

China Ocean Industry Group Limited 中海重工集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 00651



Annual Report
2018 年報



Contents 目錄

		PAGE 頁次
Corporate Information	公司資料	2
Chairman's Statement	主席報告	5
Management Discussion and Analysis	管理層討論及分析	7
Report on Corporate Governance	企業管治報告	28
Directors' Report	董事會報告	45
Independent Auditor's Report	獨立核數師報告	65
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	81
Consolidated Statement of Financial Position	綜合財務狀況報表	83
Consolidated Statement of Changes in Equity	綜合權益變動表	85
Consolidated Statement of Cash Flows	綜合現金流量表	87
Notes to the Consolidated Financial Statements	綜合財務報表附註	90
Financial Summary	財務摘要	328



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive directors:

Mr. Li Ming (*Chairman*)
Mr. Zhang Shi Hong (*Chief Executive Officer*)
Mr. Zhang Weibing
Mr. Liu Jin

Non-executive director:

Mr. Chau On Ta Yuen (*Honorary Chairman*)
Mr. Lin Lie (appointed on 3 September 2018)

Independent non-executive directors:

Mr. Hu Bai He
Ms. Xiang Siying
Ms. Xiang Ying

AUDIT COMMITTEE

Mr. Hu Bai He (*Chairman*)
Ms. Xiang Siying
Ms. Xiang Ying

REMUNERATION COMMITTEE

Ms. Xiang Ying (*Chairman*)
Ms. Xiang Siying
Mr. Hu Bai He
Mr. Zhang Shi Hong

NOMINATION COMMITTEE

Ms. Xiang Ying (*Chairman*)
Ms. Xiang Siying
Mr. Hu Bai He
Mr. Li Ming

董事會

執行董事：

李明先生 (主席)
張士宏先生 (行政總裁)
張偉兵先生
劉進先生

非執行董事：

周安達源先生 (名譽主席)
林烈先生 (於二零一八年九月三日獲委任)

獨立非執行董事：

胡柏和先生
項思英女士
向穎女士

審核委員會

胡柏和先生 (主席)
項思英女士
向穎女士

薪酬委員會

向穎女士 (主席)
項思英女士
胡柏和先生
張士宏先生

提名委員會

向穎女士 (主席)
項思英女士
胡柏和先生
李明先生



Corporate Information 公司資料

COMPANY SECRETARY

Mr. Tong Yiu On

公司秘書

唐耀安先生

AUTHORISED REPRESENTATIVES

Mr. Zhang Shi Hong

Mr. Tong Yiu On

授權代表

張士宏先生

唐耀安先生

AUDITOR

Asian Alliance (HK) CPA Limited
Suites 313-316
3/F., Shui On Centre
6-8 Harbour Road, Wan Chai
Hong Kong

核數師

華融(香港)會計師事務所有限公司
香港
灣仔港灣道6-8號
瑞安中心3樓
313-316室

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE

Unit 2107, 21/F.,
West Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

主要辦公地點

香港
干諾道中168-200號
信德中心
西翼
21樓2107室



Corporate Information

公司資料

PRINCIPAL SHARE REGISTRAR

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

BRANCH REGISTRAR IN HONG KONG

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

PRINCIPAL BANKERS

China Merchants Bank Co. Ltd.
Bank of Communications Co. Ltd.
Chiyu Banking Corporation Ltd.
Industrial and Commercial Bank of China (Asia) Limited

COMPANY WEBSITE

www.irasia.com/listco/hk/chinaoceanindustry

STOCK CODE

Stock Exchange of Hong Kong: 0651

主要股份過戶登記處

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

股份過戶登記處香港分處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

招商銀行股份有限公司
交通銀行股份有限公司
集友銀行有限公司
中國工商銀行(亞洲)有限公司

公司網址

www.irasia.com/listco/hk/chinaoceanindustry

股份代號

香港聯交所：0651



Chairman's Statement 主席報告

On behalf of the board of directors, I am pleased to present the annual report of China Ocean Industry Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2018.

For the year ended 31 December 2018, the Group recorded audited consolidated revenue of debit balance for the year attributable to owners of the Company amounting to approximately HK\$468.03 million, and a loss attributable to shareholders of the Company of approximately HK\$1,545.44 million, representing an increase of 152.61% compared to last year, respectively.

2018 was the first year for the Group to integrate resources with a focus on Jiangxi Shipbuilding, and also a year of endless efforts in keeping normal operation by the Group. Facing heavy burden left by shipping building business, risk arising from the guidance fund of Zhoushan Municipal Government and acceleration of financing issues of the real economy, all businesses of the Group are under huge pressure. In order to cope with risks, on the one hand, we enhance the communication with governments and financial institutions in order to get support and assistance, and on the other hand, we streamline the frontlines of our strategies on the whole to integrate resources by gathering competitive resources.

Presently, Jiangxi Shipbuilding has made progress in its cooperation with stronger shipyards. The use of Jiangxi Shipbuilding's riverbank of the Yangtze River, yards and land resources will enter into a new stage and a business system featuring resource development and yard logistics services will be gradually established, generating new income source for the Group. Based on this, we have initiated negotiation with institutions and partners with the support from governments at different levels in an effort to seek resolutions addressing our debt risks.

In order to optimise asset-liability structure and shorten management chain, the Group is seeking to exit from some investments and dispose some assets. While carrying on such task, the Group will perform merger and acquisition or extension on associated upstream and downstream industries on the basis of consolidating resources, with a hope to create a brand new industrial chain, which can address the lack of liquidity of the Group.

本人謹代表董事會呈報中海重工集團有限公司（「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年報。

本集團於截至二零一八年十二月三十一日止年度分別錄得本公司擁有人應佔年內經審核綜合收益借方結餘約468.03百萬港元，而本公司股東應佔虧損約1,545.44百萬港元，較去年增加152.61%。

二零一八年是本集團圍繞江州船廠整合資源的開篇之年，也是本集團盡一切努力保持正常運營的一年。面對造船業務的沉重歷史包袱，面對舟山市政府引導基金出現的風險，面對實體經濟融資問題的加劇，集團各項業務都面臨著很大壓力。面對各種挑戰，我們一方面加強與政府、金融機構的溝通，取得各方的支持與協助；一方面從整體戰略上收縮戰線，集中優勢資源進行資源整合。

目前，江州船廠與優勢船廠的合作正取得積極進展，江州船廠長江岸線、碼頭以及土地資源的利用將進入新的階段，以資源開發、碼頭物流服務為主的業務體系將逐步搭建，將為本集團帶來新的收益來源。以此為依託，在各級政府的協助下，我們與各金融機構和合作夥伴的協商已經開始，以尋求債務風險化解之策。

為優化資產負債結構，縮短管理鏈條，集團正在謀求退出一些投資，對一些資產進行處置。這項工作進行的同時，為增強集團的流動性，集團將在整合資源的基礎上，對上下游關聯產業進行並購或延展，以期打造全新產業鏈，以應對目前存在集團流動性不足的問題。



Chairman's Statement

主席報告

Looking into 2019, we will have to change pressure into driving force and keep our commitment to the real economy and equipment business by maintaining our shipbuilding business, equipment business and car-parking business and by developing businesses such as logistics, transportation and supply chain. In this regard, we will closely work with financial institutions, investment institutions and business partners in order to raise working capital via multiple ways for promoting business development.

The structural reform of the Chinese economy and the support from the state to the real economy are the reasons behind our confidence in greater efficiency in the Group's resource integration and business extension, not failing shareholders' eager anticipation of us.

In closing, I would like to express my heartfelt appreciation to our shareholders, investors and partners for their strong support. I would also like to express my gratitude to our directors and all Group employees for their diligence and valuable contributions.

展望二零一九年，我們需要變壓力為動力，不改對實體經濟、對裝備產業的堅守，盤活存量資產，在造船產業、裝備產業、停車場產業繼續保持的同時，開拓物流、運輸和供應鏈貿易等業務，與金融機構、投資機構、合作夥伴密切合作，採取多種方式籌集營運資金，支持業務發展。

中國經濟的結構性改革以及國家對實體經濟的支援，使我們有理由相信本集團的資源整合和業務延展將更加有效，不負廣大股東對我們的熱切期待。

最後，本人對股東、投資者及合作夥伴給予我們之鼎力支持致以衷心感謝。同時，亦感謝董事及集團全體僱員之辛勤付出及貢獻。





Management Discussion and Analysis

管理層討論及分析

OVERVIEW

China Ocean Industry Group Limited is engaged in the intelligent car-parking and automotive electronics business, shipbuilding business, manufacture and sales of steel structure business, trading business and finance lease business.

The Group has been focusing on investment in the real economy for more than a decade, especially shipbuilding business. While committed to shipbuilding business in Jiangxi province, the Group has also sought opportunities for alliance in shipbuilding business in coastal areas such as Nantong and Zhoushan, in response to difficulties in the shipbuilding industry. However, the continued downturn in the global shipping and shipbuilding industries, as well as the recent pressure on the real economy and private enterprises in the PRC, have brought tremendous pressure to the Group's shipbuilding business and affected other businesses of the Group. In 2018, the integration of the shipbuilding industry and the redeployment of resources were the main works of the Group. In addition to the acceleration of the disposal of ships with delayed delivery, and application of the partnership construction for ships under construction, the Group also handled the historical issues of the shipbuilding business by steps, to shake off the burden as soon as possible, which created a good environment for its business reorganization.

The intelligent car-parking and automotive electronics business and the manufacture and sales of steel structure business invested by the Group in the course of business transformation were affected by factors such as difficult and expensive financing and rising costs. At the same time, due to the tight cash flow of shipbuilding business and related guarantee issues, the business shrank. Especially for the manufacture and sales of steel structure business, despite the large business order volume, the customer's accounts receivables were recovered slowly and the labor cost grew fast. Meanwhile, the banks' premature recovery of loans resulted in mounting financial pressure, which affected the normal development of the business. The Group strove to stabilize the basic production order, reduce risks and enhance sustainability by measures such as renting out the premises, suspending the proprietary business and laying off staff.

概覽

中海重工集團有限公司經營智慧停車及汽車電子業務、造船業務、製造及銷售鋼結構業務以及貿易業務金融租賃業務。

本集團十幾年來專注於實體經濟的投資，特別是造船業務，本集團在堅持江西造船業務的同時，也在南通、舟山等沿海地區在造船業務上尋求聯合的機會，以共同應對造船業的困境。但全球航運以及造船業的持續低迷，以及近期中國實體經濟和民營企業承受的壓力，都給本集團的造船業務帶來巨大壓力，並波及到集團其他業務。二零一八年，對造船業務的整合和資產的重整，是本集團的重點工作，除了加快了對延遲交付船舶的處置，在建船舶也採取了合作建造的措施，同時將造船業務的歷史遺留問題逐步處置，以期盡快甩掉歷史包袱，為本集團的業務重整創造良好條件。

本集團在業務轉型過程中投資的智慧停車及汽車電子業務、製造及銷售鋼結構業務，受制於融資難、融資貴、成本上升等因素的影響，同時由於造船業務現金流緊張、關聯擔保等問題的影響，業務出現萎縮。特別是製造及銷售鋼結構業務，雖然業務訂單量大，但客戶應收帳款回收慢、人工成本增長快，同時由於銀行抽貸，資金壓力巨大，影響到了業務的正常開展，本集團採取了對外出租場地、暫停自營業務、裁減人員等措施，穩定基本生產秩序，降低風險，增強可持續能力。



Management Discussion and Analysis

管理層討論及分析

Generally speaking, the development of China's real economy has been affected by many unfavorable factors in the recent period. Since the end of last year, China has been adjusting the policies, and the development environment of the real economy is expected to be further improved, which will also have a positive impact on the Group's business.

For the year ended 31 December 2018, the Group recorded an external revenue of debit balance of approximately HK\$468.03 million (2017: HK\$349.24 million), which was abnormal mainly due to the reversal of revenue arising from the failure to take delivery of certain vessels by buyers. The delay in delivery of the six vessels is a thorny issue that the Group has been trying to resolve for years. The shipbuilding business of Jiangxi Shipbuilding is the core business that the Group has been focusing adjustment efforts for many years. Affected by rising labor costs, increasing financing costs, depressed market conditions and other factors, the shipbuilding business has become an increasingly heavy encumbrance for the Group's overall business. The Group's strategy is to dispose of the existing undelivered vessels as soon as possible, seek cooperation with advanced shipyards and revitalize the spare land, plant, coastline and other resources. The Group will dispose of the aforementioned vessels involved in the revenue reversal as soon as possible to relieve the burden and create conditions for the restructuring of the shipbuilding business and the consolidation of shipbuilding assets.

During the year under review, the gross loss of the Group amounted to approximately HK\$357.46 million (2017: gross loss of HK\$322.39 million), the increase was mainly due to the losses in shipbuilding business as compared to last year.

The Group's finance cost increased from approximately HK\$173.49 million to approximately HK\$271.84 million, mainly due to the interest incurred on prepayment of vessels and the increase in the finance cost.

During the year under review, the share of loss of joint venture amounted to approximately HK\$472.15 million, which was due to the provision of bad debts of the Group for investment risks arising from the guided fund which was jointly set up by the Group and a platform company invested by Zhejiang Zhoushan Municipal Government.

總體來講，中國實體經濟的發展在前段時間受到了很多不利因素的影響，從去年年底開始，國家政策正在調整，實體經濟的發展環境料將進一步改善，對本集團的業務也將產生正面影響。

截至二零一八年十二月三十一日止年度，本集團錄得外部收益借方結餘約468.03百萬港元（二零一七年：349.24百萬港元），收入的非正常，緣於船舶棄船帶來的收入回撥。六條延遲交付船舶，是本集團多年來一直努力解決的棘手問題。江西船廠的造船業務，是多年來本集團重點調整的核心業務，面對人工成本上升、融資成本高企、市場行情低迷等多種因素的影響，造船業務給本集團整體業務的拖累越來越大。本集團採取的策略是盡快處置現有未交付船舶，尋求與先進船廠的合作，並將富裕的土地、廠房、岸線等資源盤活。收入衝回的這幾艘船舶，本集團將盡快處置，甩掉包袱，為造船業務的重整以及造船資產的整合創造條件。

於回顧年度，本集團之毛虧為約357.46百萬港元（二零一七年：毛虧322.39百萬港元），比去年有所增加，主要由於造船業務的虧損所致。

本集團之財務成本由約173.49百萬港元上升至約271.84百萬港元，主要是船舶預付款利息以及融資成本上升所致。

於回顧年度，分佔合營企業之虧損為約472.15百萬港元，緣於本集團與浙江省舟山市政府投資平臺公司合作成立的政府引導基金出現投資風險，本集團計提壞帳準備。



Management Discussion and Analysis 管理層討論及分析

Overall, the Group recorded a loss attributable to shareholders of approximately HK\$1,545.44 million (2017: loss of HK\$611.79 million) during the year ended 31 December 2018, increasing substantially as compared to last year, mainly due to the significant increase in the share of loss of joint venture, and the adverse impact on the performance from factors such as the impairment of rescinded vessels, the impairment of goodwill and intangible assets, the adjustment of steel structure business and the increase of finance expenses.

SHIPBUILDING BUSINESS

The shipbuilding business recorded external revenue of debit balance of approximately HK\$626.37 million (2017: debit balance of HK\$78.99 million) during the year under review, which is negative mainly due to the return of the income from the four vessels abandoned.

Shipbuilding business is the core business of the Group, but due to the impact of the overall downturn in the shipbuilding industry, coupled with the practical difficulties faced by the real economy, it is imperative to carry out the restructuring of the shipbuilding business. Disposal of delay delivery of these vessels and provision for significant impairments are the beginning of the restructuring and the throes that the Group must bear.

In order to completely change the encumbrance of the shipbuilding business to the Group, the Group will continue to promote cooperation with leading shipbuilding enterprises with a view to restructuring assets of Jiangzhou Shipbuilding. Meanwhile, the Group committed to expand the logistic, storage and shipping business leveraging on its location advantages and shoreline of Yangtze River, and related work is in progress.

總體而言，本集團於截至二零一八年十二月三十一日止年度錄得股東應佔虧損約1,545.44百萬港元（二零一七年：虧損611.79百萬港元），與去年相比大幅增加，主要是分佔合營企業之虧損出現大幅上升，被棄船舶減值、商譽和無形資產減值、鋼結構業務調整以及財務費用上升等因素也對業績造成不利影響。

造船業務

造船業務於回顧年度錄得外部收益為借方結餘約626.37百萬港元（二零一七年：借方結餘78.99百萬港元），收入為負，系四艘船舶被棄，收入回撥所致。

造船業務是本集團的核心業務，但受造船業整體低迷的影響，加上實體經濟面臨的實際困難，本集團造船業務的重整勢在必行。處置這幾艘延期交付船舶，提取大額減值準備，是這個過程的開始，也是本集團必須面對的陣痛。

為徹底改變造船業務對本集團的掣肘，本集團繼續推進與造船龍頭企業的合作，並借此重整江州造船資產，同時利用船廠的區位優勢和長江岸線資源，拓展物流、倉儲、航運服務等業務，相關工作正在進行之中。



Management Discussion and Analysis

管理層討論及分析

INTELLIGENT CAR-PARKING AND AUTOMOTIVE ELECTRONICS BUSINESS

For the year ended 31 December 2018, the intelligent car-parking and automotive electronics business recorded an external revenue of approximately HK\$135.34 million (2017: HK\$120.43 million) with an increase of 12.38% as compared to last year. The Group's intelligent car-parking business and automotive electronics business are basically stable, but also should be expanded jointly through the industry. The Group will restructure the business and equity in accordance with the different circumstances of its subsidiaries in due course, with a view to better adapting to the changes in the market.

MANUFACTURE AND SALES OF STEEL STRUCTURE BUSINESS

For the year ended 31 December 2018, the steel structure business recorded an external revenue of approximately HK\$21.21 million (2017: HK\$281.02 million), representing a decrease of 92.45% as compared with last year. The manufacture and sales of steel structure business is a new major business developed by the Group, enjoying broad market and large business volume. However, due to the delayed settlement of amounts for contract work and adverse changes in financing environment, there is great pressure on funds. At the same time, as the Group's manufacture and sales of steel structure business is adjacent to the main channel of the lower reaches of the Yangtze River, and there are plans to build a new bridge across the Yangtze River from the plant area, some unfavorable social factors occurred and thus affected the business and development of the Company to a certain extent. In order to stabilize the situation, the Group changed its business model and leased the production site to large state-owned enterprises to maintain its production capacity for further development, which resulted in a significant drop in sales revenue.

智慧停車及汽車電子業務

截至二零一八年十二月三十一日止年度，智慧停車及汽車電子業務錄得外部收益約135.34百萬港元（二零一七年：120.43百萬港元），較上年增加12.38%。本集團的智慧停車及汽車電子業務基本穩定，但也需要通過行業聯合進行擴展，本集團將根據附屬公司的不同情況，適時對業務架構、股權架構作出調整，以期更適應市場的變化。

製造及銷售鋼結構業務

截至二零一八年十二月三十一日止年度，製造及銷售鋼結構橋樑業務錄得外部收益約21.21百萬港元（二零一七年：281.02百萬港元），較上年減少92.45%。製造及銷售鋼結構橋樑業務是本集團重點開發的新業務，市場廣闊，業務量大，但是由於工程款結算不及時，融資環境出現不利變化，導致資金壓力較大。同時，由於本集團的製造及銷售鋼結構業務處在長江下游主航道邊上，有建設新的長江大橋從廠區通過的規劃，導致社會上出現了一些對公司經營不利的因素，由此使得公司業務和發展受到了一定波及。為此，本集團為穩定局面，改變了業務模式，生產場地採取租賃方式，租賃給大型國有企業進行生產，保住生產能力，再圖發展。由此導致銷售收入大幅下降。



Management Discussion and Analysis 管理層討論及分析

With the help of the local government, the unfavorable factors are gradually being resolved. Benefiting from the prosperity of domestic infrastructure construction, the manufacture and sales of steel structure business will still have great development potentials. The Group has started to strengthen cooperation with large state-owned infrastructure construction enterprises, and are gradually recovering orders.

FINANCE LEASE BUSINESS

The finance lease company established in Zhoushan with joint contribution by the Group and the government investment platform company is in stable operation. In order to improve the debt situation, the Group will dispose this business.

DISCLAIMER OF OPINION

As disclosed in the Auditor's report on pages from 65 to 80 of this annual report, the Auditor do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of the Auditor's report, the Auditors have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. Such qualification are mainly the results of the issues surrounding the Six Vessels which have not been delivered to the Two Customers according to the schedule as set out in the respective shipbuilding contracts and the going concern of the Group.

在當地政府的幫助下，不利因素在逐步得到化解。受益於國內基礎設施建設的繁榮，製造及銷售鋼結構業務仍將有很大發展空間，本集團已經開始加強與大型國有基礎設施建設企業的合作，訂單逐步在恢復當中。

金融租賃業務

本集團在舟山與政府投資平臺公司合資設立的融資租賃公司運行平穩。為改善資產負債狀況，本集團將出售這部份業務。

無法表示意見

誠如本年報第65至80頁之核數師報告所披露，核數師並不就本集團之綜合財務報表發表意見。基於核數師報告中「無法表示意見基準」一節所述事宜之重要性，核數師未能取得充分及恰當之審核憑證，以就該等綜合財務報表發表審核意見。有關保留意見乃主要涉及有關未能根據相關造船合約所述時間表向兩名客戶交付六艘船舶及本集團持續經營的事宜。



Management Discussion and Analysis

管理層討論及分析

The Six Vessels

As disclosed in the announcement of the Company dated 3 January 2019 in respect of the latest progress of the Four Vessels, the issues surrounding the Four Vessels have been resolved following the handing down of the arbitral awards. The relevant figures of revenue, cost of sales, contract assets and contract liabilities of the Four Vessels have already been properly reflected in the financial statements for the year ended 31 December 2018. As disclosed in the said announcement, the one of the Four Vessels which have been rescinded (“Rescinded Vessel”) shall be disposed of by way of public auction. Relevant framework agreement was entered into on 3 January 2019 by the Company, Jiangxi Shipbuilding and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd (江蘇揚子鑫福造船有限公司), which is an indirect subsidiary of Yangzijiang Shipbuilding (the “Framework Agreement”). As at the date of this report, the Rescinded Vessel is still going through the legal procedures of public auction and is expected to be finished in the first half year of 2019. In respect of three of the Four Vessels, the Company has identified two potential purchasers who are interested in three of the Four Vessels. The Company will use its best endeavour to fight for the terms which is in the best interests of the Company and its shareholders as a whole. The negotiations are expected to close on or before the third quarter of 2019.

And for the remaining Two Vessels, the Management and the management of the Jiangzhou Shipbuilding has been negotiating with the German Customer in relation to the continue construction agreement of the Two Vessels. The Directors has also communicated with the agent of the German customer in the PRC, and that agent has recommended another shipbuilding company in Wuhu, Anhui Province in the PRC to be the co-builder to resume the construction of the Two Vessels.

The Management has from time to time negotiated with the Rescinded Customer in relation the Two Vessels. However, no specific agreements and/or documents was made available to the Auditor to justify the final result of the Two Vessels despite there is certain progress in the negotiation. In view of the prolonged delay in the delivery of the orders of the Two Vessels and no documents to ascertain if there is any possible contingent liabilities, there remains uncertainties in relation to the relevant figures.

六艘船舶

誠如本公司日期為二零一九年一月三日內容有關四艘船舶之最近狀況之公佈所披露，有關四艘船舶之事宜已於仲裁裁決頒佈後解決。四艘船舶之相關收益、銷售成本、合約資產及合約負債數據均已妥當反映於截至二零一八年十二月三十一日止年度之財務報表中。誠如上述公佈所披露，已撤銷的四艘船舶之一（「已撤銷船舶」）將透過公開拍賣出售。本公司、江西造船及江蘇揚子鑫福造船有限公司（揚子江船業之間接附屬公司）於二零一九年一月三日訂立相關框架協議（「框架協議」）。於本報告日期，已撤銷船舶仍在進行公開拍賣的法定程序，預期將於二零一九年上半年完成。就四艘船舶中之三艘而言，本公司已發現兩名潛在買方對四艘船舶中之三艘感興趣。本公司將盡最大努力爭取符合本公司及其股東整體最佳利益的條款。磋商預期將於二零一九年第三季度或之前完成。

就餘下兩艘船舶而言，管理層及江州船廠的管理層一直在與德國客戶就兩艘船舶的繼續建造協議進行磋商。董事亦已與德國客戶的中國代理溝通，該代理已建議中國安徽省蕪湖另一間造船公司作為共同建造公司，以恢復兩艘船舶的建造。

管理層不時與已撤銷客戶就兩艘船舶進行磋商。然而，核數師未獲提供任何具體之協議及／或文件，令其可於磋商有一定進展之情況下，證明兩艘船舶之最終結果。鑒於兩艘船舶之訂單交付已拖延多時，且並無任何文件可用以確定有否任何潛在或然負債，故相關數據仍存在不確定性。



Management Discussion and Analysis 管理層討論及分析

The Management has spared no efforts in working out solutions for the Two Vessels during 2018. It is expected that before the end of financial year 2019, all the Four Vessels and the Two Vessels will be disposed of.

The Management is of the view that and upon discussion with the Auditor, after entering into relevant acquisition contracts of the Four Vessels, the net realisable value of the Four Vessels could be reasonably estimated and necessary evidence could be provided to the Auditor to address the disclaimer opinion on the vessels, and other items that are based on the net realisable value of the Four Vessels. The Audit Committee has critically reviewed the qualification in relation to the Four Vessels expressed by the Auditor and has discussed it with the Management. No member has expressed any disagreement to the Management's view. The Audit Committee is of the view that concerns of the Auditor can be addressed after entering into relevant acquisition contracts. The Management (including the Audit Committee) believes that after settling all vessels, the relevant qualifications would be addressed and no qualification will appear in the annual results for the coming year(s).

Uncertainties relating to going concern

For the year ended 31 December 2018, the Group reported loss attributable to the owners of the Company of approximately HK\$1,545,435,000 and had significant net cash used in operating activities for the year ended 31 December 2018. As of that date, the Group's current liabilities exceeded its current assets by approximately HK\$3,376,522,000 and the Group had net liabilities of approximately HK\$2,178,756,000, in which total borrowings amounted to approximately HK\$3,385,253,000, while its bank balances and cash amounted to approximately HK\$10,005,000 only. The Auditor was uncertain of the ability of the Group to maintain adequate future cash flow and qualified about the assumptions made by the Directors in preparing the consolidated financial statements on a going concern basis.

In addition, the Group defaulted on the repayment of certain borrowings and payables on their respective due dates during the year ended 31 December 2018.

管理層於二零一八年不遺餘力地爭取兩艘船舶之解決方案。預期於二零一九財政年度結束前，四艘船舶及兩艘船舶將全部售出。

管理層經與核數師討論後認為，訂立四艘船舶之相關購買合約後，四艘船舶之可變現淨值將能合理估計且核數師將可獲得必要憑證處理有關該等船舶及以四艘船舶之可變現淨值計算之其他項目之無法表示意見。審核委員會已對核數師所表達之有關四艘船舶之保留意見進行審慎檢討，並已與管理層就此進行討論。概無股東對管理層之意見表示異議。審核委員會認為，核數師所關注之問題將於訂立上述相關購買合約後得到解決。管理層（包括審核委員會）認為，解決所有船舶事宜後，有關保留意見將得到解決，且來年年度業績中不會再出現保留意見。

有關持續經營之不確定性

截至二零一八年十二月三十一日止年度，本集團呈報本公司擁有人應佔虧損約為1,545,435,000港元及於截至二零一八年十二月三十一日止年度有大額經營活動所用現金淨額。截至該日，本集團流動負債超過其流動資產約3,376,522,000港元，並錄得負債淨額約2,178,756,000港元，當中借貸總額約3,385,253,000港元而其銀行結餘及現金僅約為10,005,000港元。核數師無法確定本集團是否有能力維持充足的未來現金流量，並對董事按持續經營基準編製綜合財務報表時所作假設持保留意見。

此外，於截至二零一八年十二月三十一日止年度，本集團於若干借貸及應付款項各自到期時未能償還有關款項。

Management Discussion and Analysis

管理層討論及分析

The Management has taken certain operating and financing measures into consideration and formed the view that the consolidated financial statements should be prepared on a going concern basis.

The Company has been taking positive steps to address the qualification in relation to going concern, including but not limited to:

- (a) The Management has been negotiating with the management of the Jiangzhou Shipbuilding and the German Customer in relation to the continue construction agreement of the Two Vessels. The Directors has also communicated with the agent of the German customer in the PRC, and that agent has recommended another shipbuilding company in the PRC to be the co-builder to resume the construction of the Two Vessels.
- (b) Reference is made to the announcement of the Company dated 28 February 2019 in relation to the disposal of 20% equity interest of Zhejiang Ocean. It is expected that the maximum consideration of approximately RMB170,000,000 (approximately HK\$199,801,000).
- (c) as disclosed on page 44 in the 2018 Results Announcement, on 23 November 2018, the Company, Yangzijiang Shipbuilding (Holdings) Ltd. (“Yangzijiang Shipbuilding”), the Company, Jiangxi Shipbuilding and Wuxi Tianshi Education Goods Co., Ltd. (無錫天石教育用品有限公司) entered into the Investment Agreement pursuant to which the parties agreed to, among other things, establish a company in the PRC (“Mining Co”). The Group is expected to receive a loan in the amount of RMB250,000,000 (approximately HK\$285,000,000) from one of the cooperating parties.

管理層已將若干經營及融資措施考慮在內，並認為綜合財務報表應按持續經營基準編製。

本公司一直採取積極的步措施應對有關持續經營的保留意見，包括但不限於：

- (a) 管理層一直在與江州船廠的管理層及德國客戶就兩艘船舶的繼續建造協議進行磋商。董事亦已與德國客戶的中國代理溝通，該代理已建議中國另一間造船公司作為共同建造公司，以恢復兩艘船舶的建造。
- (b) 謹此提述公司日期為二零一九年二月二十八日的公佈，內容有關出售浙江海洋的20%股權。預期最高代價為約人民幣170,000,000元（約199,801,000港元）。
- (c) 如二零一八年業績公佈的第44頁所披露，於二零一八年十一月二十三日，本公司、揚子江船業（控股）有限公司（「揚子江船業」）、江西造船與無錫天石教育用品有限公司訂立投資協議，據此，訂約各方已同意（其中包括）於中國成立一間公司（「礦業公司」）。本集團預期將自其中一名合作方收到人民幣250,000,000元（約285,000,000港元）的貸款。





Management Discussion and Analysis 管理層討論及分析

- (d) negotiate with its bank creditors with the help of Jiangxi Government, and with the support from government for the real economy and private enterprises as an opportunity, to extend the borrowings of the Group from short term to long term, which will reduce the net current outflow pressure of the Group and the current liabilities of the Group will be reduced, and the bank creditors promised that they won't reduce the facility amount, won't force to repay the loan and won't take legal actions.
 - (e) negotiate with certain suppliers and creditors to extend payment due date in order that the liabilities will be classified as non-current liabilities; and to
 - (f) explore fund raising opportunities, either by way of equity or debt financing. The Group is considering raising funds by way of issue of convertible note of approximately HK\$50,000,000 in the coming 12 months.
- (d) 於江西政府的幫助下，以政府支持實體經濟和私營企業為契機，本集團與其銀行債權人談判以將其借貸由短期延長為長期，此舉將降低本集團的當前淨流出的壓力且將減少本集團的流動負債，以及銀行債權人已承諾不減貸、不壓貸及不起訴。
 - (e) 與若干供應商及債權人談判，以延長付款到期日，而負債將被分類為非流動負債；及
 - (f) 以股權或債務融資方式探索籌資機會。本集團正考慮透過於未來12個月發行約50,000,000港元的可換股票據進行集資。

The Audit Committee understands the qualification in relation to going concern raised by the Auditor and has discussed it with the Management. The Audit Committee shared the same view with the Management. Especially, deliberations were focused on the uncertainty and difficulty faced by the shipbuilding business. Notwithstanding this, the Audit Committee acknowledged the potential business development of the intelligent car parking business and the steel structure engineering and installation business in the future. These two segments of business would enable to broaden the revenue stream of the Group and together with the Company's continued effort in transforming its business. Nevertheless, the Audit Committee believes that investing in the Mining Co will help to increase revenue so as to release the loan pressure on the Company. The Audit Committee is of the view that the Group could address the going concern qualification.

審核委員會了解核數師就持續經營提出的保留意見，並與管理層討論。審核委員會認同管理層的看法，並特別考慮了造船業務所面對的不明朗因素及困難。儘管如此，審核委員會承認智慧停車業務及鋼結構工程及安裝業務未來的潛在業務發展。此兩項業務分部將能夠拓寬本集團的收益來源並契合本公司進行業務轉型的持續努力。然而，審核委員會相信，投資礦業公司將有助於增加收益，從而釋放本公司的貸款壓力。審核委員會認為，本集團能夠解決持續經營的保留意見。



Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, the Group had bank balances and cash (including pledged bank deposits and restricted cash) of approximately HK\$12.27 million (31 December 2017: HK\$15.52 million) of which HK\$2.27 million (31 December 2017: HK\$0.25 million) was pledged; short-term borrowings of HK\$3,385.25 million (31 December 2017: HK\$1,932.32 million); convertible bonds payable amounted to approximately HK\$168.14 million (31 December 2017: HK\$148.97 million) represented the fair value of principal amount of HK\$189.00 million (31 December 2017: HK\$189.00 million). The gearing ratio defined as non-current liabilities and short term borrowing divided by total shareholders' equity was (1.59) at 31 December 2018 (31 December 2017: (3.10)).

流動資金及財務資源

於二零一八年十二月三十一日，本集團有銀行結餘及現金（包括已抵押銀行存款及受限制現金）約12.27百萬港元（二零一七年十二月三十一日：15.52百萬港元），其中2.27百萬港元（二零一七年十二月三十一日：0.25百萬港元）已被抵押；3,385.25百萬港元為短期借貸（二零一七年十二月三十一日：1,932.32百萬港元）；約168.14百萬港元為應付可換股債券（二零一七年十二月三十一日：148.97百萬港元），即本金額189.00百萬港元（二零一七年十二月三十一日：189.00百萬港元）之公平值。於二零一八年十二月三十一日之負債比率（定義為非流動負債及短期借貸除以股東權益總額之比率）為(1.59)（二零一七年十二月三十一日：(3.10)）。





Management Discussion and Analysis 管理層討論及分析

FUND RAISING FROM ISSUE OF SHARES/ CONVERTIBLE BONDS

The Company did not conduct any fundraising through issue of shares/convertible securities during the year ended 31 December 2018. However, the following convertible securities/right to subscribe for convertible securities remained outstanding during the year ended 31 December 2018:

1. 2016 Subscription Agreement

On 6 December 2016, the Company and Macquarie Bank Limited (“Macquarie”) entered into a subscription agreement pursuant to which Macquarie has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, convertible notes in aggregate principal amount of up to HK\$400 million, which is to be issued in 4 tranches with each tranche in principal amount of HK\$100 million and with interest rate at 2% per annum (“2016 Convertible Notes”). As at the date of this report, the first tranche of 2016 Convertible Notes has been redeemed by the Company in August 2017 and the remaining 3 tranches in aggregate principle amount of HK\$300 million have yet to be issued by the Company.

透過發行股份／可換股債券籌集 資金

於截至二零一八年十二月三十一日止年度，本公司並無透過發行股份／可換股債券進行任何籌集。然而，下列可換股證券／認購可換股證券的權利於截至二零一八年十二月三十一日止年度仍尚未兌換。

1. 二零一六年認購協議

於二零一六年十二月六日，本公司與麥格理銀行有限公司（「麥格理」）訂立認購協議，據此，麥格理有條件同意認購及本公司有條件同意發行本金總額最多400百萬港元之可換股票據，分為4批，每批本金額為100百萬港元，按年利率2%計息（「二零一六年可換股票據」）。於本報告日期，本公司已於二零一七年八月贖回第一批二零一六年可換股票據，而餘下三批本金總額300百萬港元的可換股票據仍有待由本公司發行。



Management Discussion and Analysis

管理層討論及分析

2. 2017 Convertible Bonds

On 10 November 2017, the Company issued a 2-year convertible bond in principal amount of HK\$189 million with 10% interest rate (“2017 Convertible Bonds”) to Pacific Ocean Marine Limited (“Pacific Ocean”) pursuant to the relevant subscription agreement dated 10 August 2017 (amended and supplemented on 10 October 2017). Upon full conversion of the 2017 Convertible Bonds at the initial conversion price of HK\$0.07 per share, a total of 2,700,000,000 shares would be issued, representing approximately 16.53% of the total enlarged number of issued shares by the allotment and issue of conversion shares. As the date of this report, no conversion shares were issued under the 2017 Convertible Bonds. The net proceeds of HK\$189 million from the issuance of the 2017 Convertible Bonds has been fully utilised as follows: HK\$170 million was used for repayment of debts and HK\$19 million was used for general working capital.

The shareholders’ dilution impact in the event of the allotment and issue of Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.070 per Share are as follows:

2. 二零一七年可換股債券

於二零一七年十一月十日，根據日期為二零一七年八月十日的相關認購協議（於二零一七年十月十日經修訂及補充），本公司向太平洋海運有限公司（「太平洋海運」）發行本金額為189百萬港元按年利率10%計息之2年期可換股債券（「二零一七年可換股債券」）。二零一七年可換股債券按初步換股價每股股份0.07港元獲全數轉換後，將發行股份數目為合共2,700,000,000股股份，相當於配發及發行換股股份後經擴大已發行股份總數的約16.53%。於本報告日期，概無根據二零一七年可換股債券發行換股股份。發行二零一七年可換股債券所得款項淨額189百萬港元已全數動用，其中170百萬港元用於償還債務及19百萬港元用作一般營運資金。

倘可換股債券按初步換股價每股股份0.070港元全數轉換，股東因配發及發行換股股份而承受的攤薄影響如下：

Shareholder	股東	At the 31 December 2018		Immediately after full conversion of the Convertible Bonds (Note 2)	
		No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
		於二零一八年十二月三十一日		緊隨可換股債券全數轉換後(附註2)	
		股份數目	概約百分比	股份數目	概約百分比
Mr. Li Ming	李明先生	1,241,482,954	9.10%	1,241,482,954	7.60%
Lead Dragon Limited (Note 1)	Lead Dragon Limited (附註1)	542,005,000	3.97%	542,005,000	3.32%
Mr. Zhang Shi Hong	張士宏先生	227,600,000	1.67%	227,600,000	1.39%
Mr. Zhang Weibing	張偉兵先生	30,000,000	0.22%	30,000,000	0.18%
Pacific Ocean Marine Limited	太平洋海運有限公司	0	0%	857,142,857	5.25%
Forward Fund SPC-Double Management Fund SP	Forward Fund SPC-Double Management Fund SP	0	0%	1,842,857,143	11.28%
Public Shareholders	公眾股東	11,595,750,886	85.04%	11,595,750,886	70.98%
Total:	總計:	13,636,838,840	100.00%	16,336,838,840	100.00%



Management Discussion and Analysis

管理層討論及分析

Notes:

1. Lead Dragon Limited is wholly-owned by Mr. Li Ming, the chairman and an executive Director.
2. The shareholding structure set out in this column is shown for illustration purposes only. The Conversion Rights shall only be exercisable so long as not less than 25% of the then total number of issued Shares as enlarged by the issue of the Conversion Shares are being held in public hands and will not result in the relevant Bondholder, its associates and parties acting in concert with it will, in aggregate, control or be interested in 30% or more of the voting rights of the Company unless: (i) a whitewash waiver is obtained in accordance with the requirements of the Takeovers Code; or (ii) a general offer is made in accordance with the requirements of the Takeovers Code.

附註：

1. Lead Dragon Limited由主席兼執行董事李明先生全資擁有。
2. 本欄所載之股權架構僅供參考。換股權僅可於經發行換股股份擴大後之當時已發行股份總數不少於25%由公眾人士持有，且將不會導致相關債券持有人、其聯繫人及其一致行動人士合共控制本公司30%或以上之投票權或於當中擁有權益之情況下行使，除非：(i)已根據收購守則之規定取得清洗豁免；或(ii)已根據收購守則之規定提出全面要約。

CHARGES ON GROUP ASSETS

As at 31 December 2018, approximately HK\$0.24 million (31 December 2017: HK\$0.25 million) of deposits, HK\$301.21 million (31 December 2017: HK\$309.03 million) of property, plant and equipment and HK\$208.17 million (31 December 2017: HK\$221.80 million) of prepaid lease payments were pledged to banks or other parties to secure borrowings, bills payable and facilities granted to the Group. The pledge on the bank deposits will be released upon the settlement of relevant bills payables and borrowings.

As at 31 December 2018, the Company pledged the entire equity interest of a wholly-owned subsidiary of the Company, Jiangxi Jiangzhou Union Shipbuilding Ltd., to secure a bank borrowing amounting to RMB107.41 million (31 December 2017: RMB107.41 million).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The income and expenditure of the Group were denominated in Renminbi, Hong Kong Dollars and United States Dollars. As at 31 December 2018, the Group did not hedge its exposure to foreign exchange risk profile as the Group could not find a suitable instrument to manage this exposure. The Board will continue to consider the appropriate hedging measures.

本集團資產抵押

於二零一八年十二月三十一日，存款約0.24百萬港元（二零一七年十二月三十一日：0.25百萬港元）、物業、廠房及設備301.21百萬港元（二零一七年十二月三十一日：309.03百萬港元）及預付租賃款項208.17百萬港元（二零一七年十二月三十一日：221.80百萬港元）已抵押予銀行或其他人士，以為本集團獲授之借貸、應付票據及融資提供擔保。銀行存款之抵押將於償付有關應付票據及借貸後解除。

於二零一八年十二月三十一日，本公司已抵押本公司全資附屬公司江西江州聯合造船有限責任公司的全部股權，作為銀行借貸人民幣107.41百萬元（二零一七年十二月三十一日：人民幣107.41百萬元）之抵押。

匯率浮動之風險及任何相關對沖

本集團之收入及開支乃以人民幣、港元及美元計值。於二零一八年十二月三十一日，本集團並無對沖其外匯風險組合，原因是本集團未能物色管理該風險的合適工具。董事會將繼續考慮適當之對沖措施。

Management Discussion and Analysis

管理層討論及分析

NEW BUSINESS, MATERIAL ACQUISITIONS AND DISPOSALS

Partial disposal of subsidiary

On 10 July 2017, China Ocean Shipbuilding Holdings Limited (“Vendor”), a wholly owned subsidiary of the Company, and NIBO Trading Company Limited (“Purchaser”), an independent third party, entered into a disposal agreement (“Disposal Agreement”). Pursuant to the Disposal Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the shares of China Ocean Shipbuilding (Hong Kong) Limited (“China Ocean HK”), representing 40% of the total number of issued shares of China Ocean HK (“Sale Shares”), at a consideration of RMB200,000,000.

On 6 January 2018, Zhejiang Ouhua Shipbuilding Company Limited (“Zhejiang Ouhua”), the Purchaser, China Ocean HK, the Vendor and Jiangxi Jiangzhou Union Shipbuilding Co., Ltd (“Jiangxi Shipbuilding”) entered into the debt restructuring agreement (“Debt Restructuring Agreement”).

Completion under the Disposal Agreement took place on 5 July 2018. The Debt Restructuring Agreement was completed on 2 May 2018.

Details regarding the disposal are disclosed in the Company’s announcements dated 5 July 2018.

Save as disclosed elsewhere under the section headed “Management Discussion and Analysis”, there was no new business, material acquisitions and disposals of subsidiaries and associated companies during the year under review.

新業務、重大收購及出售

部份出售附屬公司

於二零一七年七月十日，本公司之全資附屬公司中海船舶控股有限公司（「賣方」）與一名獨立第三方NIBO Trading Company Limited（「買方」）訂立出售協議（「出售協議」）。根據出售協議，賣方同意出售及買方同意購買中海船舶（香港）有限公司（「中海香港」）之股份，相當於中海香港已發行股份總數之40%（「銷售股份」），代價為人民幣200,000,000元。

於二零一八年一月六日，浙江歐華造船股份有限公司（「浙江歐華」）、買方、中海香港、賣方及江西江州聯合造船有限責任公司（「江西造船」）訂立債務重組協議（「債務重組協議」）。

出售協議之完成於二零一八年七月五日落實。債務重組協議已於二零一八年五月二日完成。

有關出售詳情於本公司日期為二零一八年七月五日的公佈中披露。

於回顧年度，除「管理層討論及分析」一節其他地方所披露者外，概無新業務、重大收購及出售附屬公司及聯營公司。



Management Discussion and Analysis 管理層討論及分析

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCES OF FUNDING

On 23 November 2018, the Company, Yangzijiang Shipbuilding (Holdings) Ltd. (“Yangzijiang Shipbuilding”), the Company, Jiangxi Shipbuilding and Wuxi Tianshi Education Goods Co., Ltd. (無錫天石教育用品有限公司) entered into the Investment Agreement pursuant to which the parties agreed to, among other things, establish a company in the PRC (“Mining Co”) and to reorganise the shipbuilding business and assets of Jiangxi Shipbuilding.

On 23 November 2018, the Company entered into the following Cooperation Agreements:

- (1) the First Cooperation Agreement with Shenzhen Sufa United Industry Co., Ltd. (深圳市蘇發聯合實業有限公司) (“Shenzhen Sufa”), pursuant to which, among other things, Shenzhen Sufa irrevocably agreed to (either alone or with its designated nominee(s)) subscribe for not less than RMB50 million of the registered capital of Mining Co, representing 10% of the registered capital of Mining Co; and
- (2) the Second Cooperation Agreement with Beijing Zhongrun Tianxia Enterprise Management Center (北京中潤天下企業管理中心) (“Beijing Zhongrun”), pursuant to which, among other things, Beijing Zhongrun irrevocably agreed to subscribe for RMB25 million of the registered capital of Mining Co, representing 5% of the registered capital of Mining Co, and agreed to provide the Loan in the amount of RMB250 million (“Loan”) to the Company.

In view of the Investment Agreement and the Cooperation Agreements, the maximum capital contribution to the Mining Co by the Company shall be RMB75 million, which is expected to be satisfied by the Loan obtained from Beijing Zhongrun.

Details regarding the Investment are disclosed in the Company's announcements dated 23 November 2018.

未來重大投資計劃及預計資金來源

於二零一八年十一月二十三日，本公司、揚子江船業(控股)有限公司(「揚子江船業」)、江西造船與無錫天石教育用品有限公司訂立投資協議，據此，訂約各方已同意(其中包括)於中國成立一間公司(「礦業公司」)，並重整江西造船之造船業務及資產。

於二零一八年十一月二十三日，本公司已訂立以下合作協議：

- (1) 與深圳市蘇發聯合實業有限公司(「深圳蘇發」)訂立之第一份合作協議，據此(其中包括)深圳蘇發已不可撤銷地同意(不論單獨或與其指定方)認購不少於人民幣50百萬元之礦業公司註冊資本(相當於礦業公司註冊資本之10%)；及
- (2) 與北京中潤天下企業管理中心(「北京中潤」)訂立之第二份合作協議，據此(其中包括)北京中潤已不可撤銷地同意認購人民幣25百萬元之礦業公司註冊資本(相當於礦業公司註冊資本之5%)，並已同意向本公司提供人民幣250百萬元之貸款(「貸款」)。

鑒於投資協議及合作協議，本公司向礦業公司之最高出資額為人民幣75百萬元，預期將以由北京中潤獲得之貸款償付。

有關投資詳情於本公司日期為二零一八年十一月二十三日的公佈中披露。



Management Discussion and Analysis

管理層討論及分析

Save as discussed elsewhere under the section headed “Management Discussion and Analysis”, the Group had no future plans for material investments as at the date of this report.

The Company, however, will continue to seek investments in companies or projects that could bring synergy to the Group should the targets or opportunities arise. In addition, the Company may also invest in new business projects only if such investment is in favourable to the future development of the Group. Given the current uncertain market conditions, the Company may obtain funding for new projects through fund raising or loans while reserving the internal resources for its core businesses.

HUMAN RESOURCES

The Group had around 400 employees as at 31 December 2018. It has been the Group’s policy to ensure that the pay levels of its employees are rewarded on a performance related basis within the general framework of the Group’s salary and bonus system. The Group has participated in a mandatory provident fund scheme for its employees in Hong Kong. Shares options may also be granted to eligible persons of the Group.

LITIGATION AND CONTINGENT LIABILITIES

As at 31 December 2018, the material pending litigations and contingent liabilities are set out as follows:

- (a) At 31 December 2018, the Group has not paid the social security fund for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The social security fund accrued up to 31 December 2018 of approximately RMB41,482,000 in aggregate, were recorded as “Trade and other payables” in the consolidated statement of financial position (31 December 2017: RMB40,835,000).

除「管理層討論及分析」一節另有論述者外，本集團於本報告日期並無任何有關重大投資的未來計劃。

然而，本公司將繼續於目標或機會出現時尋求可為本集團帶來協同效應的公司或項目投資。此外，當投資新業務項目對本集團未來發展有利時，本公司亦可進行有關投資。鑒於目前市況存在不確定性，本公司可透過集資或貸款以獲得資金撥付新項目，同時保留內部資源以供發展核心業務。

人力資源

於二零一八年十二月三十一日，本集團約有400名僱員。本集團之政策為在本集團薪酬及花紅制度之一般架構內，確保其僱員之薪金水平與工作表現掛鉤。本集團為其香港僱員參與一項強制性公積金計劃。本集團之合資格人士亦可獲發購股權。

訴訟及或然負債

於二零一八年十二月三十一日，重大未決訴訟及或然負債載列如下：

- (a) 於二零一八年十二月三十一日，本集團尚未為及代表其僱員繳付社保基金，使本集團承受被相關政府部門處以罰款之風險。截至二零一八年十二月三十一日之應計社保基金合共約為人民幣41,482,000元，已在綜合財務狀況報表以「貿易及其他應付款項」入賬（二零一七年十二月三十一日：人民幣40,835,000元）。



Management Discussion and Analysis 管理層討論及分析

A repayment agreement was signed between Jiangxi Shipbuilding and the relevant government authority on 26 January 2015 in respect of the settlement of the unpaid social security fund. Per the agreement, all outstanding amounts should be repaid before December 2019. The Directors considered that if the Group could settle the unpaid social security fund according to the repayment agreement, no penalty would be imposed by the relevant government authority.

- (b) At 31 December 2018, the Group has not paid the housing provident fund contributions for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The housing provident fund contributions accrued up to 31 December 2018 of approximately RMB6,785,000 in aggregate, were recorded as “Trade and other payables” in the consolidated statement of financial position (31 December 2017: RMB7,270,000).

The Directors are of the opinion that the possibility to the risk of being imposed the penalty by the relevant government authority is remote.

- (c) On 3 December 2015, Merge Limited and other shareholders of Zhejiang Ocean as counter guarantors (collectively referred to the “Counter Guarantors”) entered into the counter guarantee agreement with Zhoushan Marine Comprehensive Development and Investment Co., Ltd (舟山海洋綜合開發投資有限公司) (the “Guarantor”), pursuant to which the Counter Guarantors shall, in proportion to their respective shareholding in Zhejiang Ocean and upon demand of the Guarantor, indemnify the Guarantor for all liabilities and expenses which may be incurred by the Guarantor under any guarantee given or to be given by the Guarantor in favour of Zhejiang Ocean during the period from 1 January 2015 to 31 December 2020 in respect of loan agreements and asset securitization agreements entered into by Zhejiang Ocean (the “Guarantee”), up to an aggregate amount of RMB900,000,000, together with any interests, penalty, compensation and related fees and expenses which may be payable by the Guarantor under the Guarantee. Accordingly, the maximum amount which Merge shall indemnify the Guarantor is 20% of the aforesaid aggregate amount, being RMB180,000,000.

江西造船與相關政府部門於二零一五年一月二十六日就償付未繳社保基金簽訂還款協議。根據協議，所有未付金額須於二零一九年十二月前償還。董事認為倘本集團根據還款協議償付未繳社保基金，則相關政府部門不會追加罰款。

- (b) 於二零一八年十二月三十一日，本集團尚未為及代表其僱員繳付住房公積金供款，使本集團承受被相關政府部門處以罰款之風險。截至二零一八年十二月三十一日之應計住房公積金供款合共約人民幣6,785,000元，已在綜合財務狀況報表以「貿易及其他應付款項」入賬（二零一七年十二月三十一日：人民幣7,270,000元）。

董事認為面臨相關政府部門處以罰款風險之可能性甚微。

- (c) 於二零一五年十二月三日，聚合有限公司（「聚合」）及浙江海洋之其他股東（作為反擔保方，統稱為「反擔保方」）與舟山海洋綜合開發投資有限公司（「擔保方」）訂立反擔保協議，據此，反擔保方須按彼等各自於浙江海洋之持股比例及擔保方之要求，就擔保方因於二零一五年一月一日至二零二零年十二月三十一日期間就浙江海洋訂立之貸款協議及資產證券化協議給予或將給予以浙江海洋為受益人之任何擔保（「擔保」，總額最高為人民幣900,000,000元）而可能產生的一切負債及開支，連同擔保方就擔保可能須支付的任何利息、罰款、賠償及相關費用與開支向擔保方作出彌償。因此，聚合應向擔保方作出之彌償之最高金額為上述總金額之20%，即人民幣180,000,000元。

Management Discussion and Analysis

管理層討論及分析

(d) As disclosed in the Company's circular dated 24 February 2017 (the "VSA Circular"), the financial guarantee of approximately HK\$229,527,000 represent the back-to-back corporate guarantees provided by Huakai Heavy (which became the Company's subsidiary on 11 April 2017 upon completion of the Acquisition of Huakai Heavy Group) in favour of Huatai Heavy Industry Limited in 2014 (the "Corporate Guarantee") which remained outstanding as at 31 December 2018. The relevant information including the details of the relevant guarantee agreements are disclosed in the VSA Circular. Due to the failure of two ship owners to fulfill its payment obligation under the relevant shipbuilding contracts, Huatai Heavy Industry Limited had cancelled the relevant export and import cooperation agreements with the vessel agency companies. Pursuant to the terms of the export and import co-operation agreements and the civil mediation agreements, Huatai Heavy Industry Limited was liable to refund the prepaid amount received from the vessel agency companies (the "Prepaid Amounts").

The Vendor of Huakai Heavy undertake to use the consideration payable to indemnify Huakai Heavy for all losses and liabilities incurred by Huakai Heavy under the Corporate Guarantee.

(e) In 2018, a partner filed litigation to the Intermediate People's Court of Nantong City against Nantong Huakai for outstanding liabilities. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB37,478,000 in aggregate.

(f) In 2018, a supplier filed litigation to the People's Court of Rugao City against Nantong Huakai for outstanding liabilities. At the end of the reporting period, the litigation was mediated and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB48,000,000 in aggregate.

(d) 誠如本公司日期為二零一七年二月二十四日之通函(「非常重大收購通函」)所披露，財務擔保229,527,000港元指華凱重工(其於完成收購華凱重工集團後於二零一七年四月十一日成為本公司附屬公司)於二零一四年以華泰重工有限公司為受益人作出的背對背公司擔保(「公司擔保」)，該項擔保於二零一八年十二月三十一日仍為未履行。有關資料(包括相關擔保協議詳情)披露於非常重大收購通函內。由於兩名船東未能履行其於有關造船合約項下之付款責任，華泰重工有限公司已取消與船舶代理公司簽訂的相關進出口合作協議。根據進出口合作協議及民事調解書之條款，華泰重工有限公司有責任退還向船舶代理公司收取之預付金額(「預付金額」)。

華凱重工賣方承諾將應付代價用於彌償華凱重工就其根據公司擔保產生之所有損失及負債。

(e) 於二零一八年，一名合作者就尚未償還負債向南通市中級人民法院提出針對南通華凱的訴訟，於報告期末，該訴訟已作出判決，及尚未償還之應付本金付款及相關應計利息合共約為37,478,000人民幣元。

(f) 於二零一八年，一名供應商就尚未償還負債向如皋市人民法院提出針對南通華凱的訴訟，於報告期末，該訴訟已作出調解，及尚未償還之應付本金付款及相關應計利息合共約為48,000,000人民幣元。



Management Discussion and Analysis 管理層討論及分析

- (g) In 2018, a supplier filed litigation to the People's Court of Chongchuan District against Nantong Huakai for outstanding liabilities. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB8,400,000 in aggregate.
- (g) 於二零一八年，一名供應商就尚未償還負債向崇川區人民法院提出針對南通華凱的訴訟，於報告期末，該訴訟已作出判決，及尚未償還之應付本金付款及相關應計利息合共約為8,400,000人民幣元。
- (h) In 2018, a supplier filed litigation to the Intermediate People's Court of Shenyang City against Nantong Huakai for outstanding liabilities. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB5,000,000 in aggregate.
- (h) 於二零一八年，一名供應商就尚未償還負債向瀋陽市中級人民法院提出針對南通華凱的訴訟，於報告期末，該訴訟已作出判決，及尚未償還之應付本金付款及相關應計利息合共約為5,000,000人民幣元。
- (i) In 2018, a shipbuilding administrator filed litigation to the Intermediate People's Court of Zhoushan City against Jiangxi Shipbuilding and China Ocean Shipbuilding Holdings Limited for bankruptcy revocation, involving litigation amounts of RMB257,611,000. At the end of the reporting period, the litigation was not in trial yet.
- (i) 於二零一八年，一名船廠破產管理人向舟山市中級人民法院提出針對江西造船及中海船舶控股有限公司的破產撤銷權訴訟，訴訟金額257,611,000元，於報告期末，訴訟尚未開庭。
- (j) In 2018, a shipbuilding administrator filed litigation to the Intermediate People's Court of Zhoushan City against Jiangxi Shipbuilding and Jiujiang Jinhu Equipment Manufacturing Company Limited for bankruptcy revocation, involving litigation amounts of RMB63,930,000. At the end of the reporting period, the litigation was not in trial yet.
- (j) 於二零一八年，一名船廠破產管理人向舟山市中級人民法院提出針對江西造船及九江金湖裝備製造有限公司的破產撤銷權訴訟，訴訟金額63,930,000元，於報告期末，訴訟尚未開庭。
- (k) In 2018, an independent third party filed litigation to the People's Court of Ruichang City against Jiangxi Shipbuilding for outstanding liabilities, involving litigation amounts of RMB12,000,000. At the end of the reporting period, the litigation was not in trial yet.
- (k) 於二零一八年，一名獨立第三方就尚未償還負債向瑞昌市人民法院提出針對江西造船的訴訟，訴訟金額12,000,000元，於報告期末，訴訟尚未開庭。
- (l) In 2018, a contractor filed litigation to Wuhan Marine Court against Jiangxi Shipbuilding for the failure to make payment of service fees, involving the total amount of litigation of approximately RMB6,691,000. At the end of the reporting period, the litigation was not judged yet.
- (l) 於二零一八年，一名分包商向武漢海事法院提出針對江西造船就未支付服務費的訴訟。訴訟金額合共約為人民幣6,691,000元，於報告期末，該訴訟尚未作出判決。

Other than disclosed above, the Directors are of the opinion that the Group has no other material pending litigations and contingent liabilities at 31 December 2018.

除上文所披露者外，董事認為本集團於二零一八年十二月三十一日並無其他重大未決訴訟及或然負債。

Management Discussion and Analysis

管理層討論及分析

CAPITAL COMMITMENTS

資本承擔

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contracted for but not provided in the consolidated financial statement:	已訂約但未於綜合財務報表計提撥備：		
Unpaid registered capital for the associates	聯營公司之未繳註冊資本	100,560	103,260
Unpaid registered capital for the subsidiaries	附屬公司之未繳註冊資本	604,428	636,240
Unpaid registered capital for a joint venture	一間合營企業之未繳註冊資本	114,000	120,000
Capital expenditure in respect of the acquisition of property, plant and equipment	有關收購物業、廠房及設備之資本支出	28,023	29,498
		847,011	888,998

EVENTS AFTER THE REPORTING PERIOD

呈報期後事項

DISPOSAL OF AN ASSOCIATE

建議出售一間聯營公司

On 28 February 2019, Merge Limited (“Merge”), a wholly-owned subsidiary of the Company, and the China Medical Services Holdings Limited (“China Medical”) entered into a share purchase agreement. Pursuant to this share purchase agreement, Merge has conditionally agreed to sell and the China Medical has conditionally agreed to purchase the 20% equity interest of Zhejiang Ocean Leasing Company Limited (“Zhejiang Ocean”) at a maximum consideration of RMB170 million. Completion has not yet taken place as at the date of this report.

於二零一九年二月二十八日，聚合有限公司（「聚合」，本公司之全資附屬公司）與泰和誠醫療集團有限公司（「泰和誠醫療」）訂立購股協議。根據該購股協議，聚合已有條件同意出售而泰和誠醫療已有條件同意購買浙江海洋租賃股份有限公司（「浙江海洋」）之20%股權，最高代價為人民幣170,000,000元。於本報告日期，完成尚未落實。



Management Discussion and Analysis 管理層討論及分析

The Company has been focusing on manufacturing business and has adopted diversification strategy in the past years. Committing to focus on its core businesses and promote efficient use of its resources, the Company will gradually divest of its non-core businesses while exploiting and strengthening its wharf construction and related logistics business, at the same time, maintaining focus on its manufacturing and service business, in order to generate more cashflow for the Company.

Details regarding the disposal are disclosed in the Company's announcements dated 28 February 2019.

PROSPECTS

The improvement of the external environment of the real economy in the PRC will bring new opportunities to the Group's businesses. The Group will strive for a substantial breakthrough in the business integration of Jiangzhou Shipbuilding in 2019 by effectively integrating resources such as docks, coastlines and land. In order to focus on the main business, the Group will dispose of a part of business and assets, and on this basis, extend the industrial chain through business expansion, industry mergers and acquisitions, etc.

With regard to the risks faced by the Group's investment in Zhoushan, Zhejiang Province, we will make every effort to actively and properly seek solutions to minimize risks.

In conclusion, although there are problems and difficulties in the development of the real economy, the state is intensifying its support for real economy and private enterprises, and the overall policy will be beneficial to the development of the real economy. The Group will seize the opportunity, through the introduction of new partners, stronger communications and coordination with the governments and financial institutions and reorganization of debts, to expand sources for operating funds. Based on effective integration of existing resources we will expand its business base in order to enhance its sustainable business capability.

本公司多年來致力於製造業，並採取了多元化戰略。本公司將聚焦主營業務，並充分利用公司資源，本公司將逐步削減非主營業務，開拓並強化碼頭建設及相關物流業，同時兼顧製造業和服務業，以為本公司帶來更多現金流。

有關出售事項之詳情披露於本公司日期為二零一九年二月二十八日之公佈。

前景

中國實體經濟外圍環境的改善，將為本集團的實業帶來新的機遇。本集團將努力促使江州船廠的業務整合在2019年取得實質性突破，將碼頭、岸線、土地等資源有效進行整合。為聚焦主業，本集團將出售部份業務及資產，並在此基礎上通過業務拓展、行業併購等方式對產業鏈進行延伸。

對於本集團在浙江舟山投資面臨的風險，我們將盡一切努力，積極妥善尋求解決方案，盡量減少風險。

總括而言，實體經濟的發展雖遇有問題和困難，但同時國家對實體經濟和民營企業支持的力度在加大，整體政策將會有利於實體經濟的發展。本集團將把握機遇，通過引進新的合作者，與政府和金融機構加強溝通與協調，重整債務，並擴充營運資金來源管道，在對現有資源進行有效整合的基礎上，擴大業務基礎，提高本集團的持續經營能力。



Report on Corporate Governance 企業管治報告

The Group has recognized the importance of transparency and accountability, and the Board believes that shareholders can be benefited from good corporate governance. The Company aims to achieve good standard of corporate governance. During the year ended 31 December 2018, the Company has complied with the code provisions as set out in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), except for the deviations from Codes Provision disclosed below.

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders; while code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting, and should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend.

The chairman of the Board and the three independent non-executive Directors were unable to attend the annual general meeting of the Company held on 22 June 2018 due to their other business commitments. An executive Director chaired the meetings whereas other attended Board members were already of sufficient calibre and number for answering questions raised by the shareholders.

Pursuant to code provision C.1.3, where the directors are aware of material uncertainties relating to events or conditions that may cast significant doubt on the issuer’s ability to continue as a going concern, they should be clearly and prominently disclosed and discussed at length in the Corporate Governance Report.

本集團深知透明度及問責制度之重要性，董事會相信良好之企業管治對股東有利。本公司銳意達致高水平之企業管治。於截至二零一八年十二月三十一日止年度，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之守則條文，惟偏離下文所披露之守則條文除外。

守則條文A.6.7條訂明獨立非執行董事及其他非執行董事應出席股東大會，對股東的意見有公正的了解，而守則條文E.1.2條訂明董事會主席應出席股東週年大會，並邀請審核委員會、薪酬委員會、提名委員會及任何其他委員會（視何者適用而定）的主席出席。

董事會主席及三名獨立非執行董事因其他業務承擔未能出席本公司於二零一八年六月二十二日舉行的股東週年大會。大會主席由一名執行董事擔任，而其他出席之董事會成員亦已具備足夠能力及人數回應股東的提問。

根據守則條文C.1.3條，倘董事知悉有重大不明朗事件或情況可能對發行人的持續經營能力構成重大疑問，董事應在企業管治報告中清楚顯著披露及詳細討論此等不明朗因素。



Report on Corporate Governance 企業管治報告

The auditors of the Company issued a disclaimer of opinion over the Group's ability to continue as a going concern due to the conditions indicate the material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. They are: (i) the Group reported loss attributable to the owners of the Company of approximately HK\$1,545,435,000 and had significant net cash used in operating activities for the year ended 31 December 2018; (ii) as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$3,376,522,000; (iii) the Group had net liabilities of approximately HK\$2,178,756,000, in which total borrowings amounted to approximately HK\$3,385,253,000, while its bank balances and cash amounted to approximately HK\$10,005,000 only; and (iv) the Group defaulted on the repayment of certain borrowings and payables on their respective due dates during the year ended 31 December 2018 and those creditors including banks had taken legal actions against the Group to recover the debts.

The Board has adopted and considered different measures with different dimensions to further improve its cash flow, e.g. (i) diversifying the revenue stream of the Group by introducing more segments; (ii) streamlining its operation by cutting staff; (iii) revitalising shipbuilding assets of Jiangxi Shipbuilding by using its spare resources for production, storage and transportation; (iv) negotiating with banks to delay the repayment of debt or to apply for additional instalment to decrease the Group's financial burden; (v) seeking financial assistance from local government; (vi) negotiating with its suppliers and creditors to extend payment due date; and (vii) disposing of its assets and business enable the Group to restructure its core business and to obtain funds to improve its financial position.

In view of the aforesaid, the Board, including the Audit Committee, believes that the above measures, if materialised, will not only bring to the Group a significant improvement on the financial performance but also help to address the Disclaimer of Opinions of the Auditor, and accordingly is of the view that the Group could continue as a going concern.

For more details regarding the uncertainties relating to going concern are disclosed in the session "Management Discussion and Analysis" under the paragraph headed "DISCLAIMER OF OPINION" set out in P.11 to P.16 of this report.

