100% | 100% |
| Noble Quest Enterprises Limited | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | Investment holding 投資控股 | US\$1 1美元 | US\$1 1美元 | 100% | 100% |
| Sinoriver International Limited ⁺ 中川國際有限公司 ⁺ | British Virgin Islands/PRC 英屬處女群島/中國 | Investment holding 投資控股 | US\$1 1美元 | US\$1 1美元 | 55.69% | 53.95% |
| Sinoriver International (Wind Power) Limited ⁺ 中川國際(風電)有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$20 20港元 | HK\$20 20港元 | 55.69% | 53.95% |
| The Legation Quarter Limited ⁺ 四合投資經營管理有限公司 ⁺ | Hong Kong/PRC 香港/中國 | Investment holding 投資控股 | HK\$82,105,263 82,105,263港元 | HK\$82,105,263 82,105,263港元 | 80.4% | 70.9% |
| (b) Property investment 物業投資 | | | | | | |
| Hong Kong Construction (China) Engineering Company Limited ⁺ 香港建設(中國)工程有限公司 ⁺ | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Investment in shopping mall of South Ocean Centre, Shenzhen, the PRC 投資中國深圳市南海 中心的商場 | US\$85,500,000 85,500,000美元 | US\$85,500,000 85,500,000美元 | 100% | 100% |
| Karboy Real Estate Development (Shenzhen) Company Limited ⁺ 祈福房地產開發(深圳)有限公司 ⁺ | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Investment in offices, and shopping mall of Shun Hing Square, Shenzhen, the PRC 投資中國深圳市信興廣場 的辦公室及商場 | US\$155,000,000 155,000,000美元 | US\$155,000,000 155,000,000美元 | 100% | 100% |

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE

主要附屬公司、聯營公司及一間合營公司

1 PRINCIPAL SUBSIDIARIES (continued)

1 主要附屬公司(續)

| Name 名稱 | Place of incorporation/ operation and kind of legal entity ^a 註冊成立/經營地點及 法律實體類型 ^a | Principal activities 主要業務 | Issued share capital/ Paid up registered capital | | Group's effective equity interest | |
|--|--|---|---|---------------------------------------|--------------------------------------|---------------|
| | | | 已發行股本/實付註冊資本 2018 二零一八年 | 2017 二零一七年 | 本集團之實際股本權益 2018 二零一八年 | 2017 二零一七年 |
| (b) Property investment (continued) 物業投資(續) | | | | | | |
| Sky Universe Limited | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | Property holding of 9/F., Tower 1 South Seas Centre, Tsimshatsui, Kowloon, Hong Kong 持有位於香港九龍尖沙咀 南洋中心1期9樓之物業 | US\$1 1美元 | US\$1 1美元 | 100% | 100% |
| 東江米巷花園(北京)餐飲有限公司* | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Investment in property for restaurants and retails in Beijing, the PRC 投資中國北京市物業作 餐廳及零售 | US\$18,200,000 18,200,000美元 | US\$18,200,000 18,200,000美元 | 80.4% | 70.9% |
| Shanghai Guangtian Real Estate Development Company Limited ^a 上海廣田房地產開發有限公司* | PRC Sino-foreign equity joint venture 中國中外合資企業 | Real estate development in Hongkou District in Shanghai, the PRC 於中國上海市虹口區 開發房地產 | RMB2,300,000,000 人民幣2,300,000,000元 | RMB2,300,000,000 人民幣2,300,000,000元 | 60% | 60% |
| (c) Property development 物業發展 | | | | | | |
| Huzhou Nanxun International Building Market Center Company Limited ^a 湖州南浔國際建材城有限公司* | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Development and operation of a building materials centre in Huzhou, the PRC 於中國湖州發展及 營運建築材料中心 | US\$48,000,000 48,000,000美元 | US\$48,000,000 48,000,000美元 | 100% | 100% |
| Tianjin Jingang Real Estate Investment Company Limited ^a 天津市金港置業投資有限公司* | PRC Limited liability company 中國有限責任公司 | Real estate development in Nankai District in Tianjin, the PRC 於中國天津市南開區 開發房地產 | RMB500,000,000 人民幣500,000,000元 | RMB500,000,000 人民幣500,000,000元 | 100% | 100% |