本公司核數師就本集團持續經營之能力發出無法表示意見，乃由於有情況顯示存在可能令本集團持續經營能力產生嚴重疑問的重大不確定因素，而本集團可能因此無法在正常業務過程中變現其資產及償還其負債。相關情況如下：(i)截至二零一八年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約1,545,435,000港元及大額經營活動所用現金淨額；(ii)截至該日，本集團的流動負債超過其流動資產約3,376,522,000港元；(iii)本集團負債淨額約為2,178,756,000港元，其中借貸總額約為3,385,253,000港元，而本集團銀行結餘及現金僅約為10,005,000港元；及(iv)於截至二零一八年十二月三十一日止年度，本集團未能於到期日償還部份借貸及應付款項，且相關債權人（包括銀行）已就收回債款向本集團採取法律行動。

本集團已從多方面採納並考慮不同措施，以進一步改善其現金流量，例如(i)透過進入更多分部多元化其收益來源；(ii)透過裁員簡化營運；(iii)盤活江西造船的富餘造船資源用於生產和儲運；(iv)與銀行磋商後延遲債務還款或申請額外分期以減輕本集團的財務負擔；(v)向當地政府尋求財務資助；(vi)與供應商及債權人磋商，以延後付款到期日；及(vii)出售資產及投資，以便本集團能夠重組核心業務及取得資金，從而改善財務狀況。

鑒於以上所述，董事會（包括審核委員會）相信以上措施倘獲落實，不僅將極大改善本集團的財務表現，亦將有助於解決核數師的不發表意見，因此董事會認為本集團能夠持續經營。

有關持續經營之不確定性之更多詳情，於本報告第11頁至16頁所載「管理層討論及分析」一節項下「無法表示意見」段落披露。

Report on Corporate Governance

企業管治報告

THE BOARD OF DIRECTORS

The Board's primary responsibilities are to formulate the Company's long-term corporate strategy, to oversee the management and to evaluate the performance of the Group.

The Board meets regularly throughout the year to discuss the overall strategy as well as the operation and financial performance of the Group. For the year ended 31 December 2018, the Company has held 12 board meetings in total. The individual attendance of each Director is set out below:

董事會

董事會之主要責任為制定本公司之長期企業策略、監察管理層及評估本集團之表現。

董事會於整個年度內定期會面以討論本集團之整體策略以及經營及財務表現。截至二零一八年十二月三十一日止年度，本公司共舉行12次董事會會議。每名董事之個別出席情況載列如下：

Name	姓名	Board Meetings 董事會會議	2018 AGM 二零一八年 股東週年大會
Executive directors:			
Mr. Li Ming (<i>Chairman</i>)	李明先生 (主席)	12/12	0/1
Mr. Zhang Shi Hong (<i>Chief Executive Officer</i>)	張士宏先生 (行政總裁)	11/12	1/1
Mr. Zhang Weibing	張偉兵先生	11/12	0/1
Mr. Liu Jin	劉進先生	11/12	0/1
Non-executive director:			
Mr. Chau On Ta Yuen (<i>Honorary Chairman</i>)	周安達源先生 (名譽主席)	12/12	1/1
Mr. Lin Lie (appointed on 3 September 2018)	林烈先生 (於二零一八年 九月三日獲委任)	1/2	0/0
Independent non-executive directors:			
Mr. Hu Bai He	胡柏和先生	12/12	0/1
Ms. Xiang Si Ying	項思英女士	12/12	0/1
Ms. Xiang Ying	向穎女士	12/12	0/1



Report on Corporate Governance 企業管治報告

When the Board considers any material transaction in which a substantial shareholder or a Director has a conflict of interest, a board meeting is held and Independent Non-executive Directors who have no material interest in the transaction will be present at such board meeting. At the meeting, the Director who has an interest in the transaction is required to abstain from voting.

Every Director shall ensure that he/she can contribute sufficient time and effort to the corporate affairs of the Company once he/she accepts the appointment.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board appointed Mr. Li Ming as the Chairman, who is responsible for the leadership and effective running of the Board to achieve its primary responsibilities. With the support of the executive directors, the Chairman seeks to ensure that all directors are properly briefed on issues arising at board meetings and that all directors receive adequate and reliable information on a timely manner. The Chairman also encourages Directors to be fully engaged in the Board's affair and make contribution in performing the Board's functions. The board appointed Mr. Zhang Shi Hong as Chief Executive Officer, who is vested with executive responsibilities over the business directions and operational decisions of the management and performance of the Group.

BOARD COMPOSITION

The Board comprises four executive directors, two non-executive directors and three independent non-executive directors as at the date of this report. The independent non-executive directors constitute over one-third of the Board. In addition, one of the independent non-executive directors possesses appropriate accounting qualifications and financial management expertise. The Directors are considered to have a balance of knowledge and experience appropriate for the requirements of the business of the Group. The independent non-executive directors also serve the important function of ensuring and monitoring the basis of an effective corporate governance framework. The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independent criteria as required by the Listing Rules.

當董事會考慮某主要股東或董事於其中有利益衝突之任何重大交易時，將舉行董事會會議，而並無於交易中擁有任何重大權益之獨立非執行董事將出席有關董事會會議。於交易中持有權益之董事須於會上放棄投票。

於接納有關委任後，每名董事均須確保其可為本公司之公司事務投入足夠時間及精力。

主席及行政總裁

董事會委任李明先生為主席，負責帶領董事會及確保董事會有效運作以履行其主要職責。在執行董事之支持下，主席尋求確保所有董事均妥為知悉董事會會議之事項，以及所有董事適時獲得充分及可靠之資料。主席亦鼓勵董事全面參與董事會事務及在履行董事會職能方面作出貢獻。董事會委任張士宏先生為行政總裁，對本集團之業務方向及管理營運決策以及表現負責執行責任。

董事會之組成

於本報告日期，董事會由四名執行董事，兩名非執行董事及三名獨立非執行董事組成。獨立非執行董事佔董事會逾三分之一。此外，其中一名獨立非執行董事擁有合適之會計資歷及財務管理專業知識。董事被視為擁有本集團業務所需之合適知識及經驗。獨立非執行董事亦在確保及監察有效企業管治架構之基礎方面擔任重要角色。董事會認為各獨立非執行董事之性格及判斷均為獨立，且彼等均符合上市規則所規定之特定獨立標準。

Report on Corporate Governance

企業管治報告

DIVERSIFICATION OF THE BOARD

In determining the composition of the Board, the Company seeks to achieve board diversity through the consideration of a number of factors and measurable criteria, such as age, education background, industry experience, geographical location and duration of service. The Nomination Committee has reviewed the composition of the Board in accordance with the Listing Rules and concluded that the composition of the Board is in compliance with the diversification requirements of the Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the requirement of the Rule 3.13 of the Listing Rules, the Board confirmed that the Company has received written confirmation from each of all three independent non-executive directors of their independence and considers them to be independent throughout the year.

Under Code Provision A.4.3 of the CG Code, if an independent non-executive Director serves more than 9 years, his/her further appointment should be subject to a separate resolution to be approved by the Shareholders. As such, although each of Ms. Xiang Si Ying, Mr. Hu Bai He and Ms. Xiang Ying will be serving as an independent non-executive Director for more than nine years at the coming annual general meeting in 2019, the Board considers that each of Ms. Xiang Si Ying, Mr. Hu Bai He and Ms. Xiang Ying is a person of integrity and independent in judgement and character. They are independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of their independent judgement. The Board considers that each of Ms. Xiang Si Ying, Mr. Hu Bai He and Ms. Xiang Ying meets the independent guidelines set out in Rule 3.13 of the Listing Rules, and is of the view that their independence is not affected by their long service with the Company.

董事會多元化

於釐定董事會之組成時，本公司透過考慮多項因素及衡量標準，如年齡、教育背景、行業經驗、地理位置及服務年期，而尋求達致董事會多元化。提名委員會已根據上市規則審閱董事會之組成，並得出董事會之組成符合上市規則之多元化規定之結論。

獨立非執行董事之獨立性

根據上市規則第3.13條之規定，董事會確認本公司經已獲全部三名獨立非執行董事各自以書面確認其獨立性，且認為彼等於全年均屬獨立。

根據企業管治守則第A.4.3條的守則條文，倘一名獨立非執行董事已任職超過九年，其續任須經股東另行通過決議案批准方可作實。儘管於即將舉行的二零一九年股東週年大會，項思英女士、胡柏和先生及向穎女士已各自出任獨立非執行董事超過九年，惟董事會認為項思英女士、胡柏和先生及向穎女士是具有誠信及獨立判斷力及個性的人士，彼等獨立於管理層，亦無任何業務或其他關係或情況可嚴重干擾彼等作出獨立判斷。董事會認為項思英女士、胡柏和先生及向穎女士符合上市規則第3.13條所載獨立指引，並認為彼等於本公司長期服務並未影響其獨立性。



Report on Corporate Governance 企業管治報告

TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Each of the non-executive directors is appointed for an initial term of not more than two years commencing from his/her date of appointment and is renewable successively for a term of two years until termination. Each of them is subject to retirement by rotation and re-election by shareholders at annual general meeting in accordance with the Bye-laws.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rule regarding Directors' securities transactions. Based on specific enquiry of all the Directors of the Company, the Directors have complied with the required standard as set out in the Model Code for the year ended 31 December 2018.

NOMINATION COMMITTEE

The Company has set up a Nomination Committee to ensure that there are fair and transparent procedures for the appointment, re-election and removal of directors to the Board. The Nomination Committee comprises the Chairman of the Board and three independent non-executive directors, namely, Mr. Li Ming, Mr. Hu Bai He, Ms. Xiang Si Ying and Ms. Xiang Ying. The Chairman of the Nomination Committee is Ms. Xiang Ying. The terms of reference of the Nomination Committee are consistent with the terms set out in the Code. The Nomination Committee has adopted a nomination policy which sets out the procedures and criteria for nomination of directors. The nomination of directors should take into consideration of the nominee's qualification, experience, ability and potential contributions to the Company.

非執行董事之任期

各非執行董事之委任年期由其委任日期起計初步為期不超過兩年，並可於其後不斷重續，每次續期兩年，直至終止為止。彼等均須根據公司細則輪值告退及由股東於股東週年大會重選連任。

董事進行證券交易之標準守則

本公司已就董事進行證券交易採納上市規則附錄十所載之上市公司董事進行證券交易之標準守則（「標準守則」）。根據向本公司所有董事作出之特別查詢，董事於截至二零一八年十二月三十一日止年度已遵守標準守則所規定之標準。

提名委員會

本公司已成立提名委員會，旨在確保有公平透明之程序進行董事會董事之委任、重選及罷免。提名委員會由董事會主席及三名獨立非執行董事（即李明先生、胡柏和先生、項思英女士及向穎女士）組成。提名委員會主席為向穎女士。提名委員會之職權範圍與守則所載條款一致。提名委員會已採納提名政策，當中載列提名董事的程序及標準。提名董事應考慮候選人之資歷、經驗、能力及可能對本公司作出之貢獻。



Report on Corporate Governance 企業管治報告

The nomination policy aims to set out the principles which guide the Nomination Committee to identify and evaluate a candidate for nomination to (i) the Board for appointment or (ii) shareholders of the Company for election as a director of the Company. The Nomination Committee will also take into account the diversification of the Board and the nomination policy when identifying suitably qualified candidates for the Board and would review the policies regularly to ensure their continuing effectiveness. The nomination policy sets out the criteria and procedures in making nominations, including but not limited to, skills, experience and professional expertise; diversity; commitment and standing. When the candidate to be nominated as an independent non-executive director, he/she must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. Mr. Lin Lie was nominated for directorship in 2018. The nomination policy can be found and accessible on the website of the Company (www.irasia.com/listco/hk/chinaoceanindustry).

One meetings were held during the year ended 31 December 2018. All members attended the meetings. The members of the Nomination Committee reviewed the details of proposed directors' and made recommendation to the Board for the appointment of directors subject to re-election during the year.

REMUNERATION COMMITTEE

The Company has set up the Remuneration Committee to ensure that there are formal and transparent procedures for setting up policies on the remuneration of the Directors and senior management. The terms of reference of the Remuneration Committee were consistent with the terms set out in the Code. The Remuneration Committee comprises three independent non-executive directors, namely Mr. Hu Bai He, Ms. Xiang Si Ying and Ms. Xiang Ying and one executive director, namely Mr. Zhang Shi Hong. The Chairman of the Remuneration Committee is Ms. Xiang Ying.

Two meetings were held during the year ended 31 December 2018. All members attended the meetings. They made recommendation to the Board regarding the Company's remuneration policy and the remuneration package of all directors (excluding his own remunerations) of the Company. No Director was involved in deciding his own remuneration during the year under review.

提名政策旨在為提名委員會物色及評估候選人訂明原則，以提名予(i)董事會以供委任或(ii)本公司股東以供委任為本公司董事。提名委員會於物色適合的合資格候選人供董事會考慮時亦將考慮董事會多元化及提名政策，並將定期審閱政策以確保其持續有效。提名政策訂明提名標準及程序，包括但不限於技能、經驗及專業知識；多元化；承擔及身份。當提名候選人擔任獨立非執行董事時，彼須符合上市規則第3.13條所載獨立性標準。林烈先生於二零一八年獲提名為董事。提名政策載於本公司網站(www.irasia.com/listco/hk/chinaoceanindustry)，可供查閱。

提名委員會於截至二零一八年十二月三十一日止年度曾舉行一次會議。全體成員均出席有關會議。提名委員會成員於年內檢討候任董事之詳情並就委任須予重選董事向董事會作出推薦建議。

薪酬委員會

本公司已成立薪酬委員會，以確保就訂定董事及高級管理層酬金政策建立正式及透明之程序。薪酬委員會之職權範圍與守則所載之條款一致。薪酬委員會由三名獨立非執行董事胡柏和先生、項思英女士及向穎女士以及一名執行董事張士宏先生組成。薪酬委員會之主席為向穎女士。

薪酬委員會於截至二零一八年十二月三十一日止年度曾舉行兩次會議。全體成員均出席有關會議。彼等就有關本公司之薪酬政策及本公司全體董事之薪酬組合(不包括其本身之薪酬)向董事會作出推薦建議。於回顧年度內，概無董事涉及決定其本身之薪酬。

AUDIT COMMITTEE

The specific written terms of reference of the Audit Committee which was re-adopted on 31 March 2016 in light of the amendment of Listing Rules, is available on the websites of the Stock Exchange and the Company. The Audit Committee is primarily responsible for (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor; (b) approving the remuneration and terms of engagement of external auditor; and (c) reviewing financial information and overseeing the financial reporting system, risk management and internal control procedures.

The Audit Committee comprises three independent non-executive directors, and the chairman of the Audit Committee, Mr. Hu Bai He, possesses a professional accountancy qualification and has substantial experience in accounting and financial matters.

Two meetings were held by the Audit Committee during the year ended 31 December 2018. The individual attendance of each member is set out below:

Name of member	成員姓名	Number of committee meetings attended 出席委員會會議之次數
Mr. Hu Bai He	胡柏和先生	2/2
Ms. Xiang Si Ying	項思英女士	2/2
Ms. Xiang Ying	向穎女士	2/2

The Group's interim report for the six months ended 30 June 2018 and the annual report for the year ended 31 December 2018 had been reviewed by the Audit Committee and recommendation was provided to the Board for approval.

審核委員會已審閱本集團截至二零一八年六月三十日止六個月之中期報告及截至二零一八年十二月三十一日止年度之年報，並已向董事會提供推薦建議以待批准。

AUDITOR'S REMUNERATION

For the year ended 31 December 2018, the auditors of the Company received approximately HK\$1,785,000 for audit services and approximately HK\$580,000 for other services (including agreed-upon procedures on interim results and disbursement).

核數師酬金

於截至二零一八年十二月三十一日止年度，本公司之核數師就審核服務收取約1,785,000港元及就其他服務（包括有關中期業績之協定程序及墊付費用）收取約580,000港元。

Report on Corporate Governance

企業管治報告

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

CORPORATE GOVERNANCE FUNCTION

In order to achieve enhanced corporate governance of the Company, the Board has undertaken constant review of the policies for corporate governance of the Company, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements. During this year, the Board performed the duties relating to corporate governance matters such as appointed external professionals to carry out internal control review.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Directors are continually updated on the latest development and changes in the Listing Rules, the Code and other regulatory requirements in order to ensure the compliance with the same by the Directors. Directors are also encouraged to participate in professional development courses and seminars to develop and refresh their knowledge and skills. The Directors namely Li Ming, Zhang Shi Hong, Zhang Weibing, Liu Jin, Chau On Ta Yuen, Lin Lie, Hu Bai He, Xiang Si Ying and Xiang Ying had provided a record of training they received during the year to the Company. According to the training records provided by the Directors, the training attended by them during the reporting period was related to Corporate Governance, regulatory development and training on other relevant topics.

董事就財務報表承擔之責任

董事確認已根據法定規定及適用會計準則負責編製本集團之財務報表。

董事在作出合適之查詢後認為，本集團有足夠資源於可見將來繼續營運，因此以持續基準編製財務報表乃屬適當。

企業管治職能

為達致加強本公司之企業管治，董事會已持續檢討本公司之企業管治政策、董事及高級管理層之培訓及持續專業發展、本公司在遵守法律及監管規定方面之政策及常規。於本年度內，董事會履行有關企業管治事宜之職責，如委任外部專業人士檢討內部監控。

董事之培訓及專業發展

董事獲持續更新上市規則、守則及其他監管規定之最新發展及變動，以確保董事遵守上述規定。本公司亦鼓勵董事參與專業發展課程及研討會，以發展及更新其知識及技能。董事李明、張士宏、張偉兵、劉進、周安達源、林烈、胡柏和、項思英及向穎已向本公司提供彼等於年內所接受培訓之記錄。根據董事提供之培訓記錄，彼等於報告期內參加有關企業管治、監管發展及其他相關課題之培訓。



Report on Corporate Governance 企業管治報告

ACCOUNTABILITY AND AUDIT

The Directors acknowledged their responsibilities to prepare the consolidated financial statements of the Group and other financial disclosures required under the Listing Rules and the management has provided such explanation and information to the Board to enable it to make an informed assessment of the financial and other Board decisions. The Directors believed that they have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable. The management has provided all members of the Board with monthly updates on internal financial statements so as to give the Directors a balanced and understandable assessment of the Group's performance, position and prospects.

RISK MANAGEMENT AND INTERNAL CONTROLS

During the year, the group has complied with Principle C.2 of the Corporate Governance Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risks associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the board and on-going monitor the residual risks.

問責及審計

董事知悉彼等須根據上市規則編製本集團綜合財務報表及其他財務披露資料之責任，而管理層已向董事會提供有關解釋及資料以使董事會能夠就財務及其他董事會決策作出知情評估。董事相信，彼等已挑選合適的會計政策並貫徹應用，並作出謹慎合理的判斷及估計。管理層每月向董事會全體成員提供最新的內部財務報表，以便董事可對本集團之表現、狀況及前景作出均衡及易於理解的評估。

風險管理及內部監控

年內，本集團已遵守企業管治守則第C.2條原則，建立適當及有效之風險管理及內部監控系統。管理層負責該等系統之設計、實施及監控，而董事會負責監督管理層持續執行其職責。風險管理及內部監控系統之主要特點於下文各節說明：

風險管理系統

本集團採納之風險管理系統管理與其業務及營運相關之風險。該系統包括以下階段：

- 識別：識別風險歸屬、業務目標及可能影響目標實現之風險。
- 評估：分析風險之可能性及影響，並據此評估風險組合。
- 管理：考慮風險回應措施，確保與董事會有效溝通並持續監控剩餘風險。

Report on Corporate Governance

企業管治報告

Internal Control System

The Company has in place an internal control system which enables the Company to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the internal system are shown as follow:

- **Control Environment:** a set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- **Risk Assessment:** a dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- **Control Activities:** action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- **Information and Communication:** internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- **Monitoring:** ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

Based on the internal control reviews conducted in 2018, no significant control deficiency was identified.

內部監控系統

本公司設有內部監控系統，該系統使本公司能夠實現有關營運有效性及效率、財務報告可靠性以及遵守適用法律及法規之目標。內部監控系統之組成部分列示如下：

- **監控環境：**為於本集團進行內部監控提供基礎之一套準則、程序及架構。
- **風險評估：**識別及分析風險以實現本集團目標，以及為釐定如何管理風險提供基礎之不斷轉變而反復之過程。
- **監控活動：**根據政策及程序確立之行動，以確保執行管理層為減低風險以達成目標所作出之指示。
- **資訊及溝通：**為本集團提供進行日常監控所需資訊之內部及外部溝通。
- **監控：**持續及獨立評估以確定內部監控之各組成部分是否存在及運作正常。

根據二零一八年進行之內部監控審閱，並無發現任何重大監控缺陷。



Report on Corporate Governance 企業管治報告

Internal Audit

During the year, the audit committee appointed external professional to conduct an internal audit review of the effectiveness of the Group's risk management and internal control systems. The external professional is assigned with the task to perform reviews on operational, financial and compliance aspects and will alert the management on the audit review findings or irregularities, if any, advise on the implementation of necessary steps and actions to enhance the internal controls of the Group. The result of internal audit reviews and agreed action plans are reported to the Audit Committee and the Board.

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review and the Group's ability to respond to changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

The Board, through its review made by internal audit function and Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

內部審核

年內，審核委員會已委任外部專業人士對本集團風險管理及內部監控系統之有效性進行內部審核檢討。外部專業人士被委派就營運、財務及合規方面作出檢討，並向管理層報告審核檢討結果或不規範行為（如有）及就實施必要步驟及行動以提高本集團內部監控向彼等提供意見。內部審核檢討之結果及經協定之行動計劃乃向審核委員會及董事會匯報。

風險管理及內部監控系統之有效性

董事會負責本集團之風險管理及內部監控系統，並確保每年檢討該等系統之有效性。董事會檢討時已考慮若干領域，其中包括但不限於(i)自上年度檢討以來重大風險性質及程度之變動，以及本集團對其業務及外部環境變動作出反應之能力；(ii)管理層持續監控風險及內部監控系統之範圍及質素。

董事會透過其由內部審計職能及審核委員會作出之檢討得出結論，認為風險管理及內部監控系統為有效及足夠。然而，該等系統旨在管理而非消除未能達成業務目標之風險，且只能就不會有重大失實陳述或損失作出合理而非絕對之保證。其亦認為資源、員工資歷及相關員工之經驗為足夠，提供之培訓計劃及預算為充足。



Report on Corporate Governance

企業管治報告

INSIDER INFORMATION AND INFORMATION DISCLOSURE

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the group enters into significant negotiations.
- The executive directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

COMPANY SECRETARY

Mr. Tong Yiu On, the Company Secretary of the Company, confirmed that he has taken no less than 15 hours relevant professional training during the financial year.

內幕消息及信息披露

為加強本集團處理內幕消息之制度，確保公開披露資料之真實性、準確性、完整性與及時性，本集團亦採納及執行內幕消息政策及程序。本集團已不時採取若干合理措施，確保存有防止違反披露規定之保障措施，其中包括：

- 只有需要了解之有限數目之僱員可獲取消息。擁有內幕消息之僱員完全了解其保守機密之責任。
- 本集團訂立重大協商時簽訂保密協議。
- 與外界（如媒體、分析師或投資者）溝通時，執行董事為代表本公司發言之指定人士。

公司秘書

本公司的公司秘書唐耀安先生確認，彼於財政年度內已接受不少於15個小時的相關專業培訓。



Report on Corporate Governance 企業管治報告

DIVIDEND POLICY

Pursuant to the Dividend Policy of the Company, the Company may consider to propose or declare dividends out of the Company's distributable reserve to the shareholders of the Company (the "Shareholders"). Such declaration and payment of dividends shall remain to be determined at the sole discretion of the Board, subject to the requirements of all applicable laws and regulations and the bye-laws and memorandum of association of the Company.

In deciding whether to propose or declare a dividend and in determining the dividend amount and means of payment, the Board shall take into account, among others, the Group's actual and expected financial performance, retained earnings and distributable reserves, liquidity position, working capital requirements, the capital and debt level, capital expenditure requirements and future development and investment plans, Shareholders' interests, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group and other factors that the Board deems appropriate.

The Dividend Policy shall not constitute a legally binding commitment by the Company and there is no assurance that dividends will be proposed, declared or paid by the Company in any particular amount at any time or from time to time. The Board will from time to time review the Dividend Policy and may exercise at its absolute and sole discretion to update, amend and/or modify the Dividend Policy at any time as the Board deems The Dividend Policy shall be reviewed and revised from time to time as and when considered necessary by the Board.

股息政策

根據本公司之股息政策，本公司可考慮以本公司可分派儲備向本公司股東（「股東」）建議或宣派股息。有關宣派及派付股息將由董事會全權酌情決定，並須遵守所有適用法律及法規以及本公司之公司細則及組織章程大綱之規定。

於決定是否建議或宣派股息及釐定股息金額及支付方式時，董事會將考慮（其中包括）本集團之實際及預期財務表現、保留盈利及可分派儲備、流動資金狀況、營運資金需求、資金及債務水平、資金開支需求以及未來發展及投資計劃、股東權益、整體經濟狀況及其他可能影響本集團業務或財務表現及狀況的內部或外部因素及其他董事會認為合適的其他因素。

股息政策將不構成本公司作出的合法且具約束力承擔，且概不保證本公司於任何時候或不時建議、宣派或支付任何特定金額的股息。董事會將不時審閱股息政策，並可行使其全權酌情權於其認為適合時更新、修訂及／或更改股息政策。董事會將不時於其認為必要時審閱及修訂股息政策。



Report on Corporate Governance

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHT

The Company recognizes the importance of good communications with all shareholders and investors. The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. All shareholders of the Company are given at least 21 days' notice for the date and venue of such annual general meeting. Shareholders are encouraged to attend general meetings. The Chairman and/or the Directors are available to answer questions on the Group's businesses at the meetings. The Company provides information relating to the Company and its business in its annual and half-year report and also disseminates such information electronically through its website at "www.irasia.com/listco/hk/chinaoceanindustry/" and the website of the Stock Exchange.

As one of the measures to safeguard shareholders' interests and rights, separate resolutions are proposed at general meetings on each material matters, including the election of individual Directors, for shareholder to consider and vote. All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules.

Convening a Special General Meeting ("SGM") and Putting Forward Proposals at General Meetings

Pursuant to the Bermuda Companies Act 1981 and Bye-laws of the Company, Shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth (10%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring a SGM to be called by the Board. The written requisition (a) must state the object(s) of the meeting; and (b) must be signed by the requisitionists and deposited at the principal office of the Company for attention of the Company Secretary, and may consist of several documents, each signed by one or more requisitionists. Such requisitions will be verified with the Company's Hong Kong Branch Share Registrar and upon its confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice to all Shareholders.

與股東溝通及股東權利

本公司認識到與全體股東及投資者進行有效溝通之重要性。本公司之股東週年大會為董事會提供與股東直接交流之寶貴機會。本公司全體股東將獲發最少21日通知，以告知有關股東週年大會之舉行日期及地點。本公司鼓勵股東出席股東大會。主席及／或董事將於會上回答有關本集團業務之問題。本公司在年度及半年度報告中提供有關本公司及其業務之資料，並以電子形式透過其網站「www.irasia.com/listco/hk/chinaoceanindustry/」及聯交所網站發佈有關資料。

作為其中一項保障股東利益及權利之措施，本公司將會於股東大會上就各項重大事宜（包括選舉個別董事）提呈獨立決議案以供股東考慮及表決。於股東大會上提呈之所有決議案均將根據上市規則以投票方式表決。

召開股東特別大會（「股東特別大會」）及在股東大會上提呈決議案

根據百慕達一九八一年公司法及本公司之公司細則，於遞呈請求日期持有本公司已繳足股本不少於十分之一(10%)，可於股東大會上投票之一名或多名股東將有權遞交書面請求，以請求董事會召開股東特別大會。書面請求(a)須列明大會的目的；及(b)須由呈請人簽署並送交本公司之主要辦事處（註明收件人為公司秘書），並可由數份同樣格式的文件組成，而每份由一名或多名呈請人簽署。有關請求將由本公司之香港股份過戶登記分處核實，倘書面請求獲確認屬妥善及適宜，公司秘書將請求董事會給予全體股東足夠通知期，以召開股東特別大會。



Report on Corporate Governance 企業管治報告

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM for a day not more than two months after the date of deposit of a proper requisition, the requisitionists or any of them representing more than one-half of the total voting rights of all of them may convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the said date of deposit of the requisition. A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

Pursuant to the Bermuda Companies Act 1981, either any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (“Requisitionists”), or not less than 100 of such registered Shareholders, can request the Company in writing to (a) give to the Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to the Shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the Requisitionists must be deposited at the principal office of the Company for attention of the Company Secretary with a sum reasonably sufficient to meet the Company’s relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the principal office of the Company, an annual general meeting is called for a date six weeks or less after the copy has been deposited, such requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

倘董事在妥善之請求遞呈日期起計21日內，未有正式安排在遞呈有關請求日期後兩個月內召開股東特別大會，則該等呈請人或佔全體呈請人總投票權一半以上之呈請人，可召開股東特別大會，但任何如此召開之股東特別大會不得在上述請求書遞呈日期起計3個月屆滿後舉行。由呈請人召開之大會須盡可能以接近董事召開大會之方式召開。

根據百慕達一九八一年公司法，持有本公司附帶權利可於本公司股東大會投票之繳足股本不少於二十分之一(5%)之任何人數的登記股東（「呈請人」），或不少於100名有關登記股東，可向本公司提交書面要求：(a)向有權接收下一屆股東週年大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過1,000字之陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。由所有呈請人簽署之呈請須送交本公司主要辦事處（註明收件人為公司秘書），並須在不少於（倘為要求決議案通知之呈請）大會舉行六週前或（倘為任何其他呈請）大會舉行一週前遞交及須支付足以彌補本公司相關開支之款項。惟倘要求決議案通知之呈請副本送交本公司主要辦事處後，在遞交副本六週後或較短期間內之某一日召開股東週年大會，則該呈請雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。



Report on Corporate Governance

企業管治報告

Right to Put Enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary.

MEMORANDUM OF ASSOCIATION AND BYE-LAWS OF THE COMPANY

During the reporting period, no amendment had been made to the Memorandum of Association and Bye-Laws of the Company.

On behalf of the Board

Li Ming

Chairman

29 March 2019

向董事會作出查詢的權利

股東有權向董事會作出查詢。所有查詢必須以書面作出，並郵寄至本公司於香港的主要營業地點（註明收件人為公司秘書）。

本公司之組織章程大綱及公司細則

於報告期內，本公司之組織章程大綱及公司細則並無作出修訂。

代表董事會

李明

主席

二零一九年三月二十九日





Directors' Report 董事會報告

The directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 48 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 81 of the annual report.

DIVIDENDS

The Directors do not recommend the payment of a dividend.

RESERVES

Movements in the reserves of the Group during the year are set out on page 85 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

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

董事同寅謹將本公司及其附屬公司(下文統稱為「本集團」)截至二零一八年十二月三十一日止年度之年報連同經審核之綜合財務報表呈覽。

主要業務

本公司為一間投資控股公司，其附屬公司之主要業務載於綜合財務報表附註48。

業績

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年報第81頁之綜合損益及其他全面收益表內。

股息

董事不建議派付股息。

儲備

本集團於年內之儲備變動載於年報第85頁。

物業、廠房及設備

本集團之物業、廠房及設備於年內變動詳情載於綜合財務報表附註17。



Directors' Report

董事會報告

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in Note 34 to the consolidated financial statements.

Pursuant to the ordinary resolution of the shareholders at the annual general meeting on 22 June 2018, the Company's authorised share capital was increased from HK\$1,000,000,000 divided into 20,000,000,000 of HK\$0.05 each to HK\$2,500,000,000 divided into 50,000,000,000 ordinary shares by creation of 30,000,000,000 new shares.

As at 31 December 2018, the authorised share capital of the Company was HK\$2,500,000,000 divided into 50,000,000,000 shares of par value of HK\$0.05 each, of which 13,636,838,840 shares had been allotted and issued as fully paid or credited as fully paid.

BORROWINGS

Particulars of the Group's borrowings as at 31 December 2018 are set out in Note 32 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company did not have any reserves available for distribution (2017: Nil).

Under the Companies Act 1981 of Bermuda (as amended), the balances in a company's contributed surplus and share premium accounts are available for distribution. However, the company cannot declare or pay a dividend, or make a distribution out of contributed surplus and share premium accounts if:

- (a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the assets of the company would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

股本

本公司股本於年內的變動詳情載於綜合財務報表附註34。

根據股東於二零一八年六月二十二日舉行之股東週年大會上通過的普通決議案，本公司法定股本藉增設30,000,000,000股新股份由分為20,000,000,000股每股面值0.05港元之1,000,000,000港元增加至分為50,000,000,000股普通股之2,500,000,000港元。

於二零一八年十二月三十一日，本公司法定股本為2,500,000,000港元，分為50,000,000,000股每股面值0.05港元的股份，其中13,636,838,840股份已配發及發行為繳足或入賬列作繳足股份。

借貸

本集團於二零一八年十二月三十一日之借貸詳情載於綜合財務報表附註32。

本公司之可供分派儲備

本公司並無任何可供分派之儲備（二零一七年：無）。

根據百慕達一九八一年公司法（經修訂），一間公司於實繳盈餘及股份溢價賬之結餘可供分派。然而，於下列情況下，此公司不可自實繳盈餘及股份溢價賬中宣派或派發股息或作出分派：

- (a) 此公司在派付後無法支付到期之負債；或
- (b) 此公司之可變現資產值低於其負債及已發行股本及股份溢價賬之總額。



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 328 of the annual report.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2018 is set out under the sections headed “Chairman’s Statement”, “Five Year Financial Summary”, “Management Discussion and Analysis” of this annual report. Those discussions form part of this Report of the Directors.

Further discussion and analysis matters as required by Schedule 5 to the Companies Ordinance (Cap 622 of the Laws of Hong Kong), including are view of the business of the Group, discussion and analysis of the Group’s performance during the year and the material factors underlying its results and financial position, and an indication of the outlook of the business of the Group, are set out under sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this Annual Report. Those discussions form part of this Report of the Directors.

Compliance with Laws and Regulations

The Group complies with the requirements under the Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the “SFO”) for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance and ordinances relating to occupational safety for the interest of employees of the Group. Important events affecting the Group occurred after 31 December 2018 are mentioned in the section “Events After the Reporting Period”. As at 31 December 2018 and up to the date of this report, the Board was unaware of any non-compliance with the relevant laws and regulations which had a significant impact on the Company.

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於年報第328頁。

業務回顧

本集團截至二零一八年十二月三十一日止年度的業務回顧載於本年報「主席報告」、「五年財務概要」、「管理層討論及分析」各章節。該等討論構成本董事會報告的一部分。

公司條例（香港法例第622章）附表5所規定的進一步討論及分析事項，包括對本集團業務的看法、對本集團年內表現的討論及分析及其業績及財務狀況相關之重要因素以及本集團業務前景之說明，載於本年報「主席報告」及「管理層討論及分析」各章節。該等討論構成本董事會報告的一部分。

遵守法律法規

本集團遵守公司條例、上市規則及證券及期貨條例（「證券及期貨條例」）中有關資料披露及企業管治之規定。本集團亦遵守僱傭條例及職業安全相關法例之規定，以保障本集團僱員利益。於二零一八年十二月三十一日後發生而對本集團有影響之重要事件載於「呈報期後事項」章節。於二零一八年十二月三十一日及直至本報告日期止，董事會並不知悉任何違反而對本公司有重大影響的相關法律及法規之事項。



Directors' Report

董事會報告

Environmental Policies And Performance

The Group is committed to the long term sustainability of the environment and communities in which it operates. The Group encourages environmental protection and promotes awareness towards environmental protection to the employees. It implements green office practices such as double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliances.

The Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of the Group's business to move towards adhering the 3Rs – “Reduce”, “Recycle” and “Reuse” and enhance environmental sustainability.

Please refer to the separately published Environmental, Social and Governance Report of the Company for the year ended 31 December 2018 prepared in accordance with Appendix 27 to the Listing Rules for detailed discussion of the Company's environmental policies and performance.

Principal Risks and Uncertainties

Impact of Local and International Regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

The Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. Details of the principal risks and uncertainties are set out in Notes 5, 6 and 7 to the consolidated financial statements of this annual report.

環境政策及表現

本集團致力維持其經營所在環境及社區之長遠可持續發展。本集團鼓勵環保，並促進僱員之環保意識。本集團實施多項綠色辦公室措施，例如雙面打印及複印、提倡使用再造紙及透過關掉閒置之照明及電力裝置以減少耗能。

本集團將不時檢討其環保工作，並將考慮在本集團之業務營運中實施更多環保措施及慣例，以堅守3R原則（即「減廢(Reduce)」，「再造(Recycle)」及「再用(Reuse)」）為目標，加強環境之可持續性。

有關本公司環境政策及表現的詳細討論，請參閱本公司根據上市規則附錄27編製並獨立刊發的截至二零一八年十二月三十一日止年度之環境、社會及管治報告。

主要風險及不確定因素

地方及國際法規的影響

本集團的業務營運亦須遵守政府政策以及監管機構制定的相關法規及指引。倘本集團未能遵守規則及規定，則可能導致監管機構作出懲處、修訂或暫停業務營運。本集團密切監察政府政策、法規及市場的變動，以及進行研究以評估該等變動的影響。

本集團的財務狀況、經營業績及業務前景可能受多種與本集團業務有直接或間接關係的風險及不明確因素所影響。主要風險及不確定因素的詳情載於本年報綜合財務報表附註5、6及7。



Directors' Report 董事會報告

Relationship with Suppliers, Customers, Employees and Other Stakeholders

The Group understands the importance of maintaining a good relationship with its business partners, suppliers, customers, employees and other stakeholders to meet the Group's immediate and long-term goals.

Accordingly, the Group's senior management have kept good communication, promptly exchanged ideas and shared business update with the stakeholders when appropriate. The Group also creates a framework for motivating staff and a formal communication channel in order to maintain healthy relationships with its employees and other stakeholders. Save as disclosed elsewhere under the section headed "Management Discussion and Analysis", during the year, there were no material and significant dispute between the Group and its business partners, suppliers and/or customers.

DIRECTORS

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

Executive directors:

Mr. Li Ming – *Chairman*
Mr. Zhang Shi Hong – *Chief Executive Officer*
Mr. Zhang Weibing
Mr. Liu Jin

Non-executive director:

Mr. Chau On Ta Yuen – *Honorary Chairman*
Mr. Lin Lie (appointed on 3 September 2018)

與供應商、客戶、僱員及其他利益相關者的關係

本集團了解與其業務合作夥伴、供應商、客戶、僱員及其他利益相關者保持良好關係對實現本集團短期及長期目標之重要性。

因此，本集團的高級管理層一直與利益相關者維持良好溝通、適時交流意見及共享最新業務資料（如適用）。本集團亦建立員工激勵框架及正式溝通渠道，旨在維持與其僱員及其他利益相關者之良好關係。於本年度，除「管理層討論及分析」章節所披露者外，本集團與其業務合作夥伴、供應商及／或客戶之間概無嚴重及重大糾紛。

董事

本公司於本年度及截至本報告日期之董事如下：

執行董事：

李明先生 – 主席
張士宏先生 – 行政總裁
張偉兵先生
劉進先生

非執行董事：

周安達源先生 – 名譽主席
林烈先生（於二零一八年九月三日獲委任）



Directors' Report

董事會報告

Independent non-executive directors:

Mr. Hu Bai He
Ms. Xiang Siying
Ms. Xiang Ying

In accordance with Clause 87 of the Company's Bye-laws, Mr. Zhang Shi Hong, Mr. Liu Jin, and Mr. Chau On Ta Yuen and Ms. Xiang Ying will retire by rotation and are eligible for re-election at the forthcoming annual general meeting.

Furthermore, under bye-law 86(2) of the Company's Bye-laws, any Director appointed during the year to fill a casual vacancy or as an addition to the existing board shall hold office until the first general meeting after his appointment (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Board). Accordingly, Mr. Lin Lie will hold office until at the forthcoming annual general meeting and being eligible, will offer himself for re-election.

All of the remaining directors will continue in office.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors in writing an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all the independent non-executive directors to be independent.

獨立非執行董事：

胡柏和先生
項思英女士
向穎女士

根據本公司的公司細則第87條，張士宏先生、劉進先生、周安達源先生及向穎女士將於應屆股東週年大會上輪值告退，且彼等符合資格於會上膺選連任。

此外，根據本公司的公司細則第86(2)條，於本年度內獲委任以填補臨時空缺或增聘加入現有董事會的任何董事，將任職至其獲委任後的首屆股東大會為止（倘屬填補臨時空缺）或本公司下屆股東週年大會為止（倘屬增聘加入現有董事會）。因此，林烈先生亦將任職至應屆股東週年大會上，且符合資格並願意膺選連任。

其餘所有董事將繼續留任。

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條就其獨立性發出之書面年度確認，而本公司認為所有獨立非執行董事均具獨立身份。



BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of directors as at the date of this report are set out below:

Executive Directors

Mr. Li Ming, aged 56, was appointed as a Director in February 2009 and is the Chairman of the Group. Mr. Li graduated from Jiangxi Finance Institute (now known as Jiangxi University of Finance and Economics) majoring in planning statistics. Prior to joining the Company, Mr. Li held senior positions in a number of well-known companies in the People's Republic of China and had extensive experience in management and business planning. Mr. Li has served as a non-executive director of DST ROBOT Co. Ltd (Stock Code: A090710), a company listed on Korean Stock Exchange, since March 2015 and as an independent non-executive director of Skyworth Digital Holdings Limited (Stock code: 00751), a company listed on Hong Kong Stock Exchange, since March 2017. Save as disclosed above, Mr. Li did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas over the last three years.

Mr. Zhang Shi Hong, aged 50, was appointed as a Director in December 2007 and is the Chief Executive Officer of the Group. Mr. Zhang has over 18 years of experience in finance, credit management and investment management. He has worked for the head office of the Bank of China for around nine years, mainly responsible for credit management. He also pursued investment management in various institutions in the People's Republic of China. Mr. Zhang holds a Master's degree in Economics.

Mr. Zhang Weibing, aged 53, was appointed as a Director in November 2017. Mr. Zhang holds a bachelor degree in economics, a master degree in finance from Peking University and a doctoral degree in finance from Sichuan University. He has over 27 years of working experience in financial securities industry. Mr. Zhang was appointed as an executive director and then chairman of Titan Petrochemicals Group Limited, a company listed on the main board of the Stock Exchange (stock code: 1192), in July 2015 and September 2016 respectively, Mr. Zhang has resigned from both position in March 2018. Mr. Zhang has extensive experience in corporate governance, initial public offering, mergers and acquisitions, equity bond financing and investment.

董事之個人簡歷

截至本報告日期之董事個人簡歷載於下文：

執行董事

李明先生，56歲，於二零零九年二月獲委任為董事，現兼任本集團主席。李先生畢業於江西財經學院（現稱為江西財經大學），主修計劃統計學。在加入本公司前，李先生曾在中華人民共和國出任多間著名公司之要職，彼在管理及商業策劃方面有極豐富經驗。李先生自二零一五年三月起一直擔任DST機器人公司*（DST ROBOT Co. Ltd）（股份代號：A090710，於韓國證券交易所上市的公司）的非執行董事。李先生於二零一七年三月獲委任為創維數碼控股有限公司（一間於香港聯交所上市之公司，股份代號：00751）獨立非執行董事。除上文所披露者外，李先生於過往三年並無於證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。

張士宏先生，50歲，於二零零七年十二月獲委任為董事，現兼任本集團行政總裁。張先生於財務、信貸管理及投資管理方面累積逾18年經驗。彼於中國銀行總行工作約九年，主要負責信貸管理工作。彼亦於中華人民共和國多家機構從事投資管理工作。張先生持有經濟學碩士學位。

張偉兵先生，53歲，於二零一七年十一月獲委任為董事。張先生持有北京大學經濟學士學位及金融碩士學位以及四川大學金融博士學位。彼擁有超過27年金融證券行業的工作經驗。張先生分別於二零一五年七月及二零一六年九月先後獲委任為泰山石化集團有限公司（一間於聯交所主板上市之公司，股份代號：1192）之執行董事及主席。張先生已於二零一八年三月辭任該兩個職務。張先生在公司管治、首次公開招股、企業併購、股權債券投融資方面有相當廣泛的經驗。

Directors' Report

董事會報告

Mr. Liu Jin, aged 50, was appointed as a Director in September 2015. Mr. Liu obtained a Diploma in Business Administration from Singapore Institute of Management and a Master Degree of Business Administration from Hong Kong Baptist University. Mr. Liu is also a Certified Dealmaker endorsed by the China Mergers & Acquisition Association. Mr. Liu has nearly 20 years' experience in the investment industry. He held senior positions in brokerage firm, investment companies and private equity management companies and has extensive experience in corporate finance matters, such as corporate management, risks management, mergers and acquisitions, corporate advisory and initial public offering in the People's Republic of China.

Non-executive Director

Mr. Chau On Ta Yuen, aged 71, was appointed as a Director in September 2007 and was re-designated as the non-executive Director and Honorary Chairman of the Group in June 2015. Mr. Chau graduated from Xiamen University majoring in Chinese language and literature. Mr. Chau has been an executive director of ELL Environmental Holdings Limited and an independent non-executive director of Good Resources Limited, Come Sure Group (Holdings) Limited, Redco Properties Group Limited and Hua Long Jin Kong Company Limited, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Save as disclosed above, Mr. Chau did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas over the last three years. Mr. Chau is currently a member of the Chinese People Political Consultative Conference of the People's Republic of China and holds the office of its deputy officer of the Social and Legal Affairs Committee. He is also the vice chairman of Hong Kong Federation of Fujian Associations. Mr. Chau was awarded the Bronze Bauhinia Star by the Hong Kong Government of Special Administration Region in 2010.

Mr. Lin Lie, aged 24, was appointed as a non-executive director in September 2018. Mr. Lin majored in finance at a prestigious university in the United States and has extensive experience in global investment management. He currently serves as the managing director of several financial technology development and asset management companies based in Hong Kong, Shanghai and Taiwan.

劉進先生，50歲，於二零一五年九月獲委任為董事。劉先生持有新加坡管理學院工商管理文憑及香港浸會大學工商管碩士學位。劉先生亦為獲中國併購公會認證的註冊併購交易師。劉先生於投資行業擁有近20年經驗。彼曾於經紀公司、投資公司及私募股權管理公司擔任高級職位，並於中華人民共和國內企業財務事宜（如企業管理、風險管理、併購、企業諮詢及首次公開發售）方面擁有豐富經驗。

非執行董事

周安達源先生，71歲，於二零零七年九月獲委任為董事並於二零一五年六月調任為本集團非執行董事和榮譽主席。周先生畢業於廈門大學，主修中國語言及文學。周先生現擔任強泰環保控股有限公司之執行董事，以及良源有限公司、錦勝集團（控股）有限公司、力高地產集團有限公司及華隆金控有限公司（上述公司股份均於香港聯合交易所有限公司（「聯交所」）主板上市）之獨立非執行董事。除上文所披露者外，周先生於過往三年並無於證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。周先生現為中華人民共和國之中國人民政治協商會議委員及中國人民政治協商會議社會和法制委員會副主任。彼亦為香港福建社團聯會副主席。周先生於二零一零年獲香港特別行政區政府頒發銅紫荊星章。

林烈先生，24歲，於二零一八年九月獲委任為非執行董事。林先生於美國一所知名大學主修金融，對全球投資管理方面擁有豐富經驗。彼現時擔任數家設於香港、上海和台灣的金融科技研發和資產管理公司的董事總經理。



Independent Non-Executive Directors

Mr. Hu Bai He, aged 56, appointed as an independent non-executive Director in May 2008. Mr. Hu was graduated from Jiangxi University of Finance and Economics. He is a senior accountant, certified public accountant, certified public valuer and certified tax agent in the People's Republic of China (the "PRC"). He has extensive experience in finance and accounting field. Mr. Hu is currently the general manager of Peking Certified Public Accountants. Before he joined Peking Certified Public Accountants in 1993, he has had over seven years working experience with Ministry of Finance of the PRC. Mr. Hu has been an independent non-executive director of China Tian Yuan Healthcare Group Limited, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited, since August 2016. Save as disclosed above, Mr. Hu did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas over the last three years.

Ms. Xiang Siying, aged 56, was appointed as an independent non-executive Director in May 2008. Ms. Xiang holds an MBA degree from the London Business School. She has extensive experience in all sectors of corporate finance, restructuring and merge and acquisitions practice. From 2010 to April 2016, Ms. Xiang was an executive director of CDH Investments, a leading private equity firm in China. Prior to joining CDH, she had worked for China International Capital Corporation Limited since returning to China in early 2004. Before that Ms. Xiang had long career with International Finance Corporation, the private investment arm of the World Bank Group in Washington, United States of America. Ms. Xiang served as an independent non-executive director of Titan Petrochemicals Group Limited (Stock Code: 01192) from July 2015 to July 2018, she was appointed as an independent non-executive director and then the chairman of Huili Resources (Group) Limited (Stock Code: 01303) in September 2017 and March 2019 respectively. The shares of the aforesaid companies are listed on the Stock Exchange of Hong Kong Limited. Save as disclosed above, Ms. Xiang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

獨立非執行董事

胡柏和先生，56歲，於二零零八年五月獲委任為獨立非執行董事。胡先生畢業於江西財經大學。彼為中華人民共和國（「中國」）之高級會計師、註冊會計師、註冊資產評估師及註冊稅務師。彼在財務會計方面有極豐富經驗。胡先生現於中勤萬信會計師事務所擔任總經理。在一九九三年加入中勤萬信會計師事務所前，彼在中國財政部工作逾七年。胡先生自二零一六年八月起為中國天元醫療集團有限公司（其股份於香港聯合交易所有限公司主板上市）之獨立非執行董事。除上文所披露者外，胡先生於過往三年並無於證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。

項思英女士，56歲，於二零零八年五月獲委任為獨立非執行董事。項女士持有倫敦商學院之工商管理碩士學位。彼在企業財務、重組、合併及收購交易各方面均有極豐富經驗。於二零一零年至二零一六年四月，項女士為一間在中國居領先地位的私募股權投資公司鼎暉投資之執行董事。在加入鼎暉投資前，彼自二零零四年初返回中國後任職於中國國際金融股份有限公司。在此之前，項女士在設於美國華盛頓的國際金融公司服務多年，國際金融公司乃在世界銀行集團中承擔私營投資機構的職能。項女士於二零一五年七月至二零一八年七月獲委任為泰山石化集團有限公司（股份代號：01192）之獨立非執行董事。彼亦分別於二零一七年九月及二零一九年三月先後獲委任為滙力資源（集團）有限公司（股份代號：01303）之獨立非執行董事及主席。上述公司之股份均於香港聯合交易所有限公司上市。除上文所披露者外，項女士於過往三年並無於證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。



Directors' Report

董事會報告

Ms. Xiang Ying, aged 64, was appointed as an independent non-executive Director in August 2009. Ms. Xiang was graduated and obtained her Bachelor's degree in economics from Zhongnan University of Economics and Law. Ms. Xiang is a qualified lawyer and a certified public accountant in the People's Republic of China. She also holds qualifications to act as a senior lecturer in Economic Law. Ms. Xiang has significant experience in the fields of mergers and acquisitions, financial services and risk management. Ms. Xiang has served as an independent director of Guangdong National Technology Co., Ltd, the shares of which are listed on Shenzhen Stock Exchange. During the period from 31 August 2011 to 25 November 2012, she was appointed as an independent director of Anxin Trust & Investment Co. Ltd., the shares of which are listed on Shanghai Stock Exchange. Ms. Xiang was an independent director of Guangdong Sky Dragon Ink Group Co. Ltd, the shares of which are listed on Shenzhen Stock Exchange, from July 2010 to July 2013. Save as disclosed above, Ms. Xiang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

向穎女士，64歲，於二零零九年八月獲委任為獨立非執行董事。向女士畢業於中南財經政法大學，並取得經濟學學士學位。向女士為一位在中華人民共和國合資格律師及註冊會計師。彼亦擁有擔任經濟法高級講師的資格。向女士於合併及收購、金融服務及風險管理等範疇有極豐富經驗。向女士擔任廣東國立科技股份有限公司（其股份於深圳證券交易所上市）之獨立董事。於二零一一年八月三十一日至二零一二年十一月二十五日期間，向女士獲委任為安信信託投資股份有限公司（其股份於上海證券交易所上市）之獨立董事。向女士於二零一零年七月至二零一三年七月曾擔任廣東天龍油墨集團股份有限公司（其股份於深圳證券交易所上市）之獨立董事。除上文所披露者外，向女士於過往三年並無於其證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。



DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, the interests and short positions of the directors and chief executives in the share capital of the Company or its associated corporations, as defined in Part XV of the SFO and as recorded in the register required to be kept by the Company 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") were as follows:

(i) Interest in ordinary shares of the company

Name	Long/Short position	Capacity	Number of ordinary shares held	Approximate percentage of the issued shares held
姓名	好倉/淡倉	身份	持有之普通股數目	持有已發行股份之概約百分比
Li Ming (Note 1) 李明 (附註1)	Long position 好倉	Beneficial owner 實益擁有人	1,241,482,954	9.10%
	Long position 好倉	Interest of controlled corporation (Note 2) 受控制法團權益 (附註2)	542,005,000	3.97%
Total 總計			1,783,487,954	13.07%
Zhang Shi Hong (Note 3) 張士宏 (附註3)	Long position 好倉	Beneficial owner 實益擁有人	227,600,000	1.67%
Zhang Weibing (Note 4) 張偉兵 (附註4)	Long position 好倉	Beneficial owner 實益擁有人	30,000,000	0.22%

Note 1: Mr. Li Ming is an executive director of the Company.

Note 2: These shares are held by Lead Dragon Limited, a company incorporated in the British Virgin Islands whose entire issued share capital is solely and beneficially owned by Mr. Li Ming.

Note 3: Mr. Zhang Shi Hong is an executive director of the Company.

Note 4: Mr. Zhang Weibing is an executive director of the Company.

附註1: 李明先生為本公司之執行董事。

附註2: 該等股份由Lead Dragon Limited持有，該公司於英屬處女群島註冊成立，其全部已發行股本由李明先生全權實益擁有。

附註3: 張士宏先生為本公司之執行董事。

附註4: 張偉兵先生為本公司之執行董事。

董事於股份及相關股份中擁有之權益

於二零一八年十二月三十一日，董事及最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股本中，擁有記錄在證券及期貨條例第352條規定本公司須存置之登記冊內，或依據上市發行人董事進行證券交易之標準守則（「標準守則」）另行知會本公司及聯交所之權益及淡倉如下：

(i) 於本公司普通股之權益

Directors' Report

董事會報告

(ii) Rights to acquire shares in the Company

As at 31 December 2018, the directors of the Company had interests in share options to subscribe for shares in the Company as follows:

Name of Director 董事姓名	Company/Name of associated corporation 本公司／相聯法團名稱	Nature of interest 權益性質	Number of underlying shares 相關股份數目	Exercise price 行使價
Chau On Ta Yuen 周安達源	Company 本公司	Personal interest (Note 1) 個人權益 (附註1)	45,000,000	HK\$0.211港元
Zhang Shi Hong 張士宏	Company 本公司	Personal interest (Note 1) 個人權益 (附註1)	16,000,000	HK\$0.211港元
Hu Bai He 胡柏和	Company 本公司	Personal interest (Note 1) 個人權益 (附註1)	1,000,000	HK\$0.211港元
Xiang Siying 項思英	Company 本公司	Personal interest (Note 1) 個人權益 (附註1)	1,000,000	HK\$0.211港元
Xiang Ying 向穎	Company 本公司	Personal interest (Note 1) 個人權益 (附註1)	1,000,000	HK\$0.211港元

Notes:

- Such number of Shares represents the underlying shares of the options granted on 7 May 2014 under the share option scheme of the Company adopted on 27 June 2012.

Save as disclosed in this report, none of the Directors or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations.

(ii) 購買本公司股份之權利

於二零一八年十二月三十一日，本公司董事擁有購股權之權益以認購本公司股份如下：

附註：

- 該等股份數目為根據本公司於二零一二年六月二十七日採納之購股權計劃於二零一四年五月七日授出之購股權之相關股份。

除本報告所披露者外，概無董事或其聯繫人於本公司或其任何相聯法團之股本或債務證券中擁有任何個人、家族、公司或其他權益。



SHARE OPTION SCHEME

Particulars of the Company's share option scheme adopted on 27 May 2002 (the "2002 Scheme") are set out in Note 42 to the consolidated financial statements. The term of 2002 Scheme is ten years from its date of adoption. It has expired on 26 May 2012. During the year ended 31 December 2018, options to subscribe for 46,449,780 shares were granted under the 2002 Scheme have lapsed. There were no outstanding options granted pursuant to the 2002 Scheme as at 31 December 2018. At the Company' annual general meeting held on 27 June 2012, an ordinary resolution was proposed to approve the adoption of a new share option scheme (the "2012 Scheme"), which has taken effect after the resolution was passed and the Company obtained the listing approval granted by the Stock Exchange of Hong Kong Limited. Particulars of the 2012 Scheme are set out in Note 42 to the consolidated financial statements. During the year ended 31 December 2018, options to subscribe for 550,000,000 shares granted under the 2012 Scheme have lapsed. As at 31 December 2018, options to subscribe for 326,000,000 shares granted under the 2012 Scheme remained outstanding.

CONVERTIBLE NOTES

The Company did not conduct any fundraising through issue of shares/convertible securities during the year ended 31 December 2018. However, the following convertible securities/right to subscribe for convertible securities remained outstanding during the year ended 31 December 2018:

1. 2016 Subscription Agreement

On 6 December 2016, the Company and Macquarie Bank Limited ("Macquarie") entered into a subscription agreement pursuant to which Macquarie has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, convertible notes in aggregate principal amount of up to HK\$400 million, which is to be issued in 4 tranches with each tranche in principal amount of HK\$100 million and with interest rate at 2% per annum ("2016 Convertible Notes"). As at the date of this report, the first tranche of 2016 Convertible Notes has been redeemed by the Company in August 2017 and the remaining 3 tranches in aggregate principle amount of HK\$300 million have yet to be issued by the Company.

購股權計劃

本公司於二零零二年五月二十七日採納之購股權計劃(「二零零二年計劃」)之詳情載於綜合財務報表附註42。二零零二年計劃期限自其採納日期起為期十年。其已於二零一二年五月二十六日屆滿。截至二零一八年十二月三十一日止年度，根據二零零二年計劃所授出可認購46,449,780股股份之購股權已失效。於二零一八年十二月三十一日，概無根據二零零二年計劃授出之購股權尚未行使。本公司於二零一二年六月二十七日舉行之股東週年大會上提呈一項普通決議案，以批准採納新購股權計劃(「二零一二年計劃」)，其已於決議案獲通過後生效，且本公司已獲香港聯合交易所有限公司授出上市批准。有關二零一二年計劃之詳情載於綜合財務報告附註42。於截至二零一八年十二月三十一日止年度，根據二零一二年計劃所授出可認購550,000,000股股份之購股權已失效。於二零一八年十二月三十一日，根據二零一二年計劃所授出可認購326,000,000股股份之購股權尚未行使。

可換股票據

本公司於截至二零一八年十二月三十一日止年度並無透過發行股份／可換股證券籌集資金。然而，下列可換股證券／可認購可換股證券之權利於截至二零一八年十二月三十一日止年度尚未行使：

1. 二零一六年認購協議

於二零一六年十二月六日，本公司與麥格理銀行有限公司(「麥格理」)訂立認購協議，據此，麥格理有條件同意認購及本公司有條件同意發行本金總額最多400百萬港元之可換股票據，分為4批，每批本金額為100百萬港元，按年利率2%計息(「二零一六年可換股票據」)。於本報告日期，本公司於二零一七年八月已贖回二零一六年可換股票據的第一批可換股票據，而本公司尚未發行餘下三批本金總額為300百萬港元之可換股票據。

Directors' Report

董事會報告

2. 2017 Convertible Bonds

On 10 November 2017, the Company issued a 2-year convertible bond in principal amount of HK\$189 million with 10% interest rate ("2017 Convertible Bonds") to Pacific Ocean Marine Limited ("Pacific Ocean") pursuant to the relevant subscription agreement dated 10 August 2017 (amended and supplemented on 10 October 2017). Upon full conversion of the 2017 Convertible Bonds at the initial conversion price of HK\$0.07 per share, a total of 2,700,000,000 shares would be issued, representing approximately 16.53% of the total enlarged number of issued shares by the allotment and issue of conversion shares. The net proceeds of HK\$189 million from the issuance of the 2017 Convertible Bonds has been fully utilised, as follows: HK\$170 million was used for repayment of debts and HK\$19 million was used for general working capital.

During the year ended 31 December 2018, no convertible notes were issued under the convertible notes.

Details of the convertible notes are set out in the Note 35 to the consolidated financial statements.

2. 二零一七年可換股債券

於二零一七年十一月十日，本公司根據日期為二零一七年八月十日之有關認購協議（於二零一七年十月十日經修訂及補充）向太平洋海運有限公司（「太平洋海運」）發行本金額為189百萬港元，按年利率10%計息的可換股債券（「二零一七年可換股債券」）。按初始換股價每股0.07港元悉數轉換二零一七年可換股債券後，合共2,700,000,000股股份將予發行，相當於配發及發行換股股份後經擴大已發行股份總數的約16.53%。發行二零一七年可換股債券之所得款項淨額189百萬港元已悉數動用，詳情如下：170百萬港元用於償還債務及19百萬港元用作一般營運資金。

於截至二零一八年十二月三十一日止年度，概無根據可換股票據發行可換股票據。

可換股票據詳情載於綜合財務報表附註35。





ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed “Directors’ Interests in Shares and Underlying Shares” and “Share Option Scheme” in this report, at no time during the year under review was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable a director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as the information disclosed in Note 46 to the consolidated financial statements, no transactions, arrangements or contract of significance to which the Company or its subsidiaries was a party and in which a director of the Company or an entity connected with a director had material interests, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS’ SERVICE CONTRACTS

None of the directors of the Company subject to re-election at the forthcoming annual general meeting has service contract with the Company or any of its subsidiaries, which is not determinable by the employer within one year without payment of compensation, other than statutory compensations.

董事購買股份或債權證之安排

除本報告「董事於股份及相關股份中擁有之權益」及「購股權計劃」章節所披露者外，本公司、其控股公司或其任何附屬公司及同系附屬公司於回顧年度內任何時間概無參與任何安排而可令本公司董事可通過購入本公司或任何其他法人團體的股份或債權證得益。

董事於重大交易、安排或合約之權益

除綜合財務報表附註46披露的資料外，本公司或其附屬公司於本年度終結日或本年度內任何時間，並無訂立本公司董事或與董事有關連實體直接或間接擁有重大利益之任何重要交易、安排或合約。

董事之服務合約

於應屆股東週年大會上重選連任之本公司董事概無與本公司或其任何附屬公司訂立僱主不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。



Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS

As 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 (the "Register") maintained by the Company pursuant to Section 336 of the SFO. Other than as disclosed below, the Company has not been notified of any other interest or short positions in the shares and underlying shares of the Company as at 31 December 2018.

Name	Long/Short position	Nature of Interests	Number of underlying share held	Approximate percentage of the issued shares held at 31 December 2015 佔於二零一五年十二月三十一日持有已發行股份之概約百分比
姓名	好倉/淡倉	權益性質	持有之相關股份數目	
Macquarie Group Limited	Long 好倉	Beneficial owner 實益擁有人	1,666,666,666	12.22%
Forward Fund SPC – Double Management Fund SP	Long 好倉	Beneficial owner 實益擁有人	1,842,857,143	13.51%
Full House Asset Management Company Limited (Note 1)	Long 好倉	Asset Manager 資產管理人	1,842,857,143	13.51%
Full House Asset Management Company Limited (附註1)	Long 好倉	Beneficial owner 實益擁有人	857,142,857	6.29%
Pacific Ocean Marine Limited 太平洋海運有限公司	Long 好倉	Beneficial owner 實益擁有人		

Notes

(1): Full House Asset Management Company Limited is the investment manager of Forward Fund SPC – Double Management Fund SP.

主要股東

於二零一八年十二月三十一日，下列人士（非本公司董事或最高行政人員）於本公司股份及相關股份中擁有記錄於本公司根據證券及期貨條例第336條規定存置之登記冊（「登記冊」）內之權益或淡倉。除下文所披露者外，本公司並無接獲通知於二零一八年十二月三十一日本公司股份及相關股份之任何其他權益或淡倉。

Name	Long/Short position	Nature of Interests	Number of underlying share held	Approximate percentage of the issued shares held at 31 December 2015 佔於二零一五年十二月三十一日持有已發行股份之概約百分比
姓名	好倉/淡倉	權益性質	持有之相關股份數目	
Macquarie Group Limited	Long 好倉	Beneficial owner 實益擁有人	1,666,666,666	12.22%
Forward Fund SPC – Double Management Fund SP	Long 好倉	Beneficial owner 實益擁有人	1,842,857,143	13.51%
Full House Asset Management Company Limited (Note 1)	Long 好倉	Asset Manager 資產管理人	1,842,857,143	13.51%
Full House Asset Management Company Limited (附註1)	Long 好倉	Beneficial owner 實益擁有人	857,142,857	6.29%
Pacific Ocean Marine Limited 太平洋海運有限公司	Long 好倉	Beneficial owner 實益擁有人		

附註

(1): Full House Asset Management Company Limited 為 Forward Fund SPC – Double Management Fund SP 之投資經理。



EMOLUMENT POLICY

The emolument policy of the employee of the Company is set up by the executive directors on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Board of Directors, having regard to their responsibility to the Company, their qualifications, experiences and past remuneration, the Company's performance and current market conditions. The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme is set out in Note 42 to the consolidated financial statements.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

EQUITY-LINKED AGREEMENT

Save for the Share Option Scheme as disclosed in the section headed "Share Option Scheme" and the convertible notes as disclosed in the section headed "Convertible Notes" above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2018 or subsisted at the said period.

薪酬政策

本公司僱員之薪酬政策乃由執行董事以僱員之才能、資歷及能力為基準制定。

本公司董事之薪酬由董事會參照彼等於本公司之職責、彼等之資歷、經驗及過往之酬金，以及本公司之表現及現行市況而決定。本公司已採納購股權計劃，作為對董事及合資格僱員之鼓勵。該計劃之詳情載於綜合財務報表附註42。

購買、出售或贖回本公司之上市證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

股票掛鈎協議

除上文「購股權計劃」一節所披露之購股權計劃及「可換股票據」一節所披露之可換股票據，本公司於截至二零一八年十二月三十一日止年度內並無訂立且於該期間結束時並無存在任何股票掛鈎協議，將會或可能致使本公司發行股份，或要求本公司訂立任何將會或可能致使本公司發行股份的協議。



Directors' Report

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate amount of purchase attributable to the Group's largest supplier and five largest suppliers taken together accounted for 21.93% and 45.66%, respectively, of the Group's total purchase for the year.

The aggregate amount of turnover attributable to the Group's largest customer and five largest customers taken together accounted for 30.36% and 50.18%, respectively of the Group's total turnover for the year.

None of the directors, 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) has an interest in any of the Group's largest supplier and customer.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE

The Group has recognized the importance of transparency and accountability, and the Board believes that shareholders can be benefited from good corporate governance. The Company aims to achieve good standard of corporate governance. The Company has complied with the code provisions as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Further information on the Company's corporate governance practice is set out in the Corporate Governance Report on pages 28 to 44.

主要客戶及供應商

本集團之最大供應商及五名最大供應商共同應佔購貨總額分別佔本集團本年度之購貨總額21.93%及45.66%。

本集團之最大客戶及五名最大客戶共同應佔營業總額分別佔本集團本年度之營業總額30.36%及50.18%。

概無本公司之董事、彼等之聯繫人或股東（指據董事所知擁有本公司5%以上之已發行股本）於本集團之最大供應商及客戶中擁有權益。

優先購買權

本公司之公司細則或百慕達法例並無載入規定本公司須按比例向現有股東發售新股之優先購買權之條文。

企業管治

本集團深知透明度及問責制度之重要性，董事會相信良好之企業管治對股東有利。本公司銳意達致高水平之企業管治。本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之守則條文。本公司企業管治常規之進一步資料載於第28至44頁之企業管治報告。



DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors was interested in any business apart from the Group's business, which competed or was likely to compete either directly or indirectly with business of the Group during the year.

CONNECTED TRANSACTION

Save as disclosed in Note 46 to the consolidated financial statements of this annual report, there was no significant connected party transaction or continuing connected transaction entered into by the Group for the year ended 31 December 2018 that require disclosure under chapter 14A of the Listing Rules.

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 was sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

PERMITTED INDEMNITY PROVISION

The bye-laws of the Company provides that each director, the company secretary and other officers of the Company shall be entitled to 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 they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against directors of the Company.

Such permitted indemnity provisions have been in force throughout the year ended 31 December 2018 and is currently in force at the time of approval of this report.

董事於競爭業務之權益

除本集團業務外，董事於年內概無於任何與本集團業務直接或間接構成或可能構成競爭之業務中擁有權益。

關連交易

除本年報綜合財務報表附註46所披露者外，本集團於截至二零一八年十二月三十一日止年度並無訂立根據上市規則第14A章須予披露的重大關連方交易或持續關連交易。

足夠公眾人士持股量

根據本公司獲得之公開資料及據董事所知，於本報告日期，公眾人士持股量達到不少於上市規則所規定之本公司已發行股份25%。

獲准許彌償條文

根據本公司之公司細則，本公司董事、公司秘書及其他職員均有權就於履行職務時或有關履行職務而作出、同意或遺漏的行動而可能招致或蒙受的一切訴訟、成本、費用、損失、損害及開支，從本公司之資產及溢利中獲得彌償及補償。此外，本公司已就針對本公司董事的相關法律訴訟購買合適的董事及行政人員責任保險。

有關獲准許彌償條文於截至二零一八年十二月三十一日止年度已生效且目前於本報告批准時仍生效。

Directors' Report

董事會報告

MANAGEMENT CONTRACT

Save for employment contracts, no contracts concerning the management and administration of the whole or any principal business of the Company were entered into or subsisted during the year ended 31 December 2018.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in Note 51 to the consolidated financial statements of this annual report, there is no material subsequent event undertaken by the Company or by the Group after 31 December 2018 and up to the date of this report.

AUDITOR

Asian Alliance (HK) CPA Limited was appointed as the auditor of the Company on 17 January 2012. The financial statements had been audited by Asian Alliance (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the annual general meeting to re-appoint Messrs. Asian Alliance (HK) CPA Limited as auditors of the Company.

On behalf of the Board

LI Ming

Chairman

Hong Kong

29 March 2019

管理合約

除僱傭合約外，截至二零一八年十二月三十一日止年度內概無訂立或訂有涉及本公司全部或任何主要業務之管理及運作之合約。

呈報期後事項

除本年報綜合財務報表附註51所披露者外，本公司或本集團於二零一八年十二月三十一日後及直至本報告日期止並無進行任何重大期後事項。

核數師

於二零一二年一月十七日，華融（香港）會計師事務所有限公司獲委任為本公司核數師。財務報表已由華融（香港）會計師事務所有限公司審核，彼將退任及合資格並願續聘。於股東週年大會上將提呈一項決議案，續聘華融（香港）會計師事務所有限公司為本公司之核數師。

承董事會命

主席

李明

香港

二零一九年三月二十九日



Independent Auditor's Report 獨立核數師報告



**TO THE MEMBERS OF
CHINA OCEAN INDUSTRY GROUP LIMITED**
中海重工集團有限公司
(incorporated in Bermuda with limited liability)

致中海重工集團有限公司股東
(於百慕達註冊成立之有限公司)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China Ocean Industry Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 81 to 327, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirement of the Hong Kong Companies Ordinance.

無法表示意見

本核數師(以下簡稱「我們」)已獲委聘審核中海重工集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第81至327頁之綜合財務報表,該等綜合財務報表包括於二零一八年十二月三十一日之綜合財務狀況報表,及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

我們並不就 貴集團之綜合財務報表發表意見。基於本報告中「無法表示意見基準」一節所述事宜之重要性,我們未能取得充分及恰當之審核憑證,以就該等綜合財務報表發表審核意見。於所有其他方面,我們認為綜合財務報表已遵照香港公司條例之披露規定妥為編製。



Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(a) Limitation of scope on prior year's scope limitation affecting opening balances, comparative figures and related disclosures

As explained in our report dated 29 March 2018 on the Group's consolidated financial statements for the year ended 31 December 2017, we were not provided with sufficient evidence to enable us to assess as to the revenue and cost of sales of the shipbuilding business for the year ended 31 December 2017 and the balance of the amounts due to customers for contract work as at 31 December 2017 were fairly stated. We qualified our opinion on the Group's consolidated financial statements for the year ended 31 December 2017 in respect of this limitation of scope accordingly.

Any adjustments found to be necessary to the opening balances as at 1 January 2018 may affect the results and related disclosures in the notes to the consolidated financial statements of the Group for the year ended 31 December 2018. The comparative figures for the year ended 31 December 2017 shown in these consolidated financial statements may not comparable with the figures for the current year.

無法表示意見基準

(a) 影響年初餘額、比較數字及相關披露之往年範圍限制之範圍限制

誠如日期為二零一八年三月二十九日之報告對 貴集團截至二零一七年十二月三十一日止年度之綜合財務報表所闡述，我們並無獲得可使我們對截至二零一七年十二月三十一日止年度造船業務之收益及銷售成本以及於二零一七年十二月三十一日應付客戶合約工程款項之結餘是否已公允入賬作出評估之充分憑證。因此，我們就此範圍限制對 貴集團截至二零一七年十二月三十一日止年度之綜合財務報表無法表示意見。

任何對二零一八年一月一日之年初結餘作出的必要調整或會影響 貴集團截至二零一八年十二月三十一日止年度之綜合財務報表附註內所述業績或相關披露。該等綜合財務報表內所示截至二零一七年十二月三十一日止年度之比較數字或不會與本年度之數字有可比性。



**BASIS FOR DISCLAIMER OF OPINION
(CONTINUED)**

(b) Limitation of scope on revenue, cost of sales, contract assets and contract liabilities of shipbuilding business

Due to delays in shipbuilding production schedules, a customer relating to two vessels (the “Vessel Customer”), in accordance with the terms and conditions stated in the relevant shipbuilding contracts, has the rights to issue rescission notices (the “Rescission Notices”) to the Group if the Vessel Customer cannot receive the vessels on or before the agreed vessels delivery dates in accordance with the terms and conditions stated in the relevant shipbuilding contracts. If the Rescission Notices were issued by the Vessel Customer, the Group is required to return all of the payments received so far from the Vessel Customer, of an aggregate amount of approximately HK\$57,785,000 (equivalent to approximately USD7,380,000) and to pay interests on such amount calculated in accordance with the relevant terms stated in the shipbuilding contracts (the “Interests”). The management of the Group have been in negotiation with the Vessel Customer since November 2016. We were unable to obtain sufficient appropriate audit evidence we consider as necessary in order to assess whether the Vessel Customer had exercised its rights to issue the Rescission Notices to the Group and request for return of payments together with Interests from the Group and thus the related revenue and cost of sales should be reversed.

無法表示意見基準（續）

(b) 造船業務的收益、銷售成本、合約資產及合約負債之範圍限制

由於造船計劃的延誤，有關兩艘船舶的一名客戶（「船舶客戶」）倘未能根據相關造船合約所述條款及條件於協定的船舶交付日期或之前收到船舶，則船舶客戶有權根據相關造船合約所述條款及條件向 貴集團發出撤銷通知（「撤銷通知」）。倘船舶客戶發出撤銷通知， 貴集團須退還其迄今為止從船舶客戶收取的所有款項共計約57,785,000港元（相當於約7,380,000美元），並就有關款項支付根據造船合約所述相關條款計算的利息（「利息」）。自二零一六年十一月起， 貴集團管理層一直與船舶客戶進行磋商。我們無法獲得我們認為必要之充分及恰當審核憑證，以評估船舶客戶是否已行使其權利向 貴集團發出撤銷通知及要求 貴集團返還付款連同利息，以及是否應撥回相關收益及銷售成本。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(b) Limitation of scope on revenue, cost of sales, contract assets and contract liabilities of shipbuilding business (Continued)

Similarly, if the abovementioned revenue and the related cost of sales were reversed, we were unable to obtain sufficient appropriate audit evidence we consider as necessary as to determine whether the work in progress vessels were stated at the lower of cost and net realisable value. Further, the Group had not recognised any additional penalty to be incurred due to the late delivery as the management of the Group believes that these amounts cannot be reliably measured taking into account the fact that the management of the Group is still in negotiation with the Vessel Customer.

There were no other alternative audit procedures that we could carry out to determine whether the related revenue and cost of sales should be reversed during the year ended 31 December 2018 and the contract assets of approximately HK\$69,576,000 as at 31 December 2018 were fairly stated.

Any adjustment to revenue, cost of sales, contract assets and additional provision for Interests and foreseeable loss found to be necessary would affect the Group's net current liabilities and net liabilities as at 31 December 2018 and the Group's loss for the year then ended and related disclosures to the consolidated financial statements.

無法表示意見基準 (續)

(b) 造船業務的收益、銷售成本、合約資產及合約負債之範圍限制 (續)

同樣地，倘上述收益及相關銷售成本被撥回，我們無法獲得我們認為必要之充分及恰當審核憑證，以釐定在建船舶是否按成本及可變現淨值之較低者入賬。此外，貴集團尚未確認因延遲交付而將予產生之任何額外罰款，原因是貴集團管理層認為，鑒於其仍在與船舶客戶磋商中，該等款項無法可靠計量。

我們無法採取其他替代審核程序，以釐定有關收益及銷售成本是否應於截至二零一八年十二月三十一日止年度予以撥回，及於二零一八年十二月三十一日的合約資產約69,576,000港元是否公允入賬。

任何對收益、銷售成本、合約資產以及利息及可預見虧損之額外撥備的必要調整，均會影響貴集團於二零一八年十二月三十一日的流動負債淨額及負債淨額，貴集團截至該日止年度的虧損以及綜合財務報表的相關披露。

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(c) Limitation of scope of net realisable values of four vessels

As disclosed in Note 24 to the consolidated financial statements, according to the arbitral awards dated 27 December 2018 (“Arbitral Awards”) issued by the London Maritime Arbitrators Association (“Arbitrators Association”), the Arbitration Association has made awards in favour of the customer under the relevant shipbuilding contracts in relation to the four vessels (“Shipbuilding Contracts”), the Shipbuilding Contracts had been rescinded and the accumulated revenue recognised and cost of sales incurred in relation to the Four Vessels of approximately HK\$656,214,000 and HK\$1,012,678,000 had been reversed during the year ended 31 December 2018. The cost incurred previously in relation to the Four Vessels had been recognised as inventories of the Group of approximately HK\$213,519,000, net of written down of inventories of approximately HK\$799,159,000 as at 31 December 2018.

However, during the course of our audit, we have not been able to obtain sufficient information and explanation from the management of the Group that we consider necessary in order to enable us to satisfy ourselves as to whether the inventories at 31 December 2018 was fairly stated. There were no other alternative audit procedures that we could carry out to determine whether the written down of inventories of approximately HK\$799,159,000 for the year ended 31 December 2018 was fairly stated and the inventories of approximately HK\$213,519,000 was stated at the lower of cost and net realisable value as at 31 December 2018. There were no other satisfactory audit procedures that we could adopt to obtain appropriate audit evidence in this regard.

Any adjustment to inventories found to be necessary would affect the Group's net current liabilities and net liabilities as at 31 December 2018, and the Group's loss for the year then ended and related disclosures to the consolidated financial statements.

無法表示意見基準 (續)

(c) 四艘船舶可變現淨值之範圍限制

誠如綜合財務報表附註24所披露，根據由倫敦海事仲裁員協會（「仲裁員協會」）頒佈日期為二零一八年十二月二十七日之仲裁裁決（「仲裁裁決」），仲裁員協會根據有關四艘船舶之相關造船合約（「造船合約」）已判該客戶勝訴，造船合約已遭撤銷，而就四艘船舶所確認的累計收益及所產生的銷售成本分別約656,214,000港元及1,012,678,000港元已於截至二零一八年十二月三十一日止年度撥回。先前就四艘船舶產生的成本已於二零一八年十二月三十一日確認為貴集團存貨約213,519,000港元（扣除存貨撇減約799,159,000港元）。

然而，於審核過程中，我們無法自貴集團管理層獲得我們認為必要的充足資料及解釋，以令我們信納存貨於二零一八年十二月三十一日是否已公允入賬。我們無法進行其他替代審核程序以確定截至二零一八年十二月三十一日止年度的存貨撇減約799,159,000港元是否已公允入賬及於二零一八年十二月三十一日存貨約213,519,000港元是否按成本與可變現淨值的較低者列賬。我們無法採取其他令人滿意的審核程序以就此獲得適當的審核證據。

任何對存貨作出的必要調整將影響貴集團於二零一八年十二月三十一日的流動負債淨額及負債淨額，貴集團截至該日止年度的虧損及綜合財務報表的相關披露。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(d) Limitation of scope on interests in associates

As stated in Note 22 to the consolidated financial statements, the Group has equity accounted for its interests in associates. As at 31 December 2018, the aggregated carrying amounts of the interests in associates was approximately HK\$201,094,000, and the Group's share of loss of the associates for the year ended 31 December 2018 was approximately HK\$35,092,000. In additions, there was a receivable of approximately HK\$10,365,000 due from associates and amount due to associates of approximately HK\$16,920,000 as at 31 December 2018. However, during the course of our audit, we have not been able to obtain sufficient information and explanations from the management of the associates that we considered necessary in order to enable us to satisfy ourselves as to whether the Group's share of associates' result for the year and thus the carrying amount of the interests in the associates and the receivable due from and payable to the associates included in the Group's consolidated statement of financial position as at 31 December 2018 are fairly stated and whether the summarised financial information of the associates as shown in the consolidated financial statements are properly disclosed. There were no other satisfactory audit procedures that we could adopt to obtain sufficient appropriate audit evidence in this regard.

Any adjustment to the amount of the above interests in associates found to be necessary would affect the Group's net liabilities as at 31 December 2018 and the Group's loss for the year then ended and related disclosures to the consolidated financial statements.

無法表示意見基準 (續)

(d) 於聯營公司權益之範圍限制

誠如綜合財務報表附註22所披露，貴集團將其於聯營公司的權益以權益入賬。於二零一八年十二月三十一日，於聯營公司的權益賬面總值約為201,094,000港元，而貴集團應佔聯營公司截至二零一八年十二月三十一日止年度虧損約為35,092,000港元。此外，於二零一八年十二月三十一日有應收聯營公司款項約10,365,000港元及應付聯營公司款項約16,920,000港元。然而，於審核過程中，我們未能從聯營公司的管理層獲得我們認為必要之充足資料及解釋，以釐定載入貴集團於二零一八年十二月三十一日之綜合財務狀況報表的貴集團應佔聯營公司年度業績乃至聯營公司的權益賬面值以及應收及應付聯營公司的款項是否公允入賬，及綜合財務報表所示的聯營公司財務資料概要是否妥善披露。就此而言，我們無法採取其他理想的審核程序以獲得充分及恰當的審核憑證。

任何對上述於聯營公司的權益金額的必要調整，均會影響貴集團於二零一八年十二月三十一日的負債淨額及貴集團截至該日止年度的虧損以及綜合財務報表的相關披露。



**BASIS FOR DISCLAIMER OF OPINION
(CONTINUED)**

(e) Limitation of scope on impairment on goodwill and intangible assets of intelligent car parking and automotive device business segment

As disclosed in Notes 20, 21 and 40 to the consolidated financial statements, the goodwill and intangible assets arising from intelligent car parking and automotive device business segment were approximately HK\$103,156,000 and HK\$100,506,000 respectively as at 31 December 2018. The directors of the Company (the "Directors") carried out a full scope assessment of the recoverable amount of the cash generating unit ("CGU") of intelligent car parking and automotive device business segment to which goodwill and intangible assets have been allocated. As a result of the impairment assessments, the Directors considered that impairment loss of HK\$22,000,000 and HK\$10,000,000, respectively on the goodwill and intangible assets arising from intelligent car parking and automotive device business segment were provided for the year ended 31 December 2018. The impairment assessments on the recoverable amount for the CGU performed by the Group were based on value in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts. However, the management of the Company could not provide sufficient audit evidence to verify the reasonableness of the above assumptions used in the cash flow forecasts.

無法表示意見基準 (續)

(e) 智慧停車及汽車電子業務分部商譽及無形資產減值之範圍限制

誠如綜合財務報表附註20、21及40所披露，於二零一八年十二月三十一日，智慧停車及汽車電子業務分部產生的商譽及無形資產分別約為103,156,000港元及100,506,000港元。貴公司董事（「董事」）對獲分配商譽及無形資產的智慧停車及汽車電子業務分部現金產生單位（「現金產生單位」）的可收回金額進行了全面評估。根據減值評估，董事認為，截至二零一八年十二月三十一日止年度就智慧停車及汽車電子業務分部產生的商譽及無形資產分別計提減值虧損22,000,000港元及10,000,000港元。貴集團對現金產生單位的可收回金額進行的減值評估乃基於使用價值計算。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。然而，貴公司的管理層未能提供足夠的審核憑證以驗證在現金流量預測中使用的上述假設的合理性。



Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(e) Limitation of scope on impairment on goodwill and intangible assets of intelligent car parking and automotive device business segment (Continued)

We are unable to obtain sufficient appropriate audit evidence we consider necessary as to the basis upon which the Directors have formed in determining the recoverable amounts of CGU of intelligent car parking and automotive device business segment to which goodwill and intangible assets have been allocated and thus to assess the valuation of these assets. There were no alternative audit procedures that we could perform to satisfy ourselves whether the impairment loss recognised for the year ended 31 December 2018 was fairly stated. Any adjustment to the carrying amounts of goodwill and intangible assets arising from intelligent car parking and automotive device business segment found to be necessary would affect the Group's net liabilities as at 31 December 2018, the Group's loss for the year then ended and the related disclosures to the consolidated financial statements.

無法表示意見基準 (續)

(e) 智慧停車及汽車電子業務分部商譽及無形資產減值之範圍限制 (續)

我們無法獲得我們認為必要之足夠及適當的審核憑證，以確定董事釐定獲分配商譽及無形資產的智慧停車及汽車電子業務分部現金產生單位的可收回金額乃至評估該等資產的估值之基礎。我們無法採取其他審核程序，以令我們信納截至二零一八年十二月三十一日止年度確認的減值虧損是否已公允入賬。任何對智慧停車及汽車電子業務分部產生之商譽及無形資產之賬面值的必要調整，均會影響 貴集團於二零一八年十二月三十一日的負債淨額、 貴集團截至該日止年度的虧損以及綜合財務報表的相關披露。





**BASIS FOR DISCLAIMER OF OPINION
(CONTINUED)**

(f) Limitation of scope on impairment on goodwill and intangible assets of steel structure engineering and installation business segment

As disclosed in Notes 20, 21 and 40 to the consolidated financial statements, the goodwill and intangible assets arising from steel structure engineering and installation business segment were approximately HK\$Nil and HK\$16,360,000 respectively as at 31 December 2018. The Directors carried out a full scope assessment of the recoverable amount of the cash generating unit ("CGU") of steel structure engineering and installation business segment to which goodwill and intangible assets have been allocated. As a result of the impairment assessments, the Directors considered that impairment loss of HK\$47,740,000 and HK\$16,000,000, respectively on the goodwill and intangible assets arising from steel structure engineering and installation business segment were provided for the year ended 31 December 2018. The impairment assessments on the recoverable amount for the CGU performed by the Group were based on value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts. However, the management of the Company could not provide sufficient audit evidence to verify the reasonableness of the above assumptions used in the cash flow forecasts.

無法表示意見基準 (續)

(f) 鋼結構工程及安裝業務分部商譽及無形資產減值之範圍限制

誠如綜合財務報表附註20、21及40所披露，鋼結構工程及安裝業務分部所產生的商譽及無形資產於二零一八年十二月三十一日分別約為零港元及16,360,000港元。董事對獲分配商譽及無形資產的鋼結構工程及安裝業務分部現金產生單位（「現金產生單位」）的可收回金額進行了全面評估。根據減值評估，董事認為，截至二零一八年十二月三十一日止年度就鋼結構工程及安裝業務分部產生的商譽及無形資產分別計提減值虧損47,740,000港元及16,000,000港元。貴集團對現金產生單位的可收回金額進行的減值評估乃基於使用價值計算。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。然而，貴公司的管理層未能提供足夠的審核憑證以驗證在現金流量預測中使用的上述假設的合理性。



Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(f) Limitation of scope on impairment on goodwill and intangible assets of steel structure engineering and installation business segment (Continued)

We are unable to obtain sufficient appropriate audit evidence we consider necessary as to the basis upon which the Directors have formed in determining the recoverable amounts of CGU of steel structure engineering and installation business segment to which goodwill and intangible assets have been allocated and thus to assess the valuation of these assets. There were no alternative audit procedures that we could perform to satisfy ourselves whether the impairment loss recognised for the year ended 31 December 2018 was fairly stated. Any adjustment to the carrying amounts of goodwill and intangible assets arising from steel structure engineering and installation business segment found to be necessary would affect the Group's net liabilities as at 31 December 2018, the Group's loss for the year then ended and the related disclosures to the consolidated financial statements.

無法表示意見基準 (續)

(f) 鋼結構工程及安裝業務分部商譽及無形資產減值之範圍限制 (續)

我們無法獲得我們認為必要之足夠及適當的審核憑證，以確定董事釐定獲分配商譽及無形資產的鋼結構工程及安裝業務分部現金產生單位的可收回金額乃至評估該等資產的估值之基礎。我們無法採取其他審核程序，以令我們信納截至二零一八年十二月三十一日止年度確認的減值虧損是否已公允入賬。任何對鋼結構工程及安裝業務分部產生之商譽及無形資產之賬面值的必要調整，均會影響 貴集團於二零一八年十二月三十一日的負債淨額、 貴集團截至該日止年度的虧損以及綜合財務報表的相關披露。



**BASIS FOR DISCLAIMER OF OPINION
(CONTINUED)**

(g) Limitation of scope on impairment assessment on property, plant and equipment and prepaid lease payments

As disclosed in Notes 17 and 19 to the consolidated financial statements, the Group's property, plant and equipment and prepaid lease payments as at 31 December 2018 amounted to approximately HK\$442,726,000 and HK\$358,964,000, respectively. An impairment assessment was carried out by the Directors on the Group's property, plant and equipment and prepaid lease payments. As a result of the assessment, the Directors considered that no impairment on the Group's property, plant and equipment and prepaid lease payments is required for the year ended 31 December 2018, as their recoverable amounts, were determined by the Directors based on the value-in-use calculations, exceeded their carrying values as at 31 December 2018. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts. However, the management of the Company could not provide sufficient audit evidence to verify the reasonableness of the above assumptions used in the cash flow forecasts.

We are unable to obtain sufficient appropriate audit evidence we consider necessary as to the basis upon which the Directors have formed in determining the recoverable amounts of these property, plant and equipment and prepaid lease payments and thus to assess the valuation of these assets. There were no alternative audit procedures that we could perform to satisfy ourselves whether any impairment loss should be provided for the year ended 31 December 2018. Any adjustment to the carrying amounts of property, plant and equipment and prepaid lease payments of the Group found to be necessary would affect the Group's net liabilities as at 31 December 2018, the Group's loss for the year then ended and the related disclosures to the consolidated financial statements.

無法表示意見基準 (續)

(g) 物業、廠房及設備及預付租賃款項減值評估之範圍限制

誠如綜合財務報表附註17及19所披露，貴集團於二零一八年十二月三十一日的物業、廠房及設備及預付租賃款項分別為約442,726,000港元及358,964,000港元。董事對貴集團之物業、廠房及設備及預付租賃款項進行了減值評估。根據減值評估，董事認為，截至二零一八年十二月三十一日止年度無需對貴集團之物業、廠房及設備及預付租賃款項計提減值，原因是於二零一八年十二月三十一日其可收回金額（由董事基於使用價值計算釐定）超過其賬面值。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。然而，貴公司的管理層未能提供足夠的審核憑證以驗證在現金流量預測中使用的上述假設的合理性。

我們無法獲得我們認為必要之足夠及適當的審核憑證，以確定董事釐定該等物業、廠房及設備及預付租賃款項的可收回金額乃至評估該等資產的估值之基礎。我們無法採取其他審核程序，以令我們信納是否應就截至二零一八年十二月三十一日止年度計提任何減值虧損。任何對貴集團之物業、廠房及設備及預付租賃款項之賬面值的必要調整，均會影響貴集團於二零一八年十二月三十一日的負債淨額、貴集團截至該日止年度的虧損以及綜合財務報表的相關披露。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(h) Limitation of scope on adoption of Hong Kong Financial Reporting Standard 9 Financial Instruments (“HKFRS 9”)

As at 1 January 2018, the Group applied HKFRS 9 and assessed the impact on the classification and measurement of financial assets and liabilities and expected credit loss (“ECL”) for financial assets in accordance with HKFRS 9. The difference between the carrying amount as at 31 December 2017 and the carrying amount as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity. After the assessment of the implication of the adoption of HKFRS 9 on all the financial instruments, the Directors considered that there is no significant impact on the classification and measurement of the financial instruments. However, the Directors were unable to provide us with satisfactory explanation about the assessments, calculations, and adjustments made in respect of the ECL upon the adoption of HKFRS 9 as at 1 January 2018 and 31 December 2018.

As a result of the circumstance described above, we are unable to obtain sufficient appropriate audit evidence to determine whether opening balances of accumulated losses, financial assets and liabilities (including but not limited to the trade and bills receivables, other receivables, amount due from an associate, finance lease receivable, trade and other payables, contingent consideration payable, financial guarantee contracts and provision for warranty) are properly classified or adjusted in accordance with HKFRS 9 as at 1 January 2018 and the provision for credit loss allowance are properly provided on financial assets as 31 December 2018 are free from material misstatements.

Any adjustments that might have been found to be necessary in respect of the above matters have significant effect on the Group's accumulated losses as at 1 January 2018 and 31 December 2018, the Group's net current liabilities and net liabilities as at 31 December 2018, the Group's loss for the year then ended and the related disclosures to the consolidated financial statements.

無法表示意見基準 (續)

(h) 採納香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)之範圍限制

於二零一八年一月一日，貴集團應用香港財務報告準則第9號，並根據香港財務報告準則第9號評估此應用對金融資產及負債的分類與計量及金融資產預期信貸虧損(「預期信貸虧損」)的影響。二零一七年十二月三十一日賬面值與二零一八年一月一日賬面值之間的差額於年初累計虧損及權益的其他組成部份中確認。於評估採納香港財務報告準則第9號對全部金融工具之影響後，董事認為金融工具之分類及計量並無受到重大影響。然而，董事未能就於二零一八年一月一日及二零一八年十二月三十一日採納香港財務報告準則第9號之後對預期信貸虧損作出的評估、計算及調整向我們提供合理解釋。

鑒於上述情況，我們未能取得充分適當的審核憑證以釐定累計虧損以及金融資產及負債(包括但不限於貿易應收款項及應收票據、其他應收款項、應收一間聯營公司款項、應收融資租賃款項、貿易及其他應付款項、應付或然代價、財務擔保合約及保證撥備)之年初結餘是否已於二零一八年一月一日根據香港財務報告準則第9號妥為分類或調整，以及於二零一八年十二月三十一日就金融資產妥為計提之信貸虧損撥備是否不含重大錯誤陳述。

就上述事項而言可能被認為屬必要的任何調整對貴集團二零一八年一月一日及二零一八年十二月三十一日的累計虧損、貴集團於二零一八年十二月三十一日的流動負債淨額及負債淨額、貴集團截至該日止年度的虧損以及綜合財務報表的相關披露有重大影響。

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(i) Limitation of scope on Hong Kong Financial Reporting Standard 15 Revenue from Contracts with Customers and the related Amendments (“HKFRS 15”)

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of the initial application is recognised in the opening accumulated losses. After the assessment of the implication, the management of the Company considered that there is no impact on the adoption of HKFRS 15. However, the management of the Company were unable to provide us with satisfactory explanation about whether the accumulated losses and the related contract liabilities are properly adjusted and recalculated in accordance to the adoption of HKFRS 15. In additions, the management of the Company recognised the provision of warranty and failed to allocate the transaction price to separate performance obligation in accordance with the approach stated in HKFRS 15.

As a result of the circumstance described above, we are unable to obtain sufficient appropriate audit evidence to determine whether opening accumulated losses and contract liabilities are properly classified or adjusted in accordance to HKFRS 15 as at 1 January 2018, and the recognition and classification of the revenue and the contract liabilities arose from the contracts with customers are properly recognised and classified for the year ended 31 December 2018 are free from material misstatements.

Any adjustments that might have been found to be necessary in respect of the above matters have a significant effect on the Group's accumulated losses as at 1 January 2018 and 31 December 2018, the Group's net current liabilities and net liabilities as at 31 December 2018, the Group's loss for the year then ended and the related disclosures to the consolidated financial statements.

無法表示意見基準 (續)

(i) 香港財務報告準則第15號來自客戶合約的收益及相關修訂(「香港財務報告準則第15號」)之範圍限制

貴集團已追溯應用香港財務報告準則第15號，並將初步應用此準則的累計影響於首次應用日期二零一八年一月一日確認。首次應用日期的任何差額於年初累計虧損中確認。經評估影響後，貴公司管理層認為，採納香港財務報告準則第15號並無影響。然而，貴公司管理層無法就累計虧損及相關合約負債是否已根據香港財務報告準則第15號的採納妥為調整及重新計算向我們提供合理解釋。此外，貴公司管理層已確認保證撥備，但未能根據香港財務報告準則第15號所述方法將交易價分配至單獨履約責任。

鑒於上述情況，我們未能取得充分適當的審核憑證以釐定年初累計虧損及合約負債是否已於二零一八年一月一日根據香港財務報告準則第15號妥為分類或調整，以及截至二零一八年十二月三十一日止年度妥為確認及分類之來自客戶合約的收益及客戶合約產生的合約負債的確認及分類是否不含重大錯誤陳述。

就上述事項而言可能被認為屬必要的任何調整均會對貴集團二零一八年一月一日及二零一八年十二月三十一日的累計虧損、貴集團於二零一八年十二月三十一日的流動負債淨額及負債淨額、貴集團截至該日止年度的虧損以及綜合財務報表的相關披露有重大影響。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(j) Material fundamental uncertainties relating to going concern

As described in Note 2 to the consolidated financial statements, the Group reported loss attributable to the owners of the Company of approximately HK\$1,545,435,000 and had significant net cash used in operating activities for the year ended 31 December 2018. As of that date, the Group's current liabilities exceeded its current assets by approximately HK\$3,376,522,000 and the Group had net liabilities of approximately HK\$2,178,756,000, in which total borrowings amounted to approximately HK\$3,385,253,000, while its bank balances and cash amounted to approximately HK\$10,005,000 only.

In additions, the Group defaulted on the repayment of certain borrowings and payables on their respective due dates during the year ended 31 December 2018. Those creditors including banks had taken legal actions against the Group to recover the debts as disclosed in Note 44 to the consolidated financial statements.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As explained in Note 2 to the consolidated financial statements, the consolidated financial statements have been prepared by the Directors on a going concern basis, the validity of which is dependent on the Group's ability to obtain sufficient future funding. Due to the uncertainty of the Group's ability to maintain adequate future cash flows, we were unable to ascertain whether the assumptions made by the Directors in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

無法表示意見基準 (續)

(j) 有關持續經營的多重主要不確定性

誠如綜合財務報表附註2所載，截至二零一八年十二月三十一日止年度，貴集團呈報 貴公司擁有人應佔年內虧損約為1,545,435,000港元及大額經營活動所用現金淨額。截至該日，貴集團流動負債超過其流動資產約3,376,522,000港元，並錄得負債淨額約2,178,756,000港元，當中借貸總額約3,385,253,000港元而其銀行結餘及現金僅約為10,005,000港元。

此外，貴集團於截至二零一八年十二月三十一日止年度於相應到期日拖欠償還若干借貸及應付款項。包括銀行在內的該等債權人已對 貴集團提起法律訴訟以收回債務，相關詳情披露於綜合財務報表附註44。

該等情況顯示存在可能令 貴集團持續經營能力嚴重成疑的重大不確定性，因此，其可能無法於一般業務過程中變現資產及解除債務。

誠如綜合財務報表附註2所述，綜合財務報表乃由董事按持續經營基準編製，而該基準的有效性取決於 貴集團日後獲得足夠融資的能力。由於 貴集團日後維持充足現金流量的能力存在不確定性，我們無法確定董事於按持續經營基準編製綜合財務報表過程中作出的假設是否妥善及適當。

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(j) Material fundamental uncertainties relating to going concern (Continued)

Should the going concern assumption be inappropriate, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities respectively, write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments. However, the uncertainties surrounding the Group's future cash flows raises significant doubt about the Group's ability to continue as a going concern. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation, but we are unable to obtain adequate evidence concerning the Group's ability to meet any financial obligations as and when they fall due and we consider that this material uncertainty relating to going concern basis.

We consider the cumulative effect of the above matters on the consolidated financial statements is so extreme that we have disclaimed our opinion.

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

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("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.

無法表示意見基準 (續)

(j) 有關持續經營的多重主要不確定性 (續)

倘持續經營假設屬不適當，則可能需將所有非流動資產及負債分別重新分類為流動資產及負債、撇減資產的價值至其可收回金額及就可能產生的其他負債計提撥備。綜合財務報表並無納入任何該等調整。然而，圍繞 貴集團未來現金流量的不確定性令 貴集團繼續持續經營的能力嚴重成疑。我們認為綜合財務狀況報表中已對此情況作出了適當披露，但我們無法獲得有關 貴集團滿足任何到期財務責任的能力取得充足憑證，且我們認為與持續經營基準有關的不確定性具有重大性質。

我們認為上述事項對綜合財務報表的累積影響極其重大，以致我們須不發表意見。

董事及治理層就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則及香港公司條例之披露規定編製及真實而公允地列報綜合財務報表，並負責董事認為就確保綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需之有關內部控制。

Independent Auditor's Report

獨立核數師報告

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

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.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Section 90 of the Bermuda Companies Act and Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with the terms of our engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

Asian Alliance (HK) CPA Limited

Certified Public Accountants (Practising)

Chan Chi Kei Ronald

Practising Certificate Number: P04255

Suites 313-316, 3/F., Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong

29 March 2019

董事及治理層就綜合財務報表須承擔的責任（續）

於編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用），除非董事有意將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

治理層須負責監督 貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

我們之責任是根據百慕達公司法第90條及香港會計師公會頒佈的香港審計準則對 貴集團之綜合財務報表進行審核並發表核數師報告。根據委聘條款，本報告僅向 閣下（作為整體）作出，除此之外本報告別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。然而，由於本報告無法表示意見基準一節中所述之事宜，我們未能取得充足適當之審核憑證以提供就該等綜合財務報表作出審核意見之基礎。

根據香港會計師公會頒佈的職業會計師道德守則（「守則」），我們獨立於 貴集團，並已根據守則履行其他職業道德責任。

華融（香港）會計師事務所有限公司

執業會計師

陳智機

執業證書編號：P04255

香港
灣仔
港灣道6-8號
瑞安中心3樓313-316室

二零一九年三月二十九日



Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	8	(468,032)	349,238
Cost of sales		110,573	(671,626)
Gross loss		(357,459)	(322,388)
Other income	9(a)	9,901	26,820
Other gains and losses	9(b)	(3,812)	10,803
Change in fair value of contingent consideration payable	38	–	(5,081)
Gain on settlement of contingent consideration payable	38	–	39,704
Change in fair value of investments held for trading		(22)	(143)
Change in fair value of convertible bonds payables	35	–	(6,247)
Change in fair value of investment properties	18	–	1,730
Gain on early redemption of convertible bonds payables	35	–	5,003
Gain on redemption of convertible bonds payables upon maturity	35	–	13,872
Selling and distribution expenses		(7,433)	(7,397)
Administrative expenses		(220,616)	(150,829)
Impairment losses	10	(215,740)	(57,696)
Finance costs	11	(271,841)	(173,491)
Share of (loss) profit of associates	22	(35,092)	1,692
Share of loss of joint ventures	23	(472,152)	–
Loss before tax		(1,574,266)	(623,648)
Income tax credit	12	27,556	2,696
Loss for the year	13	(1,546,710)	(620,952)
Other comprehensive income (expenses):	其他全面收入(開支):		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:		
Exchange differences arising on translation of foreign operations		58,114	(71,336)
Change in fair value of available-for-sale investment	29	–	9,240
Share of translation reserve of associates		(13,733)	3,110
Share of translation reserve of joint ventures		(8,297)	16,398
Other comprehensive income (expenses) for the year, net of income tax	年內其他全面收入(開支), 扣除所得稅	36,084	(42,588)
Total comprehensive expenses for the year	年內全面開支總額	(1,510,626)	(663,540)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year attributable to:	應佔年內虧損：			
– Owners of the Company	– 本公司擁有人		(1,545,435)	(611,790)
– Non-controlling interests	– 非控股權益		(1,275)	(9,162)
			<u>(1,546,710)</u>	<u>(620,952)</u>
Total comprehensive expenses attributable to:	應佔全面開支總額：			
– Owners of the Company	– 本公司擁有人		(1,509,693)	(653,902)
– Non-controlling interests	– 非控股權益		(933)	(9,638)
			<u>(1,510,626)</u>	<u>(663,540)</u>
Loss per share	每股虧損			
– Basic and diluted	– 基本及攤薄	16	<u>(HK\$0.11港元)</u>	<u>(HK\$0.05港元)</u>



Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2018 於二零一八年十二月三十一日

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT ASSETS			
非流動資產			
Property, plant and equipment	17	442,726	562,258
Investment properties	18	21,914	25,104
Prepaid lease payments – non-current portion	19	349,822	362,093
Goodwill	20	103,156	182,145
Intangible assets	21	116,872	183,410
Interests in associates	22	201,094	249,919
Interests in joint ventures	23	5,531	485,980
Trade receivables			
– non-current portion	25	–	1,391
Equity instruments at fair value through other comprehensive income	29a	23,598	–
Available-for-sale investment	29b	–	24,840
Amount due from an associate			
– non-current portion	22	5,805	6,110
Deferred tax asset	36	459	130
		1,270,977	2,083,380
CURRENT ASSETS			
流動資產			
Inventories	24	327,173	134,988
Trade and bills receivables	25	182,272	212,226
Contract assets	31a	90,328	–
Other receivables	25	748,467	709,003
Prepayment	25	191,751	271,458
Tax recoverable		6,007	5,725
Amount due from an associate	22	4,560	4,800
Prepaid lease payments	19	9,142	9,243
Investments held for trading	26	32	54
Finance lease receivables	27	3,695	9,353
Pledged bank deposits and restricted cash			
– 受限制現金	28	2,265	248
Bank balances and cash	28	10,005	15,276
		1,575,697	1,372,374
CURRENT LIABILITIES			
流動負債			
Trade and other payables	30	1,357,228	815,509
Amounts due to customers for contract work	31b	–	336,169
Amounts due to related parties	46	721	811
Amounts due to directors	46	21,925	10,034
Borrowings	32	3,385,253	1,932,324
Contingent consideration payable	38	–	170,552
Amounts due to associates	22	16,920	15,159
Provision for warranty	33	2,034	4,171
Provision for financial guarantee	45	–	217,843
Convertible bonds payables	35	168,138	–
Tax liabilities		–	6,183
		4,952,219	3,508,755

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2018 於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NET CURRENT LIABILITIES	流動負債淨額		(3,376,522)	(2,136,381)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		(2,105,545)	(53,001)
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	34	681,842	681,842
Reserves	儲備		(3,120,036)	(1,629,046)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(2,438,194)	(947,204)
Non-controlling interests	非控股權益	37	259,438	51,074
TOTAL DEFICITS	總虧絀		(2,178,756)	(896,130)
NON-CURRENT LIABILITIES	非流動負債			
Other payables – non-current portion	其他應付款項 – 非流動部份	30	5,070	5,337
Borrowings – non-current portion	借貸 – 非流動部份	32	–	581,856
Convertible bonds payables – non-current portion	應付可換股債券 – 非流動部份	35	–	148,965
Deferred tax liabilities	遞延稅項負債	36	68,141	106,971
			73,211	843,129
			(2,105,545)	(53,001)

The consolidated financial statements on pages 81 to 327 were approved and authorised for issue by the board of directors on 29 March 2019 and are signed on its behalf by:

董事會已於二零一九年三月二十九日通過及授權刊發載於第81至327頁之綜合財務報表，並由下列董事代表簽署核實：

LI Ming
李明
Director
董事

ZHANG Shi Hong
張士宏
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

		Attributable to owners of the Company 本公司擁有人應佔										Non-controlling interests		Total
		Share capital	Share premium	Contributed surplus	Statutory reserve	Other reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Investment revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	繳入盈餘 HK\$'000 千港元 (Note a) (附註a)	法定儲備 HK\$'000 千港元 (Note b) (附註b)	其他儲備 HK\$'000 千港元	換算儲備 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	債券儲備 HK\$'000 千港元	投資重估儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	600,138	1,641,990	3,368,411	42,363	13,244	183,644	129,910	11,343	-	(6,635,507)	(644,464)	39,712	(604,752)
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	(611,790)	(611,790)	(9,162)	(620,952)
Other comprehensive (expenses) income: Items that may be reclassified subsequently to profit or loss:	其他全面(開支)收益: 其後可能重新分類至損益之項目:													
Exchange differences arising on translation of foreign operations	換算海外業務時產生之匯兌差額	-	-	-	-	-	(70,860)	-	-	-	-	(70,860)	(476)	(71,336)
Change in fair value of available-for-sale investment	可供出售投資之公平值變動	-	-	-	-	-	-	-	9,240	-	9,240	-	-	9,240
Share of translation reserve of associates	分佔聯營公司之換算儲備	-	-	-	-	-	3,110	-	-	-	3,110	-	-	3,110
Share of translation reserve of joint ventures	分佔合營企業之換算儲備	-	-	-	-	-	16,398	-	-	-	16,398	-	-	16,398
Other comprehensive (expenses) income for the year, net of income tax	本年度其他全面(開支)收益(扣除所得稅)	-	-	-	-	-	(51,352)	-	9,240	-	(42,112)	(476)	-	(42,588)
Total comprehensive (expenses) income for the year	本年度全面(開支)收益總額	-	-	-	-	-	(51,352)	-	9,240	(611,790)	(653,902)	(9,638)	-	(663,540)
Redemption of equity component of convertible bonds upon maturity	於到期時贖回可換股債券之權益部分	-	-	-	-	-	-	-	(11,343)	-	11,343	-	-	-
Recognition of equity component of issuance of convertible bonds (Note 35)	確認發行可換股債券之權益部分(附註35)	-	-	-	-	-	-	-	42,127	-	-	42,127	-	42,127
Issuance of shares upon conversion of convertible bonds (Note 35)	於轉換可換股債券時發行股份(附註35)	8,179	22,932	-	-	-	-	-	-	-	-	31,111	-	31,111
Capital contribution from a non-controlling shareholder	非控股股東出資	-	-	-	-	-	-	-	-	-	-	-	21,000	21,000
Issuance of shares for settlement of contingent consideration payable	發行股份以清償應付或然代價	73,525	204,399	-	-	-	-	-	-	-	-	277,924	-	277,924
Release of other reserve of associates	解除聯營公司之其他儲備	-	-	-	-	(56)	-	-	-	-	56	-	-	-
Release of other reserve of joint ventures	解除合營企業之其他儲備	-	-	-	-	(5,503)	-	-	-	-	5,503	-	-	-
Transfer	轉撥	-	-	-	231	-	-	-	-	-	(231)	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	681,842	1,869,321	3,368,411	42,594	7,685	132,292	129,910	42,127	9,240	(7,230,626)	(947,204)	51,074	(896,130)

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

		Attributable to owners of the Company 本公司擁有人應佔											Non-controlling interests		Total
		Share capital	Share premium	Contributed surplus	Statutory reserve	Other reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Investment revaluation reserve	Accumulated losses	Total			Total
		股本	股份溢價	繳入盈餘	法定儲備	其他儲備	換算儲備	購股權儲備	債券儲備	儲備	累計虧損	總計	非控股權益	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
				(Note a) (附註a)	(Note b) (附註b)										
At 1 January 2018	於二零一八年一月一日	681,842	1,869,321	3,368,411	42,594	7,685	132,292	129,910	42,127	9,240	(7,230,626)	(947,204)	51,074	(896,130)	
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	(1,545,435)	(1,545,435)	(1,275)	(1,546,710)	
Other comprehensive income (expenses): Items that may be reclassified subsequently to profit or loss:	其他全面收益(開支): 其後可能重新分類至損益之項目:														
Exchange differences arising on translation of foreign operations	換算海外業務時產生之匯兌差額	-	-	-	-	-	57,772	-	-	-	-	57,772	342	58,114	
Share of translation reserve of associates	分佔聯營公司之換算儲備	-	-	-	-	-	(13,733)	-	-	-	-	(13,733)	-	(13,733)	
Share of translation reserve of joint ventures	分佔合營企業之換算儲備	-	-	-	-	-	(8,297)	-	-	-	-	(8,297)	-	(8,297)	
Other comprehensive income for the year, net of income tax	本年度其他全面收益 (扣除所得稅)	-	-	-	-	-	35,742	-	-	-	-	35,742	342	36,084	
Total comprehensive income (expenses) for the year	本年度全面收益(開支)總額	-	-	-	-	-	35,742	-	-	-	(1,545,435)	(1,509,693)	(933)	(1,510,626)	
Disposal of partial interest in a subsidiary without losing of control (Note 50)	出售一間附屬公司部分權益 但不失去控制權(附註50)	-	-	-	-	18,703	-	-	-	-	-	18,703	209,297	228,000	
Lapse of share options (Note 42)	購股權失效(附註42)	-	-	-	-	-	-	(92,887)	-	-	92,887	-	-	-	
At 31 December 2018	於二零一八年十二月三十一日	681,842	1,869,321	3,368,411	42,594	26,388	168,034	37,023	42,127	9,240	(8,683,174)	(2,438,194)	259,438	(2,178,756)	

Notes:

- (a) There were a group reorganisation in 2001 and share consolidation in 2005 and 2006, the aggregate amount of approximately HK\$3,368,411,000 was recorded in contributed surplus.
- (b) According to the relevant laws in the People's Republic of China (the "PRC"), the companies established in the PRC are required to transfer 10% of their net profit after taxation, as determined under the relevant accounting principles and financial regulations, to statutory reserve balance reaches 50% of their registered capital. The transfer to this statutory reserve must be made before the distribution of dividend to equity owners. Statutory reserve can be used to offset previous years' losses, if any, and is non-distributable other than upon liquidation. The companies established in PRC are also required to maintain a staff welfare and incentive bonus fund, while the amount and allocation basis are decided by the enterprise.

附註:

- (a) 於二零零一年之集團重組及於二零零五年及二零零六年之股份合併，總額約3,368,411,000港元乃於繳入盈餘入賬。
- (b) 根據中華人民共和國(「中國」)相關法律，於中國成立的公司須將根據相關會計準則及財務法規計算的除稅後純利10%轉撥至法定儲備，直至該法定儲備結餘達到其註冊資本的50%。轉撥至該法定儲備須在分派股息予權益持有人前作出。法定儲備可用於抵銷上一年度的虧損(如有)，除清盤以外，不可作分派之用。於中國成立的公司亦須維持僱員福利及獎勵基金，而金額及分配基準由該企業決定。



Consolidated Statement of Cash Flows

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\$'000 千港元	2017 二零一七年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Loss before tax	除稅前虧損	(1,574,266)	(623,648)
Adjustments for:	經以下調整:		
Share of loss (profit) of associates	分佔聯營公司之虧損 (溢利)	35,092	(1,692)
Share of loss of joint ventures	分佔合營企業之虧損	472,152	-
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	78,614	60,333
Change in fair value of investments held for trading	持作買賣投資之公平值變動	22	143
Change in fair value of contingent consideration payables	應付或然代價之公平值變動	-	5,081
Change in fair value of investment properties	投資物業之公平值變動	-	(1,730)
Gain on settlement of contingent consideration payable	清償應付或然代價之收益	-	(39,704)
Loss on disposal of an associate	出售一間聯營公司之虧損	-	1,215
(Gain) loss on disposal of investment property	出售投資物業之 (收益)虧損	(174)	224
Loss on disposal of investments held for trading	出售持作買賣投資之虧損	-	149
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	161	284
Change in fair value of convertible bonds payables	應付可換股債券之公平值變動	-	6,247
Interest income	利息收入	(429)	(877)
Finance costs	融資成本	271,841	173,491
Amortisation of prepaid lease payments	預付租賃款項攤銷	8,648	8,654
Amortisation of intangible assets	無形資產攤銷	41,053	41,371
Impairment loss recognised on goodwill	就商譽確認之減值虧損	69,740	40,771
Impairment loss recognised on intangible asset	就無形資產確認之減值虧損	26,000	16,925
Gain on early redemption of convertible bonds payables	提前贖回應付可換股債券之收益	-	(5,003)
Gain on redemption of convertible bonds payables upon maturity	到期贖回應付可換股債券之收益	-	(13,872)
Reversal of impairment loss recognised in respect of trade receivables	撥回就貿易應收款項確認之減值虧損	-	(77)
Impairment loss recognised on other receivables	就其他應收款項確認之減值虧損	120,000	-
Written-down of inventories	存貨撇減	799,159	-

Consolidated Statement of Cash Flows

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\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	347,613	(331,715)
(Increase) decrease in inventories	存貨(增加)減少	(982,905)	48,608
Decrease (increase) in trade and bills receivables	貿易應收款項及應收票據減少(增加)	20,664	(263,511)
Decrease in deposits and other receivables	按金及其他應收款項減少	45,122	166,146
Decrease in prepayment	預付款項減少	66,134	189,503
Decrease in finance lease receivables	應收融資租賃款項減少	5,190	9,926
(Decrease) increase in amounts due to related parties	應付有關聯人士款項(減少)增加	(49)	352
Increase in amounts due to directors	應付董事款項增加	12,342	8,471
Increase in trade and other payables	貿易及其他應付款項增加	182,301	52,947
(Decrease) increase in provision for warranty	保證撥備(減少)增加	(2,310)	641
Increase in amounts due to customers for contract work	應付客戶合約工程款項增加	-	317,599
Increase in contract assets	合約資產增加	(409,689)	-
Increase in amount due to an associate	應付一間聯營公司款項增加	2,519	14,211
Cash (used in) from operations	經營(所用)所得現金	(713,068)	213,178
Tax paid	已付稅項	-	(8,016)
Interest received	已收利息	429	877
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營業務(所用)所得現金淨額	(712,639)	206,039
INVESTING ACTIVITIES	投資業務		
Purchase of property, plant and equipment	購買物業、廠房及設備	(30,009)	(40,399)
Net cash outflow on capital injection/ acquisition of associates	注資/收購聯營公司之 現金流出淨額	-	(53,682)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之 所得款項	10,690	115
Proceeds from disposal of investment property	出售投資物業所得款項	1,667	1,421
Proceeds from disposal of investments held for trading	出售持作買賣投資之所得款項	-	1,831
Net cash outflow on acquisition of subsidiaries	收購附屬公司之現金流出淨額	-	(91,085)
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額	(17,652)	(181,799)



Consolidated Statement of Cash Flows

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\$'000 千港元	2017 二零一七年 HK\$'000 千港元
FINANCING ACTIVITIES	融資業務		
(Increase) decrease in pledged bank deposit and restricted cash	已抵押銀行存款及受限制現金(增加)減少	(2,030)	93,752
Settlement of convertible bonds payable upon maturity	到期清償應付可換股債券	-	(155,000)
Borrowings raised	新增借貸	1,411,205	153,171
Repayment of borrowings	償還借貸	(434,839)	(226,249)
Early redemption of convertible bonds payables	提前贖回應付可換股債券	-	(62,980)
Interest paid	已付利息	(232,252)	(83,620)
Proceeds from issue of convertible bonds	發行可換股債券之所得款項	-	189,000
Capital injection from a non-controlling shareholder into a subsidiary	非控股股東向一間附屬公司注資	-	21,000
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資業務所得(所用)現金淨額	742,084	(70,926)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	11,793	(46,686)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等價物	15,276	101,785
Effect of foreign exchange rate changes	匯率變動影響	(17,064)	(39,823)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之現金及現金等價物	10,005	15,276
represented by bank balances and cash	即銀行結餘及現金		

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL

China Ocean Industry Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 48 to the consolidated financial statements.

Other than those subsidiaries established in Hong Kong whose functional currencies are Hong Kong dollars (“HK\$”), the functional currency of the Company and its subsidiaries (hereinafter collectively known as the “Group”) was Renminbi (“RMB”). The consolidated financial statements are presented in HK\$ for the convenience of the shareholders as the Company’s shares are listed in Hong Kong.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In the preparation of the consolidated financial statements, the directors of the Company (the “Directors”) have considered the liquidity of the Group in future.

For the year ended 31 December 2018, the Group reported a loss for the year attributable to owners of the Company of approximately HK\$1,545,435,000, and as at that date, the Group recorded net current liabilities and net liabilities of approximately HK\$3,376,522,000 and HK\$2,178,756,000, respectively.

1. 一般事項

中海重工集團有限公司(「本公司」)為一間根據百慕達公司法於百慕達註冊成立之獲豁免有限公司。本公司之股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處及主要營業地點之地址於本年報公司資料一節披露。

本公司為一間投資控股公司。其附屬公司主要業務載於綜合財務報表附註48中。

除該等於香港成立之附屬公司的功能貨幣為港元(「港元」)外，本公司及其附屬公司(以下統稱「本集團」)之功能貨幣為人民幣(「人民幣」)。由於本公司股份於香港上市，為方便股東，綜合財務報表以港元呈列。

2. 綜合財務報表編製基準

本公司董事(「董事」)在編製綜合財務報表時，已就本集團之未來流動資金作出考慮。

截至二零一八年十二月三十一日止年度，本集團錄得本公司擁有人應佔年內虧損約1,545,435,000港元，而於該日期，本集團錄得之流動負債淨額及負債淨額分別約為3,376,522,000港元及2,178,756,000港元。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

To improve the Group's operation and financial position, the Directors have been implementing the following operating and financing measures:

- (a) The Group actively reorganised the shipbuilding business, introduced leading shipbuilding companies to integrate the shipbuilding business, and revitalised the shipbuilding assets. The business integration of Jiangxi Jiangzhou Union Shipbuilding Co., Ltd (“Jiangxi Shipbuilding”) and the cooperation with leading shipbuilding enterprises had commenced in March 2018 and work such as seeking relevant government approvals and the execution of cooperation agreements are now being carried out in an orderly manner. At the same time, the revitalisation of spare resources of Jiangxi Shipbuilding such as wharfs and lands is also under way and the storage and logistics business along Yangtze River is expected to commence operation in the future. In addition, we also expect to carry out new activities related to logistics through business diversification or merge and acquisition to contribute stable long-term cash flows to the Group;
- (b) The Group will dispose of part of its assets and investment to obtain funds so as to improve its financial position;

2. 綜合財務報表編製基準（續）

為改善本集團之營運及財務狀況，董事一直進行以下各項營運及融資措施：

- (a) 本集團積極對造船業務進行重整，引進先進造船企業對造船業務進行整合，並對造船資產進行盤活。二零一八年三月份開始，對江西江州聯合造船有限責任公司（「江西造船」）的業務整合以及與先進造船企業的合作開始推進，相關政府審批、合作協定簽署等工作正在有序進行。江州船廠富餘出來的碼頭、土地等資源的重整工作也在進行，依靠長江的倉儲物流業務將有望開始運作，同時，與物流相關的新業務也有望通過業務延展或併購方式進行，為集團帶來長期穩定現金流；
- (b) 本集團將出售部份資產及投資，獲取資金，以改善其財務狀況；

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- (c) Under the government's instruction and with the supports for real economy and private enterprises from all levels of government, the Group is negotiating with lending banks in relation to loan restructuring to extend repayment date and reduce finance costs;
- (d) The Group is in contact with a number of investors to issue new shares or convertible bonds;
- (e) The Group is in negotiation with certain suppliers and creditors to extend payment due date.

Also, the Directors are of the opinion that, taking into account the measures as above, the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from this consolidated financial statements were authorised to issue. Accordingly, the Directors believe that the consolidated financial statements should be prepared on a going concern basis.

2. 綜合財務報表編製基準 (續)

- (c) 本集團正在政府主導下，利用各級政府對實體經濟和民營企業的支援，與貸款銀行磋商，以對貸款進行重整，延長貸款期限，降低融資成本；
- (d) 本集團正在與多名投資者溝通，以發行新的股份或可換股債券；
- (e) 本集團正與部份供應商及債權人磋商延長付款到期日。

此外，董事認為，經考慮上述措施，本集團將有足夠營運資金履行其自本綜合財務報表獲授權發佈之日起未來十二個月到期之財務責任。因此，董事認為，綜合財務報表應按持續經營基準編製。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and Amendments to HKFRSs that are mandatorily effective for the current year

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Interpretation (“Int”) 22	Foreign Currency Transactions and Advance Consideration
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
Amendments to Hong Kong Accounting Standards (“HKAS”) 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本

於本年度強制生效之香港財務報告準則之新訂準則及修訂本

本集團已於本年度首次應用以下由香港會計師公會頒佈之香港財務報告準則之新訂準則及修訂本：

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	來自客戶合約的收益及相關修訂
香港（國際財務報告準則詮釋委員會）—詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號修訂本	以股份為基礎之付款交易之分類及計量
香港財務報告準則第4號修訂本	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號
香港會計準則（「香港會計準則」）第28號修訂本	作為香港財務報告準則二零一四年至二零一六年週期年度改進之一部份
香港會計準則第40號修訂本	轉撥投資物業

除下文所述外，於本年度應用香港財務報告準則之新訂準則及修訂本對本集團當前及過往年度之財務表現及狀況及／或於綜合財務報表所載之披露並無構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

3.1 HKFRS 15 *Revenue from Contracts with Customers*

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- provision of shipbuilding services
- provision of trading of electronic appliance
- provision of direct finance leasing, sale and leaseback, advisory services and provision of factoring services
- manufacturing and sales of car parking equipment, investment, operation and management of car parks and electronic automotive devices

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

3.1 香港財務報告準則第15號來自客戶合約的收益

本集團於本年度已首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號收益、香港會計準則第11號建造合約及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，首次應用該準則的累計影響於首次應用日期（即二零一八年一月一日）確認。首次應用日期的任何差額於期初累計虧損（或其他權益組成部份（如適用））確認，比較資料未予重列。此外，根據香港財務報告準則第15號的過渡規定，本集團已選擇僅對於二零一八年一月一日尚未完成的合約追溯應用該準則。

本集團確認的客戶合約收益主要來源如下：

- 提供造船服務
- 提供電子產品貿易
- 提供直接融資租賃、售後租回、顧問服務及提供保理服務
- 生產及銷售停車設備，投資、運營、管理停車場以及汽車電子業務

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

3.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

3.1 香港財務報告準則第15號來自客戶合約的收益（續）

- manufacturing and selling of steel structures and fittings for ship, marine equipment, mining equipment, ro-ro equipment

- 製造及銷售船用鋼結構及配件、海洋設備、採礦設備、滾裝設備

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in the consolidated financial statements.

有關本集團履約義務及應用香港財務報告準則第15號產生的會計政策的資料於綜合財務報表披露。

Summary of effects arising from initial application of HKFRS 15

首次應用香港財務報告準則第15號產生的影響概要

The following adjustments were made to the amounts recognised in the Group’s consolidated statement of financial position as at 1 January 2018. Line items that were not affected by the changes have not been included.

本集團於二零一八年一月一日綜合財務狀況報表確認的金額已作出下列調整。沒有受變動影響的項目並不包括在內。

Impact on the consolidated statement of financial position

對綜合財務狀況報表之影響

	Carrying amounts previously reported at 31 December 2017	Remeasurement	Carrying amounts under HKFRS 15 at 1 January 2018
	於二零一七年十二月三十一日 先前呈報的 賬面金額 HK\$'000 千港元	重新計量 HK\$'000 千港元	根據香港財務 報告準則 第15號的 賬面金額 HK\$'000 千港元
Current Liabilities			
Amounts due to customers for contract work	(336,169)	336,169	–
Contract liabilities	–	(336,169)	(336,169)
	–	–	–
	–	–	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

3.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

The following tables summarise the impacts of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 December 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

		As reported	Adjustments	Amounts without application of HKFRS 15 未應用香港財務報告準則第15號的金額
		如呈報 HK\$’000 千港元	調整 HK\$’000 千港元	HK\$’000 千港元
Current Assets	流動資產			
Amounts due from customers for contract work	應收客戶合約工程款項	-	90,328	90,328
Contract assets	合約資產	90,328	(90,328)	-

3.2 HKFRS 9 Financial Instruments and the related amendments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

3.1 香港財務報告準則第15號來自客戶合約的收益（續）

首次應用香港財務報告準則第15號產生的影響概要（續）

下表概述應用香港財務報告準則第15號對本集團於二零一八年十二月三十一日之綜合財務狀況報表中每一項受影響項目的影響。沒有受變動影響的項目並不包括在內。

對綜合財務狀況報表之影響

	As reported	Adjustments	Amounts without application of HKFRS 15 未應用香港財務報告準則第15號的金額
	如呈報 HK\$’000 千港元	調整 HK\$’000 千港元	HK\$’000 千港元
Current Assets			
Amounts due from customers for contract work	-	90,328	90,328
Contract assets	90,328	(90,328)	-

3.2 香港財務報告準則第9號金融工具及相關修訂

於本年度，本集團已應用香港財務報告準則第9號金融工具及對其他香港財務報告準則的相關相應修訂。香港財務報告準則第9號就1) 金融資產及金融負債的分類及計量，2) 金融資產的預期信貸虧損及3) 一般對沖會計處理引入新規定。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

3.2 HKFRS 9 *Financial Instruments* and the related amendments (Continued)

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in the consolidated financial statements.

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

3.2 香港財務報告準則第9號金融工具及相關修訂（續）

本集團已根據香港財務報告準則第9號的過渡規定應用香港財務報告準則第9號，即對於二零一八年一月一日（即首次應用日期）尚未終止確認的工具追溯應用分類及計量規定（包括預期信貸虧損模型下的減值），且並未就於二零一八年一月一日已終止確認的工具應用相關規定。於二零一七年十二月三十一日的賬面值與二零一八年一月一日的賬面值間的差額於期初累計虧損及權益的其他組成部份確認，比較資料不予重列。

因此，部份比較資料可能不具有與根據香港會計準則第39號金融工具：確認及計量編製的比較資料的可比性。

應用香港財務報告準則第9號產生的會計政策於綜合財務報表披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

3.2 HKFRS 9 *Financial Instruments* and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

3.2 香港財務報告準則第9號金融工具及相關修訂（續）

首次應用香港財務報告準則第9號產生的影響概要

下表載列根據香港財務報告準則第9號及香港會計準則第39號須應用預期信貸虧損之金融資產及金融負債及其他項目於首次應用日期（二零一八年一月一日）之分類及計量。

		Available-for-sale investment	Equity instruments at Fair Value Through Other Comprehensive Income ("FVTOCI") 按公平值計入 其他全面收益之 權益工具
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Closing balance at 31 December 2017 – HKAS 39	於二零一七年十二月三十一日之 期末結餘 – 香港會計準則第39號	24,840	–
Effect arising from initial application of HKFRS 9:	首次應用香港財務報告準則第9號 產生之影響：		
Reclassification:	重新分類：		
From available-for-sale	自可供出售	(a) (24,840)	24,840
Opening balance at 1 January 2018	於二零一八年一月一日之期初 結餘	–	24,840

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

3.2 HKFRS 9 *Financial Instruments* and the related amendments (Continued)

(a) *Available-for-sale (“AFS”) investments*

From AFS equity investments to FVTOCI

The Group elected to present in OCI for the fair value changes of all its equity investments previously classified as available-for-sale. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK\$24,840,000 were reclassified from available-for-sale investments to equity instruments at FVTOCI, of which HK\$24,840,000 related to unquoted equity investments previously measured at cost less impairment under HKAS 39. There was no impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

(b) *Impairment under ECL model*

The Group applies HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade and bills receivables. To measure the ECL, trade and bills receivables and finance lease receivables have been grouped based on shared credit risk characteristics and the historical observed default rates adjusted by forward looking estimates. The Directors have assessed the additional ECL allowance on trade and bills receivables and finance lease receivables and considered is insignificant based on internal credit rating on individual assessment and therefore it did not result in an adjustment of opening accumulated losses.

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

3.2 香港財務報告準則第9號金融工具及相關修訂（續）

(a) 可供出售投資

自可供出售權益投資至按公平價值計入其他全面收益

本集團選擇於其他全面收益呈列其先前分類為可供出售之所有股本投資之公平值變動。該等投資並非持作買賣投資，且預期不會於可見將來出售。於香港財務報告準則第9號的首次應用日期，24,840,000港元由可供出售投資重新分類為按公平價值計入其他全面收益之股本工具，其中24,840,000港元與香港會計準則第39號項下過往按成本減減值計量之非上市股本投資相關。應用香港財務報告準則第9號對就該等資產確認的金額並無影響。

(b) *預期信貸虧損模型下的減值*

本集團應用香港財務報告準則第9號的簡化方法計量預期信貸虧損，該方法乃用於就所有貿易應收款項及應收票據使用存續期預期信貸虧損。為計量預期信貸虧損，貿易應收款項及應收票據及應收融資租賃款項基於共同信貸風險特徵及過往觀察所得違約率（經前瞻性估計作出調整）而分組。董事已評估貿易應收款項及應收票據及應收融資租賃款項額外預期信貸虧損撥備並根據各項評估的內部信貸評級，認為額外預期信貸虧損並不重大，因此並未導致對期初累計虧損作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

3.2 HKFRS 9 *Financial Instruments* and the related amendments (Continued)

(b) *Impairment under ECL model (Continued)*

Loss allowances for financial assets at amortised cost other than trade and bills receivable and finance lease receivables mainly comprise of other receivables, amounts due from an associate, pledged bank deposits and restricted cash and bank balances, are measured on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition. For pledged bank deposits and bank balances, the Group transacts with reputable banks with high credit rating assigned by international credit-rating agencies and consider the risk of default is low and 12m ECL is insignificant. For other receivables and amounts due from an associate, the Group considers there has been no significantly increase in credit risk since initial recognition and hence the loss allowance is assessed on 12m ECL basis.

Based on the assessment by the management of the Company, the ECL on financial assets at amortised cost is insignificant and therefore it did not result in an adjustment of opening accumulated losses.

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

3.2 香港財務報告準則第9號金融工具及相關修訂（續）

(b) *預期信貸虧損模型下的減值（續）*

除貿易應收款項及應收票據及應收融資租賃款項之外的按攤銷成本計量的金融資產（主要包括其他應收款項、應收一間聯營公司款項、已抵押銀行存款及受限制現金及銀行結餘），因自初始確認後信貸風險未大幅上升，故虧損撥備按12個月預期信貸虧損基準計量。就已抵押銀行存款及銀行結餘而言，本集團與獲國際信貸評級機構給予高信貸評級的信譽良好的銀行進行交易，並認為違約風險較低，12個月預期信貸虧損屬不重大。就其他應收款項及應收一間聯營公司款項而言，本集團認為信貸風險自初次確認以來並無大幅增加，因此虧損撥備乃按12個月預期信貸虧損基準評估。

根據本公司管理層的評估，按攤銷成本計量的金融資產的預期信貸虧損屬不重大，因此並未導致對期初累計虧損作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

3.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards

3.3 應用所有新準則導致的對期初綜合財務狀況報表的影響

As a result of the changes in the Group’s accounting policies above, the opening consolidated statement of financial position had to be restated. The following table show the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

因以上所述本集團會計政策的變動，期初綜合財務狀況報表已予重列。下表列載對各受影響的獨立項目確認的調整。未受相關變動影響的項目未予列出。

		31 December 2017 (Audited) 二零一七年 十二月三十一日 (經審核) HK\$'000 千港元	HKFRS 15 香港財務報告 準則第15號 HK\$'000 千港元	HKFRS 9 香港財務報告 準則第9號 HK\$'000 千港元	1 January 2018 (Restated) 二零一八年 一月一日 (經重列) HK\$'000 千港元
Non-Current Assets	非流動資產				
Available-for-sale investment	可供出售投資	24,840	-	(24,840)	-
Equity instruments at FVTOCI	按公平值計入其他全面收益的股本工具	-	-	24,840	24,840
Current Liabilities	流動負債				
Amounts due to customers for contract work	應付客戶合約工程款項	(336,169)	336,169	-	-
Contract liabilities	合約負債	-	(336,169)	-	(336,169)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs in issued but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of Business ²
Amendments to HKFRS 9	Prepayment Feature with negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKAS 1 and HKAS 8	Definition of Material ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interest In Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual improvements on HKFRSs 2015-2017 Cycle ¹

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

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after 1 January 2020.