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE

主要附屬公司、聯營公司及一間合營公司

1 PRINCIPAL SUBSIDIARIES (continued)

1 主要附屬公司(續)

| Name 名稱 | Place of incorporation/ operation and kind of legal entity ^a 註冊成立/經營地點及 法律實體類型 ^Δ | Principal activities 主要業務 | Issued share capital/ Paid up registered capital | | Group's effective equity interest | |
|---|--|--|---|-----------------------------------|--------------------------------------|---------------|
| | | | 已發行股本/實付註冊資本 2018 二零一八年 | 2017 二零一七年 | 本集團之實際股本權益 2018 二零一八年 | 2017 二零一七年 |
| (c) Property development (continued) 物業發展(續) | | | | | | |
| Tianjin Eka Properties Company Limited ^a 天津奕聯置業有限公司 ^a | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Real estate development in Tuanbo Lake of Jinhai County in Tianjin, the PRC 於中國天津市靜海縣團泊湖 開發房地產 | HK\$452,200,000 452,200,000港元 | HK\$452,200,000 452,200,000港元 | 100% | 100% |
| Tianjin Ruigang Enterprise Management Company Limited ^a 天津市瑞港企業管理有限公司 ^a | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Real estate development in Tianjin, the PRC 於中國天津市開發房地產 | HK\$230,000,000 230,000,000港元 | HK\$690,000,000 690,000,000港元 | 100% | 100% |
| 鑫港置業(瀋陽)有限公司 ^a | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Real estate development at Ningbo Road in Heping District in Shenyang, the PRC 於中國瀋陽市和平區寧波路 開發房地產 | HK\$928,000,000 928,000,000港元 | HK\$928,000,000 928,000,000港元 | 100% | 100% |
| 香港建設(江門)物業發展有限公司 ^a | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Real estate development in Jiangmen, the PRC 於中國江門市開發房地產 | RMB260,000,000 人民幣260,000,000元 | RMB260,000,000 人民幣260,000,000元 | 100% | 100% |
| (d) Renewable energy 再生能源 | | | | | | |
| Asia Wind Power (Mudanjiang) Company Limited ^a 亞洲風力發電(牡丹江)有限公司 ^a | PRC Sino-foreign equity joint venture 中國中外合資企業 | Wind Power project in Heilongjiang, the PRC 於中國黑龍江之風力發電項目 | HK\$100,000,000 100,000,000港元 | HK\$100,000,000 100,000,000港元 | 47.89% | 46.40% |
| Hong Kong Wind Power (Muling) Company Limited ^a 香港風力發電(穆稜)有限公司 ^a | PRC Sino-foreign equity joint venture 中國中外合資企業 | Wind Power project in Heilongjiang, the PRC 於中國黑龍江之風力發電項目 | HK\$150,100,000 150,100,000港元 | HK\$150,100,000 150,100,000港元 | 48.27% | 46.76% |

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE

主要附屬公司、聯營公司及一間合營公司

1 PRINCIPAL SUBSIDIARIES (continued)

1 主要附屬公司(續)

| Name 名稱 | Place of incorporation/ operation and kind of legal entity ^a 註冊成立/經營地點及 法律實體類型 ^Δ | Principal activities 主要業務 | Issued share capital/ Paid up registered capital | | Group's effective equity interest | | |
|---|--|---|---|-----------------------------------|--------------------------------------|---------------|--|
| | | | 已發行股本/實付註冊資本 2018 二零一八年 | 2017 二零一七年 | 本集團之實際股本權益 2018 二零一八年 | 2017 二零一七年 | |
| (d) Renewable energy (continued) 再生能源(續) | | | | | | | |
| Huzhou HKE Energy Limited ⁺ 湖州港能新能源有限公司 ⁺ | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Distributed Solar project in Nanxun, Zhejiang, the PRC 於中國浙江南浔之分布式 太陽能項目 | RMB15,000,000 人民幣15,000,000元 | RMB6,000,000 人民幣6,000,000元 | 55.69% | 53.95% | |
| Songxian HKE Wind Power Limited ⁺ 嵩縣港能風電有限公司 ⁺ | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Wind Power project in Songxian, Henan, the PRC 於中國河南嵩縣 之風力發電項目 | RMB174,000,000 人民幣174,000,000元 | RMB149,000,000 人民幣149,000,000元 | 55.69% | 53.95% | |
| 港建新能源四子王旗風能有限公司 ⁺ | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Wind Power project in Siziwang Qi, Inner Mongolia, the PRC 於中國內蒙古四子王旗之 風力發電項目 | RMB166,480,000 人民幣166,480,000元 | RMB166,480,000 人民幣166,480,000元 | 55.69% | 53.95% | |
| 港能新能源四子王旗風能有限公司 ⁺ | PRC Wholly foreign-owned enterprise 中國外商獨資企業 | Wind Power project in Siziwang Qi, Inner Mongolia, the PRC 於中國內蒙古四子王旗之 風力發電項目 | RMB172,526,500 人民幣172,526,500元 | RMB172,526,500 人民幣172,526,500元 | 55.69% | 53.95% | |
| (e) Property services 物業服務 | | | | | | | |
| Shenzhen Kumagai Property Management Company Limited ⁺ 深圳熊谷物業管理有限公司 ⁺ | PRC Sino-foreign equity joint venture 中國中外合資企業 | Provision of property management service 提供物業管理服務 | HK\$60,000,000 60,000,000港元 | HK\$60,000,000 60,000,000港元 | 100% | 100% | |