⁴ Effective for annual periods beginning on or after 1 January 2021.

⁵ Effective for annual periods beginning on or after a date to be determined.

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂本

本集團並無提早應用下列已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂本：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ²
香港（國際財務報告準則詮釋委員會）—詮釋第23號	所得稅處理之不確定性 ¹
香港財務報告準則第3號修訂本	業務的定義 ²
香港財務報告準則第9號修訂本	具有負補償之提前還款特點 ¹
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁵
香港會計準則第1號及香港會計準則第8號修訂本	重大的定義 ³
香港會計準則第19號修訂本	計劃修訂、縮減或清償 ¹
香港會計準則第28號修訂本	於聯營公司及合營企業的長期權益 ¹
香港財務報告準則修訂本	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

¹ 就二零一九年一月一日或之後開始之年度期間生效。

² 就收購日期為於二零二零年一月一日或之後開始的首個年度期間開始當日或之後的業務合併及資產收購生效。

³ 就二零二零年一月一日或之後開始之年度期間生效。

⁴ 就二零二一年一月一日或之後開始之年度期間生效。

⁵ 就有待確定日期或之後開始之年度期間生效。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs in issued but not yet effective (Continued)

Except for the new and amendments to HKFRSs and interpretations mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs and interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂本（續）

除下文所述的香港財務報告準則之新訂準則及修訂本及詮釋外，董事預計應用所有其他香港財務報告準則之新訂準則及修訂本及詮釋在可預見的未來將不會對綜合財務報表產生重大影響。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別租賃安排及出租人和承租人的會計處理引入一個全面性的模式。香港財務報告準則第16號於生效時將取代香港會計準則第17號租賃及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制以區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

承租人會計處理方法中經營租賃和融資租賃的區分將被移除，取而代之的模式是承租人必須確認全部租賃的使用權資產和相應的負債，但短期租賃和低值資產租賃除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs in issued but not yet effective (Continued)

HKFRS 16 Leases (Continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂本（續）

香港財務報告準則第16號租賃（續）

使用權資產初次按成本計量，隨後則按成本（惟若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債按當日未付之租賃款項之現值作初次計量。隨後，租賃負債會就利息及租賃款項、租約修訂的影響及其他因素作出調整。就現金流量分類而言，本集團目前將自用租賃土地及分類為投資物業的租賃土地有關的預付租賃款項呈列為投資現金流量，其他營運租賃款項則呈列為營運現金流量。於採用香港財務報告準則第16號後，本集團會將有關租賃負債的租賃款項分配為本金及利息部分，並以融資現金流量呈列。

根據香港會計準則第17號，本集團已就融資租賃安排及租賃土地（本集團為承租人）的預付租賃款項確認資產及相關融資租賃負債。視乎本集團是否將使用權資產單獨呈列或於相應有關資產（倘擁有）的同一項目內呈列，應用香港財務報告準則第16號可能導致該等資產的分類發生潛在變動。

除亦適用於出租人之若干規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs in issued but not yet effective (Continued)

HKFRS 16 Leases (Continued)

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately HK\$14,203,000 as disclosed in Note 54 to the consolidated financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated losses without restating comparative information.

3. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂本（續）

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂本（續）

香港財務報告準則第16號租賃（續）

此外，香港財務報告準則第16號亦要求較詳盡的披露。

於二零一八年十二月三十一日，本集團有不可撤銷的經營租賃承擔約14,203,000港元（如綜合財務報表附註54所披露）。初步評估顯示該等安排將符合租賃的定義。於採用香港財務報告準則第16號後，本集團將會就所有該等租賃確認使用權資產及相應負債，除非該等租賃符合低值或短期租賃。

此外，本集團目前將已支付的可退還租賃按金視為香港會計準則第17號適用的租賃下的權利及義務。根據香港財務報告準則第16號下租賃付款的定義，有關按金並非與相關資產使用權有關的付款，因此，該等按金的賬面值可能會調整為攤銷成本。對已支付的可退還租賃按金作出的調整將被視為額外租賃付款並計入使用權資產的賬面值中，而對已收取的可退還租賃按金作出的調整則被視為預付租賃付款。

採用新規定或會導致上述計量、呈列及披露的變動。本集團擬選擇可行權宜方法，就先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包括租賃識別為租賃的合約應用香港財務報告準則第16號，而並無對先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團（作為承租人）擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對期初累計虧損的累計影響，而並無重列比較資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

4. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露事項。

於各報告期末，除投資物業及若干金融工具以公平值計量外，綜合財務報表乃根據歷史成本基準編製（詳情見下文會計政策）。

歷史成本一般根據貨品及服務交換所得代價之公平值而釐定。

公平值是於計量日期市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於此等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟以下各項除外：屬於香港財務報告準則第2號以股份為基礎之付款範圍內之以股份為付款基礎之交易、屬於香港會計準則第17號租賃範圍內之租賃交易，以及其計量與公平值之計量存在某些相似之處但並非公平值，例如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值之使用價值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

4. 主要會計政策 (續)

非金融資產之公平值計量計及市場參與者通過以最高及最佳用途使用其資產或將其出售予以最高及最佳用途使用其資產之另一市場參與者，而產生經濟利益之能力。

就按公平值交易的金融工具及投資物業以及於其後期間使用不可觀察輸入數據計量公平值的估值技術而言，估值技術會進行調整，以令初步確認時估值技術的結果等於交易價格。

此外，就財務報告而言，公平值計量分為第一層級、第二層級或第三層級，此等層級之劃分乃根據公平值計量所使用輸入數據的可觀察程度及該數據對公平值計量的整體重要性產生，並概述如下：

- 第一層級輸入數據指該實體於計量日期由活躍市場上獲得的相同資產或負債的報價（未經調整）；
- 第二層級輸入數據指直接或間接可觀察資產或負債（除計入第一層級內的報價外）的輸入數據；及
- 第三層級輸入數據指不可觀察資產或負債的輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制之實體（包括結構實體）之財務報表。當本公司符合以下情況，即取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而承擔可變回報的風險或享有權利；及
- 有能力以其權力影響其回報。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

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

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

4. 主要會計政策 (續)

綜合基準 (續)

倘有事實及情況顯示上列三項控制權元素之其中一項或多項有變，本集團會重新評估其是否控制被投資方。

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

損益及其他全面收入之各項目歸本公司擁有人及非控股權益所有。附屬公司之全面收入總額歸本公司擁有人及非控股權益所有，即使由此引致非控股權益結餘為負數。

必要時會調整附屬公司之財務報表以使其會計政策與本集團會計政策一致。

與本集團成員公司間交易相關的所有集團內公司間資產與負債、權益、收入、開支及現金流量已於綜合賬目時全數對銷。

於附屬公司之非控股權益與本集團於當中的權益分開呈列，指現時擁有之權益且賦予持有人權利於清盤時按比例分佔相關附屬公司淨資產。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9/ HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. 主要會計政策 (續)

綜合基準 (續)

本集團於現有附屬公司權益的變動

未導致本集團失去對附屬公司控制權的本集團於附屬公司權益的變動乃以股本交易入賬。本集團相關權益的部分及非控股權益的賬面值會被調整，以反映彼等於附屬公司中相關權益的變動（包括根據本集團及非控股權益的權益比例於本集團及非控股權益之間重新分配相關儲備）。

調整之非控股權益金額與已付或已收代價公平值之間的任何差額直接於權益確認並歸屬於本公司擁有人。

當本集團失去對附屬公司的控制權時，該附屬公司的資產及負債以及非控股權益（如有）將被終止確認。收益或虧損於損益確認，並按(i)已收代價的公平值與任何保留權益公平值之和與(ii)資產（包括商譽）以及本公司擁有人應佔附屬公司負債賬面值之間的差額計算。之前於其他全面收益確認有關該附屬公司的所有金額均按猶如本集團直接出售該附屬公司相關資產或負債的方式入賬（即根據適用香港財務報告準則的規定／許可，重新分類至損益或轉撥至另一類權益）。於失去控制權當日保留於前附屬公司之任何投資之公平值的其後會計處理乃根據香港財務報告準則第9號／香港會計準則第39號視為初步確認之公平值，或（如適用）視為初步確認於聯營公司或合營企業投資的成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

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

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

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

4. 主要會計政策 (續)

業務合併

收購業務採用收購法入賬。業務合併所轉撥之代價按公平值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原擁有人產生之負債及本集團就交換被收購方之控制權發行之股權於收購日期之公平值之總額。有關收購之成本通常於產生時確認於損益中。

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方以股份為基礎之付款安排或本集團訂立以股份為基礎之付款安排取代被收購方以股份為基礎之付款安排有關的負債或股本工具，於收購日期根據香港財務報告準則第2號*以股份為基礎之付款*計量（見下文會計政策）；及
- 根據香港財務報告準則第5號*持作出售的非流動資產及已終止經營業務*分類為持作出售的資產（或出售組別）根據該項準則計量。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

4. 主要會計政策 (續)

業務合併 (續)

商譽乃以所轉讓的代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權 (如有) 公平值的總和超出收購日期所收購可識別資產及所承擔負債淨額的部分計量。倘經過重新評估後，所收購可識別資產及所承擔負債淨額超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權 (如有) 公平值的總和，則超出部分即時於損益內確認為議價收購收益。

屬現時所有權權益且於清盤時讓持有人有權按比例分佔相關附屬公司資產淨值的非控股權益，可初步按非控股權益應佔被收購方可識別資產淨值的已確認金額比例或公平值計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排，或然代價按其收購日期公平值計量並視為於業務合併中所轉讓代價之一部分。或然代價之公平值變動如符合資格作為計量期調整，則會追溯調整。計量期調整指於「計量期」內取得有關於收購日期存在事實及情況之額外資料而產生之調整。計量期不得超過收購日期起計一年。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains controls), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9/HKAS 39 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

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

4. 主要會計政策 (續)

業務合併 (續)

不符合計量期調整條件之或然代價，其往後入賬方式應取決於或然代價之分類方法。分類為權益之或然代價於其後之報告日期不會重新計量，其日後結算於權益內入賬。分類為資產或負債之或然代價於其後之報告日期按公平值重新計量，並於損益確認相應收益或虧損。

倘業務合併是分階段達成，本集團先前於被收購方持有的股本權益於收購日期（即本集團取得控制權日期）重新計量其公平值，由此所產生的收益或虧損（如有）於損益或其他全面收益（如適用）中確認。如本集團直接出售先前持有之股權，先前根據香港財務報告準則第9號／香港會計準則第39號於其他全面收益確認及計量之於收購日期前於被收購方持有之權益產生之金額將須按同一基準入賬。

倘業務合併之初步會計處理於進行合併之報告期末仍未完成，則本集團就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期（見上文）內作出追溯調整，並確認額外資產或負債，以反映就於收購日期已存在事實及情況取得之新資料（倘知悉該等資料，將會影響於當日確認之金額）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or a group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or a group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata based on the carrying amount of each asset in the unit (or a group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

4. 主要會計政策 (續)

商譽

收購一項業務產生之商譽乃按於業務收購日期(見上文會計政策)所確立之成本減累計減值虧損(如有)列賬。

為進行減值測試,商譽會被分配至預期因合併之協同效應而得益之本集團各個現金產生單位(或現金產生單位組別),即就內部管理而言監察商譽的最低層面及不大於經營分部。

獲分配商譽的現金產生單位(或現金產生單位組別)會每年進行減值測試,或於有跡象顯示該單位可能出現減值時進行更頻密的減值測試。就於某一報告期內因收購所產生之商譽而言,獲分配商譽之現金產生單位(或現金產生單位組別)於該報告期末前進行減值測試。倘現金產生單位(或現金產生單位組別)的可回收金額少於其賬面值,則減值虧損會先用作減低任何分配至商譽的賬面值,其後則按該單位內各項資產賬面值的比例分配至該單位的其他資產。

於出售相關現金產生單位(或現金產生單位組別內任何現金產生單位)時,會於釐定出售的損益金額時計入商譽的應佔金額。當本集團出售現金產生單位(或現金產生單位組別內的一個現金產生單位)內的業務時,所出售商譽金額按所出售業務(或現金產生單位)與所保留現金單位(或現金產生單位組別)部分的相對價值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (Continued)

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Interests in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purpose are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint ventures exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

4. 主要會計政策 (續)

商譽 (續)

本集團有關收購聯營公司及合營企業所產生商譽之政策載列如下。

於聯營公司及合營企業之權益

聯營公司為一間本集團對其擁有重大影響力之實體。重大影響力乃有權參與被投資方之財務及經營政策決定而非控制或共同控制該等政策。

合營企業指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

聯營公司或合營企業之業績及資產與負債以權益會計法綜合計入此等綜合財務報表。聯營公司及合營企業用於會計權益之財務報表以與本集團於相似情形下的類似交易及事項所用的一致會計政策編製。根據權益法，於聯營公司或合營企業之投資初步按成本於綜合財務狀況報表確認，並於其後就確認本集團應佔該聯營公司或合營企業之損益及其他全面收益而作出調整。除損益及其他全面收益之外，聯營公司／合營企業淨資產的變動不會入賬，除非該等變動導致本集團持有的所有權權益出現變動。當本集團應佔聯營公司或合營企業之虧損超出本集團於該聯營公司或合營企業之權益（包括實質上成為本集團於該聯營公司或合營企業投資淨額一部分之任何長期權益）時，本集團終止確認其所佔進一步虧損。僅於本集團已產生法律或推定責任，或已代表該聯營公司或合營企業支付款項之情況下，方會進一步確認虧損。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in associates and joint ventures (Continued)

An interest in an associate or joint ventures is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. 主要會計政策 (續)

於聯營公司及合營企業之權益 (續)

於被投資方成為一間聯營公司或合營企業當日，於聯營公司或合營企業之權益採用權益法入賬。於收購一間聯營公司或合營企業之投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平淨值之任何部分乃確認為商譽，並計入投資之賬面值。於重新評估後本集團所佔可識別資產及負債之公平淨值高於投資成本的任何部分於收購投資之期間即時在損益確認。

本集團評估是否存在客觀證據顯示於一間聯營公司或合營企業的權益可能存在任何減值。如存在任何客觀證據，該項投資（包括商譽）的全部賬面值將根據香港會計準則第36號以單一資產方式進行減值測試，方法是比較其可收回金額（即使用價值與公平值減出售成本的較高者）與其賬面值。任何已確認減值虧損均構成該項投資賬面值的一部份。有關減值虧損的任何撥回乃於該項投資的可收回金額其後增加時根據香港會計準則第36號確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in associates and joint ventures (Continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9/HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

4. 主要會計政策 (續)

於聯營公司及合營企業之權益 (續)

倘本集團不再對聯營公司有重大影響或共同控制合營企業，則按出售於被投資方之全部權益入賬，而所得收益或虧損則於損益中確認。倘本集團保留於原聯營公司或合營企業之權益且該保留權益為香港財務報告準則第9號／香港會計準則第39號範圍內的金融資產，則本集團會於該日按公平值計量保留權益，而該公平值被視為於初步確認時之公平值。聯營公司或合營企業之賬面值與任何保留權益及出售聯營公司或合營企業有關權益之任何所得款項公平值間之差額，會於釐定出售該聯營公司或合營企業之收益或虧損時計入。此外，本集團會將先前在其他全面收入就該聯營公司或合營企業確認之所有金額入賬，基準與該聯營公司或合營企業直接出售相關資產或負債所需基準相同。因此，倘該聯營公司或合營企業先前已於其他全面收入確認之收益或虧損，會於出售相關資產或負債時重新分類至損益。本集團會於出售／部分出售相關聯營公司或合營企業時將收益或虧損由權益重新分類至損益（作為重新分類調整）。

當於聯營公司之投資成為於合營企業之投資或於合營企業之投資成為於聯營公司之投資時，本集團將繼續使用權益法。於此類所有權權益變動發生時，公平值不會重新計量。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in associates and joint ventures (Continued)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in Note 3)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

4. 主要會計政策 (續)

於聯營公司及合營企業之權益 (續)

倘本集團削減其於聯營公司或合營企業之所有權權益而本集團繼續採用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收入確認與削減所有權權益有關之收益或虧損部分重新分類至損益。

當集團實體與本集團之聯營公司或合營企業進行交易時，則與聯營公司或合營企業交易所產生溢利及虧損僅於聯營公司或合營企業之權益與本集團無關時，方於本集團之綜合財務報表確認。

來自客戶合約的收益 (根據附註3 過渡條文應用香港財務報告準則 第15號後)

根據香港財務報告準則第15號，本集團於達成履約責任時確認收入，即當與特定履約責任相關的貨品或服務的「控制權」轉移予客戶時。

履約責任指一個明確貨品及一項明確服務 (或一批明確貨品或服務) 或一系列大致相同的明確貨品或服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in Note 3) (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

4. 主要會計政策 (續)

來自客戶合約的收益 (根據附註3過渡條文應用香港財務報告準則第15號後) (續)

倘符合下列其中一項標準，則控制權在一段時間內轉移，而收益會參考已完成相關履約責任的進度於一段時間內確認：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生及提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收益會在當客戶獲得明確貨品或服務的控制權時在某一時點確認。

合約資產指本集團就本集團已向客戶轉讓的貨品或服務而於交換中收取代價的權利（尚未成為無條件），根據香港財務報告準則第9號評估減值。相反，應收賬款指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價（或已到期收取代價），而須向客戶轉讓貨品或服務的責任。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in Note 3) (Continued)

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

4. 主要會計政策 (續)

來自客戶合約的收益 (根據附註3過渡條文應用香港財務報告準則第15號後) (續)

與合約有關的合約資產及合約負債均按淨額基準入賬及呈列。

具多項履約責任的合約 (包括分配交易價格)

就包含多於一項履約責任的合約而言，本集團按照相對獨立售價基準將交易價格分配至各履約責任。

有關各履約責任的明確貨品或服務的獨立售價於合約開始時釐定。該價格指本集團將單獨向客戶出售承諾貨品或服務的價格。倘獨立售價不可直接觀察，本集團將使用適當技術進行估計，以使最終分配至任何履約責任的交易價格可反映本集團向客戶轉讓承諾貨品或服務預期有權獲得的代價金額。

在一段時間內確認收益：計量完全完成履行履約責任的進度

投入法

完全完成履行履約責任的進度乃根據投入法計量，即透過按本集團為完成履約責任而產生的支出或投入（相對於預期為完成履約責任的總投入）確認收益，有關方法最能反映本集團於轉讓貨品或服務控制權方面的履約情況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

4. 主要會計政策 (續)

退款負債

倘本集團預期退還自客戶收取的部分或全部代價，則其確認退款負債。

存在重大融資成分

於釐定交易價格時，倘經協定付款時間（不論以暗示或明示方式）為客戶或本集團帶來轉讓貨品或服務予客戶之重大融資利益，本集團將就貨幣時間價值之影響而調整已承諾之代價金額。在該等情況下，合約包括重大融資成分。無論融資承諾是否於合約中明確規定或於合約之訂約方協定的付款條款中隱含，均可能存在重大融資成分。

就付款及轉讓相關貨品或服務之間隔短於一年之合約而言，本集團就任何重大融資成分採用不調整交易價格之可行權宜方法。

就於轉讓本集團已就重大融資成分而調整已承諾之代價金額之相關貨品或服務前自客戶收取之預付款而言，本集團應用將於本集團與客戶之間於合約開始之獨立融資交易中反映之貼現率。收取於預付款期間之相關利息開支，且轉讓相關貨品及服務按相同基準入賬列作其他借貸成本。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Existence of significant financing component (Continued)

For contracts where the Group transferred the associated goods or services before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognises interest income during the period between the payment from customers and the transfer of the associated goods or services.

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Goods, services, interests and dividends

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- servicing fees are recognised by reference to the proportion of the total cost of providing the service for the product sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

4. 主要會計政策 (續)

存在重大融資成分 (續)

就本集團已就重大融資成分而調整已承諾之代價金額的客戶付款前的本集團轉讓相關貨品或服務之合約而言，本集團應用將於本集團與客戶之間於合約開始之獨立融資交易中反映之貼現率。本集團於客戶付款及轉讓相關貨品或服務之期間確認利息收入。

收益確認 (於二零一八年一月一日之前)

收益乃按已收或應收代價之公平值計算。收益因估計客戶退貨、折扣及其他類似撥備而加以削減。

當收益金額能可靠計量時；可能有未來經濟利益流向本集團時及本集團各項活動符合特定標準時（如下文所述），方確認收益。

貨品、服務、利息及股息

提供服務合約之收益經參考合約完成階段確認。合約完成階段釐定如下：

- 安裝費用乃經參考安裝完成階段後確認，並釐定為於報告期末預期安裝所用總時長之部分；
- 服務費乃經參考就所出售產品提供服務總成本之比例確認；及
- 時間及物料合約收益於產生勞動時間及直接開支時按合約費率確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (prior to 1 January 2018) (Continued)

Goods, services, interests and dividends (Continued)

The Group's policy for the recognition of revenue from construction services is described in the accounting policy for construction contract below.

Revenue from the sales of goods is recognised when the goods are delivered and title has passed.

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

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

The Group's accounting policy for recognition of revenue from operating lease is described in the accounting policy for leasing below.

Leases

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

4. 主要會計政策 (續)

收益確認 (於二零一八年一月一日之前) (續)

貨品·服務·利息及股息 (續)

本集團有關確認建造服務收益之政策乃載於下文有關建築合約之會計政策內。

銷售貨品收益於付運貨品及其擁有權已轉移時予以確認。

利息收入按時間基準並參考未償還本金及按適用實際利率累計。有關利率為於金融資產預期年限內將估計未來所收現金準確貼現至該資產於首次確認時的賬面淨值的利率。

投資之股息收入於股東收取款項之權利確立時確認。

本集團有關確認經營租賃收益之會計政策乃載述於下文有關租賃之會計政策內。

租賃

凡租約之條款將所有權之絕大部分風險及回報轉移至承租人，該等租約分類為融資租賃。所有其他租約均列作經營租賃。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4. 主要會計政策 (續)

租賃 (續)

本集團作為出租人

根據融資租賃應收承租人之款項按本集團於租賃之淨投資金額確認為應收款項。融資租賃收入被分配至會計期間，以反映本集團於有關租賃為投資結欠之淨額之經常性定期回報率。

經營租賃之租金收入按直線法在相關租期內於損益中確認。協商及安排經營租賃產生之初步直接成本計入租賃資產之賬面值。

本集團作為承租人

經營租賃付款以直線法，按租期確認為開支，但如另有系統性基準更能代表租賃資產之經濟效益據此被消耗之時間模式則除外。經營租賃下之或然租金在產生當期作為開支確認。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠整體利益以直線法沖減租金開支確認，但如另有系統性基準更能代表租賃資產之經濟效益據此被消耗之時間模式則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at costs less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised accumulated impairment loss. Costs include professional fees. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備（包括用於生產或供應貨品或服務或為行政用途持有的樓宇（在建工程除外））於綜合財務狀況報表內按成本減其後累計折舊及其後累計減值虧損（如有）列賬。

用作生產、供應或行政用途的在建物業按成本扣除任何已確認累計減值虧損後列賬。成本包括專業費用。該等物業於完工時及可隨時作擬定用途時分類至物業、廠房及設備的適當類別。該等資產可隨時作擬定用途時按與其他物業資產相同的基準開始計提折舊。

資產（在建工程除外）確認之折舊按估計使用年期使用直線法撇銷成本（扣除剩餘價值後）。估計使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動之影響按未來適用基準相應入賬。

物業、廠房及設備項目於出售後或於預期持續使用該資產將不會產生未來經濟利益時解除確認。於出售或報廢物業、廠房及設備項目時產生的任何收益或虧損釐定為資產的銷售所得款項與賬面值的差額，於損益確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

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

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

4. 主要會計政策 (續)

投資物業

投資物業指持作賺取租金及／或待資本增值之物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初始確認後,投資物業使用按公平值計量。本集團所有根據經營租賃持有以作賺取租金或待資本增值用途之物業權益已分類並入賬列為投資物業及使用公平值模式計量。投資物業之公平值變動所產生之盈虧於產生期間計入損益。

投資物業乃於出售後或在投資物業永久不再使用或預期出售物業不會產生未來經濟利益時取消確認。取消確認該物業時產生之任何損益(按出售所得款項淨額與該資產之賬面值之差額計算)計入該物業取消確認期間之損益內。

租賃土地及樓宇

當本集團就一項物業權益(包括租賃土地及樓宇部分)作出付款時,本集團會根據各部分所有權附帶的絕大部分風險及回報是否轉移至本集團之評估,獨立評估各部分之分類,惟兩部分均為經營租賃,則整份物業視作經營租賃處理。特別是,全部代價(包括任何一次性預付款)於初步確認時,按租賃土地與樓宇部分的租賃權益的相關公平值的比例在租賃土地與樓宇部分間進行分配。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasehold land and building (Continued)

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the expected cost of warranty obligations under the relevant sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Borrowing costs

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

4. 主要會計政策 (續)

租賃土地及樓宇 (續)

租賃款項能夠可靠分配時，租賃土地權益作為經營租賃在綜合財務狀況報表中列作「預付租賃款項」，並於租期內按直線基準攤銷。當款項無法於租賃土地與樓宇部分間可靠分配，整份物業一般按由於租賃土地乃屬融資租賃項下處理。

撥備

當本集團因過往事件而須承擔現有責任（法定或推定）、本集團很有可能須履行有關責任且能可靠地估計該責任之金額時，確認有關撥備。

確認為撥備之金額乃計及與責任有關之風險及不明朗因素後，按於報告期末就履行現有責任所須代價所作之最佳估計而計量。若使用就履行現有責任所估計之現金流量來計量撥備，其賬面值為該等現金流量現值（如貨幣時間價值的影響屬重大）。

根據相關貨物銷售法規之保修責任之預期成本於有關產品銷售日期按董事對履行本集團責任所需開支之最佳估計確認撥備。

借貸成本

所有借貸成本於其產生期間在損益中確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Construction contracts

When the outcome of a construction contract for shipbuilding can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as determined by reference to the standard hours incurred up to the end of the reporting period as a percentage of total estimated standard hours for each contract. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

4. 主要會計政策 (續)

政府補助金

在合理地保證本集團會遵守政府補助金的附帶條件以及將會得到補助後，政府補助金方會予以確認。

政府補助金乃就本集團確認的有關支出（預期補助可予抵銷成本的支出）期間按系統化的基準於損益中確認。具體而言，以要求本集團購買、建造或收購非流動資產為主要條件的政府補助金乃於綜合財務狀況報表確認為相關資產的賬面值減少，並於相關資產的可用年期內基於系統合理基準轉撥至損益中。

政府補助金是抵銷已產生的支出或虧損或旨在給予本集團的即時財務支援（而無未來有關成本），於有關補助金成為應收款項的期間在損益中確認。

按低於市場利率作出的政府貸款的收益被視為政府補助金，按所收取的所得款項與按現行市場利率計算的貸款公平值之間的差額計量。

建造合約

如能夠可靠地估計造船建造合約之成果，則收益及成本乃參照於報告期末合約活動之完成階段（參照直至報告期末所產生之工時佔各合約之估計工時總額之百分比而釐定）予以確認。合約工程、索償及獎金款項之變動只會在有關款項能夠可靠計量且很有可能收取該等款項時入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction contracts (Continued)

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade receivables.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date/settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

4. 主要會計政策 (續)

建造合約 (續)

倘不能夠可靠地估計建造合約之成果，合約收入僅以很可能收回的已產生合約成本部分確認。合約成本於其產生期間確認為開支。

當總合約成本很可能超出總合約收入時，則預期虧損將立即確認為開支。

倘迄今產生之合約成本加已確認溢利減已確認虧損超出進度款項，則超出部分列作應收客戶合約工程款。倘進度款項超出迄今產生之合約成本加已確認溢利減已確認虧損，則超出部分列作應付客戶合約工程款。於完成有關工程前收取之款項，作為負債計入綜合財務狀況報表中之已收預付款項。就完工工程發出賬單但客戶尚未支付之款項則計入綜合財務狀況報表之貿易應收款項。

金融工具

倘本集團成為工具合約條文的訂約方，則就此確認金融資產及金融負債。所有以正常方式購買或銷售之金融資產按交易日／結算日之基準確認及取消確認。以正常方式購買或銷售指按照市場規定或慣例於一段期限內須進行資產交付之金融資產買賣。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

Interest/dividend income which are derived from the Group's ordinary course of business are presented as revenue.

4. 主要會計政策 (續)

金融工具 (續)

金融資產及金融負債初步以公平值計量，惟來自客戶合約的貿易應收款項除外，其自二零一八年一月一日起初步根據香港財務報告準則第15號計量。收購或發行金融資產及金融負債（透過損益按公平值計算之金融資產或金融負債除外）直接應佔之交易成本乃於初步確認時在金融資產或金融負債之公平值加入或扣除（如適用）。收購透過損益按公平值計算之金融資產或金融負債直接應佔之交易成本，應即時於損益內確認。

實際利率法乃計算金融資產或金融負債之攤銷成本及按相關期間攤分利息收入及利息開支之方法。實際利率為可準確透過金融資產或金融負債之估計年期或（倘適用）在較短期間內對估計未來現金收入及付款（包括所支付或收取屬實際利率構成部分之全部費用及積分、交易成本及其他溢價或折讓）折算至初步確認之資產賬面淨值之利率。

本集團日常業務過程中產生的利息／股息收入呈列為收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 3)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

4. 主要會計政策 (續)

金融工具 (續)

金融資產

金融資產的分類及其後計量 (根據附註3的過渡條文應用香港財務報告準則第9號)

滿足以下條件的金融資產其後按攤銷成本計量:

- 金融資產由一個旨在持有金融資產以收取合約現金流量的業務模式所持有; 及
- 合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金之利息。

滿足以下條件的金融資產其後按公平值計入其他全面收益計量:

- 金融資產由一個以收取合約現金流量及出售來實現目標的業務模式所持有; 及
- 合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後按按公平值計入損益計量, 但在初始應用/初始確認金融資產之日, 倘該股本投資既非持作買賣, 亦非香港財務報告準則第3號業務合併所適用之業務合併收購方確認的或然代價, 本集團可能不可撤銷地選擇於其他全面收益呈列股本投資的其後公平值變動。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 3) (Continued)

A financial asset is classified as held for trading if:

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

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及其後計量 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

金融資產於下列情況下分類為持作買賣：

- 收購的主要目的為於短期作出售用途；或
- 於初始確認時構成本集團合併管理的已識別金融工具組合的一部分，並具有近期實際短期獲利模式；或
- 並非作為指定及有效對沖工具的衍生工具。

此外，本集團可能不可撤銷地指定須按攤銷成本或按公平值計入其他全面收益計量的金融資產為按公平值計入損益計量（倘若此舉可消除或顯著減少會計錯配）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 3) (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated loss.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及其後計量 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

攤銷成本及利息收入

其後按攤銷成本計量的金融資產及其後按公平值計入其他全面收益計量的債務工具／應收款項的利息收入乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外 (見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

指定為按公平值計入其他全面收益之股本工具

按公平值計入其他全面收益之股本工具投資乃其後按公平值計量，公平值變動產生的收益及虧損於其他全面收益中確認，並於投資重估儲備中累計；毋須進行減值評估。累計收益或虧損將不重新分類至出售股本投資之損益，並將轉撥至累計虧損。

當本集團確認收取股息的權利時，該等股本工具投資的股息於損益中確認，除非股息明確表示收回部分投資成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 3) (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “change in fair value of investments held for trading” line item.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and bills receivables, contract assets, finance lease receivables, other receivables, amounts due from an associate, pledged bank deposits and restricted cash and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及其後計量 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

按公平值計入損益之金融資產

並不符合按攤銷成本或按公平值計入其他全面收益計量或指定按公平值計入其他全面收益標準之金融資產，均按公平值計入損益計量。

按公平值計入損益之金融資產於各報告期末按公平值計量，當中任何的公平值收益或虧損於損益中確認。於損益中確認之收益或虧損淨額將不包括金融資產所賺取的任何股息或利息，並計入「持作買賣投資之公平值變動」項目中。

金融資產減值 (根據附註3的過渡條文應用香港財務報告準則第9號)

本集團就香港財務報告準則第9號項下須予減值之金融資產 (包括貿易應收款項及應收票據、合約資產、應收融資租賃款項、其他應收款項、應收一間聯營公司款項、已抵押銀行存款及受限制現金及銀行結餘) 確認預期信貸虧損之虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初始確認起的信貸風險變動。

全期預期信貸虧損指於相關工具之預期壽命內發生的所有可能違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損則指預期於報告日期後12個月內可能發生的違約事件而導致的部分全期預期信貸虧損。預期信貸虧損根據本集團過往信貸虧損經驗進行評估，並根據應收款項特定因素、一般經濟狀況及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (Continued)

The Group always recognises lifetime ECL for trade and bills receivables, contract assets and finance lease receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

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

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

本集團始終就貿易應收款項及應收票據、合約資產以及應收融資租賃款項確認全期預期信貸虧損。該等資產的預期信貸虧損對具有重大結餘之債務人進行個別評估及／或使用具有適當分組的撥備矩陣進行集體評估。

就所有其他工具而言，本集團計量與12個月預期信貸虧損等額的虧損撥備，除非信貸風險自初始確認以來已大幅增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損，乃基於自初始確認起出現違約的可能性或風險是否大幅增加。

信貸風險大幅增加

於評估信貸風險是否自初步確認以來大幅增加時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初步確認日期出現違約的風險。作此評估時，本集團會考慮合理有據的定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

信貸風險大幅增加 (續)

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部 (如有) 或內部信貸評級的實際或預期重大惡化；
- 信貸風險之外部市場指標顯著惡化，例如債務人之信貸息差、信貸違約掉期價格顯著上升；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估之結果如何，當合約付款逾期超過30日時，本集團假設信貸風險自初步確認以來顯著增加，除非本集團有合理及支持性資料另行證明。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (Continued)

Significant increase in credit risk (Continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the Group in full (without taking into account any collaterals held by the Group).

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

信貸風險大幅增加 (續)

就財務擔保而言，為評估金融工具減值而初始確認的日期被視為本集團成為不可撤銷承諾的一方的日期。在評估自初步確認財務擔保合約以來信貸風險是否顯著增加時，本集團會考慮特定債務人發生違約風險的變動。

本集團定期監察識別信貸風險有否大幅增加所用準則的有效性，並作出適當修訂，確保該等準則能於有關金額逾期前識別信貸風險的大幅增加。

違約之定義

就內部信貸風險管理而言，當由內部編製或從外部來源取得的資料顯示債務人不大可能向本集團悉數付款（不計及本集團持有的任何抵押品）時，則本集團認為發生違約事件。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (Continued)

Definition of default (Continued)

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

違約之定義 (續)

無論上述者如何，本集團認為，當金融工具已逾期超過90日，則已經發生違約，除非本集團具有合理有據之資料展示更為滯後的違約準則更為合適。

信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一起或多起事件之時，該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

- 發行人或借款人陷入嚴重財務困難；
- 違反合約，例如違約或逾期事件；
- 借款人的貸款人出於與借款人財務困難相關的經濟或合約原因，而向借款人授予貸款人原本不會考慮的優惠；
- 借款人有可能面臨破產或其他財務重組；或
- 因出現財政困難導致該金融資產失去活躍市場。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (Continued)

Written-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are considered the recoverability is remote, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

撤銷政策

當有資料顯示債務人出現嚴重財務困難且並無實際收回預期時，例如當對手方被清盤或已進入破產程序時，或認為貿易應收款項收回機會渺茫（以較早發生者為準）的情況，本集團會撤銷金融資產。經考慮法律建議（如適用），已撤銷的金融資產可能仍須進行本集團收回程序下的執行行動。撤銷構成終止確認事件。所作的任何隨後收回於損益內確認。

預期信貸虧損之計量及確認

預期信貸虧損的計量為違約可能性、違約虧損率（即出現違約時的虧損幅度）及違約風險的函數。違約可能性及違約虧損率的評估乃按照歷史數據進行，並就前瞻性資料作出調整。預期信貸虧損的估計反映以發生的相關違約風險作為加權數值而確定的無偏概率加權金額。

一般而言，預期信貸虧損為本集團根據合約應收的所有合約現金流量與本集團預計收取的現金流量之間的差額，並按初步確認時釐定的實際利率貼現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (Continued)

Measurement and recognition of ECL (Continued)

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments (i.e. the Group's trade and other receivables, are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

預期信貸虧損之計量及確認 (續)

就財務擔保合約而言，本集團須僅就債務人根據所擔保的工具條款出現違約的情況作出付款。因此，預期虧損為補償持有人出現信貸虧損時作出的預期付款之現價減本集團預期自持有人、債務人或任何其他方收取之任何款項。

就財務擔保合約之預期信貸虧損而言，由於其實際利率未能確定，則本集團將採用反映當前市場對貨幣時間值及現金流特定風險（但以調整貼現率而非調整已貼現現金短缺而計及之風險為限（如有））評估的貼現率。

倘預期信貸虧損按組合基準計量或為應對可能未獲得證據證明個別工具層面的情況則金融工具按以下基準分組：

- 金融工具的性質（即本集團之貿易及其他應收賬款均作為各單獨組別進行評估。關連方貸款按個別基準的預期信貸虧損進行評估）；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級（如有）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with Note 3) (Continued)

Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables, contract assets, finance lease receivables, other receivables, where the corresponding adjustment is recognised through a loss allowance account.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (根據附註3的過渡條文應用香港財務報告準則第9號) (續)

預期信貸虧損之計量及確認 (續)

歸類工作經管理層定期檢討，以確保各組別成分繼續分擔類似信貸風險特性。

利息收入按金融資產的賬面總值計算，倘金融資產信貸減值，則利息收入按金融資產的攤銷成本計算。

就財務擔保合約而言，虧損撥備按根據香港財務報告準則第9號釐定之虧損撥備金額與初始確認金額減 (倘適用) 擔保期內累計收入確認金額之較高者確認。

本集團通過調整所有金融工具的賬面值於損益確認彼等之減值盈虧，惟貿易應收款項及應收票據、合約資產、應收融資租賃款項以及其他應收款項除外，在此情況下相應調整透過虧損撥備賬確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (“FVTPL”), available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading, (ii) it is designated as at FVTPL or (iii) contingent consideration that may be received by an acquirer as part of a business combination.

A financial asset is classified as held for trading if:

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

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及其後計量 (於二零一八年一月一日應用香港財務報告準則第9號前) 金融資產分類為下列特定類別: 按公平值計入損益 (「按公平值計入損益」) 之金融資產、可供出售 (「可供出售」) 金融資產及貸款及應收款項。分類乃視乎金融資產之性質及用途, 並於初步確認時釐定。所有以正常方式購買或銷售之金融資產按交易日之基準確認及取消確認。以正常方式購買或銷售指按照市場規定或慣例於一段期限內須進行資產交付之金融資產買賣。

按公平值計入損益之金融資產

當金融資產為(i)持作交易, (ii)指定為按公平值計入損益或(iii)收購方可能收取之或然代價 (作為業務合併之部分), 則金融資產分類為按公平值計入損益。

金融資產分類為持作交易用途, 若:

- 購進之主要目標是於近期內將之變賣; 或
- 於初步確認時, 其為由本集團共同管理之已識別金融工具組合之其中一部分, 並於近期有實際之短期獲利特點; 或
- 其為一種並不能作為指定及有效對沖工具之衍生工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading (or contingent consideration that may be received by an acquirer as part of a business combination) may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the "change in fair value of investments held for trading" line item in the consolidated statement of profit or loss and other comprehensive income.

Fair value is determined in the manner described in Note 7(c) to the consolidated financial statements.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

按公平值計入損益之金融資產 (續)

持作買賣之金融資產以外的金融資產 (或收購方可收取作為業務合併之一部分的豁然代價) 可於初步確認後指定為按公平值計入損益, 倘:

- 該指定消除或大幅減少了可能出現的計量或確認方面的一致性; 或
- 該金融資產是一組金融資產或金融負債或金融資產和金融負債組合的一部分, 而根據本集團制定的風險管理或投資策略, 該項資產的管理和績效評估是以公平值為基礎進行, 並且有關分組的信息是按此基礎向內部提供; 或
- 構成包含一項或多項嵌入衍生工具的合約的一部分, 而香港會計準則第39號允許將整個組合合約 (資產或負債) 指定為按公平值計入損益。

按公平值計入損益之金融資產以公平值列賬, 而重新計量產生之任何收益或虧損則於損益確認。於損益確認之收益或虧損淨額不包括就金融資產賺取之任何股息或利息, 並計入綜合損益及其他全面收益表「持作買賣投資之公平值變動」項目。公平值按綜合財務報表附註7(c)所述方式釐定。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables or financial assets at FVTPL. The Group designated listed equity securities as AFS financial assets on initial recognition.

Equity and debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, and changes in foreign exchange rates, if applicable, are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

可供出售金融資產

可供出售金融資產乃指定為可供出售或並非分類為貸款及應收款項或按公平值計入損益之金融資產之非衍生工具。本集團於初始確認時將上市股本證券指定為可供出售金融資產。

本集團所持分類為可供出售金融資產的股本及債務證券按於各報告期末的公平值計量，惟公平值不可靠計量之無報價股本投資除外。與使用實際利率法計算利息收入之有關可供出售債務工具之賬面值變動以及匯率變動（如適用）於損益中確認。可供出售權益工具的股息於本集團收取有關股息的權利確立時於損益確認。可供出售金融資產賬面值之其他變動於其他全面收益確認，並累計至投資重估儲備項下。

對沒有活躍市場所報市價及公平值不能可靠計量的可供出售股本投資於各報告期末按成本減已識別減值虧損計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and bills receivables, contract assets, other receivables, finance lease receivables, amount due from an associate, pledged bank deposits and restricted cash and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

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

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of the impairment.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項指未於活躍之市場內報價而附帶固定或可議定付款之非衍生金融資產。於初步確認後，貸款及應收款項（包括貿易應收款項及應收票據、合約資產、其他應收款項、應收融資租賃款項、應收一間聯營公司款項、已抵押銀行存款、受限制現金及銀行結餘及現金）乃採用實際利率法按攤銷成本減任何減值計量。

利息收入採用實際利率確認，惟確認利息不重大之短期應收款項除外。

金融資產減值（於二零一八年一月一日應用香港財務報告準則第9號前）

於各報告期末評定金融資產（不包括按公平值計入損益之金融資產）是否有減值跡象。當有客觀證據顯示金融資產之估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時，即視為對該金融資產確認減值。

對於可供出售股本投資而言，證券公平值大幅或長時間低於其成本則被視為減值之客觀證據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

對於所有其他金融資產而言，減值的客觀證據可包括：

- 發行人或交易對方出現重大財政困難；或
- 違反合約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組；或
- 因出現財政困難導致該金融資產失去活躍市場。

應收款項組合出現減值的客觀證據包括本集團過往收款記錄、逾期付款宗數增加、與拖欠應收款項相聯繫之全國或當地經濟條件之可觀察變化。

就按已攤銷成本列賬之金融資產而言，已確認減值虧損之金額為資產之賬面值與估計未來現金流量按金融資產之初始實際利率貼現之現值之間之差額。

就按成本列賬之金融資產而言，減值虧損之金額按該項資產之賬面值與估計未來現金流量按類似金融資產現時市場回報率貼現之現值之間之差額計量。該減值虧損將不會於其後之期間撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade, bills and other receivables and finance lease receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade, bills and other receivables and finance lease receivables is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to profit or loss.

When on AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易應收款項、應收票據及其他應收款項及應收融資租賃款項除外，其賬面值會透過撥備賬作出扣減。撥備賬之賬面值變動乃於損益確認。當貿易應收款項、應收票據及其他應收款項及應收融資租賃款項被視為不可收回時，其將於撥備賬內撇銷。之前已撇銷之賬款如其後收回，將計入損益內。

當可供出售金融資產被視為減值時，先前於其他全面收益確認之累計收益或虧損於期內獲重新分類至損益。

就按已攤銷成本計量之金融資產而言，倘減值虧損額於隨後期間有所減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該投資於減值被撥回當日之賬面值不得超過未確認減值時之已攤銷成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expired, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

就可供出售股本投資而言，先前於損益確認之減值虧損不會透過損益撥回。公平值於減值虧損後之任何增加均會於其他全面收益中確認，並累計至投資重估儲備項下。就可供出售債務投資而言，倘投資公平值上升客觀上與確認減值虧損後發生之事項有關連，則減值虧損其後透過損益撥回。

終止確認金融資產

僅當從資產收取現金流量之合約權利屆滿時，或本集團將金融資產及該項資產所有權之絕大部分風險及回報轉讓至另一實體，本集團方會終止確認該項金融資產。倘本集團並無轉讓或保留所有權之絕大部分風險及回報並繼續控制該已轉讓資產，本集團就其可能須支付的金額確認於資產及相關負債中的保留權益。倘本集團保留已轉讓金融資產所有權之絕大部分風險及回報，則本集團繼續確認該項金融資產，亦就已收所得款項確認一項有抵押借貸。

終止確認按已攤銷成本計量的金融資產時，該資產賬面值與已收代價總額間之差額於損益確認。

於取消確認本集團於應用香港財務報告準則第9號後在首次確認時選擇按公平值計入其他全面收益的股本工具投資時，先前於投資重估儲備累計之累計收益或虧損不會重新分類至損益，惟會轉撥至累計虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets (Continued)

On derecognition of an AFS financial asset, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to accumulated loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) it is designated as at FVTPL or (ii) contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 applies.

A financial liability other than contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

終止確認金融資產 (續)

終止確認可供出售金融資產時，先前於投資重估儲備累計之累計收益或虧損獲重新分類至累計虧損。

金融負債及權益工具

分類為債務或股本

債務及權益工具根據所訂立合約安排之內容及金融負債與權益工具之定義分類為金融負債或股本。

權益工具

權益工具指證明於本集團資產經扣除其所有負債後之剩餘權益之任何合約。本集團發行之權益工具乃按已收所得款項扣除直接發行成本確認。

金融負債

所有金融負債其後採用實際利率法按攤銷成本或按公平值計入損益計量。

按公平值計入損益之金融負債

當金融負債為(i)指定為按公平值計入損益或(ii)收購方可能須支付之或然代價(作為業務合併之部分，適用香港財務報告準則第3號)，則金融負債分類為按公平值計入損益。

倘符合下列條件，可由收購人償付作為業務合併一部分的金融負債(惟不包括或然代價)可於初始確認時指定為按公平值計入損益：

- 該指定消除或大幅減少了可能出現的計量或確認方面的一致性；或

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9/HKAS 39 permits the entire combined contract to be designated as at FVTPL.

Upon application of HKFRS 9, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible bonds payables, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Prior to application of HKFRS 9 on 1 January 2018, financial liabilities designated at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities and is included in the "change in fair value of convertible bonds payables" and "change in fair value of contingent consideration payable" line item in the consolidated statement of profit or loss and other comprehensive income.

4. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

按公平值計入損益之金融負債 (續)

- 該金融負債是一組金融資產或金融負債或金融資產和金融負債組合的一部分，而根據本集團制定的風險管理或投資策略，該項資產的管理和績效評估是以公平值為基礎進行，並且有關分組的信息是按此基礎向內部提供；或
- 構成包含一項或多項嵌入衍生工具的合約的一部分，而香港財務報告準則第9號／香港會計準則第39號允許將整個組合合約指定為按公平值計入損益。

於應用香港財務報告準則第9號後，就指定為按公平值計入損益之金融負債而言，由金融負債信貸風險變動引致之該負債公平值變動乃於其他全面收益確認，除非於其他全面收益中確認該負債之信貸風險變動影響將造成或加大損益內之會計誤算則作別論。就包含嵌入式衍生工具的金融負債（如應付可換股債券）而言，於釐定將在其他全面收益中呈列的金額時，不會計入嵌入式衍生工具的公平值變動。於其他全面收益中確認的金融負債信貸風險引起的公平值變動其後不會重新分類至損益，而會於取消確認金融負債後轉入保留溢利。

於二零一八年一月一日應用香港財務報告準則第9號之前，指定為按公平值計入損益之金融負債以公平值列賬，而公平值變動產生之任何收益或虧損則於損益確認。於損益確認之收益或虧損淨額不包括就金融負債應付之任何利息，並計入綜合損益及其他全面收益表「應付可換股債券之公平值變動」及「應付或然代價之公平值變動」內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, borrowings, amounts due to related parties, amounts due to associates and amounts due to directors are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

Convertible bonds contain equity component

The component parts of convertible bonds are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to accumulated loss. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

4. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

按攤銷成本計量之金融負債

金融負債(包括貿易及其他應付款項、借貸、應付關聯人士款項、應付聯營公司款項及應付董事款項)其後採用實際利率法按攤銷成本計量。

可換股債券

含有權益部分之可換股債券

可換股債券的組成部分根據合約安排內容以及金融負債及權益工具之定義獨立分類為金融負債及權益。倘換股權以固定金額現金或其他金融資產換取固定數目之本公司權益工具的方式結算，則分類為權益工具。

於發行日期，負債部分的公平值(包括任何嵌入式非權益衍生工具)乃透過計量不包含相關權益部分的類似負債之公平值估算。

分類為權益的換股權乃由複合工具整體之公平值扣除負債部分之金額而釐定。此金額在扣除所得稅影響後在權益確認入賬，其後將不會重新計量。此外，分類為權益的換股權將保留在權益中，直至換股權獲行使為止，而在此情況下，在權益中確認的結餘將轉撥至股份溢價。倘換股權於可換股債券到期日仍未獲行使，則在權益中確認的結餘將轉撥至累計虧損。在換股權獲轉換或到期時，不會於損益內確認任何盈虧。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds (Continued)

Convertible bonds contain equity component (Continued)

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

Convertible bonds contain debt and derivative components

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bonds using the effective interest method.

4. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

可換股債券 (續)

含有權益部分之可換股債券 (續)

與發行可換股債券有關之交易成本按所得款項總額分配比例分配至負債及權益部分。與權益部分有關之交易成本直接於權益扣除。與負債部分有關之交易成本計入負債部分之賬面值，並於可換股債券期限內按實際利率法攤銷。

含有負債及衍生工具部分之可換股債券

以固定金額現金或其他金融資產換取固定數目之本公司權益工具以外的方式結付的換股權被視為換股權衍生工具。

於發行日期，負債部分及衍生工具部分均按公平值確認。於往後期間，可換股債券的負債部分使用實際利率法按攤銷成本列賬。衍生工具部分乃按公平值計量，公平值變動於損益中確認。

與發行可換股債券有關之交易成本乃以該等債券的相關公平值按比例分配至負債及衍生工具部分。與衍生工具部分有關之交易成本即時於損益扣除。與負債部分有關之交易成本計入負債部分之賬面值，並於可換股債券期限內按實際利率法攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds (Continued)

Convertible bonds designated by the Group as fair value through profit or loss

Some of the convertible bonds issued by the Company are designated as financial liabilities at fair value through profit or loss on initial recognition. At each reporting dates subsequent to initial recognition, the entire convertible bonds is measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- (i) the amount of the loss allowance determined in accordance with HKFRS 9 (since 1 January 2018)/HKAS 37 Provisions, Contingent Liabilities and Contingent Assets (before application of HKFRS 9 on 1 January 2018); and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

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

4. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

可換股債券 (續)

本集團指定為按公平值計入損益之可換股債券

於初步確認時，本公司發行之若干可換股債券乃指定為按公平值計入損益之金融負債。初始確認後之各個報告日期，全部可換股債券均按公平值計量，公平值變動於產生期間在損益中確認。

財務擔保合約

財務擔保合約為要求發出人對持有人因指定債務人未能根據債務工具之條款於到期時作出付款而引致之損失，作出指定付款以補償持有人之合約。財務擔保合約負債初步按公平值計量，其後按以下兩者之較高者計量：

- (i) 根據香港財務報告準則第9號（自二零一八年一月一日起）／香港會計準則第37號撥備、或然負債及或然資產（於二零一八年一月一日應用香港財務報告準則第9號之前）釐定之虧損撥備金額；及
- (ii) 初始確認之金額減（如適用）擔保期內確認之累計攤銷。

終止確認金融負債

本集團僅於其責任已被解除、註銷或屆滿時方會終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之差額乃於損益內確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

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

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

4. 主要會計政策 (續)

稅項

所得稅支出指即期應付稅項及遞延稅項之總和。

即期應付稅項按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所呈報之「除稅前虧損」不同，此乃由於在其他年度應課稅或可扣減之收入或支出項目及永不課稅或可扣減之項目所致。本集團之即期稅項負債是以報告期末前已頒佈或實質已頒佈之稅率計算。

遞延稅項乃以資產及負債於綜合財務報表之賬面值與用於計算應課稅溢利之相應稅基兩者之臨時差額確認。遞延稅項負債一般以所有應課稅臨時差額確認。遞延稅項資產一般於很有可能將有應課稅溢利可使用可扣減暫時差額予以抵銷時，就所有可扣減暫時差額予以確認。倘臨時差額因一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）中初步確認資產及負債而引致，則不會確認該等遞延稅項資產及負債。此外，倘臨時差額因初步確認商譽而產生，則不會確認遞延稅項負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. 主要會計政策 (續)

稅項 (續)

與於附屬公司及聯營公司之投資以及於合營企業之權益有關之應課稅暫時差額會確認為遞延稅項負債，但假若本集團可以控制暫時差額之撥回，且暫時差額很可能在可預見未來不會撥回則除外。與該等投資及權益相關之可扣減暫時差額所產生遞延稅項資產，僅於有可能具有足夠應課稅溢利可使用暫時差額之利益予以抵銷，且預期彼等於可見將來撥回時確認。

遞延稅項資產之賬面值於各報告期末作出檢討，並在不大有可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項資產及負債乃根據報告期末已頒佈或實質頒佈的稅率（及稅法），按預期於負債償還或資產變現期間之適用稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或清償資產及負債賬面值之方式所產生之稅務影響。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

4. 主要會計政策 (續)

稅項 (續)

當有合法執行權利可將即期稅項資產與即期稅項負債抵銷，且與同一稅務機關徵收之所得稅有關及本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項會於損益中確認，惟若其有關於其他全面收益或直接於權益中確認之項目，則即期及遞延稅項亦會分別於其他全面收益或直接於權益中確認。倘因業務合併之初步會計處理而產生即期稅項或遞延稅項，有關稅務影響會計入業務合併之會計處理內。

外幣

於編製各獨立集團實體之財務報表時，以該實體之功能貨幣以外之貨幣（外幣）進行之交易，按交易當日之適用匯率確認。於報告期末，以外幣列值之貨幣項目以當日之匯率重新換算。按公平值以外幣列值之非貨幣項目按於釐定公平值當日之適用匯率重新換算。以外幣過往成本計算之非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額，於其產生期間在損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial assets), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債按各報告期末之匯率換算為本集團之呈列貨幣（即港元），而其收支項目按本年度平均匯率換算，惟年內匯率出現重大波幅除外，在此情況下，則採用交易日期之適用匯率。所產生匯兌差額（如有）均於其他全面收益確認並於權益中以匯兌儲備（非控制性權益應佔（如適用））累計。

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包含海外業務的附屬公司控制權之出售或出售於包含海外業務的合營安排或聯營公司之部分權益（當中的保留權益成為金融資產））時，就本公司擁有人應佔之該業務於權益累計之所有匯兌差額重新分類至損益。

因於二零零五年一月一日或之後收購海外業務而產生的所購入可識別資產的商譽及公平值調整已按作為該海外業務的資產及負債處理，並按於各報告期末現行的匯率換算。產生的匯兌差額於其他全面收益確認。

存貨

存貨乃按成本及可變現淨值兩者之較低值入賬。存貨成本乃按加權平均法釐定。可變現淨值指存貨估計售價減全部估計完成成本及銷售所需費用。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme (“MPF”) and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4. 主要會計政策 (續)

退休福利成本

強制性公積金計劃(「強積金計劃」)及國家管理退休福利計劃款項於僱員提供服務而有權獲得有關供款時確認為開支。

短期僱員福利

短期僱員福利按預期於僱員提供服務時支付之未貼現福利金額確認。所有短期僱員福利確認為開支，惟另一項香港財務報告準則規定或允許有關福利納入資產成本，則作別論。

在扣除已經支付的任何金額後，對僱員應得的福利(例如工資及薪金、年假及病假)確認負債。

於業務合併中收購之無形資產

於業務合併中收購之無形資產乃與商譽分開確認，並初步按其於收購當日之公平值(被視為其成本)確認。

於初步確認後，於業務合併中收購之使用年期有限之無形資產按成本減累計攤銷及累計減值虧損呈報。具有有限使用年期的無形資產攤銷乃以直線法按其估計可使用年期確認。估計可使用年期及攤銷方法於各報告期末檢討，任何估計變動的影響按前瞻基準入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets acquired in a business combination (Continued)

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

Impairment losses on tangible assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

4. 主要會計政策 (續)

於業務合併中收購之無形資產 (續)

無形資產於出售時或倘預期使用或出售不再產生未來經濟利益時終止確認。終止確認無形資產產生之收益及虧損按出售所得款項淨額及資產賬面值之差額計量，並於資產終止確認時於損益內確認。

有形資產及無形資產 (不包括商譽) 之減值虧損

於報告期末，本集團審閱其可使用年期有限之有形及無形資產之賬面值，以確定該等資產有否出現任何減值虧損跡象。倘出現任何該等跡象，則會估計相關資產之可收回金額以確定減值虧損 (如有) 之程度。

有形及無形資產之可收回金額乃按個別基準估計，倘不可能估計個別資產之可收回金額，本集團則估計該資產所屬之現金產生單位之可收回金額。當可識別合理及一致之分配基準時，公司資產亦獲分配至個別現金產生單位，或分配至可識別合理及一致分配基準之最小組別現金產生單位。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on tangible assets and intangible assets other than goodwill (Continued)

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. 主要會計政策 (續)

有形資產及無形資產 (不包括商 譽)之減值虧損 (續)

可回收金額乃公平值減出售成本及使用價值中之較高者。於評估使用價值時，估計未來現金流量採用反映現時市場對貨幣時間價值及資產 (或現金產生單位) 之特定風險之評估 (並無就此對未來現金流量估計予以調整) 之除稅前貼現率，貼現至其現值。

倘估計資產 (或現金產生單位) 之可收回金額低於其賬面值，則資產 (或現金產生單位) 之賬面值將減至其可收回金額。於分配減值虧損時，減值虧損首先分配至減計任何商譽 (如適用) 的賬面值，然後根據該單位各項資產的賬面值按比例減計其他資產。經減計的資產賬面值不低於下列最高者：其公平值減去處置費用 (如可計量)、其使用價值 (如可釐定) 及零。而本應分配至該資產的減值虧損金額會按比例分配至該單位的其他資產。減值虧損即時於損益中確認。

倘減值虧損其後撥回，資產 (或現金產生單位) 賬面值將調高至其經修訂之估計可收回金額，惟該調高之賬面值不得超過假設以往年度並無確認資產 (或現金產生單位) 之任何減值虧損而應釐定之賬面值。撥回減值虧損即時於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

4. 主要會計政策 (續)

以股份為基礎之付款安排

以權益結算以股份為基礎之付款交易 授予僱員之購股權

向僱員或提供類似服務的其他人士支付以權益結算以股份為基礎付款之款項乃以權益工具於授出日期的公平值計量。

不考慮所有非市場歸屬條件，於授出日期釐定的以權益結算以股份為基礎付款之款項的公平值乃於歸屬期間，基於本集團對將會最終歸屬的權益工具的估計，按直線法支銷，權益（購股權儲備）則相應增加。於各報告期末，本集團根據對所有相關非市場歸屬條件的評估，對估計預期將歸屬的權益工具數目作出修訂。修訂原有估計的影響（如有）於損益內確認，令累計開支反映經修訂估計，並對購股權儲備作出相應調整。對於授出日期立即歸屬的購股權，已授出購股權的公平值將於損益中即時支銷。

當行使購股權時，先前於購股權儲備確認之數額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍尚未行使，先前於購股權儲備確認之數額將轉撥至累計虧損。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment arrangements (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the counterparty renders the service. The fair values of the services received are recognised as expenses (unless the services qualify for recognition as assets).

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4. 主要會計政策 (續)

以股份為基礎之付款安排 (續)

以權益結算以股份為基礎之付款交易 (續)

授予顧問之購股權

與訂約方(僱員除外)之以權益結算以股份為基礎的付款交易乃按所收取服務之公平值計量,除非該公平值未能可靠計量,而在此情況下,所收取服務乃於交易對方提供服務當日按所授出權益工具之公平值計量。所收取服務之公平值確認為開支,除非有關服務合資格確認為資產。

5. 重要會計判斷及估計不明朗因素之主要來源

在應用綜合財務報表附註4所述本集團會計政策時,董事須對無法依循其他途徑得知的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃按照過往經驗及其他被視為相關之因素作出。實際結果或有別於該等估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgement in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) *Going concern and liquidity*

As explained in Note 2 to the consolidated financial statements, the financial position and financial performance of the Group indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The assessment of the going concern assumptions involves making judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has ability to continue as a going concern and the major conditions that may cast significant doubt about the going concern assumptions are set out in Note 2 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

該等估計及相關假設會作持續檢討。如修訂會計估計只會影響當年之會計期，當年之會計期內會確認有關修訂；如修訂會影響當年及未來之會計期，則會在當年及未來之會計期內確認有關修訂。

(a) 應用會計政策之重大判斷

除涉及估計之判斷以外(見下文)，以下為董事於應用本集團之會計政策時已作出且對綜合財務報表中確認之金額產生最重大影響之重大判斷。

(i) *持續經營及流動資金*

誠如綜合財務報表附註2所闡釋，本集團之財務狀況及財務表現表明，存在或會使本集團持續經營之能力嚴重成疑之重大不確定因素。對持續經營假設之評估，涉及董事於特定時間就本質上不確定之事件或狀況之未來結果作出判斷。董事認為本集團有能力持續經營，而可能導致持續經營假設嚴重成疑之重大狀況載於綜合財務報表附註2。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(a) Critical judgement in applying accounting policies (Continued)

(ii) *Classification of Zhoushan China Ocean Investment Fund (“Zhoushan Investment Fund”) as joint ventures*

Zhoushan Investment Fund is a limited liability company incorporated in the PRC whose legal form confers separation between the parties to the joint arrangements and the parties themselves. There are no contractual arrangements or any other facts and circumstances that indicate that the parties to the joint arrangements have rights to the assets and obligations for the liabilities of the joint arrangements. Furthermore, under the joint venture agreement, the significant investment of Zhoushan Investment Fund requires the consent and approval from all joint venturers. Accordingly, Zhoushan Investment Fund is classified as a joint venture of the Group. Details of the interests in Zhoushan Investment Fund are disclosed in Note 23 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(a) 應用會計政策之重大判斷 (續)

(ii) 將舟山中海投創業投資企業 (「舟山投資企業」) 分類為合營企業

舟山投資企業為於中國註冊成立的有限公司，其法律形式將合營安排各方與訂約方本身分開。並無合約安排或任何其他事實和情況訂明合營安排各方對合營安排之資產享有權利以及對合營安排之負債負有責任。此外，根據合營協議，舟山投資企業之重大投資須獲得所有合營企業之同意及批准。因此，本集團將舟山投資企業分類為合營企業。有關舟山投資企業之權益詳情披露於綜合財務報表附註 23。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(a) Critical judgement in applying accounting policies (Continued)

(iii) A subsidiary controlled by the Group through contractual arrangement

Jiangxi Shipbuilding an indirect wholly-owned subsidiary of the Company, entered into the contractual arrangements with Jiujiang Jinhu Equipment Manufacturing Company Limited (“Jiujiang Jinhu”), which enable Jiangxi Shipbuilding to:

- exercise effective financial and operational control over Jiujiang Jinhu;
- irrevocably exercise equity holders’ voting rights of Jiujiang Jinhu;
- receive substantially all of the economic returns generated by Jiujiang Jinhu by way of business support, technical and consulting services provided by Jiangxi Shipbuilding; and
- obtain an irrevocable and exclusive right to purchase the entire equity interest in Jiujiang Jinhu from the respective equity holders.

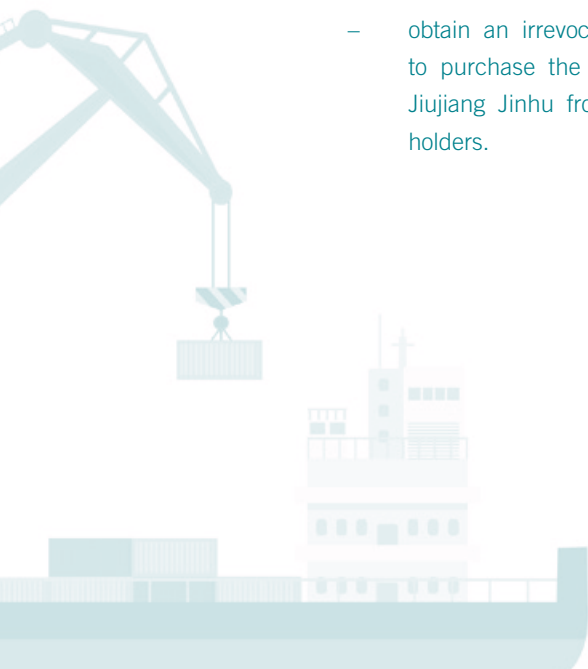
5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(a) 應用會計政策之重大判斷 (續)

(iii) 本集團透過合約安排控制之附屬公司

本公司之間接全資附屬公司江西造船與九江金湖裝備製造有限公司(「九江金湖」)訂立合約安排，令江西造船可：

- 對九江金湖行使有效的財務及營運控制；
- 不可撤回地行使九江金湖之股權持有人投票權；
- 通過江西造船提供之業務援助、技術及顧問服務，獲得九江金湖所產生之絕大部分經濟回報；及
- 獲得可向各股權持有人購買九江金湖全部股權之不可撤回及獨家權利。





Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(a) Critical judgement in applying accounting policies (Continued)

(iii) *A subsidiary controlled by the Group through contractual arrangement (Continued)*

Even though the Group does not have any equity interest in Jiujiang Jinhu, however through a series of the contractual arrangements, the Group has rights to the variable returns from its involvement in Jiujiang Jinhu and has the ability to affect those returns through its power over Jiujiang Jinhu, and is considered to control Jiujiang Jinhu. Consequently, the Company regards Jiujiang Jinhu as the indirectly wholly-owned subsidiary of the Company. The Group has included the statement of financial position, results and cash flows of Jiujiang Jinhu in the consolidated financial statements.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(a) 應用會計政策之重大判斷 (續)

(iii) *本集團透過合約安排控制之附屬公司 (續)*

儘管本集團並無持有九江金湖的任何股權，然而透過一系列合約安排，本集團有權通過參與九江金湖的業務而享受可變回報且有能透過其對九江金湖的權力影響該等回報，並被視為控制九江金湖。因此，本公司將九江金湖視為本公司之間接全資附屬公司。本集團已將九江金湖的財務狀況、業績及現金流量表併入綜合財務報表內。

(b) 估計不明朗因素之主要來源

下列為於報告期末有關未來之主要假設及估計不明朗因素之其他主要來源，當中涉及須於下一個財政年度對資產及負債賬面值作出重大調整之重大風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(i) Construction contracts

The Group recognises contract revenue and profit or loss on each shipbuilding contract according to management's estimation of the outcome of the contract as well as the percentage of completion of shipbuilding works. Notwithstanding that the management reviews and revises the estimates of both contract revenue and costs for the shipbuilding contracts according to the contract progress, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit or loss recognised. The Group also revisits the estimate of contract profit or loss according to the contract progress based on the information available in the market. Foreseeable losses are provided when identified. During the year ended 31 December 2018, due to unforeseen circumstances in certain shipbuilding contracts, the Group recognised the foreseeable losses in respect of certain shipbuilding contracts in cost of sales as follows:

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(i) 建造合約

本集團按照管理層對合約結果之估計及造船工程之完工百分比，就各份造船合約確認合約收益及損益。雖然管理層會因應合約進展而檢討及修訂造船合約之合約收益及成本之估計，但合約在總收益及成本方面之實際結果，可能會高於或低於有關估計，而這將影響所確認之收益及損益。本集團亦會因應合約進展，根據於市場可得之資料，重新考慮對合約損益之估計。可預見虧損於發現時計提撥備。於截至二零一八年十二月三十一日止年度，由於在若干造船合約方面出現未能預見之意外情況，本集團於銷售成本就若干造船合約確認可預見虧損如下：



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) Key sources of estimation uncertainty (Continued)

(b) 估計不明朗因素之主要來源 (續)

(i) Construction contracts (Continued)

(i) 建造合約 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Additional costs for raw materials	原材料額外成本	-	3,571
Reduction of contract price (2017: included approximately HK\$46,751,000 for four out of Six Vessels)	下調合約價格 (二零一七年: 包括六艘船 船中的四艘船舶合約價格 約46,751,000港元)	-	48,585
		-	52,156

(ii) Profit recognition for construction contracts

The Group commences recognition of profit for each shipbuilding construction contract when the percentage of completion exceeds 10% for that vessel, assuming that the outcome of the contract can be reasonably ascertained, as the management considers that after this stage, the total contract costs attributable to the contracts can be measured reliably.

(ii) 就建造合約確認溢利

本集團於船舶完工百分比超過10%並假設可合理確定合約結果時開始確認各造船建造合約溢利，原因為管理層認為於此階段後，各合約的總合約成本能夠可靠計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(iii) Allowance for inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method. The Group reviews its inventory levels in order to identify slow-moving and obsolete items. When the Group identifies items of inventories which have a net realisable value lower than its carrying amount, the Group estimates the amount of write-down of inventories to net realisable value is recognised as an expense in the period the write-down occur. During the year ended 31 December 2018, write-down of approximately HK\$799,159,000 (2017: Nil) were considered necessary by the management of the Group and at 31 December 2018, the carrying amount of inventories amounted to approximately HK\$327,173,000 (2017: HK\$134,988,000).

If the net realisable value of inventories of the Group become lower than its carrying amount subsequently, an additional allowance may be required.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(iii) 存貨撥備

存貨乃以成本及可變現淨值的較低者進行估值。成本乃根據加權平均法計算。本集團會檢討其存貨水平，以識別滯銷及陳舊項目。倘本集團識別存貨項目之可變現淨值低於其賬面值，本集團估計撇減存貨金額為可變現淨值，並於撇減期間確認為開支。截至二零一八年十二月三十一日止年度，本集團管理層認為有必要作出撇減約799,159,000港元（二零一七年：無）及於二零一八年十二月三十一日，存貨之賬面值為約327,173,000港元（二零一七年：134,988,000港元）。

倘本集團存貨之可變現淨值其後低於其賬面值，或須作出額外撥備。





Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(iv) *Estimated impairment of property, plant and equipment*

The carrying amount of property, plant and equipment is reviewed and adjusted for impairment in accordance with HKAS 36 *Impairment of Assets* whenever certain events or changes in circumstances indicate that the carrying amount may not be recoverable. The value-in-use calculation requires the Group to determine the recoverable amount of the assets based on the estimations of future expected cash flows from the usage of these assets and a suitable discount rate. Where the future cash flows are less than expected, a material impairment loss may arise. During the year ended 31 December 2018, no impairment loss was recognised by the Group (2017: Nil) in respect of property, plant and equipment. Details of the calculation on the recoverable amount for property, plant and equipment are disclosed in Note 17 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(iv) *物業、廠房及設備之估計減值*

物業、廠房及設備之賬面值，在發生若干事件或情況變化，顯示賬面值可能無法收回時，根據香港會計準則第36號資產減值進行減值審核及調整。使用價值之計算要求本集團基於使用該等資產產生之未來預計現金流量估計及適當貼現率釐定該等資產之可收回金額。倘未來現金流量低於預期，則可能會產生重大減值虧損。於截至二零一八年十二月三十一日止年度，本集團並無就物業、廠房及設備確認減值虧損（二零一七年：無）。物業、廠房及設備之可收回金額計算詳情披露於綜合財務報表附註17。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(v) *Estimated impairment of prepaid lease payments*

The carrying amount of prepaid lease payments is reviewed and adjusted for impairment in accordance with HKAS 36 *Impairment of Assets* whenever certain events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group determined the recoverable amounts of the assets based on the comparison approach assuming sale with the benefit of vacant possession and by making reference to comparable sales evidences as available in the relevant market. Where the recoverable amount is less than the carrying value, an impairment loss may arise. No impairment loss was recognised by the Group (2017: Nil) in respect of prepaid lease payments for the year ended 31 December 2018. Details of the calculation on the recoverable amount for prepaid lease payments are disclosed in Note 19 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(v) 預付租賃款項之估計減值

預付租賃款項之賬面值，在發生若干事件或情況變化，顯示賬面值可能無法收回時，根據香港會計準則第36號資產減值進行減值審核及調整。本集團基於比較法（乃假設該物業權益按現有狀況交吉出售）及參照可於有關市場上提供之可比對銷售證據釐定該等資產之可收回金額。倘可收回金額低於賬面值，則可能會產生減值虧損。於截至二零一八年十二月三十一日止年度，本集團並無就預付租賃款項確認減值虧損（二零一七年：無）。預付租賃款項之可收回金額計算詳情披露於綜合財務報表附註19。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(vi) *Estimated impairment of trade and bills receivables and other receivables*

Impairment loss on trade and bills receivables and other receivables represent management's best estimate of losses incurred at the reporting date under ECL models.

The measurement of the ECL involves significant management judgements and assumptions, primarily including the selection of appropriate models and determination of relevant key measurement parameters, criteria for determining whether or not there was a significant increase in credit risk or a default was incurred, economic indicators for forward-looking measurement, and the application of economic scenarios and weightings, management consideration due to significant uncertain factors not covered in the models and the estimated future cash flow.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(vi) *貿易應收款項及應收票據以及其他應收款項之估計減值*
貿易應收款項及應收票據以及其他應收款項之減值指管理層對預期信貸虧損模式項下於報告日期產生的最佳虧損估計。

預期信貸虧損之計量涉及重大管理層判斷及假設，主要包括選擇適當的模式及釐定相關關鍵計量參數、釐定信貸風險是否大幅增加或是否出現違約的條件、前瞻計量的經濟指標及因模式中未涵蓋的重大不確定因素及估計未來現金流量而對經濟場景及加權、管理層考慮的應用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(vii) Provision for warranty

The Group provides the cost of warranties granted on shipbuilding products and undertakings to repair or replace items that do not perform satisfactorily at the time revenues for the related items are recognised. The shipbuilding products are covered by warranty for one year from the date of delivery. While the Group has put in place product quality programs and processes, warranty obligations are affected by actual product failure rates and by material usage and service delivery costs incurred in correcting a product failure. The warranty provision is established based upon the best estimates at the amounts necessary to settle future and existing claims on products sold as at the end of the reporting period. While management believes that the Group's warranty provisions are adequate and that the judgements applied are appropriate, the ultimate cost of product warranty could differ materially from the estimates. When the actual cost of quality of the products is lower than management originally anticipated, the Group releases an appropriate proportion of the provision, and if the cost of quality is higher than anticipated, the Group increases the provision.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(vii) 保修撥備

於確認相關項目的收入時，本集團對就造船產品授出的保修及維修或更換性能不良項目的承諾估計保修成本。造船產品的保修期由交付日期起為期一年。雖然本集團制定產品質量計劃及程序，保修責任受實際產品故障率、維修故障產品所用材料及提供服務成本影響。保修撥備根據於報告期末解決售出產品的日後及現有索償所需金額最佳估計釐定。雖然管理層認為本集團的保修撥備足夠且所採用判斷適當，但產品保修最終成本仍可能與該等估計大相逕庭。當產品質量的實際成本低於管理層原本預期時，本集團會減少適當比例的撥備，而倘質量成本高於預期，則本集團將增加撥備。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(viii) Estimated impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill and intangible assets have been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year ended 31 December 2018, the Group has recognised an impairment loss of approximately HK\$69,740,000 (2017: HK\$40,771,000), approximately HK\$26,000,000 (2017: HK\$16,925,000) in respect of goodwill and intangible assets, respectively. Details of the value-in-use calculation are disclosed in Note 40 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(viii) 商譽及無形資產之估計減值

釐定商譽及無形資產是否減值要求估計獲分配有關商譽及無形資產的現金產生單位使用價值。計算使用價值要求本集團對預期可自現金產生單位獲得的未來現金流量以及適合計算現值的折現率作出估計。倘實際未來現金流量較預期為少，則可能產生重大減值虧損。截至二零一八年十二月三十一日止年度，本集團已分別確認商譽及無形資產減值虧損約69,740,000港元（二零一七年：40,771,000港元）及約26,000,000港元（二零一七年：16,925,000港元）。使用價值計算詳情披露於綜合財務報表附註40。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The Group also monitors the current and expected liquidity requirements regularly to ensure that sufficient working capital and adequate committed lines of funding are maintained to meet its liquidity requirements. Upon the discovery of any default, the Group would negotiate immediately with the relevant lenders for proper arrangement in order to maintain sufficient working capital. Upon the expectation of any cash insufficiency, the Company would seek new source of funding so as to maintain sufficient working capital.

The capital structure of the Group consists of net debts, which include borrowings, convertible bonds payables, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The Directors review the capital structure on an annual basis. As part of this review, the Directors consider the cost of capital and the risks associates with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues as well as issue of new debt or the redemption of existing debt.

6. 資本風險管理

本集團管理其資本以確保本集團內實體之持續經營能力，同時透過優化債務及權益結餘為股東提供最大回報。本集團之整體策略與過往年度相比並無變動。

本集團亦定期監察即期及預期流動資金需要，確保維持充足營運資金及足夠已承諾資金額度應付其流動資金需要。發現任何違約後，本集團將即時與有關貸款人磋商作出適當安排以維持充足營運資金。預期有任何現金不足情況時，本公司會尋求新集資來源，以維持充足營運資金。

本集團之資本結構包括債務淨額，其借貸、應付可換股債券，扣除現金及現金等價物及本公司擁有人應佔權益，其包括已發行股本、儲備及累計虧損。

董事每年審閱資本架構。董事認為資本成本及各類資本之相關風險乃審閱內容之一部分。根據董事之推薦建議，本集團將透過發行新股及發行新債務或贖回現有債務平衡其整體資本架構。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS

7. 金融工具

a. Categories of financial instruments

a. 金融工具類別

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Fair value through profit or loss ("FVTPL")	按公平值計入損益 (「按公平值計入損益」)		
Mandatorily at FVTPL:	強制按公平值計入 損益計量：		
– Investments held for trading	– 持作買賣投資	32	54
Financial assets at amortised cost	按攤銷成本計量之金融資產	974,862	–
Equity instruments at FVTOCI	按公平值計入其他全面收益的 股本工具	23,598	–
Loans and receivables (including bank balances and cash)	貸款及應收款項 (包括銀行結餘及現金)	–	818,774
Available-for-sale investment	可供出售投資	–	24,840
		998,492	843,668
Financial liabilities	金融負債		
Fair value through profit or loss	按公平值計入損益		
– Contingent consideration payable	– 應付或然代價	–	170,552
– Provision for financial guarantee	– 財務擔保撥備	–	217,843
Other financial liabilities measured at amortised cost	按攤銷成本計量之其他金融 負債	4,771,809	3,352,655
Convertible bonds payables	應付可換股債券	168,138	148,965
		4,939,947	3,890,015

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, other receivables, contract assets, finance lease receivables, investments held for trading, pledged bank deposits and restricted cash, bank balances and cash, amount due from(to) associates, equity instruments at FVTOCI, trade and other payables, amounts due to related parties, amounts due to directors, borrowings, convertible bonds payables, provision for financial guarantee and contingent consideration payable. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk, operational risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Company and its major operating subsidiaries use RMB as its functional currency and are mainly exposed to currency in respect of United States dollars ("USD"), Euro ("EUR") and HK\$, arising from foreign currency denominated bank balances and cash, trade and bills receivables, other receivables, trade and other payables, convertible bonds payables, provision for financial guarantee and contingent consideration payable. The Group's other operating subsidiaries established in Hong Kong whose functional currency is HK\$ and do not have significant foreign currency exposure.

7. 金融工具 (續)

b. 財務風險管理目標及政策

本集團之主要金融工具包括貿易應收款項及應收票據、其他應收款項、合約資產、應收融資租賃款項、持作買賣投資、已抵押銀行存款及受限制現金、銀行結餘及現金、應收(付)聯營公司款項、按公平值計入其他全面收益的股本工具、貿易及其他應付款項、應付有關聯人士款項、應付董事款項、借貸、應付可換股債券、財務擔保撥備及應付或然代價。該等金融工具之詳情於相關附註中披露。與該等金融工具有關之風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險、營運風險及流動資金風險。下文載列如何減低此等風險之政策。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

市場風險

(i) 貨幣風險

本公司及其主要營運附屬公司(均以人民幣作為其功能貨幣)主要承受有關美元(「美元」)、歐元(「歐元」)及港元之外匯風險，由以外幣計值之銀行結餘及現金、貿易應收款項及應收票據、其他應收款項、貿易及其他應付款項、應付可換股債券、財務擔保撥備及應付或然代價所產生。本集團之其他營運附屬公司於香港成立，其功能貨幣為港元，且並無重大外幣風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 金融工具 (續)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of reporting period are as follows:

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

本集團目前並無外幣對沖政策。然而，管理層會監控外幣風險，並於需要時，將會考慮對沖重大外幣風險。

下表列示於報告期末，本集團以外幣列值之貨幣資產及貨幣負債之賬面值：

		Liabilities 負債		Assets 資產	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USD	美元	17,748	17,748	164,886	191,657
EUR	歐元	-	-	2	174,263
HK\$	港元	387,573	283,069	13,394	92,340

Sensitivity analysis

The Group is mainly exposed to the foreign currency risk of USD, EUR and HK\$.

敏感度分析

本集團主要承受美元、歐元及港元之外幣風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis (Continued)

The following table details the Group's sensitivity to a 5% (2017: 5%) increase and decrease in RMB against the relevant foreign currencies. A 5% (2017: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translations at the end of the reporting period for a 5% (2017: 5%) change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where RMB strengthens 5% (2017: 5%) against the relevant currency. For a 5% (2017: 5%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the post-tax loss and the balances below would be negative.

7. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析 (續)

下表詳列因應本集團分別對人民幣兌有關外幣升值及貶值5% (二零一七年: 5%) 之敏感度。5% (二零一七年: 5%) 為內部向主要管理人員報告外匯風險時使用的敏感度利率, 並指管理層對匯率可能合理變動之評估。敏感度分析僅包括以外幣計值之尚未平倉貨幣項目, 並於報告期末調整其兌換以反映外幣匯率之5% (二零一七年: 5%) 變動。下列正數表示人民幣兌有關貨幣升值5% (二零一七年: 5%) 所導致的除稅後虧損減少。倘人民幣兌有關貨幣貶值5% (二零一七年: 5%), 將會對除稅後虧損造成相等及相反之影響, 而以下之結餘將成為負數。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Decrease (increase) in loss	虧損減少 (增加)		
– USD Impact	– 美元影響	(7,357)	(8,695)
– EUR Impact	– 歐元影響	–	(8,713)
– HK\$ Impact	– 港元影響	18,709	9,536



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) *Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits and restricted cash, bank balances and borrowings, and exposed to fair value interest rate risk in relation to fixed-rate finance lease receivables, fixed-rate borrowings, the liability component of convertible bonds payables.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances and borrowings at the end of the reporting period. The analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole year. A 5 and 50 basis points (2017: 5 and 50 basis points) increase or decrease in interest rate for bank balances and borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

7. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) *利率風險*

本集團承受之現金流量利率風險與浮息已抵押銀行存款及受限制現金、銀行結餘及借貸有關，本集團承受之公平值利率風險與固息應收融資租賃款項、固息借貸、應付可換股債券之債務部分有關。

本集團目前並無利率對沖政策。然而，管理層會監控利率風險，並於需要時，將會考慮對沖重大利率風險。

本集團金融負債承受之利率風險之詳情於本附註流動資金風險管理一節詳述。

敏感度分析

下文之敏感度分析已根據於報告期末浮息銀行結餘及借貸之利率風險而釐定。分析乃假設於報告期末未償還之金額於整個年度內並無償還而予以編製，分別5個及50個基點（二零一七年：5個及50個基點）之銀行結餘及借貸利率向上或向下浮動用於對內部向主要管理層人員報告利率風險並指管理層對利率可能出現合理變動之評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis (Continued)

If interest rates had been 50 basis points (2017: 50 basis points) higher/lower for borrowings and all other variables were held constant, the post-tax loss for the year ended 31 December 2018 would increase/decrease by approximately HK\$4,147,000 (2017: HK\$4,141,000).

If interest rate had been 5 basis points (2017: 5 basis points) higher/lower for bank balances, and all other variables were held constant, the post-tax loss for the year ended 31 December 2018 would decrease/increase by approximately HK\$6,000 (2017: HK\$7,000)

(iii) Price risk

Price risk on investments held for trading and equity instruments at FVTOCI (2017: available-for-sale investment).

The Group is exposed to equity price risk through its investments held for trading and equity instruments at FVTOCI (2017: available-for-sale investment). The Group's equity price risk is mainly concentrated on listed equity securities quoted in the Exchange and the National Equities Exchange and Quotations in Beijing. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks.

7. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析 (續)

倘借貸之利率上升/下降50個基點(二零一七年: 50個基點)而所有其他可變因素維持不變,則截至二零一八年十二月三十一日止年度之除稅後虧損將增加/減少約4,147,000港元(二零一七年: 4,141,000港元)。

倘銀行結餘利率上升/下降5個基點(二零一七年: 5個基點),而所有其他可變因素維持不變,則截至二零一八年十二月三十一日止年度之除稅後虧損將減少/增加約6,000港元(二零一七年: 7,000港元)。

(iii) 價格風險

持作買賣投資及按公平值計入其他全面收益之權益工具(二零一七年: 可供出售投資)之價格風險。

本集團因其持作買賣投資及按公平值計入其他全面收益之權益工具(二零一七年: 可供出售投資)而須承受股本價格風險。本集團之股本價格風險主要集中於北京全國中小企業股份轉讓系統報價之上市股本證券。管理層透過密切監察價格風險及維持一組不同風險的投資組合管理該等風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Price risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks of investments held for trading at the end of the reporting period.

If the prices of the respective equity instruments had been 5% (2017: 5%) higher/lower:

- post-tax loss for the year ended 31 December 2018 would decrease/increase by approximately HK\$2,000 (2017: decrease/increase by HK\$3,000) as a result of the changes in fair value of investments held for trading; and
- investment revaluation reserve would increase/decrease by approximately HK\$1,180,000 for the Group as a result of the changes in fair value of equity instruments at FVTOCI for the year ended 31 December 2018 (2017: approximately HK\$1,242,000 for available-for-sale investment).

Credit risk

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

7. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 價格風險 (續)

敏感度分析

下文之敏感度分析已根據於報告期末持作買賣投資之股本價格風險而釐定。

倘有關股本工具之價格上升／下降5% (二零一七年: 5%) :

- 截至二零一八年十二月三十一日止年度之除稅後虧損將因持作買賣投資之公平值變動減少／增加約2,000港元 (二零一七年: 減少／增加3,000港元); 及
- 截至二零一八年十二月三十一日止年度本集團投資重估儲備將因按公平值計入其他全面收益之權益工具 (二零一七年: 可供出售投資) 之公平值變動增加／減少約1,180,000港元 (二零一七年: 約1,242,000港元)。

信貸風險

於二零一八年十二月三十一日, 本集團須承受之最大信貸風險 (其將因交易對手未能履行責任導致本集團之財務虧損並由本集團作出撥備) 乃於綜合財務狀況報表列賬之各項已確認金融資產之賬面值而產生。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk on receivables is significantly reduced.

The Group has concentration of credit risk in finance lease segment as the entire outstanding finance lease receivable of approximately HK\$3,695,000 (2017: HK\$9,353,000) was contributed from a single customer as at 31 December 2018. The Directors consider that the risks will be mitigated by exploring new customers in future.

The credit risk of liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Operational risk

The Group had improved the operational risk as more new customers were added to minimise the effects of over reliance on one customer during the years ended 31 December 2018 and 31 December 2017.

7. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

信貸風險 (續)

為盡量減低信貸風險，本集團之管理層採用信貸批准及其他監管程序，以確保能跟進追討逾期債務之事宜。此外，本集團於各報告期末檢討各項個別應收款項的可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，董事認為本集團應收款項之信貸風險已大幅減少。

於二零一八年十二月三十一日，全部未償還應收融資租賃款項約3,695,000港元（二零一七年：9,353,000港元）來自一名單一客戶，令本集團融資租賃分部面臨信貸集中風險。董事認為可通過日後開發新客戶緩解該風險。

流動資金之信貸風險有限，因交易對手方是獲國際信貸評級機構給予高信貸評級的銀行。

經營風險

由於截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度增加更多新客戶以盡量降低倚賴一名客戶的影響，本集團的經營風險已改善。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group was exposed to liquidity risk at 31 December 2018 as the Group had net current liabilities and net liabilities of approximately HK\$3,376,522,000 and HK\$2,178,756,000 (2017: HK\$2,136,381,000 and HK\$896,130,000), respectively. In order to improve the Group's liquidity position, the Directors have been implementing various operating and financing measures, details of which are set out in Note 2 to the consolidated financial statements.

The Group relied on borrowings as significant sources of liquidity, details of which are set out in Note 32 to the consolidated financial statements.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

7. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

流動資金風險

於管理流動資金風險之過程中，本集團監控並維持管理層視為足夠為本集團營運提供資金之一定水平的現金及現金等價物並減輕因現金流量浮動帶來的影響。

本集團於二零一八年十二月三十一日面臨流動資金風險，此乃因本集團的流動負債淨額及淨負債分別約3,376,522,000港元及2,178,756,000港元(二零一七年：2,136,381,000港元及896,130,000港元)。為改善本集團的流動資金狀況，董事正推行多項營運及財務措施，有關詳情載於綜合財務報表附註2。

本集團依賴借貸作為流動資金之重要來源，有關詳情載於綜合財務報表附註32。

下表載列就非衍生金融負債而言，本集團之其餘合約到期日之詳情。此表乃根據本集團可能最早被要求償還金融負債之日，金融負債之未貼現現金流量而編製。尤其是，含有須按要求償還條款之銀行借貸乃計入最早時間段，而不論銀行是否可能選擇行使彼等之權利。其他非衍生金融負債之到期日乃根據協定之償還日期編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

7. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

流動資金風險 (續)

下表已載列利息及本金之現金流量。倘利息流按浮動利率計算，未貼現金額則按於報告期末之利率計算得出。

	Weighted average effective interest rate	On demand	Over 1 month	Over 3 months	Over 1 year	Over 2 years	Total undiscounted cash flows	Carrying amount at 31.12.2018
		or less than 1 month	but less than 3 months	but less than 1 year	but less than 2 years	but less than 5 years		
	加權平均實際利率 %	按要求或少於1個月	1個月以上但少於3個月	3個月以上但少於1年	1年以上但少於2年	2年以上但少於5年	未貼現現金流量總額	於二零一八年十二月三十一日之賬面值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
2018								
Non-derivative financial liabilities	二零一八年 非衍生金融負債							
Trade and other payables	貿易及其他應付款項	N/A 不適用	1,211,406	18,069	29,260	88,255	1,346,990	1,346,990
Amounts due to related parties	應付有關聯人士款項	N/A 不適用	721	-	-	-	721	721
Amounts due to directors	應付董事款項	N/A 不適用	21,925	-	-	-	21,925	21,925
Amount due to an associate	應付一間聯營公司款項	N/A 不適用	16,920	-	-	-	16,920	16,920
Convertible bonds payables (Note)	應付可換股債券 (附註)	10	-	-	226,800	-	226,800	168,138
Borrowings	借貸							
- fixed rates	- 定息	5.53	1,058,110	135,303	573,868	847,531	2,641,146	2,555,856
- variable rates	- 浮息	6.35	226,909	1,542	136,681	479,702	876,454	829,397
			<u>2,535,991</u>	<u>154,914</u>	<u>966,609</u>	<u>1,415,488</u>	<u>5,130,956</u>	<u>4,939,947</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 金融工具 (續)

b. Financial risk management objectives and policies (Continued)

b. 財務風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

	Weighted average effective interest rate	On demand or less than 1 month	Over 1 month but less than 3 months	Over 3 months but less than 1 year	Over 1 year but less than 2 years	Over 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount at 31.12.2017 於二零一七年 十二月三十一日 之賬面值
	加權平均 實際利率 %	按要求或 少於1個月 HK\$'000 千港元	1個月以上 但少於3個月 HK\$'000 千港元	3個月以上 但少於1年 HK\$'000 千港元	1年以上 但少於2年 HK\$'000 千港元	2年以上 但少於5年 HK\$'000 千港元	未貼現現金 流量總額 HK\$'000 千港元	十二月三十一日 之賬面值 HK\$'000 千港元
2017								
Non-derivative financial liabilities	二零一七年 非衍生金融負債							
Trade and other payables	貿易及其他應付款項	N/A 不適用	717,647	21,222	68,265	5,337	-	812,471
Amounts due to related parties	應付有關聯人士款項	N/A 不適用	811	-	-	-	-	811
Amounts due to directors	應付董事款項	N/A 不適用	10,034	-	-	-	-	10,034
Amount due to an associate	應付一間聯營公司款項	N/A 不適用	15,159	-	-	-	-	15,159
Provision for financial guarantee	財務擔保撥備	N/A 不適用	115,735	-	102,108	-	-	217,843
Contingent consideration payable	應付或然代價	N/A 不適用	170,552	-	-	-	-	170,552
Convertible bonds payables (Note)	應付可換股債券 (附註)	10	-	-	18,375	208,425	-	226,800
Borrowings	借貸							
- fixed rates	- 定息	7.04	672,911	177,551	692,708	210,996	27,720	1,781,886
- variable rates	- 浮息	4.95	237,606	2,756	244,443	122,476	308,578	915,859
			1,940,455	201,529	1,125,899	547,234	336,298	4,151,415
								3,890,015

Note: The undiscounted amount represents the coupon interest and redemption amount on maturity on the assumption that there was no conversion prior to maturity.

附註：未貼現金額指假設於到期前並無轉換之票息及到期贖回款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

At 31 December 2018 and 31 December 2017, there was no principal amount of the Group's bank borrowings with unconditional repayment on demand clause.

The amounts included as above for variable interest rate instruments of non-derivative financial liabilities are subject to change if change in variable interest rates differ to those estimates of interest rate determined at the end of the reporting period.

c. Fair value measurement of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observation data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

7. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

流動資金風險 (續)

於二零一八年十二月三十一日及二零一七年十二月三十一日，本集團的銀行借貸本金概不附帶無條件按要求償還條款。

若浮動利率變動不同於報告期末釐定之利率估計，則上述非衍生金融負債之浮息工具之款項亦會有所改變。

c. 金融工具之公平值計量

本附註提供資料說明本集團為各項金融資產及金融負債釐定公平值的方法。

就財務報告而言，本集團若干金融工具按公平值計量。

於估計公平值時，本集團採用可用之市場可觀察數據。倘第一層級輸入數據不可用時，本集團將委聘第三方合資格估值師進行估值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 金融工具

c. Fair value measurement of financial instruments (Continued)

c. 金融工具之公平值計量 (續)

Financial assets/ financial liabilities 財務資產／財務負債	Fair value as at 公平值		Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入值
	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元		
Held-for-trading non-derivative financial assets classified as investments held for trading in the consolidated statement of financial position 於綜合財務狀況報表內分類為持作買賣投資之持作買賣非衍生金融資產	Listed equity securities in Hong Kong – approximately 32 於香港上市之股本證券—約32	Listed equity securities in Hong Kong – approximately 54 於香港上市之股本證券—約54	Level 1 第一層級	Quoted prices in an active market 於活躍市場之報價
Equity instruments at FVTOCI (2017: Listed available-for-sale investment) 按公平值計入其他全面收益之權益工具 (二零一七年：上市可供出售投資)	Listed equity securities in the PRC – approximately 23,598 於中國上市之股本證券—約23,598	Listed equity securities in the PRC – approximately 24,840 於中國上市之股本證券—約24,840	Level 1 第一層級	Quoted prices in an active market 於活躍市場之報價

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 金融工具 (續)

c. Fair value measurement of financial instruments (Continued)

c. 金融工具之公平值計量 (續)

Financial assets/ financial liabilities 財務資產／財務負債	Fair value as at 公平值		Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入值
	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元		
Contingent consideration payable in a business combination 於業務合併中之應付或然代價	Liability – approximately – 負債— 約—	Liability – approximately 170,552 負債— 約170,552	Level 2 第二層級	Reference to the profit for the year ended 31 December 2017 參考截至二零一七年 十二月三十一日止年度 溢利
Provision for financial Guarantee 財務擔保撥備	Liability – approximately – 負債— 約—	Liability – approximately 217,843 負債— 約217,843	Level 3 第三層級	Probabilities of occurrence of default incidents and the potential losses upon the occurrence of such incidents 發生違約事件的可能性及 於發生該等事件後的潛 在虧損

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 金融工具 (續)

c. Fair value measurement of financial instruments (Continued)

c. 金融工具之公平值計量 (續)

		Fair value hierarchy			Total
		公平值層級			
Level 1	Level 2	Level 3			
第一層級	第二層級	第三層級		總計	
HK\$'000	HK\$'000	HK\$'000		HK\$'000	
千港元	千港元	千港元		千港元	
2018	二零一八年				
Financial assets	金融資產				
Investments held for trading	持作買賣之投資	32	-	32	
Equity instruments at FVTOCI	按公平值計入其他全面 收益之權益工具	23,598	-	23,598	
		<u>23,630</u>	-	<u>23,630</u>	

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 金融工具 (續)

c. Fair value measurement of financial instruments (Continued)

c. 金融工具之公平值計量 (續)

		Fair value hierarchy 公平值層級			Total
		Level 1 第一層級	Level 2 第二層級	Level 3 第三層級	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2017	二零一七年				
Financial assets	金融資產				
Investments held for trading	持作買賣之投資	54	-	-	54
Available-for-sale investment	可供出售投資	24,840	-	-	24,840
		<u>24,894</u>	<u>-</u>	<u>-</u>	<u>24,894</u>
Financial liabilities	金融負債				
Contingent consideration payable	應付或然代價	-	170,552	-	170,552
Provision for financial guarantee (Note 1)	財務擔保撥備 (附註1)	-	-	217,843	217,843
		<u>-</u>	<u>170,552</u>	<u>217,843</u>	<u>388,395</u>

Note 1: As at 31 December 2017, a decrease in default rate used in isolation would result in a decrease in fair value measurement of the provision for financial guarantee. A 5% decrease in default rate and holding all other variables constant would decrease the carrying amount of the provision for financial guarantee by approximately HK\$10,892,000.

As at 31 December 2017, an increase in recovery rate used in isolation would result in a decrease in fair value measurement of the provision for financial guarantee. A 5% increase in recovery rate and holding all other variables constant would decrease the carrying amount of the provision for financial guarantee by approximately HK\$10,892,000.

附註1：於二零一七年十二月三十一日，所使用之違約率單獨下降將導致財務擔保撥備之公平值計量減少。倘違約率下降5%，而所有其他變量維持不變，將導致財務擔保撥備之賬面值減少約10,892,000港元。

於二零一七年十二月三十一日，所使用之回收率單獨上升將導致財務擔保撥備之公平值計量減少。倘回收率上升5%，而所有其他變量維持不變，將導致財務擔保撥備之賬面值減少約10,892,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 金融工具 (續)

c. Fair value measurement of financial instruments (Continued)

Other than disclosed above, there was no transfer between Level 1, 2 and 3 during the year.

Reconciliation of Level 3 fair value measurements

		2018 Convertible Notes at FVTPL 按公平值計入 損益之 二零一八年 可換股票據 HK\$'000 千港元	Derivative financial liabilities 衍生財務 負債 HK\$'000 千港元	Provision for financial guarantee 財務擔保撥備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	92,847	13,872	-	106,719
Exchange realignment	匯兌調整	-	-	12,776	12,776
Acquired on acquisition of subsidiaries	收購附屬公司取得	-	-	208,981	208,981
Settlement	結算	-	-	(3,914)	(3,914)
Conversion of 2018 Convertible Notes	轉換二零一八年可換股票據	(31,111)	-	-	(31,111)
Early redemption of 2018 Convertible Notes	提前贖回二零一八年可換股票據	(62,980)	-	-	(62,980)
Gain on redemption of 2017 Convertible Notes II upon maturity	到期贖回二零一七年可換股票據II之收益	-	(13,872)	-	(13,872)
Gain on early redemption of 2018 Convertible Notes	提前贖回二零一八年可換股票據之收益	(5,003)	-	-	(5,003)
Change in fair value	公平值變動	6,247	-	-	6,247
At 31 December 2017 and 31 December 2018	於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	-	-	217,843	217,843

Of the total gains or losses for the year ended 31 December 2017 included in the consolidated statement of profit or loss and other comprehensive income of approximately HK\$6,247,000 relates to 2018 Convertible Notes at FVTPL held as at 31 December 2017.

c. 金融工具之公平值計量 (續)

除上文披露者外，年內第一、第二及第三層級之間概無轉撥。

第三層級公平值計量之對賬

計入綜合損益及其他全面收益表之截至二零一七年十二月三十一日止年度收益或虧損總額中約6,247,000港元與於二零一七年十二月三十一日按公平值計入損益之二零一八年可換股票據有關。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

c. Fair value measurement of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements (Continued)

The Directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their values.

7. 金融工具 (續)

c. 金融工具之公平值計量 (續)

第三層級公平值計量之對賬 (續)

董事認為，於綜合財務報表內以攤銷成本入賬之其他金融資產及金融負債之賬面值乃與其價值相若。

8. REVENUE AND SEGMENT INFORMATION

For the year ended 31 December 2018

Disaggregation of revenue from contracts with customers

8. 收益及分部資料

截至二零一八年十二月三十一日止年度

來自客戶合約的收益細分

Segment	分部	Intelligent car parking and automotive device business 智慧停車及汽車電子業務 HK\$'000 千港元	Steel structure engineering and installation 鋼結構工程及安裝 HK\$'000 千港元	Shipbuilding business 船舶製造業務 HK\$'000 千港元
Geographical markets	地區市場			
The PRC	中國	135,342	21,213	22,912
Germany	德國	—	—	(649,278)
Total	總計	135,342	21,213	(626,366)
	<i>Timing of revenue recognition</i>			
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
A point in time	時間點	135,342	21,213	—
Over time	於一段時間	—	—	(626,366)
Total	總計	135,342	21,213	(626,366)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

8. 收益及分部資料 (續)

下文載列來自客戶合約的收益與分部資料所披露金額之對賬。

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度 Segment revenue 分部收益 HK\$'000 千港元
Shipbuilding business	船舶製造業務	(626,366)
Intelligent car parking and automotive device business	智慧停車及汽車電子業務	135,342
Steel structure engineering and installation	鋼結構工程及安裝	21,213
Revenue from contracts with customers	來自客戶合約的收益	(469,811)
Interest income	利息收入	1,779
Total revenue	總收益	(468,032)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information. (Continued)

8. 收益及分部資料 (續)

下文載列來自客戶合約的收益與分部資料所披露金額之對賬。(續)

		For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度		
Segment		revenue	Elimination	Consolidated
		分部收益	抵銷	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Shipbuilding business	船舶製造業務	(78,989)	–	(78,989)
Trading business	貿易業務	26,166	–	26,166
Intelligent car parking and automotive device business	智慧停車及汽車電子業務	134,504	(14,077)	120,427
Steel structure engineering and installation	鋼結構工程及安裝	281,019	–	281,019
Revenue from contracts with customers	來自客戶合約的收益	362,700	(14,077)	348,623
Interest income	利息收入	6,472	(5,857)	615
Total revenue	總收益	369,172	(19,934)	349,238

Information reported to the board of Directors, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

向董事會(其為主要營運決策者(「主要營運決策者」))就分部資源分配及其表現評估而報告之資料集中於所交付或提供之貨品或服務種類。在達致本集團之可呈報分部時，並無合併主要營運決策者所識別之經營分部。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* areas follows:

- a) Shipbuilding business – provision of shipbuilding services under shipbuilding construction contracts and operated in the People's Republic of China (the "PRC").
- b) Trading business – provision of trading of electronic appliance and operated in Hong Kong.
- c) Finance leasing business – provision of direct finance leasing, sale and leaseback, advisory services and provision of factoring services in the PRC.
- d) Intelligent car parking and automotive device business – manufacturing and sales of car parking equipment, investment, operation and management of car parks and electronic automotive devices in the PRC.
- e) Steel structure engineering and installation – manufacturing and selling of steel structures and fittings for ship, marine equipment, mining equipment, ro-ro equipment, ship, bridge and building steel structure in the PRC.

8. 收益及分部資料 (續)

具體而言，本集團根據香港財務報告準則第8號經營分部劃分之可呈報及經營分部如下：

- a) 船舶製造業務—在中華人民共和國（「中國」）經營根據造船合約提供船舶製造服務。
- b) 貿易業務—在香港經營電子產品貿易業務。
- c) 融資租賃業務—在中國提供直接融資租賃、售後租回、顧問服務及提供保理服務。
- d) 智慧停車及汽車電子業務—於中國提供停車設備的生產及銷售、投資、運營、管理停車場以及汽車電子業務。
- e) 鋼結構工程及安裝—於中國製造及銷售船用鋼結構及配件、航海設備、採礦設備、滾裝設備以及船舶、橋樑及建築鋼結構。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2018

8. 收益及分部資料 (續)

分部收益及業績

本集團按可呈報及經營分部劃分之收益及業績分析如下。

截至二零一八年十二月三十一日止年度

	Shipbuilding business 船舶製造業務 HK\$'000 千港元	Trading business 貿易業務 HK\$'000 千港元	Finance leasing business 融資租賃業務 HK\$'000 千港元	Intelligent car parking and automotive device business 智慧停車及汽車電子業務 HK\$'000 千港元	Steel structure engineering and installation 鋼結構工程及安裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue - External sales	(626,366)	-	1,779	135,342	21,213	(468,032)
Segment result	(603,014)	-	(34,872)	(107,448)	(279,233)	(1,024,567)
Unallocated other gains and losses						(3,803)
Unallocated other income						429
Change in fair value of investments held for trading						(22)
Share of loss of associates						(35,092)
Share of loss of joint ventures						(472,152)
Unallocated corporate expenses						(960)
Unallocated finance costs						(38,099)
Loss before tax						(1,574,266)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

8. 收益及分部資料 (續)

Segment revenue and results (Continued)

For the year ended 31 December 2017

分部收益及業績 (續)

截至二零一七年十二月三十一日止年度

	Shipbuilding business	Trading business	Finance leasing business	Intelligent car parking and automotive device business	Steel structure engineering and installation	Elimination	Total
	船舶製造業務	貿易業務	融資租賃業務	及汽車電子業務	鋼結構工程及安裝	抵銷	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue	分部收益						
- External sales	(78,989)	26,166	615	120,427	281,019	-	349,238
- Inter-segment sales	-	-	5,857	14,077	-	(19,934)	-
Total segment revenue	(78,989)	26,166	6,472	134,504	281,019	(19,934)	349,238
Segment result	分部業績						
	(538,213)	130	(29,939)	(79,472)	3,779		(643,715)
Unallocated other gains and losses	未分配其他收益及虧損						
Unallocated other income	未分配其他收入						
Gain on settlement of contingent consideration payable	結付應付或然代價之收益						
Change in fair value of convertible bonds payables	應付可換股債券之公平值變動						
Change in fair value of investments held for trading	持作買賣投資之公平值變動						
Change in fair value of investment properties	投資物業之公平值變動						
Gain on early redemption of convertible bonds payables	提早贖回應付可換股債券之收益						
Gain on redemption of convertible bonds payables upon maturity	於到期時贖回應付可換股債券之收益						
Share of profit of associates	分佔聯營公司之溢利						
Unallocated corporate expenses	未分配之公司開支						
Unallocated finance costs	未分配之融資成本						
Loss before tax	除稅前虧損						
	(623,648)						

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by (loss from) each segment without allocation of certain other income, certain other gains or losses, change in fair value of investments held for trading, change in fair value of convertible bonds payables, gain on settlement of contingent consideration payable, change in fair value of investment properties, gain on early redemption of convertible bonds payables, gain on redemption of convertible bonds payables upon maturity, certain finance costs, share of (loss) profit of associates, share of loss of joint ventures and certain corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

8. 收益及分部資料 (續)

分部收益及業績 (續)

經營分部之會計政策與本集團會計政策相同。分部業績指各分部的溢利(虧損)，不包括若干其他收入、若干其他收益或虧損、持作買賣投資之公平值變動、應付可換股債券之公平值變動、結付應付或然代價之收益、投資物業之公平值變動、提早贖回應付可換股債券之收益、於到期時贖回應付可換股債券之收益、若干融資成本、分佔聯營公司之(虧損)溢利、分佔合營企業之虧損及若干公司開支之分配。此乃向主要營運決策者呈報以進行資源分配及表現評估之方法。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

8. 收益及分部資料 (續)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

分部資產及負債

本集團按可呈報及經營分部劃分之資產及負債分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Assets	資產		
Segment assets	分部資產		
– Shipbuilding business	– 船舶製造業務	802,174	614,424
– Trading business	– 貿易業務	–	17,837
– Finance leasing business	– 融資租賃業務	361,392	180,246
– Intelligent car parking and automotive device business	– 智慧停車及汽車電子業務	615,065	756,908
– Steel structure engineering and installation	– 鋼結構工程及安裝	810,733	1,019,399
Total segment assets	分部資產總額	2,589,364	2,588,814
Pledged bank deposits and restricted cash and bank balances and cash	已抵押銀行存款、受限制現金及銀行結餘以及現金	12,270	15,524
Interests in associates	於聯營公司之權益	201,094	249,919
Interests in joint ventures	於合營企業之權益	5,531	485,980
Investment properties	投資物業	21,914	25,104
Amount due from an associate	應收一間聯營公司款項	10,365	10,910
Unallocated corporate assets	未分配之公司資產	6,136	79,503
Consolidated assets	綜合資產	2,846,674	3,455,754
Liabilities	負債		
Segment liabilities	分部負債		
– Shipbuilding business	– 船舶製造業務	2,836,999	2,098,246
– Trading business	– 貿易業務	–	17,748
– Finance leasing business	– 融資租賃業務	587,650	574,063
– Intelligent car parking and automotive device business	– 智慧停車及汽車電子業務	446,341	374,419
– Steel structure engineering and installation	– 鋼結構工程及安裝	777,211	711,663
Total segment liabilities	分部負債總額	4,648,201	3,776,139
Convertible bonds payables	應付可換股債券	168,138	148,965
Contingent consideration payable	應付或然代價	–	170,552
Deferred tax liabilities	遞延稅項負債	68,141	106,971
Amounts due to associates	應付聯營公司款項	16,920	15,159
Unallocated corporate liabilities	未分配之公司負債	124,030	134,098
Consolidated liabilities	綜合負債	5,025,430	4,351,884

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, interests in joint ventures, investment properties, certain other receivables, pledged bank deposits and restricted cash, bank balances and cash, investments held for trading, amount due from an associate, tax recoverable, and certain corporate property, plant and equipment; and
- all liabilities are allocated to operating segments other than convertible bonds payables, contingent consideration payable, deferred tax liabilities, amounts due to associates, amounts due to directors, tax liabilities, and certain other payables and accruals.

8. 收益及分部資料 (續)

分部資產及負債 (續)

為方便監控分部表現及在分部間分配資源：

- 所有資產均分配至經營分部，惟為於聯營公司之權益、於合營企業之權益、投資物業、若干其他應收款項、已抵押銀行存款及受限制現金、銀行結餘及現金、持作買賣之投資、應收一間聯營公司款項、可回收稅項及若干公司物業、廠房及設備除外；及
- 所有負債均分配至經營分部，惟應付可換股債券、應付或然代價、遞延稅項負債、應付聯營公司款項、應付董事款項、稅項負債及若干其他應付款項及應計費用除外。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information

Year ended 31 December 2018

Amounts included in the measure of segment result or segment assets:

8. 收益及分部資料 (續)

其他分部資料

截至二零一八年十二月三十一日止年度

計量分部業績或分部資產時計入之金額如下：

	Shipbuilding business 船舶製造業務 HK\$'000 千港元	Trading business 貿易業務 HK\$'000 千港元	Finance leasing business 融資租賃業務 HK\$'000 千港元	Intelligent car parking and automotive device business 智慧停車及汽車電子業務 HK\$'000 千港元	Steel structure engineering and installation 鋼結構工程及安裝 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Additions to property, plant and equipment 添置物業、廠房及設備	392	-	10	325	29,188	94	30,009
Depreciation of property, plant and equipment 物業、廠房及設備之折舊	41,781	-	124	6,783	29,033	893	78,614
Amortisation of prepaid lease payments 預付租賃款項攤銷	7,168	-	-	253	1,227	-	8,648
Amortisation of intangible assets 無形資產攤銷	-	-	-	37,452	3,601	-	41,053
Impairment loss recognised in respect of intangible assets 就無形資產確認之減值虧損	-	-	-	10,000	16,000	-	26,000
Impairment loss recognised in respect of goodwill 就商譽確認之減值虧損	-	-	-	22,000	47,740	-	69,740
Impairment loss recognised in respect of other receivables 就其他應收款項確認之減值虧損	-	-	-	-	120,000	-	120,000
Written-down of inventories recognised as cost of sales 撇減已確認為銷售成本之存貨	799,159	-	-	-	-	-	799,159
Finance costs 融資成本	136,724	-	32,534	16,909	47,575	38,099	271,841
Other income 其他收入	(1,679)	-	-	(7,131)	(662)	(429)	(9,901)
Other gains and losses 其他收益及虧損	1,648	-	-	10,644	(12,283)	3,803	3,812

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

Year ended 31 December 2018 (Continued)

Amounts regularly provided to the CODM but not included in the measure of segment result:

8. 收益及分部資料 (續)

其他分部資料 (續)

截至二零一八年十二月三十一日止年度 (續)

定期提交予主要營運決策者但在計量分部業績時並無計入之金額如下：

	Shipbuilding business 船舶製造業務 HK\$'000 千港元	Trading business 貿易業務 HK\$'000 千港元	Finance leasing business 融資租賃業務 HK\$'000 千港元	Intelligent car parking and automotive device business 智慧停車及汽車電子業務 HK\$'000 千港元	Steel structure engineering and installation 鋼結構工程及安裝 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income 利息收入	(1)	-	-	(421)	(7)	-	(429)
Share of loss of joint ventures 分佔合營企業之虧損	-	-	-	-	-	472,152	472,152
Change in fair value of investments held for trading 持作買賣投資之公平值變動	-	-	-	-	-	22	22
Share of loss of associates 分佔聯營公司之虧損	-	-	-	-	-	35,092	35,092

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

8. 收益及分部資料 (續)

Other segment information (Continued)

Year ended 31 December 2017

其他分部資料 (續)

截至二零一七年十二月三十一日止年度

Amounts included in the measure of segment result or segment assets:

計量分部業績或分部資產時計入之金額如下：

	Shipbuilding business	Trading business	Finance leasing business	Intelligent car parking and automotive device business	Steel structure engineering and installation	Unallocated	Total
	船舶製造業務	貿易業務	融資租賃業務	智慧停車及汽車電子業務	鋼結構工程及安裝	未分配	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Additions to property, plant and equipment	72	-	4	20,473	150,337	1,639	172,525
Additions to property, plant and equipment arising through acquisition of subsidiaries	-	-	-	-	210,270	-	210,270
Additions to prepaid lease payments arising through acquisition of subsidiaries	-	-	-	-	62,342	-	62,342
Additions to intangible assets arising through acquisition of subsidiaries	-	-	-	-	36,276	-	36,276
Change in fair value of contingent consideration payable	-	-	-	5,081	-	-	5,081
Depreciation of property, plant and equipment	38,804	-	112	2,902	17,863	652	60,333
Amortisation of prepaid lease payments	7,232	-	-	251	1,171	-	8,654
Amortisation of intangible assets	-	-	-	39,484	1,887	-	41,371
Foreseeable losses (included penalties due to the Delay) recognised in respect of additional estimated costs (included in shipbuilding contract cost and recognised as cost of sales) (Note 5(b)(i))	52,156	-	-	-	-	-	52,156
Impairment loss recognised in respect of intangible assets	-	-	-	16,925	-	-	16,925
Impairment loss recognised in respect of goodwill	-	-	-	-	40,771	-	40,771
Finance costs	85,292	-	26,479	10,518	21,787	29,415	173,491
Goodwill arising through acquisition of subsidiaries	-	-	-	-	86,488	-	86,488
Other income	(776)	-	(11)	(13,634)	(11,522)	(877)	(26,820)
Other gains and losses	7,081	-	-	165	(3,746)	(14,303)	(10,803)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

Year ended 31 December 2017 (Continued)

Amounts regularly provided to the CODM but not included in the measure of segment result:

8. 收益及分部資料 (續)

其他分部資料 (續)

截至二零一七年十二月三十一日止年度 (續)

定期提交予主要營運決策者但在計量分部業績時並無計入之金額如下：

	Shipbuilding business	Trading business	Finance leasing business	Intelligent car parking and automotive device business 智慧停車及汽車電子業務	Steel structure engineering and installation	Unallocated	Total
	船舶製造業務	貿易業務	融資租賃業務	及汽車電子業務	鋼結構工程及安裝	未分配	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Interest income	(115)	(1)	(20)	(55)	(684)	(2)	(877)
Share of profit of associates	-	-	-	-	-	(1,692)	(1,692)
Change in fair value of convertible bonds payables	-	-	-	-	-	6,247	6,247
Additions to interests in associates	-	-	-	-	-	82,800	82,800
Change in fair value of investments held for trading	-	-	-	-	-	143	143
Gain on settlement of contingent consideration	-	-	-	-	-	(39,704)	(39,704)
Gain on early redemption of convertible bonds payables	-	-	-	-	-	(5,003)	(5,003)
Gain on redemption of convertible bonds payables upon maturity	-	-	-	-	-	(13,872)	(13,872)
Addition to investment properties	-	-	-	7,660	-	-	7,660
Change in fair value of investment properties	-	-	-	(1,730)	-	-	(1,730)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in the PRC, Hong Kong, Germany and Northern Europe.

Information about the Group's revenue from external customers is presented based on the location of customers. Information about the Group's non-current assets (excluded financial instruments) is presented based on the geographical locations of the assets.

8. 收益及分部資料 (續)

地區資料

本集團之業務位於中國、香港、德國及北歐。

有關本集團之外部客戶收益資料以客戶所在地為基準呈列。有關本集團非流動資產(金融工具除外)資料以資產所在地區為基準呈列。

		Revenue from external customers		Non-current assets	
		Year ended 31 December		at 31 December	
		截至十二月三十一日		於十二月三十一日之	
		止年度之外部客戶收益		非流動資產	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Germany	德國	(649,278)	(78,989)	-	-
The PRC	中國	181,246	396,866	1,241,574	2,048,994
Hong Kong	香港	-	26,166	-	2,045
Northern Europe	北歐	-	5,195	-	-
		(468,032)	349,238	1,241,574	2,051,039

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A ⁴	客戶A ⁴	N/A 不適用 ³	96,426
Customer B ⁴	客戶B ⁴	N/A 不適用 ³	65,625
Customer C ¹	客戶C ¹	N/A 不適用 ³	79,937
Customer D ²	客戶D ²	69,609	N/A 不適用 ³
Customer E ¹	客戶E ¹	(656,214)	N/A 不適用 ³

- ¹ Revenue from shipbuilding business
- ² Revenue from intelligent car parking and automotive device business
- ³ The corresponding revenue did not contribute over 10% if the total revenue of the Group
- ⁴ Revenue from steel structure engineering and installation

8. 收益及分部資料 (續)

有關主要客戶之資料

於相應年度來自佔本集團總收益逾10%之客戶之收益如下：

- ¹ 船舶製造業務收益
- ² 智慧停車及汽車電子業務收益
- ³ 相應收益並無佔本集團總收益的10%以上
- ⁴ 鋼結構工程及安裝業務收益

9(a). OTHER INCOME

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Consultancy income	顧問收入	—	8,853
Government grants	政府補貼	378	1,996
Rental income	租金收入	2,508	9,428
Interests on bank deposits	銀行存款利息	429	877
Others	其他	6,586	5,666
		9,901	26,820

9(a). 其他收入

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9(b). OTHER GAINS AND LOSSES

9(b). 其他收益及虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(161)	(284)
Loss on disposal of an associate	出售一間聯營公司之虧損	-	(1,215)
Gain (loss) on disposal of investment property	出售投資物業之收益(虧損)	174	(224)
Loss on disposal of investments held for trading	出售持作買賣投資之虧損	-	(149)
Sales of scrap materials	銷售廢料	15,489	(3,069)
Foreign exchange (loss) gain	匯兌(虧損)收益	(12,460)	15,854
Reversal of impairment loss recognised in respect of trade receivable	撥回就貿易應收款項而確認之減值虧損	-	77
Penalty arising from litigation	訴訟產生的罰款	(6,719)	-
Others	其他	(135)	(187)
		(3,812)	10,803

10. IMPAIRMENT LOSSES

10. 減值虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Impairment losses recognised on:	就下列項目確認的減值虧損:		
- goodwill (Notes 20 and 40)	- 商譽(附註20及40)	69,740	40,771
- intangible assets (Notes 21 and 40)	- 無形資產(附註21及40)	26,000	16,925
- other receivables (Note 25)	- 其他應收款項(附註25)	120,000	-
		215,740	57,696

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

11. FINANCE COSTS

11. 融資成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interests on borrowings wholly repayable within five years:	須於五年內悉數償還之 借款利息：		
Convertible bonds payables (Note 35)	應付可換股債券(附註35)	38,073	24,628
Overdue interests on convertible bonds payables	應付可換股債券之 逾期利息	-	4,782
Interests on bank and other borrowings	銀行及其他借貸利息	230,944	135,350
Guarantee fee and fund management fee incurred in connection with borrowings	有關借貸之擔保費及 資金管理費	2,798	8,726
Others	其他	26	5
		271,841	173,491

12. INCOME TAX CREDIT

12. 所得稅抵免

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax	即期稅項		
- PRC tax	- 中國稅項	10,801	20,573
Deferred tax (Note 36)	遞延稅項(附註36)	(38,357)	(23,269)
		(27,556)	(2,696)



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

12. INCOME TAX CREDIT (CONTINUED)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Certain subsidiaries of the Group has obtained the qualification of High and New Technology Enterprise from the relevant PRC government authorities and subject to a preferential tax rate 15%. Certain subsidiaries of the Group in the PRC enjoy the tax holiday and the profits are fully exempted from EIT for three years starting from its first year of profitable operations, followed by 50% reduction in EIT in next three years.

According to the applicable PRC tax regulations, dividends declared by a company established in the PRC to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% PRC Withholding Tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

12. 所得稅抵免 (續)

於二零一八年三月二十一日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「草案」)，引入利得稅兩級制。草案於二零一八年三月二十八日簽署成為法律並於翌日刊憲。根據利得稅兩級制，合資格集團實體首2百萬港元溢利將按8.25%徵稅，超過2百萬港元部份的溢利將按16.5%徵稅。不符合利得稅兩級制資格的集團實體的溢利繼續按16.5%的劃一稅率徵稅。

董事認為實施利得稅兩級制所涉及的金額就綜合財務報表而言並不重大。於兩個年度，香港利得稅乃就估計應課稅溢利按16.5%之稅率計算。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於該兩個年度之稅率為25%。

本集團若干附屬公司已獲相關中國政府機構認定為高新技術企業，並可享受稅率優惠15%。本集團之若干中國附屬公司享有免稅期，溢利自其業務盈利首年起三年豁免全部企業所得稅，其後三年則獲減免50%企業所得稅。

根據適用的中國稅務法規，於中國成立的公司就二零零八年一月一日之後賺取的利潤向境外投資者分派股息一般須徵收10%的中國預扣稅。倘若境外投資者於香港註冊成立，並符合中國與香港訂立的雙邊稅務安排項下的條件及規定，相關預扣稅稅率將從10%降低至5%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

12. INCOME TAX CREDIT (CONTINUED)

12. 所得稅抵免 (續)

Income tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

本年度所得稅抵免與綜合損益及其他全面收益表所列之除稅前虧損之對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(1,574,266)	(623,648)
Tax at applicable domestic income tax rate of 25% (2017: 25%)	按本地適用所得稅稅率25% (二零一七年: 25%) 計算之稅項	(393,567)	(155,912)
Tax effect of expenses not deductible for tax purpose	就稅務而言不可扣減支出之稅務影響	164,046	47,191
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅之收入之稅務影響	-	(23,362)
Tax effect of tax loss not recognised	未確認之稅項虧損之稅務影響	172,932	140,379
Tax effect of temporary difference not recognised	未確認之暫時差額之稅務影響	30,000	-
Tax effect of PRC withholding tax	中國預扣稅之稅務影響	-	4,199
Effect of different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區經營之附屬公司不同稅率之影響	452	2,078
Utilisation of tax loss previously not recognised	動用先前未確認之稅項虧損	(1,419)	(8,214)
Reduction of income tax under preferential tax treatment	因稅務優惠而獲所得稅削減	-	(9,055)
Income tax credit for the year	本年度所得稅抵免	(27,556)	(2,696)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

13. LOSS FOR THE YEAR

13. 年內虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year has been arrived at after charging:	年內虧損已於扣除下列項目後達致：		
Directors' and chief executive's emoluments (Note 14)	董事及主要行政人員之酬金 (附註14)	6,739	5,842
Other staff costs:	其他員工成本：		
– Salaries and other benefits	– 薪酬及其他福利	48,660	46,367
– Redundancy fee	– 裁員費用	6,725	–
– Contributions to retirement benefits scheme	– 退休福利計劃供款	14,632	8,446
Total staff costs	員工成本總額	<u>76,756</u>	<u>60,655</u>
Auditor's remuneration	核數師酬金		
– Audit service	– 審核服務	1,785	2,297
– Non-audit service	– 非審核服務	580	878
Cost of inventories recognised as an expense	確認為開支之存貨成本	181,274	297,968
Depreciation of property, plant and equipment	物業、廠房及設備折舊	78,614	60,333
Amortisation of prepaid lease payments	預付租賃款項攤銷	8,648	8,654
Amortisation of intangible assets	無形資產攤銷	41,053	41,371
Minimum lease payments paid under operating leases in respect of rented premises	就租賃物業根據經營租約支付之最低租賃付款	1,585	7,767
Shipbuilding contract costs recognised as cost of sales	確認為銷售成本之造船合約成本	(265,026)	350,683
Foreseeable losses (included penalties due to the Delay) recognised in respect of additional estimated costs (included in shipbuilding contract cost and recognised as cost of sales) (Note (5)(b)(i))	就額外估計成本 (計入造船合約成本及確認為銷售成本) 而確認之可預見虧損 (計及因有關延誤導致之罰款) (附註(5)(b)(i))	–	52,156
Written-down of inventories recognised as costs of sales	確認為銷售成本之存貨撇減	<u>799,159</u>	<u>–</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the years, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

14. 董事及主要行政人員酬金

於以下年度中根據適用上市規則及香港公司條例披露之董事及主要行政人員酬金如下：

	Year ended 31 December 2018 截至二零一八年十二月三十一日止年度				Year ended 31 December 2017 截至二零一七年十二月三十一日止年度			
	Fees	Salaries	Contributions to retirement benefits scheme	Total	Fees	Salaries	Contributions to retirement benefits scheme	Total
	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
Executive directors:	執行董事：							
Mr. Li Ming ("Mr. Li") (Chairman)	李明先生(「李先生」) (主席)							
	-	1,431	18	1,449	-	1,480	18	1,498
Mr. Zhang Shi Hong (Chief Executive Officer)	張士宏先生(行政總裁)							
	-	1,182	18	1,200	-	1,182	18	1,200
Mr. Wang San Long (Note c)	汪三龍先生(附註c)							
	-	-	-	-	-	321	-	321
Mr. Liu Jin	劉進先生							
	-	942	18	960	-	942	18	960
Dr. Zhang Weibing (Note d)	張偉兵博士(附註d)							
	-	1,182	18	1,200	-	133	-	133
Non-executive director:	非執行董事：							
Mr. Chau On Ta Yuen (Honorary Chairman)	周安達源先生(榮譽主席)							
	-	1,430	-	1,430	-	1,430	-	1,430
Mr. Lin Lie (Note e)	林烈先生(附註e)							
	200	-	-	200	-	-	-	-
Independent non-executive directors:	獨立非執行董事：							
Mr. Hu Bai He	胡柏和先生							
	100	-	-	100	100	-	-	100
Ms. Xiang Siying	項思英女士							
	100	-	-	100	100	-	-	100
Ms. Xiang Ying	向穎女士							
	100	-	-	100	100	-	-	100
	500	6,167	72	6,739	300	5,488	54	5,842



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

Notes:

- (a) *The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.*
- (b) *The independent non-executive directors' and the non-executive directors' emoluments shown above were for their services as directors of the Company.*
- (c) *Resigned as executive director with effect from 21 November 2017.*
- (d) *Appointed as executive director with effect from 21 November 2017.*
- (e) *Appointed as non-executive director with effect from 3 September 2018.*

There were no arrangements under which a director waived or agreed to waive any emoluments during the years ended 31 December 2018 and 31 December 2017. Apart from the Directors, the Group has not classified any other person as chief executives during the years ended 31 December 2018 and 31 December 2017.

14. 董事及主要行政人員酬金 (續)

附註：

- (a) 上文所示的執行董事酬金乃彼等就管理本公司及本集團事務的服務酬金。
- (b) 上述獨立非執行董事及非執行董事酬金乃就彼等擔任本公司董事所提供服務而發出。
- (c) 於二零一七年十一月二十一日辭任執行董事。
- (d) 於二零一七年十一月二十一日獲委任為執行董事。
- (e) 於二零一八年九月三日獲委任為非執行董事。

截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金的安排。截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，除董事外，本集團並無將任何其他人士分類為主要行政人員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included four directors (2017: four), detail of whose remuneration are set out in Note 14 above. Details of the remuneration for the year of the remaining one (2017: one) highest paid individual were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	<u>1,260</u>	<u>1,260</u>

During the years ended 31 December 2018 and 31 December 2017, the remuneration of the highest paid employee who is not the Directors fell within the band of HK\$1,000,000 to HK\$2,000,000.

No emoluments were paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office. None of the five highest paid employees waived any emoluments in both years.

15. 五名最高薪酬僱員

於本年度，本集團之五名最高薪酬僱員包括四名（二零一七年：四名）董事，其薪酬詳情載於上文附註14。年內其餘一名（二零一七年：一名）最高薪酬僱員之薪酬詳情如下：

於截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，並非董事的最高薪僱員的薪酬介於1,000,000港元至2,000,000港元的範圍內。

本集團並無向任何五名最高薪酬僱員支付酬金，作為加入本集團或於加入本集團時的鼓勵，或作為離職補償。於兩個年度內，概無五名最高薪酬僱員放棄任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

16. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

16. 每股虧損

計算本公司擁有人應佔每股基本及攤薄虧損以下列數據為依據：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss	虧損		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	用以計算每股基本及攤薄虧損之本公司擁有人應佔年內虧損	(1,545,435)	(611,790)
		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	用以計算每股基本及攤薄虧損之普通股加權平均數	13,636,839	13,119,433

The computation of diluted loss per share for the years ended 31 December 2018 and 2017 does not assume i) the exercise of the Company's share options; and ii) the conversion of the Company's outstanding convertible bonds since their assumed exercise or conversion would result in a decrease in loss per share for the year which is regarded as anti-dilutive.

計算截至二零一八年及二零一七年十二月三十一日止年度之每股攤薄虧損時，由於行使或轉換購股權及尚未兌換可換股債券將導致年內每股虧損減少，此被視為具反攤薄影響，故並無假設i)本公司之購股權已獲行使；及ii)本公司之尚未兌換可換股債券已獲兌換。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Furniture and fixtures 傢俱及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本						
At 1 January 2017	於二零一七年一月一日	969,291	11,588	24,124	203,358	19,514	1,227,875
Exchange adjustments	匯兌調整	147,075	1,062	1,716	3,295	2,598	155,746
Acquired on acquisition of subsidiaries (Note 39)	於收購附屬公司時購入 (附註39)	110,200	56	747	93,842	5,425	210,270
Additions	添置	126,621	4,703	288	1,016	39,897	172,525
Transfer to inventory (Note)	轉撥至存貨(附註)	-	-	-	-	(27,633)	(27,633)
Disposal	出售	(641)	(25)	(1,115)	(3,956)	-	(5,737)
Transfer	轉撥	23,241	-	-	112	(23,353)	-
At 31 December 2017	於二零一七年十二月三十一日	1,375,787	17,384	25,760	297,667	16,448	1,733,046
Exchange adjustments	匯兌調整	(110,104)	(744)	(1,113)	(4,807)	(846)	(117,614)
Additions	添置	-	340	12	10,641	19,016	30,009
Transfer to inventory (Note)	轉撥至存貨(附註)	-	-	-	-	(15,188)	(15,188)
Disposal	出售	-	(1,433)	(566)	(12,389)	-	(14,388)
Transfer	轉撥	2,499	202	-	13,116	(15,817)	-
At 31 December 2018	於二零一八年十二月三十一日	1,268,182	15,749	24,093	304,228	3,613	1,615,865
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值						
At 1 January 2017	於二零一七年一月一日	881,227	4,885	21,585	125,156	-	1,032,853
Exchange adjustments	匯兌調整	74,125	478	1,586	6,751	-	82,940
Charge for the year	年內支出	24,736	2,401	1,509	31,687	-	60,333
Eliminated on disposals	出售時抵銷	(641)	(6)	(988)	(3,703)	-	(5,338)
At 31 December 2017	於二零一七年十二月三十一日	979,447	7,758	23,692	159,891	-	1,170,788
Exchange adjustments	匯兌調整	(62,502)	(352)	(1,070)	(8,802)	-	(72,726)
Charge for the year	年內支出	44,967	1,872	1,093	30,682	-	78,614
Eliminated on disposals	出售時抵銷	-	(242)	(479)	(2,816)	-	(3,537)
At 31 December 2018	於二零一八年十二月三十一日	961,912	9,036	23,236	178,955	-	1,173,139
CARRYING VALUES	賬面值						
At 31 December 2018	於二零一八年十二月三十一日	306,270	6,713	857	125,273	3,613	442,726
At 31 December 2017	於二零一七年十二月三十一日	396,340	9,626	2,068	137,776	16,448	562,258

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of the term of the lease, or 5%
Furniture and fixtures	20%
Motor vehicles	12.5%
Plant and machinery	5% – 25%

At 31 December 2018, plant and machinery with carrying values of approximately HK\$74,150,000 (2017: HK\$84,821,000) and buildings of approximately HK\$227,060,000 (2017: HK\$224,204,000) have been pledged to various banks and a financial institution in the PRC to secure the Group's borrowings (Note 41).