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE

主要附屬公司、聯營公司及一間合營公司

2 PRINCIPAL ASSOCIATES

2 主要聯營公司

| Name 名稱 | Issued share capital/registered capital 已發行股本/註冊資本 | | Place of incorporation/operation 註冊成立/經營地點 | Group's effective equity interest 本集團之實際股本權益 | |
|---|---|-----------------------------------|--|--|--------|
| | 2018 | 2017 | | 2018 | 2017 |
| | 二零一八年 | 二零一七年 | | 二零一八年 | 二零一七年 |
| (a) Property investment 物業投資 | | | | | |
| Hong Kong Construction SMC Development Limited ⁺ 香港建設規壳發展有限公司 ⁺ | HK\$10,000,000 10,000,000港元 | HK\$10,000,000 10,000,000港元 | Hong Kong/PRC 香港/中國 | 40% | 40% |
| (b) Renewable energy 再生能源 | | | | | |
| CECIC HKC (Gansu) Wind Power Company Limited ⁺ 中節能港建(甘肅)風力發電有限公司 ⁺ | RMB589,620,000 人民幣589,620,000元 | RMB589,620,000 人民幣589,620,000元 | PRC 中國 | 22.28% | 21.58% |
| CECIC HKC Wind Power Company Limited ⁺ 中節能港建風力發電(張北)有限公司 ⁺ | RMB545,640,000 人民幣545,640,000元 | RMB545,640,000 人民幣545,640,000元 | PRC 中國 | 22.28% | 21.58% |
| CECIC HKE Wind Power Company Limited ⁺ 中節能港能風力發電(張北)有限公司 ⁺ | RMB323,260,000 人民幣323,260,000元 | RMB323,260,000 人民幣323,260,000元 | PRC 中國 | 16.71% | 16.19% |

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE

主要附屬公司、聯營公司及一間合營公司

3 A JOINT VENTURE

3 一間合營公司

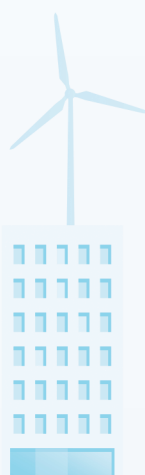
| Name 名稱 | Form of business structure/ Kind of legal entity 業務架構形式／法律實體類型 | Place of establishment/operation 註冊成立／經營地點 | Group's effective equity interest 本集團之實際股本權益 | |
|--|--|--|--|---------------|
| | | | 2018 二零一八年 | 2017 二零一七年 |
| Property investment 物業投資 | | | | |
| Shanghai Jingang North Bund Real Estate Company Limited [◊] 上海金港北外灘置業有限公司 ⁺ | Wholly foreign-owned enterprise 外商獨資企業 | PRC 中國 | 25% | 25% |

Notes:

- ◊ Unofficial English transliterations or translation for identification purposes only
- + Interest held by subsidiaries
- ◊ China Renewable Energy Investment Limited is listed on the Stock Exchange of which the stock code is 987.
- Δ The above legal entities are limited liability company, unless otherwise stated.