Note: During the year ended 31 December 2018, with the amount of inventories approximately HK\$15,188,000 (2017: HK\$27,633,000), the Group has changed its intention from held for use in the production or supply of goods or services for administrative purposes to held for sales in the ordinary course of business. Thus, the same amount was reclassified from construction in progress of property, plant and equipment to the finished goods of inventories.

Property, plant and equipment for shipbuilding business segment

For the years ended 31 December 2018 and 2017, the Directors had considered that, after taking into account the economic condition and industrial development prospect, the gross operating loss incurred during both years indicated impairment issue for the Group's property, plant and equipment in the shipbuilding business segment and therefore conducted an impairment review on the carrying amounts of the property, plant and equipment.

17. 物業、廠房及設備 (續)

上述物業、廠房及設備 (在建工程除外) 項目按直線基準以下列年率計算折舊:

樓宇	按租約年期或5% (以較短者為準)
傢俱及裝置	20%
汽車	12.5%
廠房及機器	5% – 25%

於二零一八年十二月三十一日, 賬面值約 74,150,000 港元 (二零一七年: 84,821,000 港元) 之廠房及機器以及約 227,060,000 港元 (二零一七年: 224,204,000 港元) 之樓宇已抵押予中國多家銀行及一家金融機構, 以獲取本集團借貸 (附註 41)。

附註: 於截至二零一八年十二月三十一日止年度, 就金額約 15,188,000 港元 (二零一七年: 27,633,000 港元) 之存貨而言, 本集團已將其持作用於行政用途之生產或供應貨品或服務之意向變更為持作於一般業務過程中出售。因此, 該筆相同金額已由物業、廠房及設備之在建工程重新分類至存貨之製成品。

船舶製造業務分部之物業、廠房及設備

截至二零一八年及二零一七年十二月三十一日止年度, 董事經考慮經濟情況及行業發展前景後, 認為於兩個年度內產生的經營虧損總額顯示本集團船舶製造業務分部之物業、廠房及設備出現減值問題, 因此對物業、廠房及設備之賬面值作出減值檢討。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment for shipbuilding business segment (Continued)

As at 31 December 2018, an impairment assessment was carried out by the Directors. As a result of the assessment, the Directors considered that no impairment on the property, plant and equipment is required for the year ended 31 December 2018, as their recoverable amounts, were determined by the Directors based on the value-in-use calculations, exceeded their carrying values as at 31 December 2018. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts.

The Directors appointed an independent professional valuer, BMI Appraisals Limited (“BMI Appraisals”), an independent professional valuer not connected to the Group, to perform a valuation on the property, plant and equipment as at 31 December 2017. No impairment loss was considered necessary as the recoverable amount based on the valuation report issued by BMI Appraisals, which exceeded the aggregate carrying amount of property, plant and equipment as at 31 December 2017. The value-in-use calculation is based on a pre-tax discount rate of 16.35% and cash flow projections prepared from financial forecasts approved by the management of the Group, taking into account the current economic condition and operation of shipbuilding industry. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted sales, gross margin and relevant facts and circumstances related to the Group’s current situation. Such estimation is based on the management’s expectations about the Group’s shipbuilding business.

17. 物業、廠房及設備（續）

船舶製造業務分部之物業、廠房及設備（續）

於二零一八年十二月三十一日，董事進行了減值評估。根據減值評估，董事認為，截至二零一八年十二月三十一日止年度無需對物業、廠房及設備計提減值，原因是於二零一八年十二月三十一日其可收回金額（由董事基於使用價值計算釐定）超過其賬面值。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。

董事委任獨立專業估值師中和邦盟評估有限公司（「中和邦盟」，為與本集團並無關連之獨立專業估值師）對於二零一七年十二月三十一日之物業、廠房及設備進行估值。根據中和邦盟發出的估值報告，可收回金額超過物業、廠房及設備於二零一七年十二月三十一日之總賬面值，故考慮無必要計提減值虧損。使用價值根據除稅前貼現率16.35%及本集團管理層批准之財務預測所編製之現金流量預測計算，並計及現行經濟狀況及造船業之營運。使用價值計算之其他主要假設與現金流入／流出估計有關，包括預計銷售額、毛利率以及有關本集團現況之相關事實及情況。該估計乃以管理層對本集團船舶製造業務之預期為基準。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment for steel structure engineering and installation segment

During the year ended 31 December 2017, the property, plant and equipment of approximately HK\$132,126,000 was recognised by the steel structure engineering and installation business which represented the fair value of property, plant and equipment of a former related company used to settle the amount due from this former related company to the Group (Note 49(ii)).

Applications for property ownership certificates of certain buildings were still in progress and these property ownership certificates had not been issued by the relevant government authorities at 31 December 2017 and 2018. The aggregate carrying amounts of those buildings at 31 December 2018 is approximately HK\$159,756,000 (2017: HK\$178,385,000). The Directors are of the opinion that the Group has acquired the beneficial title to those buildings at 31 December 2017 and 2018, and the property ownership certificates can be obtained in the near future.

For the year ended 31 December 2018, the Directors had considered that, after taking into account the economic condition and industrial development prospect, the gross operating loss incurred during the year indicated impairment issue for the Group's property, plant and equipment in the steel structure engineering and installation segment and therefore conducted an impairment review on the carrying amounts of the property, plant and equipment. An impairment assessment was carried out by the Directors. As a result of the assessment, the Directors considered that no impairment (2017: No impairment) on the property, plant and equipment is required for the year ended 31 December 2018, as their recoverable amounts, were determined by the Directors based on the value-in-use calculations, exceeded their carrying values as at 31 December 2018. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts.

17. 物業、廠房及設備 (續)

鋼結構工程及安裝分部之物業、廠房及設備

於截至二零一七年十二月三十一日止年度，鋼結構工程及安裝業務確認物業、廠房及設備約132,126,000港元指前關連公司用於結算前關連公司應付本集團款項的物業、廠房及設備的公平值(附註49(ii))。

若干樓宇之物業所有權證申請仍在進行中，而該等物業所有權證於二零一七年及二零一八年十二月三十一日仍未獲相關政府機關開具。於二零一八年十二月三十一日，該等樓宇之總賬面值為約159,756,000港元(二零一七年：178,385,000港元)。董事認為，本集團於二零一七年及二零一八年十二月三十一日已收購該等樓宇之實益權利，有關物業所有權證可於不久未來獲得。

截至二零一八年十二月三十一日止年度，董事經考慮經濟情況及行業發展前景後，認為年內產生的經營虧損總額顯示本集團鋼結構工程及安裝分部之物業、廠房及設備出現減值問題，因此對物業、廠房及設備之賬面值作出減值檢討。董事進行了減值評估。根據減值評估，董事認為，截至二零一八年十二月三十一日止年度無需對物業、廠房及設備計提減值(二零一七年：無減值)，原因是於二零一八年十二月三十一日其可收回金額(由董事基於使用價值計算釐定)超過其賬面值。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment for intelligent car parking and automotive device segment

For the year ended 31 December 2018, the Directors had considered that, after taking into account the economic condition and industrial development prospect, the gross operating loss incurred during the year indicated impairment issue for the Group's property, plant and equipment in the intelligent car parking and automotive device segment and therefore conducted an impairment review on the carrying amounts of the property, plant and equipment. An impairment assessment was carried out by the Directors. As a result of the assessment, the Directors considered that no impairment (2017: No impairment) on the property, plant and equipment is required for the year ended 31 December 2018, as their recoverable amounts, were determined by the Directors based on the value-in-use calculations, exceeded their carrying values as at 31 December 2018. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts.

17. 物業、廠房及設備 (續)

智慧停車及汽車電子分部之物業、廠房及設備

截至二零一八年十二月三十一日止年度，董事經考慮經濟情況及行業發展前景後，認為年內產生的經營虧損總額顯示本集團智慧停車及汽車電子分部之物業、廠房及設備出現減值問題，因此對物業、廠房及設備之賬面值作出減值檢討。董事進行了減值評估。根據減值評估，董事認為，截至二零一八年十二月三十一日止年度無需對物業、廠房及設備計提減值（二零一七年：無減值），原因是於二零一八年十二月三十一日其可收回金額（由董事基於使用價值計算釐定）超過其賬面值。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。

18. INVESTMENT PROPERTIES

18. 投資物業

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fair value	公平值		
At 1 January	於一月一日	25,104	15,745
Exchange adjustments	匯兌調整	(1,697)	1,614
Additions (Note 49(i))	添置 (附註49(i))	-	7,660
Disposal	出售	(1,493)	(1,645)
Net change in fair value recognised in profit or loss	於損益確認之公平值變動淨額	-	1,730
At 31 December	於十二月三十一日	21,914	25,104



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. INVESTMENT PROPERTIES (CONTINUED)

The Group's properties interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

During the year ended 31 December 2018, the Group has the beneficial interests of certain properties with aggregated carrying values of approximately HK\$21,914,000 (2017: HK\$25,104,000), which were located in Shandong Province and Shanxi Province through the contractual arrangements with certain property developers.

Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31 December 2017 has been arrived at on the basis of a valuation carried out by Greater China Appraisal Limited ("Greater China"), independent qualified professional valuers, not connected to the Group.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

18. 投資物業 (續)

本集團根據經營租賃持有以賺取租金或實現資本增值為目的之物業權益採用公平值模型計量，且分類並入賬列為投資物業。

於截至二零一八年十二月三十一日止年度，本集團已透過與若干物業開發商之合約安排收購位於山東省及山西省之若干物業的實益權益，總賬面值約為21,914,000港元（二零一七年：25,104,000港元）。

本集團投資物業之公平值計量

本集團於二零一七年十二月三十一日之投資物業公平值乃依據與本集團並無關連的獨立合資格專業估值師漢華評值有限公司之（「漢華」）發出的估值釐定。

於估計物業公平值時，物業之最高及最佳用途為其當前用途。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of the Group's investment properties (Continued)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2018 and 31 December 2017 are as follows:

18. 投資物業 (續)

本集團投資物業之公平值計量 (續)

本集團於二零一八年十二月三十一日及二零一七年十二月三十一日之投資物業詳情及公平值層級資料如下：

		Level 3 第三層級 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
2018	二零一八年		
Investment properties	投資物業	<u>21,914</u>	<u>21,914</u>
2017	二零一七年		
Investment properties	投資物業	<u>25,104</u>	<u>25,104</u>

There were no transfers into or out of Level 3 during the years ended 31 December 2018 and 31 December 2017.

截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，概無第三層級轉入或轉出。

Information about Level 3 fair value measurements of investment properties:

有關投資物業第三層級公平值計量之資料：

Valuation technique 估值技術	Key input 主要輸入數據	Significant unobservable inputs 重大不可觀察輸入值	Sensitivity 敏感度
Direct comparison 直接比較法	Recent sale price of comparable properties, time factor and discount or premium on quality of properties 可比較物業之近期售價、時間因素以及物業質量之折讓或溢價	Rate of discount on quality of properties 物業質量之折讓率	The higher the discount the lower the fair value of properties 折讓越高，物業之公平值越低

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of the Group's investment properties (Continued)

Valuation techniques and inputs used in Level 3 fair value measurements of investment properties:

The fair values of investment properties are determined using direct comparison approach assuming sale in its existing state with the benefit of vacant possession and by reference to comparable sales evidence or asking prices of comparable properties as available in the relevant market.

Reconciliation of Level 3 fair value measurements of investment properties on recurring basis:

18. 投資物業 (續)

本集團投資物業之公平值計量 (續)

投資物業第三層級公平值計量所使用之估值技術及輸入數據:

投資物業之公平值乃使用直接比較法假設物業以其現況交吉出售，並參考相關市場可獲得之可資比較物業之可資比較銷售憑證或詢價而釐定。

按經常性基準之投資物業第三層級公平值計量之對賬:

		Investment properties classified as Level 3 分類為第三層級之投資物業 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	15,745
Exchange adjustments	匯兌調整	1,614
Addition	添置	7,660
Net increase in fair value recognised in profit or loss	於損益中確認之公平值增加淨值	1,730
Disposal	出售	<u>(1,645)</u>
At 31 December 2017	於二零一七年十二月三十一日	25,104
Exchange adjustments	匯兌調整	(1,697)
Disposal	出售	<u>(1,493)</u>
At 31 December 2018	於二零一八年十二月三十一日	<u>21,914</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of the Group's investment properties (Continued)

The above net increase in fair value recognised in the consolidated statement of profit or loss and other comprehensive income and is attributable to the change in fair value of investment properties at the end of the reporting period.

18. 投資物業 (續)

本集團投資物業之公平值計量 (續)

上述公平值增加淨額於綜合損益及其他全面收益表確認並歸因於報告期末投資物業之公平值變動。

19. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise:

19. 預付租賃款項

本集團之預付租賃款項包括：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Leasehold land in the PRC	於中國之租賃土地		
Carrying amount at 1 January	於一月一日之賬面值	371,336	290,597
Exchange adjustments	匯兌調整	(5,421)	27,051
Acquired on acquisition of subsidiaries (Note 39)	收購附屬公司時購入 (附註39)	-	62,342
Additions	添置	1,697	-
Amortised during the year	年內攤銷	(8,648)	(8,654)
Impairment loss recognised	已確認減值虧損	-	-
Carrying amount at 31 December	於十二月三十一日之賬面值	358,964	371,336
Analysed for reporting purposes as:	就呈報目的分析如下：		
Non-current asset	非流動資產	349,822	362,093
Current asset	流動資產	9,142	9,243
		358,964	371,336



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. PREPAID LEASE PAYMENTS (CONTINUED)

At 31 December 2018, the Group's certain prepaid lease payments with carrying value of approximately HK\$208,166,000 (2017: HK\$221,799,000) have been pledged to various banks to secure the Group's borrowings (Note 41).

Prepaid lease payments for shipbuilding business segment

Application for land use right certificate of the lake located in Xiaochao Lake Ruichang City Jiangxi Province (the "Lake") with aggregate carrying values of approximately HK\$143,766,000 (2017: HK\$149,537,000) was still in progress and the land use right certificate had not been issued to the Group by the relevant government authorities at 31 December 2018. The Lake is amortised over its estimated useful life of 50 years (2017: 50 years) on a straight-line basis.

The Directors are of the opinion that the Group has acquired the beneficial interest of the Lake at the end of the reporting period, and the land use right certificate can be obtained upon the settlement of the purchase consideration.

For the years ended 31 December 2018 and 2017, the Directors, after taking into account the economic condition and industrial development prospect, had considered that the gross operating loss incurred by the shipbuilding segment during both years indicated impairment issue for the Group's prepaid lease payments and therefore conducted an impairment review on the carrying amounts of prepaid lease payments for the shipbuilding segment.

19. 預付租賃款項 (續)

於二零一八年十二月三十一日，本集團賬面值約208,166,000港元（二零一七年：221,799,000港元）之若干預付租賃款項已抵押予若干銀行，以獲取本集團借貸（附註41）。

船舶製造業務分部之預付租賃款項

位於江西省瑞昌市下巢湖（「該湖泊」）總賬面值約143,766,000港元（二零一七年：149,537,000港元）之湖泊之土地使用權證申請仍在辦理中，於二零一八年十二月三十一日，本集團尚未獲有關政府機關發出土地使用權證。該湖泊以直線法按其估計可使用年期50年（二零一七年：50年）攤銷。

董事認為於報告期末本集團已取得該湖泊之實益權益，將能夠於償清購買代價後取得有關土地使用權證。

截至二零一八年及二零一七年十二月三十一日止年度，董事經考慮經濟情況及行業發展前景後，認為於兩個年度內船舶製造分部產生的經營虧損總額顯示本集團之預付租賃款項出現減值問題，因此對船舶製造分部之預付租賃款項之賬面值作出減值檢討。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. PREPAID LEASE PAYMENTS (CONTINUED)

Prepaid lease payments for shipbuilding business segment (Continued)

As at 31 December 2018, an impairment assessment was carried out by the Directors. As a result of the assessment, the Directors considered that no impairment on the prepaid lease payments is required for the year ended 31 December 2018, as their recoverable amounts, were determined by the Directors based on the value-in-use calculations, exceeded their carrying values as at 31 December 2018. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts.

The Directors appointed an independent professional valuer, BMI Appraisals, to perform a valuation on the prepaid lease payments at 31 December 2017. No impairment loss was considered necessary as the recoverable amount based on the valuation report issued by BMI Appraisals, which exceeded the carrying amount of prepaid lease payments as at 31 December 2017. The recoverable amount is calculated by comparison approach assuming sale with the benefit of vacant possession and by making reference to comparable sales evidences as available in the relevant market. Other key assumptions for the prepaid lease payments valuation relate to (i) the property is sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement; (ii) no account has been taken of any option or right of pre-emption concerning or effecting the sale of the property and no forced sale situation in any manner; and (iii) the proper legal title of the property is in possession and the property could be transferred freely in the market at no extra land premium or other onerous payment payable to the government.

19. 預付租賃款項 (續)

船舶製造業務分部之預付租賃款項 (續)

於二零一八年十二月三十一日，董事進行了減值評估。根據評估，董事認為，截至二零一八年十二月三十一日止年度無需對預付租賃款項計提減值，原因是於二零一八年十二月三十一日其可收回金額（由董事基於使用價值計算釐定）超過其賬面值。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。

董事委任獨立專業估值師中和邦盟對於二零一七年十二月三十一日之預付租賃款項進行估值。根據中和邦盟發出的估值報告，預付租賃款項於二零一七年十二月三十一日之可收回金額超過賬面值，故無需作出減值虧損。可收回金額採用比較法計算並假設物業權益交吉出售並參考相關市場可獲得之可比較銷售憑證。預付租賃款項估值之其他主要假設與以下各項有關：(i)物業將在市場出售，並無遞延條款合約、售後租回、合營企業、管理協議或任何其他類似安排之利益；(ii)並無計及與銷售該物業有關或影響該物業銷售之任何優先購買期權或權利，亦無任何形式之迫售情況；及(iii)已取得該物業之適當合法業權及該物業可於市場上毋須按額外地價或應付政府之其他繁重款項自由地轉讓。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. PREPAID LEASE PAYMENTS (CONTINUED)

Prepaid lease payments for steel structure engineering and installation segment

Application for land use right certificates of certain prepaid lease payments for steel structure engineering and installation segment were still in progress and these land use right certificates had not been issued to the Group by the relevant government authorities as at 31 December 2017 and 2018. The prepaid lease payments are amortised over its estimated useful life of 50 years on a straight-line basis.

The Directors are of the opinion that the Group has acquired the beneficial title to those buildings as at 31 December 2018, and the land use right certificates can be obtained in the near future.

For the year ended 31 December 2018, the Directors, after taking into account the economic condition and industrial development prospect, had considered that the gross operating loss incurred by the steel structure engineering and installation segment during the year ended 31 December 2018 indicated impairment issue for the Group's prepaid lease payments and therefore conducted an impairment review on the carrying amounts of prepaid lease payments for the steel structure engineering and installation segment.

As at 31 December 2018, an impairment assessment was carried out by the Directors. As a result of the assessment, the Directors considered that no impairment (2017: No impairment) on the prepaid lease payments is required for the year ended 31 December 2018, as their recoverable amounts, were determined by the Directors based on the value-in-use calculations, exceeded their carrying values as at 31 December 2018. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts.

19. 預付租賃款項 (續)

鋼結構工程及安裝分部之預付租賃款項

鋼結構工程及安裝分部之若干預付租賃款項之土地使用權證申請仍在辦理中，於二零一七年及二零一八年十二月三十一日，本集團尚未獲有關政府機關發出土地使用權證。該預付租賃款項以直線法按其估計可使用年期50年攤銷。

董事認為，本集團於二零一八年十二月三十一日已收購該等樓宇之實益所有權，有關土地使用權證可於不久未來獲得。

截至二零一八年十二月三十一日止年度，董事經考慮經濟情況及行業發展前景後，認為截至二零一八年十二月三十一日止年度內鋼結構工程及安裝分部產生的經營虧損總額顯示本集團之預付租賃款項出現減值問題，因此對鋼結構工程及安裝分部之預付租賃款項之賬面值作出減值檢討。

於二零一八年十二月三十一日，董事進行了減值評估。根據評估，董事認為，截至二零一八年十二月三十一日止年度無需對預付租賃款項計提減值（二零一七年：無減值），原因是於二零一八年十二月三十一日其可收回金額（由董事基於使用價值計算釐定）超過其賬面值。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. PREPAID LEASE PAYMENTS (CONTINUED)

Prepaid lease payments for intelligent car parking and automotive device segment

For the year ended 31 December 2018, the Directors, after taking into account the economic condition and industrial development prospect, had considered that the gross operating loss incurred by the intelligent car parking and automotive device segment during the year ended 31 December 2018 indicated impairment issue for the Group's prepaid lease payments and therefore conducted an impairment review on the carrying amounts of prepaid lease payments for the intelligent car parking and automotive device segment.

As at 31 December 2018, an impairment assessment was carried out by the Directors. As a result of the assessment, the Directors considered that no impairment (2017: No impairment) on the prepaid lease payments is required for the year ended 31 December 2018, as their recoverable amounts, were determined by the Directors based on the value-in-use calculations, exceeded their carrying values as at 31 December 2018. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts.

19. 預付租賃款項 (續)

智慧停車及汽車電子分部之預付租賃款項

截至二零一八年十二月三十一日止年度，董事經考慮經濟情況及行業發展前景後，認為截至二零一八年十二月三十一日止年度內智慧停車及汽車電子分部產生的經營虧損總額顯示本集團之預付租賃款項出現減值問題，因此對智慧停車及汽車電子分部之預付租賃款項之賬面值作出減值檢討。

於二零一八年十二月三十一日，董事進行了減值評估。根據評估，董事認為，截至二零一八年十二月三十一日止年度無需對預付租賃款項計提減值（二零一七年：無減值），原因是於二零一八年十二月三十一日其可收回金額（由董事基於使用價值計算釐定）超過其賬面值。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. GOODWILL

20. 商譽

		HK\$'000 千港元
COST	成本	
At 1 January 2017	於二零一七年一月一日	188,057
Exchange adjustments	匯兌調整	3,678
Acquired on acquisition of subsidiaries (Note 39)	收購附屬公司時購入(附註39)	<u>86,488</u>
At 31 December 2017	於二零一七年十二月三十一日	278,223
Exchange adjustments	匯兌調整	<u>(10,850)</u>
At 31 December 2018	於二零一八年十二月三十一日	<u>267,373</u>
ACCUMULATED IMPAIRMENT	累計減值	
At 1 January 2017	於二零一七年一月一日	64,483
Exchange adjustments	匯兌調整	(9,176)
Impairment loss recognised	已確認減值虧損	<u>40,771</u>
At 31 December 2017	於二零一七年十二月三十一日	96,078
Exchange adjustments	匯兌調整	(1,601)
Impairment loss recognised	已確認減值虧損	<u>69,740</u>
At 31 December 2018	於二零一八年十二月三十一日	<u>164,217</u>
CARRYING VALUES	賬面值	
At 31 December 2018	於二零一八年十二月三十一日	<u>103,156</u>
At 31 December 2017	於二零一七年十二月三十一日	<u>182,145</u>

Particular regarding impairment testing on goodwill are disclosed in Note 40 to the consolidation financial statements.

有關商譽減值測試之詳情披露於綜合財務報表附註40。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. INTANGIBLE ASSETS

21. 無形資產

		Contracted and uncontracted customer relationships (Note (a)) 已訂約及 未訂約之 客戶關係 (附註(a)) HK\$'000 千港元	Licenses (Note (b)) 許可 (附註(b)) HK\$'000 千港元	Patents (Note (c)) 專利 (附註(c)) HK\$'000 千港元	Software 軟件 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本					
At 1 January 2017	於二零一七年一月一日	1,625,149	249,000	-	-	1,874,149
Exchange adjustments	匯兌調整	128,105	(2,224)	2,247	-	128,128
Acquired on acquisition of subsidiaries (Note 39)	收購附屬公司時購入 (附註39)	-	-	36,276	-	36,276
At 31 December 2017	於二零一七年十二月三十一日	1,753,254	246,776	38,523	-	2,038,553
Addition	添置	-	-	-	8	8
Exchange adjustments	匯兌調整	(87,743)	(5,100)	(815)	-	(93,658)
At 31 December 2018	於二零一八年十二月三十一日	1,665,511	241,676	37,708	8	1,944,903
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值					
At 1 January 2017	於二零一七年一月一日	1,625,149	43,160	-	-	1,668,309
Exchange adjustments	匯兌調整	128,105	351	82	-	128,538
Amortisation for the year	年內攤銷	-	39,484	1,887	-	41,371
Impairment loss recognised	已確認減值虧損	-	16,925	-	-	16,925
At 31 December 2017	於二零一七年十二月三十一日	1,753,254	99,920	1,969	-	1,855,143
Exchange adjustments	匯兌調整	(87,743)	(6,200)	(222)	-	(94,165)
Amortisation for the year	年內攤銷	-	37,450	3,601	2	41,053
Impairment loss recognised	已確認減值虧損	-	10,000	16,000	-	26,000
At 31 December 2018	於二零一八年十二月三十一日	1,665,511	141,170	21,348	2	1,828,031
CARRYING VALUES	賬面值					
At 31 December 2018	於二零一八年十二月三十一日	-	100,506	16,360	6	116,872
At 31 December 2017	於二零一七年十二月三十一日	-	146,856	36,554	-	183,410

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. INTANGIBLE ASSETS (CONTINUED)

Notes:

(a) Contracted and uncontracted customer relationships was arising from the acquisition of INPAX Technology Limited and its subsidiaries (collectively known as the "INPAX Group") during the year ended 31 December 2008 and are amortised over its estimated useful life of 10 years on a straight-line basis. The balance had been fully impaired during the year ended 31 December 2010.

(b) Intelligent car parking manufacturing licenses was arising from the acquisition of Success Capture Limited during the year ended 31 December 2015.

Licenses are amortised over its estimated useful life of 6.25 years on a straight-line basis.

(c) A patent represented "a type of trapped-rail running gear" was arising from the acquisition of Nantong Huakai Heavy Industry Company Limited ("Huakai Heavy") during the year ended 31 December 2017 (Note 39).

Patents are amortised over its estimated useful life of 14.67 years on a straight-line basis.

Particular regarding impairment testing on intangible assets are disclosed in Note 40 to the consolidated financial statements.

21. 無形資產 (續)

附註：

(a) 已訂約及未訂約之客戶關係因於截至二零零八年十二月三十一日止年度收購INPAX Technology Limited及其附屬公司(統稱「INPAX集團」)而產生並以其估計可使用年期10年按直線法攤銷。該結餘已於截至二零一零年十二月三十一日止年度悉數減值。

(b) 智能車庫生產許可因於截至二零一五年十二月三十一日止年度收購Success Capture Limited取得。

該等許可以其估計可使用年期6.25年按直線法攤銷。

(c) 專利指於截至二零一七年十二月三十一日止年度收購南通華凱重工有限公司(「華凱重工」)所得的「一種抱執行走裝置」(附註39)。

有關專利以其估計可使用年期14.67年按直線法攤銷。

有關無形資產減值測試之詳情披露於綜合財務報表附註40。

22. INTERESTS IN ASSOCIATES

Details of the Group's interests in associates are as follows:

22. 於聯營公司之權益

本集團於聯營公司之權益詳情如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted cost of investment in associates	於聯營公司之非上市投資成本	225,901	225,901
Share of post-acquisition profits	分佔收購後溢利	(9,961)	25,131
Share of translation reserve of associates	分佔聯營公司之換算儲備	(17,368)	(3,635)
Share of other reserve of associates	分佔聯營公司之其他儲備	2,522	2,522
		201,094	249,919
Amount due from an associate – non-current portion (Note 1)	應收一間聯營公司款項 — 非即期部分(附註1)	5,805	6,110
Amount due from an associate within a year	一年內應收一間聯營公司款項	4,560	4,800
Amounts due to associates within a year	一年內應付聯營公司款項	(16,920)	(15,159)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. INTERESTS IN ASSOCIATES (CONTINUED)

As at 31 December 2018 and 31 December 2017, amounts due from (to) associates are unsecured, interest free and repayable on demand.

Note 1: The balance represented secured deposit for borrowings from associates (Note 32(iv)).

Details of the Group's material associates at the end of the reporting period are as follow:

22. 於聯營公司之權益 (續)

於二零一八年十二月三十一日及二零一七年十二月三十一日，應收(付)聯營公司款項為無抵押、免息及須按要求償還。

附註1：該結餘指來自聯營公司借貸之已抵押存款(附註32(iv))。

本集團主要聯營公司於報告期末之詳情如下：

Name of entities 實體名稱	Place of incorporation/ Principal place of operation 註冊成立地點/ 主要營運地點	Proportion of ownership interests/ Group's effective interest held by the Group 本集團所持所有 權益/本集團實際權益 比例		Proportion of voting rights held by the Group 本集團所持 投票權比例		Principal activities 主營業務
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Zhejiang Ocean Leasing Company Limited ("Zhejiang Ocean") 浙江海洋租賃股份有限公司(「浙江海洋」)	PRC/PRC 中國/中國	20%	20%	20%	20%	Finance leasing business 融資租賃業務
Zhoushan Ocean Leasing Company Limited ("Zhoushan Ocean")# 舟山海洋租賃有限責任公司 (「舟山海洋」)#	PRC/PRC 中國/中國	20%	20%	20%	20%	Finance leasing business 融資租賃業務
Zhoushan Fishing Development Services Company Limited ("Zhoushan Fishing")* 舟山遠洋漁業發展服務有限公司 (「舟山漁業」)*	PRC/PRC 中國/中國	7%	7%	7%	7%	Ocean fishery industry and providing shipyard finance leasing 遠洋捕魚業及提供船廠融資租賃
Zhejiang Ocean Lihe Capital Management Company Limited ("Zhejiang Lihe")* 浙江海洋力合資本管理有限公司 (「浙江力合」)*	PRC/PRC 中國/中國	9%	9%	9%	9%	Asset management business 資產管理業務
Beijing ZhongShou Intelligent Parking Management Company Limited 北京中首智慧停車管理有限公司	PRC/PRC 中國/中國	25.24%	25.24%	25.24%	25.24%	Investment and management of car parks 投資及管理停車場

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. INTERESTS IN ASSOCIATES (CONTINUED)

22. 於聯營公司之權益 (續)

Name of entities 實體名稱	Place of incorporation/ Principal place of operation 註冊成立地點/ 主要營運地點	Proportion of ownership interests/ Group's effective interest held by the Group 本集團所持所有 權益/本集團實際權益 比例		Proportion of voting rights held by the Group 本集團所持 投票權比例		Principal activities 主營業務
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Qiandao Financial Leasing Company Limited ("Qiandao Financial Leasing") (Note c) 浙江千島融資租賃有限公司 (「千島融資租賃」) (附註c)	PRC/PRC 中國/中國	–	–	–	–	– Finance leasing business 融資租賃業務
Nantong Xiangyu Ocean Equipment Company Limited ("Nantong Xiangyu") (Note b) 南通象嶼海洋裝備有限責任公司 (「南通象嶼」) (附註b)	PRC/PRC 中國/中國	24%	24%	27% (Note b) (附註b)	27% (Note b) (附註b)	Shipbuilding, shipping logistics, leasing of ports, shipbuilding financial leasing 造船、船務物流、租賃港口、造船 融資租賃
China Ocean Intelligent Equipment Manufacturing (Shenzhen) Company Limited ("China Ocean Intelligent Equipment") (Notes a & d) 中海智能裝備製造(深圳)有限公司 (「中海智能裝備」) (附註a及d)	PRC/PRC 中國/中國	40%	40%	20% (Note d) (附註d)	20% (Note d) (附註d)	Research and develop intelligent equipment, automate equipment, industrial robot; import and export business 研發智能設備、自動化設備、工業 機器人；進出口業務
Jiangxi Yihangcheng Port Logistics Company Limited ("Jiangxi Yihang") (Note a) 江西億航程港口物流有限公司 (「江西億航」) (附註a)	PRC/PRC 中國/中國	36%	36%	36%	36%	Port logistics business 港口物流業務
JiuJiang BaoPu Assets Management Company Limited ("JiuJiang BaoPu") (Note a) 九江抱樸資產管理有限公司 (「九江抱樸」) (附註a)	PRC/PRC 中國/中國	20%	20%	20%	20%	Asset management business 資產管理業務
Zhoushan Sea Rent New Energy Company Limited ("Zhoushan Sea Rent")# (Note a) 舟山海租新能源有限公司 (「舟山海租」) (附註a)	PRC/PRC 中國/中國	20%	20%	20%	20%	Technology invention of new types of energy business 新能源技術開發業務

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. INTERESTS IN ASSOCIATES (CONTINUED)

* Zhoushan Fishing and Zhejiang Lihe are associates of Zhejiang Ocean

Zhoushan Ocean and Zhoushan Sea Rent are wholly-owned subsidiaries of Zhejiang Ocean

Notes:

(a) Those associates were newly incorporated/acquired during the year ended 31 December 2017.

(b) According to the shareholder agreement of Nantong Xiangyu, China Ocean Industry (Shenzhen) Company Limited, an indirect wholly owned subsidiary of the Company, has 27% proportion of voting rights of Nantong Xiangyu.

(c) In January 2017, Merge Limited, the wholly-owned subsidiary of the Company, has disposed of its 25% equity interest in Qiandao Financial Leasing to an independent third party at a consideration of approximately HK\$29,118,000. The consideration was settled by offsetting the other borrowing from that independent third party to the Group. (Note 49(iii)).

The disposal of Qiandao Financial Leasing is accounted for as a disposal of an associate, and resulted in a loss of approximately HK\$1,215,000 in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2017, calculated as follows:

		HK\$'000 千港元
Fair value of consideration received	已收代價之公平值	29,118
Less: Carrying amount of 25% equity interest of Qiandao Financial Leasing	減：千島融資租賃25%權益的賬面值	(30,333)
Loss recognised	已確認虧損	(1,215)

(d) According to the shareholder agreement of China Ocean Intelligent Equipment, China Ocean Industry (Shenzhen) Company Limited, an indirect wholly-owned subsidiary of the Company, has 20% proportion of voting rights of China Ocean Intelligent Equipment.

22. 於聯營公司之權益 (續)

* 舟山漁業及浙江力合為浙江海洋之聯營公司

舟山海洋及舟山海租為浙江海洋之全資附屬公司

附註：

(a) 該等聯營公司於截至二零一七年十二月三十一日止年度新註冊成立/收購。

(b) 根據南通象嶼之股東協議，本公司之間接全資附屬公司中海重工（深圳）有限公司享有南通象嶼27%之投票權益。

(c) 於二零一七年一月，本公司全資附屬公司聚合有限公司向一名獨立第三方出售其於千島融資租賃25%的股權，代價約為29,118,000港元。該代價已透過與該獨立第三方授予本集團的其他借貸相抵而結清（附註49(iii)）。

出售千島融資租賃事項列作出售一間聯營公司，導致截至二零一七年十二月三十一日止年度於綜合損益及其他全面收益表確認虧損約1,215,000港元，計算如下：

(d) 根據中海智能裝備之股東協議，本公司間接全資附屬公司中海重工（深圳）有限公司享有中海智能裝備20%之投票權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of associates

Summarised financial information in respect of the Group's material associates are set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

Set out below is the summarised financial information for associates which is accounted for using the equity method.

22. 於聯營公司之權益 (續)

聯營公司之財務資料概要

本集團主要聯營公司之財務資料概要載於下文。下文載列之財務資料概要指根據香港財務報告準則編製的聯營公司之財務報表中列示金額。

使用權益法入賬之聯營公司財務資料概要載於下文。

		Nantong Xiangyu 南通象嶼		Consolidated Zhejiang Ocean 綜合浙江海洋	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	1,363,947	274,369	655,832	1,693,329
Non-current assets	非流動資產	778,063	683,709	3,400,738	2,317,917
Current liabilities	流動負債	(1,905,882)	(662,012)	(2,182,698)	(1,843,457)
Non-current liabilities	非流動負債	(202,159)	(120,000)	(1,020,009)	(1,291,941)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of associates (Continued)

22. 於聯營公司之權益 (續)

聯營公司之財務資料概要 (續)

		Nantong Xiangyu 南通象嶼		Consolidated Zhejiang Ocean 綜合浙江海洋	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	1,119,940	331,340	241,651	236,273
(Loss) profit for the year	年內(虧損)溢利	(137,971)	(61,270)	22,572	93,724
Other comprehensive (expenses) income for the year	年內其他全面(開支) 收益	(4,125)	(2,664)	(53,180)	10,718
Total comprehensive (expenses) income for the year	年內全面(開支) 收益總額	(142,096)	(63,934)	(30,608)	104,442
Dividends received from associates during the year	年內已收聯營公司之 股息	-	-	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of associates (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in associates recognised in the financial statements:

22. 於聯營公司之權益 (續)

聯營公司之財務資料概要 (續)

上述財務資料概要與於財務報表確認之於聯營公司之權益之賬面值對賬：

		Nantong Xiangyu 南通象嶼		Consolidated Zhejiang Ocean 綜合浙江海洋	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net assets	資產淨值	33,969	176,066	853,863	875,848
Unpaid registered capital	未繳註冊資本	—	—	152,455	160,479
		33,969	176,066	1,006,318	1,036,327
Proportion of the Group's ownership interest	本集團之所有權權益比例	24%	24%	20%	20%
Unpaid registered capital by the Group	本集團未繳註冊資本	—	—	(46,980)	(46,860)
Exchange adjustments	匯兌調整	—	—	13	13
Goodwill	商譽	—	—	640	640
Carrying amount of the Group's interest	本集團權益之賬面值	8,152	42,256	154,937	161,058

During the year ended 31 December 2018, Merge Limited, the wholly-owned subsidiary of the Company, had unpaid registered capital of USD6 million (2017: USD6 million) to Zhejiang Ocean.

截至二零一八年十二月三十一日止年度，本公司之全資附屬公司聚合有限公司有未繳付予浙江海洋之註冊資本6,000,000美元（二零一七年：6,000,000美元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. INTERESTS IN ASSOCIATES (CONTINUED)

22. 於聯營公司之權益 (續)

Aggregate information of associates that are not individually material

個別非主要聯營公司之匯總資料

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
The Group's share of loss	本集團分佔虧損	<u>(6,493)</u>	<u>(2,348)</u>
The Group's share of other comprehensive income (expenses)	本集團分佔其他全面收益 (開支)	<u>(2,107)</u>	<u>1,605</u>
The Group's share of total comprehensive (expenses) income	本集團分佔全面 (開支) 收益總額	<u>(8,600)</u>	<u>(743)</u>
Aggregate carrying amount of the Group's interests in these associates	本集團於該等聯營公司之權益之總賬面值	<u>38,005</u>	<u>46,605</u>

23. INTERESTS IN JOINT VENTURES

23. 於合營企業之權益

Details of the Group's interests in joint ventures are as follows:

本集團於合營企業之權益詳情如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted cost of investments in joint ventures	於合營企業投資之非上市成本	502,578	502,578
Share of post-acquisition profits, net of dividends received	分佔收購後溢利，扣除已收股息	(472,170)	(18)
Share of translation reserve of joint ventures	分佔合營企業之換算儲備	<u>(24,877)</u>	<u>(16,580)</u>
		<u>5,531</u>	<u>485,980</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (CONTINUED)

23. 於合營企業之權益 (續)

Details of each of the Group's joint ventures at the end of the reporting period are as follow:

本集團各合營企業於報告期末之詳情如下：

Name of entities 實體名稱	Place of incorporation/ Principal place of operation 註冊成立地點/ 主要營運地點	Proportion of ownership interests/ Group's effective interest held by the Group 本集團所持所有 權權益/本集團實際權益比例		Proportion of voting rights held by the Group 本集團所持 投票權比例		Principal activities 主營業務
		2018	2017	2018	2017	
		二零一八年	二零一七年	二零一八年	二零一七年	
Zhoushan Investment Fund (Note a) 舟山投資企業 (附註a)	PRC/PRC 中國/中國	78.74%	78.74%	33.33%	33.33%	Equity investment using its own capital fund and provision of management consultancy services and consultancy services for setting up enterprises 利用其自有資本資金進行股權投資及提供管理諮詢服務以及就成立公司提供諮詢服務
Jiangxi Yan Jiang Industrial Development Venture Investment Enterprise ("Jiangxi Yan Jiang") (Note b) 江西沿江產業發展創業投資企業 (「江西沿江」) (附註b)	PRC/PRC 中國/中國	20.79%	20.79%	40%	40%	Equity investment using its own capital fund and provision of management consultancy services and consultancy services for setting up enterprises 利用其自有資本資金進行股權投資及提供管理諮詢服務以及就成立公司提供諮詢服務

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (CONTINUED)

Notes:

- (a) Pursuant to a joint venture agreement entered into between an indirect wholly-owned subsidiary of the Company and two joint venture partners on 6 August 2014 in relation to the establishment of a joint venture company, Zhoushan Investment Fund, the Group contributed RMB400 million to Zhoushan Investment Fund, which represented 78.74% of the equity interests in Zhoushan Investment Fund. Under the joint venture agreement, all acquisitions and disposals of significant investments of Zhoushan Investment Fund require the consent and approval from all joint venture parties. The Directors are of the opinion that Zhoushan Investment Fund is therefore classified as joint venture of the Group.
- (b) Pursuant to a joint venture agreement entered into between two indirect non-wholly subsidiaries of the Company and one joint venture partner on 18 March 2016 in relation to the formation of a joint venture company, Jiangxi Yan Jiang. Under the joint venture agreement, all acquisitions and disposals of significant investments of Jiangxi Yan Jiang require the consent and approval from all joint venture parties. The Directors are of the opinion that Jiangxi Yan Jiang is therefore classified as joint venture of the Group.

Summarised financial information of joint ventures

The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with HKFRSs.

23. 於合營企業之權益 (續)

附註：

- (a) 根據本公司一間間接全資附屬公司與兩名合營夥伴於二零一四年八月六日就成立合營企業舟山投資企業訂立之合營協議，本集團向舟山投資企業注資人民幣400,000,000元，佔舟山投資企業之78.74%股權。根據合營協議，舟山投資企業之所有重大投資收購及出售均須獲所有合營方之同意及批准。董事認為，舟山投資企業因此而分類為本集團之合營企業。
- (b) 根據本公司兩間間接非全資附屬公司及一名合營夥伴於二零一六年三月十八日就設立一間合營企業江西沿江訂立之合營協議。根據合營協議，江西沿江之所有重大投資收購及出售均須獲所有合營方之同意及批准。董事認為，江西沿江因此而分類為本集團之合營企業。

合營企業之財務資料概要

下文載列之財務資料概要指根據香港財務報告準則編製之合營企業財務報表所示金額。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (CONTINUED)

23. 於合營企業之權益 (續)

Summarised financial information of joint ventures (Continued)

Set out below is the summarised financial information for joint ventures which is accounted for using the equity method.

合營企業之財務資料概要 (續)

下文載列按權益法入賬之合營企業之財務資料概要。

		Zhoushan Investment Fund 舟山投資企業		Jiangxi Yan Jiang 江西沿江	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	3,643	93,755	5	243
Non-current assets	非流動資產	-	600,000	49,020	51,600
Current liabilities	流動負債	(3,771)	(84,155)	-	-
Non-current liabilities	非流動負債	-	-	-	-
The above amounts of assets and liabilities include the following:	上述資產及負債金額包括下列各項：				
Cash and cash equivalents	現金及現金等價物	1,978	2,231	5	243
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債 (不包括貿易及其他應付款項及撥備)	-	(178)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動金融負債 (不包括貿易及其他應付款項及撥備)	-	-	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information of joint ventures (Continued)

23. 於合營企業之權益 (續)

合營企業之財務資料概要 (續)

		Zhoushan Investment Fund 舟山投資企業		Jiangxi Yan Jiang 江西沿江	
		Year ended 31 December 截至十二月三十一日止年度			
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	-	-	-	-
(Loss) profit for the year	年內(虧損)溢利	(599,572)	453	(233)	3
Other comprehensive (expenses) income for the year	年內其他全面(開支)收益	(10,156)	13,602	(1,933)	27,359
Total comprehensive (expenses) income for the year	年內全面(開支)收益總額	(609,728)	14,055	(2,166)	27,362
Dividends receivable from the joint venture during the year	年內應收合營企業之股息	-	58,236	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information of joint ventures (Continued)

The above (loss) profit for the year includes the following:

23. 於合營企業之權益 (續)

合營企業之財務資料概要 (續)

上述年內(虧損)溢利包括以下各項:

		Zhoushan Investment Fund 舟山投資企業		Jiangxi Yan Jiang 江西沿江	
		Year ended 31 December 截至十二月三十一日止年度			
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	-	-	-	-
Interest income	利息收入	53,285	6	115	6
Interest expense	利息開支	-	-	-	-
Income tax expense	所得稅開支	-	-	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information of joint ventures (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in joint ventures recognised in the financial statements:

23. 於合營企業之權益 (續)

合營企業之財務資料概要 (續)

上述財務資料概要與於財務報表確認之於合營企業權益的賬面值對賬：

		Zhoushan Investment Fund 舟山投資企業		Jiangxi Yan Jiang 江西沿江	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net (liabilities) assets	(負債淨額) 資產淨值	(128)	609,600	49,025	51,843
Unpaid registered capital	未繳註冊資本	—	—	525,861	554,064
Net assets attributable to owners	擁有人應佔之 資產淨值	—	609,600	574,886	605,907
Proportion of the Group's ownership interest	本集團之所有權權益 比例	78.74%	78.74%	20.79%	20.79%
Unpaid registered capital by the Group (Note a)	本集團未繳註冊資本 (附註a)	—	—	(114,000)	(120,000)
Carrying amount of the Group's interest	本集團權益之賬面值	—	479,999	5,531	5,981

Notes:

(a) During the year ended 31 December 2018, the Group had unpaid registered capital of RMB104,720,000 (2017: RMB104,720,000) to Jiangxi Yan Jiang.

附註：

(a) 截至二零一八年十二月三十一日止年度，本集團有未繳付予江西沿江之註冊資本人民幣104,720,000元（二零一七年：人民幣104,720,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. INVENTORIES

24. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Raw materials	原材料	90,512	54,075
Work in progress	在製品	215,921	40,670
Finished goods	製成品	20,740	40,243
		327,173	134,988

Note:

At 31 December 2017, finished goods of inventories of approximately HK\$8,904,000 have been pledged to a financial institution in the PRC to secure the Group's borrowing (Note 41).

According to the arbitral awards dated 27 December 2018 ("Arbitral Awards") issued by the London Maritime Arbitrators Association ("Arbitrators Association"), the Arbitration Association has made awards in favor of the customer under the relevant shipbuilding contracts in relation to the four vessels ("Shipbuilding Contracts"), the Shipbuilding Contracts had been rescinded and the cost of sales incurred in relation to the four vessels of approximately HK\$1,012,678,000 had been reversed during the year ended 31 December 2018. The cost incurred previously in relation to the four vessels had been recognised as inventories of the Group of approximately HK\$213,519,000, net of written down of inventories of approximately HK\$799,159,000 as at 31 December 2018.

附註:

於二零一七年十二月三十一日，約8,904,000港元之存貨成品已抵押予一間中國金融機構，以獲取本集團借貸（附註41）。

根據由倫敦海事仲裁員協會（「仲裁員協會」）頒佈日期為二零一八年十二月二十七日之仲裁裁決（「仲裁裁決」），仲裁員協會根據有關四艘船舶之相關造船合約（「造船合約」）已判該客戶勝訴，造船合約已撤銷及就四艘船舶產生的銷售成本約1,012,678,000港元已於截至二零一八年十二月三十一日止年度被撥回。於二零一八年十二月三十一日，先前就四艘船舶產生的成本已確認為本集團存貨約213,519,000港元，已扣除存貨撇減約799,159,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. TRADE AND BILLS RECEIVABLES/ DEPOSITS/OTHER RECEIVABLES/ PREPAYMENT

25. 貿易應收款項及應收票據／按 金／其他應收款項／預付款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables – non-current portion	貿易應收款項－非流動部份	–	1,391
Trade receivables – current portion	貿易應收款項－流動部份	186,407	215,147
Bills receivables	應收票據	–	1,214
Less: Allowance for credit losses	減：信貸虧損撥備	(4,135)	(4,135)
Trade and bills receivables – current portion	貿易應收款項及應收票據 －流動部份	182,272	212,226
Total trade and bills receivables, net of allowance for credit losses (Note a)	貿易應收款項及應收票據 總額（扣除信貸虧損撥備） （附註a）	182,272	213,617
Other receivables (Note b)	其他應收款項（附註b）	521,723	280,047
Value-added tax recoverable	可收回增值稅項	72,535	139,633
Amounts due from the former shareholders of a subsidiary (Note c)	應收一間附屬公司 前任股東之款項（附註c）	270,935	264,102
Deposit paid for the construction	已付建造按金	19,380	22,581
Deposits placed to agents and a stakeholder (Note d)	向代理及一名利益 相關方存款（附註d）	7,584	26,330
		892,157	732,693
Less: Allowance for credit losses	減：信貸虧損撥備	(143,690)	(23,690)
Other receivables, net of allowance for credit losses	其他應收款項 （扣除信貸虧損撥備）	748,467	709,003
Prepayment (Note e)	預付款項（附註e）	191,751	271,458

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. TRADE AND BILLS RECEIVABLES/ DEPOSITS/OTHER RECEIVABLES/ PREPAYMENT (CONTINUED)

Notes:

- (a) At 31 December 2018 and 31 December 2017, the Group's trade receivables include (1) trade receivables from factoring services with one year credit period; (2) trade receivables from intelligent car parking and automotive device business with average 90 days credit period; and (3) retention receivables for intelligent car parking with range from one to two years under the respective terms of contract; and (4) trade receivables from steel structure engineering and installation with 30 days credit period.

At 31 December 2018, trade receivables are non-interest bearing, except for trade receivables from factoring services with aggregated amount of HK\$4,184,000 (2017: HK\$4,920,000) which bear interest rate of 12% (2017: 12%) per annum.

The following is an aged analysis of trade and bills receivables, net of allowance for credit losses, presented based on contract date/delivery date at the end of the reporting periods:

0-90 days	0-90天
More than 90 days but not exceeding one year	超過90天但不超過一年
In more than one year	超過一年

At 31 December 2018 and 31 December 2017, the aging analysis of trade and bills receivables that was past due but not impaired are as follows:

	Total	Neither past due nor impaired 既未逾期亦未減值	Past due but not impaired 已逾期但未減值			
			1-30 days 1至30日	31-60 days 31至60日	61-90 days 61至90日	More than 90 days 90日以上
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2017	213,617	172,229	855	11,926	15,958	12,649
於二零一七年十二月三十一日						

25. 貿易應收款項及應收票據／按金／其他應收款項／預付款項 (續)

附註：

- (a) 於二零一八年十二月三十一日及二零一七年十二月三十一日，本集團之貿易應收款項包括(1)來自保理服務之貿易應收款項(信貸期為一年)；(2)有關智慧停車及汽車電子業務之貿易應收款項(平均信貸期為90天)；及(3)有關智慧停車的應收保留金(根據相關合約條款為期一到兩年)；及(4)鋼結構工程及安裝之貿易應收款項(信貸期為30天)。

於二零一八年十二月三十一日，貿易應收款項為不計息，惟來自保理服務之貿易應收款項共計4,184,000港元(二零一七年：4,920,000港元)按年利率12%(二零一七年：12%)計息。

下列為根據合約日期／交付日期呈列貿易應收款項及應收票據(扣除信貸虧損撥備)於報告期末之賬齡分析：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
42,205	156,508
34,572	42,227
105,495	14,882
182,272	213,617

於二零一八年十二月三十一日及二零一七年十二月三十一日，已逾期但未減值之貿易應收款項及應收票據之賬齡分析如下：

Past due but not impaired
已逾期但未減值

	Total	Neither past due nor impaired 既未逾期亦未減值	Past due but not impaired 已逾期但未減值			
			1-30 days 1至30日	31-60 days 31至60日	61-90 days 61至90日	More than 90 days 90日以上
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2017	213,617	172,229	855	11,926	15,958	12,649
於二零一七年十二月三十一日						

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. TRADE AND BILLS RECEIVABLES/ DEPOSITS/OTHER RECEIVABLES/ PREPAYMENT (CONTINUED)

Notes: (Continued)

- (a) The Directors considered no impairment loss was recognised on trade and bills receivables that were past due as at 31 December 2018 and 31 December 2017. The Group did not hold any collateral over these balances.

Movement in the allowance for credit losses for trade and bills receivables:

At 1 January	於一月一日
Acquisition on subsidiaries	收購附屬公司
Reversal of impairment loss	撥回減值虧損
Exchange adjustments	匯兌調整
At 31 December	於十二月三十一日

At the end of the reporting period, the Group's trade receivables were individually determined to be impaired.

25. 貿易應收款項及應收票據／按 金／其他應收款項／預付款項 (續)

附註：(續)

- (a) 董事認為於二零一八年十二月三十一日及二零一七年十二月三十一日已逾期之貿易應收款項及應收票據無須確認減值虧損。本集團並無就該等結餘持有任何抵押品。

貿易應收款項及應收票據信貸虧損撥備之變動：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
4,135	801
-	3,207
-	(77)
-	204
4,135	4,135

於報告期末，本集團之貿易應收款項獲個別釐定為減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. TRADE AND BILLS RECEIVABLES/ DEPOSITS/OTHER RECEIVABLES/ PREPAYMENT (CONTINUED)

Notes: (Continued)

(b) At 31 December 2018, other receivables mainly represents:

- (i) At 31 December 2018, the amount mainly represents the non-refundable deposit paid to a property developer for acquisition of certain carparks for re-sales purpose of approximately HK\$68,400,000 (2017: HK\$66,600,000) (RMB60,000,000) which located in the PRC with the total consideration of approximately HK\$149,511,000 (2017: HK\$145,577,000) (RMB131,150,000).
- (ii) As at 31 December 2017, dividend receivables of approximately HK\$60,083,000 (approximately RMB50,069,000) was attributed from Zhoushan Investment Fund. The balance has been off-set with the payable to Zhoushan Investment Fund during the year ended 31 December 2018.
- (iii) Movement in the allowance for credit losses for other receivables:

25. 貿易應收款項及應收票據／按 金／其他應收款項／預付款項 (續)

附註：(續)

(b) 於二零一八年十二月三十一日，其他應收款項主要指：

- (i) 於二零一八年十二月三十一日，該金額主要指就以總代價約149,511,000港元（二零一七年：145,577,000港元）（人民幣131,150,000元）收購位於中國之若干用作轉售的停車位已付一名物業開發商之不可退還按金約68,400,000港元（二零一七年：66,600,000港元）（人民幣60,000,000元）。
- (ii) 於二零一七年十二月三十一日，應收股息約60,083,000港元（約人民幣50,069,000元）來自舟山投資企業。於截至二零一八年十二月三十一日止年度，該結餘已與應付舟山投資企業款項抵銷。
- (iii) 其他應收款項之信貸虧損撥備變動：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	23,690	15,622
Exchange adjustments	匯兌調整	-	1,697
Acquisition on subsidiaries	收購附屬公司	-	6,371
Impairment loss recognised	已確認減值虧損	120,000	-
At 31 December	於十二月三十一日	143,690	23,690

(c) As at 31 December 2018, approximately HK\$229,527,000 (2017: HK\$217,800,000) included in the amounts due from the former shareholders of a subsidiary of approximately HK\$270,935,000 (2017: HK\$264,100,000) represented the amount under the counter guarantee which were to be provided by the Vendors of Huakai Heavy in favour of the Group under the Acquisition to indemnify the Group for all losses arising from the corporate guarantee referred to in Note 45 to the consolidated financial statements.

(c) 於二零一八年十二月三十一日，應收一間附屬公司前任股東之款項約270,935,000港元（二零一七年：264,100,000港元）中有約229,527,000港元（二零一七年：217,800,000港元）為華凱重工賣方就收購事項以本集團為受益人提供的反擔保的相關款項，以彌償本集團就綜合財務報表附註45所述公司擔保所產生的所有虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. TRADE AND BILLS RECEIVABLES/ DEPOSITS/OTHER RECEIVABLES/ PREPAYMENT (CONTINUED)

Notes: (Continued)

- (d) During the year ended 31 December 2018, certain vessel buyers have made progress payments for shipbuilding contracts to three agents and one stakeholder (2017: three agents and one stakeholder) rather than directly to the Group. The Group has the entitlement to these progress payments in accordance with the contracts but the balances are in custody of the agents/stakeholder to ensure the progress payments are used to pay for the costs to relevant shipbuilding contracts. The progress payments held in custody will be paid over to the Group based on the shipbuilding progress.
- (e) Prepayment represents amount paid for purchase of raw materials, steel plates and vessel components for shipbuilding, intelligent car parking and automotive device and steel structure at 31 December 2018 and 31 December 2017.

Included in trade and bills receivables, deposits, other receivables and prepayment are the following amounts denominated in currencies other than the functional currency of the Group:

25. 貿易應收款項及應收票據／按金／其他應收款項／預付款項 (續)

附註：(續)

- (d) 截至二零一八年十二月三十一日止年度，若干船舶買家已向三名代理及一名利益相關者（二零一七年：三名代理及一名利益相關者）而非直接向本集團支付有關造船合約之進度款項。本集團有權根據合約收取該等進度款項，惟餘額乃由代理／利益相關者託管，以確保該等進度款項用於支付相關造船合約產生的成本。受託管的進度款項將根據造船進度支付予本集團。
- (e) 預付款項指於二零一八年十二月三十一日及二零一七年十二月三十一日購買造船、智慧停車及汽車電子以及鋼結構之原材料、鋼板及船舶部件所支付之金額。

貿易應收款項及應收票據、按金、其他應收款項及預付款項包括下列以本集團功能貨幣以外貨幣計值之款項：

		2018 二零一八年 '000 千元	2017 二零一七年 '000 千元
USD	美元	9,651	24,483
EUR	歐元	-	18,570



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

26. INVESTMENTS HELD FOR TRADING

Financial assets mandatorily measured at fair value through profit or loss:

26. 持作買賣之投資

強制性按公平值計入損益計量之財務資產：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Listed securities:	上市證券：		
Equity securities listed in Hong Kong	於香港上市之股本證券	32	54

27. FINANCE LEASE RECEIVABLES

Finance lease receivables within one year	一年內應收融資租賃款項	4,758	10,570
Less: Unearned finance income	減：未賺取融資收入	(771)	(925)
Present value of minimum lease payment receivables	應收最低租賃款項現值	3,987	9,645
Less: Allowance for credit losses	減：信貸虧損撥備	(292)	(292)
		3,695	9,353

27. 應收融資租賃款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Finance lease receivables within one year	一年內應收融資租賃款項	4,758	10,570
Less: Unearned finance income	減：未賺取融資收入	(771)	(925)
Present value of minimum lease payment receivables	應收最低租賃款項現值	3,987	9,645
Less: Allowance for credit losses	減：信貸虧損撥備	(292)	(292)
		3,695	9,353

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Allowance for credit losses	信貸虧損撥備		
At the beginning of year	於年初	292	270
Exchange adjustments	匯兌調整	-	22
At the end of year	於年末	292	292

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

27. FINANCE LEASE RECEIVABLES (CONTINUED)

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements of the Group that need to be recorded as at the end of the reporting period.

The finance lease receivables bear interest rate at 7.6% (2017: 7.6%) per annum.

28. PLEDGED BANK DEPOSITS AND RESTRICTED CASH/BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 0.35% (2017: from 0.01% to 0.35%) per annum.

During the year ended 31 December 2018, the pledged bank deposits carry fixed interest rate ranging from 0.01% to 0.35% (2017: 0.01% - 0.35%) per annum and were pledged to a bank to secure the Group's borrowings (Note 41).

Included in the pledged bank deposits and restricted cash and bank balances and cash are the following amounts denominated in currencies other than the functional currency of the Group:

27. 應收融資租賃款項 (續)

概無有關本集團融資租賃安排或或然租賃安排的未擔保剩餘價值須於報告期末入賬。

應收融資租賃款項按年利率7.6% (二零一七年: 7.6%) 計息。

28. 已抵押銀行存款及受限制 現金／銀行結餘及現金

銀行結餘按市場利率每年0.01%至0.35% (二零一七年: 0.01%至0.35%) 計息。

截至二零一八年十二月三十一日止年度，已抵押銀行存款按固定利率每年0.01%至0.35% (二零一七年: 0.01%至0.35%) 計息並抵押予銀行作為本集團借貸的擔保 (附註41)。

已抵押銀行存款及受限制現金以及銀行結餘及現金包含下列以本集團功能貨幣以外貨幣計值之款項：

		2018 二零一八年 '000 千元	2017 二零一七年 '000 千元
HKD	港元	1,107	1,194
USD	美元	23	23
EUR	歐元	1	1

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

28. PLEDGED BANK DEPOSITS AND RESTRICTED CASH/BANK BALANCES AND CASH (CONTINUED)

Included in the pledged bank deposits and restricted cash and bank balances and cash are the following amounts which are subject to foreign exchange control regulations or not freely transferable:

28. 已抵押銀行存款及受限制現金／銀行結餘及現金（續）

已抵押銀行存款及受限制現金以及銀行結餘及現金包含下列受外匯管制規例規限或不能自由兌換之款項：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amounts denominated in RMB	以人民幣計值之款項		
– pledged bank deposits	– 已抵押銀行存款	235	248
– restricted cash	– 受限制現金	2,030	–
– bank balances and cash	– 銀行結餘及現金	<u>8,788</u>	<u>13,761</u>
		<u>11,053</u>	<u>14,009</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

29(a). EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

29(a). 按公平值計入其他全面收益之權益工具

		2018 二零一八年 HK\$'000 千港元
Equity securities listed in the PRC	於中國上市之股本證券	<u>23,598</u>

The equity securities are listed in the National Equities Exchange and Quotations in Beijing, the PRC. They are measured at fair value determined with reference to quoted market prices. The Directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run. During the year ended 31 December 2018, no change in fair value on equity instruments at FVOCI was recognised.

該等股本證券於中國北京全國中小企業股份轉讓系統上市。其按經參考市場報價釐定的公平值計量。由於董事認為，於損益確認該等投資之公平值短期波動與本集團持有該等投資作長遠目的及實現其長遠表現潛能的策略不符，因此已選擇於將該等權益工具投資指定為按公平值計入其他全面收益。截至二零一八年十二月三十一日止年度，並無確認按公平值計入其他全面收益之權益工具之公平值變動。

29(b). AVAILABLE-FOR-SALE INVESTMENT

29(b). 可供出售投資

		2017 二零一七年 HK\$'000 千港元
Equity securities listed in the PRC	於中國上市之股本證券	<u>24,840</u>

The equity securities are listed in the National Equities Exchange and Quotations in Beijing, the PRC. They are measured at fair value determined with reference to quoted market prices. During the year ended 31 December 2017, change in fair value of approximately HK\$9,240,000 is recognised in investment revaluation reserve.

該等股本證券於中國北京全國中小企業股份轉讓系統上市。其按經參考市場報價釐定的公平值計量。截至二零一七年十二月三十一日止年度，公平值變動約9,240,000港元已於投資重估儲備中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. TRADE AND OTHER PAYABLES

30. 貿易及其他應付款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Consideration payable for acquisition of property, plant and equipment – non-current portion	收購物業、廠房及設備之應付代價 – 非流動部份	5,070	5,337
Trade payables (Note i)	貿易應付款項 (附註i)	139,291	165,939
Consideration payable for acquisition of prepaid lease payments	收購預付租賃款項之應付代價	42,997	45,260
Payable to guarantors (Note ii)	應付擔保人款項 (附註ii)	708	746
Contribution payables to labour union and education funds	應付工會及教育基金供款	13,565	14,278
Accrual of contractor fees	應計承辦費	37,463	16,204
Accrual of government funds	應計政府基金	2,152	33,466
Other payables and accruals (Note iii)	其他應付款項及應計費用 (附註iii)	1,121,052	539,616
		1,357,228	815,509

Notes:

- (i) The following is an aged analysis of trade payables presented based on invoice date or issue date, respectively, at the end of the reporting periods:

附註:

- (i) 以下為分別根據發票日期或發出日期呈列貿易應付款項於報告期末之賬齡分析:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 30 days	0–30日	6,640	22,843
31 – 60 days	31–60日	16,809	6,173
61 – 90 days	61–90日	1,261	17,304
Over 90 days	超過90日	114,581	119,619
		139,291	165,939

Payment terms are generally 60 to 180 days (2017: 60 to 180 days).

付款期限一般為60至180日 (二零一七年: 60至180日)。

Trade payables are unsecured, non-interest bearing and repayable on demand.

貿易應付款項為無抵押、免息及須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. TRADE AND OTHER PAYABLES

Notes: (Continued)

(i) (Continued)

Included in trade payables is the following amounts denominated in a currency other than the functional currency of the Group:

USD 美元

(ii) The balances represented guarantee fee payable to several guarantors in relation to their guarantee on the banking facilities and borrowings obtained by the Group at 31 December 2018 and 31 December 2017.

(iii) Material balances included in other payables and accruals are as follow:

(a) The Group has accrued the land use tax of approximately HK\$41,993,000 (equivalent to RMB36,836,000) at 31 December 2018 (2017: approximately HK\$44,204,000 (equivalent to RMB36,836,000)).

(b) The Group has accrued salaries of approximately HK\$62,302,000 (equivalent to RMB54,651,000) at 31 December 2018 (2017: approximately HK\$70,819,000 (equivalent to RMB59,016,000)).

(c) The Group has accrued the social security fund for its employees of approximately HK\$47,289,000 (equivalent to RMB41,482,000) at 31 December 2018 (2017: approximately HK\$49,002,000 (equivalent to RMB40,835,000)). Pursuant to a repayment agreement signed between Jiangxi Shipbuilding, a wholly-owned subsidiary of the Company and the relevant government authority on 26 January 2015, the amounts of accrued social security fund should be repaid before December 2019.

(d) As at 31 December 2018, included in other payables and accruals of approximately HK\$52,000,000 (2017: HK\$52,000,000) and HK\$45,000,000 (2017: HK\$45,000,000) respectively represented the outstanding principal amount of 2017 Convertible Notes I and 2017 Convertible Notes II where were matured and redeemed by the Company in 2017.

30. 貿易及其他應付款項 (續)

附註: (續)

(i) (續)

貿易應付款項包含下列以本集團功能貨幣以外貨幣計值之款項:

	2018 二零一八年 '000 千元	2017 二零一七年 '000 千元
USD 美元	<u>2,271</u>	<u>2,271</u>

(ii) 該等結餘指於二零一八年十二月三十一日及二零一七年十二月三十一日就若干擔保人為本集團所取得銀行融資及借貸提供之擔保而應付彼等之擔保費用。

(iii) 其他應付款項及應計費用中包含之重大結餘如下:

(a) 於二零一八年十二月三十一日,本集團有應計土地使用稅約41,993,000港元(相當於人民幣36,836,000元)(二零一七年:約44,204,000港元(相當於人民幣36,836,000元))。

(b) 於二零一八年十二月三十一日,本集團有應計薪金約62,302,000港元(相當於人民幣54,651,000元)(二零一七年:約70,819,000港元(相當於人民幣59,016,000元))。

(c) 於二零一八年十二月三十一日,本集團有應計僱員社保基金約47,289,000港元(相當於人民幣41,482,000元)(二零一七年:約49,002,000港元(相當於人民幣40,835,000元))。根據本公司全資附屬公司江西造船與相關政府部門於二零一五年一月二十六日簽訂之還款協議,該等應計社保基金款項須於二零一九年十二月前償還。

(d) 於二零一八年十二月三十一日,其他應付款項及應計費用中約52,000,000港元(二零一七年:52,000,000港元)及45,000,000港元(二零一七年:45,000,000港元)分別指二零一七年可換股票據I及二零一七年可換股票據II尚未償還本金額,該等款項已到期並由本公司於二零一七年贖回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. TRADE AND OTHER PAYABLES (CONTINUED)

Notes: (Continued)

(iii) (Continued)

- (e) As at 31 December 2018, included in other payables and accruals of approximately HK\$170,552,000 represents the amount payable to the Vendor of Huakai Heavy in relation to the contingent consideration and the balance was reclassified from Contingent Consideration Payable (Note 38). The amount was unsecured, interest free and repayable on demand.
- (f) As at 31 December 2018, included in other payables and accruals of approximately HK\$229,527,000 (equivalent to approximately RMB201,340,000) represents the payment obligation on the corporate guarantee granted to Huatai Heavy Industry Limited pursuant to the arbitral award and the balance was reclassified from Provision for Financial Guarantee (Note 45).

30. 貿易及其他應付款項 (續)

附註：(續)

(iii) (續)

- (e) 於二零一八年十二月三十一日，其他應付款項及應計費用中有約170,552,000港元為就或然代價應付華凱重工賣方之款項，該項結餘已從應付或然代價（附註38）重新分類。該款項為無抵押、免息及須按要求償還。
- (f) 於二零一八年十二月三十一日，其他應付款項及應計費用中有約229,527,000港元（相當於約人民幣201,340,000元）為根據仲裁裁決就給予華泰重工有限公司之公司擔保之付款責任，該項結餘已從財務擔保撥備（附註45）重新分類。

31(a). CONTRACT ASSETS

31(a). 合約資產

		31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元
Construction contracts	建造合約	90,328	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

31(b). AMOUNTS DUE TO CUSTOMERS FOR CONTRACT WORK

31(b). 應付客戶合約工程款項

		2017 二零一七年 HK\$'000 千港元
Contracts in progress at the end of the reporting period:	於報告期末進行中合約：	
Contract costs incurred to date	迄今已產生合約成本	1,188,365
Recognised profits less recognised losses	已確認溢利減已確認虧損	<u>(635,798)</u>
		552,567
Less: progress billings	減：進度款項	<u>(888,736)</u>
Amounts due to customers for contract work	應付客戶合約工程款項	<u>(336,169)</u>



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. BORROWINGS

32. 借貸

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank borrowings	銀行借貸	1,967,413	1,273,581
Other borrowings	其他借貸	1,417,840	1,240,599
		3,385,253	2,514,180
Secured	有抵押	481,357	815,737
Unsecured	無抵押	2,903,896	1,698,443
		3,385,253	2,514,180

The carrying amounts of the above borrowings are repayable as follow (Note):

上述借貸之賬面值應於下列期間償還(附註):

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
On demand or within one year	按要求或於一年內	2,803,397	1,932,324
Within a period of more than one year but not exceeding two years	於一年以上但不超過兩年期間	-	309,621
Within a period of more than two years but not exceeding five years	於兩年以上但不超過五年期間	-	272,235
		2,803,397	2,514,180
The carrying amount of borrowings that are repayable on demand due to breach of loan covenants (shown under current liabilities)	因違反貸款契諾而須按 要求償還之借貸的賬 面值(列作流動負債)	581,856	-
		3,385,253	-
Less: Amounts due within one year shown under current liabilities	減: 於一年內到期並列作 流動負債之款項	(3,385,253)	(1,932,324)
Amounts show under non-current liabilities	列作非流動負債之款項	-	581,856

Note: The amounts due are based on scheduled repayment dates set out in the loan agreements.

附註: 到期款項乃以貸款協議所載計劃還款日為基準。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. BORROWINGS (CONTINUED)

The exposure of the Group's fixed-rate borrowings and the contractual maturity dates were as follows:

32. 借貸(續)

本集團定息借貸的風險及合約到期日如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fixed-rate borrowings repayable:	須於下列期間償還之 定息借貸:		
On demand or within one year	按要求或於一年內	2,555,856	1,472,618
Within a period of more than one year but not exceeding two years	於一年以上但不超過 兩年期間	-	195,291
Within a period of more than two years but not exceeding five years	於兩年以上但不超過 五年期間	-	18,000
		<u>2,555,856</u>	<u>1,685,909</u>

The exposure of the Group's variable-rate borrowings and the contractual maturity dates were as follows:

本集團浮息借貸的風險及合約到期日如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Variable-rate borrowings repayable:	須於下列期間償還之 浮息借貸:		
On demand or within one year	按要求或於一年內	829,397	459,706
Within a period of more than one year but not exceeding two years	於一年以上但不超過 兩年期間	-	114,330
Within a period of more than two years but not exceeding five years	於兩年以上但不超過 五年期間	-	254,235
		<u>829,397</u>	<u>828,271</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. BORROWINGS (CONTINUED)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

		2018 二零一八年	2017 二零一七年
Effective interest rates:	實際利率：		
Fixed-rate borrowings (bank and other borrowings)	定息借貸 (銀行及其他借貸)	0.35% – 36%	0.35% – 36%
Variable-rate borrowings (bank and other borrowings)	浮息借貸 (銀行及其他借貸)	4.75% – 5.66%	4.75% – 5.66%

The details of other borrowings are as follows:

- (i) At 31 December 2018, the Group has loan advances from employees of approximately HK\$1,404,000 (equivalent to approximately RMB1,232,000) (2017: approximately HK\$1,480,000 (equivalent to approximately RMB1,232,000)) which bears interest rate of 15% (2017: 15%) per annum and was repayable on demand (2017: repayable with one year).
- (ii) At 31 December 2018, the Group has loan advances from several independent third parties of approximately HK\$997,442,000 (equivalent to approximately RMB874,949,000) (2017: approximately HK\$734,632,000 (equivalent to approximately RMB612,193,000)). The proceeds were used to finance the daily operation of the Group. The borrowings carry variable interest of a range from 0.35% to 36% (2017: 0.35% to 36%) per annum repayable on demand.

32. 借貸 (續)

本集團借貸之實際利率 (亦相等於已訂約利率) 範圍如下：

		2018 二零一八年	2017 二零一七年
Effective interest rates:	實際利率：		
Fixed-rate borrowings (bank and other borrowings)	定息借貸 (銀行及其他借貸)	0.35% – 36%	0.35% – 36%
Variable-rate borrowings (bank and other borrowings)	浮息借貸 (銀行及其他借貸)	4.75% – 5.66%	4.75% – 5.66%

其他借貸之詳情如下：

- (i) 於二零一八年十二月三十一日，本集團有僱員提供之貸款墊款約1,404,000港元 (相當於約人民幣1,232,000元) (二零一七年：約1,480,000港元 (相當於約人民幣1,232,000元)) 按年利率15% (二零一七年：15%) 計息及須按要求償還 (二零一七年：須於一年內償還)。
- (ii) 於二零一八年十二月三十一日，本集團有數名獨立第三方提供之貸款墊款約997,442,000港元 (相當於約人民幣874,949,000元) (二零一七年：約734,632,000港元 (相當於約人民幣612,193,000元))。所得款項已用於撥付本集團之日常營運。該等借貸按浮動利率每年0.35%至36% (二零一七年：0.35%至36%) 計息及須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. BORROWINGS (CONTINUED)

- (iii) At 31 December 2018, the Group has loan advances from one of the shareholders of the Group's associate, Zhejiang Ocean, of approximately HK\$275,805,000 (equivalent to approximately RMB241,934,000) (2017: approximately HK\$358,240,000 (equivalent to approximately RMB298,533,000)). The proceeds were used to finance the daily operation of the Group. The borrowing carries interest of 8.5% (2017: 8.5%) per annum and repayable on demand. Mr. Li, the executive director of the Company and an independent third party have provided a personal guarantee to secure the payment obligations of the borrowing.
- (iv) At 31 December 2018, the Group has loan advances from an associate, Zhejiang Ocean, of approximately HK\$143,189,000 (equivalent to approximately RMB125,604,000) (2017: HK\$146,247,000 (equivalent to approximately RMB121,872,000)). The proceeds were used to finance the daily operation of the Group. The borrowing bears interest rate ranging from 5% to 7.6% (2017: 5% to 7.6%) per annum and secured by deposit as details in Note 22 and repayable on demand.

At 31 December 2018 and 2017, there was no repayment on demand clause on the Group's bank borrowings and other borrowings.

At 31 December 2018, borrowings of approximately HK\$481,357,000 (2017: HK\$815,737,000) were secured by collaterals as details in Note 41 to the consolidated financial statements.

32. 借貸 (續)

- (iii) 於二零一八年十二月三十一日，本集團有本集團聯營公司浙江海洋之其中一名股東提供之貸款墊款約275,805,000港元（相當於約人民幣241,934,000元）（二零一七年：約358,240,000港元（相當於約人民幣298,533,000元））。所得款項已用於撥付本集團之日常營運。該借貸按年利率8.5%（二零一七年：8.5%）計息及須按要求償還。本公司之執行董事李先生及一名獨立第三方已提供個人擔保，以擔保該借貸的付款責任。
- (iv) 於二零一八年十二月三十一日，本集團有聯營公司浙江海洋提供之貸款墊款約143,189,000港元（相當於約人民幣125,604,000元）（二零一七年：146,247,000港元（相當於約人民幣121,872,000元））。所得款項已用於撥付本集團之日常營運。該借貸按年利率5%至7.6%（二零一七年：5%至7.6%）計息，由存款擔保（詳情載於附註22）及須按要求償還。

於二零一八年及二零一七年十二月三十一日，本集團並無銀行借貸及其他借貸載有按要求償還條款。

於二零一八年十二月三十一日，借貸約481,357,000港元（二零一七年：815,737,000港元）乃以數項抵押品作抵押（詳情載於綜合財務報表附註41）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. BORROWINGS (CONTINUED)

At 31 December 2018, a bank borrowing of approximately HK\$122,452,000 (equivalent to RMB107,414,000) (2017: HK\$128,897,000 (equivalent to RMB107,414,000)), which bears interest at 5.75% (2017: 5.75%) per annum, will be repayable on 7 March 2019 and was secured by the entire equity interests of Jiangxi Shipbuilding (Note 41).

All the borrowings are denominated in RMB as at 31 December 2018 and 31 December 2017.

32. 借貸 (續)

於二零一八年十二月三十一日，銀行借貸約122,452,000港元（相當於人民幣107,414,000元）（二零一七年：128,897,000港元（相當於人民幣107,414,000元））按年利率5.75%（二零一七年：5.75%）計息及須於二零一九年三月七日償還，並以於江西造船之全部股權作抵押（附註41）。

於二零一八年十二月三十一日及二零一七年十二月三十一日，所有借貸均以人民幣計值。

33. PROVISION FOR WARRANTY

33. 保養撥備

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	3,357
Additional provision for the year	年內額外撥備	3,998
Exchange adjustments	匯兌調整	173
Reversal of provision	撥備撥回	<u>(3,357)</u>
At 31 December 2017	於二零一七年十二月三十一日	4,171
Additional provision for the year	年內額外撥備	2,103
Exchange adjustments	匯兌調整	(69)
Reversal of provision	撥備撥回	<u>(4,171)</u>
At 31 December 2018	於二零一八年十二月三十一日	<u>2,034</u>

The Group provides a one-year warranty on shipbuilding and undertakes to repair or replace items that fail to perform satisfactorily. The provision is estimated based on historical data of the level of repairs and replacement.

本集團就造船提供一年的保養期，並承諾維修或替換未達理想表現的項目。撥備乃根據維修及替換水平之過往數據而估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. SHARE CAPITAL

34. 股本

		Number of ordinary shares 普通股數目		Amount 金額	
		2018 二零一八年	2017 二零一七年	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Ordinary shares of HK\$0.05 each 每股面值0.05港元之普通股					
Authorised:	法定:				
At 1 January 於一月一日		20,000,000,000	20,000,000,000	1,000,000	1,000,000
Increase in authorised share capital 增加法定股本 (附註c)		30,000,000,000	-	1,500,000	-
At 31 December 於十二月三十一日		50,000,000,000	20,000,000,000	2,500,000	1,000,000
Issued and fully paid: 已發行及繳足:					
At 1 January 於一月一日		13,636,838,840	12,002,758,840	681,842	600,138
Issue of shares upon conversion of 2018 Convertible Notes (as defined in Note 35) (Note a)	於兌換二零一八年可換股票據(定義見附註35)時發行股份(附註a)	-	163,580,000	-	8,179
Issue of shares for settlement of contingent consideration payable (Note b)	發行股份以清償應付或然代價(附註b)	-	1,470,500,000	-	73,525
At 31 December 於十二月三十一日		13,636,838,840	13,636,838,840	681,842	681,842

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. SHARE CAPITAL (CONTINUED)

Notes:

- (a) During the year ended 31 December 2017, the holder of 2018 Convertible Notes converted HK\$32,000,000 of 2018 Convertible Notes for 163,580,000 new ordinary shares at conversion prices varying from HK\$0.1884 to HK\$0.2121.
- (b) On 27 April 2017, the Company has allotted and issued 1,470,500,000 new ordinary shares to the vendor upon the fulfilment of profit guarantee relating to the acquisition of the entire equity interests of Success Capture Limited at market price of HK0.189.
- (c) Pursuant to an ordinary resolution at the annual general meeting held on 22 June 2018, the authorised share capital of the Company was increased from HK\$1,000,000,000 divided into 20,000,000,000 ordinary shares to HK\$2,500,000,000 divided into 50,000,000,000 ordinary shares by the creation of additional 30,000,000,000 shares.

All new shares issued during the years ended 31 December 2018 and 2017 ranked pari passu with the existing shares in all respects.

35. CONVERTIBLE BONDS PAYABLES

(a) Issuance of convertible bonds – 2017 Convertible Notes I

On 27 June 2014, the Company issued convertible bonds with the aggregate principal amount of HK\$1,000,000,000 (the “2017 Convertible Notes I”). The 2017 Convertible Notes I is denominated in HK\$. The 2017 Convertible Notes I carries interest at 7.5% per annum and is payable annually. The holder(s) of the 2017 Convertible Notes I may convert the whole or part of the principal amount of the 2017 Convertible Notes I into ordinary shares of the Company from the issue date to the date before the maturity date (on the third anniversary of the issue date, i.e. 26 June 2017), at an initial conversion price of HK\$0.20 per share, subject to certain customary anti-dilutive adjustments. If the 2017 Convertible Notes I have not been converted before the maturity date (the conversion is at the option of the holder of the 2017 Convertible Notes I), they will be redeemed on maturity date at principal amount plus the accrued interest. Both the principal and interest will be settled in RMB based on a fixed exchange rate as set out in the agreement.

34. 股本 (續)

附註:

- (a) 於截至二零一七年十二月三十一日止年度，二零一八年可換股票據之持有人按介乎0.1884港元至0.2121港元之兌換價將32,000,000港元之二零一八年可換股票據兌換為163,580,000股新普通股。
- (b) 於二零一七年四月二十七日，本公司於達成有關收購Success Capture Limited全部股權的溢利保證後按市價0.189港元向賣方配發及發行1,470,500,000股新普通股。
- (c) 根據於二零一八年六月二十二日舉行之股東週年大會上的普通決議案，本公司法定股本透過增設30,000,000,000股股份由1,000,000,000港元（分為20,000,000,000股普通股）增加至2,500,000,000港元（分為50,000,000,000股普通股）。

於截至二零一八年及二零一七年十二月三十一日止年度發行之所有新股份在各方面與現有股份享有同等地位。

35. 應付可換股債券

(a) 發行可換股債券 – 二零一七年可換股票據I

於二零一四年六月二十七日，本公司發行本金總額為1,000,000,000港元的可換股債券（「二零一七年可換股票據I」）。二零一七年可換股票據I以港元計值。二零一七年可換股票據I按年利率7.5%計息並須每年支付。二零一七年可換股票據I持有人可於發行日起至到期日（發行日滿三週年之日，即二零一七年六月二十六日）前一日止期間按初步兌換價每股股份0.20港元（可作出若干慣常反攤薄調整）將二零一七年可換股票據I的全部或部分本金兌換為本公司普通股。倘二零一七年可換股票據I未於到期日前兌換（是否兌換乃視乎二零一七年可換股票據I持有人的選擇），則將於到期日按本金加應計利息贖回。本金及利息將按協議所列既定匯率以人民幣結清。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(a) Issuance of convertible bonds – 2017 Convertible Notes I (Continued)

The 2017 Convertible Notes I on initial recognition was considered as a compound financial instrument that includes a debt element and a conversion option classified as an equity element. Also at the initial recognition, the liability component was measured at the present value of the redemption amount. The equity element is presented in equity heading “convertible bonds reserve”. The effective interest rate of the liability component is 18.27% per annum determined at the initial recognition.

On 26 June 2017, the Company was required to redeem the 2017 Convertible Notes I at the outstanding principal amount of HK\$52,000,000 on the maturity date.

35. 應付可換股債券 (續)

(a) 發行可換股債券 – 二零一七 年可換股票據I (續)

於初始確認時，二零一七年可換股票據I被視為包含債務部分及分類為權益部分的兌換期權的複合金融工具。此外，於初始確認時，負債部分按贖回金額的現值計量。權益部分呈列於權益的「可換股債券儲備」項下。於初始確認時，負債部分的實際利率釐定為每年18.27%。

於二零一七年六月二十六日，本公司被要求於到期日贖回二零一七年可換股票據I之尚未償還本金額52,000,000港元。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(b) Issuance of convertible bonds – 2017 Convertible Notes II

On 8 July 2015, the Company issued convertible bonds with the principal amount of HK\$200,000,000 (the “2017 Convertible Notes II”). The 2017 Convertible Notes II is denominated in HK\$. The 2017 Convertible Notes II carries interest at 7.5% per annum and is payable semi-annually in advance. The holder(s) of the 2017 Convertible Notes II may convert the 2017 Convertible Notes II into ordinary shares of the Company from 8 July 2015 to 8 July 2016, at an initial conversion price of HK\$0.2481 per share, subject to certain customary anti-dilutive adjustments. Unless previously converted or cancelled or unless the holder has previously issued an event of default notice of repayment, the Company shall redeem on the maturity date all the outstanding principal amount of the 2017 Convertible Notes II at an amount equal to the aggregate of the outstanding principal amount plus interest accrued. The 2017 Convertible Notes II on initial recognition was considered as a compound financial instrument that include a debt element and a conversion option derivative and other derivative. Also, at the initial recognition, the liability component was measured at the present value of the redemption amount. The conversion option derivative and other derivative was classified as a derivative liability and was measured at FVTPL at initial recognition and each reporting date. The effective interest rate of the liability component is 14.9128% per annum determined at the initial recognition.

35. 應付可換股債券（續）

(b) 發行可換股債券－二零一七 年可換股票據II

於二零一五年七月八日，本公司發行本金額200,000,000港元之可換股債券（「二零一七年可換股票據II」）。二零一七年可換股票據II按港元計值。二零一七年可換股票據II按年利率7.5%計息，且須每半年預先支付。二零一七年可換股票據II持有人可於二零一五年七月八日至二零一六年七月八日期間按初步換股價每股0.2481港元（可作出若干慣常反攤薄調整）將二零一七年可換股票據II兌換為本公司普通股。除非先前已獲兌換或註銷或持有人先前已發出還款違約事件通知，否則本公司將於到期日按尚未兌換本金額加應計利息贖回二零一七年可換股票據II之所有尚未兌換本金額。於初始確認時，二零一七年可換股票據II被視為包含債務部分及兌換期權衍生工具及其他衍生工具之複合金融工具。此外，於初始確認時，負債部分按贖回金額的現值計量。兌換期權衍生工具及其他衍生工具分類為衍生負債並於初始確認時及各報告日期按公平值計入損益計量。於初始確認時，負債部分之實際利率釐定為每年14.9128%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(b) Issuance of convertible bonds – 2017 Convertible Notes II (Continued)

Pursuant to the relevant bond instrument, if agreed in writing by the Company and the holder(s) of 2017 Convertible Notes II at least ten business days prior to 8 July 2016 (“Initial Maturity Date”), the maturity date of the 2017 Convertible Notes II can be extended to a date falling on the twelve months after the Initial Maturity Date (“Extended Maturity Date”, i.e. 8 July 2017). On 7 July 2016, the Company and the 2017 Convertible Notes II holders entered into an acknowledgement and confirmation (the “Acknowledgement and Confirmation”) confirming that the maturity date of the 2017 Convertible Notes II shall be extended to 8 July 2017 and all other terms and conditions of the 2017 Convertible Notes II remained unchanged. The modification is not accounted for as an extinguishment under HKAS 39 as the terms are not substantially different taking into account that the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is less than 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability using the original effective interest rate. Accordingly, any costs or fees incurred will adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The 2017 Convertible Notes II after modification contains a debt component and a conversion option derivative and other derivatives. The derivatives are measured at fair value through profit or loss with changes in fair value being recognised in fair value through profit or loss.

35. 應付可換股債券 (續)

(b) 發行可換股債券 – 二零一七 年可換股票據II (續)

根據有關債券文據，倘本公司與二零一七年可換股票據II之持有人於二零一六年七月八日（「初始到期日」）至少十個營業日前以書面協定，則二零一七年可換股票據II之到期日可延長至初始到期日後十二個月當日（「經延長到期日」，即二零一七年七月八日）。於二零一六年七月七日，本公司與二零一七年可換股票據II之持有人訂立接納及確認契據（「接納及確認契據」），確認二零一七年可換股票據II之到期日將延長至二零一七年七月八日，而二零一七年可換股票據II之所有其他條款及條件維持不變。該修訂不構成香港會計準則第39號項下之終絕，此乃由於新條款項下之現金流貼現現值（包括任何已付費用（扣除任何已收費用）並按初始實際利率貼現計算）與原金融負債剩餘現金流貼現現值（使用原實際利率計算）相比差異少於10%，故條款並無大幅變動。因此，任何所產生之成本或費用將於負債之賬面值調整並於經修訂負債之剩餘期限內進行攤銷。

經修訂後二零一七年可換股票據II包含債務部分及兌換期權衍生工具及其他衍生工具。衍生工具按公平值計入損益計量，而公平值變動按公平值計入損益進行確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(b) Issuance of convertible bonds – 2017 Convertible Notes II (Continued)

No conversion had been made by the holders of the 2017 Convertible Notes II during the year ended 31 December 2017. On 8 July 2017, the Company was required to redeem the 2017 Convertible Notes II at the outstanding principal amount of HK\$200,000,000 on the maturity date.

(c) Issuance of convertible bonds – 2018 Convertible Notes

On 6 December 2016, the Company entered into a subscription agreement with Macquarie Bank Limited (the “Subscriber”) in respect of the issuance of convertible bonds with the aggregate principal amount of not more than HK\$400,000,000 (the “2018 Convertible Notes”). The 2018 Convertible Notes is denominated in HK\$. The 2018 Convertible Notes comprises of four tranches with each tranche with an aggregate principal amount of HK\$100,000,000. Each tranche of the 2018 Convertible Notes will be subscribed at a price equal to 94 per cent of the principal amount of the relevant tranche of the 2018 Convertible Notes. The aggregate principal amount for each tranche will be deposited into a non-interest bearing bank account of the Company opened with the Subscriber which will be subject to a charge for the benefit of the Subscriber as a restricted bank balance (“Restricted Cash Account”) without interest.

The Company shall not make any withdrawal from the Restricted Cash Account except with the prior consent of the Subscriber. If the Subscriber is satisfied that all amounts which may be or become payable by the Company under or in connection with the 2018 Convertible Notes have been irrevocably paid in full, the Subscriber will release, reassign or discharge the security asset.

35. 應付可換股債券 (續)

(b) 發行可換股債券 – 二零一七 年可換股票據II (續)

二零一七年可換股票據II持有人於截至二零一七年十二月三十一日止年度並無進行兌換。於二零一七年七月八日，本公司被要求於到期日贖回二零一七年可換股票據II之尚未償還本金額200,000,000港元。

(c) 發行可換股債券 – 二零一八 年可換股票據

於二零一六年十二月六日，本公司與麥格理銀行有限公司（「認購人」）就發行本金總額不超過400,000,000港元之可換股債券（「二零一八年可換股票據」）訂立認購協議。二零一八年可換股票據按港元計值。二零一八年可換股票據分為四批，各批本金總額為100,000,000港元。各批二零一八年可換股票據將按有關批次之二零一八年可換股票據的本金額94%之價格進行認購。各批本金總額將存放於本公司於認購人開立之不計息銀行賬戶，作為一項以認購人為受益人的不計息受限制銀行結餘（「受限制現金賬戶」）押記。

除獲認購人事先同意外，本公司不得從受限制現金賬戶提取任何款項。倘認購人信納本公司根據或就二零一八年可換股票據可能應付或應付之所有款項已不可撤回地悉數支付，則認購人將免除、重新指派或解除抵押資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(c) Issuance of convertible bonds – 2018 Convertible Notes (Continued)

On 15 December 2016, the 2018 Convertible Notes with principal amount of HK\$100,000,000 (i.e. the first tranche) were issued by the Company to the Subscriber. Proceeds of HK\$94,000,000 were received by the Company on 15 December 2016 and deposited into the above mentioned Restricted Cash Account. Due to the restriction as explained above, the bank balance had been classified as “restricted cash” and separately presented in the Group’s consolidated statement of financial position. The 2018 Convertible Notes carries interest at 2 per cent per annum and is payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December each year. The conversion right in respect of the 2018 Convertible Notes may be exercised, at the option of the holder thereof, at any time on or after the issue date up to the close of business on the date falling one day prior to the maturity date (i.e. on the second anniversary of the closing date i.e. 14 December 2018, which is no later than five business days after all the conditions precedent are satisfied), at a conversion price which is 100% of the volume weighted average price of the shares traded on the Exchange on the day on which the Exchange is open for trading and the shares are freely available for trading immediately preceding the date on which such holder submits an irrevocable notice of conversion to the Company, provided that no conversion right may be exercised at a conversion price which is lower than the floor price (i.e. minimum conversion price of HK\$0.18 per share (subject to adjustment)). Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the 2018 Convertible Notes at 94 per cent of its principal amount on the maturity date.

35. 應付可換股債券 (續)

(c) 發行可換股債券—二零一八 年可換股票據 (續)

於二零一六年十二月十五日，本公司已向認購人發行本金額為100,000,000港元之二零一八年可換股票據（即首批二零一八年可換股票據）。本公司於二零一六年十二月十五日收取所得款項94,000,000港元並存放於上述受限制現金賬戶。由於上文闡述之限制，銀行結餘已分類為「受限制現金」並於本集團綜合財務狀況報表中單獨呈列。二零一八年可換股票據按年利率2%計息，且須每年的三月三十一日、六月三十日、九月三十日及十二月三十一日按季度於期末支付。二零一八年可換股票據之換股權可於發行日期當日或其後直至到期日（即完成日期第二週年當日（即二零一八年十二月十四日），而完成日期不遲於所有先決條件獲達成後五個營業日之日子）前一日營業結束時由二零一八年可換股票據之持有人隨時行使，換股價為緊接有關持有人向本公司呈交不可撤回的換股通知日期前股份於聯交所開市買賣且股份可自由買賣之日之成交量加權平均價之100%，惟換股權不得以低於底價（即最低換股價每股股份0.18港元（可予調整））之換股價行使。除非先前獲贖回、轉換或購買及註銷，否則本公司將於到期日按二零一八年可換股票據本金額之94%予以贖回。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(c) Issuance of convertible bonds – 2018 Convertible Notes (Continued)

The Company may declare a committed conversion period (the “Committed Conversion Period”) by delivering to the Subscriber a one prior trading day notice. The Committed Conversion Period is a period of twenty qualified trading days during which the Subscriber shall convert all outstanding convertible bonds currently held by the Subscriber with the date of issuing the first tranche 2018 Convertible Notes.

The Company may declare up to three non-conversion periods by delivering to the Subscriber a three prior trading days’ notice. Each non-conversion period may last for up to 10 trading days, during which the Subscriber may not issue a conversion notice.

The 2018 Convertible Notes contains a debt component and conversion option derivative and other derivatives.

The 2018 Convertible Notes had been designated by the management of the Company at fair value through profit or loss at initial recognition and at each reporting date.

During the year ended 31 December 2017, the Subscriber of the 2018 Convertible Notes had exercised the conversion option to convert the principal amount of HK\$32,000,000 in consideration for conversion of 163,580,000 ordinary shares of the Company at certain conversion prices varying from HK\$0.1884 to HK\$0.2121.

35. 應付可換股債券 (續)

(c) 發行可換股債券 – 二零一八年可換股票據 (續)

本公司可藉向認購人送達提前一個交易日通知宣佈承諾轉換期間(「承諾轉換期間」)。承諾轉換期間為二十個合資格交易日，期內認購人將兌換所有目前由認購人自首批二零一八年可換股票據發行日期起持有之尚未轉換可換股債券。

本公司可藉向認購人送達提前三個交易日通知宣佈最多三個非轉換期間。各非轉換期間可最多持續10個交易日，期內認購人不可發出轉換通知。

二零一八年可換股票據包括債務部分及換股期權衍生工具及其他衍生工具。

二零一八年可換股票據已由本公司管理層指定為於初步確認時及於各報告日期按公平值計入損益。

於截至二零一七年十二月三十一日止年度，二零一八年可換股票據之認購人已行使換股期權轉換本金額32,000,000港元，以按介乎0.1884港元至0.2121港元的若干換股價換取本公司163,580,000股普通股。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(c) Issuance of convertible bonds – 2018 Convertible Notes (Continued)

On 26 July 2017, the Company received a Relevant Event Notice (as defined in the Company's announcement dated 27 July 2017) from the Subscriber, being the Subscriber of the 2018 Convertible Notes, to require the Company to early redeem all the outstanding 2018 Convertible Notes at 94% of the total amount of such 2018 Convertible Notes held by the Subscriber together with accrued interest. On 23 August 2017, the Company had redeemed the balance of the principal amount of the 2018 Convertible Notes and interest amounted approximately of HK\$62,980,000, including outstanding principal and interests approximately of HK\$62,303,000 and HK\$677,000, respectively and the restricted cash approximately of HK\$94,000,000 was released.

(d) Issue of convertible bonds – 2019 Convertible Notes

On 10 November 2017, the Company issued convertible bonds with the aggregate principal amount of HK\$189,000,000 (the "2019 Convertible Notes"). The 2019 Convertible Notes is denominated in HK\$. The 2019 Convertible Notes carries interest at 10% per annum and is payable annually. The holder(s) of the 2019 Convertible Notes may convert the whole or part of the principal amount of the 2019 Convertible Notes into ordinary shares of the Company from the issue date to the date before the maturity date (on the second anniversary of the issue date, i.e. 11 November 2019), at an initial conversion price of HK\$0.07 per share, subject to certain customary anti-dilutive adjustments. If the 2019 Convertible Notes has not been converted before the maturity date, they will be redeemed on maturity date at principal amount plus the accrued interest. Both the principal and interest will be settled in RMB based on a fixed exchange rate as set out in the agreement.

35. 應付可換股債券 (續)

(c) 發行可換股債券 – 二零一八 年可換股票據 (續)

於二零一七年七月二十六日，本公司接獲認購人（即二零一八年可換股票據之認購人）的相關事件通知（定義見本公司日期為二零一七年七月二十七日之公佈），要求本公司按認購人持有之有關二零一八年可換股票據總額之94%連同應計利息，提前贖回所有尚未償還之二零一八年可換股票據。於二零一七年八月二十三日，本公司已贖回二零一八年可換股票據本金結餘及利息約62,980,000港元，分別包括尚未償還本金約62,303,000港元及利息677,000港元，而受限制現金約94,000,000港元已獲解除。

(d) 發行可換股債券 – 二零一九 年可換股票據

於二零一七年十一月十日，本公司發行本金總額為189,000,000港元的可換股債券（「二零一九年可換股票據」）。二零一九年可換股票據以港元列值。二零一九年可換股票據按每年10%的利率計息並須每年支付。二零一九年可換股票據持有人可於發行日起至到期日（發行日滿兩週年之日，即二零一九年十一月十一日）前一日按初步兌換價每股股份0.07港元（可作出若干慣常反攤薄調整）將二零一九年可換股票據的全部或部分本金兌換為本公司普通股。倘二零一九年可換股票據於到期日前尚未兌換，將於到期日按本金加應計利息贖回。本金及利息將按協議所列既定匯率以人民幣結清。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(d) Issue of convertible bonds – 2019 Convertible Notes (Continued)

The 2019 Convertible Notes on initial recognition was considered as a compound financial instrument that includes a debt element and a conversion option that was classified as an equity element. Also, at the initial recognition, the liability component was measured at the present value of the redemption amount. The equity element is presented in equity heading “convertible bonds reserve”. The effective interest rate of the liability component is 25.5578% per annum determined at the initial recognition.

35. 應付可換股債券 (續)

(d) 發行可換股債券 – 二零一九 年可換股票據 (續)

二零一九年可換股票據初步確認為帶有債務部分及可換股期權(分類為權益部分)之複合金融工具。此外,於初步確認時,負債部分按贖回款項的現值計量。權益部分於「可換股債券儲備」項下呈列為權益。於初步確認時,負債部分的實際利率釐定為每年25.5578%。

		2019 Convertible Notes at 10 November 2017
		於二零一七年 十一月十日之 二零一九年 可換股票據
Share price	股價	HK\$0.062 0.062港元
Exercise price	行使價	HK\$0.070 0.070港元
Contractual life	合約年期	2 years 2年
Risk-free rate	無風險利率	3.5721%
Expected dividend yield	預期股息率	0%
Volatility	波幅	40.88%

No conversion had been made by the holders of the 2019 Convertible Notes during the years ended 31 December 2018 and 2017.

於截至二零一八年及二零一七年十二月三十一日止年度,二零一九年可換股票據之持有人概無作出兌換。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

35. 應付可換股債券 (續)

(e) The movements of the liability, derivative and equity component of 2017 Convertible Notes I, 2017 Convertible Notes II, 2018 Convertible Notes and 2019 Convertible Notes were as follows:

(e) 二零一七年可換股票據I、二零一七年可換股票據II、二零一八年可換股票據及二零一九年可換股票據之負債、衍生工具及權益部分之變動如下：

		Liability component	Derivative components	2018 Convertible Notes at FVTPL 按公平價值 計入損益之 二零一八年 可換股票據	Equity component	Total
		負債部分 HK\$'000 千港元	衍生工具 部分 HK\$'000 千港元	二零一八年 可換股票據 HK\$'000 千港元	權益部分 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	242,160	13,872	92,847	11,343	360,222
Issuance of 2019 Convertible Notes	發行二零一九年 可換股票據	146,873	-	-	42,127	189,000
Conversion of 2018 Convertible Notes	兌換二零一八年 可換股票據	-	-	(31,111)	-	(31,111)
Interest charged (Note 11)	已徵收利息 (附註11)	23,950	-	678	-	24,628
Interest paid	已付利息	(12,018)	-	(678)	-	(12,696)
Transfer of 2017 Convertible Notes I and 2017 Convertible Notes II upon maturity	到期轉讓二零一七年 可換股票據I及二零 一七年可換股票據II	(252,000)	-	-	-	(252,000)
Redemption of 2017 Convertible Notes I upon maturity	到期贖回二零一七年 可換股票據I	-	-	-	(11,343)	(11,343)
Early redemption of 2018 Convertible Notes	提前贖回二零一八年 可換股票據	-	-	(62,980)	-	(62,980)
Gain on redemption of 2017 Convertible Notes II upon maturity	到期贖回二零一七年 可換股票據II之收益	-	(13,872)	-	-	(13,872)
Gain on early redemption of 2018 Convertible Notes	提前贖回二零一八年 可換股票據之收益	-	-	(5,003)	-	(5,003)
Change in fair value	公平值變動	-	-	6,247	-	6,247
At 31 December 2017	於二零一七年十二月 三十一日	148,965	-	-	42,127	191,092
Interest charged (Note 11)	已徵收利息 (附註11)	38,073	-	-	-	38,073
Interest paid	已付利息	(18,900)	-	-	-	(18,900)
At 31 December 2018	於二零一八年十二月 三十一日	168,138	-	-	42,127	210,265

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

35. 應付可換股債券 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Convertible bonds – liability and derivative components: Analysed for reporting purpose as: Non-current liabilities Current liabilities	可換股債券—負債及衍生工具部分: 就呈報目的分析為: 非流動負債 流動負債	– 168,138 168,138	148,965 – 148,965

36. DEFERRED TAX

36. 遞延稅項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deferred tax assets Deferred tax liabilities	遞延稅項資產 遞延稅項負債	459 (68,141) (67,682)	130 (106,971) (106,841)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. DEFERRED TAX (CONTINUED)

The following are the major deferred tax (assets) liabilities recognised and movements thereon during the current and prior years:

36. 遞延稅項 (續)

下列為於本年度及過往年度已確認之主要遞延稅項(資產)負債及其相關變動:

		Provision	Withholding tax on undistributed earnings of the PRC subsidiaries	Fair value adjustments on prepaid lease payments, goodwill, intangible assets and investment properties	Total
		撥備 HK\$'000 千港元	於中國 附屬公司 未分派盈利 之預扣稅 HK\$'000 千港元	預付 租賃款項、 商譽、 無形資產及 投資物業之 公平值調整 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	(120)	21,297	64,774	85,951
Exchange adjustments	匯兌調整	(10)	-	18,712	18,702
Acquisition of subsidiaries (Note 39)	收購附屬公司 (附註39)	-	-	25,457	25,457
Charge (credit) to profit and loss (Note 12)	於損益扣除(計入) (附註12)	-	4,199	(27,468)	(23,269)
At 31 December 2017	於二零一七年十二月三十一日	(130)	25,496	81,475	106,841
Exchange adjustments	匯兌調整	6	-	(808)	(802)
Credit to profit and loss (Note 12)	於損益計入(附註12)	(335)	-	(38,022)	(38,357)
At 31 December 2018	於二零一八年十二月三十一日	(459)	25,496	42,645	67,682

In accordance with the PRC laws and regulations, tax losses could be carried forward for five years to offset against its future taxable profits.

At 31 December 2018, the Group had estimated unused tax losses of approximately HK\$212,565,000 (2017: approximately HK\$212,565,000) and approximately of HK\$2,273,671,000 (2017: approximately HK\$1,581,943,000) available for offset against future profits in Hong Kong and the PRC respectively. The Group has not recognised deferred tax assets in respect of the unused tax losses due to unpredictability of future profits streams.

根據中國法律及法規，稅項虧損可於五年內結轉，以抵銷其未來應課稅溢利。

於二零一八年十二月三十一日，本集團分別擁有可用於抵償香港及中國未來溢利之估計未動用稅項虧損約212,565,000港元(二零一七年：約212,565,000港元)及約2,273,671,000港元(二零一七年：約1,581,943,000港元)。由於未來溢利來源不可預測，故本集團並無就未動用稅項虧損確認遞延稅項資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows the details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

37. 非控股權益

擁有重大非控股權益的非全資附屬公司詳情

下表載列本集團擁有重大非控股權益的非全資附屬公司詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持所有權權益及投票權比例		Total comprehensive income allocated to non-controlling interests 非控股權益獲分配的全面收益總額		Accumulated non-controlling interests 累計非控股權益	
		31 December 2018 二零一八年十二月三十一日	31 December 2017 二零一七年十二月三十一日	31 December 2018 二零一八年十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年十二月三十一日 HK\$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年十二月三十一日 HK\$'000 千港元
China Ocean Materials Trading (Shenzhen) Company Limited (collectively referred to as the "China Ocean Materials Trading") and its subsidiaries ("China Ocean Materials Trading Group") 中海物貿(深圳)有限公司(統稱「中海物貿」)及其附屬公司(「中海物貿集團」)	PRC 中國	45%	45%	(9,034)	(9,504)	42,415	51,449
China Ocean Shipbuilding (Hong Kong) Limited 中海船舶(香港)有限公司	HK 香港	40%	-	8,112	-	217,409	-
Others 其他						(386)	(375)
						259,438	51,074

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. NON-CONTROLLING INTERESTS (CONTINUED)

Summarised consolidated financial information in respect of the China Ocean Materials Trading Group that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

37. 非控股權益 (續)

有關擁有重大非控股權益的中海物貿集團之綜合財務資料概要載列如下。下文所載財務資料概要指集團內公司間交易抵銷前的金額。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	239,305	260,930
Non-current assets	非流動資產	25,194	64,518
Current liabilities	流動負債	(194,654)	(216,859)
Non-current liabilities	非流動負債	(19,289)	(38,974)
Equity attributable to owners of the Company	本公司擁有人應佔權益	8,141	18,166
Non-controlling interests	非控股權益	42,415	51,449
Total revenue	總收益	5,745	778
Total expenses	總開支	(22,330)	(17,049)
Loss for the year	年內虧損	(16,585)	(16,271)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(7,308)	(7,244)
Loss attributable to non-controlling interests	非控股權益應佔虧損	(9,277)	(9,027)
Loss for the year	年內虧損	(16,585)	(16,271)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. NON-CONTROLLING INTERESTS (CONTINUED)

37. 非控股權益 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other comprehensive expenses attributable to owners of the Company	本公司擁有人應佔 其他全面開支	(1,427)	(4,204)
Other comprehensive expenses (income) attributable to non-controlling interests	非控股權益應佔 其他全面開支 (收入)	243	(477)
Other comprehensive expenses for the year	年內其他全面開支	(1,184)	(4,681)
Total comprehensive expenses attributable to owners of the Company	本公司擁有人應佔 全面開支總額	(8,735)	(11,448)
Total comprehensive expenses attributable to non-controlling interests	非控股權益應佔 全面開支總額	(9,034)	(9,504)
Total comprehensive expenses for the year	年內全面開支總額	(17,769)	(20,952)
Dividends paid to non-controlling interests	向非控股權益支付的股息	-	-
Net cash outflow from operating activities	經營業務產生之 現金流出淨額	1,017	(4,674)
Net cash inflow from investing activities	投資業務產生之 現金流入淨額	(61,236)	27,549
Net cash outflow from financial activities	融資業務產生之 現金流出淨額	32,420	(31,799)
Net cash outflow	現金流出淨額	(27,799)	(8,924)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. NON-CONTROLLING INTERESTS (CONTINUED)

Summarised financial information in respect of the China Ocean Shipbuilding (Hong Kong) Limited that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

37. 非控股權益 (續)

有關擁有重大非控股權益的中海船舶(香港)有限公司之財務資料概要載列如下。下文所載財務資料概要指集團內公司間交易抵銷前的金額。

		2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	259,255
Non-current assets	非流動資產	-
Current liabilities	流動負債	(8)
Non-current liabilities	非流動負債	(2,879)
Equity attributable to owners of the Company	本公司擁有人應佔權益	38,959
Non-controlling interests	非控股權益	217,409
Total revenue	總收益	205,710
Total expenses	總開支	(472,586)
Loss for the period	期內虧損	(266,876)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(274,988)
Income attributable to non-controlling interests	非控股權益應佔收益	8,112
Loss for the period	期內虧損	(266,876)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. NON-CONTROLLING INTERESTS (CONTINUED)

37. 非控股權益 (續)

		2018 二零一八年 HK\$'000 千港元
Other comprehensive expenses attributable to owners of the Company	本公司擁有人應佔 其他全面開支	—
Other comprehensive expenses attributable to non-controlling interests	非控股權益應佔 其他全面開支	—
Other comprehensive expenses for the year	年內其他全面開支	—
Total comprehensive expenses attributable to owners of the Company	本公司擁有人應佔 全面開支總額	(274,988)
Total comprehensive income attributable to non-controlling interests	非控股權益應佔 全面收益總額	8,112
Total comprehensive income for the period	期內全面收益總額	(266,876)
Dividends paid to non-controlling interests	向非控股權益支付的股息	—
Net cash outflow from operating activities	經營業務產生之 現金流出淨額	(171)
Net cash inflow from investing activities	投資業務產生之 現金流入淨額	—
Net cash outflow from financial activities	融資業務產生之 現金流出淨額	—
Net cash outflow	現金流出淨額	(171)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

38. CONTINGENT CONSIDERATION PAYABLE

Acquisition of Success Capture Limited

During the year ended 31 December 2017

On 27 April 2017, the Company has allotted and issued 1,470,500,000 shares to the vendor of Success Capture Limited due to the fulfillment of profit guarantee for the year ended 31 December 2016 relating to the acquisition of the entire equity interests of Success Capture Limited. The fair value of the contingent consideration is remeasured at the market value on 27 April 2017 and the Group recognised a gain on settlement of contingent consideration payable of approximately HK\$39,704,000 in the consolidated statement of profit or loss and other comprehensive income as a result of the decrease in share price of the Company.

38. 應付或然代價

收購Success Capture Limited

截至二零一七年十二月三十一日止年度

於二零一七年四月二十七日，因達成有關收購Success Capture Limited全部股權的截至二零一六年十二月三十一日止年度的溢利保證，本公司向Success Capture Limited賣方配發及發行1,470,500,000股股份。於二零一七年四月二十七日，或然代價公平值按市值重新計量，而因本公司股價下降，本集團於綜合損益及其他全面收益表內就結算應付或然代價而確認收益約39,704,000港元。

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	317,628
Gain on settlement of contingent consideration payable	結清應付或然代價之收益	(39,704)
Issuance of shares for settlement of contingent consideration payable	就結清應付或然代價發行股份	(277,924)
At 31 December 2017	於二零一七年十二月三十一日	-



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

38. CONTINGENT CONSIDERATION PAYABLE (CONTINUED)

Acquisition of Huakai Heavy (as details in Note 39)

During the year ended 31 December 2017

Since Huakai Heavy has achieved the 2016 Guarantee Profit (as defined in Note 39) for the First Relevant Period (as defined in Note 39), the Directors are of the opinion that the second consideration of RMB54,000,000 shall be paid to the Vendors of Huakai Heavy in full. And therefore, the fair values of the contingent consideration payable arising from achieving the 2016 Guarantee Profit at 11 April 2017 and 31 December 2017 were approximately HK\$61,020,000 (equivalent to RMB54,000,000) and HK\$64,800,000 (equivalent to RMB54,000,000) respectively.

And after taking into account the expected shortfall of profit from the 2017 Guarantee Profit (as defined in Note 39), the Directors determine the fair value of the contingent consideration payable for the 2017 Guarantee Profit to be approximately HK\$94,591,000 (equivalent to RMB83,709,000) at 11 April 2017, with reference to the valuation carried out by Greater China, an independent professional valuer.

At 31 December 2017, since Huakai Heavy has not achieved the 2017 Guarantee Profit for the Second Relevant Period (as defined in Note 39), the Directors are of the opinion that the final consideration of RMB88,127,000 shall be paid to the Vendors of Huakai Heavy. Therefore, the fair values of the contingent consideration payable regarding the final consideration at 11 April 2017 and 31 December 2017 were approximately HK\$94,591,000 (equivalent to RMB83,709,000) and HK\$105,752,000 (equivalent to RMB88,127,000) respectively.

A change in fair value of contingent consideration payable of approximately HK\$5,081,000 (equivalent to RMB4,418,000) was recognised in profit or loss for the year ended 31 December 2017.

38. 應付或然代價 (續)

收購華凱重工 (詳情載於附註39)

截至二零一七年十二月三十一日止年度

由於華凱重工就第一個有關期間 (定義見附註39) 達成二零一六年保證溢利 (定義見附註39), 董事認為應向華凱重工賣方悉數支付第二筆代價人民幣54,000,000元。因此, 於二零一七年四月十一日及二零一七年十二月三十一日因達成二零一六年保證溢利而產生之應付或然代價公平值分別約為61,020,000港元 (相當於人民幣54,000,000元) 及64,800,000港元 (相當於人民幣54,000,000元)。

經計及二零一七年保證溢利 (定義見附註39) 之預期溢利短絀後, 董事參考獨立專業估值師漢華所作之估值後釐定, 於二零一七年四月十一日有關二零一七年保證溢利之應付或然代價公平值約為94,591,000港元 (相當於人民幣83,709,000元)。

於二零一七年十二月三十一日, 由於華凱重工未能就第二個有關期間 (定義見附註39) 達成二零一七年保證溢利, 董事認為應向華凱重工賣方支付最終代價人民幣88,127,000元。因此, 於二零一七年四月十一日及二零一七年十二月三十一日有關最終代價之應付或然代價公平值分別約為94,591,000港元 (相當於人民幣83,709,000元) 及105,752,000港元 (相當於人民幣88,127,000元)。

應付或然代價公平值變動約5,081,000港元 (相當於人民幣4,418,000元) 已於截至二零一七年十二月三十一日止年度之損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

38. CONTINGENT CONSIDERATION PAYABLE (CONTINUED)

Acquisition of Huakai Heavy (as details in Note 39) (Continued)

During the year ended 31 December 2017 (Continued)

The movement of the contingent consideration payable for acquisition of Huakai Heavy are as follows:

		HK\$'000 千港元
Initial recognition at the date of the Acquisition (included the second and final consideration) (Note 39)	於收購日期初始確認(包含第二筆及最終代價)(附註39)	155,611
Change in fair value of contingent consideration payable	應付或然代價的公平值變動	5,081
Exchange adjustments	匯兌調整	<u>9,860</u>
Contingent consideration payable at 31 December 2017	於二零一七年十二月三十一日之應付或然代價	<u>170,552</u>

During the year ended 31 December 2018

The Directors are of the opinion that the consideration for acquisition Huakai Heavy shall be paid to the Vendors of Huakai Heavy in full. Therefore, the contingent consideration payable of approximately HK\$170,552,000 was reclassified to other payable.

38. 應付或然代價(續)

收購華凱重工(詳情載於附註39)(續)

截至二零一七年十二月三十一日止年度

就收購華凱重工之應付或然代價之變動如下:

	HK\$'000 千港元
Initial recognition at the date of the Acquisition (included the second and final consideration) (Note 39)	155,611
Change in fair value of contingent consideration payable	5,081
Exchange adjustments	<u>9,860</u>
Contingent consideration payable at 31 December 2017	<u>170,552</u>

截至二零一八年十二月三十一日止年度

董事認為收購華凱重工的代價須悉數支付予華凱重工賣方。因此，應付或然代價約170,552,000港元重新分類至其他應付款項。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. ACQUISITION OF SUBSIDIARIES

During the year ended 31 December 2017

On 16 November 2016 and 18 January 2017, China Ocean Industry (Shenzhen) Company Limited, an indirect wholly-owned subsidiary of the Company (the “Purchaser”), entered into the sale and purchase agreement and supplemental agreement (collectively known as the “Sale and Purchase Agreements”) with Nantong Xinda Shipping Technology Development Company Limited, Mr. Huo Qi and Mr. Ma Zhenqiang (collectively referred to as the “Vendors”), in relation to the acquisition of the entire registered capital of Huakai Heavy (the “Acquisition”) at an initial consideration of RMB81,000,000, which shall be adjusted upward to a maximum of RMB270,000,000 if the audited consolidated net profit after tax of Huakai Heavy and its subsidiaries (collectively referred to as the “Huakai Heavy Group”) for the year ended 31 December 2016 (the “First Relevant Period”) and the year ended 31 December 2017 (the “Second Relevant Period”) shall not be less than RMB15,000,000 (the “2016 Guarantee Profit”) and RMB50,000,000 (the “2017 Guarantee Profit”), respectively. The maximum consideration for the Acquisition is RMB270,000,000 (to be adjusted based on the 2016 Guarantee Profit and 2017 Guarantee Profit), which shall be satisfied by way of cash by the Purchaser to the Vendors in following manners:

- i) initial consideration as to RMB81,000,000 (equivalent to approximately HK\$91,530,000) payable to the Vendors within 90 days after Completion;
- ii) second consideration as to a maximum of RMB54,000,000 (if the 2016 Guarantee Profit for the First Relevant Period is attained) is payable to the Vendors within 5 business days upon the 2016 audited consolidated financial statements of Huakai Heavy is issued or completion of the registration (whichever is later); and

39.收購附屬公司

截至二零一七年十二月三十一日止年度

於二零一六年十一月十六日及二零一七年一月十八日，本公司間接全資附屬公司中海重工（深圳）有限公司（「買方」）與南通鑫達船舶科技發展有限公司、霍起先生及馬貞強先生（統稱「賣方」）訂立買賣協議及補充協議（統稱「買賣協議」），內容有關收購華凱重工之全部註冊資本（「收購事項」），初步代價為人民幣81,000,000元，倘華凱重工及其附屬公司（統稱為「華凱重工集團」）於截至二零一六年十二月三十一日止年度（「第一個有關期間」）及截至二零一七年十二月三十一日止年度（「第二個有關期間」）之經審核綜合除稅後純利分別不低於人民幣15,000,000元（「二零一六年保證溢利」）及人民幣50,000,000元（「二零一七年保證溢利」），則有關代價須上調至最多人民幣270,000,000元。收購事項之最高代價為人民幣270,000,000元（可根據二零一六年保證溢利及二零一七年保證溢利予以調整），將由買方按以下方式以現金向賣方支付：

- i) 初步代價人民幣81,000,000元（相當於約91,530,000港元）於完成後90日內支付予賣方；
- ii) 第二筆代價最多人民幣54,000,000元（倘第一個有關期間達成二零一六年保證溢利）於華凱重工二零一六年經審核綜合財務報表發佈或完成登記（以較後者為準）後5個營業日內支付予賣方；及

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. ACQUISITION OF SUBSIDIARIES (CONTINUED)

During the year ended 31 December 2017 (Continued)

- iii) final consideration as to a maximum of RMB135,000,000 (if the 2017 Guarantee Profit for the Second Relevant Period is attained) is payable to the Vendors within 5 business days upon the 2017 audited consolidated financial statements of Huakai Heavy is issued or completion of the registration (whichever is later).

On 11 April 2017, the Acquisition was completed. The Acquisition has been accounted for using the purchase method. The Directors considered that Huakai Heavy became an indirect wholly-owned subsidiary of the Group and the financial performance of Huakai Heavy would be consolidated into the consolidated financial statements of the Group after the completion of the Acquisition.

Huakai Heavy is engaged in manufacturing and selling of steel structures and fittings for ship, marine, equipment, mining equipment, ro-ro equipment, ship, bridge and building steel structure in the PRC. The Directors consider that the Acquisition could diversify the existing business activities of the Group.

Consideration transferred

Cash	現金
Contingent Consideration Payable (Note 38)	應付或然代價(附註38)
Total consideration	總代價

39.收購附屬公司(續)

截至二零一七年十二月三十一日 止年度

- iii) 最終代價最多人民幣135,000,000元(倘第二個有關期間達成二零一七年保證溢利)於華凱重工二零一七年經審核綜合財務報表發佈或完成登記(以較後者為準)後5個營業日內支付予賣方。

於二零一七年四月十一日完成收購事項。收購事項採用購買法入賬。董事認為，於收購事項完成後，華凱重工成為本集團之間接全資附屬公司及華凱重工之財務業績將綜合計入本集團之綜合財務報表。

華凱重工於中國從事製造及銷售船用鋼結構及配件、航海設備、採礦設備、滾裝設備以及船舶、橋樑及建築鋼結構。董事認為，收購事項可多元化本集團之現有業務活動。

所轉讓代價

HK\$'000
千港元

Cash	現金	91,530
Contingent Consideration Payable (Note 38)	應付或然代價(附註38)	155,611
Total consideration	總代價	247,141

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. ACQUISITION OF SUBSIDIARIES (CONTINUED)

39.收購附屬公司(續)

During the year ended 31 December 2017
(Continued)

截至二零一七年十二月三十一日
止年度(續)

Consideration transferred (Continued)

所轉讓代價(續)

HK\$'000
千港元

Acquisition – related costs (included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income)	收購—相關成本(包括於綜合損益及其他全面收益表之行政開支)	3,718
--------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------	-------

Assets acquired and liabilities recognised at the date of the Acquisition were as follows:	於收購日期所收購之資產及所確認之負債如下:	
--------------------------------------------------------------------------------------------	-----------------------	--

HK\$'000
千港元

Property, plant and equipment (Note 17)	物業、廠房及設備(附註17)	210,270
Prepaid lease payments (Note 19)	預付租賃款項(附註19)	62,342
Intangible assets (Note 21)	無形資產(附註21)	36,276
Inventories	存貨	97,913
Trade receivables	貿易應收款項	25,517
Other receivables and prepayment	其他應收款項及預付款項	421,626
Tax recoverable	可收回稅項	88
Available-for-sale investment	可供出售投資	14,690
Pledged bank deposit	已抵押銀行存款	251
Bank balances and cash	銀行結餘及現金	194
Trade, bills and other payables	貿易、票據及其他應付款項	(210,809)
Receipts in advances	預收款項	(9,663)
Bank borrowings	銀行借貸	(205,095)
Other borrowings	其他借貸	(48,509)
Provision for financial guarantee	財務擔保撥備	(208,981)
Deferred tax liabilities (Note 36)	遞延稅項負債(附註36)	(25,457)
Net identifiable assets acquired	所收購可識別資產淨值	160,653
Goodwill arising on the Acquisition (Note 20)	收購產生之商譽(附註20)	86,488
Fair value of consideration	代價之公平值	247,141

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Goodwill arose in the acquisition of Huakai Heavy because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Huakai Heavy Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Impact of acquisition on the results of the Group

Net cash outflow on acquisition of Huakai Heavy

Cash consideration paid
Less: Pledged bank deposit
Bank balances and cash

已付現金代價
減：已質押銀行存款
銀行結餘及現金

HK\$'000
千港元

91,530
(251)
(194)

91,085

Included in the loss for the year ended 31 December 2017 is a profit of approximately HK\$3,779,000 attributable to the additional business generated by Huakai Heavy Group. Revenue for the year ended includes approximately HK\$281,019,000 generated from Huakai Heavy.

Had the Acquisition been completed on 1 January 2017, total group revenue for the year would have been approximately HK\$369,350,000 and loss for the year would have been approximately HK\$653,706,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

39.收購附屬公司(續)

收購華凱重工產生商譽，乃由於合併成本包括一筆控制權溢價所致。此外，已付合併代價實際包括與預期協同效益、收益增長、未來市場開發及華凱重工集團全體勞工之利益有關之金額。由於該等利益不符合可識別無形資產的確認標準，故此該等利益並無與商譽分開確認。

收購對本集團業績的影響

收購華凱重工的現金流出淨額

截至二零一七年十二月三十一日止年度之虧損中約3,779,000港元之溢利乃源於華凱重工集團之新增業務。截至該日止年度之收益中約281,019,000港元乃產生自華凱重工。

倘收購事項於二零一七年一月一日完成，則本集團之年內收益總額將為約369,350,000港元，而年內虧損將為約653,706,000港元。備考資料僅供說明用途，未必為倘收購事項於二零一七年一月一日已經完成本集團實際可達致之收益及經營業績的指標，亦不擬作為未來業績預測。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Impact of acquisition on the results of the Group (Continued)

In determining the “pro-forma” loss of the Group had Huakai Heavy been acquired at the beginning of the current year, the Directors have calculated depreciation of property, plant and equipment, amortisation of intangible assets, prepaid lease payments and deferred tax liabilities acquired on the basis of the fair value arising in the initial accounting for the business combination rather than carrying amount recognised in the pre-acquisition financial statements.

40. IMPAIRMENT TESTING ON GOODWILL WITH INDEFINITE USEFUL LIVES AND INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES

Impairment testing on goodwill and intangible assets of intelligent car parking and automotive device business

As at 31 December 2018, the carrying amounts of goodwill and intangible assets (net of accumulated impairment losses) relating to the Group’s intelligent car parking and automotive device business segment were approximately HK\$103,156,000 and HK\$100,506,000 respectively (2017: HK\$133,594,000 and HK\$146,856,000 respectively).

The goodwill with indefinite useful lives and intangible assets with definite useful lives has been allocated to one individual cash generating unit (“CGU”) for the acquisition of Success Capture Limited and its subsidiaries.

39.收購附屬公司(續)

收購對本集團業績的影響(續)

於假設於本年度初收購華凱重工而釐定本集團「備考」虧損時，董事已根據於業務合併初次入賬時產生的公平值計算所收購物業、廠房及設備折舊、無形資產攤銷、預付租賃款項以及遞延稅項負債，而非根據收購前財務報表確認之賬面值計算。

40. 具有無限可使用年期之商譽及具有有限可使用年期之無形資產之減值測試

智慧停車及汽車電子業務商譽及無形資產的減值測試

於二零一八年十二月三十一日，本集團智慧停車及汽車電子業務分部的商譽及無形資產（扣除累計減值虧損）的賬面值分別約為103,156,000港元及100,506,000港元（二零一七年：133,594,000港元及146,856,000港元）。

因收購Success Capture Limited及其附屬公司而產生的具無限可使用年期的商譽及具有有限可使用年期的無形資產乃分配至單一的個別現金產生單位（「現金產生單位」）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. IMPAIRMENT TESTING ON GOODWILL WITH INDEFINITE USEFUL LIVES AND INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES (CONTINUED)

Impairment testing on goodwill and intangible assets of intelligent car parking and automotive device business (Continued)

During the year ended 31 December 2018, the intelligent car parking and automotive device business segment was downturn due to the Group's failure to realise the expected objective of adjustment of sales strategies of car-parking equipment affected by limitations of local policies on car park construction and insufficient working capital of the Group. The Directors carried out a full scope assessment of the recoverable amount of the cash generating unit ("CGU") of intelligent car parking and automotive device business segment to which goodwill and intangible assets have been allocated. As a result of the impairment assessments, the Directors considered that impairment loss of HK\$22,000,000 and HK\$10,000,000, respectively (2017: HK\$Nil and HK\$16,925,000 respectively), on the goodwill and intangible assets arising from intelligent car parking and automotive device business segment were provided for the year ended 31 December 2018. The impairment assessments on the recoverable amount for the CGU performed by the Group were based on value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts.

During the year ended 31 December 2017, the Directors conducted a review of the Group's goodwill and intangible assets and appointed an independent professional valuer, Greater China, to assist them to determine the recoverable amount.

40. 具有無限可使用年期之商譽及具有有限可使用年期之無形資產之減值測試 (續)

智慧停車及汽車電子業務商譽及無形資產的減值測試 (續)

於截至二零一八年十二月三十一日止年度，因受地方對停車場建設的政策限制及本集團營運資金不足影響，本集團未能實現停車設備銷售策略調整的預期目標，智慧停車及汽車電子業務分部表現低迷。董事對獲分配商譽及無形資產的智慧停車及汽車電子業務分部現金產生單位（「現金產生單位」）的可收回金額進行了全面評估。根據減值評估，董事認為，截至二零一八年十二月三十一日止年度就智慧停車及汽車電子業務分部產生的商譽及無形資產分別計提減值虧損22,000,000港元及10,000,000港元（二零一七年：分別零港元及16,925,000港元）。本集團對現金產生單位的可收回金額進行的減值評估乃基於使用價值計算。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。

於截至二零一七年十二月三十一日止年度，董事已審閱本集團商譽及無形資產，並委任獨立專業估值師漢華協助彼等釐定可回收金額。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. IMPAIRMENT TESTING ON GOODWILL WITH INDEFINITE USEFUL LIVES AND INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES (CONTINUED)

Impairment testing on goodwill and intangible assets of intelligent car parking and automotive device business (Continued)

The recoverable amount of goodwill has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 24.07%. The cash flows beyond the 5-year period are extrapolated using a steady growth rate of 3%. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of intelligent car parking and automotive device business to exceed the aggregate recoverable amount of intelligent car parking and automotive device business.

For the purpose of impairment test on the license which had been allocated to the CGU of the intelligent car parking and automotive device business segment, the recoverable amounts were evaluated by an independent professional valuer, Greater China, by using the Multi-period excess earnings method applied to the license, covering a detailed 5-year budget plan plus an extrapolated cash flow projections, provided by the management, by applying a long term growth rate subsequent to this 5-year plan, with an after-tax discount rate of 21.7%.

40. 具有無限可使用年期之商譽及具有有限可使用年期之無形資產之減值測試(續)

智慧停車及汽車電子業務商譽及無形資產的減值測試(續)

商譽的可收回金額乃根據使用價值之計算而釐定。該計算使用的現金流量預測乃基於管理層批准涵蓋五年期的財務預算及24.07%的除稅前折現率計算。超過五年期的現金流量會以穩定的3%增長率推算。此增長率乃基於有關行業增長預測及並無超出有關行業的平均長期增長率。其他用於計算使用價值的主要假設涉及包括預算銷售及毛利的現金流入／流出估計，該估計乃基於單位的過往表現及管理層對市場發展的預期。管理層認為任何該等假設的任何合理可能變動不會導致智慧停車及汽車電子業務的總賬面值超過其可收回的總金額。

就已分配至智慧停車及汽車電子業務分部的現金產生單位的許可的減值測試而言，可回收金額乃由獨立專業估值師漢華使用適用於許可的多期超額盈餘法進行評估，範圍包括詳細的5年預算計劃及由管理層提供通過於該5年計劃後應用長期增長率及稅後貼現率21.7%得出的推算現金流預測。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. IMPAIRMENT TESTING ON GOODWILL WITH INDEFINITE USEFUL LIVES AND INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES (CONTINUED)

Impairment testing on goodwill and intangible assets of steel structure engineering and installation business

As at 31 December 2018, the carrying amounts of goodwill and intangible assets (net of accumulated impairment losses) relating to the Group's steel structure engineering and installation segment were approximately HK\$Nil and HK\$16,360,000 respectively (2017: approximately HK\$48,551,000 and HK\$36,554,000 respectively).

The goodwill with indefinite useful lives and intangible assets with definite useful lives has been allocated to one individual cash generating unit (CGU) for the acquisition of Huakai Heavy Group.

During the year ended 31 December 2018, the steel structure engineering and installation segment was downturn due to the difficulties facing the shipbuilding industry, the business of ship equipment and ocean engineering related equipment experienced a contraction in sales volume, which fell short of expectation and adversely affected the performance of the steel structure engineering and installation segment. The Directors carried out a full scope assessment of the recoverable amount of the cash generating unit ("CGU") of steel structure engineering and installation business segment to which goodwill and intangible assets have been allocated. As a result of the impairment assessments, the Directors considered that impairment loss of HK\$47,740,000 and HK\$16,000,000, respectively (2017: HK\$40,771,000 and HK\$Nil respectively) on the goodwill and intangible assets arising from steel structure engineering and installation business segment were provided for the year ended 31 December 2018. The impairment assessments on the recoverable amount for the CGU performed by the Group were based on value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rate and the projected sales volume, selling prices and direct costs used in the cash flow forecasts.

40. 具有無限可使用年期之商譽及具有有限可使用年期之無形資產之減值測試 (續)

鋼結構工程及安裝業務商譽及無形資產的減值測試

於二零一八年十二月三十一日，本集團鋼結構工程及安裝分部的商譽及無形資產（扣除累計減值虧損）的賬面值分別約為零港元及16,360,000港元（二零一七年：分別約48,551,000港元及36,554,000港元）。

因收購華凱重工集團而產生的具無限可使用年期的商譽及具有有限可使用年期的無形資產乃分配至單一的個別現金產生單位。

於截至二零一八年十二月三十一日止年度，因造船業面臨困境，船舶設備及海洋工程相關設備業務銷售量萎縮，導致銷售量未達預期，並對鋼結構工程及安裝分部之表現帶來不利影響，鋼結構工程及安裝分部表現低迷。董事對獲分配商譽及無形資產的鋼結構工程及安裝業務分部現金產生單位（「現金產生單位」）的可收回金額進行了全面評估。根據減值評估，董事認為，截至二零一八年十二月三十一日止年度就鋼結構工程及安裝業務分部產生的商譽及無形資產分別計提減值虧損47,740,000港元及16,000,000港元（二零一七年：分別40,771,000港元及零港元）。本集團對現金產生單位的可收回金額進行的減值評估乃基於使用價值計算。使用價值計算的主要假設乃關於折現率、增長率以及現金流量預測中使用的預測銷量、售價及直接成本的假設。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. IMPAIRMENT TESTING ON GOODWILL WITH INDEFINITE USEFUL LIVES AND INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES (CONTINUED)

Impairment testing on goodwill and intangible assets of steel structure engineering and installation business (Continued)

During the year ended 31 December 2017, the Directors conducted a review of the Group's goodwill and intangible assets and appointed an independent professional valuer, Greater China, to assist them to determine the recoverable amount.

The recoverable amount of this unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 21.57%. The cash flows beyond the 5-year period are extrapolated using a steady growth rate of 3%. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of steel structure engineering and installation to exceed the aggregate recoverable amount of steel structure engineering and installation.