附註：

- ◊ 非正式英文字譯或翻譯僅供識別之用
- + 權益由附屬公司持有
- ◊ 中國再生能源投資有限公司於聯交所上市，股份代號為987。
- Δ 除另有列明外，上述法律實體為有限公司。



FIVE-YEAR FINANCIAL SUMMARY

五年財務資料概要

| | | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------------------|----------------|--------------|--------------|--------------|--------------|
| | | 二零一八年 | 二零一七年 | 二零一六年 | 二零一五年 | 二零一四年 |
| | | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million |
| | | 百萬港元 | 百萬港元 | 百萬港元 | 百萬港元 | 百萬港元 |
| Consolidated income statement | | 綜合損益表 | | | | |
| Revenue | 收益 | 1,270 | 1,789 | 1,640 | 1,273 | 881 |
| Profit/(loss) before income tax | 所得稅前溢利／(虧損) | 1,269 | 1,715 | 1,189 | (571) | 218 |
| Income tax expense | 所得稅支出 | (312) | (471) | (600) | (9) | (169) |
| Profit/(loss) for the year | 本年度溢利／(虧損) | 957 | 1,244 | 589 | (580) | 49 |
| Non-controlling interests | 非控股權益 | (223) | (345) | (203) | 82 | (136) |
| Profit/(loss) attributable to equity holders of the Company | 本公司權益持有人應佔溢利／(虧損) | 734 | 899 | 386 | (498) | (87) |
| Dividends | 股息 | 127 | 74 | – | – | – |
| Consolidated balance sheet | | 綜合資產負債表 | | | | |
| Net current assets | 流動資產淨額 | 2,058 | 1,576 | 1,946 | 2,167 | 2,666 |
| Non-current assets | 非流動資產 | 18,547 | 18,679 | 15,304 | 15,724 | 16,610 |
| Non-current liabilities | 非流動負債 | (4,651) | (4,299) | (3,623) | (4,049) | (4,180) |
| Net assets including non-controlling interests | 資產淨額(包括非控股權益) | 15,954 | 15,956 | 13,627 | 13,842 | 15,096 |
| Share capital | 股本 | 132 | 132 | 132 | 132 | 116 |
| Reserves | 儲備 | 13,070 | 13,139 | 11,345 | 11,628 | 12,587 |
| Non-controlling interests | 非控股權益 | 2,752 | 2,685 | 2,150 | 2,082 | 2,393 |
| Total equity | 權益總額 | 15,954 | 15,956 | 13,627 | 13,842 | 15,096 |
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| | | 二零一八年 | 二零一七年 | 二零一六年 | 二零一五年 | 二零一四年 |
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 | 港元 |
| Earnings/(loss) per share [#] | 每股盈利／(虧損) [#] | | | | | |
| – basic | – 基本 | 1.388 | 1.700 | 0.730 | (1.002) | (0.193) |
| – diluted | – 攤薄 | 1.383 | 1.700 | 0.728 | (1.032) | (0.228) |
| Dividend per share [#] | 每股股息 [#] | | | | | |
| – attributable to the year | – 年度應佔 | 0.24 | 0.14 | – | – | – |
| Return on total equity ^Δ | 權益總額回報率 ^Δ | 6.0% | 7.8% | 4.3% | (4.2%) | 0.3% |

FIVE-YEAR FINANCIAL SUMMARY

五年財務資料概要

Notes:

- # Earnings/(loss) per share and dividend per share were restated to reflect the share consolidation.

Pursuant to an ordinary resolution passed by the shareholders of the Company at the special general meeting held on 6 October 2016, every twenty-five (25) ordinary shares of HK\$0.01 each in the issued and unissued share capital of the Company were consolidated into one (1) consolidated ordinary share of HK\$0.25 each in the issued and unissued share capital of the Company effective on 7 October 2016.

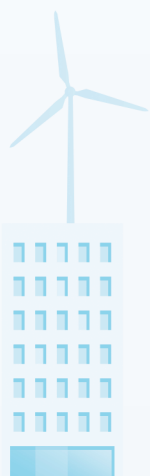
- △ Return on total equity represents profit/loss for the year expressed as a percentage of the closing total equity for the year concerned.

附註：

- # 每股盈利／(虧損)及每股股息已經重列，以反映股份合併。

根據本公司股東於二零一六年十月六日舉行之股東特別大會上通過之普通決議案，將每二十五(25)股本公司股本中每股面值0.01港元之已發行及未發行普通股合併為一(1)股本公司股本中每股面值0.25港元之已發行及未發行合併普通股，於二零一六年十月七日生效。

- △ 權益總額回報率為本年度溢利／虧損於有關年度年終權益總額之百分比。



SCHEDULE OF PRINCIPAL PROPERTIES

主要物業一覽表

(as at the date of the annual report)
(於本年報日期)

INVESTMENT PROPERTIES – completed

投資物業—已落成

| Location | Existing use | Shareholding | (Approx.) | (Approx.) | Term of lease |
|---|-----------------------------|--------------|-----------|------------------|---------------|
| | | | GFA | Attributable GFA | |
| | | | (sq.m.) | (sq.m.) | |
| | | | (大約) | (大約) | |
| 地點 | 目前用途 | 股權 | 樓面總面積 | 應佔樓面總面積 | 租賃期 |
| | | | (平方米) | (平方米) | |
| The shopping mall, all car parking spaces and 1/F, 2/F and 58/F offices, Shun Hing Square, Di Wang Commercial Centre, No. 5002 Shennan Road East, Luohu, Shenzhen, the PRC 位於中國深圳市羅湖區深南東路5002號信興廣場地王商業中心的購物商場、所有停車場及1樓、2樓及58樓辦公室 | Offices and shops 辦公室及商店 | 100% | 31,000 | 31,000 | Medium 中期 |
| The shopping mall and all car parking spaces, South Ocean Centre, Dongmen Road Central, Shenzhen, the PRC 位於中國深圳市東門中路南海中心的購物商場及所有停車場 | Shops 商店 | 100% | 6,300 | 6,300 | Medium 中期 |
| Various shops, No. 23 Qianmen, Dong Dajie, Dongcheng, Beijing, the PRC 位於中國北京市東城區前門東大街23號的多間商舖 | Shops 商店 | 80.4% | 17,100 | 13,700 | Short 短期 |
| Various shops in Zone B & C, Construction Materials Market, Nanxun Economic Development District, Huzhou City, Zhejiang Province, the PRC 位於中國浙江省湖州市南潯經濟開發區建築及裝修材料商城B區及C區的多間商舖 | Shops 商店 | 100% | 97,000 | 97,000 | Medium 中期 |

SCHEDULE OF PRINCIPAL PROPERTIES

主要物業一覽表

(as at the date of the annual report)
(於本年報日期)

INVESTMENT PROPERTIES – completed (continued)

投資物業 – 已落成 (續)

| Location | Existing use | Shareholding | (Approx.) | (Approx.) | Term of lease |
|---|--------------------------------|--------------|-----------|------------------|---------------|
| | | | GFA | Attributable GFA | |
| | | | (sq.m.) | (sq.m.) | |
| | | | (大約) | (大約) | |
| 地點 | 目前用途 | 股權 | 樓面總面積 | 應佔樓面總面積 | 租賃期 |
| | | | (平方米) | (平方米) | |
| Three apartment units, various shops and all car parking spaces of CITIC Plaza, No. 233 Tianhe Road North, Tianhe District, Guangzhou, Guangdong Province, the PRC 位於中國廣東省廣州市天河區天河北路233號 中信廣場的3個住宅單位、多間商舖及所有停車場 | Shops and residential 商店及住宅 | 40% | 35,300 | 14,100 | Medium 中期 |
| Units 1 to 7 on 28th Floor, Offices of City Centre, Junctions of Xikang Road and Chengdu Road, Heping District, Tianjin, the PRC 位於中國天津市和平區西康路與成都道交口 賽頓中心28樓辦公室1-7號單位 | Offices 辦公室 | 100% | 1,487 | 1,487 | Medium 中期 |
| The shopping mall, office tower 1 and 2 of Shanghai Landmark Center, No. 88 Sichuan North Road, Hongkou District, Shanghai, the PRC 位於中國上海市虹口區四川北路88號 上海星薈中心的購物商場、一座及二座辦公樓 | Offices and shops 辦公室及商店 | 60% | 191,000 | 114,600 | Medium 中期 |
| The shopping mall, office tower of Sinar Mas Plaza, located in the Northern side of the International Passenger Transportation Cruise Terminal of Hongkou District, Shanghai, the PRC 位於中國上海市虹口區國際郵輪碼頭北側白玉蘭廣場的購物商場及辦公樓 | Offices and shops 辦公室及商店 | 25% | 253,000 | 63,250 | Medium 中期 |
| Various portions of 9th floor of Tower 1, South Seas Centre, No. 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong 位於香港九龍尖沙咀東麼地道75號南洋中心一期9樓的若干部份 | Offices 辦公室 | 100% | 425 | 425 | Medium 中期 |
| | | | | 341,862 | |