40. 具有無限可使用年期之商譽及具有有限可使用年期之無形資產之減值測試(續)

鋼結構工程及安裝業務商譽及無形資產的減值測試(續)

於截至二零一七年十二月三十一日止年度，董事已審閱本集團商譽及無形資產，並委任獨立專業估值師漢華協助彼等釐定可收回金額。

該單位的可收回金額乃根據使用價值之計算而釐定。該計算使用的現金流量預測乃基於管理層批准涵蓋五年期的財務預算及21.57%的除稅前折現率計算。超過五年期的現金流量會以穩定的3%增長率推算。此增長率乃基於有關行業增長預測及並無超出有關行業的平均長期增長率。其他用於計算使用價值的主要假設涉及包括銷售預算及毛利的現金流入／流出估計，該估計乃基於單位的過往表現及管理層對市場發展的期望。管理層認為任何該等假設的任何合理可能變動，將不會導致鋼結構工程及安裝的總賬面值超過其可收回的總金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. IMPAIRMENT TESTING ON GOODWILL WITH INDEFINITE USEFUL LIVES AND INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES (CONTINUED)

Impairment testing on goodwill and intangible assets of steel structure engineering and installation business (Continued)

The recoverable amount of intangible assets has been determined on the basis of its fair value. Relief-from-royalty method was applied in the valuation of the intangible assets. In applying the method, an estimate of a reasonable royalty rate was made assuming that the intangible assets was licensed at a fair rate as a result of arm's length negotiations. Royalty rate of 4.5% was adopted in the valuation of intangible assets.

40. 具有無限可使用年期之商譽及具有有限可使用年期之無形資產之減值測試 (續)

鋼結構工程及安裝業務商譽及無形資產的減值測試 (續)

無形資產可回收金額乃根據其公平值釐定。無形資產估值過程中已採用免納專利權使用費方法。應用該方法時，合理專利權費率之估計乃假設無形資產為按經公平磋商達致之公平費率授權而作出。無形資產估值所採用的專利權費率為4.5%。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged for the Group's banking facilities, bills payables and borrowings:

41. 資產抵押

於報告期末，就本集團銀行融資、應付票據及借貸而抵押之資產如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank deposits (Note 28)	銀行存款 (附註28)	235	248
Property, plant and equipment (Note 17)	物業、廠房及設備 (附註17)	301,210	309,025
Prepaid lease payments (Note 19)	預付租賃款項 (附註19)	208,166	221,799
Inventories (Note 24)	存貨 (附註24)	—	8,904
		509,611	539,976

As at 31 December 2018, the Company pledged the entire equity interests of Jiangxi Shipbuilding to secure a bank borrowing of HK\$122,452,000 (equivalent to RMB107,414,000) (2017: HK\$128,897,000 (equivalent to RMB107,414,000) (Note 32).

於二零一八年十二月三十一日，本公司已抵押江西造船之全部股權，作為銀行借貸122,452,000港元（相當於人民幣107,414,000元）（二零一七年：128,897,000港元（相當於人民幣107,414,000元））之抵押（附註32）。

42. SHARE OPTION SCHEME

The Company has adopted a share option scheme on 27 May 2002 (the "Scheme 2002"). Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 27 June 2012, the Scheme 2002 was expired and those options under the Scheme 2002 shall remain exercisable pursuant to the rules of the Scheme 2002, and a new share option scheme (the "Scheme 2012") was adopted.

42. 購股權計劃

本公司已於二零零二年五月二十七日採納一項購股權計劃（「二零零二年計劃」）。根據本公司於二零一二年六月二十七日舉行之股東週年大會上通過之一項普通決議案，二零零二年計劃已屆滿，而二零零二年計劃項下之購股權仍可根據二零零二年計劃之規則行使，並已採納一項新購股權計劃（「二零一二年計劃」）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEME (CONTINUED)

The purpose of the Scheme 2002 and Scheme 2012 is to recognise and motivate the contribution of any employee, adviser, consultant, agent, contractor, client and supplier and/or such other person who in the sole discretion of the board of Directors, has contributed or may contribute to the Group and to provide incentives and help the Company in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 10% of the shares of the Company in issue at any point in time without prior approval from the Company's shareholders. Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per person. Options may be exercised at any time during the exercise period. The subscription price of the option shall be determined by the board of Directors but in any case shall not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheet of the Exchange on the date of grant which must be a trading day; (ii) the average closing price of the shares as stated in the daily quotations sheet of the Exchange for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share.

At 31 December 2018, the number of outstanding share options under the Scheme 2012 and Scheme 2002 were 326,000,000 (2017: 876,000,000) and Nil (2017: 46,449,780) respectively, representing 2.39% (2017: 6.76%) of the shares of the Company in issue at that date.

42. 購股權計劃 (續)

二零零二年計劃及二零一二年計劃旨在認可及激勵任何僱員、顧問、諮詢師、代理、承包商、客戶及供應商及／或董事會全權酌情認為曾經或可能對本集團作出貢獻的其他人士所作貢獻，以及作為獎勵並協助本公司挽留其現有僱員及招聘新員工，並為彼等提供直接經濟利益，以實現本公司長期業務目標。

就於任何一年內向任何個人已授出及可能授出之購股權而已發行及將予發行股份數目，在未獲本公司股東事先批准前，不得超過任何時間內本公司已發行股份之10%。已授出購股權須於授出日期起計21日內接納，並須每人支付1港元。購股權可於行使期內任何時間行使。購股權之認購價須由董事會釐定，惟於任何情況下不得低於以下較高者：(i)於授出日期（必須為交易日）於聯交所每日報價表所報之股份收市價；(ii)緊接授出日期前五個交易日聯交所每日報價表所報之股份平均收市價；或(iii)股份之面值。

於二零一八年十二月三十一日，二零一二年計劃及二零零二年計劃下尚未行使之購股權數目分別為326,000,000份（二零一七年：876,000,000份）及零份（二零一七年：46,449,780份），佔本公司當日已發行股份之2.39%（二零一七年：6.76%）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEME (CONTINUED)

Scheme 2002

The following table discloses details of the options held by Directors, employees and other persons and movements in such holdings during the years ended 31 December 2018 and 2017:

42. 購股權計劃 (續)

二零零二年計劃

下表披露於截至二零一八年及二零一七年十二月三十一日止年度，董事、僱員及其他人士所持有購股權之詳情，以及有關持股之變動：

Name	Date of grant	Exercisable period	Exercise price per share	Number of share options outstanding at 1 January 2017, 31 December 2017 and 1 January 2018 於二零一七年一月一日、二零一七年十二月三十一日及二零一八年一月一日 尚未行使購股權數目	Lapsed during the year 於年內失效	Number of share options outstanding at 31 December 2018 於二零一八年十二月三十一日 尚未行使購股權數目
名稱	授出日期	可行使期間	每股行使價 (Note a) (附註a)	購股權數目	(Note c) (附註c)	購股權數目
Directors 董事	5 March 2008 二零零八年三月五日	5 March 2008 to 4 March 2018 二零零八年三月五日至 二零一八年三月四日	HK\$5.693 5.693 港元	2,529,600	(2,529,600)	-
		5 March 2009 to 4 March 2018 二零零九年三月五日至 二零一八年三月四日	HK\$5.693 5.693 港元	1,897,200	(1,897,200)	-
		5 March 2010 to 4 March 2018 二零一零年三月五日至 二零一八年三月四日	HK\$5.693 5.693 港元	1,897,200	(1,897,200)	-
				<u>6,324,000</u>	<u>(6,324,000)</u>	<u>-</u>
Directors 董事	7 May 2008 二零零八年五月七日	7 May 2008 to 6 May 2018 二零零八年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	1,644,240	(1,644,240)	-
		7 May 2009 to 6 May 2018 二零零九年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	1,233,180	(1,233,180)	-
		7 May 2010 to 6 May 2018 二零一零年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	1,233,180	(1,233,180)	-
				<u>4,110,600</u>	<u>(4,110,600)</u>	<u>-</u>
				<u>10,434,600</u>	<u>(10,434,600)</u>	<u>-</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEME (CONTINUED)

Scheme 2002 (Continued)

Name	Date of grant	Exercisable period	Exercise price per share	Number of share options outstanding at 1 January 2017, 31 December 2017 and 1 January 2018 於二零一七年一月一日、二零一七年十二月三十一日及二零一八年一月一日 尚未行使購股權數目	Lapsed during the year	Number of share options outstanding at 31 December 2018 於二零一八年十二月三十一日 尚未行使購股權數目
名稱	授出日期	可行使期間	每股行使價 (Note a) (附註a)	購股權數目	於年內失效 (Note c) (附註c)	購股權數目
Employees 僱員	7 May 2008 二零零八年五月七日	7 May 2008 to 6 May 2018 二零零八年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	935,952	(935,952)	-
		7 May 2009 to 6 May 2018 二零零九年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	701,964	(701,964)	-
		7 May 2010 to 6 May 2018 二零一零年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	701,964	(701,964)	-
				<u>2,339,880</u>	<u>(2,339,880)</u>	<u>-</u>
Consultants (Note b) 顧問 (附註b)	7 May 2008 二零零八年五月七日	7 May 2008 to 6 May 2018 二零零八年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	33,675,300	(33,675,300)	-
				46,449,780	(46,449,780)	-
				<u>46,449,780</u>	<u>(46,449,780)</u>	<u>-</u>
		Exercisable at the end of the year 於年末可行使		<u>46,449,780</u>	<u>(46,449,780)</u>	<u>-</u>

Notes:

- The initial exercise prices of the share options granted on 5 March 2008 and 7 May 2008 are HK\$0.18 and HK\$0.143 respectively. Upon the share consolidation became effective on 25 June 2009 and the open offer and the related bonus element became effective on 7 September 2010, the exercise prices of share options were adjusted to HK\$5.693 and HK\$4.523 accordingly.
- The consultants provided consultancy service with regard to the acquisition and operation of INPAX Group.
- 46,449,780 outstanding share options have been lapsed during the year ended 31 December 2018.

The weighted average remaining contractual life and weighted average exercise price of the outstanding share options under Scheme 2002 is approximately 0.3 years and HK\$4.682 per share respectively at 31 December 2017.

42. 購股權計劃 (續)

二零零二年計劃 (續)

Name	Date of grant	Exercisable period	Exercise price per share	Number of share options outstanding at 1 January 2017, 31 December 2017 and 1 January 2018 於二零一七年一月一日、二零一七年十二月三十一日及二零一八年一月一日 尚未行使購股權數目	Lapsed during the year	Number of share options outstanding at 31 December 2018 於二零一八年十二月三十一日 尚未行使購股權數目
名稱	授出日期	可行使期間	每股行使價 (Note a) (附註a)	購股權數目	於年內失效 (Note c) (附註c)	購股權數目
Employees 僱員	7 May 2008 二零零八年五月七日	7 May 2008 to 6 May 2018 二零零八年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	935,952	(935,952)	-
		7 May 2009 to 6 May 2018 二零零九年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	701,964	(701,964)	-
		7 May 2010 to 6 May 2018 二零一零年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	701,964	(701,964)	-
				<u>2,339,880</u>	<u>(2,339,880)</u>	<u>-</u>
Consultants (Note b) 顧問 (附註b)	7 May 2008 二零零八年五月七日	7 May 2008 to 6 May 2018 二零零八年五月七日至 二零一八年五月六日	HK\$4.523 4.523 港元	33,675,300	(33,675,300)	-
				46,449,780	(46,449,780)	-
				<u>46,449,780</u>	<u>(46,449,780)</u>	<u>-</u>
		Exercisable at the end of the year 於年末可行使		<u>46,449,780</u>	<u>(46,449,780)</u>	<u>-</u>

附註:

- 於二零零八年三月五日及二零零八年五月七日授出之購股權之初步行使價分別為0.18港元及0.143港元。在股份合併於二零零九年六月二十五日生效，以及公開發售及相關紅利部分於二零一零年九月七日生效後，購股權之行使價已分別相應調整至5.693港元及4.523港元。
- 顧問就收購及經營INPAX集團提供顧問服務。
- 46,449,780份尚未行使購股權已於截至二零一八年十二月三十一日止年度內失效。

於二零一七年十二月三十一日，二零零二年計劃項下之尚未行使購股權的加權平均剩餘合約年期及加權平均行使價分別約為0.3年及每股股份4.682港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEME (CONTINUED)

42. 購股權計劃 (續)

Scheme 2012

二零一二年計劃

Name	Date of grant	Exercisable period	Subscription price per share	Number of share options 購股權數目			Outstanding at 31 December 2018 於二零一八年十二月三十一日 尚未行使
				Outstanding at 1 January 2017, 31 December 2017 and 1 January 2018 於二零一七年一月一日、二零一七年十二月三十一日及二零一八年一月一日 尚未行使	Lapsed during the year 於年內失效 (Note b) (附註b)	Reclassification during the year 於年內重新分類 (Note c) (附註c)	
名稱	授出日期	可行使期間	每股認購價				
Directors 董事	7 May 2014 二零一四年五月七日	7 May 2014 to 6 May 2024 二零一四年五月七日至 二零二四年五月六日	HK\$0.211 0.211 港元	80,000,000	-	(16,000,000)	64,000,000
	4 November 2015 二零一五年十一月四日	4 November 2015 to 3 November 2018 二零一五年十一月四日至 二零一八年十一月三日	HK\$0.28 0.28 港元	270,000,000	(270,000,000)	-	-
				350,000,000	(270,000,000)	(16,000,000)	64,000,000
Employees 僱員	7 May 2014 二零一四年五月七日	7 May 2014 to 6 May 2024 二零一四年五月七日至 二零二四年五月六日	HK\$0.211 0.211 港元	50,000,000	-	16,000,000	66,000,000
	4 November 2015 二零一五年十一月四日	4 November 2015 to 3 November 2018 二零一五年十一月四日至 二零一八年十一月三日	HK\$0.28 0.28 港元	280,000,000	(280,000,000)	-	-
				330,000,000	(280,000,000)	16,000,000	66,000,000
Consultants (Note a) 顧問 (附註a)	7 May 2014 二零一四年五月七日	7 May 2014 to 6 May 2024 二零一四年五月七日至 二零二四年五月六日	HK\$0.211 0.211 港元	196,000,000	-	-	196,000,000
				876,000,000	(550,000,000)	-	326,000,000
Exercisable at the end of the year 於年末可行使				876,000,000	(550,000,000)	-	326,000,000

Notes:

- The consultants provided consultancy service with regard to the financing, restructuring and development of the Group.
- 550,000,000 outstanding share options have been lapsed during the year ended 31 December 2018.
- There was reclassification of share options from "Directors" to "Employees" due to resignation of executive director.

附註:

- 顧問就本集團之融資、重組及發展提供顧問服務。
- 550,000,000份尚未行使購股權已於截至二零一八年十二月三十一日止年度內失效。
- 由於執行董事辭任，購股權自「董事」重新分類至「僱員」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. SHARE OPTION SCHEME (CONTINUED)

The weighted average remaining contractual life of options outstanding at the end of the year was 5.4 years (2017: 2.9 years). The weighted average exercise price of options outstanding at the end of the year was HK\$0.211 (2017: HK\$0.254)

No share options were exercised during the year ended 31 December 2018 (31 December 2017: Nil).

43. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) for all its qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group and in funds under the control of trustees. The Group contributes 5% or HK\$1,500 since June 2014 in maximum of relevant payroll costs to the MPF Scheme, which is matched by employees.

The Company’s subsidiaries in the PRC is members of the state-managed retirement benefits scheme operated by the government of PRC. The retirement scheme contributions, which are based on a certain percentage of the basic salaries of the relevant subsidiary’s employees, are charged to in the period to which they relate and represent the amount of contributions payable by the subsidiary to the scheme. The only obligation of the Group with respect to the retirement benefits scheme operated by the government of PRC is to make the required contributions under the scheme.

The retirement benefit cost charged to the profit or loss represents contributions paid and payable to the scheme by the Group at rate specified in the rules of the scheme.

42. 購股權計劃 (續)

於年終，尚未行使購股權的加權平均餘下合約年期為5.4年(二零一七年：2.9年)。於年終，尚未行使購股權的加權平均行使價為0.211港元(二零一七年：0.254港元)。

於截至二零一八年十二月三十一日止年度並無購股權獲行使(二零一七年十二月三十一日：零份)。

43. 退休福利計劃

本集團為香港所有合資格僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃之資產與本集團之資產分開持有，由信託人以基金形式管理。本集團向強積金計劃就相關工資成本供款5%或最高金額1,500港元(二零一四年六月起)，僱員之供款為相同之金額。

本公司於中國的附屬公司為中國政府經營的國家管理退休福利計劃成員。按相關附屬公司僱員基本工資的若干百分比計量的退休計劃供款於其相關期間在損益扣除，指附屬公司應向計劃支付的供款。本集團就中國政府經營之退休福利計劃之責任僅為根據計劃作出規定之供款。

於損益扣除之退休福利成本指本集團按計劃規定指定之比率向計劃已付及應付之供款。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. LITIGATIONS AND CONTINGENT LIABILITIES

- (a) At 31 December 2018, the Group has not paid the social security fund for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The social security fund accrued up to 31 December 2018 of approximately HK\$47,289,000 (equivalent to RMB41,482,000) in aggregate, were recorded as “Trade and other payables” in the consolidated statement of financial position (2017: HK\$49,002,000 (equivalent to RMB40,835,000)).

A repayment agreement was signed between Jiangxi Shipbuilding, a wholly-owned subsidiary of the Company and the relevant government authority on 26 January 2015 in respect of the settlement of the unpaid social security fund. Per the agreement, all outstanding amounts should be repaid before December 2019. The Directors considered that if the Group could settle the unpaid social security fund according to the repayment agreement, no penalty would be imposed by the relevant government authority.

- (b) At 31 December 2018, the Group has not paid the housing provident fund contributions for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The housing provident fund contributions accrued up to 31 December 2018 of approximately HK\$7,735,000 (equivalent to RMB6,785,000) in aggregate, were recorded as “Trade and other payables” in the consolidated statement of financial position (2017: HK\$8,724,000 (equivalent to RMB7,270,000)).

44. 訴訟及或然負債

- (a) 於二零一八年十二月三十一日，本集團尚未為及代表其僱員繳付社保基金，使本集團承受被相關政府部門處以罰款之風險。截至二零一八年十二月三十一日之應計社保基金合共約為47,289,000港元（相當於人民幣41,482,000元），已在綜合財務狀況報表以「貿易及其他應付款項」入賬（二零一七年：49,002,000港元（相當於人民幣40,835,000元））。

本公司之全資附屬公司江西造船與相關政府部門於二零一五年一月二十六日就償付未繳社保基金簽訂還款協議。根據協議，所有未付金額須於二零一九年十二月前償還。董事認為倘本集團根據還款協議償付未繳社保基金，則相關政府部門不會追加罰款。

- (b) 於二零一八年十二月三十一日，本集團尚未為及代表其僱員繳付住房公積金供款，使本集團承受被相關政府部門處以罰款之風險。截至二零一八年十二月三十一日之應計住房公積金供款合共約7,735,000港元（相當於人民幣6,785,000元），已在綜合財務狀況報表以「貿易及其他應付款項」入賬（二零一七年：8,724,000港元（相當於人民幣7,270,000元））。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. LITIGATIONS AND CONTINGENT LIABILITIES (CONTINUED)

(c) The Company had recognised the provision in relation to the litigations of approximately RMB439,110,000 (2017: RMB14,971,000) under “Trade and other payables” and “other borrowings” in the consolidated statement of financial position as at 31 December 2018. The management are of the opinion that it is not probable that these claims would result in an out flow of economic benefits exceeding the provisions made by the Group. Details are set out as follows:

- (i) In 2018, an independent third party filed litigation to the Intermediate People’s Court of Nantong City against Nantong Huakai for outstanding liabilities. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB37,478,000 in aggregate.
- (ii) In 2018, a supplier filed litigation to the People’s Court of Rugao City against Nantong Huakai for outstanding liabilities. At the end of the reporting period, the litigation was mediated and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB48,000,000 in aggregate.
- (iii) In 2018, a supplier filed litigation to the People’s Court of Chongchuan District against Nantong Huakai for outstanding liabilities. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB8,400,000 in aggregate.

44. 訴訟及或然負債 (續)

(c) 本公司已在二零一八年十二月三十一日之綜合財務狀況報表中的「貿易及其他應付款項」及「其他借貸」項下就訴訟確認撥備約人民幣439,110,000元(二零一七年:人民幣14,971,000元)。管理層認為,該等索償不大可能導致本集團的經濟利益流出超過所作之撥備。詳情載列如下:

- (i) 於二零一八年,一名獨立第三方就尚未償還負債向南通市中級人民法院提出針對南通華凱的訴訟。於報告期末,該訴訟已作出判決,及尚未償還之應付本金付款及相關應計利息合共約為人民幣37,478,000元。
- (ii) 於二零一八年,一名供應商就尚未償還負債向如皋市人民法院提出針對南通華凱的訴訟。於報告期末,該訴訟已作出調解,及尚未償還之應付本金付款及相關應計利息合共約為人民幣48,000,000元。
- (iii) 於二零一八年,一名供應商就尚未償還負債向崇川區人民法院提出針對南通華凱的訴訟。於報告期末,該訴訟已作出判決,及尚未償還之應付本金付款及相關應計利息合共約為人民幣8,400,000元。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. LITIGATIONS AND CONTINGENT LIABILITIES (CONTINUED)

(c) (Continued)

- (iv) In 2018, a supplier filed litigation to the Intermediate People's Court of Shenyang City against Nantong Huakai for outstanding liabilities. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB5,000,000 in aggregate.
- (v) In 2018, a shipbuilding administrator filed litigation to the Intermediate People's Court of Zhoushan City against Jiangxi Shipbuilding and China Ocean Shipbuilding Holdings Limited for bankruptcy revocation, involving litigation amounts of RMB257,611,000. At the end of the reporting period, the litigation was not in trial yet.
- (vi) In 2018, a shipbuilding administrator filed litigation to the Intermediate People's Court of Zhoushan City against Jiangxi Shipbuilding and Jiujiang Jinhua Equipment Manufacturing Company Limited for bankruptcy revocation, involving litigation amounts of RMB63,930,000. At the end of the reporting period, the litigation was not in trial yet.
- (vii) In 2018, an independent third party filed litigation to the People's Court of Ruichang City against Jiangxi Shipbuilding for outstanding liabilities, involving litigation amounts of RMB12,000,000. At the end of the reporting period, the litigation was not in trial yet.

44. 訴訟及或然負債 (續)

(c) (續)

- (iv) 於二零一八年，一名供應商就尚未償還負債向瀋陽市中級人民法院提出針對南通華凱的訴訟。於報告期末，該訴訟已作出判決，及尚未償還之應付本金付款及相關應計利息合共約為人民幣5,000,000元。
- (v) 於二零一八年，一名船廠破產管理人向舟山市中級人民法院提出針對江西造船及中海船舶控股有限公司的破產撤銷權訴訟，訴訟金額人民幣257,611,000元。於報告期末，該訴訟尚未開庭。
- (vi) 於二零一八年，一名船廠破產管理人向舟山市中級人民法院提出針對江西造船及九江金湖裝備製造有限公司的破產撤銷權訴訟，訴訟金額人民幣63,930,000元。於報告期末，該訴訟尚未開庭。
- (vii) 於二零一八年，一名獨立第三方就尚未償還負債向瑞昌市人民法院提出針對江西造船的訴訟，訴訟金額人民幣12,000,000元。於報告期末，該訴訟尚未開庭。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. LITIGATIONS AND CONTINGENT LIABILITIES (CONTINUED)

(c) (Continued)

(viii) In 2018, a contractor filed litigation to Wuhan Marine Court against Jiangxi Shipbuilding for the failure to make payment of service fees, involving the total amount of litigation of approximately RMB6,691,000. At the end of the reporting period, the litigation was not judged yet.

(d) On 3 December 2015, Merge Limited and other shareholders of Zhejiang Ocean as counter guarantors (collectively referred to the “Counter Guarantor”) entered into the counter guarantee agreement with Zhoushan Marine Comprehensive Development and Investment Co., Ltd (舟山海洋綜合開發投資有限公司) (the “Guarantor”), pursuant to which the Counter Guarantors shall, in proportion to their respective shareholding in Zhejiang Ocean and upon demand of the Guarantor, indemnify the Guarantor for all liabilities and expenses which may be incurred by the Guarantor under any guarantee given or to be given by the Guarantor in favour of Zhejiang Ocean during the period from 1 January 2015 to 31 December 2020 in respect of loan agreements and asset securitization agreements entered into by Zhejiang Ocean (the “Guarantee”), up to an aggregate amount of RMB900,000,000, together with any interests, penalty, compensation and related fees and expenses which may be payable by the Guarantor under the Guarantee. Accordingly, the maximum amount which Merge shall indemnify the Guarantor is 20% of the aforesaid aggregate amount, being RMB180,000,000.

44. 訴訟及或然負債 (續)

(c) (續)

(viii) 於二零一八年，一名分包商向武漢海事法院提出針對江西造船就未支付服務費的訴訟，訴訟金額合共約人民幣6,691,000元。於報告期末，該訴訟尚未作出判決。

(d) 於二零一五年十二月三日，聚合有限公司及浙江海洋之其他股東（作為反擔保方，統稱為「反擔保方」）與舟山海洋綜合開發投資有限公司（「擔保方」）訂立反擔保協議，據此，反擔保方須按彼等各自於浙江海洋之持股比例及擔保方之要求，就擔保方因於二零一五年一月一日至二零二零年十二月三十一日期間就浙江海洋訂立之貸款協議及資產證券化協議給予或將給予以浙江海洋為受益人之任何擔保（「擔保」，總額最高為人民幣900,000,000元）而可能產生的一切負債及開支，連同擔保方於擔保下可能須支付的任何利息、罰款、賠償及相關費用與開支向擔保方作出彌償。因此，聚合應向擔保方作出之彌償之最高金額為上述總金額之20%，即人民幣180,000,000元。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. LITIGATIONS AND CONTINGENT LIABILITIES (CONTINUED)

- (e) As disclosed in the Company's circular dated 24 February 2017 (the "VSA Circular"), the financial guarantee of approximately HK\$229,527,000 represent the back-to-back corporate guarantees provided by Huakai Heavy (which became the Company's subsidiary on 11 April 2017 upon completion of the Acquisition of Huakai Heavy Group) in favour of Huatai Heavy Industry Limited in 2014 (the "Corporate Guarantee") which remained outstanding as at 31 December 2018. The relevant information including the details of the relevant guarantee agreements are disclosed in the VSA Circular. Due to the failure of two ship owners to fulfill its payment obligation under the relevant shipbuilding contracts, Huatai Heavy Industry Limited had cancelled the relevant export and import cooperation agreements with the vessel agency companies. Pursuant to the terms of the export and import co-operation agreements and the civil mediation agreements, Huatai Heavy Industry Limited was liable to refund the prepaid amount received from the vessel agency companies (the "Prepaid Amounts").

The Vendor of Huakai Heavy undertake to use the consideration payable to indemnify Huakai Heavy for all losses and liabilities incurred by Huakai Heavy under the Corporate Guarantee.

Other than disclosed above, the Directors are of the opinion that the Group has no other material contingent liabilities at 31 December 2018 and 31 December 2017.

44. 訴訟及或然負債 (續)

- (e) 誠如本公司日期為二零一七年二月二十四日之通函(「非常重大收購通函」)所披露,財務擔保約229,527,000港元指華凱重工(其於完成收購華凱重工集團後於二零一七年四月十一日成為本公司附屬公司)於二零一四年以華泰重工有限公司為受益人作出的背對背公司擔保(「公司擔保」),該項擔保於二零一八年十二月三十一日仍為未履行。有關資料(包括相關擔保協議詳情)披露於非常重大收購通函內。由於兩名船東未能履行其於有關造船合約項下之付款責任,華泰重工有限公司已取消與船舶代理公司簽訂的相關進出口合作協議。根據進出口合作協議及民事調解書之條款,華泰重工有限公司有責任退還向船舶代理公司收取之預付金額(「預付金額」)。

華凱重工賣方承諾將應付代價用於彌償華凱重工就其根據公司擔保產生之所有損失及負債。

除上文所披露者外,董事認為本集團於二零一八年十二月三十一日及二零一七年十二月三十一日並無其他重大或然負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

45. PROVISION FOR FINANCIAL GUARANTEE

As at 31 December 2017, Huakai Heavy provided several corporate guarantees in favour of Huatai Heavy Industry Limited in relation to the outstanding payments to five independent third parties, of approximately HK\$217,843,000 (equivalent to approximately RMB181,536,000). As at 31 December 2018, payment obligation of approximately HK\$229,527,000 (equivalent to approximately RMB201,340,000) on the corporate guarantee granted to Huatai Heavy Industry Limited pursuant to the arbitral award was reclassified to Trade and Other Payables (Note 30 (f)).

45. 財務擔保撥備

於二零一七年十二月三十一日，華凱重工以華泰重工有限公司為受益人就未償還付款向五名獨立第三方提供約217,843,000港元（相當於約人民幣181,536,000元）的若干項公司擔保。於二零一八年十二月三十一日，根據仲裁裁決就給予華泰重工有限公司之公司擔保之付款責任約229,527,000港元（相當於約人民幣201,340,000元）已重新分類至貿易及其他應付款項（附註30（f））。

46. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions and balances with related parties during the year as follows:

46. 有關聯人士交易

除於綜合財務報表其他部分所披露者，本集團於年內與有關聯人士之重大交易及結餘如下：

(a) Amounts due to related parties

(a) 應付有關聯人士款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. Wang San Long ("Mr. Wang") (Note i)	汪三龍先生（「汪先生」） （附註i）		
– consideration payable for the acquisition of Jiujiang Jinhu and accrued salaries	– 就收購九江金湖而應付之代價及應計薪金	483	508
Mr. Wu Ge ("Mr. Wu") (Note ii)	吳革先生（「吳先生」） （附註ii）		
– consideration payable for the acquisition of Jiujiang Jinhu and accrued salaries	– 就收購九江金湖而應付之代價及應計薪金	238	303
		721	811

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

46. RELATED PARTY TRANSACTIONS (CONTINUED)

46. 有關聯人士交易 (續)

(b) Amounts due to directors

(b) 應付董事款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. Li (Note iii)	李先生 (附註iii)	11,530	455
Mr. Zhang Shi Hong ("Mr. Zhang") (Note iv)	張士宏先生 (「張先生」) (附註iv)	10,395	9,579
		21,925	10,034

Notes:

- (i) Mr. Wang was resigned as an executive director of the Company and becomes a senior management of the Group on 21 November 2017. The amount is unsecured, interest-free and repayable on demand.

Mr. Wang had provided a personal guarantee in favour of the Group to guarantee a facility of approximately RMB158,015,000 (2017: RMB158,015,000) granted by banks in the PRC during the year ended 31 December 2018.

- (ii) Mr. Wu is the senior management of the Group. The amount is unsecured, interest-free and repayable on demand.

- (iii) Mr. Li, is the executive director of the Company, the amount is unsecured, interest free and repayable on demand.

Mr. Li has provided a personal guarantee in favor of the Group to guarantee a facility of approximately RMB692,454,000 (2017: RMB701,300,000) granted by banks in the PRC during the year ended 31 December 2018.

Mr. Li also had provided a personal guarantee to secure the payment obligations of the borrowings of approximately RMB74,659,000 (2017: RMB200,000,000) from one of the shareholders of the Group's associate, Zhejiang Ocean during the year ended 31 December 2018.

- (iv) Mr. Zhang is the executive director of the Company, the amount is unsecured, interest at 12% per annum (2017: 12%) and repayable on demand.

Mr. Zhang has provided a personal guarantee in favour of the Group to guarantee a facility of RMB430,000,000 (2017: RMB430,000,000) granted by banks in the PRC during the year ended 31 December 2018.

附註:

- (i) 汪先生於二零一七年十一月二十一日辭任本公司之執行董事並成為本集團高級管理層成員。該款項為無抵押、免息及須按要求償還。

於截至二零一八年十二月三十一日止年度，汪先生已以本集團為受益人提供個人擔保以擔保中國之銀行授出之融資約人民幣158,015,000元（二零一七年：人民幣158,015,000元）。

- (ii) 吳先生為本集團高級管理層成員。該款項為無抵押、免息及須按要求償還。

- (iii) 李先生為本公司之執行董事，該款項為無抵押、免息及須按要求償還。

於截至二零一八年十二月三十一日止年度，李先生已以本集團為受益人提供個人擔保以擔保中國之銀行授出之融資約人民幣692,454,000元（二零一七年：人民幣701,300,000元）。

於截至二零一八年十二月三十一日止年度，李先生亦就擔保償還一名人士（為本集團聯營公司浙江海洋之其中一名股東）借款約人民幣74,659,000元（二零一七年：人民幣200,000,000元）之責任提供個人擔保。

- (iv) 張先生為本公司之執行董事，該款項為無抵押、按年利率12%計息（二零一七年：12%）及須按要求償還。

於截至二零一八年十二月三十一日止年度，張先生已以本集團為受益人提供個人擔保以擔保中國之銀行授出之融資人民幣430,000,000元（二零一七年：人民幣430,000,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

46. RELATED PARTY TRANSACTIONS (CONTINUED)

- (c) The key management of the Group comprises all Directors and chief executives, detail of their remuneration are disclosed in Note 14 to the consolidated financial statements. The remuneration of Directors and chief executives recommended by the remuneration committee and with reference to the market trends.
- (d) During the years ended 31 December 2018 and 31 December 2017, the Group entered into the following transactions with several associates.

46. 有關聯人士交易 (續)

- (c) 本集團之主要管理層包括全體董事及主要行政人員，其薪酬詳情已於綜合財務報表附註14內披露。董事及主要行政人員之薪酬乃由薪酬委員會經參考市場趨勢而建議。
- (d) 於截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，本集團與若干聯營公司訂有以下交易。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Rental income	租金收入	77	99
Interest expenses	利息開支	6,808	4,628
Service income	服務收益	409	1,901

- (e) The Directors are of the view that the terms of the above related party transactions are fair and reasonable, based on normal commercial terms where no charge over the assets of the Group is created in respect of the above transactions

- (e) 董事認為上述有關聯人士交易之條款屬公平合理及按一般商業條款進行，其中概無就上述交易對本集團之資產設立押記。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

47. 本公司之財務狀況表及儲備

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備		968	1,416
Investments in subsidiaries	於附屬公司之投資		—	—
			<u>968</u>	<u>1,416</u>
CURRENT ASSETS	流動資產			
Other receivables	其他應收款項		2,165	23,441
Loan to a subsidiary	提供予一間附屬公司之貸款	(b)	—	60,000
Investments held for trading	持作買賣之投資		32	54
Bank balances and cash	銀行結餘及現金		203	303
			<u>2,400</u>	<u>83,798</u>
CURRENT LIABILITIES	流動負債			
Other payables	其他應付款項		106,942	133,632
Amount due to subsidiaries	應付附屬公司款項		1,975	466
Amount due to a director	應付一名董事款項	(a)	11,530	400
Borrowings	借貸		62,815	—
Convertible bonds payables	應付可換股債券		168,138	—
			<u>351,400</u>	<u>134,498</u>
NET CURRENT LIABILITIES	流動負債淨額		<u>(349,000)</u>	<u>(50,700)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		<u>(348,032)</u>	<u>(49,284)</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

47. 本公司之財務狀況表及儲備 (續)

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Financial guarantee	財務擔保		701,043	701,043
Convertible bonds payables	應付可換股債券		—	148,965
			<u>701,043</u>	<u>850,008</u>
NET LIABILITIES	負債淨額		<u>(1,049,075)</u>	<u>(899,292)</u>
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本		681,842	681,842
Reserves	儲備	(c)	<u>(1,730,917)</u>	<u>(1,581,134)</u>
			<u>(1,049,075)</u>	<u>(899,292)</u>

The Company's statement of financial position was approved and authorised for issue by the board of directors on 29 March 2019 and consigned on its behalf by:

董事會已於二零一九年三月二十九日通過及授權刊發本公司財務狀況表，並由下列董事代表簽署核實：

LI Ming
李明
Director
董事

ZHANG Shi Hong
張士宏
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

47. 本公司之財務狀況表及儲備 (續)

Notes:

- (a) Amount due to a director is unsecured, interest free and repayable on demand.
- (b) During the year ended 31 December 2018, impairment loss of approximately HK\$60,000,000 (2017: HK\$48,434,000) have been recognised in respect of the loan to Jiangxi Shipbuilding.
- (c) Movements in the Company's reserves

附註:

- (a) 應付一名董事款項乃無抵押、免息及須按要求償還。
- (b) 於截至二零一八年十二月三十一日止年度，已就授予江西造船之貸款確認減值虧損約60,000,000港元(二零一七年: 48,434,000港元)。
- (c) 本公司儲備之變動

		Share premium	Contributed surplus	Share option reserve	Convertible bonds reserve	Accumulated losses	Total
		股份溢價	繳入盈餘	購股權儲備	可換股債券儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
					(Note 35)		
					(附註35)		
At 1 January 2017	於二零一七年一月一日	1,641,990	3,368,411	129,910	11,343	(6,496,866)	(1,345,212)
Loss for the year, representing total comprehensive expenses for the year	本年度虧損 (即年內全面開支總額)	-	-	-	-	(505,380)	(505,380)
Issuance of shares for settlement of contingent consideration payable	發行股份以清償應付或然代價	204,399	-	-	-	-	204,399
Redemption of equity component of convertible bonds upon maturity	於到期時贖回可換股債券之權益部分	-	-	-	(11,343)	11,343	-
Recognition of equity component of convertible bonds	確認可換股債券之權益部分	-	-	-	42,127	-	42,127
Issuance of shares upon conversion of convertible bonds	於兌換可換股債券後發行股份	22,932	-	-	-	-	22,932
At 31 December 2017	於二零一七年十二月三十一日	1,869,321	3,368,411	129,910	42,127	(6,990,903)	(1,581,134)
Loss for the year, representing total comprehensive expenses for the year	本年度虧損 (即年內全面開支總額)	-	-	-	-	(149,783)	(149,783)
Lapse of share options	購股權失效	-	-	(92,887)	-	92,887	-
At 31 December 2018	於二零一八年十二月三十一日	1,869,321	3,368,411	37,023	42,127	(7,047,799)	(1,730,917)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

48. 本公司之附屬公司詳情

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership effective interests held by the Company 本公司所持所有權實際權益之比例				Proportion of voting power held by the Company 本公司所持投票權之比例				Principal activities 主要業務
			2018 二零一八年		2017 二零一七年		2018 二零一八年		2017 二零一七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
			%	%	%	%	%	%	%	%	
INPAX Technology Limited	British Virgin Islands*	50,000 ordinary shares of USD1 each	100	-	100	-	100	-	100	-	Investment holding
INPAX Technology Limited	英屬處女群島*	50,000股每股面值1美元之普通股									投資控股
Merge Limited	Hong Kong	300,000,000 ordinary shares of HK\$1 each	100	-	100	-	100	-	100	-	Trading and investment holding
聚合有限公司	香港	300,000,000股每股面值1港元之普通股									貿易及投資控股
China Ocean Shipbuilding Holdings Limited	British Virgin Islands*	1 ordinary share of USD1 each	100	-	100	-	100	-	100	-	Investment holding
中海船舶控股有限公司	英屬處女群島*	1股每股面值1美元之普通股									投資控股
China Ocean Natural Gas Holdings Limited	British Virgin Islands*	1 ordinary share of USD1 each	100	-	100	-	100	-	100	-	Investment holding
China Ocean Natural Gas Holdings Limited	英屬處女群島*	1股每股面值1美元之普通股									投資控股
China Ocean Shipbuilding Services Limited	Hong Kong	1 ordinary share of HK\$1 each	-	100	-	100	-	100	-	100	Inactive
中海船舶服務有限公司	香港	1股每股面值1港元之普通股									暫無業務

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below: (Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership effective interests held by the Company 本公司所持所有權實際權益之比例				Proportion of voting power held by the Company 本公司所持投票權之比例				Principal activities 主要業務
			2018 二零一八年		2017 二零一七年		2018 二零一八年		2017 二零一七年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
China Ocean Shipbuilding (Hong Kong) Limited 中海船舶(香港)有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	-	60	-	100	-	60	-	100	Investment holding and sale agent for shipbuilding 投資控股及造船銷售代理
China Ocean (LNG) Limited 中海天然氣有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	-	100	-	100	-	100	-	100	Inactive 暫無業務
Jiangxi Shipbuilding 江西造船	PRC** 中國**	USD 59,000,000 paid-up registered capital 59,000,000美元實繳註冊資本	-	100	-	100	-	100	-	100	Manufacturing metal vessel, vessel ancillary products and reparation of vessels 製造金屬船舶、船舶配套產品以及維修船舶
Jiujiang Jinhu Equipment Manufacturing Company Limited 九江金湖裝備製造有限公司	PRC* 中國*	RMB30,000,000 paid-up registered capital 人民幣30,000,000元實繳註冊資本	-	100	-	100	-	100	-	100	Metal structure and component manufacturing 金屬結構及構件製造
China Ocean Industry (Shenzhen) Financial Leasing Company Limited 中海重工(深圳)融資租賃有限公司	PRC** 中國**	RMB300,000,000 paid-up registered capital 人民幣300,000,000元實繳註冊資本	-	100	-	100	-	100	-	100	Provision of financial leasing, acquisition and sale and lease back of fixed assets and advisory services, and business factoring in the PRC 於中國提供融資租賃、收購以及出售及租回固定資產及顧問服務，以及業務保理

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership effective interests held by the Company 本公司所持所有權實際權益之比例				Proportion of voting power held by the Company 本公司所持投票權之比例				Principal activities 主要業務
			2018 二零一八年		2017 二零一七年		2018 二零一八年		2017 二零一七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
			%	%	%	%	%	%	%	%	
Jiangxi Jincao New Energy Development Company Limited	PRC	RMB3,000,000,000 paid-up registered capital	-	100	-	100	-	100	-	100	Development of new energy technology and energy conservation facilities
江西金巢新能源發展有限公司	中國	人民幣3,000,000,000元實 繳註冊資本	-	100	-	100	-	100	-	100	發展新能源技術及節能設 施
Brilliant Plus Holdings Limited	British Virgin Islands*	1 ordinary share of USD1 each	100	-	100	-	100	-	100	-	Investment holding
Brilliant Plus Holdings Limited	英屬處女群島*	1股每股面值1美元之普通 股	100	-	100	-	100	-	100	-	投資控股
Power On Investment Limited	British Virgin Islands*	1 ordinary share of USD1 each	100	-	100	-	100	-	100	-	Investment holding
Power On Investment Limited	英屬處女群島*	1股每股面值1美元之普通 股	100	-	100	-	100	-	100	-	投資控股
China Ocean Prosperity Logistic Limited	Hong Kong	1 ordinary share of HK\$1 each	-	100	-	100	-	100	-	100	Import and export electronic devices
中海興航有限公司	香港	1股每股面值1港元之普通 股	-	100	-	100	-	100	-	100	電子設備進出口
China Ocean Materials Trading (Shenzhen) Company Limited (Note a)	PRC**	RMB65,000,000 paid-up registered capital and RMB35,000,000 unpaid registered capital	-	55	-	55	-	75 (Note a) (附註a)	-	75 (Note a) (附註a)	Manufacturing and sales of intelligent car parking in the PRC
中海物貿(深圳)有限公司 (附註a)	中國**	人民幣65,000,000元實 繳註冊資本及人民幣 35,000,000元未繳註冊 資本	-	55	-	55	-	75 (Note a) (附註a)	-	75 (Note a) (附註a)	於中國製造及銷售智能停 車設備

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below: (Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership effective interests held by the Company 本公司所持所有權實際權益之比例				Proportion of voting power held by the Company 本公司所持投票權之比例				Principal activities 主要業務
			2018 二零一八年		2017 二零一七年		2018 二零一八年		2017 二零一七年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Power On Heavy Lift 1071 Limited	Marshall Islands *	1 ordinary share of USD1 each	-	100	-	100	-	100	-	100	Investment holding
Power On Heavy Lift 1071 Limited	馬紹爾群島*	1股每股面值1美元之普通股									投資控股
Power On Heavy Lift 1072 Limited	Marshall Islands *	1 ordinary share of USD1 each	-	100	-	100	-	100	-	100	Investment holding
Power On Heavy Lift 1072 Limited	馬紹爾群島*	1股每股面值1美元之普通股									投資控股
Success Capture Limited	British Virgin Islands *	10,000 ordinary shares of USD1 each	-	100	-	100	-	100	-	100	Investment holding
Success Capture Limited	英屬處女群島*	10,000股每股面值1美元之普通股									投資控股
Shandong Ruitong (Hong Kong) Parking Management Services Company Limited	Hong Kong	10,000 ordinary shares of HK\$1 each	-	100	-	100	-	100	-	100	Investment holding
山東瑞通(香港)停車管理服務有限公司	香港	10,000股每股面值1港元之普通股									投資控股
Shenzhen China Ocean Saige Intelligent Parking Development Company Limited	PRC	RMB50,000,000 paid-up registered capital and RMB8,823,500 unpaid registered capital	-	55.25	-	55.25	-	55.25	-	55.25	Investment and management of intelligent car parking in the PRC
深圳中海賽格智慧停車發展有限公司	中國	人民幣50,000,000元實繳註冊資本及人民幣8,823,500元未繳註冊資本									於中國投資及管理智能停車場
Liaochen Dereton Industrial Development Co. Ltd	PRC**	USD3,500,000 paid-up registered capital	-	100	-	100	-	100	-	100	Investment holding
聊城德瑞通實業發展有限公司	中國**	3,500,000美元實繳註冊資本									投資控股

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership effective interests held by the Company 本公司所持所有權實際權益之比例				Proportion of voting power held by the Company 本公司所持投票權之比例				Principal activities 主要業務
			2018 二零一八年		2017 二零一七年		2018 二零一八年		2017 二零一七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
			%	%	%	%	%	%	%	%	
Shandong Dere-ton Automotive Parking Equipment Co. Ltd	PRC**	RMB30,000,000 paid-up registered capital and RMB20,000,000 unpaid registered capital	-	100	-	100	-	100	-	100	Designing, manufacturing and installation of intelligent automotive parking equipment in the PRC
山東瑞通停車設備有限公司	中國**	人民幣30,000,000元實繳註冊資本及人民幣20,000,000元未繳註冊資本									於中國設計、製造及安裝智能汽車停車設備
Shenzhen Shanling Automotive Electronic Technology Co. Ltd	PRC	RMB5,000,000 paid-up registered capital	-	100	-	100	-	100	-	100	Operating of "Internet of Vehicles" and designing and manufacturing of electronic automotive devices in the PRC
深圳市善領汽車電子科技有限公司	中國	人民幣5,000,000元實繳註冊資本									於中國從事「車聯網」運營及設計及製造汽車電子設備
Jiangxi Anlianshang Parking Management Service Co. Ltd	PRC	RMB5,000,000 paid-up registered capital and RMB5,000,000 unpaid registered capital	-	60	-	60	-	60	-	60	Investment and management of car parks
江西安聯尚停車投資管理有限公司	中國	人民幣5,000,000元實繳註冊資本及人民幣5,000,000元未繳註冊資本									投資及管理停車場
Shandong Anlianshang Parking Industry Co. Ltd	PRC	RMB1,000,000 paid-up registered capital	-	60	-	60	-	60	-	60	Investment and management of car parks
山東安聯尚停車產業有限公司	中國	人民幣1,000,000元實繳註冊資本									投資及管理停車場

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below: (Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership effective interests held by the Company 本公司所持所有權實際權益之比例				Proportion of voting power held by the Company 本公司所持投票權之比例				Principal activities 主要業務
			2018 二零一八年		2017 二零一七年		2018 二零一八年		2017 二零一七年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
China Ocean Shipbuilding Leasing No.1 (Shenzhen) Co., Ltd China Ocean Shipbuilding Leasing No.1 (Shenzhen) Co., Ltd	PRC 中國	RMB100,000 unpaid registered capital 人民幣100,000元未繳註冊資本	-	100	-	100	-	100	-	100	Consulting and advisory services 諮詢及顧問服務
China Ocean Shipbuilding Leasing No.2 (Shenzhen) Co., Ltd China Ocean Shipbuilding Leasing No.2 (Shenzhen) Co., Ltd	PRC 中國	RMB100,000 unpaid registered capital 人民幣100,000元未繳註冊資本	-	100	-	100	-	100	-	100	Consulting and advisory services 諮詢及顧問服務
China Ocean Industry (Shenzhen) Company Limited 中海重工(深圳)有限公司	PRC** 中國**	RMB100,000,000 unpaid registered capital 人民幣100,000,000元未繳註冊資本	-	100	-	100	-	100	-	100	Investment holding 投資控股
Jiangxi China Ocean Industry Company Limited 江西中海重工有限公司	PRC 中國	RMB100,000,000 unpaid registered capital 人民幣100,000,000元未繳註冊資本	-	100	-	100	-	100	-	100	Inactive 暫無業務
Xian China Ocean Huafu Parking Management Company Limited 西安中海華富停車管理有限公司	PRC 中國	RMB50,000,000 unpaid registered capital 人民幣50,000,000元未繳註冊資本	-	100	-	100	-	100	-	100	Investment and management of intelligent car parking in the PRC 於中國投資及管理智能停車場
Shenzhen Qianhai Yuandongli Communication Technology Company Limited 深圳市前海元動力通信技術有限公司	PRC 中國	RMB34,500,000 unpaid registered capital 人民幣34,500,000元未繳註冊資本	-	69	-	69	-	69	-	69	Inactive 暫無業務

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership effective interests held by the Company 本公司所持所有權實際權益之比例				Proportion of voting power held by the Company 本公司所持投票權之比例				Principal activities 主要業務
			2018		2017		2018		2017		
			二零一八年		二零一七年		二零一八年		二零一七年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Shenzhen Yuandongli Technology Company Limited 深圳市元動力科技有限公司	PRC 中國	RMB500,000 paid-up registered capital 人民幣500,000元實繳註冊資本	-	100	-	100	-	100	-	100	Invention of software and information technology services, selling software 開發軟件及資訊科技服務，銷售軟件
Nantong Huakai Heavy Industry Company Limited 南通華凱重工有限公司	PRC 中國	RMB150,000,000 paid-up registered capital 人民幣150,000,000元實繳註冊資本	-	100	-	100	-	100	-	100	Manufacture and sales of steel structures and fittings for ship, marine equipment, mining equipment 製造及銷售船用鋼結構及配件、航海設備、採礦設備
Nantong Fangzheng Ocean Engineering Technology Company Limited 南通方正海洋工程科技有限公司	PRC 中國	RMB25,000,000 paid-up registered capital 人民幣25,000,000元實繳註冊資本	-	100	-	100	-	100	-	100	Manufacture and sales of steel structure 製造及銷售鋼結構
Nantong Huakai Ship Painting Company Limited 南通華凱船舶塗裝有限公司	PRC 中國	RMB5,000,000 paid-up registered capital 人民幣5,000,000元實繳註冊資本	-	100	-	100	-	100	-	100	Provision of pretreatment and painting services of steel plate 提供鋼板預處理及噴漆服務
Nantong Huakai Software Technology Company Limited 南通華凱軟件科技有限責任公司	PRC 中國	RMB10,000,000 unpaid registered capital 人民幣10,000,000元未繳註冊資本	-	100	-	100	-	100	-	100	Inactive 暫無業務

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership effective interests held by the Company 本公司所持所有權實際權益之比例				Proportion of voting power held by the Company 本公司所持投票權之比例				Principal activities 主要業務
			2018 二零一八年		2017 二零一七年		2018 二零一八年		2017 二零一七年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Ruichang Jinhai Shipping Company Limited 瑞昌市金海輪船有限公司	PRC 中國	RMB2,000,000 paid-up registered capital 人民幣2,000,000元實繳註冊資本	-	100	-	100	-	100	-	100	Inactive 暫無業務
China Ocean Intelligent Equipment Technology Industrial Park (Shenzhen) Company Limited 中海智能裝備科技產業園(深圳)有限公司	PRC** 中國**	RMB100,000,000 unpaid registered capital 人民幣100,000,000元未繳註冊資本	-	100	-	100	-	100	-	100	Inactive 暫無業務
HuNan China Ocean Saige Intelligent Parking Company Limited 湖南中海賽格智慧停車管理有限公司	PRC 中國	RMB25,500,000 unpaid registered capita 人民幣25,500,000元未繳註冊資本	-	51	-	51	-	51	-	51	Inactive 暫無業務
Shandong Ruitong Intelligent Parking Construction and Operation Company Limited 山東瑞通智慧停車建設運營有限公司	PRC 中國	RMB50,000,000 unpaid registered capital 人民幣50,000,000元未繳註冊資本	-	100	-	100	-	100	-	100	Operating and management of intelligent car parking in the PRC 於中國運營及管理智慧停車場

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

- * The companies are engaged in investment holding and have no specific principal place of operation.
- ** The companies are registered in the form of wholly foreign owned enterprises.
- # Jinjiang Jinhui is controlled by the Company through contracted agreements.

Notes:

- a) The Group is able to exercise control over China Ocean Materials Trading because it appointed three out of four directors of China Ocean Materials Trading.

None of the subsidiaries had any debt securities at 31 December 2018 and 2017 or at any time during both years.

48. 本公司之附屬公司詳情 (續)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

- * 該等公司從事投資控股，並無固定主要營業地點。
- ** 該等公司以外商獨資企業之形式註冊。
- # 九江金湖由本公司透過合約協議之方式控制。

附註：

- a) 由於本集團委任中海物貿四名董事中的三名，因此能夠對中海物貿行使控制權。

於二零一八年及二零一七年十二月三十一日或於該兩個年度內任何時間，概無附屬公司有任何債務證券。

49. MAJOR NON-CASH TRANSACTION

(i) Repayment of trade receivables by investment properties

During the year ended 31 December 2017, the revenue of approximately HK\$7,660,000 was recognised by the intelligent car parking and automotive device business which represented the fair value of 13 properties located in Shandong Province and Shanxi Province at the settlement date in exchange for the intelligent car parking structure. The properties were recorded as investment properties as disclosed in Note 18 to the consolidated financial statements.

49. 重大非現金交易

(i) 以投資物業償還貿易應收款項

於截至二零一七年十二月三十一日止年度，智慧停車及汽車電子業務確認之收益約7,660,000港元指交換智能停車場結構之位於山東省及山西省的13項物業於結算日期之公平值。誠如綜合財務報表附註18所披露，該等物業列為投資物業。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

49. MAJOR NON-CASH TRANSACTION (CONTINUED)

(ii) Repayment of trade receivables by property, plant and equipment

During the year ended 31 December 2017, the property, plant and equipment of approximately HK\$132,126,000 was recognised by the steel structure engineering and installation business which represented the fair value of property, plant and equipment of a former related company used to settle the amount due from this former related company to the Group (Note 17).

(iii) Settlement of borrowing through disposal of an associate

In January 2017, Merge, a wholly-owned subsidiary of the Company, has disposed of its 25% equity interest in Qiandao Financial Leasing to an independent third party at a consideration of approximately HK\$29,118,000. The consideration was settled by offsetting the other borrowing from that independent third party to the Group (Note 22).

(iv) Transfer of prepaid lease payments from other receivables

During the year ended 31 December 2018, prepaid lease payments of approximately HK\$1,697,000 was transferred from other receivables as the land use right certificate have been issued to the Group by the relevant government authorities as at 31 December 2018 in which the Group had paid in previous years.

49. 重大非現金交易（續）

(ii) 以物業、廠房及設備償還貿易應收款項

於截至二零一七年十二月三十一日止年度，鋼結構工程及安裝業務確認物業、廠房及設備約132,126,000港元指前關連公司用於結算前關連公司應付本集團款項的物業、廠房及設備的公平值（附註17）。

(iii) 透過出售一間聯營公司結清借貸

於二零一七年一月，本公司之全資附屬公司聚合已以代價約29,118,000港元出售其於千島融資租賃的25%股權予一名獨立第三方。代價乃透過抵銷該獨立第三方借予本集團的其他借貸結清（附註22）。

(iv) 預付租賃款項自其他應收款項轉出

於截至二零一八年十二月三十一日止年度，預付租賃款項約1,697,000港元已自其他應收款項轉出，原因為有關政府機構已於二零一八年十二月三十一日向本集團發出土地使用權證，而本集團已於往年支付有關款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

49. MAJOR NON-CASH TRANSACTION (CONTINUED)

(v) Equity transaction with non-controlling interest

During the year ended 31 December 2018, the consideration of HK\$228,000,000 (RMB200,000,000) due from the non-controlling shareholder to the Group pursuant to the Disposal Agreement (as defined in Note 50) was included in other receivables as at 31 December 2018.

(vi) Settlement of other payables by dividend receivables

During the year ended 31 December 2018, the dividend receivables of approximately HK\$60,083,000 (approximately RMB50,069,000) from Zhoushan Investment Fund were offset with the payable to one of the shareholders of the Group's associate, Zhejiang Ocean by the Group.

50. DISPOSAL OF EQUITY INTEREST OF A SUBSIDIARY WITHOUT LOSING CONTROL

During the year ended 31 December 2018, an independent third party acquired 40% issued shares of China Ocean Shipbuilding (Hong Kong) Limited ("China Ocean HK"), a indirect wholly-owned subsidiary of the Company, with the consideration of HK\$228,000,000 (RMB200,000,000) ("Disposal Agreement"), the Group's equity interests in China Ocean HK was diluted from 100% to 60%. The difference between the consideration receivable and the carrying value of net assets deemed disposed of in an equity transaction with non-controlling interest resulted from the change in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary amounting to approximately HK\$18,703,000 was recognised in equity as other reserve and an increase of approximately HK\$209,297,000 was recognised in the non-controlling interests.

49. 重大非現金交易 (續)

(v) 與非控股權益之股權交易

於截至二零一八年十二月三十一日止年度，非控股股東根據出售協議（定義見附註50）應付本集團之代價228,000,000港元（人民幣200,000,000元）已於二零一八年十二月三十一日計入其他應收款項。

(vi) 以應收股息償付其他應付款項

於截至二零一八年十二月三十一日止年度，應收舟山投資企業之股息約60,083,000港元（約人民幣50,069,000元）已用於抵銷本集團應付本集團聯營公司浙江海洋一名股東之款項。

50. 出售一間附屬公司之股權（並無失去控制權）

於截至二零一八年十二月三十一日止年度，一名獨立第三方以代價228,000,000港元（人民幣200,000,000元）收購中海船舶（香港）有限公司（「中海香港」，本公司之間接全資附屬公司）之40%已發行股份（「出售協議」），本集團於中海香港之股權由100%攤薄至60%。本集團於一間附屬公司所有權權益之變動（並無導致失去對附屬公司之控制權）導致與非控股權益股本交易中應收代價與視作已出售資產淨值賬面值之間的差額約18,703,000港元已於權益中作為其他儲備確認，並已確認非控股權益增加約209,297,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

51. EVENTS AFTER THE REPORTING PERIOD

Proposed disposal of an associate

On 28 February 2019, Merge Limited, a wholly-owned subsidiary of the Company, as vendor (“Vendor”) and China Medical Services Holdings Limited, as purchaser (“Purchaser”) entered into the share purchase agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the 20% equity interest of Zhejiang Ocean at a maximum consideration of RMB170 million. Completion has not yet taken place as at the date of this report.

51. 呈報期後事項

建議出售一間聯營公司

於二零一九年二月二十八日，聚合有限公司（本公司之全資附屬公司）（作為賣方）（「賣方」）與泰和誠醫療集團有限公司（作為買方）（「買方」）訂立購股協議，據此，賣方已有條件同意出售而買方已有條件同意購買浙江海洋之20%股權，最高代價為人民幣170百萬元。於本報告日期，完成尚未落實。

52. CAPITAL COMMITMENTS

52. 資本承擔

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contracted for but not provided in the consolidated financial statement:	已訂約但未於綜合財務報表計提撥備：		
Unpaid registered capital for the associates	聯營公司之未繳註冊資本	100,560	103,260
Unpaid registered capital for the subsidiaries	附屬公司之未繳註冊資本	604,428	636,240
Unpaid registered capital for a joint venture	一間合營企業之未繳註冊資本	114,000	120,000
Capital expenditure in respect of the acquisition of property, plant and equipment	有關收購物業、廠房及設備之資本支出	28,023	29,498
		847,011	888,998

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

53. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

53. 融資活動所產生負債之對賬

下表詳細說明本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債指於本集團綜合現金流量表內分類為融資活動所產生之現金流量或未來現金流量之負債。

		Bank borrowing	Other borrowing	Convertible bonds payables	Contingent consideration payable	Finance costs payable (included in other payable) 應付財務 成本 (計入其他 應付款項)	Total
		銀行借貸 HK\$'000 千港元 (Note 32) (附註32)	其他借貸 HK\$'000 千港元 (Note 32) (附註32)	應付 可換股債券 HK\$'000 千港元 (Note 35) (附註35)	應付 或然代價 HK\$'000 千港元 (Note 38) (附註38)	應付財務 成本 (計入其他 應付款項) HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	992,857	1,095,339	348,879	317,628	1,652	2,756,355
Changes from cash flows:	現金流量變動:						
- Borrowing raised	- 已籌得借貸	105,590	47,581	-	-	-	153,171
- Repayment of borrowing	- 償還借貸	(102,019)	(124,230)	-	-	-	(226,249)
- Interest paid	- 已付利息	(45,113)	(16,040)	(12,696)	-	(9,771)	(83,620)
- Net proceeds from issuance of convertible bonds payables	- 發行應付可換股債券的所得款項淨額	-	-	189,000	-	-	189,000
- Early redemption convertible bonds payables	- 提早贖回應付可換股債券	-	-	(62,980)	-	-	(62,980)
Settlement of convertible bonds payables upon maturity	於到期時結清應付可換股債券	-	-	(155,000)	-	-	(155,000)
Non-cash changes	非現金變動						
- Acquisition of subsidiaries (Note 39)	- 收購附屬公司(附註39)	205,095	48,509	-	155,611	-	409,215
- Finance costs recognised (Note 11)	- 已確認融資成本(附註11)	57,241	78,109	24,628	-	13,513	173,491
- Issuance of shares for settlement of contingent consideration payable	- 發行股份以清償應付或然代價	-	-	-	(277,924)	-	(277,924)
- Change in fair value	- 公平值變動	-	-	-	5,081	-	5,081
- Gain on early redemption of convertible bonds payables	- 提前贖回應付可換股債券之收益	-	-	(5,003)	-	-	(5,003)
- Gain on settlement of contingent consideration payable	- 結算應付或然代價之收益	-	-	-	(39,704)	-	(39,704)
- Change in fair value of convertible bonds payables	- 應付可換股債券之公平值變動	-	-	6,247	-	-	6,247
- Equity component of convertible bonds payables	- 應付可換股債券之權益部分	-	-	(42,127)	-	-	(42,127)
- Transfer of convertible bonds payables upon maturity	- 於到期時轉撥應付可換股債券	-	-	(97,000)	-	-	(97,000)
- Conversion of convertible bonds payables	- 轉換應付可換股債券	-	-	(31,111)	-	-	(31,111)
- Gain on redemption of convertible bonds payables upon maturity	- 到期贖回應付可換股債券之收益	-	-	(13,872)	-	-	(13,872)
- Effect of foreign exchange rate changes	- 匯率變動影響	59,930	111,331	-	9,860	134	181,255
At 31 December 2017	於二零一七年十二月三十一日	1,273,581	1,240,599	148,965	170,552	5,528	2,839,225

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

53. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

53. 融資活動所產生負債之對賬 (續)

		Bank and other borrowing 銀行及其他借貸 HK\$'000 千港元 (Note 32) (附註32)	Convertible bonds payables 應付可換股債券 HK\$'000 千港元 (Note 35) (附註35)	Contingent consideration payable 應付或然代價 HK\$'000 千港元 (Note 38) (附註38)	Finance costs payable (included in other payable) 應付財務成本 (計入其他應付款項) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	2,514,180	148,965	170,552	5,528	2,839,225
Changes from cash flows:	現金流量變動:					
- Borrowing raised	- 已籌得借貸	1,411,205	-	-	-	1,411,205
- Repayment of borrowing	- 償還借貸	(434,839)	-	-	-	(434,839)
- Interest paid	- 已付利息	(210,528)	-	-	(21,724)	(232,252)
Non-cash changes	非現金變動					
- Finance costs recognised (Note 11)	- 已確認融資成本 (附註11)	229,667	38,073	-	4,101	271,841
- Interest payable transfer to other payable	- 應付利息轉撥至其他應付款項	-	(18,900)	-	18,900	-
Transfer to other payable	轉撥至其他應付款項	-	-	(170,552)	-	(170,552)
- Effect of foreign exchange rate changes	- 匯率變動影響	(124,432)	-	-	(219)	(124,651)
At 31 December 2018	於二零一八年十二月三十一日	3,385,253	168,138	-	6,586	3,559,977

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

54. OPERATING LEASE COMMITMENTS

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	-	2,176
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	-	4,352
		-	6,528

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments payable under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	8,614	10,246
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	5,589	13,712
		14,203	23,958

Operating lease payments represent rental payables by the Group for certain of its office premises. Leases are negotiated and rentals are fixed for terms ranging from 2 to 3 years (2017: 2 to 3 years).

54. 經營租賃承擔

本集團作為出租人

於報告期末，本集團已與租戶訂約之未來最低租賃付款如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	-	2,176
In the second to fifth years, inclusive	-	4,352
	-	6,528

本集團作為承租人

於報告期末，本集團根據不可撤銷經營租約而須於下列期間支付之未來最低租賃付款承擔：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	8,614	10,246
In the second to fifth years, inclusive	5,589	13,712
	14,203	23,958

經營租賃付款指本集團就其若干辦公室物業應付之租金。租期經磋商而租金按介於2至3年（二零一七年：2至3年）的年期訂定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

55. DIVIDEND

No dividends were paid or proposed for ordinary shareholders of the Company during 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

55. 股息

於二零一八年並無派付或建議派發股息予本公司普通股股東，而自報告期末起亦無建議派發任何股息（二零一七年：無）。

56. COMPARATIVE FIGURES

During the year ended 31 December 2018, for enhancing the relevance of the presentation of the consolidated financial statements, reclassifications have been made to certain comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation. As a result, the following line items regarding comparative figures have been amended and adjusted, together with the related notes to conform to the current year's presentations:

56. 比較數字

於截至二零一八年十二月三十一日止年度，為提高綜合財務報表所呈列資料的相關性，已對去年綜合財務報表所呈列的若干比較數字重新分類，使其可與本年度所呈列的資料互相比較。因此，下列有關比較數字的項目已經作出修改及調整，連同相關附註以符合本年度呈列方式：

			Previous reported 先前呈報 HK\$'000 千港元	Reclassification 重新分類 HK\$'000 千港元	As restated 經重列 HK\$'000 千港元
Consolidated statement of profit or loss and other comprehensive income	綜合損益及其他全面收益表				
Administrative expenses	行政開支	Note 附註	208,525	(57,696)	150,829
Impairment losses	減值虧損	Note 附註	—	57,696	57,696
			208,525	—	208,525

Note:

Impairment loss on goodwill and intangible assets were reclassified from "Administrative expenses" to "Impairment losses".

附註：

商譽及無形資產減值虧損由「行政開支」重新分類至「減值虧損」。

Financial Summary

財務摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
RESULTS	業績					
LOSS FOR THE YEAR	本年度虧損	(1,546,710)	(620,952)	(359,226)	(500,813)	(633,177)

		At 31 December 於十二月三十一日				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
TOTAL ASSETS	資產總值	2,846,674	3,455,754	2,679,607	2,321,824	1,859,744
TOTAL LIABILITIES	負債總額	(5,025,430)	(4,351,884)	(3,284,359)	(2,708,596)	(2,638,022)
NET LIABILITIES	負債淨額	(2,178,756)	(896,130)	(604,752)	(386,772)	(778,278)