SCHEDULE OF PRINCIPAL PROPERTIES

主要物業一覽表

(as at the date of the annual report)
(於本年報日期)

PROPERTIES UNDER DEVELOPMENT

– for sale purpose

發展中物業

– 作銷售用途

| Location | Intended use | Share- holding | Stage of completion | Expected year of completion | (Approx.) | (Approx.) | (Approx.) |
|--|--------------------------------|-------------------|--|--------------------------------|-----------------------|------------------------|--------------------------------|
| | | | | | Site area (sq.m.) | GFA (sq.m.) | Attributable GFA (sq.m.) |
| 地點 | 擬定用途 | 股權 | 落成階段 | 預期 落成年份 | (大約) 地盤面積 (平方米) | (大約) 樓面總面積 (平方米) | (大約) 應佔樓面 總面積 (平方米) |
| A parcel of land along the eastern shore of Tuanbo Lake, Jinhai County, Tianjin, the PRC 位於中國天津市靜海縣團泊湖內東部沿岸一幅土地 | Residential 住宅 | 100% | Planning stage 規劃階段 | – | 804,000 | 836,000 | 836,000 |
| Two parcels of land (Zone A, C2) located at Ningpo Road, Heping District, Shenyang, the PRC 位於中國瀋陽市和平區寧波路之兩幅土地(A·C2區) | Residential and shops 住宅及商店 | 100% | Construction stage and Planning stage 工程階段及規劃階段 | 2019-2020 二零一九年至二零二零年 | 26,000 | 81,000 | 81,000 |
| | | | | | | | 917,000 |

SCHEDULE OF PRINCIPAL PROPERTIES

主要物業一覽表

(as at the date of the annual report)
(於本年報日期)

PROPERTIES HELD FOR SALE

作銷售用途之物業

| Location | Intended use | Shareholding | (Approx.) Site area (sq.m.) | (Approx.) GFA (sq.m.) | (Approx.) GFA remain unsold as at 31 December 2018 (大約)於 二零一八年 十二月三十一日 尚未出售之 樓面總面積 (平方米) | (Approx.) Attributable GFA remain unsold as at 31 December 2018 (大約)應佔於 二零一八年 十二月三十一日 尚未出售之 樓面總面積 (平方米) |
|---|-----------------------------------|--------------|-----------------------------------|-----------------------------|--|--|
| | | | | | | |
| 地點 | 擬定用途 | 股權 | (大約) 地盤面積 (平方米) | (大約) 樓面總面積 (平方米) | (大約)於 二零一八年 十二月三十一日 尚未出售之 樓面總面積 (平方米) | (大約)應佔於 二零一八年 十二月三十一日 尚未出售之 樓面總面積 (平方米) |
| Various shops in Zone B & C, Construction Materials Market, Nanxun Economic Development District, Huzhou City, Zhejiang Province, the PRC 位於中國浙江省湖州市 南潯經濟開發區 建築及裝修材料商城 B區及C區的多間商舖 | Shops 商店 | 100% | 68,000 | 83,000 | 24,100 | 24,100 |
| Various residential units in Tianjin Eka Garden, South of Hongqi South Road, Nanki District, Tianjin, the PRC 位於中國天津市南開區 紅旗南路以南天津奕聰花園 之多間住宅 | Residential 住宅 | 100% | 54,000 | 150,000 | 28,400 | 28,400 |
| Various residential units and shops in Jiangmen Eka Garden, Jianghai District, Jiangmen, Guangdong Province, the PRC 位於中國廣東省江門市江海區 江門奕聰花園之多間住宅及商舖 | Residential and shops 住宅及商店 | 100% | 95,000 | 189,000 | 24,200 | 24,200 |
| Various residential units (Zone B, B1-B4, B6-B11, Zone C1, C5-C6) in Shenyang Eka Garden, Ningpo Road, Heping District, Shenyang, the PRC 位於中國瀋陽市和平區 寧波路瀋陽奕聰花園 (B區B1-B4 · B6-B11 · C1區C5-C6) 之多間住宅 | Residential 住宅 | 100% | 41,000 | 183,000 | 26,600 | 26,600 |
| | | | | | 103,300 | 103,300 |

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